

Securities Report

(Report in accordance with Article 24(1) of the
Financial Instruments and Exchange Law)

Business Year	From April 1, 2022
(51st fiscal year)	To March 31, 2023

MIRARTH HOLDINGS, Inc.
(Former company name: Takara Leben Co., Ltd.)

Tekko Building 16F 1-8-2, Marunouchi, Chiyoda-Ku, Tokyo, Japan

(E03997)

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[Audit report Sheet]

[Internal Control Report Document]

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[Filing]	Securities Report
[Applicable provision]	Article 24(1) of the Financial Instruments and Exchange Act
[Submitted To]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	June 23, 2023
[Fiscal year]	51st fiscal year (From April 1, 2022 to March 31, 2023)
[Company name]	MIRARTH HOLDINGS, Inc. (Former company name: Takara Leben Co., Ltd.)
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[Place for public inspection]	Kita-Kanto Branch of MIRARTH HOLDINGS, Inc. (1-20-1, Takahanacho, Omiya-ku, Saitama-shi, Saitama) Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I. [Company Information]

I. [Company Overview]

1[Trends in Major Management Indicators]

(1)FINANCIAL SUMMARY

Fiscal term		47th fiscal year	48th fiscal year	49th fiscal year	50th fiscal year	51st fiscal year
Year-end		2019 March	2020 March	2021 March	2022 March	2023 March
Net sales	(Millions of yen)	132,005	168,493	148,397	162,744	153,472
Ordinary income	(Millions of yen)	9,027	11,201	9,933	10,258	5,033
Net income attributable to owners of parent	(Millions of yen)	6,426	5,361	4,693	6,215	4,584
Comprehensive income	(Millions of yen)	6,408	5,202	5,327	6,293	3,852
Net assets	(Millions of yen)	47,734	51,139	54,632	59,601	65,142
Total assets	(Millions of yen)	184,893	195,448	204,315	223,473	341,669
1 Shares Per share Net assets	(Yen)	436.68	467.05	498.78	542.04	558.95
Net income per share	(Yen)	59.33	49.45	43.22	57.10	41.90
Fully diluted Net income per share	(Yen)	59.00	49.11	42.94	56.69	41.58
Equity ratio	(%)	25.6	25.9	26.5	26.5	18.0
Return on equity	(%)	14.3	10.9	9.0	11.0	7.6
Price-earnings ratio	(times)	5.8	7.1	8.6	5.2	9.0
Cash flow from operating activities	(Millions of yen)	22,428	47,708	26,330	23,189	△722
Cash flow from investing activities	(Millions of yen)	△34,347	△32,136	△25,090	△27,871	△46,354
Cash flow from financing activities	(Millions of yen)	3,427	△1,608	2,654	△1,132	61,531
Cash and cash equivalents' Term end Balance	(Millions of yen)	20,642	34,605	38,500	32,693	47,148
Number of employees		892	973	1,061	1,200	1,293
(Outside, average number of temporary employees)	(People)	(113)	(118)	(118)	(111)	(104)

(NOTE)The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year under 50th fiscal year, and the key management indicators, etc. related to 50th fiscal year and thereafter are the indicators after the application of this accounting standard.

(2) Non-consolidated business performance indicators

Fiscal term		47th fiscal year	48th fiscal year	49th fiscal year	50th fiscal year	51st fiscal year
Year-end		2019 March	2020 March	2021 March	2022 March	2023 March
Net sales	(Millions of yen)	98,823	123,908	96,949	88,949	77,364
Ordinary income	(Millions of yen)	8,002	10,548	8,682	7,738	4,305
Net income	(Millions of yen)	5,982	4,667	3,257	5,052	3,659
Capital stock	(Millions of yen)	4,819	4,819	4,819	4,819	4,819
Number of issued shares	(Shares)	121,000,000	121,000,000	121,000,000	121,000,000	121,000,000
Net assets	(Millions of yen)	43,143	45,844	47,803	51,447	52,937
Total assets	(Millions of yen)	157,200	150,255	144,796	150,689	154,996
1 Shares Per share Net assets	(Yen)	396.14	420.64	438.12	469.97	480.08
1 Shares Per share dividends (Including 1 Shares Per share interim dividends)	(Yen)	16.00 (5.00)	19.00 (6.00)	14.00 (4.00)	18.00 (4.00)	22.00 (4.00)
Net income per share	(Yen)	55.23	43.05	30.00	46.42	33.45
Fully diluted Net income per share	(Yen)	54.92	42.75	29.80	46.08	33.19
Equity ratio	(%)	27.3	30.4	32.9	34.0	34.0
Return on equity	(%)	14.6	10.5	7.0	10.2	7.0
Price-earnings ratio	(times)	6.2	8.1	12.4	6.4	11.3
Dividend payout ratio	(%)	29.0	44.1	46.7	38.8	65.8
Number of employees (Outside, average number of temporary employees)	(People)	296 (5)	334 (10)	365 (9)	343 (8)	9 (-)
Total shareholder return (Comparison index: TOPIX with dividends)	(%)	78.3 (95.0)	83.5 (85.9)	91.7 (122.1)	79.6 (124.6)	101.3 (131.8)
Highest stock price	(Yen)	482	525	408	378	404
Lowest stock price	(Yen)	269	306	290	261	280

(NOTE)1. 51st fiscal year's 1 Shares Per share dividends include a commemorative 50th anniversary dividend of 2 yen.

- The highest and lowest share prices are based on Tokyo Stock Exchange Prime market on April 4, 2022 and on the First Section of Tokyo Stock Exchange Stock Exchange for prior periods.
- The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year under 50th fiscal year, and the key management indicators, etc. related to 50th fiscal year and thereafter are the indicators after the application of this accounting standard.

2[History]

September, 1972	Itabashi-ku, Tokyo Established Takara Komuten Co., Ltd. in Yamato-cho for 1.7 million yen per Capital stock.
January, 1973	Real Estate Transaction Business Tokyo Governor (1) obtained a license for No. 23405 and commenced Real estate.
May, 1974	Head office moved to Nakaitabashi, Itabashi-ku.
June, 1975	Purchased the Daiichi Takara Building, a head office building, in Nakaitabashi, Itabashi-ku.
August, 1975	Tokyo Metropolitan Governor's License (General-50) No. 37608 obtained.
June, 1979	Head office moved to Daiichi Takara Building.
September, 1985	Obtained permission under Governor of Tokyo Metropolitan Government (1) No. 05714.
May, 1986	Established Takara Zyuhan Co., Ltd. to expand sales and brokerage operations.
April, 1988	Established Takara Management Co., Ltd., a real estate management company.
May, 1989	Takara Zyuhan Co., Ltd. changed its license from the Tokyo Metropolitan Governor to Construction Minister's license (1) No. 3900.
May, 1994	Established Takara Zyuhan Condominium Division Co., Ltd.
June, 1994	Launched the Leben Heim series of condominiums sold in-house.
February, 1996	Takara Management Co., Ltd. changed its name to Leben Community Co., Ltd.
August, 1999	Real Estate Transaction Business: Minister of Construction License, License Number: Minister of Construction (1) No. 5924.
September, 1999	Absorbed Takara Zyuhan Co., Ltd.
October, 2000	Changed the company name from Takara Komuten Co., Ltd. to Takara Leben Co., Ltd.
August, 2001	Head office moved to Toshima-ku, Tokyo.
November, 2001	Listed on the JASDAQ market
December, 2001	Established TAFUKO CO., LTD. (now Leben Zestock Co., Ltd.), a loan agency business.
April, 2003	Listed on the Second Section of Tokyo Stock Exchange
March, 2004	Listed on the First Section of Tokyo Stock Exchange.
November, 2004	Established the nursing care business "Azu Partners Co., Ltd."
June, 2005	General Construction Business License was changed to Specified Construction Business License (Special-17) No. 37608.
September, 2005	Registered as trust beneficiary right sales business, Director-General of the Kanto Local Finance Bureau (sales credit) No. 241.
May, 2006	Head office moved to Shinjuku Sumitomo Building in Shinjuku, Tokyo.
March, 2009	Transferred from a consolidated subsidiary to an equity-method affiliate following the partial sale of shares in Azu Partners Co., Ltd.
September, 2009	Established Kita-Kanto Branch.
May, 2010	Completed the capital increase through the first rights issue in Japan.
April, 2012	Announced new condominium brand LEBEN.
October, 2012	Acquired Takara Housing Co., Ltd. (formerly Takara Property Co., Ltd.), a leasing management business, as a subsidiary.
February, 2013	Launched mega-solar business.
October, 2013	Established Takara Asset Management Co., Ltd., an investment management business.
November, 2013	Sunwood Corporation became an equity-method affiliate.
April, 2014	Hokuriku Sales Office opened.
June, 2014	Acquired Oasis Co., Ltd. (now Takara Leben Realnet Co., Ltd.), a real estate distribution business, as a subsidiary.
October, 2014	Made Nikko Construction Co., Ltd. (now Leben Home Build Co., Ltd.) a subsidiary.
January, 2015	Made Livenet Home Co., Ltd. (formerly Takara Leben Tohoku Co., Ltd.) a subsidiary. Relocated to Sendai City, Miyagi. Jyutakujyohoukan Co., Ltd. (now Takara Leben Co., Ltd.) became a subsidiary.
January, 2016	Made Nikko Property Co., Ltd. (now Leben Trust Co., Ltd.) a subsidiary.
June, 2016	Takara Leben Infrastructure Fund Inc. was listed on the infrastructure fund market for the first time.
January, 2017	Announced new condominium brand NEBEL.
April, 2017	Opened Osaka Branch and Sapporo Sales Office.
May, 2017	Main office moved to Tekko Building, Marunouchi, Chiyoda-ku
January, 2018	Acquired PAG Real Estate Investment Advisor Co., Ltd. (now Takara PAG Real Estate Investment Advisor Co., Ltd.).
March, 2018	Opened a representative office in Hanoi, Vietnam.
July, 2018	Takara Leben Real Estate Investment Corporation listed on Tokyo Stock Exchange Real Estate Investment Trust Market.
June, 2019	Nikko Property Co., Ltd. changed its name to Leben Trust Co., Ltd.
October, 2019	Leben Trust Co., Ltd. merged with Takara Property Co., Ltd.
February, 2021	Established Leben Funding LLC, an asset management business.
April, 2021	Made ACA Clean Energy Co., Ltd. (now Leben Clean Energy Co., Ltd.), a renewable energy company, a subsidiary.
June, 2021	Opened a sales office in Nagoya.
April, 2022	Shifted from Tokyo Stock Exchange's First Section to Prime market by reviewing Tokyo Stock Exchange's market Category.
September, 2022	50th anniversary.
October, 2022	Moving to a holding company structure Company name changed to MIRARTH HOLDINGS, Inc. Takara Leben West Japan Co., Ltd. changed its name to Takara Leben Co., Ltd. and merged with Takara Leben Tohoku Co., Ltd. Head office moved to Marunouchi, Chiyoda-ku, Tokyo.
November, 2022	Green Energy LLC, a consolidated subsidiary, conducted a tender offer to Takara Leben Infrastructure Fund Inc. The investment corporation became a consolidated subsidiary.
February, 2023	Takara Leben Infrastructure Fund Inc. was delisted.

3[Business Details]

Our main groups are as follows.

We operate in 4 business segments: Real Estate Business, Energy Business, Asset Management Business, and Other Businesses.

Takara Leben Co., Ltd., a consolidated subsidiary, is mainly engaged in the business of new condominiums.

Leben Community Co., Ltd., a consolidated subsidiary, is mainly engaged in the comprehensive business of managing condominiums for sale.

Leben Home Build Co., Ltd., a consolidated subsidiary, is mainly engaged in the detached house sales business and the construction subcontracting business.

Takara Leben Realnet Co., Ltd., a consolidated subsidiary, is mainly engaged in the real estate distribution business.

Leben Zestock Co., Ltd., a consolidated subsidiary, is mainly engaged in the renewal and resale business.

Leben Trust Co., Ltd., a consolidated subsidiary, is mainly engaged in the leasing and administration business.

Takara Asset Management Co., Ltd., a consolidated subsidiary, is mainly engaged in the investment-management business.

Takara PAG Real Estate Advisory Ltd., a consolidated subsidiary, is mainly engaged in the investment-management business.

Leben Clean Energy Co., Ltd., a consolidated subsidiary, is mainly engaged in renewable Energy Business.

(NOTE)1. Nikko Takara Corporation changed its corporate name to Leben Home Build Co., Ltd. on April 1, 2022.

2. Takara Leben West Japan Co., Ltd. changed its name to Takara Leben Co., Ltd. with October 1, 2022.

With the aim of further enhancing corporate value, our Group has shifted to a holding company structure as a October 1, 2022 from the viewpoint of clarifying profitability and business responsibilities for each segment and effectively utilizing management resources by shifting to a pure holding company structure.

Accordingly, in the current consolidated fiscal year, we have decided to change the 5 segments of "Real Estate Sales Business," "Real Estate Rental Business," "Real Estate Management Business," "Energy Business," and "Other Businesses," which were previously disclosed as Reportable segments, to 4 segments: "Real Estate Business," "Energy Business," "Asset Management Business," and "Other Businesses." In addition, the allocation method of company-wide expenses has been reviewed.

(1)Real Estate Business

As a New built-for-sale condominium business, our group develops, develops, and sells the "LEBEN" • "NEBEL" series and other products nationwide. As a Liquidation Business, the Group develops real estate such as residential properties and office buildings, and sells them to REIT and other markets. This segment conducts Real Estate Business in general, including other, the renewal and resale business, the new detached house sales business, the leasing and administration business, and the real estate brokerage business.

(2)Energy Business

Our group conducts power generation business using renewable energy nationwide.

(3)Asset Management Business

We conduct Asset Management Business on renewable power generation facilities, residential properties, office buildings, and other real estate.

(4)Other Businesses

• Construction business

Leben Home Build Co., Ltd., a consolidated subsidiary, is engaged in the construction business.

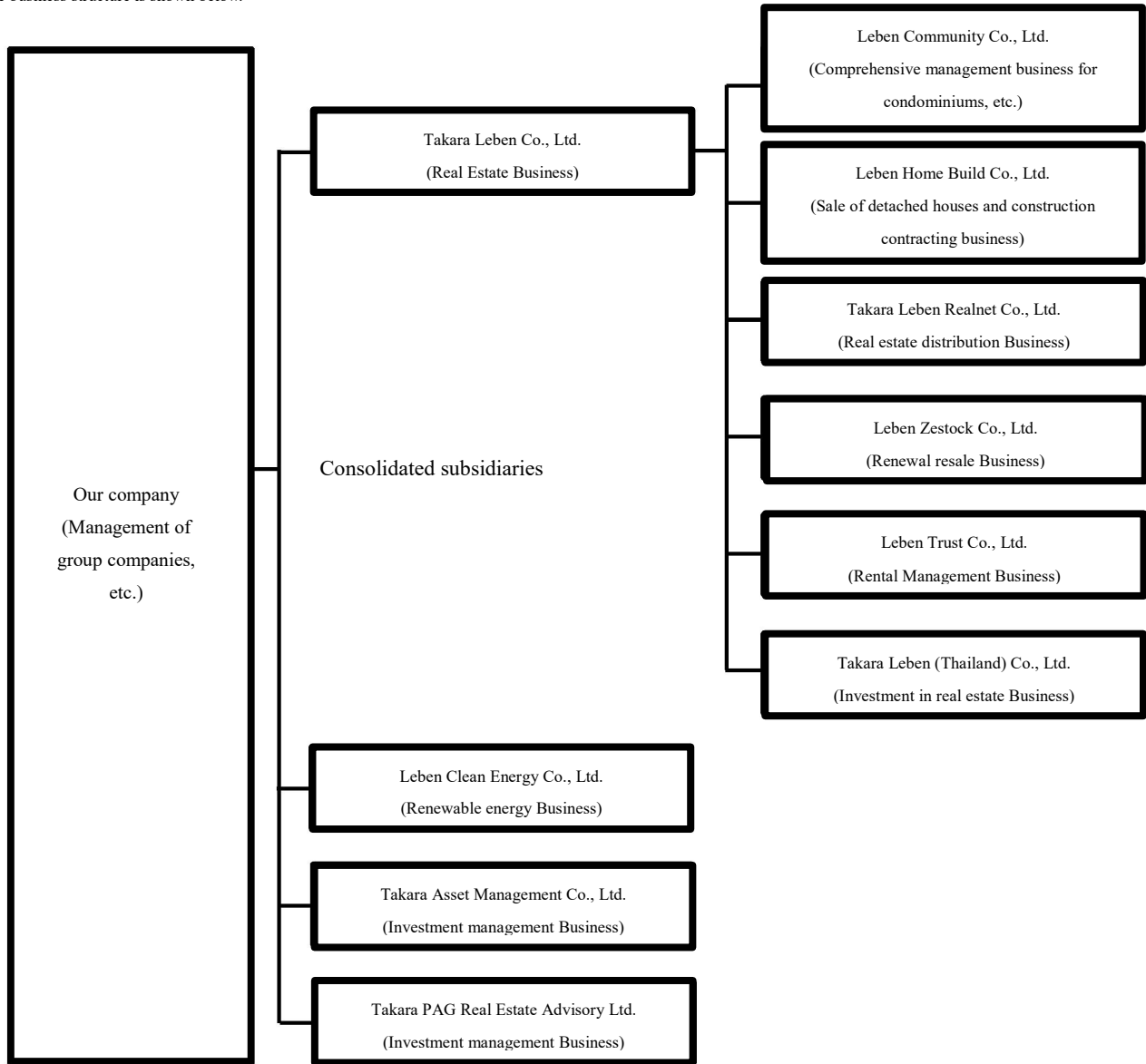
• Hotel business

Our group is engaged in hotel business.

• Other Business

Our Group is engaged in businesses other than those described above, such as the nursing care business.

The business structure is shown below.



4[Status of Affiliated Companies]

Name	Address	Capital stock (Millions of yen)	Details of major businesses	Share of voting rights Percentage or Percentage (%) owned	Affiliated Details
(Consolidated Subsidiaries)					
Takara Leben Co., Ltd. (NOTE)1, 3	Chiyoda-ku, Tokyo	400	Real Estate Business	100.0	Interlocking positions held by directors
Leben Community Co., Ltd.	Chiyoda-ku, Tokyo	60	Real Estate Business Other Businesses	100.0 (100.0)	-
Leben Home Build Co., Ltd. (NOTE)2	Yokohama City, Kanagawa Prefecture	200	Real Estate Business Other Businesses	100.0 (100.0)	Interlocking positions held by directors
Takara Leben Realnet Co., Ltd.	Chuo-ku, Tokyo	30	Real Estate Business	100.0 (100.0)	Interlocking positions held by directors
Leben Zestock Co., Ltd.	Chiyoda-ku, Tokyo	10	Real Estate Business	100.0 (100.0)	Interlocking positions held by directors With financial support
Leben Trust Co., Ltd.	Yokohama City, Kanagawa Prefecture	60	Real Estate Business	100.0 (100.0)	Interlocking positions held by directors
Takara Leben (Thailand) Co., Ltd.	Bangkok, Kingdom of Thailand	60 Million THB	Other Businesses	100.0 (100.0)	-
Leben Clean Energy Co., Ltd. (NOTE)3	Shinjuku-ku, Tokyo	655	Energy Business	100.0	With financial support
Takara Asset Management Co., Ltd.	Chiyoda-ku, Tokyo	250	Asset Management Business	100.0	Interlocking positions held by directors
Takara PAG Real Estate Advisory Ltd.	Minato-ku, Tokyo	50	Asset Management Business	60.0	-
Other 18 companies					
(Equity-method affiliates)					
MInato LLC	Shibuya-ku, Tokyo	108	Real Estate Business	34.0 (34.0)	-
Other 7 companies					

(NOTE)1. With October 1, 2022, Takara Leben West Japan Co., Ltd. merged with Takara Leben Tohoku Co., Ltd. and changed its name to Takara Leben Co., Ltd.

2. Nikko Takara Corporation changed its name to Leben Home Build Co., Ltd. on April 1, 2022.

3. This is a specified subsidiary.

4. Figures in parentheses in the voting rights percentage column indicate shares attributable to indirect ownership.

5[Status of Employees]

(1) Consolidated level

As of 31-Mar 2023

Segment name	Number of employees
Real Estate Business	1,293(104)
Energy Business	
Asset Management Business	
Other Businesses	
Total	1,293(104)

(NOTE)1. The number of employees is the number of employees.

- Figures in parentheses in the number of employees column are the annual average number of temporary employees (equivalent to 8 hours a day per employee).
- Our corporate group does not have a management organizational structure for each Type of the business, and the same employees are engaged in Type of several businesses.
- Category of Reportable segments has been changed from the current consolidated fiscal year. For more information, please refer to "Item 5: Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements, (Segment information, etc.)."

(2) Status of the submitting company

As of March 31, 2023

Number of employees	Average age(years)	Average length of service (year)	Average annual salary (thousand yen)
9 (-)	42.9	5.3	7,677

Segment name	Number of employees
Real Estate Business	9(-)
Energy Business	
Asset Management Business	
Other Businesses	
Total	9(-)

(NOTE)1. The number of employees is the number of employees.

- Figures in parentheses in the number of employees column are the annual average number of temporary employees (equivalent to 8 hours a day per employee).
- Average annual pay includes bonuses and any non-standard wages.
- We do not have a management organizational structure for each Type of our business, and the same employees are engaged in Type of several businesses.
- The number of employees decreased by 334 in the fiscal year under review, mainly due to the change to a Takara Leben Co., Ltd. following the transition to a holding company structure.
- From the current fiscal year, Category of Reportable segments has been changed. For more information, please refer to "Item 5: Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements, (Segment information, etc.)."

(3) Union Information

The labor union has not been formed, but labor-management relations have remained prosperous.

(4) Difference in the ratio of female workers in managerial positions, the ratio of male workers taking childcare leave, and the wages of male and female workers

① Submitting Company

The submitting company is not subject to the obligation to publish under the provisions of the "Act on Promotion of Women's Active Work Life in Working Life" (Act No. 64 of 2015) and the "Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Act No. 76 of 1991). Therefore, the submitting company omits the description.

② Consolidated subsidiaries

Current fiscal year								Supplementary Explanations
Name	Percentage (%) (NOTE)1 of women workers in managerial positions.	Rate of male workers taking childcare leave (%) (NOTE)2			Difference in wages of male and female workers (%) (NOTE)1.			
		Total labor	Of which, regular employees	Of which, part-time and fixed-term workers	Total labor	Of which, regular employees	Of which, part-time and fixed-term workers	
Takara Leben Co., Ltd.	11.0	46.6	-	-	67.0	67.9	26.0	(NOTE)3. The difference in wages of male and female workers (NOTE)4.
Leben Community Co., Ltd.	4.6	50.0	-	-	63.2	59.3	63.3	(NOTE)3. The difference in wages of male and female workers (NOTE)5.

(NOTE)1. Calculated in accordance with the provisions of the Act on Promotion of Women's Active Participation in the Workplace (Act No. 64 of 2015).

2. Based on the provisions of the "Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Act No. 76 of 1991), the ratio of taking child care leave, etc. under Article 71-4, Item 1 of the "Ordinance for Enforcement of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Ordinance of the Ministry of Labor No. 25 of 1991) has been calculated.

3. Period covered: Reiwa 4 business year (from April 1, 2022 to 31-Mar, 2023)

Wages: including base pay, remuneration for overtime work, bonuses, etc., and excluding retirement allowances, commutation allowances, etc.

Full-time employees: For seconded employees, this includes employees seconded from us to outside the company, and excludes employees seconded from other companies to us.

Part-time and fixed-term employees: including fixed-term employees, part-timers, and non-regular employees, excluding temporary employees.

4. Supplementary Explanations on differences in wages between men and women of workers

<Full-time employees>

Among full-time employees, 84.2% of managers and 76.2% of non-managers will Category, which will reduce the gap. However, since the percentage of women in managerial positions is 11%, we will systematically promote the appointment of women.

<Part-time and fixed-term employees>

When Category is applied to part-time employees and fixed-term employees, 81.7% of part-time employees, and the deviation decreases.

(Fixed-term employees were only male employees)

5. Supplementary Explanations on differences in wages between men and women of workers

<Full-time employees>

The ratio of female managers is 4.6%, so the promotion of female employees will be systematically promoted.

II. [Business Overview]

1[Management Policies, Management Environment, Issues to be Addressed, etc.]

Forward-looking statements in the text are based on our judgment as of the end of the fiscal year under review.

(1)Management Policy

Describe Our Purpose and Our Values.

Our Purpose

To design sustainable environments for a happier future for both people and our planet.

Our Values

Passion & Inspiration

To be passionate about creating vibrant environments and to inspire and be inspired by people who share our vision.

Sustainability

To create a sustainable world where people, nature, and society coexist in harmony.

Value Creation

To continue to evolve and keep up with the rapid change around us to create new value.

Diversity & Co-creation

To value each individual's ideas and co-create a diverse and equitable environment with the local communities.

Integrity & trust

To generate a trusting relationship among people and society through protection of our safety and security.

(2)Management Strategy, etc.

<Strategy Overview>

In May 2021, we announced a new medium-term management plan for the fiscal year ending March 2025, and formulated a long-term vision entitled "Establish a National Brand-To be a company trusted by all stakeholders" as a professional in space, urban and renewable energy development. The policy is centered on the following 7 pillars.

- ① Further expansion of core businesses
- ② Maximize group synergy
- ③ Optimize the business portfolio
- ④ To establish a stable financial base
- ⑤ Improving productivity and creating new services through DX promotion
- ⑥ Aggressive Response to ESG
- ⑦ Develop human resources and create a challenging work environment

Effective April 1, 2022, the Company changed its business segments and restructured the 5 business segments into 4 segments: Real Estate Business/Energy Business/Asset Management Business/Other Businesses to clarify the profitability and business accountability of the segments and to further promote business development that does not rely solely on Real Estate Business.

In addition, as announced on May 15, 2023 in the "Revision of the Medium-Term Management Plan and Formulation of Medium-to Long-Term Energy Business Strategies," the Group will establish a foundation for medium-to long-term growth through Energy Business as a second pillar, in addition to stable growth in Real Estate Business, its core business.

<Specific Strategy>

a) New built-for-sale condominium business

As a core business, we will develop the Leben brand and the Nebel brand in the Tokyo metropolitan area and central urban areas in line with our basic policy of rebuilding a nationwide stable supply system. In the Tokyo metropolitan area, we aim to achieve annual sales of 2200 units over the medium term, primarily targeting the family, single-person DINKS group, and active seniors group in regional city centers.

b) Liquidation Business

Our basic policy is to continue to invest at a pace of 30 yen to 50 billion yen every fiscal year. We will actively promote the development of rental residential properties and office buildings to optimize our asset portfolio. When the Company sells assets to Takara Leben Real Estate Investment Corporation, it obtains a real estate appraisal report to review the range of reasonable transaction prices and undergoes necessary internal approval.

c) Detached house sales business

Our basic policy is to play a complementary role in the new built-for-sale condominium business as a short-term collection business. By strengthening area marketing, we will rebuild our purchasing and supply systems and thoroughly build recovery cycles in a short period of time.

d) Renewal Resale Business

Based on the basic policy of establishing a stable renewal business cycle, the Group will make maximum use of the Group's intra-group real estate network to secure appropriate inventories in order to respond to the needs for used equipment, which has been on the rise in recent years.

e) Real estate rental business

Our basic policy is to secure stable earnings as a stock business, and we will work to build a portfolio centered on residential offices.

f) Real estate management business

Our basic policy is to secure stable earnings as a recurring revenue business, and we will further increase the number of units under management, capture the business derived from management, and aim to expand profit opportunities.

g) Overseas Business

As a complementary part of our domestic business, we will focus on real estate sales and derivative management businesses with Southeast Asian countries as our immediate targets.

h) Energy Business

As a future growth business, the Company has changed its policy of securing stable profits by owning power generation facilities through a tender offer to Takara Leben Infrastructure Fund Inc., which was announced on September 28, 2022 and concluded on November 11, 2022. As a result, as announced in "Revisions to the Mid-term Management Plan and Mid-to-Long-term Energy Business Strategic Development Notice" dated May 15, 2023, we expect that Net income attributable to owners of parent under this Tender Offer will be more than 1 billion yen effective from the fiscal year ending March 2025, despite the impact of temporary costs.

At the same time, we will build a PPA (electricity sales contract) model that does not rely on the feed-in tariff system. In this way, Energy Business will become a new driving force behind the Group's growth, and grow it as a second pillar.

i) Other Businesses

We aim to establish ourselves as an independent segment for the next fiscal year by taking on the challenge of new domains and creating new value by leveraging our expertise in the 3 pillars of Real Estate Business, Energy Business, and Asset Management Business.

(3) Objective indicators for judging the status of achievement of management targets

We manage our business with an awareness of Equity ratio, LTV, D/E ratio and ROE. On May 15, 2023, we announced the revision of the Medium-Term Management Plan and the formulation of the Medium-to Long-Term Energy Business Strategy. Our targets have been revised to include a Equity ratio of 20% or more (Term end in March 2025), a LTV 65% or less, a D/E ratio of less than 3.0 times, and a ROE 13% or more.

(4) Business environment

The business environment surrounding our group is in the midst of rapid change due to a variety of factors, including the ongoing aging of society with a declining birthrate, depopulation in regional cities, soaring construction costs, and uncertainty about the future of interest rates. We will respond flexibly and swiftly to these changes and aim to maximize corporate value. At the same time, we will embody the "To design sustainable environments for a happier future for both people and our planet." which is a purpose.

The specific issues to be addressed by the Group are described in "(5) Priority Business and Financial Issues."

(5) Prioritized business and financial challenges

① Response to real estate market conditions

The Group's core business is the new built-for-sale condominium business, which is subject to relatively large changes due to the external environment, such as trends in interest rates and selling prices and the supply-demand balance of condominiums. Under these circumstances, we are continuing to build a structure that is less susceptible to the external environment by consistently focusing on product development and supply for real demand, which is not for investment but for which there is stable demand. Needs also differ in the Tokyo metropolitan area due to demographic changes in areas such as population inflows and population outflows in regional cities. In this context, we are promoting the development of compact cities in urban centers in regional cities and the development of products that meet customer needs and contribute to the revitalization of cities in the Tokyo metropolitan area through the provision of highly convenient locations near train stations.

The fluidizing business tends to be more susceptible to the impact of the external environment than the new built-for-sale condominium business. However, the Group will work to improve safety by focusing on the development and acquisition of residential properties with solid demand while keeping an eye on the overall portfolio balance.

② Aggressive ESG response

Our Group has identified 4 key sustainability themes: creating a lifestyle with value, forming communities, providing high-quality, comfortable spaces, and fostering the environment and culture. We will identify 15 important issues to address each of these themes and promote initiatives to resolve these issues.

E: With regard to the environment, as a response to climate change associated with the impact of global warming and catastrophic disasters, there is a need for environmental initiatives to realize a decarbonized society, such as reducing greenhouse gas emissions and utilizing renewable energy. Against this backdrop, we have set medium- and long-term targets for the reduction of greenhouse gas emissions for the Group as a whole in order to achieve carbon neutrality. In addition to promoting ZEH of condominiums and development renewable energy plants, we will actively promote PPA (electricity sales contracts) in which power generators and electricity users enter into direct contracts. In these ways, we will contribute to the realization of a carbon-group society. S: In society, we are promoting regional revitalization through the supply of housing such as newly built condominiums. G: In terms of governance, we have established various committees, including the Nominating, Compensation, Compliance and Risk Management Committees, to strengthen governance.

③ Strengthening the financial foundation

In principle, we finance the acquisition of business sites and earning-generating real estate through borrowings from financial institutions and other sources. Although interest-bearing debt increased due to business expansion and tender offers for Takara Leben Infrastructure Fund Inc., we will promote the diversification of financing methods and strengthen our financial base. Borrowings have increased as a result of this tender offer, but over the medium to long term, we will be able to increase EBITDA and strengthen our stock businesses. We will continue to closely monitor financial stability. We will strive to improve Equity ratio and reduce the interest-bearing debt ratio.

④ Recruiting human resources and developing human resources

As our group expands its business domains and business areas, the number of personnel required is increasing. We will strive to secure excellent human resources by further actively recruiting new graduates and mid-career employees, as well as by engaging in diversity and inclusion. In addition, in order to build a strong organizational structure, we will continue to actively invest in human capital, such as by implementing training tailored to each rank, conducting appropriate evaluations, and building a compensation system. In addition, by promoting work style reforms, such as the development of a remote work environment and the introduction of a regional employee system, we will enhance the well-being of our employees and improve our corporate value.

⑤ Promoting Digital Transformation (DX)

In response to the recent trend toward digitalization, we believe that it is necessary to expand the use of digital solutions, which are directly linked to customer convenience and increased corporate value, in addition to conventional services, in order to maintain our competitive advantage. In order to respond to market needs in a timely manner, we will aggressively invest in IT while assessing cost-effectiveness. By improving the literacy of digital technologies and developing human resources with the thinking to realize innovation, we will promote DX utilizing digital technologies and promote innovation in the value chain.

2[Approach and Initiatives to Sustainability]

Our Group's philosophy and efforts on sustainability are as follows.

Forward-looking statements in the text are based on our judgment as of the end of the fiscal year under review.

<Basic Sustainability Policy>

MIRARTH Holdings Group's Our Purpose is to "To design sustainable environments for a happier future for both people and our planet." By engaging in sustainability activities through its businesses, such as supplying housing and introducing renewable energy, the Group aims to solve social issues and contribute to the achievement of SDGs (Sustainable Development Goals), earning the trust of various stakeholders and society, and achieving lasting development.

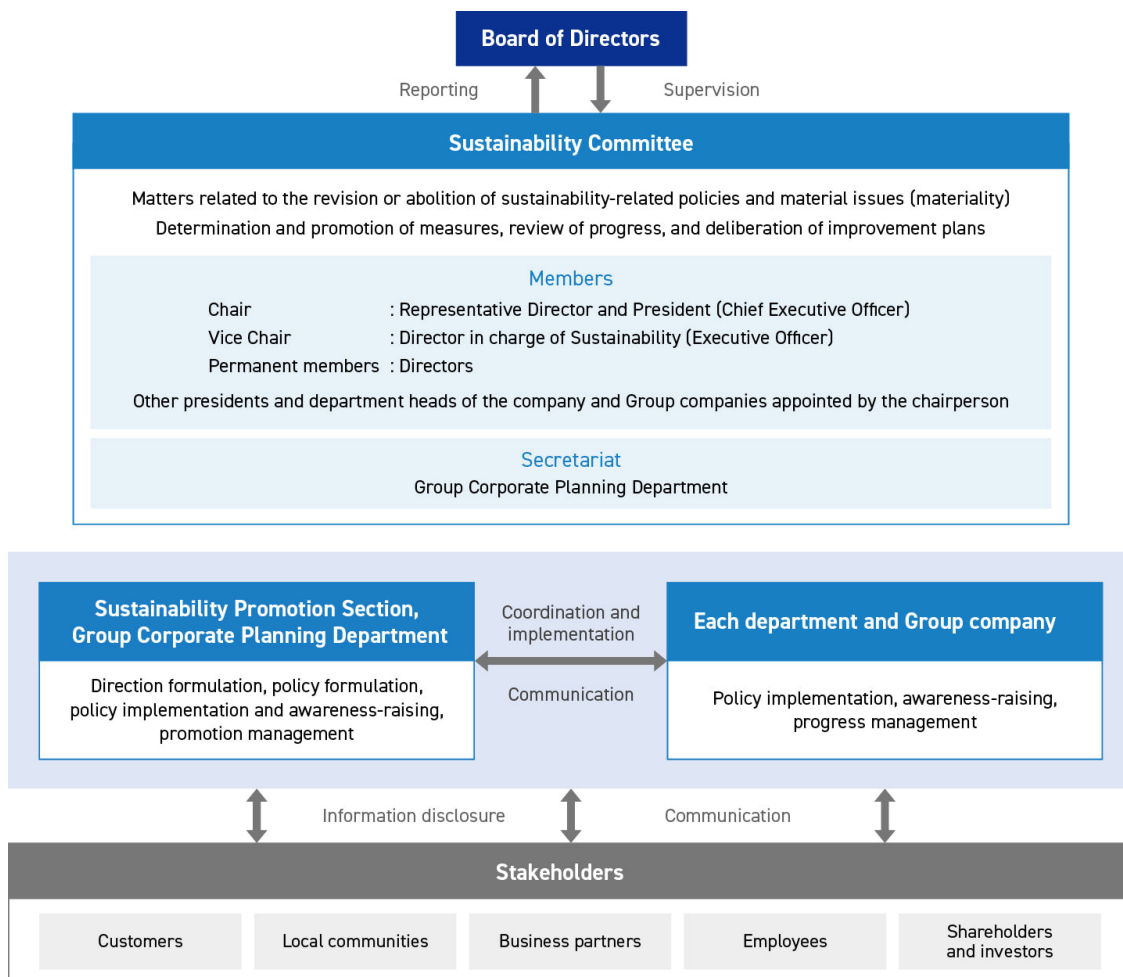
(1) Governance and Risk Management for Overall Sustainability

<Sustainability Promotion System>

Our group has established a sustainability promotion system based on the recognition that "Responding to issues related to sustainability is an important management issue, including consideration for global environmental issues such as climate change, respect for human rights, consideration for the health and working environment of employees, fair and appropriate treatment, fair and proper transactions with business partners, and crisis management in the event of natural disasters, etc."

With Representative Director as its Chair, the Company has established the Sustainability Committee, which is composed of directors, the presidents of Group companies, and divisional managers. This committee promotes ESG strategies and decides on sustainability policies and measures, examines and promotes material issues (materiality), reviews progress, and deliberates remediation plans.

Our Group's sustainability promotion structure is shown below.



<Process for Identifying Key Sustainability Themes and Key Issues>

The process for identifying important sustainability themes and important issues for our group is as follows.

1. Understanding and organizing social issues

We identified 31 issues surrounding the business climate based on GRI, SDGs, SASB and other international guidelines, as well as requirements, management philosophy, and medium-term management plans from customers, stockholders and investors, local communities, employees, and other stakeholders.

2. Evaluating materiality from the perspective of MIRARTH Holdings Group

We conducted a questionnaire survey of employees, including managers and directors, organized and prioritized the relationship with our management philosophy and business.

3. Evaluating the Importance from the Stakeholders' Perspective

We organized and prioritized requests from international guidelines-such as customer, shareholder/investor, supplier surveys, and GRI, SDGs.

4. Identifying Key Issues





We reexamined priorities from the perspectives of MIRARTH Holdings Group and stakeholders, and after conducting a management review, we identified key issues.

5. Establishment of policies for important sustainability themes

We established policies on 4 important themes for sustainability.

(2) Important sustainability items

The important sustainability items in our group identified through governance and risk management above are as follows.

Important theme of sustainability	Be related SDGs	Policy	Important issue
<p>Creating a Lifestyle with Value</p> <p>We will contribute to enhancing the well-being of people's lives by creating new value.</p>	  	<ul style="list-style-type: none"> ● Provision of products and services that respond to social issues and changing needs. ● Provide lifestyles that are in harmony with residents and the surrounding environment, such as LEBEN™/NEBEL brand. 	<ul style="list-style-type: none"> ● Responding to the diversification and globalization of lifestyles ● Responding to changes in business models due to the declining birthrate, aging population, and population decline
<p>Formation of communities</p> <p>We will form communities with stakeholders, including local communities, business partners, and employees, and develop together with them.</p>	     	<ul style="list-style-type: none"> ● Contributing to local revitalization linking urban areas and rural areas through regional urban revitalization projects. ● Improve risk response capabilities through thorough risk assessment and management. ● Providing opportunities and environments where diverse human resources can work with enthusiasm. ● Corporate activities that meet social needs with an emphasis on dialogue with stakeholders. 	<ul style="list-style-type: none"> ● Urban development and urban development ● Establishment and maintenance of a corporate governance system ● Promoting Compliance ● Employee Health Management ● Helping diverse human resources perform well
<p>Provision of high-quality, comfortable spaces</p> <p>We support our customers' comfortable and safe lifestyles by providing products with high levels of customer satisfaction.</p>	  	<ul style="list-style-type: none"> ● Improve customer satisfaction by using our unique Quality-of-Service (SQMSTM) system. ● Building a house that combines design and comfort, pursuing the performance required for the house. ● Enhance building value through periodic repairs and renovations that improve the comfort, functionality, and safety of buildings. 	<ul style="list-style-type: none"> ● Providing Safe and Secure Products and Services ● Improve customer satisfaction ● Enhancement of building value
<p>Cultivating the environment and culture</p> <p>In addition to contributing to a sustainable society by actively addressing environmental issues, we will contribute to the improvement of living standards by providing opportunities for spiritual activities such as academia and the arts.</p>	   	<ul style="list-style-type: none"> ● Reduction of greenhouse gas emissions through renewable energy power generation business and housing supply with high environmental performance. ● Provision of houses that are earthquake-resistant and fire-resistant to natural disasters. ● Providing opportunities for cultural activities to stakeholders. 	<ul style="list-style-type: none"> ● Provision of buildings and spaces that take the environment and culture into consideration ● Addressing global warming ● Recycling Projects ● Effective use of resources ● Response to Disasters

Policy on Human Resource Development and Policy on Internal Environmental Improvement

As our group expands its business domains and business areas, the number of personnel required is increasing. We will strive to secure excellent human resources by further actively recruiting new graduates and mid-career employees, as well as by engaging in diversity and inclusion. In addition, in order to build a strong organizational structure, we will continue to actively invest in human capital, such as by implementing training tailored to each rank, conducting appropriate evaluations, and building a compensation system. In addition, by promoting work style reforms, such as the development of a remote work environment and the introduction of a regional employee system, we will enhance the well-being of our employees and improve our corporate value.

Based on the belief that each and every employee is the creator of lasting growth for the future, Takara Leben Co., Ltd. promotes a new personnel system that stably generates the human resources needed to achieve its management targets.

Under the new system, specific daily action guidelines to be taken by employees were established, and evaluation items were set for each grade and job category. In addition, in order to realize fair, highly transparent evaluation and treatment, the evaluation meetings were held to revise the evaluation criteria from the viewpoint of the evaluation criteria. Through these initiatives, we aim to improve evaluation skills by providing more convincing feedback to employees and promoting understanding of the significance of evaluation systems and evaluation standards for managers.

<Basic Policy on Personnel System>

Personnel System to Stably Generate the Human Resources Necessary for Achieving the Management Plan

- Establishment of a system to clearly articulate the image of human resources sought by the company and enable employees to draw up a career vision
- Review personnel cost allocation, attract and retain talented personnel, and improve motivation
- Education and selection to create talented management personnel
- Enhance employee satisfaction and motivation for growth through fair and transparent evaluation and treatment

In addition, with the aim of growth each employee and enhancing the collective strengths of the organization, we have established the following basic education and training policies and are implementing a variety of training programs.

<Basic Policy for Education and Training>

- Fostering human resources not only based on the vision, but also proud of our stakeholders as a member of society
- Implementation of programs that enable each employee to feel a sense of self-growth and build a career design
- Improvement of organizational and job management skills, such as leadership and training skills required for each rank in conjunction with the personnel evaluation system, and organizational management skills
- Acquisition of expertise, skills, and other skills necessary for the execution of each job

(3)Indicators and Targets

Year ending March 31, 2022 Group has formulated KPI linked to key sustainability issues and identified key issues, and is promoting initiatives throughout the Group.

The results of Year ending March 31, 2023 and the targets for the fiscal year ended March 2024 are as follows.

<Targets and Results>

Sustainability Important theme	KPI	Year ending March 31, 2023		Year ending March 31, 2024
		Target	Actual	Target
Be worth Creation of lifestyles	Proposal of new services for lifestyles	5 projects	13 projects	5 projects
	Supply of newly built condominiums overseas	3 Project ※ ¹	3 projects	3 Project ※ ¹
	NEBEL supplies	3 buildings	3 buildings	3 buildings
Formation of communities	Number of redevelopment projects	2 projects	2 ※ ²	2 projects
	Sponsorship of local communities	10 properties	16 projects	10 properties
	Implementation of Board of Directors effectiveness assessment		○ ※ ³	
	Enhancing and Strengthening the Corporate Governance System		○ ※ ⁴	
	Consideration of introduction of clawback clause		△ ※ ⁵	
	Implementation of anti-corruption education and training		△ ※ ⁶	
	Promote understanding of directors and employees regarding human rights issues		○ ※ ⁷	
	Number of cases of unfair treatment	0 projects	0 projects	0 projects
	Understanding the recognition rate of the internal reporting system through questionnaires		○	
	Health Checkup Rate	100%	99.1%	100%
	Stress check rate	100%	87.9%	100%
	Percentage of paid holidays taken	70%	68.7%	70%
	Employment ratio of the disabled:	2.30%	2.0%	2.30%
	Percentage of female managerial staff	9.5% ※ ¹	11.0%	9.5% ※ ¹
	Return to work for maternity and childcare leave	100%	88.9%	100%
	Training hours per employee	24 hours	28.3 hours	24 hours
	Satisfaction with Sales Staff Survey	90%	89.3%	90%

Sustainability Important theme	KPI	Year ending March 31, 2023		Year ending March 31, 2024
		Target	Actual	Target
In high quality and comfort Providing space	Number of nonconformities related to business processes and quality standards	10 or less	1 case	10 or less
	Implementation of a meeting to share preventive measures	5 times or more	7 times	5 times or more
	Development of SQMS® masters	2 or more	0 ^{※8}	2 or more
	Percentage of Housing Performance Evaluation Sheets Acquired	100%	100%	100%
	Accident frequency rate and lost time frequency rate (*Target: Employees)	0%	0%	0%
	Number of lost-time injuries (* applicable: employees)	0 projects	0 projects	0 projects
	Safety conference	Once a year	Once	Once a year
	Special patrol (safety check)	Quarterly	3 times	Quarterly
	Number of safety and health training sessions held (*Target: Employees)	Twice a year	Once	Twice a year
	Results of the supplier survey	No implementation planned in Year ending March 31, 2023	-	Acquisition rate of A rank: 90%
	Accident frequency rate and lost time frequency rate (*Target: Supplier)	Not more than 1.83%	0%	Not more than 1.83%
Cultivating the environment and culture	To acquire and disclose CO ₂ emissions		○ ^{※9}	
	Setting CO ₂ emissions reduction targets		○ ^{※9}	
	Certification rate for energy conservation grade (flat 35)	Detached houses 100%	Detached houses 100%	Detached houses 100%
	Support for cultural cultivation	5 projects	8 projects	5 projects
	ZEH Condominium Certification	1 building	1 building	1 building
	Acquire A or higher CASBEE certification	1 building	1 building	1 building
	New operating capacity of renewable energy plants	20MW	10MW	20MW
	Total generation scale	360MW ^{※1}	360MW	360MW ^{※1}
	Acquire quantitative data on resources and water and set reduction targets		△ ^{※10}	
	Formulation of manuals for BCP measures		△ ^{※11}	

※1 Set as a medium-term target for the fiscal year ending March 2025.

※2 Number of new participation. Other, 8 businesses under construction/promotion (including projects to improve quality buildings, etc.).

※3 Conducted anonymous questionnaire-based surveys and interviews with all directors and Audit & Supervisory Board members, including Outside Director, using external consulting organizations.

※4 In addition to the establishment of the Compliance Committee and the Risk Management Committee and Election of the Group CRO (Chief Risk Management Officer), we implemented measures to strengthen governance under the holding company structure.

※5 Compensation Committee conducted a review of the executive compensation system and continued to consider it.

※6 Some compliance training sessions were held.

※7 Formulation of Group Human Rights Policy and strengthen of awareness both inside and outside the company.

※8 No new recruitment due to promotion of measures by existing members.

※9 Scope: Scope1 and Scope2.

※10 We are in the process of establishing an internal system to collect and compile data.

※11 Formulation is underway in line with the holding company structure.

3[Business Risks]

The following is a list of the major risks that management believes may have a material impact on the financial position, results of operations and cash flows of the consolidated companies among the matters related to the status of business and accounting as described in the Securities Report.

Forward-looking statements in the text are based on our judgment as of the end of the fiscal year under review.

a)Earthquakes and Other Natural Disasters

If earthquakes or other natural disasters cause direct damage to us or the construction companies we place orders for, or if it becomes difficult for construction companies to procure construction materials, construction delays and our sales recovery may be affected. In such cases, our Group's performance and financial position may be affected.

As a countermeasure, we are working to disperse concentration risk in specific areas by expanding our condominium supply area nationwide.

b)Legal regulations

Our Group's businesses are regulated by the National Land Use Planning Act, the Building Lots and Buildings Transaction Business Act, the Building Standards Act, the City Planning Act, the Money Lending Business Regulation Act, the Act on Promotion of Proper Management of Condominiums, the Long-Term Care Insurance Act, and other laws and regulations enacted by local governments. If these laws and regulations are newly enacted or revised, new burdens may arise, which could affect the Group's performance and business development.

Through our membership in various industry associations and other means, our Group accurately collects necessary information, and through the Compliance Committee and the Risk Management Committee, we improve our system for compliance with various laws and regulations.

The real estate transaction business license is an essential license for our group's main business activities. At present, there are no facts that fall under the grounds for revocation or disqualification for renewal of the license or registration (Articles 65 and 66 of the Building Lots and Buildings Transaction Business Law). However, in the event that a license or registration is revoked or disqualified for renewal for any reason in the future, the Group's major business activities may be hindered and its business results may be affected. On September 15, 2022, we discovered that a former director was convicted of a violation of the Road Traffic Act (speed violation) with suspension of execution of sentence, and was found to fall under the category of grounds for disqualification as a real estate transaction business. Therefore, we notified Supervise government agency of 3October 1, 2022 of the closure of the relevant license. Subsequently, on December 2, 2022, we acquired the Tokyo Metropolitan Governor's license for the real estate transaction business and resumed our business activities. In light of this situation, we have taken measures to prevent a recurrence, such as conducting training for executives, reconfirming whether there are any reasons for disqualification in the business of licensing, and rebuilding a system to regularly check for them.

c)Dependence on Borrowings

Our Group procures funds for the purchase of land for condominiums, etc. mainly by borrowing from financial institutions. As of the end of the consolidated fiscal year under review, interest-bearing debt accounted for 66.6% of Total assets. If financing is constrained or interest rates rise sharply due to a worsening of financial conditions or other factors, our Group's performance and financial position may be affected.

As a countermeasure, we have set LTV level at less than 65% and D/E ratio at less than 3.0 times, thereby creating a system that does not rely excessively on borrowings. At the same time, we have diversified our fundraising methods and established a stable fundraising system.

d)Impact of buyer sentiment

New condominiums, which are the Group's mainstay business, tend to be influenced by buyer sentiment. Purchaser confidence is affected by economic trends, the housing tax system, consumption tax, land price trends, and interest rate trends, and if there is a situation in which buyer sentiment declines significantly, it may affect the performance and financial position of our group.

e)Impact of Housing Loans

In the sale of condominiums and other products, customers often use housing loans from the Housing Finance Support Corporation or financial institutions. However, if the lending attitude regarding these loans becomes significantly negative due to changes in financial conditions or other factors, the Group's performance and financial position may be affected.

f)Impact of supply trends

The group of new condominiums, which is our core business, tends to be influenced by supply trends due to factors such as Land purchase prices, changes in outsourcing prices of outsourcing contractors, and financial trends. In the event that supply trends are significantly affected for these reasons, the Group's business performance and financial position may be affected.

g)Impact of Competition

Our group operates a new built-for-sale condominium business nationwide. However, if there is excessive price competition in the relevant area, it may become difficult to extend the sales activity period and sell condominiums at assumed prices. In such cases, our Group's performance and financial position may be affected.

As a countermeasure, we strive to avoid excessive price competition by accurately grasping trends among competitors and flexibly adjusting sales timing and sales prices.

h)For subcontractors

Our group places orders for condominium construction with building contractors. However, if the amount of construction contracts increases due to rising prices of building materials and construction labor costs, the profit margin may decline. In addition, in the event of the bankruptcy of a construction company, which is the contractor for construction work, construction delays or non-performance of a contract may occur. In the event that the warranty liability to be undertaken by a construction company in the future is not fulfilled, the performance and financial position of our group may be affected.

i)Campaign against the construction of condominiums by local residents

In the construction of condominiums, opposition campaigns by neighboring residents may occur due to noise during construction, sunlight problems, environmental problems, etc. In such cases, changes in plans, extension of construction periods, and additional expenses may occur, which may affect the performance and financial position of the Group.

For this reason, when constructing condominiums, we consider the environment surrounding the construction site, consider relevant laws and municipal regulations, and formulate development plans, and seek the understanding of them at briefings and other events held in advance for local residents.

j)Possibility of litigation

Condominium construction is carefully considered from various perspectives, but there is a possibility that lawsuits may arise due to building defects, soil contamination, etc. and changes in construction plans resulting from these factors may occur. In such cases, our Group's performance and financial position may be affected.

k)Impact of Asset Value Decline

If the value of our inventories and Fixed assets declines as a result of future economic trends or deterioration in the real estate market, the write-down of the book value of inventories and impairment charges may be applied, which could affect our performance and financial position. For impairment charges, the Company groups its Fixed assets on a project-by-project basis and uses them as the smallest revenue generating unit to assess indicators of impairment. For asset groups for which indicators of impairment exist, the Group determines whether it is necessary to recognize such assets based on usage, revenue acquisition results, and available-for-sale value. For asset groups for which recognition is deemed necessary, the Group recognizes the appraised value of real estate obtained from outside experts as the recoverable amount.

l)Personal Information

Our group handles a large amount of personal information related to the sale and management of condominiums, etc. In the unlikely event of a leak of personal information, it could have an impact on the Group's business performance and financial position.

For this reason, we have introduced software to prevent the leakage of personal information, developed regulations, prepared manuals for employees, and conducted training regarding the handling and management of personal information.

m)Shortage of human resources

If labor productivity deteriorates or employee quality declines due to the recent labor shortage or recruitment difficulties, the quality of our products and services may decline, occupational accidents may occur, and the brand image may deteriorate, which could affect the Group's performance and financial position.

For this reason, we are enhancing various training systems and implementing measures to penetrate branding in order to improve employee loyalty.

4[Management's Discussion and Analysis of Financial Condition, Results of Operations and Cash Flows]

(1) Summary of Business Results and Others

① Business results

During the consolidated fiscal year under review, the Japanese economy saw a gradual recovery due to a recovery in consumer spending and normalization of economic activity, as the restrictions on actions to prevent new-type coronaviruses were relaxed. On the other hand, the outlook remains uncertain due to factors such as soaring prices of raw materials and energy as well as sudden exchange rate fluctuations caused by the prolonged situation in Russia and Ukraine.

The business environment in the real estate industry to which our group belongs is still highly motivated to make purchases, despite certain changes in the requirements for housing, partly due to the spread of remote work at home in the Corona disaster. 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, the number of condominium units supplied in the Tokyo metropolitan area in 2022 was 29,569, a decrease of 12.1% from the previous year. This is below 30 thousand units for the first time in 2 years, but since the number of units supplied has remained at around 30 thousand in recent years, the supply-demand balance remains relatively favorable. The number of condominium units supplied nationwide also decreased by 5.9% from the previous year to 72,967 units, and the average sales price nationwide increased for the sixth consecutive year. Against this backdrop, our group became the sixth largest supplier group in the country in 2022, and plays a role in providing a stable supply in the real estate sales market.

Against this backdrop, we shifted to a holding company structure with October 1, 2022, renamed groups "MIRARTH HOLDINGS, Inc." from Takara Leben Co., Ltd., and formulated a new corporate path. In order to realize a sustainable growth model, the Group is reviewing its earnings structure. In addition to further advancing overseas businesses and promoting redevelopment businesses, the Group is expanding its Energy Business business.

In March 2023, we set a target of reducing greenhouse-gas emissions associated with MIRARTH Holdings Group's business activities by 50% by Fiscal Year 2030 (compared to Fiscal Year 2020) and achieving a net-zero emissions by Fiscal Year 2050, with the aim of achieving carbon neutrality by 2050 as part of the Medium-Term Management Plan's proactive response to ESG (environmental, social, and governance). Through the development and operation of solar power generation facilities, the Group will continue to contribute to environmental improvement, improvement of energy self-sufficiency, and regional revitalization, including the utilization of idle land. At the same time, the Group will work to provide further renewable energy to realize carbon neutrality, including initiatives in wind power generation and biomass power generation businesses.

On September 15, 2022, we announced to 3October 1, 2022 that our former executive had been convicted of a moratorium for violation of the Road Traffic Act (speed breach), but had failed to pay a Report to us. However, we made a Report to Supervise government agency to recognize that this was a disqualification event for the real estate transaction business. Subsequently, in light of the significance of this matter, we determined that it was appropriate to voluntarily close down the real estate transaction business, and notified Supervise Agency of the termination of the relevant license with 3October 1, 2022. Subsequently, on December 2, 2022, the Company re-acquired the Tokyo Metropolitan Governor's license for the real estate transaction business and resumed its business activities. We sincerely apologize for the great inconvenience and anxiety caused to our customers and all those concerned in this case, and will continue to work to restore our trust in us.

Our Purpose

"To design sustainable environments for a happier future for both people and our planet."

We have strengthened our management base and put in place a structure to promote the permeation of our corporate management. We will achieve both profit growth and improvement of capital efficiency, thereby enhancing our corporate value.

The Company's results of operations for the fiscal year under review were as follows: Net sales 153,472 Millions of yen (down 5.7% year on year), Operating income 7,030 Millions of yen (down 40.8% year on year), Ordinary income 5,033 Millions of yen (down 50.9% year on year), and Net income attributable to owners of parent 4,584 Millions of yen (down 26.2% year on year).

In conjunction with the "Notice of Business Segment Changes" announced on March 14, 2022, our Group changed Category of the segment from the previous 5 business segments to 4 business segments from the fiscal year under review. Actual figures for End of Previous Consolidated Accounting Period in the explanations of the segments below are calculated using figures for the new segments. For more information, please refer to "Item 5: Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements, (Segment information, etc.)."

(Net sales)

In Real Estate Business, revenues were 139,110 Millions of yen due to the sale of 1,861 newly built condominiums (including JV' interests), income from the sale of income-generating properties, new detached houses, sales of pre-owned condominiums, rental revenues from apartments, condominiums, offices, etc., and management revenues from 72,603 managed units.

Energy Business sales totaled 9,045 Millions of yen, mainly due to revenue from the sale of power generation facilities.

Asset Management Business account is 1,096 Millions of yen due to management fees and other factors.

Other Businesses accounts for 4,219 Millions of yen due to construction/hotel management and other projects.

Consequently, Net sales for the fiscal year under review was 153,472 Millions of yen, down 5.7% year on year.

(Cost of sales)

Cost of sales decreased 6.1% year on year to 121,763 Millions of yen. The ratio of Cost of sales to Net sales decreased by 0.3 percentage points year on year to 79.3%.

(Selling, general and administrative expenses)

Selling, general and administrative expenses increased 16.2% year on year to 24,677 Millions of yen due to aggressive investments in human capital and the building of a DX base.

(Non-operating income and expenses)

Non-operating income increased 47.3% year on year to 1,008 Millions of yen due to settlement of cancellation of Takara Leben Infrastructure Fund Inc. interest rate swaps.

Non-operating expenses increased 30.5% year on year to 3,005 Millions of yen due to an increase in Interest expenses associated with the acquisition of a consolidated subsidiary.

(Extraordinary income/losses)

Extraordinary income was 698 Millions of yen, up 661 Millions of yen year on year, mainly due to the recording of Gain on subsequent acquisitions.

Extraordinary loss decreased 638 Millions of yen year on year to 206 Millions of yen due to a loss on sale of Fixed assets and other factors.

Operating results by segment are as follows.

(Real Estate Business)

Due to factors such as new condominiums, securitization, new detached house sales, renewal and resale, real estate leasing, real estate management, and real estate Other, this business Net sales was 139,110 Millions of yen (up 11.9% year on year).

(Energy Business)

In order to grow in the future, Energy Business has implemented a tender offer for Takara Leben Infrastructure Fund Inc. and has changed its policy to secure stable profits by owning power generation facilities. As a result, End of Previous Consolidated Accounting Period had sales of large-scale power generation facilities, but did not sell power generation facilities that were originally anticipated in the current fiscal year. Consequently, Net sales generated 9,045 Millions of yen of power from the sale of power generation facilities (down 73.6% year on year).

(Asset Management Business)

End of Previous Consolidated Accounting Period incurred acquisition fees associated with the acquisition of Takara Leben Infrastructure Fund Inc.'s power generation facilities. However, due to the absence of acquisition fees related to Takara Leben Infrastructure Fund Inc. in the current fiscal year, the business Net sales was 1,096 Millions of yen, down 16.6% from the same period of the previous fiscal year.

(Other Businesses)

Net sales business increased 45.7% year on year to 4,219 Millions of yen due to the construction/hotel management business and other factors.

② Financial Condition

Our Assets, Liabilities and Net Assets for the consolidated fiscal year under review increased by 118,196 Millions of yen from 341,669 Millions of yen at the end of End of Previous Consolidated Accounting Period due to steady purchases of business assets and an increase in Total assets of 74,178 Millions of yen through a tender offer for Takara Leben Infrastructure Fund Inc..

(Current Assets)

Due to steady purchases of business assets, Current assets increased by 188,728 Millions of yen and 46,103 Millions of yen compared to the end of End of Previous Consolidated Accounting Period (an increase of 19,577 Millions of yen in Real Estate Business segment).

(Fixed Assets)

Due to factors such as an increase in business assets due to a change in the scope of consolidation, Fixed assets increased by 152,884 Millions of yen and 72,091 Millions of yen compared to the end of End of Previous Consolidated Accounting Period (a decrease of 2188 Millions of yen in Real Estate Business segment).

(Current Liabilities)

Current liabilities increased by 162,157 Millions of yen due to a change in the scope of consolidation of borrowings and 87,146 Millions of yen compared to the end of End of Previous Consolidated Accounting Period (Real Estate Business segment increased by 7,890 Millions of yen).

(Fixed Liabilities)

Due to an increase in borrowings and other factors, Fixed liabilities increased by 114,369 Millions of yen and 25,508 Millions of yen compared to the end of End of Previous Consolidated Accounting Period (an increase of 23,850 Millions of yen in Real Estate Business segment).

(Net Assets)

Due to factors such as an increase in Non-controlling interest resulting from a change in the scope of consolidation, Total of Net assets increased by 65,142 Millions of yen and 5,540 Millions of yen compared to the end of End of Previous Consolidated Accounting Period.

③ Cash Flow

At the end of the fiscal year under review, Cash and cash equivalents (hereinafter referred to as "Funds") was 47,148 Millions of yen, up 14,454 Millions of yen from the end of End of Previous Consolidated Accounting Period.

(Cash flows from operating activities)

The decrease in net cash provided by operating activities was 722 Millions of yen (an increase of 23,189 Millions of yen for End of Previous Consolidated Accounting Period). This was mainly due to an increase in inventories.

(Cash flows from investing activities)

The net cash used in investing activities was 46,354 Millions of yen (End of Previous Consolidated Accounting Period decreased by 27,871 Millions of yen). This was mainly due to the acquisition of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash provided by financing activities was 61,531 Millions of yen (a decrease of 1,132 Millions of yen for End of Previous Consolidated Accounting Period). This was mainly due to an increase in borrowings.

④ Production, Orders and Sales Results

a) Net sales Results

Segment name	Current Consolidated Fiscal Year (From April 1, 2022 To: 31-Mar in 2023)	Year on year (%)
Real Estate Business (Millions of yen)	139,110	111.9
Energy Business (Millions of yen)	9,045	26.4
Asset Management Business (Millions of yen)	1,096	83.4
Reportable segments Total (Millions of yen)	149,253	93.4
Other (Millions of yen)	4,219	145.7
Total (Millions of yen)	153,472	94.3

(NOTE) Inter-segment transactions are eliminated.

b) Units under contract during the period

Segment name	End of Previous Consolidated Accounting Period (April 1, 2021 31 March, 2022)		Current Consolidated Fiscal Year (From April 1, 2022 To: 31-Mar in 2023)		Year on year (%)
	Units	Amount (Millions of yen)	Units	Amount (Millions of yen)	
Real Estate Business	2,753	133,002	2,666	144,942	109.0
Total	2,753	133,002	2,666	144,942	109.0

c) Contract Balance

Segment name	End of End of Previous Consolidated Accounting Period (As of 31 March, 2022)		End of the consolidated financial year (As of 31-Mar 2023)		Year on year (%)
	Units	Amount (Millions of yen)	Units	Amount (Millions of yen)	
Real Estate Business	1,403	61,122	1,756	83,122	136.0
Total	1,403	61,122	1,756	83,122	136.0

(2) Details of analyzing and examining the status of operating results, etc. from the management's perspective

The following is a summary of Details of management's assessment and analysis of the Group's operating results.

The forward-looking statements contained in this report are based on judgments made as of the end of the fiscal year under review.

① Recognition, Analysis, and Examination of Operating Results for the Fiscal Year under Review Details

In Real Estate Business business, which is our core business, we delivered 1861 condominium units (including JV' interests) in the fiscal year under review. This reflected the continuing strong appetite for purchasing of properties near train stations in central Tokyo and properties that are compatible with remote work in response to changes in customer values amid a prolonged downturn in the condominium business. In Energy Business, we have shifted from a flow-based business model in which we develop and sell power generation facilities to a recurring revenue-based business model in which we own power generation facilities and generate ongoing earnings from electricity sales through a tender offer for Takara Leben Infrastructure Fund Inc.'s Investment units. In the fiscal year ended March 2030, we intend to grow Real Estate Business and Energy Business in EBITDA at a ratio of 1:1.

Factors that may have a significant impact on the Group's operating results include the market environment in the external environment. In the internal environment, we are paying particular attention to the dependence on borrowings. Real Estate Business business, which is our core business, is based on borrowings. Therefore, we have set numerical targets as 1 of our key management indicators regarding the dependency on borrowings in order to ensure stable business growth while securing appropriate equity capital. With regard to this target, in view of the fact that borrowings increased due to Takara Leben Infrastructure Fund Inc.'s tender offer for Investment units, LTV target was revised on May 15, 2023, and it is set at less than 65% in principle. LTV at the end of the fiscal year under review was 66.6%.

With regard to our Group's capital resources and fund liquidity, our Group's core business, Real Estate Business, procures a portion of the land acquisition and construction funds from borrowings from financial institutions and other sources. In addition, the Company has entered into commitment line agreements with major banks and other parties, which allow for prompt funding. While borrowings have been increasing in recent years due to the expansion of our business domains and the growth of our investment business, we believe that we will be able to secure stable funding by establishing an investment recovery cycle, improving our Equity ratio, and building an appropriate portfolio.

② Critical accounting estimates and the assumptions used in those estimates

Accounting estimates used in the preparation of the consolidated financial statements and the assumptions used in these estimates that are significant are described in "(1) Notes to the Consolidated Financial Statements (Significant Accounting Estimates)" under "Item 5. Accounting 1. Consolidated Financial Statements, etc."

(3) Factors with a significant impact on management performance

Our mainstay Real Estate Business tends to be influenced by buyer sentiment and supplier trends. Purchaser confidence is affected by factors such as economic trends, interest rate trends, housing tax, consumption tax, and land price trends. In addition, supplier supply trends are susceptible to changes in the outsourcing prices of Land suppliers, general contractors and other subcontractors, the failure of subcontractors, and financial trends. Therefore, any changes in these trends could have a material impact on operating results.

5[Significant Management Contracts]

(Company Split in Accordance with Transition to a Holding Company Structure)

At Board of Directors held on May 30, 2022, we resolved to enter into an absorption-type company split agreement whereby we will be spun-off and our 100% owned subsidiary, Takara Leben West Japan Co., Ltd., will be the successor company. On the same date, we concluded an absorption-type company split agreement, conducted an absorption-type company split with October 1, 2022, and transitioned to a holding company structure.

On the same date, our name was changed to MIRARTH HOLDINGS, Inc. and the name of Takara Leben West Japan Co., Ltd. was changed to Takara Leben Co., Ltd..

For more information, please refer to "Item 5: Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements, (Business Combinations, etc.)."

6[R&D Activities]

Not applicable.

III. [Status of Facilities]

1[Overview of Capital Expenditures]

During the fiscal year under review, the total amount of capital expenditures was 20,837 Millions of yen, and the main items included the acquisition of 20,769 Millions of yen of business assets and Other 67 Millions of yen.

2[Status of Major Facilities]

The major facilities of our group are as follows.

(1) Submitting Company

As of March 31, 2023

Site name (Location)	Segment Name	Details of facilities	Book value (Millions of yen)						Number of employees (People)
			Buildings and buildings Structures	Machinery and equipment Vehicles and vehicles	Land (Area m ²)	Lease Assets	Other	Total	
Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	240	1	- (-)	-	295	537	9
Rental condominiums, etc. (Itabashi-ku, Tokyo, etc.)	Real Estate Business	Condominiums for rent, rental stores, and offices	7,517	14	22,889 (65,245.32)	-	3,021	33,443	-
Mega solar facility (Shiojiri-shi, Nagano, etc.)	Energy Business	Mega solar facility	17	3,848	529 (302,552.09)	-	17	4,414	-

(NOTE)1. Of the book value, "Other" mainly consists of construction-in-progress.

2. Figures in parentheses in the number of employees column are the annual average number of temporary employees (equivalent to 8 hours a day per employee).

(2) Domestic subsidiaries

As of March 31, 2023

Company Name	Site name (Location)	Segment name	Details of facilities	Book value (Millions of yen)						Number of employees (People)
				Buildings and structures	Machinery and equipment	Land (Area m ²)	Leased assets	Other	Total	
Takara Leben Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	-	-	- (-)	-	-	-	484 (7)
Leben Community Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	83	0	- (-)	-	144	228	435 (84)
Leben Home Build Co., Ltd.	Head Office (Yokohama, Kanagawa)	Real Estate Business	General business facility	21	-	- (-)	-	11	33	111 (2)
Takara Leben Realnet Co., Ltd.	Head Office (Chuo-ku, Tokyo)	Real Estate Business	General business facility	14	-	- (-)	-	5	19	45 (3)
Leben Zestock Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	13	-	- (-)	-	5	19	24
Leben Trust Co., Ltd.	Head Office (Yokohama, Kanagawa)	Real Estate Business	General business facility	26	-	- (-)	-	6	32	67 (7)
Leben Clean Energy Co., Ltd.	Head Office (Shinjuku-ku, Tokyo)	Energy Business	General business facility	26	0	- (-)	-	24	51	89
Takara Asset Management Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Asset Management Business	General business facility	6	-	- (-)	-	2	8	17 (1)
Takara PAG Real Estate Advisory Ltd.	Head Office (Minato-ku, Tokyo)	Asset Management Business	General business facility	13	-	- (-)	0	1	15	12
Green Energy LLC, etc.	Mega solar Facilities (Nasu-gun, Tochigi, etc.)	Energy Business	Mega solar facility	4,964	43,563	8,693 (2,238,536.45)	-	4,784	68,753	-

(NOTE)1. Of the book value, "Other" mainly consists of tools, furniture and fixtures, construction in progress, software, etc.

2. Figures in parentheses in the number of employees column are the annual average number of temporary employees (equivalent to 8 hours a day per employee).

(3) Foreign subsidiaries

This information is omitted because it is not material.

3[Plans for new construction, retirement, etc. of facilities]

(1) Construction of major facilities

Not applicable.

(2) Disposal of major facilities

Not applicable.

IV. [Status of the Company to be Submitted]

1[Status of Shares]

(1)[Total Number of Shares]

①[Total number of shares]

Type	Number of authorized shares (shares)
Common stock	248,000,000
Total	248,000,000

②[Issued shares]

Type	As of the end of the fiscal year Issuance (Shares) (2023 31-Mar)	Number of shares issued as of the filing date (shares) (June 23, 2023)	Stock exchange on which the company is listed	Details
Common stock	121,000,000	121,000,000	Tokyo Stock Exchange Prime market	The number of shares constituting 1 unit is 100 shares, which is the standard for us with no limitation on the content of rights.
Total	121,000,000	121,000,000	-	-

(2)[Status of Subscription rights to shares and Others]

①[Details of stock option plan]

Subscription rights to shares issued in accordance with the Companies Act are as follows:

1. 1st Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	June 22, 2012
Category and number of grantees (persons)	Directors 7 Our Executive Officers 1
Number of Subscription rights to shares (units)*	76
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 30.4 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From July 10, 2012 to July 9, 2052
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 51,700 Amount included in capital 25,850 (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event we merge or split after the date of allotment of Subscription rights to shares, or in the event of allotment of shares without contribution, Other in the event it is necessary to adjust the number of granted shares in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2.The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.

3.① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.

② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.

4.① 1. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).

2. 1. Notwithstanding the foregoing, Subscription rights to shares shall not exercise Subscription rights to shares allocated to Subscription rights to shares in any of the following cases:

(i)Subscription rights to shares In the event Subscription rights to shares loses the position of both the directors and Executive Officers of our group by reason of any reason other than the death of the person (excluding the cases of resignation, etc. stipulated below, within 3 years from the date of allotment) and 10 days have passed from the day following the date of loss.

(ii)In the event that, within 3 years from the date of allotment of Subscription rights to shares, any of the directors and Executive Officers of the Group is lost by Subscription rights to shares due to resignation or retirement for personal reasons, or dismissal or disciplinary action by a Ordinary General Meeting of Shareholders resolution or Board of Directors resolution of our Group.

- ② In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered
Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares
Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares
The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Share Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares
In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares
Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares
Determine in accordance with 3 above.
6. On July 1, 2013, Common stock 1 Share was split into 4 Shares. Accordingly, the number of shares targeted by Subscription rights to shares is adjusted from 100 Shares to 400 Shares per unit.

2. Second Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	April 8, 2013
Category and number of grantees (persons)	Directors 7 Executive Officers 1
Number of Subscription rights to shares (units)*	70
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 28 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From May 15, 2013 to May 14, 2053
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 123,100 Amount included in capital 61,550 (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event we merge or split after the date of allotment of Subscription rights to shares, or in the event of allotment of shares without contribution, Other in the event it is necessary to adjust the number of granted shares in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2.The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.

3.① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.

② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.

4.① 1. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).

2. 1. Notwithstanding the foregoing, Subscription rights to shares shall not exercise Subscription rights to shares allocated to Subscription rights to shares in any of the following cases:

(i)Subscription rights to shares In the event Subscription rights to shares loses the position of both the directors and Executive Officers of our group by reason of any reason other than the death of the person (excluding the cases of resignation, etc. stipulated below, within 3 years from the date of allotment) and 10 days have passed from the day following the date of loss.

(ii)In the event that, within 3 years from the date of allotment of Subscription rights to shares, any of the directors and Executive Officers of the Group is lost by Subscription rights to shares due to resignation or retirement for personal reasons, or dismissal or disciplinary action by a Ordinary General Meeting of Shareholders resolution or Board of Directors resolution of our Group.

② In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.

1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.

2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.

3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.

5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.

Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:

① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.

② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.

③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Share Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.

⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.

⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

6. On July 1, 2013, Common stock 1 Share was split into 4 Shares. Accordingly, the number of shares targeted by Subscription rights to shares is adjusted from 100 Shares to 400 Shares per unit.

3. Third Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	April 11, 2014
Category and number of grantees (persons)	Directors 7 Executive Officers 2
Number of Subscription rights to shares (units)*	69
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 27.6 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From May 2014, 2014 to May 13, 2054
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 74,800 Amount included in capital 37.4 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event we merge or split after the date of allotment of Subscription rights to shares, or in the event of allotment of shares without contribution, Other in the event it is necessary to adjust the number of granted shares in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
- ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① 1. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
2. 1. Notwithstanding the foregoing, Subscription rights to shares shall not exercise Subscription rights to shares allocated to Subscription rights to shares in any of the following cases:
- (i) Subscription rights to shares In the event Subscription rights to shares loses the position of both the directors and Executive Officers of our group by reason of any reason other than the death of the person (excluding the cases of resignation, etc. stipulated below, within 3 years from the date of allotment) and 10 days have passed from the day following the date of loss.
- (ii) In the event that, within 3 years from the date of allotment of Subscription rights to shares, any of the directors and Executive Officers of the Group is lost by Subscription rights to shares due to resignation or retirement for personal reasons, or dismissal or disciplinary action by a Ordinary General Meeting of Shareholders resolution or Board of Directors resolution of our Group.

- ② In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Shares Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

4. 4th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	June 24, 2015
Category and number of grantees (persons)	Directors 7 Executive Officers 3
Number of Subscription rights to shares (units)*	80
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 32 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From July 2015, 2015 to July 14, 2055
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 189,200 Amount included in capital 94.6 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event we merge or split after the date of allotment of Subscription rights to shares, or in the event of allotment of shares without contribution, Other in the event it is necessary to adjust the number of granted shares in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
- ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① 1. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
2. 1. Notwithstanding the foregoing, Subscription rights to shares shall not exercise Subscription rights to shares allocated to Subscription rights to shares in any of the following cases:
- (i) Subscription rights to shares In the event Subscription rights to shares loses the position of both the directors and Executive Officers of our group by reason of any reason other than the death of the person (excluding the cases of resignation, etc. stipulated below, within 3 years from the date of allotment) and 10 days have passed from the day following the date of loss.
- (ii) In the event that, within 3 years from the date of allotment of Subscription rights to shares, any of the directors and Executive Officers of the Group is lost by Subscription rights to shares due to resignation or retirement for personal reasons, or dismissal or disciplinary action by a Ordinary General Meeting of Shareholders resolution or Board of Directors resolution of our Group.

- ② In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Share Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

5. 5th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	April 11, 2016
Category and number of grantees (persons)	Directors 7 Executive Officers 2
Number of Subscription rights to shares (units)*	80
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 32 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From May 11, 2016 to May 10, 2056
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 192,400 Amount included in capital 96.2 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event we merge or split after the date of allotment of Subscription rights to shares, or in the event of allotment of shares without contribution, Other in the event it is necessary to adjust the number of granted shares in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① 1. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
 2. 1. Notwithstanding the foregoing, Subscription rights to shares shall not exercise Subscription rights to shares allocated to Subscription rights to shares in any of the following cases:
 - (i) Subscription rights to shares In the event Subscription rights to shares loses the position of both the directors and Executive Officers of our group by reason of any reason other than the death of the person (excluding the cases of resignation, etc. stipulated below, within 3 years from the date of allotment) and 10 days have passed from the day following the date of loss.
 - (ii) In the event that, within 3 years from the date of allotment of Subscription rights to shares, any of the directors and Executive Officers of the Group is lost by Subscription rights to shares due to resignation or retirement for personal reasons, or dismissal or disciplinary action by a Ordinary General Meeting of Shareholders resolution or Board of Directors resolution of our Group.

- ② In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Shares Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

6. 6th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	June 27, 2017
Category and number of grantees (persons)	Directors 6 Executive Officers 5
Number of Subscription rights to shares (units)*	190
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 76 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From July 12, 2017 to July 11, 2057
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (Yen) *	Issue price 126,800 Amount included in capital 63.4 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event we merge or split after the date of allotment of Subscription rights to shares, or in the event of allotment of shares without contribution, Other in the event it is necessary to adjust the number of granted shares in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Share Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
 - ② Notwithstanding the provisions of paragraph ① above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
 1. Failure to Exercise Rights during the Exercise Period
 2. In the event of disciplinary punishment not less than suspension from work
 3. In the event of the loss of any of the positions of directors and Executive Officers of our group due to retirement due to their own discretion within 3 years from the date of Subscription rights to shares allocation, etc. (excluding retirement due to expiration of term of office, retirement or retirement due to the convenience of our group)
 4. In the event that any of the positions of directors or Executive Officers of our group is lost by Ordinary General Meeting of Shareholders resolution or by dismissal or disciplinary action based on Board of Directors resolution, or that it is reasonably accepted that it is not appropriate to have our Subscription rights to shares exercised by our Board of Directors.
 5. When the Subject Person requests to waive his/her rights

- ② In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Shares Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

7. Seventh Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	August 2, 2018
Category and number of grantees (persons)	Directors 7 Executive Officer 7
Number of Subscription rights to shares (units)*	210
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 84 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From August 29, 2018 to August 28, 2058
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (Yen) *	Issue price 101,600 Amount included in capital 50.8 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event of a merger, company split, share split, or reverse share split, or in the event of allotment of shares without contribution, Other in the event that an adjustment in the number of granted shares is required in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Share Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
 - ② Notwithstanding the provisions of paragraph ① above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
 1. Failure to Exercise Rights during the Exercise Period
 2. In the event of disciplinary punishment not less than suspension from work
 3. In the event of the loss of any of the positions of directors and Executive Officers of our group due to retirement due to their own discretion within 1 year from the date of Subscription rights to shares allocation, etc. (excluding retirement due to expiration of term of office, retirement or retirement due to the convenience of our group)
 4. In the event that any of the positions of directors or Executive Officers of our group is lost by Ordinary General Meeting of Shareholders resolution or by dismissal or disciplinary action based on Board of Directors resolution, or that it is reasonably accepted that it is not appropriate to have our Subscription rights to shares exercised by our Board of Directors.
 5. When the Subject Person requests to waive his/her rights

- ③ In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Share Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

8. 8th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	July 1, 2019
Category and number of grantees (persons)	Directors 7 Executive Officers 6
Number of Subscription rights to shares (units)*	210
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 84 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From July 31, 2019 to July 30, 2059
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 116,400 Amount included in capital 58.2 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event of a merger, company split, share split, or reverse share split, or in the event of allotment of shares without contribution, Other in the event that an adjustment in the number of granted shares is required in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
 - ② Notwithstanding the provisions of paragraph ① above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
 1. Failure to Exercise Rights during the Exercise Period
 2. In the event of disciplinary punishment not less than suspension from work
 3. In the event of the loss of any of the positions of directors and Executive Officers of our group due to retirement due to their own discretion within 1 year from the date of Subscription rights to shares allocation, etc. (excluding retirement due to expiration of term of office, retirement or retirement due to the convenience of our group)
 4. In the event that any of the positions of directors or Executive Officers of our group is lost by Ordinary General Meeting of Shareholders resolution or by dismissal or disciplinary action based on Board of Directors resolution, or that it is reasonably accepted that it is not appropriate to have our Subscription rights to shares exercised by our Board of Directors.
 5. When the Subject Person requests to waive his/her rights

③ In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.

1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.

2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.

3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.

5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.

Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:

① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.

② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.

③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Share Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.

⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.

⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

9. 9th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	July 13, 2020
Category and number of grantees (persons)	Directors 7 Executive Officers 5
Number of Subscription rights to shares (units)*	299
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 119.6 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	400(N.B.) 2
Strike term of Subscription rights to shares *	From August 2, 2020 to August 1, 2060
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 91,600 Amount included in capital 45.8 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 400 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event of a merger, company split, share split, or reverse share split, or in the event of allotment of shares without contribution, Other in the event that an adjustment in the number of granted shares is required in accordance with the foregoing, the number of granted shares shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
 - ② Notwithstanding the provisions of paragraph ① above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
 1. Failure to Exercise Rights during the Exercise Period
 2. In the event of disciplinary punishment not less than suspension from work
 3. In the event of the loss of any of the positions of directors and Executive Officers of our group due to retirement due to their own discretion within 1 year from the date of Subscription rights to shares allocation, etc. (excluding retirement due to expiration of term of office, retirement or retirement due to the convenience of our group)
 4. In the event that any of the positions of directors or Executive Officers of our group is lost by Ordinary General Meeting of Shareholders resolution or by dismissal or disciplinary action based on Board of Directors resolution, or that it is reasonably accepted that it is not appropriate to have our Subscription rights to shares exercised by our Board of Directors.
 5. When the Subject Person requests to waive his/her rights

- ③ In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Share Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

10. 10th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	July 12, 2021
Category and number of grantees (persons)	Directors 7 Executive Officers 4
Number of Subscription rights to shares (units)*	1,352
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 135.2 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	100(N.B.) 2
Strike term of Subscription rights to shares *	From August 1, 2021 to July 31, 2061
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 24,200 Amount included in capital 12.1 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 100 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event of a merger, company split, share split, or reverse share split, or in the event of allotment of shares without contribution, Other in the event the number of granted shares needs to be adjusted in accordance with these provisions, the number of granted shares shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Shares Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
 - ② Notwithstanding the provisions of paragraph ① above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
 1. Failure to Exercise Rights during the Exercise Period
 2. In the event of disciplinary punishment not less than suspension from work
 3. In the event of the loss of any of the positions of directors and Executive Officers of our group due to retirement due to their own discretion within 1 year from the date of Subscription rights to shares allocation, etc. (excluding retirement due to expiration of term of office, retirement or retirement due to the convenience of our group)
 4. In the event that any of the positions of directors or Executive Officers of our group is lost by Ordinary General Meeting of Shareholders resolution or by dismissal or disciplinary action based on Board of Directors resolution, or that it is reasonably accepted that it is not appropriate to have our Subscription rights to shares exercised by our Board of Directors.
 5. When the Subject Person requests to waive his/her rights

- ③ In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.
1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.
 2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.
 3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.
5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.
- Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:
- ① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.
 - ② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.
 - ③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Shares Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.
 - ④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.
 - ⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.
 - ⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

11. 11th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	29-Jul-22
Category and number of grantees (persons)	Directors 7 Executive Officer 7
Number of Subscription rights to shares (units)*	1,637
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 163.7 thousand (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	100(N.B.) 2
Strike term of Subscription rights to shares *	From August 24, 2022 to August 23, 2062
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (Yen) *	Issue price 26,200 Amount included in capital 13.1 thousand (NOTE)3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the end of the fiscal year (2023 31-Mar) is presented. As Details to be stated as of the end of the month prior to the submission date (May 31, 2023) is unchanged from Details as of the end of the current fiscal year, information pertaining to the end of the month prior to the submission date has been omitted.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 100 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event of a merger, company split, share split, or reverse share split, or in the event of allotment of shares without contribution, Other in the event the number of granted shares needs to be adjusted in accordance with these provisions, the number of granted shares shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 Share Per share of shares that may be delivered upon the exercise of Subscription rights to shares 1 yen, multiplied by the total number of granted shares.
3. ① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of Capital stock to be increased as set forth in paragraph ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the relevant Person has lost the position of both the directors and Executive Officers of our Group (which means us and our Subsidiaries and associates; the same shall apply hereinafter).
 - ② Notwithstanding the provisions of paragraph ① above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
 1. Failure to Exercise Rights during the Exercise Period
 2. In the event of disciplinary punishment not less than suspension from work
 3. In the event of the loss of any of the positions of directors and Executive Officers of our group due to retirement due to their own discretion within 1 year from the date of Subscription rights to shares allocation, etc. (excluding retirement due to expiration of term of office, retirement or retirement due to the convenience of our group)
 4. In the event that any of the positions of directors or Executive Officers of our group is lost by Ordinary General Meeting of Shareholders resolution or by dismissal or disciplinary action based on Board of Directors resolution, or that it is reasonably accepted that it is not appropriate to have our Subscription rights to shares exercised by our Board of Directors.
 5. When the Subject Person requests to waive his/her rights

③ In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.

1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.

2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.

3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.

5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer) With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.

Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:

① Number of Subscription rights to shares of Reorganized Companies to be Delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.

② Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.

③ Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of 1 Share Per share of shares of the reorganized companies that can be delivered by exercising Subscription rights to shares to be delivered.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, Incorporation-type Merger Agreement, Absorption-type Company Split Agreement, Incorporation-type Company Split Plan, or Share Exchange Agreement or Share Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors if the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares not exercised as of the same date may be acquired without charge as of the date separately determined by our Board of Directors.

⑤ Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.

⑥ Matters concerning the increasing Capital stock and Legal capital surplus in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

② [Details of rights plan]

Not applicable.

③ [Status of Other's Subscription rights to shares, etc.]

Not applicable.

(3) [Exercise Status of Bonds with Subscription rights to shares with Exercise Price Adjustment, etc.]

Not applicable.

(4)[Trends in Number of issued shares and Capital stock]

Date	Issued shares Total number increase/decrease (Shares)	Issued shares Total balance (Shares)	Change in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Legal capital surplus Change (Millions of yen)	Legal capital surplus Balance (Millions of yen)
March 22, 2019 (NOTE)	△3,000,000	121,000,000	-	4,819	-	4,817

(NOTE)Decreased due to cancellation of Treasury stock.

(5)[Breakdown of Shareholders]

As of March 31, 2023

Category	Status of shares (100 Shares per unit)							Shares less than 1 unit Status (Shares)	
	Government and Municipalities	Financial institutions	Financial instruments firms	Other Corporation	Foreign Juridical Person, etc.		Individuals Other		Total
					Other than individuals	Individuals			
Number of shareholders	-	22	30	218	106	130	53,487	53,993	-
Number of shares held (unit)	-	191,610	22,007	284,828	159,381	641	550,866	1,209,333	66,700
Percentage (%) of shares held	-	15.85	1.82	23.55	13.18	0.05	45.55	100	-

(NOTE)1. 11,192,607 Shares of Treasury stock is included in "Individuals and Other" and 111,926 units and 7 Shares are included in "Shares less than 1 unit Status."

2.The column of "Other corporations" includes 16 units of shares in the name of the Japan Securities Depository Center.

(6)[Status of Major Shareholders]

As of March 31, 2023

Name / Company Name	Address	Number of shares held (Thousands of Shares)	Percentage of the number of shares held to the total number of issued shares (excluding Treasury stock) (%)
General Incorporated Association Murayama Asset Management	2-12-4, Nagatacho, Chiyoda-ku, Tokyo	22,133	20.16
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	12,128	11.04
Yoshio Murayama	Itabashi-ku, Tokyo	3,500	3.19
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	3,288	2.99
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch Custody Services Department)	50 BANK STREET CANARY WHARF LONDON E14 5NT, UK (3-11-1, Nihonbashi, Chuo-ku, Tokyo)	2,039	1.86
Murayama Kikaku Co., Ltd.	4-33-10, Narumasu, Itabashi-ku Tokyo	2,000	1.82
RUDEN HOLDINGS Co., Ltd.	20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	1,820	1.66
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	25 CABOT SQUARE, CANARY WHARF, LONDON E14 4QA, U.K. (9-7, Otemachi 1-chome, Chiyoda-ku, Tokyo)	1,743	1.59
MIRARTH Holdings Business Partner Shareholding Association	1-8-2, Marunouchi, Chiyoda-ku, Toky	1,461	1.33
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A. Tokyo Branch)	PALISADES WEST 6300, BEE CAVE ROAD BUILDING ONE AUSTIN TX 78746 US (6-27-30, Shinjuku, Shinjuku-ku, Tokyo)	1,251	1.14
Total	-	51,366	46.78

(NOTE)1. Of the shares held by The Master Trust Bank of Japan, Ltd. (Trust account), the number of shares related to trust business is 12,128,000 Shares.

2. Of the shares held by Custody Bank of Japan, Ltd. (Trust account), the number of shares related to trust business is 3,288,000 Shares.

3. Yoshio Murayama, who was a major shareholder at the end of the previous fiscal year, is no longer a major shareholder as of the end of the current fiscal year.

4. General Incorporated Association Murayama Asset Management, which was not a major shareholder at the end of the previous fiscal year, is a major shareholder as of the end of the current fiscal year.

(7)[Status of voting rights]

①[Issued shares]

As of March 31, 2023

Category	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	-	-	-
Shares with limited voting rights (including treasury shares)	-	-	-
Shares with restricted voting rights (other than the above)	-	-	-
Shares with full voting rights (including treasury shares)	Common stock 11,192,600	-	The number of shares constituting 1 unit is 100 shares, which is the standard for us with no limitation on the content of rights.
Shares with full voting rights (other than the above)	Common stock 109,740,700	1,097,407	Same as above
Shares less than 1 unit	Common stock 66,700	-	Shares less than 1 unit (100 shares)
Number of issued shares	121,000,000	-	-
Voting rights of all shareholders	-	1,097,407	-

(NOTE)The column "Shares with full voting rights (other than the above)" includes 1,600 Shares of shares held in the name of the JASDEC. In addition, the "Number of voting rights" column includes 16 voting rights of shares with full voting rights held under the name of Japan Securities Depository Center, Inc.

②[Treasury stock, etc.]

As of 31-Mar 2023

Owner's Name Title Or its name	Address of shareholder	Own name Number of Shares Owned (Shares)	Name of another person Number of Shares Owned (Shares)	Total number of shares held (shares)	Ratio of shares held to total number of shares issued (%)
MIRARTH Holdings Inc.	Chiyoda-ku, Tokyo Marunouchi 1-chome No. 8-2	11,192,600	-	11,192,600	9.25
Total	-	11,192,600	-	11,192,600	9.25

2[Acquisitions of Treasury stock]

[Class of shares, etc.] Common stock

(1)[Acquisitions by resolution of Ordinary General Meeting of Shareholders]

Not applicable.

(2)[Acquisitions by resolution of Board of Directors]

Not applicable.

(3)[Details of items not based on Ordinary General Meeting of Shareholders or Board of Directors resolutions]

Not applicable.

(4)[Processing and holding status of acquired Treasury stock]

Category	Current fiscal year		Current term	
	Shares (Shares)	Total value disposed (Yen)	Shares (Shares)	Total value disposed (Yen)
Acquisition for which subscribers were solicited: Treasury stock	-	-	-	-
Acquired Treasury stock disposed of by retirement	-	-	-	-
Acquired Treasury stock with respect to mergers, share exchanges, share grants, and corporate splits	-	-	-	-
Other (Exercise of Subscription rights to shares Rights)	756,200	282,062,600	-	-
Treasury stock held	11,192,607	-	11,192,607	-

(NOTE)The number of Treasury stock held during the period does not include shares acquired or processed from June 1, 2023 through the date of filing of the Securities Report Statement (June 23, 2023).

3[Dividend Policy]

Returning profits to shareholders is 1 of the most important issues facing the Company. The Company's basic policy is to stably and continuously pay an appropriate dividend in line with business performance, while securing the internal reserves necessary for business development and strengthening the management base.

In addition, our basic policy is to pay dividends from surplus twice a year, consisting of interim dividends and Term end dividends.

The decision-making body for the dividend of these surpluses is Ordinary General Meeting of Shareholders for Term end dividends and Board of Directors for interim dividends.

We have stipulated in the Articles of Incorporation that "we may pay interim dividends on September 30 of each year as Record Date by resolution of Board of Directors."

We have also established the Articles of Incorporation to the effect that "dividends from surplus and other items stipulated in Article 459, Paragraph 1 of the Companies Act may be stipulated by Board of Directors resolution unless otherwise stipulated by law." In the current fiscal year, we decided to pay dividends to Term end and to commemorate the 50th anniversary of the dividends by Ordinary General Meeting of Shareholders.

During the fiscal year under review, we shifted to a holding company structure with the aim of establishing a structure that can weather changes in the external environment with our own corporate strength and clarifying our business responsibilities. In terms of profitability, the Group expects to secure stable profitability in the future as a result of making a tender offer for Takara Leben Infrastructure Fund Inc. to Investment units and making other changes to its business model that generates stable revenues from the sale of power generation facilities. In this business environment, we plan to pay a dividend that is balanced with retained earnings for future growth.

Dividends of retained earnings related to the current fiscal year are as follows.

Resolution Date	Total dividends (Millions of yen)	Per share dividends (yen)
October 31, 2022 Board of Directors resolution	437	4.0
June 23, 2023 Annual Shareholders' Meeting resolution	1,976	18.0

4[Status of Corporate Governance]

(1)[Overview of Corporate Governance]

① Basic Policy on Corporate Governance

Our Purpose is defined as "To design sustainable environments for a happier future for both people and our planet." We recognize that dealing with issues related to sustainability is a key management issue, and based on this recognition, we are not merely pursuing profits. We are also committed to complying with laws and corporate ethics, fulfilling our social responsibilities as a member of corporate society, and aiming to sustainably increase our corporate value.

To this end, our Group's basic approach to corporate governance is to constantly consider the happiness of all stakeholders, including customers, employees, business partners, local communities, and shareholders, and to make swift decisions in order to respond flexibly to changes in the business environment. At the same time, we promote sound corporate activities through thorough compliance and ensure transparency in decision-making.

② Overview of Corporate Governance Structure and Reasons for Adopting the Structure

a. Overview of Corporate Governance Structure

In order to ensure appropriate Supervise and Audit of business execution, we have adopted a system that clarifies the management Supervise responsibilities of directors and the business execution responsibilities of Executive Officers through Supervise by Board of Directors, an Audit system by Audit & Supervisory Board Members, and a Executive Officers system.

(Board of Directors)

Board of Directors has been given the authority to implement the following key roles and responsibilities: "to show the major direction of corporate strategy, etc.," "to develop an environment that supports appropriate risk-taking by senior management," and "to conduct highly effective Supervise of management and directors from an independent and objective standpoint." Currently, the Board of Directors consists of 6 directors, including 4 Outside Director members. The Board of Directors is chaired by Kazuichi Shimada, Representative Director, and the Board of Directors is composed of Masashi Yamamoto, Outside Director Kenji Kawada, Chiaki Tsuji, Keiko Yamahira, and Naohito Yamagishi. The Board of Directors holds Board of Directors once a month in principle and extraordinary Board of Directors meetings as needed to make decisions carefully and promptly.

Attendance by individual directors at Board of Directors is as follows.

Title	Name Title	Attendance Status
		Board of Directors
Representative Director	Kazuichi Shimada	19 times/19 times (100%)
Director	Masashi Yamamoto	18 times/19 times (95%)
Outside Director	Kenji Kawada	19 times/19 times (100%)
Outside Director	Chiaki Tsuji	19 times/19 times (100%)
Outside Director	Keiko Yamahira	18 times/19 times (95%)
Outside Director	Naohito Yamagishi	15 times/15 times (100%)

(NOTE)Mr. Naohito Yamagishi, Outside Director's attendance at Board of Directors is based on the number of Board of Directors held in Fiscal Year 2022 since his appointment as 24 June, 2022.

As a concrete Details for Fiscal Year 2022 under Board of Directors, we have established a structure that will enable us to make quicker and more flexible management decisions, clarify profitability and business responsibilities for each segment, and effectively utilize management resources. In addition, we have considered the transition to a holding company structure in order to further strengthen governance. With October 1, 2022, we have shifted to a pure holding company structure. In line with this, we have established a basic management policy of "Purpose" and "Values", and are promoting corporate activities based on the Purpose. In addition, we shared information and exchanged opinions on important management issues between outside directors and between outside directors and inside directors and Executive Officers, etc. The items discussed in Board of Directors as key management issues are as follows.

- In formulating our management strategy, we conducted Election of managers in HD system to clarify management responsibilities. We are also actively exchanging views on wage base pay increases as an investment in human resources.
- As part of the implementation of our management strategy, we made appropriate decisions on business execution, such as the sale of existing assets in preparation for the early transition to a HD structure, and executed investments and loans and debt guarantees, as appropriate, taking into account the financial condition of each Group company.
- As a result of Other's assessment of the effectiveness of Board of Directors in the fiscal year ended March 2021, the committee discussed future initiatives such as enhancing discussions on the Group-wide crisis management system and management strategies, including investment in human capital, as well as reflecting the views of shareholders and other investors.

(Audit & Supervisory Board)

Audit & Supervisory Board is empowered to carry out Audit of the execution of duties by directors and the proper implementation of accounting Audit from an independent and objective standpoint as its main roles and responsibilities. Audit & Supervisory Board meets once a month, in principle, and currently consists of 3 full-time Audit & Supervisory Board members: Makoto Endo, Yuuko Miura, and Asami Honma, Non-Executive Audit & Supervisory Board Member. By making all of them outside Audit & Supervisory Board members, we are ensuring a system for more appropriate Audit, including the status of Board of Directors operations and the status of directors' business execution. Please refer to (3) Status of Audit & Supervisory Board Members and Audit & Supervisory Board & Supervisory Board Members ① Status of Audit & Supervisory Board Members' Audit & Supervisory Board Members' Activities for further information.

(Other Commission)

Other has established Nomination Committee and Compensation Committee, which are voluntary advisory bodies, with the aim of enhancing the objectivity and transparency of the decision-making process regarding personnel affairs and remuneration for directors, etc. and further enhancing and strengthening the corporate governance system. Nomination Committee is composed of Kenji Kawada Outside Director as Chair, Chiaki Tsuji Outside Director, Keiko Yamahira Outside Director, Naohito Yamagishi Outside Director, and Kazuchi Shimada Representative Director, and Keiko Yamahira Outside Director as Chair, Kenji Kawada Outside Director, Chiaki Tsuji Outside Director, Naohito Yamagishi Outside Director, and Kazuchi Shimada Representative Director as Compensation Committee as Outside Director. The attendance by members at Nomination Committee and Compensation Committee is as follows.

Title	Name Title	Attendance Status	
		Nomination Committee	Compensation Committee
Outside Director (Nomination Committee Chair)	Kenji Kawada	11 times/12 times (92%)	11 times/12 times (92%)
Outside Director (Compensation Committee Chair)	Keiko Yamahira	12 times/12 times (100%)	12 times/12 times (100%)
Outside Director	Chiaki Tsuji	12 times/12 times (100%)	12 times/12 times (100%)
Outside Director	Naohito Yamagishi	8 times/8 times (100%)	8 times/8 times (100%)
Representative Director	Kazuichi Shimada	12 times/12 times (100%)	12 times/12 times (100%)

(NOTE)Mr. Naohito Yamagishi, Outside Director's attendance at Nomination Committee and Compensation Committee meetings is based on the number of Nomination Committee and Compensation Committee meetings held in Fiscal Year 2022 since his appointment as 24 June, 2022.

Specific review of Nomination Committee in Fiscal Year 2022 As a Details, the committee considered the development and selection of successors for CEO and others, and made recommendations to Board of Directors regarding the appointment and dismissal of executives.

As a concrete Details for Fiscal Year 2022 under Compensation Committee, we are continuing to examine the executive compensation system. We have decided on the compensation of our directors and Executive Officers based on a comprehensive consideration of factors such as business performance, potential risks, and the degree of progress in the medium-term management plan.

In addition, the Compliance Committee meets once a month in principle, and the Risk Management Committee meets once a quarter in principle. In addition, the Compliance Committee meets whenever necessary to ensure thorough compliance, assess and manage risks, and the General Manager of the Internal Audit Office and Audit & Supervisory Board Members of the Group regularly conduct Audit with Subsidiaries and associates, thereby ensuring the appropriateness of Subsidiaries and associates's operations. The 2 committees are composed of Kazuichi Shimada, Representative Director, as Chair, Director Masashi Yamamoto, Outside Director Kenji Kawada, Outside Director Chiaki Tsuji, Outside Director Keiko Yamahira, Outside Director Naohito Yamagishi, Makoto Endo, Full-time Audit & Supervisory Board Member, Yuuko Miura, Full-time Audit & Supervisory Board Member, and Asami Honma, Part-time Audit & Supervisory Board Member.

Attendance of each member at the Compliance Committee and the Risk Management Committee is as follows.

Title	Name Title	Attendance Status	
		Compliance Committee	Risk Management Committee
Representative Director (Chair)	Kazuichi Shimada	11 times/11 times (100%)	10 times/10 times (100%)
Director	Masashi Yamamoto	9 times/11 times (82%)	8 times/10 times (80%)
Outside Director	Kenji Kawada	10 times/11 times (91%)	9 times/10 times (90%)
Outside Director	Chiaki Tsuji	11 times/11 times (100%)	10 times/10 times (100%)
Outside Director	Keiko Yamahira	11 times/11 times (100%)	10 times/10 times (100%)
Outside Director	Naohito Yamagishi	9 times/9 times (100%)	8 times/8 times (100%)
Standing Audit & Supervisory Board Members	Makoto Endo	11 times/11 times (100%)	10 times/10 times (100%)
Standing Audit & Supervisory Board Members	Yuuko Miura	10 times/11 times (91%)	10 times/10 times (100%)
Part-time Audit	Asami Honma	11 times/11 times (100%)	10 times/10 times (100%)

(NOTE)Mr. Naohito Yamagishi's attendance at the Compliance Committee and the Risk Management Committee at Outside Director is based on the number of Nomination Committee and Compensation Committee meetings held in Fiscal Year 2022 since his appointment as 24 June, 2022.

Details of the Compliance Committee's Fiscal Year 2022 deliberation included a review of responses to internal reports, and a review and implementation of various training programs to ensure thorough compliance by directors and employees of the Group.

Details of the Risk Management Committee for Fiscal Year 2022 included a review of systems for preventing the materialization of risks, reducing losses in the event that risks materialize, and identifying risks that materialize at an early stage. In addition, we have considered unified and cross-sectional risk response and crisis management in our group, and we have established the Group CRO as the person responsible for these roles.

In addition, the Sustainability Committee meets once a quarter in principle and meets whenever needed to formulate the Group's sustainability policies, identify and regularly review material issues, determine environmental policies and measures, and make Report to Board of Directors for sustainability promotion activities. The Sustainability Committee is composed of Kazuichi Shimada, Representative Director, as Chair, Director Masashi Yamamoto, Kenji Kawada, Outside Director Chiaki Tsuji, Outside Director Keiko Yamahira, and Naohito Yamagishi Outside Director.

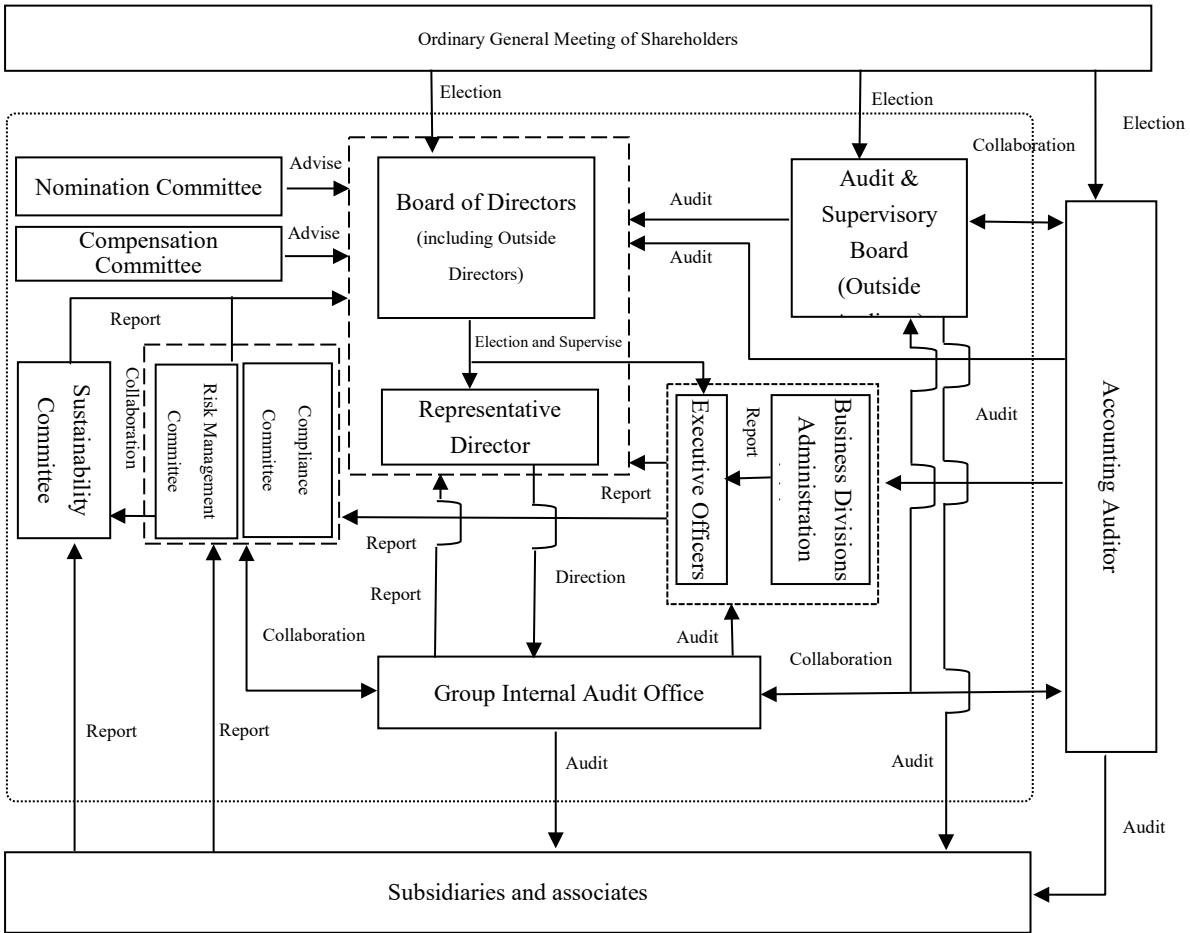
Attendance of each member at the Sustainability Committee is as follows.

Title	Name Title	Attendance Status
		Sustainability committee
Representative Director (Chair)	Kazuichi Shimada	5 times/5 times (100%)
Director	Masashi Yamamoto	5 times/5 times (100%)
Outside Director	Kenji Kawada	2 times/2 times (100%)
Outside Director	Chiaki Tsuji	2 times/2 times (100%)
Outside Director	Keiko Yamahira	2 times/2 times (100%)
Outside Director	Naohito Yamagishi	2 times/2 times (100%)

(NOTE)Attendance of Outside Director Kenji Kawada, Chiaki Tsuji, Keiko Yamahira, and Naohito Yamagishi on the Sustainability Committee is based on the number of meetings of the Sustainability Committee held in Fiscal Year 2022 since Outside Director became a member of the Committee due to revisions to the Sustainability Committee Regulations accompanying October 1, 2022.

Details of the Sustainability Committee's Fiscal Year 2022 review included the establishment of KPI on sustainability, monitoring progress, and the formulation of sustainability-related policies, including environmental and human rights policies. In response to climate change, we decided to disclose calculation data on the environment, and deliberated on measures aimed at reducing greenhouse gas emissions associated with our group's business activities by 2050% by Fiscal Year 2030 (compared to Fiscal Year 2020) and achieving a net-zero emissions by Fiscal Year 2050.

The corporate governance structure of our group is shown below.



b. Reasons for adopting this system

We have adopted the above-mentioned system to Supervise and Audit the decision-making and the execution thereof, and to ensure the system that enables prompt decision-making, while striving to manage risks, ensure thorough compliance and improve internal controls for the entire Group.

③ Other Company Governance Matters

a. Internal Control System

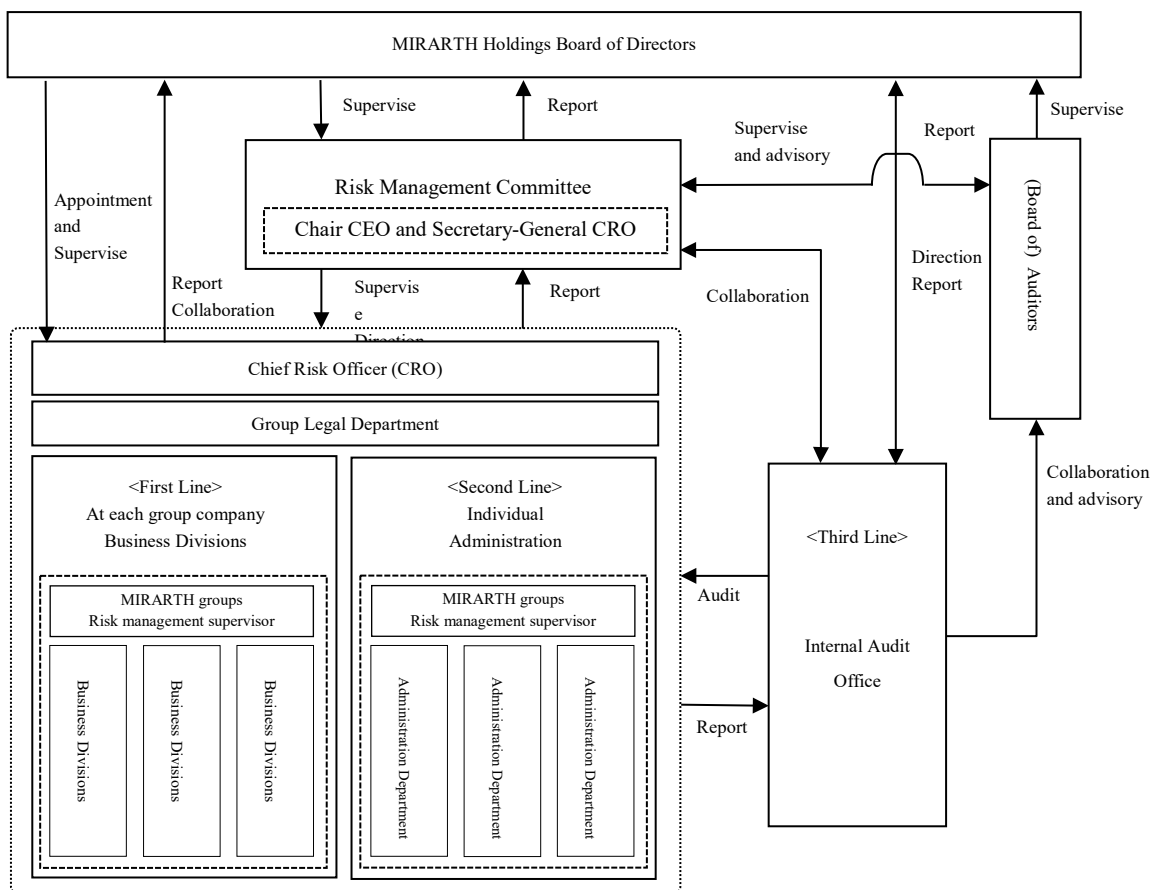
We have established the Internal Control Basic Regulations, which stipulate the basic systems, maintenance, operation, evaluation, and renewal of internal controls to ensure the appropriateness of the operations of the Company, its consolidated subsidiaries, and equity-method affiliates, as well as the basic matters and procedures incidental to these.

b. Risk Management System

a) Risk Management System

We have established the Risk Management Regulations to manage the Group's risks and to ensure the sustained improvement of our corporate value. Based on these regulations, we have established the Risk Management Committee, with the president serving as Chair, to verify and Report all risks related to overall management, and to discuss or decide on the measures and management to be implemented to avoid or reduce these risks. We are thoroughly strengthening internal controls and preventing misconduct and compliance-related matters related to overall operations, including financial Report. In order to develop and continuously improve the Group's risk management system, our Board of Directors appoints a Group CRO (Chief Risk Management Officer) from among the directors and Executive Officers, and as a subcommittee of the Risk Management Committee, we set up committees such as "Business Strategy," "Finance," "IT and Administrative Services," and "Compliance." In this way, we make proactive proposals in accordance with individual risk management. In addition, Details of discussions at the subcommittees are verified by the Risk Management Committee as appropriate based on the Risk Management Committee Rules, and Report to Board of Directors as Details is made. This structure ensures swift decision-making based on the assumption that risks occur.

Our Group's risk management system is shown below.



b) Countermeasures against Antisocial Forces

Our basic policy is to respond decisively to anti-social forces that threaten the order and safety of society. Under the guidance of our advisory Attorney-at-law, we actively participate in activities to eliminate organized crime. In addition, the Company has established a system for anti-social forces in Collaboration with the relevant police stations and external specialist organizations such as the Adviser Attorney-at-law. In order to prevent damage caused by anti-social forces, the NTA endeavors to gather information by participating in seminars and other events on anti-social forces held by police stations and relevant organizations in peacetime.

We also ask our business partners to exchange a Memorandum of Understanding on Insulations with Anti-social Forces, or include "Anti-social Forces Elimination Clauses" in various contract documents in order to thoroughly implement measures to eliminate anti-social forces.

c. Status of Development of Systems to Ensure Appropriateness of Subsidiaries' Operations

In the Regulations Governing Affiliated Companies, we have established a management policy and an organization related to Subsidiaries and associates, and we have dispatched our directors, Executive Officers and Audit & Supervisory Board members to Subsidiaries and associates and regularly held Report meetings to share information and streamline management.

d. Outline of Details of Limited Liability Agreement

We have concluded a contract with a director (excluding those who are executive directors, etc.), an outside Audit & Supervisory Board Member, and an Accounting Auditor to limit the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages based on such contract is the minimum amount of liability prescribed by laws and regulations only when the director (excluding those who are executive directors, etc.), the outside Audit & Supervisory Board Member, and Accounting Auditor are in good faith and have no gross negligence in the performance of their duties that resulted in their liability.

e. Outline of Details of the Officer Liability Insurance Contract concluded with the Officer, etc. as the insured

We have entered into liability insurance contracts with insurance companies for directors, officers, etc. as stipulated in Article 430-3-1 of the Companies Act, with all directors, Audit & Supervisory Board Members, Executive Officers, and employees who conduct administrative Supervise and directions at our subsidiaries (excluding Takara PAG Real Estate Advisory Ltd.) as insured persons.

A summary of Details of such policies is as follows:

- In the event of a company lawsuit, a shareholder representative lawsuit, or a third party lawsuit, the Company will indemnify the insured against any damages, including compensation for damages and litigation expenses, which are incurred by the insured.
- As a measure to ensure that the appropriateness of the execution of duties by the insured officer is not impaired, the damage caused by the criminal act or misconduct of the officer shall not be covered.

f. Fixed number of directors

We have stipulated in our Articles of Incorporation that we shall have no more than 15 directors.

g. Resolution Requirements for Election and Dismissal of Directors

The Articles of Incorporation of the Company provide that Election resolutions of directors shall be adopted by a majority of the votes of shareholders present who hold 1-third or more of the voting rights of all shareholders with voting rights.

In addition, the Articles of Incorporation provide that Election resolutions of Board of Directors shall not be made by cumulative voting.

h. Ordinary General Meeting of Shareholders resolutions that can be resolved by Board of Directors

• Decision-Making Body concerning Dividend from the Surplus, Etc

We have stipulated in the Articles of Incorporation that we may stipulate the matters set forth in each item of Paragraph 1 of Article 459 of the Companies Act, such as dividends of surplus, by a resolution of Board of Directors without a resolution of Ordinary General Meeting of Shareholders, unless otherwise stipulated by law. The aim is to flexibly return profits to shareholders by allowing the payment of dividends from surplus, etc. to be determined by a Board of Directors resolution.

• Interim dividend

We have stipulated in the Articles of Incorporation that interim dividends may be paid by Board of Directors resolution pursuant to Article 454, Paragraph 5 of the Corporation Act. This is to enable flexible return of incomes to shareholders.

• Acquisition of own shares

Pursuant to Paragraph 2 of Article 165 of the Companies Act, we have stipulated in the Articles of Incorporation that we may acquire our own shares by a resolution of Board of Directors. The purpose of this program is to acquire treasury stock through market transactions and other means in order to enable the execution of flexible capital policies in response to changes in the business environment.

• Exemption from Liability of Directors and Audit & Supervisory Board Members

Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation provide that the Company may, by resolution of Board of Directors, exempt the directors (including former directors) and Audit directors (including former Audit) from their liabilities with respect to the acts set forth in Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations. The purpose of this program is to create an environment in which directors and Audit & Supervisory Board members can fulfill their expected roles by fully exercising their capabilities when performing their duties.

i. Extraordinary Resolution Requirements of Ordinary General Meeting of Shareholders

The Articles of Incorporation of the Company stipulate that the special resolution requirements for Ordinary General Meeting of Shareholders set forth in Paragraph 2 of Article 309 of the Companies Act shall be adopted by 2-thirds or more of the voting rights of shareholders present who hold 1-third or more of the shareholders entitled to exercise their voting rights. This is aimed at facilitating the smooth operation of Ordinary General Meeting of Shareholders by easing the fixed number of extraordinary resolutions in Ordinary General Meeting of Shareholders.

(2)[Status of officers]

① Board of Directors

Male 6 Female 3 (Ratio of female directors: 33.3%)

Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
Representative Director, Group CEO, Group COO, and President Executive Officer	Kazuichi Shimada	Born on December 4, 1965	<p>May 1987 Joined our company</p> <p>June. 1998 Director and General Manager of Development Dept. of the Company</p> <p>June. 2000 Managing Director and General Manager of Development Division of the Company Head Office Development Department Manager and Construction Department Manager</p> <p>June. 2006 Vice President and General Manager of R&D Division of Representative Director</p> <p>April. 2012 Vice President and Chief Operating Officer of Representative Director (COO) Chief Financial Officer (CFO) and General Manager of Corporate Planning Division</p> <p>April. 2014 President and Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief Financial Officer (CFO) of our Representative Director</p> <p>April. 2019 President and Chief Executive Officer of our Representative Director (CEO)</p> <p>June. 2019 Representative Director and Chief Executive Officer (CEO) and President, Executive Officers</p> <p>October. 2022 Representative Director, Group CEO, Group COO and President, Executive Officers (to present) Takara Leben Co., Ltd. Representative Director and CEO, President and Executive Officers (to present)</p>	(NOTE)3	939
Director, Group CFO and Managing Executive Officer (in charge of Group Finance Dept., Group Accounting Dept. and Group Corporate Planning Dept.)	Masashi Yamamoto	Born on January 11, 1960	<p>April. 2006 General Manager, Ueda Corporate Sales Department, Sumitomo Mitsui Banking Corporation</p> <p>April. 2009 General Manager, Kamata Corporate Sales Dept.</p> <p>April. 2011 General Manager, Sapporo Corporate Sales Dept.</p> <p>April. 2014 Executive Director, General Manager of Tokyo Metropolitan Corporate Sales Division, General Manager of Tokyo Higashi Corporate Sales Division, and General Manager of East Japan Corporate Sales Division</p> <p>May 2016 Joined the Company, General Manager of General Affairs Department, Corporate Planning Division</p> <p>June. 2017 Director, General Manager of the Corporate Planning Division, General Manager of the Corporate Planning Group, General Manager of the Human Resources Management, and General Manager of the Corporate Planning Department</p> <p>April. 2018 Director, General Manager of Executive Officers Corporate Planning Group, General Manager of Corporate Planning Headquarters, and General Manager of Corporate Planning Department</p> <p>April. 2019 Director, Chief Financial Officer (CFO) and General Manager of Executive Officers Corporate Planning Division of the Company</p> <p>April. 2020 Director, Chief Financial Officer (CFO) and Managing Director, Executive Officers Corporate Planning Division</p> <p>April. 2021 Director, Chief Financial Officer (CFO) and Managing Director, Executive Officers Administration Division of the Company</p> <p>October. 2022 Director, CFO and Managing Director, Executive Officers Corporate Planning Division Takara Leben Co., Ltd. Director, CFO and Managing Director, Executive Officers Corporate Planning Division (to present)</p> <p>April. 2023 Director, Member of the Board, CFO and Managing Director of the Group Executive Officers (in charge of Group Finance Dept., Group Accounting Dept. and Group Corporate Planning Dept.) (to present)</p>	(NOTE)3	135
Director	Kenji Kawada	Born on March 29, 1950	<p>May 2003 President of Resona Holdings Representative Director Co., Ltd</p> <p>June. 2003 Director, Representative Executive Officer and President</p> <p>June. 2006 President, Representative Director, Saitama Resona Bank, Ltd. Executive Officer in Charge of Group Strategy Department, Resona Holdings Inc.</p> <p>June. 2009 Chairman, Resona Research Institute, Inc.</p>	(NOTE)3	11

			<p>April. 2011 Executive Director, Fujitsu Research Institute, Limited</p> <p>January. 2016 Representative of TMA KAWADA OFFICE (current)</p> <p>April. 2016 Advisor, Fujitsu Research Institute, Limited</p> <p>June. 2017 PE&HR Corporation Outside Director (current)</p> <p>June. 2017 Director of the Company (to present)</p> <p>June. 2018 Outside Audit & Supervisory Board Member, Konishi Co., Ltd</p> <p>June. 2021 Outside Director (Audit and Supervisory Committee Member) (current)</p> <p>September. 2022 METRIKA Director, Inc. (current)</p>		
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Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
Director	Chiaki Tsuji	Born on April 29, 1953	<p>Passed the Bar Examination in October 1976</p> <p>April. 1979 Registered as Tokyo Attorney-at-law Association Joined Yamamoto Eisei Law Office</p> <p>October. 1988 Research on the Judicial System in Germany</p> <p>October. 1990 Certified as German Attorney-at-law (Japanese law) Partner in Peter Buyer's law office Attorney-at-law</p> <p>April. 1993 Lecturer, Bunka Women's University (currently Cultural Gakuen University) (Law and Constitution)</p> <p>July. 2001 Partner Attorney-at-law, Established Yoshioka-Tsuji General Law Office</p> <p>April. 2004 Professor, Graduate School of Law, Yamanashi Gakuin University (civil faction)</p> <p>April. 2011 Member of Graduate School of Law Certification Evaluation Committee, University Standards Institute</p> <p>June 2017 Yoros Outside Director Co., Ltd. (Audit and Supervisory Committee Member) (to present)</p> <p>April. 2018 Visiting Professor, Faculty of Law, Yamanashi Gakuin University</p> <p>June 2019 Outside Director of KAIHIN CORPORATION (now Hitachi Astemo Corporation)</p> <p>July. 2019 Joined KINOL Tokyo. Partner Attorney-at-law (current position)</p> <p>June. 2021 Director of the Company (to present)</p> <p>June. 2022 Outside Audit & Supervisory Board Member, Moriroku Holdings Co., Ltd. (current)</p>	(NOTE)3	12
Director	Keiko Yamahira	Born on November 30, 1960	<p>April. 1983 Joined Kubota House Corporation (currently Sanyo Homes Corporation)</p> <p>April 2010 Executive Officers, Sanyo Homes Co., Ltd.</p> <p>June. 2011 Director and Managing Executive Officers</p> <p>June. 2012 Director, SANYO REFORM CO., LTD. (concurrent)</p> <p>June. 2013 Director and Senior Managing Executive Officers, Sanyo Homes Co., Ltd. Director, Sun Advance Co., Ltd. (concurrently) Director, Sanyo Homes Community Co., Ltd. (concurrent position)</p> <p>June. 2015 President and Executive Officers, Sanyo Homes Co., Ltd.</p> <p>April. 2017 Chairman, Representative Director, Sanyo Homes Community Co., Ltd.</p> <p>June. 2019 Outside Director, Joshin Denki Co., Ltd. (current) FUJITECH Co., Ltd. Outside Director</p> <p>June. 2021 Director of the Company (to present)</p> <p>June. 2022 Outside Director, Shinagawa Refractories Co., Ltd. (current position)</p>	(NOTE)3	-
Director	Naohito Yamagishi	Born August 5, 1961	<p>April. 1986 Joined National Policy Agency</p> <p>April. 1990 Director, Investigation Section 2, Criminal Department, Kagawa Prefectural Police Headquarters</p> <p>August. 1991 Chief, Public Security Division 1, Saitama Prefectural Police Headquarters</p> <p>August. 1993 Deputy Chief, Transportation Regulation Division, Transportation Bureau, National Police Agency</p> <p>August 1994 Assistant to Chief of Road Administration Division, Road Bureau, Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>September 1996 Assistant Director, Driving License Section, Traffic Bureau, National Police Agency</p> <p>August. 1998 General Manager, Police Department, Nara Prefectural Police Headquarters</p> <p>August. 2000 Vice President, Security Department, Hyogo Prefectural Police Headquarters</p> <p>August 2002 Director-General, Security Department, National Police Agency</p> <p>August 2004, with National Police Agency (Cabinet Information Research Office)</p> <p>September. 2006 General Manager, Security Dept., Kanagawa Prefectural Police Headquarters</p> <p>August 2008 Counselor, Personnel and Pension Bureau, Ministry of Internal Affairs and Communications</p> <p>August. 2010 General Manager, Wakayama Prefectural Police Division</p> <p>August. 2012 General Manager, Police Department, Kanagawa Prefectural Police Headquarters</p> <p>August. 2013 Chief of Driver's License Section, Transportation Bureau, National Police Agency</p>	(NOTE)3	-

			<p>June. 2014 Deputy General Manager, Imperial Guard Headquarters</p> <p>February. 2016 Chief, Niigata Prefectural Police Division</p> <p>March. 2018 Director of International Police Center, National Police Academy, and Deputy Director-General of the Secretariat of the National Police Agency (in charge of measures for crime victims)</p> <p>January. 2019 General Manager, Hokkaido Police Division</p> <p>Resigned in August 2020</p> <p>January. 2021 Adviser, Mitsui Sumitomo Insurance Co., Ltd.</p> <p>June. 2022 Director of the Company (to present)</p> <p>December. 2022 Counselor, National Association of Road Signs and Marking Dealers</p> <p>May 2023 (1 company) Senior Executive Director, National Road Signs and Signage Association (present)</p> <p>June. 2023 Auditor, UTMS Institute (part-time) (current)</p>		
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Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
Standing Audit & Supervisory Board Members	Makoto Endo	Born September 2, 1955	<p>April. 1978 Joined The Shoko Chukin Bank (currently The Shoko Chukin Bank)</p> <p>July. 1999 Branch Manager, Kurume Branch of the same bank</p> <p>July. 2001 Inspector, Banko Inspection Department</p> <p>July. 2003 General Manager, Fund Securities Division, The Bank</p> <p>March. 2004 General Manager, Treasury Market Operations Office</p> <p>August. 2006 General Manager, International Department of Safe Bank</p> <p>August. 2007 Dispatched to Polymatech Co., Ltd.</p> <p>September 2010 Transferred to Polymatech Co., Ltd.</p> <p>October. 2011 Managing Director, Shoko Chukin Card Co., Ltd.</p> <p>June. 2018 Full-time Audit & Supervisory Board Member of the Company (to present)</p> <p>June. 2018 Leben Zestock Co., Ltd. Audit & Supervisory Board member</p> <p>June. 2018 Takara Asset Management Co., Ltd. Audit & Supervisory Board member</p> <p>May 2022 Leben Trust Co., Ltd. Audit & Supervisory Board Member (current position)</p> <p>October 2022 Takara Leben Co., Ltd. Audit & Supervisory Board Member (current position)</p> <p>January 2023 Takara Asset Management Co., Ltd. Audit & Supervisory Board Member (current position)</p>	(NOTE)4	-
Standing Audit & Supervisory Board Members	Yuuko Miura	Born on March 10, 1984	<p>December. 2005 Joined ChuoAoyama Audit Corporation (currently PwC Aarata Limited Liability Audit Corporation)</p> <p>Registered as Certified Public Accountant in May 2008</p> <p>February. 2012 Joined Novartis Pharma 0.0. Corporate Accounting Department</p> <p>Stadist Audit, Inc., full-time, June 2019</p> <p>June. 2020 Full-time Audit & Supervisory Board Member of the Company (to present)</p> <p>October. 2020 Audit & Supervisory Board Member, Nikko Takara Corporation (current Leben Home Build Co., Ltd.) (current)</p> <p>Takara Leben Realnet Co., Ltd. Audit & Supervisory Board Members</p> <p>March. 2022 Outside Audit & Supervisory Board Member, Monster Lab Holdings, Inc. (current)</p> <p>June 2022 Leben Zestock Co., Ltd. Audit & Supervisory Board Member (current position)</p> <p>October 2022 Takara Leben Co., Ltd. Audit & Supervisory Board Member (current position)</p>	(NOTE)5	-
Part-time Audit	Asami Honma	Born on January 21, 1959	<p>April. 1981 Joined The Saitama Bank, Ltd. (currently Resona Bank, Ltd.)</p> <p>November 1999 General Manager, Shinsayama Branch, Asahi Bank, Ltd. (currently Resona Bank, Ltd.)</p> <p>October. 2001 General Manager, Ikebukuro Branch</p> <p>March. 2003 General Manager, Sales Department II, Ikebukuro Branch, Resona Bank, Ltd.</p> <p>September. 2005 Seconded to Resona Business Service Co., Ltd.</p> <p>February 2010 General Manager of Loan Support Department for Loans Transferred to the Company</p> <p>April. 2015 General Manager, Corporate Planning Department, Executive Officers</p> <p>April, 2016 Director</p> <p>April. 2017, manned director of the company</p> <p>June. 2018 Outside Audit & Supervisory Board Member of the Company</p> <p>April. 2019 Adviser, Resona Business Service Co., Ltd.</p> <p>June 2019 Full-time Audit & Supervisory Board Member of the Company</p> <p>October. 2019 Leben Trust Co., Ltd. Audit & Supervisory Board member</p> <p>May 2020 Takara Leben West Japan Co., Ltd. (currently Takara Leben Co., Ltd.) Audit & Supervisory Board Member (current)</p> <p>May 2022 Takara Leben Realnet Co., Ltd. Audit & Supervisory Board Member (current position)</p> <p>October 2022 Part-time Audit & Supervisory Board Member of the Company (to present)</p> <p>June 2023 Leben Community Co., Ltd. Audit & Supervisory Board Member (current position)</p>	(NOTE)4	-
Total					1,097

(NOTE)1. 4 directors are Outside Director: Kenji Kawada, Chiaki Tsuji, Keiko Yamahira, and Naohito Yamagishi.

2. Audit & Supervisory Board Member Makoto Endo, Yuuko Miura and Asami Honma are 3 outside Audit & Supervisory Board members.

3. The period from the closing of Annual Shareholders' Meeting on June 23, 3.2023 to the closing of Annual Shareholders' Meeting for the final fiscal year ending within 1 year.

4. This is the period from the closing of Annual Shareholders' Meeting of 24 June, 2022 to the closing of the final Annual Shareholders' Meeting of the fiscal years ending within 4 years.
5. This is the period from the closing of Annual Shareholders' Meeting held on June 29, 5.2020 to the closing of Annual Shareholders' Meeting on the last of the fiscal years ending within 4 years.

6. We Election a substitute Audit officer as set forth in Paragraph 3 of Article 329 of the Corporate Law in preparation for a shortfall in the number of Audit officers stipulated by law. Brief history of Audit & Supervisory Board Member is as follows.

Name Title	Date of birth	Brief History	Number of shares held (Thousands of Shares)
Masanori Otsubo	Born October 24, 1957	April. 1980 Joined Haruyuki Otsubo Accounting Firm April. 1984 Joined Nishio Certified Public Accountant Office September. 1986 Established Otsubo Masanori Tax Accountant Office (current position) May 2014 Leben Community Co., Ltd. Audit & Supervisory Board Member (current position) June. 2018 Takara Leben West Japan Co., Ltd. Audit & Supervisory Board Member	-

7. We have introduced Executive Officers system, and in addition to the above, we have the following 10 Executive Officers.

Executive Officers Shoichi Akisawa
Executive Officers Yoshitaka Tejima
Executive Officers Masahiro Yoshida
Executive Officers Tadayuki Hara
Executive Officers Hiroshi Iwamoto
Executive Officers Mika Takaara
Executive Officers Kentaro Taniguchi
Executive Officers Norihiko Yoshimura
Executive Officers Go Yamaji
Executive Officers Noriyoshi Iseki

② Status of Outside Officers

We Election 4 Outside Director members, and all 3 of our Audit & Supervisory Board members are outside Audit & Supervisory Board members.

In addition, we have established independence standards for Election of Outside Director or Outside Audit & Supervisory Board Members. These standards include the fact that we do not have a personal relationship or business relationship with us, that we satisfy the independence requirements stipulated by Tokyo Stock Exchange, that there is no risk of conflict of interest with ordinary shareholders, that we have extensive experience and achievements at financial institutions and other companies, and that we have a wide range of knowledge and views in various specialized fields such as tax, accounting, and legal matters.

Outside Director Kenji Kawada was the former President and Chief Executive Officer of Resona Holdings, Inc., a holding company of Resona Bank, Ltd., 1 of our business partners. However, the percentage of our borrowings from the bank to total borrowings is insignificant, and as it has already been more than 2010 years since he retired as an executive officer of the bank, we have determined that his independence will not be affected.

There are no personal or business relationships between Other's Outside Director, Outside Audit & Supervisory Board Members and us. The number of shares of our company owned by each outside officer is described in "(2) Status of officers, ① List of officers."

③ Relationship between Supervise or Audit by Outside Director or Outside Audit & Supervisory Board Members and Internal Audit, Audit & Supervisory Board Members Audit and Accounting Audit, and Relations with Internal Control Divisions

Outside Audit & Supervisory Board Members constantly Audit and Supervise the status of directors' business execution by attending Board of Directors and other important meetings and expressing their views as needed from the standpoint of such meetings. Full-time Audit & Supervisory Board Members are well-versed in the company and have a deep understanding of management. The Company actively strives to improve Audit's environment and gather internal data, and routinely monitors the status of the establishment and operation of internal control systems. The Company expresses objective opinions and advises on these matters, and the Company believes that management is sufficiently appropriate.

Outside Director regularly receives Supervise from the Group Audit for Audit by Audit or outside Audit officers, and receives Audit from Audit officers and Accounting Auditor officers as necessary to speak to them at Board of Directors meeting. Outside Audit officers also attend key Report Other meetings, review important documents, and hear the status of business operations in accordance with Audit policies and Audit plans established by the Group Collaboration and Audit officers. We are conducting.

Outside Audit & Supervisory Board Members monitor and verify that Internal Audit Office conducts appropriate Audit operations after attending Audit Details and soliciting opinions. The Company also strives to establish an effective and efficient Audit system by monitoring and verifying whether Accounting Auditor conducts appropriate Audit and by obtaining Report and explanations from Accounting Auditor regarding the status of the execution of their duties and other matters, and by making various financial statements and other audit.

(3)[Audit Status]

① Audit & Supervisory Board Members Audit Status

a. Audit & Supervisory Board Member Audit's organizational structure, personnel, and procedures

We are a company with Audit & Supervisory Board, and Audit & Supervisory Board is composed of 3 outside Audit & Supervisory Board members, all of whom have been delivered to Tokyo Stock Exchange as independent outside directors/auditors.

Full-time Audit & Supervisory Board Member Yuuko Miura is qualified as a Certified Public Accountant and is involved in the fields of tax and accounting at Audit corporations and general business companies. Also, Makoto Endo, who is also a full-time Audit & Supervisory Board Member, and Asami Honma, who is a part-time Audit & Supervisory Board Member, have held positions as branch managers and department managers at financial institutions, and both have knowledge of finance, accounting, and organizational management, etc.

In addition, the above 3 Audit & Supervisory Board members concurrently serve as Audit & Supervisory Board Members of Takara Leben Co., Ltd., which became a significant subsidiary following the organizational restructuring (the transition to a holding company system). In effect, the Company and Takara Leben Co., Ltd. conducted Audit together under a system of 3 full-time Audit & Supervisory Board Members, the same as in the previous fiscal year. Frequency of activities of Audit & Supervisory Board Members and Audit & Supervisory Board of b. company in the most recent fiscal year, Details, etc.

The 3 outside Audit & Supervisory Board members mentioned above conduct Audit on the execution of duties by directors and other employees from the standpoint of legality and appropriateness in their respective Audit activities. Audit & Supervisory Board Members' meetings are held at least once a month at Audit & Supervisory Board and Audit & Supervisory Board Members' meetings, which are held as appropriate. Audit & Supervisory Board Members' meetings are held Report and discussed, and then summarized in Audit report. In Audit process, groups conduct efficient and effective Internal Audit Office by listening to Accounting Auditor's Details, as well as the outcome of the work conducted by our Accounting Auditor.

Audit & Supervisory Board Members' specific activities Details are working to improve the effectiveness of Cooperation and information sharing and Board of Directors by attending Audit and holding Audit & Supervisory Board (see the table below), attending the Compliance Committee and Risk Management Committee (see Page 54), attending key meetings such as Executive Committee (13 times), hosting Audit & Supervisory Board (2 times), Internal Audit Office (13 times), and Audit corporations (13 times). We also hold monthly interviews with Representative Director and Outside Director to exchange views and make recommendations. Audit & Supervisory Board members also conduct on-site audits of individual divisions and business sites, including those of affiliated companies in charge of individual Audit & Supervisory Board members, to ascertain the status of meetings with directors, Executive Officers and other executives and employees. In addition, the Committee inspects and verifies important documents such as proposals and accounting, responds to whistle-blowing issues through the whistle-blowing system (Helpline), and verifies the status of the Company's response to cases and the effectiveness of preventing recurrence.

The specific Details of Audit & Supervisory Board in Fiscal Year 2022 (resolution and consultation Details) are described below. In the fiscal year under review, we conducted Audit with particular emphasis on the status of our group-management system for various risk factors that are diversifying with the expansion of our business scale and scope. Audit & Supervisory Board held repeated discussions on issues that were recognized as a result. At the meetings of Board of Directors, the Compliance/Risk Management Committee, and other committees, and through interviews with Representative Director and other senior employees, the committee provided proposals and recommendations. We will continue to monitor measures to ensure that responses to these issues are effective and sustainable, centered on the newly established CRO (Chief Risk Officer) in Fiscal Year 2023.

<Major Report and consultation items including resolutions at Audit & Supervisory Board and Audit & Supervisory Board Members' meetings>

• Matters for Resolution

Audit & Supervisory Board Members Consent to Election Proposal, Audit Corporation's Audit Result Report Letter Approval, Full-time Audit & Supervisory Board Members & Audit & Supervisory Board Chairman's Election, and Audit & Supervisory Board Member Compensation Approval, Audit & Supervisory Board Audit Plan Approval, and Audit Corporation's Consent to Audit Compensation

• Report and Consultation

The status of Board of Directors operations, the legality of agenda items, etc., and the status of Details reviews, statutory documents, disclosed documents, etc., Details reviews, information sharing on whistle-blowing cases, response status, and systems for preventing reoccurrence, etc., the ideal status of the compliance/risk management system, the status of business operations of Group subsidiaries, and the status of controls by the parent company, etc.

Attendance of Audit & Supervisory Board Members at Board of Directors and Audit & Supervisory Board is as follows.

Title	Name Title	Attendance Status	
		Board of Directors	Audit & Supervisory Board
Standing Audit & Supervisory Board Members	Makoto Endo	19 times/19 times (100%)	12 times/12 times (100%)
Standing Audit & Supervisory Board Members	Yuuko Miura	19 times/19 times (100%)	12 times/12 times (100%)
Part-time Audit	Asami Honma	19 times/19 times (100%)	12 times/12 times (100%)

② Internal Audit Status

In order to enhance and strengthen our internal Audit, we have established a group-wide Internal Audit Office (5 persons) as an independent office under the direct control of the president. In addition, the Internal Audit Regulations have been established to coordinate with Audit & Supervisory Board Members Audit and Accounting Auditor Audit in planning and implementing internal Audit and to ensure the efficient operation of various functions. Audit & Supervisory Board Members attend Audit, which is conducted by Internal Audit Office, and work to establish an effective and efficient Audit Details system by confirming Audit Details and gathering opinions as appropriate. With regard to the reporting line, the Group Internal Audit Office regularly conducts Audit activities through Board of Directors and Audit & Supervisory Board direct Report, which ensures Collaboration system between the Group Internal Audit Office and directors and Audit & Supervisory Board Members.

③ Financial Audit Status

1. Name of Audit Corporation

Grant Thornton Taiyo LLC.

2. Continuous Audit duration

From the fiscal year ended March 1999 onward

3. Certified Public Accountant who execute business

Designated Limited Liability Partners Managing Partner Tooru Yurue

Designated Limited Liability Partners Managing Partner Takafumi Shimokawa

4. Composition of assistants for Audit services

We have 10 Certified Public Accountant and 22 Other assistants in our Audit services.

5. Audit Corporation Selection Policy and Reasons

With regard to Accounting Auditor, we comprehensively evaluate and determine Accounting Auditor candidates by referring to the Practical Guidelines for Audit & Supervisory Board Members, etc. related to the formulation of standards for evaluating and selecting Accounting Auditor issued by the Japan Audit & Supervisory Board Members Association.

In the event Audit & Supervisory Board deems that Accounting Auditor falls under any of the items set forth in Paragraph 1 of Article 340 of the Corporation Law, it shall dismiss Accounting Auditor with the consent of all Audit.

There is no particular Interests between Audit Corporation and Managing Partner, an Audit corporation engaged by us. In addition, Managing Partner of Audit Corporation is not to be involved for more than a certain period of time. The Company has concluded an audit agreement and pays audit fees under the agreement.

6. Valuation of Audit & Supervisory Board Members and Audit & Supervisory Board Corporations

Accounting Auditor is evaluated based on Audit & Supervisory Board Members' Practical Guidelines for Evaluation and Selection of Accounting Auditor issued by the Japanese Institute of Audit & Supervisory Board Members, as described above.

We received Report from Audit Corporation regarding Audit plan and quarterly financial results, and verified its Details and asked and discussed major accounting issues. In addition, regarding the quality control system to ensure that the independence of Accounting Auditor and the execution of duties are carried out properly, which is of particular importance, we confirmed that there are no particular problems. We received briefings at Audit corporations on the outline of the quality control system and explanations on the status of subsequent improvements to the results of the most recent external reviews by the Japan Certified Public Accountant Association and Audit Review Board (Financial Services Agency).

Regarding Audit Key Considerations (KAM), which include items that Accounting Auditor considers to be particularly important when conducting Audit, the following 2 items were decided after discussions with Audit & Supervisory Board throughout the period, focusing on items selected as candidates by Audit corporations, taking into account the impact on accounting treatment of various management measures implemented during the period.

- Revenue recognition on real estate sales transactions with special purpose companies in which the company or subsidiary was involved in the formation

- Validity of the transaction price for the sale transaction to the investment corporation

Audit & Supervisory Board confirmed the reasons for Audit Corporation's decisions regarding the ultimate KAM and our response to these items and Audit Corporation's assessment are appropriate.

In addition to the above issues, the Company has decided to reappoint Audit Corporation as well as other and Collaboration outcomes of Audit Corporation after considering OOD between the Corporation and the Corporate Manager, the Accounting Division, and the Internal Audit Division.

④ Details of Audit compensation, etc.

a. Compensation for Audit Certified Public Accountant, etc.

Category	End of Previous Consolidated Accounting Period		Current Consolidated Fiscal Year	
	Compensation Based on Audit Certification Services (Millions of yen)	Non Audit Business-Based Compensation (Millions of yen)	Compensation Based on Audit Certification Services (Millions of yen)	Non Audit Business-Based Compensation (Millions of yen)
Submitting Company	41	-	48	-
Consolidated subsidiaries	1	0	20	-
Total	42	0	68	-

(End of Previous Consolidated Accounting Period)

Details of non-consolidated Audit operations is an agreed-upon procedural operation.

(Current consolidated fiscal year)

Not applicable.

b. Compensation for organizations belonging to the same network (Grant Thornton) as Audit Certified Public Accountant, etc. (excluding A.)

Not applicable.

c. Details of compensation based on Other's critical Audit certification services

(End of Previous Consolidated Accounting Period)

Not applicable.

(Current consolidated fiscal year)

Not applicable.

d. Policy for Determining Audit Compensation

Our Audit compensation for Audit corporations is determined after consultation with Audit & Supervisory Board, taking into account Audit system, the number of days spent, and other factors.

e. Reasons for Audit & Supervisory Board's consent to Accounting Auditor's compensation, etc.

With regard to Accounting Auditor's Audit compensation, based on the Practical Guidelines on Collaboration with Accounting Auditor published by the Japanese Audit & Supervisory Board Members Association, we have discussed and agreed on the status of Audit's Details and Audit operations in light of our size and business Details, and whether the basis for calculating the compensation estimates is appropriate.

(4)[Remuneration for Director]

① Matters pertaining to the policy on determining the amount of Remuneration, etc., for officers or the method for calculating such amount

When determining the amount of remuneration, etc., for executives, we aim to effectively function as a reward for expanding business performance and enhancing corporate value in order for us to achieve sustainable growth. As for the level of remuneration, based on Comparison with other companies in the same company and companies of the same size, we set a level commensurate with our performance, and determine the amount of remuneration based on each director's contribution to performance, etc., with the aim of linking it to a sound, efficient, and stable going concern.

The following is a Details of the Company's specific basic policy on executive compensation.

(i) Matters concerning the policy for determining Details of remuneration, etc. for individual directors

1. Determination method of decision policy

The decision-making policy is deliberated and approved by the Compensation Advisory Committee and is determined by Board of Directors in respect of Details approved by the Compensation Advisory Committee. At Board of Directors held on February 15, 2021, we resolved the policy for Details of remuneration, etc. for individual directors.

2. Summary of Details Decision-Making Policy

Basic a. Policy

When determining the amount of remuneration, etc. for executives, we shall make decisions based on the Advisory Committee for Remuneration, a voluntary advisory body, after comprehensively considering business performance, potential risks, the degree of responsibility for Group management, and the degree of progress of the Medium-Term Management Plan within the scope of the resolution made by Ordinary General Meeting of Shareholders, and with regard to executive directors, a certain percentage of remuneration shall be linked to business performance and the degree of contribution of each director, so that it functions as an incentive for sustainable growth. This will lead to a sound, efficient, and stable going concern.

The details of the basic policy on remuneration for executive directors are as follows:

- It should contribute to the enhancement of our corporate value.
- The level of money and design that can attract and retain talented personnel.
- It should be designed to reflect our medium-and long-term management strategies and should be motivated to do so.
 - To have transparency, fairness, and rationality for shareholders, employees, and other stakeholders, and to be determined through an appropriate process to secure them.
 - In addition to basic remuneration, it shall be determined based on the remuneration system designed by introducing individual evaluation-linked and performance-linked remuneration.

Policy on determining the amount of individual remuneration, etc. of basic remuneration for b. (monetary remuneration) (including policy on determining the time or terms of remuneration, etc.)

The basic remuneration (monetary remuneration) for our directors is evaluated on a 5-point scale according to the degree of achievement of each of the following 5 evaluation items (the "P.C.F.P.A." evaluation) for each fiscal year, while comprehensively considering the industry level, the level of other companies, and the level of employee remuneration according to the position, responsibilities, and years of service. The remuneration is determined after consultation with the Compensation Advisory Committee, which is a voluntary advisory committee, and monthly remuneration equal to the level in December.

- Performance: Performance of own division
- Compliance: Legal compliance, morals, etc.
- Foresight: Ability to grasp and analyze the situation, and ability to plan business
- Physical: Business promotion capabilities
- Affinity: Ability to build relations

Policies for determining Details and amount or number of c. performance-linked remuneration, etc. and non-monetary remuneration, etc. (including policies for determining the timing or terms of remuneration, etc.)

Our non-monetary compensation shall be a stock-based compensation stock option, and in principle shall be issued when the performance target for the relevant fiscal year is achieved. The number of stock-based compensation-type stock options granted or not paid will be determined based on the performance achievement evaluation of each executive director. Performance indicators, or targets, shall be set each year and shall be reviewed in response to changes in the environment as needed.

Stock-based compensation options are Class A stock options exercisable after a certain period of time and Class B stock options exercisable at the time of retirement.

Policy on determining the amount of d. basic remuneration, the amount of performance-linked remuneration, etc. or the amount of non-monetary remuneration, etc. as a percentage of the amount of individual remuneration, etc. of directors

The percentage of to the amount of remuneration, etc. for individual Directors In principle, the ratio of the Directors' basic remuneration to remuneration through stock options (Class A stock options (exercisable after a certain period of time) and Class B stock options (exercisable at the time of retirement) shall be as follows: "Basic Director Compensation: Class A stock options: Class B stock options = 5:4:1."

The Compensation Advisory Committee, an advisory body, determines the amount of individual compensation. The Compensation Advisory Board will Report the total amount to be paid at Board of Directors each time.

(ii) The matters concerning delegation pertaining to the determination of remuneration, etc. by individual directors and the reasons why Board of Directors determined that Details of remuneration, etc. by individual directors for the current business year is in line with the said policy

Individual compensation for directors is determined by the Compensation Advisory Committee authorized by a resolution of Board of Directors based on Details policy for individual compensation for directors resolved by Board of Directors, within the total amount of compensation determined by a resolution of Ordinary General Meeting of Shareholders. The reason for delegating authority to the Compensation Advisory Committee to determine the amount of individual remuneration for directors is to strengthen transparency and accountability in determining remuneration.

As mentioned above, the Compensation Advisory Committee determines the amount of individual remuneration for directors and Report the total amount of such remuneration to Board of Directors, and the amount of individual remuneration for directors has been determined through these procedures. Therefore, our Board of Directors has determined that Details of individual remuneration for directors in the current fiscal year is in line with the above policy.

The members of the Compensation Advisory Committee are as follows.

Keiko YAMAHIRA Chair (Outside Director), Commissioner Kenji KAWADA (Outside Director)
 Member Chiaki Tsuji (Outside Director) Member Naohito Yamagishi (Outside Director)
 Member Kazuichi Shimada (Representative Director)

(iii) Details of non-monetary compensation, etc.

Our non-monetary compensation is a stock-based compensation type stock option, and in principle it will be issued when the performance target for the relevant fiscal year is achieved. The number of stock-based compensation-type stock options granted or not paid will be determined based on the performance achievement evaluation of each executive director. Target performance indicators are set each year and reviewed as appropriate in response to changes in the environment.

Stock-based compensation options consist of Class A stock options exercisable after a specified period of time and Class B stock options exercisable at the time of retirement.

(iv) Ordinary General Meeting of Shareholders on Remunerations for Directors and Audit & Supervisory Board Members: Matters concerning the provisions by resolution;

In the 45th Annual Shareholders' Meeting held on June 27, 2017, it was resolved that the maximum amount of remuneration for directors will be 600 Millions of yen per annum (not including employee salaries) compared to the number of directors (not more than 15) as stipulated in the Articles of Incorporation. At the conclusion of this Ordinary General Meeting of Shareholders, the number of directors was 10 (including 3 in Outside Director). In addition, it was resolved at the 49th Annual Shareholders' Meeting of 25-June, 2021 that the amount of stock option-based compensation would be 600 Millions of yen per year. The number of Directors excluding Outside Director as of the closing of Ordinary General Meeting of Shareholders is 8.

The maximum amount of Audit & Supervisory Board Members' compensation was resolved to be 60 Millions of yen per year for the number of Audit & Supervisory Board Members (up to 5) as stipulated in the Articles of Incorporation under the extraordinary Ordinary General Meeting of Shareholders held on July 16, 1999. At the closing of Ordinary General Meeting of Shareholders, there were 3 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members).

② Directors and Audit & Supervisory Board Members: The total amount of remuneration, etc. for each Category, the total amount of remuneration, etc. for each Type, and the number of Directors and Audit & Supervisory Board Members eligible for remuneration

Executive Category	Total amount of remuneration (Millions of yen)	Total (Millions of yen) of Compensation by Type				Number of executives eligible (People)
		Basic remuneration	Stock options	Bonus	Retirement bonuses	
Director (Excluding Outside Director)	531	247	284	-	-	8
Outside officers	66	66	-	-	-	8

(NOTE)1. The amount paid to directors does not include the amount paid to employees of directors who also serve as employees.

2. Stock options are recorded as expenses in the fiscal year under review related to Subscription rights to shares allocated to the Company. The number of directors is 7.

③ Total amount of remuneration, etc. for persons whose total amount of remuneration, etc. is 100 million yen or more

Name Title	Total amount of remuneration (Millions of yen)	Executive Category	Corporate Category	(Millions of yen) of Compensation by Type			
				Basic remuneration	Stock options	Bonus	Retirement bonuses
Kazuichi Shimada	178	Director	Submitting Company	90	88	-	-

(5)[Status of shareholding]

① Category standards and concepts for invested shares

We Category shares held for the purpose of receiving profits from changes in the value of shares or dividends as investment shares for net investment purposes, and other shares as investment shares for purposes other than net investment purposes.

② Investments in shares held for purposes other than pure investment

a. Details of verification in Board of Directors, etc. regarding the appropriateness of holding policies and methods for verifying the rationality of holding and individual issues

The main objective of our shareholding policy is to facilitate business relationships. Based on the status of share prices and other factors, we decided whether to continue holding the shares and made a It continues its cross-shareholding if the cross-holding is reasonable..

Regarding the appropriateness of strategic shareholdings, to the cross-shareholdings are worth the capital cost. Summaries of these examinations are disclosed. is verified as appropriate in Board of Directors, etc. to determine whether the purpose of the shareholding is appropriate.

b. Number of issues and Total in the amount reported on the balance sheet

	Number of issues (issue)	Balance Sheet Amount Total amount (Millions of yen)
Unlisted stocks	9	1,137
Shares other than unlisted shares	6	1,377

(Issues with an increase in the number of shares in the current fiscal year)

Not applicable.

(Issues whose number of shares decreased in the current fiscal year)

	Number of issues (issue)	Sale related to the decrease in the number of shares Value Total Value (Millions of yen)
Unlisted stocks	1	22
Shares other than unlisted shares	-	-

c. Information on the number of shares and the amount recorded on the balance sheet for each issue of specified investment shares and deemed holding shares

Specified investment shares

Brand	Current fiscal year	Prior taxable year	Outline of holding purpose, business alliance, etc., Quantitative holding effect And reasons for the increase in the number of shares	Holding of our shares
	Shares (Shares)	Shares (Shares)		
	Balance Sheet Amount (Millions of yen)	Balance Sheet Amount (Millions of yen)		
Takara Leben Real Estate Investment Corporation	14,385	14,385	We are the sponsor of this corporation and hold it to maintain and strengthen good relationships.	None
	1,288	1,770		
Tsukuba Bank, Ltd.	141,000	141,000	The Company conducts loans and other banking transactions mainly for projects in Ibaraki Prefecture, and holds them in order to continue to secure financing activities.	Yes
	30	28		
Musashino Bank, Ltd.	10,000	10,000	We have financed large-scale projects that extend over a long period of time. The Company will continue to hold these assets to ensure smooth financing activities.	Yes
	22	17		
Concordia Financial Group, Inc.	43,280	43,280	We conduct ongoing banking transactions centered on project loans. During the fiscal year under review, we received loans from our affiliate, Bank of Yokohama, for the Leben Yokohama Yamanote 1 WARD COURT project, which is a property commemorating our 50th anniversary. The Company maintains these assets to ensure continued smooth financing activities.	None (NOTE)2
	21	19		
Resona Holdings Co., Ltd.	20,000	20,000	We receive loans that are not constrained by area or business, and we continue to hold them to ensure smooth financing activities.	None
	12	10		
Tokyo Kiraboshi Financial Group, Inc.	1,000	1,000	We receive financing for a wide range of businesses, not limited to the new built-for-sale condominium business, mainly in Tokyo. The Company maintains these assets to ensure continued smooth financing activities.	None (NOTE)2
	2	1		
Takara Leben Infrastructure Fund Inc.	-	19,686	We were the sponsor of this corporation and held it in order to maintain and strengthen good relations with it. However, in conjunction with the consolidation, we changed Category from investment securities to shares in affiliated companies (shares in subsidiaries).	None
	-	2,179		

(NOTE)1. Quantitative holding effects are not stated because they are difficult to measure. For the method of verifying the rationality of the holding purpose, please refer to "Details of verification in Board of Directors, etc. regarding a. holding policy and the method of verifying the rationality of holding and the appropriateness of holding individual stocks."

2. Although the portfolio company does not own any of our shares, the company's subsidiary holds shares in us.

③ Investment shares held for net investment purposes

Not applicable.

V. [Status of Accounting]

1.Preparation of Consolidated Financial Statements and Financial Statements

(1) Our consolidated financial statements have been prepared in accordance with the Regulations Concerning Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ministerial Order No. 28, 1976).

(2) Our financial statements have been prepared in accordance with the Regulations on Terminology, Forms and Preparation Methods of Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter referred to as the "Regulations on Financial Statements, etc.").

In addition, we are a company submitting special financial statements and prepare financial statements in accordance with the provisions of Article 127 of the Ordinance on Financial Statements, etc.

2.About Audit Certification

Pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act, we have received Audit from Grant Thornton Taiyo LLC. on our consolidated financial statements for the fiscal year (April 1, 2022 to 31-Mar 2023) and on our financial statements for the fiscal year (April 1, 2022 to 31-Mar 2023).

3.Special Efforts to Ensure Appropriateness of Consolidated Financial Statements

We make special efforts to ensure the appropriateness of our consolidated financial statements. Specifically, the Company joins the Financial Accounting Standards Corporation and participates in seminars and other events in order to establish a system that enables it to appropriately understand Details of accounting standards, etc., or to respond appropriately to changes in accounting standards, etc.

1[Consolidated Financial Statements]

(1)[Consolidated Financial Statements]

①[Consolidated Balance Sheets]

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	33,428	※4,※5 47,872
Notes, accounts receivable-trade and contract assets	※1,※4 2,886	※1,※4,※5 3,477
Real estate for sale	※4,※6 32,616	※4,※6 34,147
Power generation facilities for sale	※6 1,001	※6 3,375
Real estate for sale in progress	※4,※6 58,036	※4,※6 82,713
Costs incurred on uncompleted contracts	12	0
Other	※6 14,919	※5,※6 17,415
Allowance for doubtful accounts	△275	△275
Total current assets	142,625	188,728
Fixed assets		
Property, plant and equipment		
Buildings and structures	11,150	33,984
Accumulated depreciation	△1,596	△5,104
Buildings and structures (net)	※4,※6 9,553	※4,※6 28,879
Machinery and equipment	14,056	57,096
Accumulated depreciation	△1,279	△8,390
Machinery, equipment and vehicles, net	※4,※6 12,777	※4,※5,※6 48,705
Tools, furniture and fixtures	522	1,126
Accumulated depreciation	△319	△811
Tools, furniture, and fixtures, net	※4,※6 203	※4,※6 315
Land	※4,※6 36,948	※4,※5,※6 41,394
Leased assets	345	345
Accumulated depreciation	△55	△86
Lease assets, net	290	258
Construction in progress	※4,※6 3,965	※4,※5,※6 5,808
Total property, plant and equipment	63,739	125,362
Intangible assets		
Goodwill	1,561	3,918
Other	※4,※6 948	※4,※6 4,457
Total intangible assets	2,510	8,376
Investments and other assets		
Investment securities	5,462	2,368
Long-term loans receivable	380	830
Deferred tax assets	981	4,744
Other	※3,※6 7,731	※3,※6 11,205
Allowance for doubtful accounts	△12	△2
Total investments and other assets	14,542	19,145
Total fixed assets	80,792	152,884
Deferred assets	55	56
Total assets	223,473	341,669

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,411	16,342
Short-term borrowings	※4 14,189	※4,※5 92,069
Current portion of bonds payable	2,168	190
Current portion of long-term loans payable	※4 25,298	※4 25,997
Lease obligations	35	34
Income taxes payable	2,089	4,318
Advances received	※2 7,348	※2 10,197
Bonus Allowance	629	699
Compensation for completed construction Allowance	486	551
Other	7,354	11,755
Total current liabilities	75,010	162,157
Fixed liabilities		
Long-term loans payable	※4 81,923	※4 104,828
Bonds payable	4,070	4,015
Lease obligations	285	249
Directors' and corporate auditors' retirement benefits Allowance	160	135
Liabilities related to retirement benefits	984	1,100
Asset retirement obligations	56	182
Deferred tax liabilities	128	2,509
Other	1,252	1,348
Total Fixed liabilities	88,860	114,369
Total liabilities	163,871	276,527
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,817	4,820
Retained earnings	53,395	55,971
Treasury stock	△4,456	△4,174
Total shareholders' equity	58,575	61,436
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	548	△71
Foreign currency translation adjustments	0	3
Remeasurements of defined benefit plans	△14	8
Total accumulated other comprehensive income	534	△59
Subscription rights to shares	197	220
Non-controlling interest	294	3,544
Total net assets	59,601	65,142
Total liabilities and net assets	223,473	341,669

②[Consolidated Statements of Income and Consolidated Statements of Comprehensive Income]

[Consolidated Statements of Income]

(Millions of yen)

	End of Previous Consolidated Accounting Period (From April 1, 2021 To March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 To March 31, 2023)
Net sales	※ ¹ 162,744	※ ¹ 153,472
Cost of sales	※ ² 129,626	※ ² 121,763
Gross profit	33,117	31,708
Selling, general and administrative expenses	※ ³ 21,240	※ ³ 24,677
Operating income	11,877	7,030
Non-operating income		
Interest income	59	28
Dividend income	300	233
Commission received	126	108
Miscellaneous income	198	637
Total non-operating income	684	1,008
Non-operating expenses		
Interest expenses	1,755	2,080
Losses from equity method investment	138	219
Miscellaneous expenses	409	705
Total non-operating expenses	2,303	3,005
Ordinary income	10,258	5,033
Extraordinary income		
Gain on subsequent acquisitions	-	601
Gain on sales of Fixed assets	-	※ ⁴ 97
Negative Goodwill gains	37	-
Total extraordinary income	37	698
Extraordinary loss		
Loss on sales of Fixed assets	-	※ ⁵ 132
Impairment loss	※ ⁶ 588	※ ⁶ 48
Office relocation expenses	-	26
Loss on sales of shares of associated company	256	-
Extraordinary losses Total	845	206
Income before income taxes and minority interests from silent partnerships	9,450	5,525
Distribution of loss in partnership	-	△178
Income before income taxes	9,450	5,703
Income taxes, inhabitant taxes and business taxes	3,158	4,708
Income tax adjustments	20	△3,451
Total income and other taxes	3,179	1,257
Net income	6,271	4,445
Net income (△) attributable to non-controlling interests	56	△138
Net income attributable to owners of parent	6,215	4,584

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	End of Previous Consolidated Accounting Period (From April 1, 2021 To March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 To March 31, 2023)
Net income	6,271	4,445
Other comprehensive income		
Net unrealized gains on available-for-sale securities	26	△619
Foreign currency translation adjustments	1	3
Remeasurements of defined benefit plans	△6	23
Total other comprehensive income	※ 21	※ △593
Comprehensive income	6,293	3,852
(Comprising)		
Comprehensive profit attributable to owners of the parent	6,236	3,990
Comprehensive income attributable to noncontrolling interests	56	△138

③[Consolidated Statements of Changes in Shareholders' equity and Others]

End of Previous Consolidated Accounting Period (From April 1, 2021 to 31 March, 2022)

(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	48,649	△4,604	53,682
Cumulative effect of changes in accounting policies			43		43
Balance at the beginning of the year reflecting changes in accounting policies	4,819	4,817	48,693	△4,604	53,725
Change during the year					
Dividend of surplus			△1,521		△1,521
Net income attributable to owners of parent			6,215		6,215
Change due to new consolidation			△4		△4
Disposal of Treasury stock		△19		147	128
Change in scope of equity method			32		32
Transfer from Retained earnings to Capital surplus		19	△19		-
Net changes of items other than Shareholders' equity					
Total changes of items during the period	-	-	4,702	147	4,849
Term end Balance	4,819	4,817	53,395	△4,456	58,575

	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	521	△1	△8	512	199	237	54,632
Cumulative effect of changes in accounting policies							43
Balance at the beginning of the year reflecting changes in accounting policies	521	△1	△8	512	199	237	54,675
Change during the year							
Dividend of surplus							△1,521
Net income attributable to owners of parent							6,215
Change due to new consolidation							△4
Disposal of Treasury stock							128
Change in scope of equity method							32
Transfer from Retained earnings to Capital surplus							-
Net changes of items other than Shareholders' equity	26	1	△6	21	△2	56	75
Total changes of items during the period	26	1	△6	21	△2	56	4,925
Term end Balance	548	0	△14	534	197	294	59,601

Fiscal year: (From 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
Cumulative effect of changes in accounting policies					-
Balance at the beginning of the year reflecting changes in accounting policies	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
Change in scope of equity method					-
Transfer from Retained earnings to Capital surplus					-
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
Cumulative effect of changes in accounting policies							-
Balance at the beginning of the year reflecting changes in accounting policies	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
Change in scope of equity method							-
Transfer from Retained earnings to Capital surplus							-
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

	End of Previous Consolidated Accounting Period (From April 1, 2021 To March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 To March 31, 2023)
Cash flow from operating activities		
Income before income taxes	9,450	5,703
Depreciation and amortization	2,838	3,020
Impairment loss	588	48
Goodwill depreciation	329	390
Increase (decrease) in Allowance (decrease in Δ)	260	99
Increase (decrease) in Liabilities related to retirement benefits (decrease in Δ)	121	141
Interest income and Dividend income	Δ 360	Δ 262
Charges for stock compensation	125	327
Interest expenses	1,755	2,080
Loss (gain) on sales of shares of subsidiaries and associates (gain on Δ)	256	-
Decrease (increase) in notes and accounts receivable-trade (increase in Δ)	Δ 509	Δ 65
Decrease (increase) in inventories (increase in Δ)	13,062	Δ 10,509
Increase (decrease) in notes and accounts payable-trade (decrease in Δ)	2,088	758
Increase (decrease) in advances received (decrease in Δ)	1,690	2,848
Other	Δ 3,591	Δ 741
Subtotal	28,107	3,839
Interest and dividend received	360	256
Interest expenses paid	Δ 1,776	Δ 2,109
Income taxes paid	Δ 3,501	Δ 2,709
Cash flow from operating activities	23,189	Δ722
Cash flow from investing activities		
Payments into time deposits	Δ 161	Δ 14
Proceeds from withdrawal of time deposits	205	150
Change in short-term loans receivable (Δ increased)	800	-
Purchase of Property, plant and equipment	Δ 25,279	Δ 19,349
Proceeds from sale of Property, plant and equipment	9	1,933
Purchase of Intangible assets	Δ 405	Δ 189
Purchase of stocks of subsidiaries and affiliates	Δ 1,193	-
Proceeds from sale of investments in subsidiaries	700	-
Payments for long-term loans	-	Δ 450
Purchase of investment securities	Δ 579	Δ 1,628
Proceeds from sale of investment securities	-	253
Purchases of subsidiary stock due to changes in the scope of consolidation	※^3 Δ 2,182	※^3 Δ 26,941
Other	213	Δ 117
Cash flow from investing activities	Δ27,871	Δ46,354
Cash flow from financing activities		
Net change in Short-term borrowings (decrease in Δ)	3,271	74,783
Proceeds from long-term debt	69,605	97,853
Repayment of Long-term loans payable	Δ 71,180	Δ 106,935
Proceeds from issuance of common Bonds payable	250	150
Payments for redemption of Bonds payable	Δ 1,546	Δ 2,183
Repayments of lease obligations	Δ 12	Δ 35
Cash dividends paid	Δ 1,520	Δ 1,962
Dividends paid to non-controlling interests	-	Δ 140
Cash flow from financing activities	Δ1,132	61,531
Increase (decrease) in cash and cash equivalents (decrease in Δ)	Δ5,813	14,454
Cash and cash equivalents at beginning of term	38,500	32,693
Increased Cash and cash equivalents due to change in scope of consolidation (Δ decreased)	7	-
Cash and cash equivalents's Term end Balance	※^1 32,693	※^1 47,148

[Notes]

(Significant Items Forming the Basis for Preparation of Consolidated Financial Statements)

1.Scope of consolidation

(1) Number of consolidated subsidiaries: 28

Principal Consolidated Subsidiaries

Takara Leben Co., Ltd.

Leben Community, Inc.

Leben Home Build Inc.

Takara Leben Realnet Co., Ltd.

Leben Zestock Corporation

LebenTrust Co., Ltd.

Takara Leben (Thailand) Co., Ltd.

Takara Asset Management Co., Ltd.

Takara PAG Real Estate Investment Advisor Co., Ltd.

On April 1, 2022, Nikko Takara Corporation changed its name to Leben Home Build Co., Ltd.

Takara Leben Infrastructure Fund Inc. and 4 other companies were included in the scope of consolidation from the current fiscal year due to the acquisition of Investment units and other factors.

In addition, Takara Leben Tohoku Co., Ltd. , which was a consolidated subsidiary, was extinguished by an absorption-type merger with Takara Leben West Japan Co., Ltd. as the surviving company, and is therefore excluded from the scope of consolidation. Takara Leben West Japan Co., Ltd. has changed its name to Takara Leben Co., Ltd. with October 1, 2022.

(2) Number of non-consolidated subsidiaries: 4

Names of major non-consolidated subsidiaries

RS LLC.

SDX LLC.

LS Okayama Tsuyama LLC.

(Reasons for exclusion from the scope of consolidation)

Non-consolidated subsidiaries are excluded from the scope of consolidation because Total assets, Net sales, net income or loss (amount corresponding to equity interest), and Retained earnings (amount corresponding to equity interest) have no material impact on the consolidated financial statements.

(3) Special purpose companies subject to disclosure

Not applicable.

2.Application of the equity method

(1) Number of equity-method affiliates: 8

Name of the principal company using equity method accounting

Port LLC.

WISE ESTATE 10 CO., LTD. due to purchase of shares in the current consolidated fiscal year A total of 5 companies, including 4 other companies, are included in the scope of affiliates accounted for by the equity method.

(2) Non-consolidated Subsidiaries and associates not accounted for by the equity method: 5

Names of non-consolidated Subsidiaries and associates not accounted for by the equity method

RS LLC.

SDX LLC.

LS Okayama Tsuyama LLC.

(Reason for not applying the equity method)

Non-consolidated Subsidiaries and associates that are not accounted for by the equity method are excluded from the scope of application of the equity method because their impact on the consolidated financial statements is immaterial even if they are excluded from the scope of application of the equity method in terms of net income (amount corresponding to equity interest) and Retained earnings (amount corresponding to equity interest), etc.

3. Accounting periods of consolidated subsidiaries

(1) The balance sheet dates of the consolidated subsidiaries are as follows:

15 companies as of the end of March, 1 company as of the end of April, 1 company as of the end of May, 1 company as of the end of June, 1 company as of the end of July, 1 company as of the end of August,
2 on the end of September, 2 on the end of November, 3 on the end of December, and 1 on the end of January

(2) In preparing the consolidated financial statements, for consolidated subsidiaries whose fiscal year-end differs from the consolidated fiscal year-end, the financial statements that were provisionally settled in accordance with the current fiscal year-end as of the consolidated fiscal year-end are used. Significant transactions occurring between the provisional closing date and the consolidated closing date are adjusted for consolidation.

4. Matters concerning accounting policies

(1) Valuation standards and methods for important assets

① Marketable securities

a. Held-to-maturity debt securities

Stated at amortized cost (straight-line method).

b. Other in Securities

Other than shares, etc. without market price

Stated at market value (all valuation differences are accounted for using the direct Net assets method, and the cost of securities sold is calculated using the moving-average method).

Stocks, etc. without market price

Stated at cost determined mainly by the moving-average method

② Inventories

Stated at cost determined by the specific identification method. (The carrying amount on the balance sheet is written down to reflect the decline in profitability.)

(2) Depreciation methods for material depreciable assets

① Property, plant and equipment (excluding leased property)

Tangible assets are stated at cost. However, the straight-line method is used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016.

Power plants owned by consolidated subsidiaries are depreciated using the straight-line method.

Useful life for primary assets is as follows:

Buildings and structures 3 to 2050 years

Machinery, equipment and vehicles 2 to 2017 years

② Intangible assets (excluding leased property)

Software for internal use is amortized using the straight-line method over the estimated useful life of 5 years.

③ Leased assets

Leased assets related to finance lease transactions with ownership transfer

The same depreciation methods applied to self-owned Fixed assets are used.

Leased assets under finance leases that do not transfer ownership

The straight-line method is used with the lease period as the useful life and the residual value as zero.

④ Long-term prepaid expenses

The straight-line method is used.

(3) Accounting standards for significant Allowance

① Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount estimated based on the historical write-off ratio for general receivables and on the individual collectability of specific receivables, such as doubtful receivables.

② Bonus Allowance

In order to provide for the payment of bonuses to employees, the Company records an estimated amount to be paid in the current fiscal year.

③ Compensation for completed construction Allowance

To provide for losses and compensation service costs arising from defects after delivery of company-built buildings, etc., the Company records repair costs, etc. related to past company-built buildings on a basis.

④ Directors' and corporate auditors' retirement benefits Allowance

To prepare for the payment of retirement benefits to directors and corporate auditors, the amount required to be paid at the end of the fiscal year under review is recorded in accordance with the Regulations Governing Retirement Benefits for Directors and Corporate Auditors (internal regulations).

(4) Accounting method for retirement benefits

Liabilities related to retirement benefits is provided for employees' retirement benefits based on the estimated amount at the end of the fiscal year under review.

① Method of attributing expected retirement benefits to periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute estimated retirement benefits to the period up to the end of the current fiscal year.

② Amortization of actuarial gains and losses and prior service costs

Prior service cost is amortized as incurred by the straight-line method over a certain number of years (mainly 6 years) within the average remaining service period of employees.

Actuarial gains and losses are amortized on a straight-line basis over a certain number of years (mainly 6 years) within the average remaining years of service of the eligible employees at the time of occurrence from the fiscal year following the year in which the gain or loss is recognized.

③ Accounting method for unrecognized actuarial gain or loss and unrecognized prior service cost

Unrecognized actuarial gains and losses and unrecognized prior service costs are recognized in Remeasurements of defined benefit plans of Accumulated other comprehensive income in Net assets after adjusting for the tax effect.

④ Adoption of simplified method for small enterprises, etc.

Certain consolidated subsidiaries apply the simplified method for calculating Liabilities related to retirement benefits and Retirement benefit expenses whereby the retirement benefit obligation equals the amount that would be required if all employees voluntarily terminated their employment with Term end.

(5) The standards for recognition of significant revenues and expenses

Details of the principal performance obligations and the normal timing of recognizing revenue in our principal businesses are as follows:

① Real Estate Business

a. New built-for-sale condominium business

The new built-for-sale condominium business sells each condominium unit to general consumers and is obligated to deliver the property pursuant to a real estate sales contract with a customer. Such performance obligations are satisfied at a point in time when the property is delivered and earning is recorded at the time of such delivery.

The transaction price is determined by the real estate sales contract, and in such contracts, the delivery date is generally the same as the date when the entire amount of the sale price is received. Therefore, the payment of the sale price is received at the same time as the delivery of the property.

b. Liquidation Business

The fluidizing business is a business of acquiring rental residential properties and office buildings, etc., increasing asset value through leasing and renovation, etc., and then selling them to operating companies, etc.

The performance obligations and the timing of satisfaction thereof, the method of determining transaction prices, and the timing of revenue recognition in the Liquidation Business are the same as in the new built-for-sale condominium business described above.

c. Property Management Business

The Real Estate Management segment is engaged in the management of condominiums, and is obligated to provide outsourced services based on contract Details with customers. Such performance obligations are satisfied at the time the services are performed and earning is recorded at that time.

② Energy Business

Energy Business is a business that derives revenues from the sale of operated power generation facilities and revenues from the sale of power generation facilities.

The performance obligation and the timing of satisfaction, the method of determining the transaction price, and the timing of revenue recognition in the proceeds from the sale of active power generation facilities are the same as in the new built-for-sale condominium business described above. In addition, revenue from the sale of power at power generation facilities is recorded primarily at the time of delivery to customers pursuant to power purchase agreements.

③ Asset Management Business

Asset Management Business is a business that provides asset management services to Takara Leben Real Estate Investment Corporation, etc., and is obligated to manage such assets based on contracts with customers. Such performance obligations are satisfied over a period of time over which services are rendered and earning is accrued based on the progress of the satisfaction of performance obligations. In addition, obligations to perform operations related to the acquisition and transfer of assets under management are satisfied at a point in time when they are accepted or delivered, and earning is recorded at the time of such acceptance or delivery.

④ Other Businesses

Other Businesses is primarily a construction subcontracting business and is obligated to perform construction work pursuant to building construction contracts with customers. Under this construction contract, an asset is created or appreciated by the fulfillment of the obligations of our group, and the customer controls the asset as the asset is created or appreciated. Therefore, the performance obligation is satisfied over a certain period of time, and is satisfied according to the progress of the construction over the contract period. Accordingly, in the Construction Subcontracting Business, revenues are recorded based on the progress of the construction work. Progress is measured using the input method based on the cost incurred as it is considered that the cost incurred contributes and is generally proportional to an entity's progress in satisfying performance obligations.

The transaction price is determined by the construction contract of the building. In such contracts, the delivery date is usually the same as the receipt of the entire amount of the contract price. Therefore, the payment of the contract price is received at the same time as the delivery of the building.

(6) Amortization method and period of Goodwill

Amortization of Goodwill is amortized on a straight-line basis over a period not exceeding 2015 years.

However, insignificant amounts are amortized in a lump sum in the fiscal year of occurrence.

(7) Scope of funds in consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, readily available deposits and short-term investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and present insignificant risk of changes in value.

(8) Other Significant Matters for the Preparation of Consolidated Financial Statements

Accounting for consumption tax

Non-deductible consumption taxes related to assets are expensed in the period in which they are incurred.

(Critical Accounting Estimates)

- Fixed assets's Impairment loss

(1) Amounts recorded as Impairment loss in the consolidated financial statements for the fiscal year under review

	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Buildings and structures	432 Millions of yen	24 Millions of yen
Land	156 Millions of yen	24 Millions of yen
Total	588 Millions of yen	48 Millions of yen

(2) Details of Significant Accounting Estimates for Identified Items

Our group groups each property individually as the smallest unit that generates cash by using assets.

As described in "(Notes to Consolidated Statements of Income)*6 Impairment loss" for the fiscal year under review, the Company recognized Impairment loss 48 Millions of yen using the appraisal value, etc. from a real estate appraiser as the recoverable amount. The appraisal value, etc. is calculated based on the business plan of each asset group, comprehensively considering the surrounding environment, etc.

If the assumptions used in these estimates require revision due to changes in uncertain economic conditions in the future, additional Impairment loss (Extraordinary loss) may occur in the consolidated financial statements for the following fiscal year and beyond.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Calculation of Market Value)

The Company will apply the "Implementation Guidance on Accounting Standard for Calculation of Market Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Guidance on Accounting Standard for Market Value Calculation") from the beginning of the fiscal year under review, and apply the new accounting policy stipulated by the Implementation Guidance on Accounting Standard for Market Value Calculation in accordance with the transitional treatment stipulated in Article 27-2 of the Guidance on Accounting Standard for Market Value Calculation in the future. This change had no impact on the consolidated financial statements.

(Notes to Consolidated Balance Sheets)

※1 The amounts of Notes, accounts receivable-trade and contract assets receivables and contract assets arising from contracts with customers are as follows:

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Accounts receivable	120 Millions of yen	98 Millions of yen
Contract assets	2,765	3,379

※2 Of advances received, contractual liabilities are as follows.

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Contractual liabilities	7,323 Millions of yen	10,172 Millions of yen

※3 Items related to non-consolidated Subsidiaries and associates are as follows.

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Investments and other assets Other (unconsolidated Subsidiaries and associates shares)	2,639 Millions of yen	3,962 Millions of yen

※4 Assets pledged as collateral and corresponding liabilities are as follows:

(1) Assets pledged as collateral

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Cash and deposits	-Millions of yen	3,341 Millions of yen
Notes, accounts receivable-trade and contract assets	865	95
Real estate for sale	19,313	28,111
Real estate for sale in progress	50,735	73,209
Buildings and structures	6,105	6,359
Machinery and equipment	5,107	5,304
Tools, furniture and fixtures	11	4
Land	25,085	20,949
Construction in progress	2,262	2,229
Other (Intangible assets)	232	232
Total	109,719	139,836

(2) Debt to the above

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Short-term borrowings	10,747 Millions of yen	89,492 Millions of yen
Current portion of long-term loans payable	22,989	21,617
Long-term loans payable	67,493	94,471
Total	101,230	205,581
(Non-recourse loans)	(-)	(74,004)

※5 Non-recourse loan

Nonrecourse loans are as follows:

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Non-recourse Short-term borrowings	-Millions of yen	74,004 Millions of yen
Total	-	74,004

Assets corresponding to non-recourse loans are as follows:

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Cash and deposits	-Millions of yen	3,209 Millions of yen
Notes and accounts receivable	-	250
Other (Current Assets)	-	13
Machinery and equipment	-	45,324
Land	-	860
Construction in progress	-	0
Total	-	49,658

※6 Change in the purpose of holding assets

Previous fiscal year (As of March 31, 2022)

As a result of the change in the purpose of holding real estate from resale to lease, the Company transferred Real estate for sale in progress 95 Millions of yen and Real estate for sale 581 Millions of yen to Buildings and structures 449 Millions of yen and Land 227 Millions of yen during the fiscal year under review.

In addition, as a result of the change in the purpose of holding a portion of real estate held from development and leasing to resale, during the fiscal year under review, buildings and structures 4,181 Millions of yen, tools, furniture and fixtures 31 Millions of yen, Land 5,168 Millions of yen, construction in progress 1,117 Millions of yen, and software 0 Millions of yen ("Other" in Intangible assets) were transferred to Real estate for sale and Real estate for sale in progress. Certain of these assets were sold during the fiscal year under review, and 8800 Millions of yen of the 10.5 thousand Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

In addition, due to the change in the intent to hold a portion of the mega-solar power generation facilities for resale, prepaid expenses of 69 Millions of yen ("Other" of Current assets), buildings and structures of 598 Millions of yen, machinery and equipment of 10,502 Millions of yen, Land of 4,219 Millions of yen, construction in progress of 1,000 Millions of yen, leasehold interest of 172 Millions of yen ("Other"), and long-term prepaid expenses of 932 Millions of yen ("Other" of Investments and other assets) were transferred to Power generation facilities for sale. Certain of these assets were sold during the fiscal year under review, and 16,495 Millions of yen of the 17,497 Millions of yen transferred to Power generation facilities for sale were recorded in Cost of sales.

Current fiscal year (As of March 31, 2023)

Due to a change in the holding purpose from resale to business assets, a portion of real estate owned was transferred from Power generation facilities for sale 1,024 Millions of yen to machinery, equipment and vehicles 1,024 Millions of yen in the current fiscal year.

In addition, as a result of the change in the purpose of holding real estate from development and leasing to resale, in the current fiscal year, buildings and structures 5107 Millions of yen, tools, furniture and fixtures 32 Millions of yen, Land 8274 Millions of yen, construction-in-progress 2,254 Millions of yen, leasehold interest 14 Millions of yen ("Other" in Intangible assets), and software 0 Millions of yen ("Other") were transferred to Real estate for sale and Real estate for sale in progress. Certain of these assets were sold during the fiscal year under review, and 6765 Millions of yen of the 15,308 Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

In addition, due to a change in the intent to hold a portion of the mega-solar power generation facilities for resale, in the current fiscal year, prepaid expenses of 7 Millions of yen ("Other" of Current assets), 2,579 Millions of yen of machinery, equipment and vehicles, Land 60 Millions of yen, 525 Millions of yen of construction-in-progress, and long-term prepaid expenses of 235 Millions of yen ("Other" of Investments and other assets) were transferred to Power generation facilities for sale. Certain of these assets were sold during the fiscal year under review, and 2,505 Millions of yen of the 3,408 Millions of yen transferred to Power generation facilities for sale were recorded in Cost of sales.

7 Contingent liabilities

Guarantees for loans from financial institutions

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Joint and several guarantee obligations to financial institutions, etc. until the completion of the registration of the establishment of mortgages on our group customer housing loans	9,846 Millions of yen	15,420 Millions of yen
Minato Vietnam Co., Ltd.	917	112
WISE ESTATE 3 Co., Ltd.	564	1,615
WISE ESTATE 8 Co., Ltd.	-	246
WISE ESTATE 10 Co., Ltd.	-	237
Total	11,327	17,632

8 In order to raise working capital efficiently, we have entered into overdraft and loan commitment contracts with 68 financial institutions (End of Previous Consolidated Accounting Period 64 companies). Balance of undisbursed borrowings at the end of the consolidated fiscal year under these contracts are as follows:

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Maximum Overdraft Amount and Total Loan Commitments	77,471 Millions of yen	85,033 Millions of yen
Loan balance	41,634	51,105
Net amount	35,837	33,928

(Consolidated Statements of Income)

※1 Revenue arising from contracts with customers

For Net sales, Category of Revenue arising from contracts with customers and other revenues is not presented. The amounts of Revenue arising from contracts with customers are described in "(Revenue Recognition) 1. Breakdown of Revenue arising from contracts with customers" in the Consolidated Financial Statements.

※2 Term end Inventory is the amount after devaluation of the book value due to a decline in profitability, and the following loss on write-down of inventories is included in Cost of sales.

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
△359 Millions of yen	△1,032 Millions of yen

※3 The approximate percentage of expenses included in selling expenses was 36% for End of Previous Consolidated Accounting Period, 34% for the current fiscal year, and 64% for End of Previous Consolidated Accounting Period and 66% for the current fiscal year.

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

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Advertising expenses	4,539 Millions of yen	5,352 Millions of yen
Promotion expenses	2,288	2,218
Salary allowance	4,083	4,333
Bonus Allowance provision	840	915
Retirement benefit expenses	171	186
Provision for Allowance of directors' retirement benefits	45	27
Allowance for doubtful accounts provision	135	-

※4 Details of Gain on sales of Fixed assets is as follows:

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Buildings and structures	-Millions of yen	45 Millions of yen
Tools, furniture and fixtures	-	6
Land	-	45
Total	-	97

※5 Details of loss on sale of Fixed assets is as follows:

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Land	-Millions of yen	132 Millions of yen
Total	-	132

※6 Impairment loss

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

During the fiscal year under review, our group recorded Impairment loss (588 Millions of yen) on the following assets or asset groups due to a decline in the profitability of hotels.

Application	Type	Location	Amount (Millions of yen)
Hotel	Land and structures	Nasu-gun, Tochigi	588
Total			588

The breakdown by account title is Land 156 Millions of yen and Buildings 432 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.

Fiscal year: (From April 1, 2022 to March 31, 2023)

During the fiscal year under review, our group recorded Impairment loss (48 Millions of yen) on the following assets or asset groups due to a decline in the profitability of hotels.

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.

(Consolidated Statements of Comprehensive Income)

※ Reclassification adjustments and tax effects related to Other comprehensive income

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Net unrealized gains on available-for-sale securities:		
Arising during the year	102 Millions of yen	△287 Millions of yen
Reclassification adjustments	-	△620
Before-tax	102	△908
Income tax effect	△76	289
Net unrealized gains on available-for-sale securities	26	△619
Foreign currency translation adjustments:		
Arising during the year	1	3
Remeasurements of defined benefit plans:		
Arising during the year	△14	8
Reclassification adjustments	4	14
Before-tax	△10	22
Income tax effect	3	0
Remeasurements of defined benefit plans	△6	23
Total other comprehensive income	21	△593

(Consolidated Statements of Changes in Shareholders' equity, etc.)

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

1.Matters concerning Type and total number of Issued shares and the number of treasury Class of shares and shares

	Current Consolidated Fiscal Year (Shares) of shares at beginning of period	Current Consolidated Fiscal Year Increased shares (Shares)	Current Consolidated Fiscal Year Decreased shares (Shares)	Current Consolidated Fiscal Year (Shares) of shares at end of year
Issued shares				
Common stock	121,000,000	-	-	121,000,000
Total	121,000,000	-	-	121,000,000
Treasury stock				
Common stock (Note)	12,344,907	-	396,100	11,948,807
Total	12,344,907	-	396,100	11,948,807

(NOTE)Common stock's Treasury stock reduction of 396.1 thousand Shares was due to the exercise of stock options.

2.Matters concerning Subscription rights to shares and treasury Subscription rights to shares

Category	Breakdown of Subscription rights to shares	Class of shares that is the object of Subscription rights to shares	Number of shares subject to Subscription rights to shares: (Shares)				Current consolidated accounting Year-end Balance (Millions of yen)
			Current consolidated accounting Beginning of the fiscal year	Current consolidated accounting Annual increase	Current consolidated accounting Yearly decrease	Current consolidated accounting Year-end	
Submitting Company (Parent Company)	Subscription rights to shares as stock-option	-	-	-	-	-	197
Total		-	-	-	-	-	197

3.Matters concerning dividends

(1)Dividends paid

(Resolution)	Class of shares	Total dividends (Millions of yen)	Per share dividends (yen)	Record Date	Effective date
25-June, 2021 Annual Shareholders' Meeting	Common stock	1,086	10	31 March, 2021	28 June, 2021
29-Oct-21 Board of Directors	Common stock	435	4	September 30, 2021	December 6, 2021

(2)Dividends for which Record Date belongs to the current consolidated fiscal year and Effective date of dividends falls in the following consolidated fiscal year

(Resolution)	Class of shares	Total dividends (Millions of yen)	Source of dividends	Per share dividends (yen)	Record Date	Effective date
June 24, 2022 Annual Shareholders' Meeting	Common stock	1,526	Retained earnings	14	March 31, 2022	June 27, 2022

Fiscal year: (From April 1, 2022 to March 31, 2023)

1.Matters concerning Type and total number of Issued shares and the number of treasury Class of shares and shares

	Current Consolidated Fiscal Year (Shares) of shares at beginning of period	Current Consolidated Fiscal Year Increased shares (Shares)	Current Consolidated Fiscal Year Decreased shares (Shares)	Current Consolidated Fiscal Year (Shares) of shares at end of year
Issued shares				
Common stock	121,000,000	-	-	121,000,000
Total	121,000,000	-	-	121,000,000
Treasury stock				
Common stock (Note)	11,948,807	-	756,200	11,192,607
Total	11,948,807	-	756,200	11,192,607

(NOTE)Common stock's Treasury stock reduction of 756.2 thousand Shares was due to the exercise of stock options.

2.Matters concerning Subscription rights to shares and treasury Subscription rights to shares

Category	Breakdown of Subscription rights to shares	Class of shares that is the object of Subscription rights to shares	Number of shares subject to Subscription rights to shares: (Shares)				Current consolidated accounting Year-end Balance (Millions of yen)
			Current consolidated accounting Beginning of the fiscal year	Current consolidated accounting Annual increase	Current consolidated accounting Yearly decrease	Current consolidated accounting Year-end	
Submitting Company (Parent Company)	Subscription rights to shares as stock-option	-	-	-	-	-	220
Total		-	-	-	-	-	220

3.Matters concerning dividends

(1)Dividends paid

(Resolution)	Class of shares	Total dividends (Millions of yen)	Per share dividends (yen)	Record Date	Effective date
24 June, 2022 Annual Shareholders' Meeting	Common stock	1,526	14	31 March, 2022	27 June, 2022
3October 1, 2022 Board of Directors	Common stock	437	4	September 30, 2022	December 6, 2022

(2)Dividends for which Record Date belongs to the current consolidated fiscal year and Effective date of dividends falls in the following consolidated fiscal year

(Resolution)	Class of shares	Total dividends (Millions of yen)	Source of dividends	Per share dividends (yen)	Record Date	Effective date
June 23, 2023 Annual Shareholders' Meeting	Common stock	1,976	Retained earnings	18	March 31, 2023	June 26, 2023

(Consolidated Statements of Cash Flows)

※1 Relation between Term end Balance of Cash and cash equivalents and the amount of items listed in the consolidated balance sheets

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Cash and deposits account	33,428 Millions of yen	47,872 Millions of yen
Time deposits falling due in more than three months	△136	-
Deposits received from customers	△598	△724
Cash and cash equivalents	32,693	47,148

2 Details of significant non-cash transactions

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Amount transferred from Real estate for sale and Real estate for sale in progress to Fixed assets due to change in holding purpose of real estate	676 Millions of yen	1,024 Millions of yen
Amount transferred from Fixed assets to Real estate for sale and Real estate for sale in progress due to change in holding purpose of real estate	10,500	15,684
Amount transferred from Fixed assets to Power generation facilities for sale due to change in holding purpose of real estate	17,497	3,408

※3 Breakdown of assets and liabilities of newly consolidated subsidiaries due to acquisition of shares, etc.

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

The following is a breakdown of assets and liabilities at the start of consolidation and the relationship between net proceeds from investments and net payments for investments in newly consolidated subsidiaries resulting from the acquisition of shares.

(1) Leben Clean Energy Co., Ltd.

Current assets	5,713 Millions of yen
Fixed assets	4,651
Goodwill	930
Current liabilities	△2,025
Fixed liabilities	△7,269
Acquisition cost of the subsidiaries' stocks	2,000
Cash and cash equivalents	△124
Less: Purchases of subsidiary stock due to changes in the scope of consolidation	△1,875

(2) Iwano K.K.

Current assets	83 Millions of yen
Fixed assets	492
Goodwill	△37
Current liabilities	△86
Fixed liabilities	△61
Acquisition cost of the subsidiaries' stocks	390
Cash and cash equivalents	△83
Less: Purchases of subsidiary stock due to changes in the scope of consolidation	△306

Fiscal year: (From April 1, 2022 to March 31, 2023)

The following is a breakdown of assets and liabilities at the start of consolidation and the relationship between net proceeds from investments and net payments for investments in newly consolidated subsidiaries resulting from the acquisition of shares.

Takara Leben Infrastructure Fund Inc.

Current assets	6,080 Millions of yen
Fixed assets	68,097
Goodwill	2,747
Deferred assets	26
Current liabilities	△3,587
Fixed liabilities	△35,676
Non-controlling interest	△3,064
Gain on step acquisitions	△601
Acquisition cost of the subsidiaries' stocks	34,021
Acquisition cost until acquisition of control	△1,898
Cash and cash equivalents	△5,180
Less: Purchases of subsidiary stock due to changes in the scope of consolidation	△26,941

(Lease Transactions)

1. Finance lease transactions (lessee)

(1) Finance leases that deem to transfer ownership of the leased property to the lessee

① Details of leased property

(a) Property, plant and equipment

General business facilities ("buildings and structures," "tools, furniture and fixtures").

(1) Intangible assets

This is software.

② Depreciation method for leased assets

Significant matters that form the basis for preparing the consolidated financial statements are as described in "(2) Depreciation method for significant depreciable assets" of "4. Accounting policies."

(2) Finance lease transactions without transfer of ownership

① Details of leased property

(a) Property, plant and equipment

Tools, furniture, fixtures and vehicles at the general business facilities.

(1) Intangible assets

This is software.

② Depreciation method for leased assets

Significant matters that form the basis for preparing the consolidated financial statements are as described in "(2) Depreciation method for significant depreciable assets" of "4. Accounting policies."

2. Operating leases

Future minimum lease payments under non-cancelable operating leases

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Within 1 year	6,923	1,418
Over one year	43,024	10,520
Total	49,948	11,939

(Financial Instruments)

1. Matters relating to financial instruments

(1) Policy for Financial Instruments

Our group procures the necessary funds from banks and other financial institutions in light of the sales plan.

(2) Details of Financial Instruments and Risks Related to Financial Instruments

Notes and accounts receivable, which are trade receivables, are exposed to customer credit risk.

Investment securities consist primarily of shares of companies with operational relationships and are exposed to the risk of market price fluctuations.

Notes and accounts payable-trade, a trade payable, is mostly due within 1 year.

Borrowings consist primarily of financing for operating transactions, with repayments and maturities principally within 3 years. Borrowings are exposed to the risk of fluctuations in interest rates.

(3) Risk management for financial instruments

① Monitoring of credit risk (the risk that customers or counterparties may default)

For trade receivables, our Business Divisions and Administration Divisions regularly monitor the status of major customers and manage the due date and Balance for each counterparty. We also seek to quickly identify and mitigate concerns about collection due to deterioration in financial conditions and other factors.

② Management of market risk (interest rate risk, etc.)

Our group regularly monitors the market value of investment securities and the financial condition of issuers (client companies), and continuously reviews their holdings in consideration of market conditions and relationships with client companies.

Borrowings and Bonds payable are monitored by preparing a list of interest rates for each financial institution. In addition, the Company manages its trade payables and borrowings by such means as preparing a cash plan statement in the Finance Department of the Company.

③ Management of funding liquidity risk (the risk that payment will not be made when due)

Our Finance Department prepares and updates cash flow plans in a timely manner based on Report from each department, and manages liquidity risk by maintaining liquidity on hand and other means.

(4) Supplementary Explanations Concerning Fair Value of Financial Instruments

Since variable factors are incorporated in the calculation of the fair value of financial instruments, the fair value may change if different assumptions are adopted.

2. Fair Value of Financial Instruments

Carrying amounts, fair values and differences between these amounts are as follows: Disclosure of "Cash and deposits," "Notes and accounts receivable-trade," "Notes and accounts payable-trade," and "Short-term borrowings" is omitted because they are cash and the fair values approximate their carrying amounts due to their short maturities.

Previous fiscal year (As of March 31, 2022)

	Carrying amount (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities	4,868	4,868	-
(2) Long-term loans receivable	380	380	-
Property Total	5,248	5,248	-
(3) Lease obligations, current	35	35	-
(4) Long-term loans payable (including Current portion of long-term loans payable)	107,222	107,292	70
(5) Bonds payable (including Current portion of bonds payable)	6,238	6,271	33
(6) Lease obligations (fixed)	285	270	△14
Debt Total	113,780	113,870	89

Current fiscal year (As of March 31, 2023)

	Carrying amount (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities	1,858	1,858	-
(2) Long-term loans receivable	830	830	-
Property Total	2,688	2,688	-
(3) Lease obligations, current	34	34	-
(4) Long-term loans payable (including Current portion of long-term loans payable)	130,826	130,860	34
(5) Bonds payable (including Current portion of bonds payable)	4,205	4,174	△30
(6) Lease obligations (fixed)	249	237	△11
Debt Total	135,315	135,308	△7

(*1) Shares and other securities without quoted market prices are not included in "(1) Investment securities." The carrying amounts of these financial instruments are as follows:

(Millions of yen)

Category	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Unlisted stocks	593	510

(NOTE)1. Redemption schedule for monetary receivables and securities with maturity dates subsequent to the consolidated balance sheet date

Previous fiscal year (As of March 31, 2022)

	Within 1 year (Millions of yen)	Over one year Within 5 years (Millions of yen)	Over five years Within 2010 years (Millions of yen)	Due after ten years (Millions of yen)
Cash and deposits	33,428	-	-	-
Notes and accounts receivable	120	-	-	-
Long-term loans receivable	-	380	-	-
Total	33,549	380	-	-

Current fiscal year (As of March 31, 2023)

	Within 1 year (Millions of yen)	Over one year Within 5 years (Millions of yen)	Over five years Within 2010 years (Millions of yen)	Due after ten years (Millions of yen)
Cash and deposits	47,872	-	-	-
Notes and accounts receivable	98	-	-	-
Long-term loans receivable	-	830	-	-
Total	47,970	830	-	-

2.Maturities of Short-term borrowings, Long-term loans payable, Bonds payable and Leased Obligations after the Consolidated Closing Date

Previous fiscal year (As of March 31, 2022)

	Within 1 year (Millions of yen)	Over one year Within 2 years (Millions of yen)	Over 2 years Within 3 years (Millions of yen)	Due after 3 years Within 4 years (Millions of yen)	Due after 4 years Within 5 years (Millions of yen)	Over five years (Millions of yen)
Short-term borrowings	14,189	-	-	-	-	-
Long-term loans payable	25,298	28,895	25,517	11,194	6,858	9,457
Bonds payable	2,168	160	2,710	910	40	250
Lease obligations	35	35	35	34	32	148
Total	41,691	29,090	28,262	12,139	6,930	9,855

Current fiscal year (As of March 31, 2023)

	Within 1 year (Millions of yen)	Over one year Within 2 years (Millions of yen)	Over 2 years Within 3 years (Millions of yen)	Due after 3 years Within 4 years (Millions of yen)	Due after 4 years Within 5 years (Millions of yen)	Over five years (Millions of yen)
Short-term borrowings	18,065	-	-	-	-	-
Non-recourse Short-term borrowings	74,004	-	-	-	-	-
Long-term loans payable	25,997	46,607	31,903	10,580	6,844	8,893
Bonds payable	190	2,740	940	70	265	-
Lease obligations	34	34	33	32	31	117
Total	118,292	49,382	32,877	10,682	7,140	9,010

3. Breakdown of Fair Value of Financial Instruments by Level

The fair values of financial instruments are classified into the following 3 levels depending on the observability and significance of the inputs for determining fair value:

Level 1 fair value: Fair value determined by quoted prices for assets or liabilities that are subject to valuation in active markets out of inputs related to the calculation of observable fair values

Level 2 fair value: Fair value calculated using inputs other than Level 1 inputs related to the calculation of fair value that are observable

Level 3 fair value: Market value calculated using inputs related to the calculation of unobservable fair values

If multiple inputs are used that have a significant impact on the calculation of fair value, then the fair value is categorized as the lowest priority level in determining fair value among the levels to which each of those inputs belongs.

(1) Financial instruments recorded on the consolidated balance sheets at fair value

Previous fiscal year (As of March 31, 2022)

Category	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Equity securities	4,868	-	-	4,868
Property Total	4,868	-	-	4,868

Current fiscal year (As of March 31, 2023)

Category	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Equity securities	1,858	-	-	1,858
Property Total	1,858	-	-	1,858

(2) Financial instruments other than financial instruments recorded on the consolidated balance sheets at fair value

Previous fiscal year (As of March 31, 2022)

Category	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	-	380	-	380
Property Total	-	380	-	380
Lease obligations, current	-	35	-	35
Long-term loans payable (including Current portion of long-term loans payable)	-	107,292	-	107,292
Bonds payable (including Current portion of bonds payable)	-	6,271	-	6,271
Lease obligations (fixed)	-	270	-	270
Debt Total	-	113,870	-	113,870

Current fiscal year (As of March 31, 2023)

Category	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	-	830	-	830
Property Total	-	830	-	830
Lease obligations, current	-	34	-	34
Long-term loans payable (including Current portion of long-term loans payable)	-	130,860	-	130,860
Bonds payable (including Current portion of bonds payable)	-	4,174	-	4,174
Lease obligations (fixed)	-	237	-	237
Debt Total	-	135,308	-	135,308

(NOTE) Explanation of valuation techniques used to calculate market prices and inputs related to the calculation of market prices

Investment securities

Listed stocks are valued using quoted prices. As listed shares are traded in active markets, their fair values are classified as Level 1 fair values.

Long-term loans receivable

The fair value of long-term loans receivable is classified by the discounted method based on the interest rate obtained by adding the credit spread to the appropriate indicators such as the future cash flow and the yield on government bonds for each credit risk Category for credit control purposes, and is classified as Level 2 fair value.

Bonds payable (including Current portion of bonds payable)

The fair value of Bonds payable is determined by the discounted method based on Total amount of Bonds payable and principal and interest issued by the Company and the interest rate adjusted for the remaining life of Bonds payable and credit risk. The fair value is classified as Level 2 fair value.

Long-term loans payable (including Current portion of long-term loans payable), leased obligations

The fair value of these instruments is determined using the discounted present value method based on Total amount of principal and interest and the interest rate adjusted for the remaining term of the obligation and credit risk. The fair value is classified as Level 2 fair value.

(Notes to Securities)

1.Other in Securities

Previous fiscal year (As of March 31, 2022)

	Type	Consolidated Balance Sheets Amount recorded (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose carrying amount exceeds their Acquisition cost	(1) Equity securities	58	47	11
	(2) Bonds	-	-	-
	(3) Other	4,775	3,979	795
	Subtotal	4,834	4,027	806
Securities whose carrying amount does not exceed Acquisition cost	(1) Equity securities	34	41	△7
	(2) Bonds	-	-	-
	(3) Other	-	-	-
	Subtotal	34	41	△7
Total		4,868	4,069	799

Current fiscal year (As of March 31, 2023)

	Type	Consolidated Balance Sheets Amount recorded (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose carrying amount exceeds their Acquisition cost	(1) Equity securities	95	74	21
	(2) Bonds	-	-	-
	(3) Other	-	-	-
	Subtotal	95	74	21
Securities whose carrying amount does not exceed Acquisition cost	(1) Equity securities	8	15	△7
	(2) Bonds	-	-	-
	(3) Other	1,754	1,880	△125
	Subtotal	1,762	1,895	△132
Total		1,858	1,969	△111

2.Other securities sold

Previous fiscal year (As of March 31, 2022)

Not applicable.

Current fiscal year (As of March 31, 2023)

Type	Proceeds from sales (Millions of yen)	Total gain on sales (Millions of yen)	Total losses on sales (Millions of yen)
(1)Equity securities	40	27	-
(2)Bonds	-	-	-
(3)Other	212	19	-
Total	253	46	-

3.Marketable securities impaired

In End of Previous Consolidated Accounting Period, Not applicable.

During the fiscal year under review, Not applicable.

When the fair value of Term end declines by 50% or more from Acquisition cost level, all impairment losses are recognized. When the fair value of Term end declines by 30% to 50%, impairment losses are recognized for the amount deemed necessary considering the possibility of recovery.

(Derivative Transactions)

Not applicable.

(Retirement Benefits)

1.General outline of the retirement allowance system adopted

Our Group has a retirement lump-sum benefit plan as a defined benefit plan and a small business retirement benefit mutual aid plan as a defined contribution plan. The lump-sum severance indemnities plans adopted by the Company and certain of its consolidated subsidiaries are calculated using the simplified method for Liabilities related to retirement benefits and Retirement benefit expenses.

2.Defined benefit plan

(1) Reconciliation of benefit obligations between Balance and Term end Balance at the beginning of the period (excluding plans applying the simplified method listed in (2))

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Beginning Balance of projected benefit obligation	818 Millions of yen	916 Millions of yen
Service cost	144	150
Interest cost	4	5
Actuarial gain or loss arising	14	△27
Benefits paid	△64	△41
Term end Balance in projected benefit obligation	916	1,003

(2) Reconciliation of beginning Balance and Term end Balance of Liabilities related to retirement benefits for plans applying the simplified method

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Liabilities related to retirement benefits Beginning Balance	45 Millions of yen	67 Millions of yen
Retirement benefit expenses	34	59
Benefits paid	△6	△25
Contributions to the SME Retirement Benefit Mutual Aid Plan	△5	△4
Liabilities related to retirement benefits's Term end Balance	67	97

(3) Reconciliation between Term end Balance of projected benefit obligation and plan assets and Liabilities related to retirement benefits and net defined benefit asset recorded in the consolidated balance sheets

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Retirement benefit obligation for unfunded plans	1,021 Millions of yen	1,138 Millions of yen
Estimated amount to be paid under the SME Retirement Benefit Mutual Aid Plan	△37	△38
Net amount of liabilities and assets recorded in the consolidated balance sheets	984	1,100

(4) Amount of Retirement benefit expenses and its breakdown

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Service cost	144 Millions of yen	150 Millions of yen
Interest cost	4	5
Amortization of actuarial loss	4	6
Retirement benefit expenses calculated by the simplified method	29	55
Retirement benefit expenses for defined benefit plans	181	216

(5) Remeasurements of defined benefit plans

The components of items recorded in Remeasurements of defined benefit plans (before tax effect) are as follows:

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Differences in the mathematical calculations	10 Millions of yen	△33 Millions of yen
Combined Total	10	△33

(6) Remeasurements of defined benefit plans

The components of items recorded in Remeasurements of defined benefit plans (before tax effect) are as follows:

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Unrecognized actuarial loss	21 Millions of yen	△11 Millions of yen
Combined Total	21	△11

(7) Assumptions used in actuarial calculations

Major actuarial assumptions (weighted average)

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Discount rate	0.51~0.58 %	0.86~0.99 %
Expected rate of salary increase	2.07~2.95	2.07~2.95

3. Defined contribution plan

The required contributions to our Small and Medium-Sized Company Retirement Benefit Mutual Aid Plan are End of Previous Consolidated Accounting Period 5 Millions of yen and 4 Millions of yen for the fiscal year under review.

(Stock options, etc.)

1.Amount and line item of expense related to stock options

(Millions of yen)

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Selling, general and administrative expenses	125	327

2.Details and size of stock options and their changes

(1) Details of stock options

	1st Class B Subscription rights to shares	Second Class B Subscription rights to shares
Category and number of persons granted	Directors 7 Name 1 of our Executive Officers	Directors 7 Name 1 of our Executive Officers
Stock by Class of shares Optional numbers (NOTE)1,2	Common stock 130 thousand Shares	Common stock 120.4 thousand Shares
The grant date	July 9, 2012	May 14, 2013
Vesting conditions	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.
The requisite service period	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.
The exercise period	From July 10, 2012 to July 9, 2052	From May 15, 2013 to May 14, 2053

	Third Series Class B Subscription rights to shares	4th Series Class B Subscription rights to shares
Category and number of persons granted	Directors 7 Name 2 of our Executive Officers	Directors 7 Name Our 3 Executive Officers
Stock by Class of shares (NOTE)1 number of options	Common stock 129.2 thousand Shares	Common stock 133.6 thousand Shares
The grant date	May 13, 2014	July 14, 2015
Vesting conditions	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.
The requisite service period	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.
The exercise period	From May 2014, 2014 to May 13, 2054	From July 2015, 2015 to July 14, 2055

	5th Series Class B Subscription rights to shares	Sixth Series Class B Subscription rights to shares
Category and number of persons granted	Directors 7 Name 2 of our Executive Officers	Our 6 directors 5 of our Executive Officers
Stock by Class of shares (NOTE)1 number of options	Common stock 125.2 thousand Shares	Common stock 128 thousand Shares
The grant date	May 10, 2016	July 11, 2017
Vesting conditions	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.
The requisite service period	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.
The exercise period	From May 11, 2016 to May 10, 2056	From July 12, 2017 to July 11, 2057

	Seventh Series Class B Subscription rights to shares	Series 8 Class B Subscription rights to shares
Category and number of persons granted	Directors 7 Name Executive Officer 7 Name	Directors 7 Name Our 6 Executive Officers
(NOTE)1 of stock options by Class of shares	Common stock 164 thousand Shares	Common stock 156 thousand Shares
The grant date	August 28, 2018	July 30, 2019
Vesting conditions	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.
The requisite service period	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.
The exercise period	From August 29, 2018 to August 28, 2058	From July 31, 2019 to July 30, 2059

	Series 9 Class B Subscription rights to shares	10th Series Class B Subscription rights to shares
Category and number of persons granted	Directors 7 Name 5 of our Executive Officers	Directors 7 Name 4 of our Executive Officers
(NOTE)1 of stock options by Class of shares	Common stock 159.6 thousand Shares	Common stock 158.1 thousand Shares
The grant date	August 1, 2020	July 31, 2021
Vesting conditions	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.
The requisite service period	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.
The exercise period	From August 2, 2020 to August 1, 2060	From August 1, 2021 to July 31, 2061

	10th Series Class A Subscription rights to shares	11th Series Class B Subscription rights to shares
Category and number of persons granted	Directors 7 Name Executive Officer 7 Name	Directors 7 Name Executive Officer 7 Name
(NOTE)1 of stock options by Class of shares	Common stock 756.2 thousand Shares	Common stock 188 thousand Shares
The grant date	August 23, 2022	August 23, 2022
Vesting conditions	There are no vesting conditions.	In principle, on or after the day following the date of loss of both our directors and Executive Officers positions.
The requisite service period	The applicable service period is not specified.	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.
The exercise period	From August 24, 2022 to August 23, 2062	From August 24, 2022 to August 23, 2062

(NOTE)1. Figures are converted into the number of shares.

As the Company conducted a 4 Shares stock split for each Shares on July 1, 2.2013, the number of shares after adjustment for the stock split is presented.

(2) Size of stock options and their changes

Stock options that existed in the current consolidated fiscal year (Year ending March 31, 2023) are covered, and the number of stock options is converted to the number of shares.

① Number of stock options

	Series 1 Class B Subscription rights to shares	Second Series Class B Subscription rights to shares	Third Series Class B Subscription rights to shares	Series 4 Class B Subscription rights to shares	5th Series Class B Subscription rights to shares	Series 6 Class B Subscription rights to shares	Series 7 Class B Subscription rights to shares	Series 8 Class B Subscription rights to shares
Non-vested (Shares)								
End of End of Previous Consolidated Accounting Period	30,400	28,000	27,600	32,000	32,000	76,000	102,000	102,000
Grant	-	-	-	-	-	-	-	-
Lapse	-	-	-	-	-	-	18,000	18,000
Vesting	-	-	-	-	-	-	-	-
Unvested balance	30,400	28,000	27,600	32,000	32,000	76,000	84,000	84,000
(Shares) after vesting								
End of End of Previous Consolidated Accounting Period	-	-	-	-	-	-	-	-
Vesting	-	-	-	-	-	-	-	-
Exercise of rights	-	-	-	-	-	-	-	-
Lapse	-	-	-	-	-	-	-	-
Outstanding balance	-	-	-	-	-	-	-	-

	Series 9 Class B Subscription rights to shares	Series 10 Class B Subscription rights to shares	Series 10 Class A Subscription rights to shares	11th Series Class B Subscription rights to shares
Non-vested (Shares)				
End of End of Previous Consolidated Accounting Period	140,400	158,100	-	-
Grant	-	-	756,200	188,000
Lapse	20,800	22,900	-	24,300
Vesting	-	-	756,200	-
Unvested balance	119,600	135,200	-	163,700
(Shares) after vesting				
End of End of Previous Consolidated Accounting Period	-	-	-	-
Vesting	-	-	756,200	-
Exercise of rights	-	-	756,200	-
Lapse	-	-	-	-
Outstanding balance	-	-	-	-

(NOTE)As the Company conducted a 4 Shares stock split for each Shares on July 1, 2013, the number of shares after adjustment for the stock split is presented.

② Unit price information

	1st Class B Subscription rights to shares	Second Class B Subscription rights to shares	Third Series Class B Subscription rights to shares	4th Series Class B Subscription rights to shares	5th Series Class B Subscription rights to shares	Sixth Series Class B Subscription rights to shares	Seventh Series Class B Subscription rights to shares	Series 8 Class B Subscription rights to shares
Exercise Price (Yen)	1	1	1	1	1	1	1	1
Average Stock Price at Exercise (Yen)	-	-	-	-	-	-	-	-
Fair value at grant-date (Yen)	128	306	186	472	480	316	253	290

	Series 9 Class B Subscription rights to shares	10th Series Class B Subscription rights to shares	10th Series Class A Subscription rights to shares	11th Series Class B Subscription rights to shares
Exercise Price (Yen)	1	1	1	1
Average Stock Price at Exercise (Yen)	-	-	383	-
Fair value at grant-date (Yen)	228	241	376	262

(NOTE)Exercise prices are the amounts of 1 Shares Per share. The figures are converted into prices after the stock split on July 1, 2013 (ratio of 4 Shares per Shares).

3.Method of estimating the fair value of stock options

The fair value estimation methods for the 10th Series Class A Subscription rights to shares granted in the fiscal year under review are as follows:

- ① Black-Scholes valuation technique used
- ② Main basic figures and estimation method

	10th Series Class A Subscription rights to shares
Stock Price Volatility (NOTE)1	22.6%
Expected remaining maturity (NOTE)2	0.0028 years
Expected dividend rate (NOTE)3	3.14%
Risk-free rate (NOTE)4	0.001%

(NOTE)Calculated based on the actual stock price from August 24, 1.2020 to August 2022, 2022.

- 2.The period from Subscription rights to shares allocation date to the beginning of the exercise period is used.
- 3.Calculated based on dividend results for the most recent 2010 years.
- 4.The average uncollateralized overnight call rate is used because the expected life is very short.

The fair value estimation methods for the 11th Series Class B Subscription rights to shares granted in the current fiscal year are as follows:

- ① Black-Scholes valuation technique used
- ② Main basic figures and estimation method

	11th Series Class B Subscription rights to shares
Stock Price Volatility (NOTE)1	41.3%
Expected remaining maturity (NOTE)2	11.5 years
Expected dividend rate (NOTE)3	3.14%
Risk-free rate (NOTE)4	0.313%

(NOTE)Calculated based on the actual stock price from March 7, 1.2011 to August 2022, 2022.

- 2.The weighted-average of the expected remaining service lives of Subscription rights to shares employees is used.
- 3.Calculated based on dividend results for the most recent 2010 years.
- 4.Calculated based on JGB yields with a term corresponding to the expected remaining term.

4.Method of estimating the number of stock options vested

Basically, because it is difficult to reasonably estimate the number of future forfeitures, the Company has adopted a method to reflect only the actual number of forfeitures.

(Deferred tax accounting)

1. Breakdown of principal origins of deferred tax assets and liabilities

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Deferred tax assets		
Bonus Allowance in excess of tax limit	200 Millions of yen	221 Millions of yen
Allowance for doubtful accounts in excess of tax limit	88	85
Real estate for sale valuation loss denied	369	53
Denial of loss from membership revaluation	34	34
Liabilities related to retirement benefits in excess of tax limit	312	355
Retirement benefits for directors and corporate auditors Allowance in excess of tax limit	53	44
Excess depreciation expense disallowed for tax purpose	477	184
Loss on devaluation of telephone subscription rights denied	1	-
Impairment loss deny	726	400
Deferred consumption taxes	111	147
Income Taxes and Other Taxes Payable	152	167
Mandatory write-down of investment securities	3	3
Denial of asset retirement obligations	56	62
Tax loss carryforwards	36	-
Tax Deferred assets	254	251
Compensation for completed construction Allowance in excess of deductible expenses	82	36
Subscription rights to shares	60	80
Loss on compensation for construction contracts denied	66	66
Shares of the Successor Corporation in Split	-	290
Tax effect on elimination of unrealized gains on consolidation	-	742
Other	104	273
Subtotal deferred tax assets	3,192	3,503
Valuation allowance (Note)	△1,502	△612
Deferred income taxes Total assets	1,689	2,890
Deferred tax liabilities		
Valuation difference on assets received for merger	△551	△551
Net unrealized gains on available-for-sale securities	△248	△2
Deferred gain (loss) on transfer of property	△8	-
Tax effect on elimination of unrealized gains on consolidation	△28	-
Other	-	△102
Deferred income taxes Total liabilities	△837	△656
Net deferred tax assets (△: liability)	852	2,234

(NOTE)The main Details of the change in the valuation allowance was a reduction in the valuation allowance related to Impairment loss, etc.

2.Principal components of significant differences arising between the statutory tax rate and the effective tax rate

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current Consolidated Fiscal Year (As of March 31, 2023)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Increase in valuation allowance	△1.4	△16.9
Expenses not deductible for income tax purposes	0.6	1.1
Items that are not permanently included in gross profit, such as	△0.1	0.0
Dividend income	0.1	0.2
Per capita inhabitant tax	0.6	9.2
Difference in tax rates of subsidiaries	0.6	2.1
Goodwill depreciation	-	△5.6
Effect of consolidation adjustments	2.6	1.4
Other	33.6	22.0
Effective income tax rate		

(Business Combinations, etc.)

(Transactions Under Common Control)

(Company Split in Accordance with Transition to a Holding Company Structure)

Following the approval of Board of Directors on May 30, 2022, we implemented an absorption-type company split with October 1, 2022, with our 100% owned subsidiary, Takara Leben West Japan Co., Ltd., as the successor company, and transitioned to a holding company structure.

On the same date, our name was changed to MIRARTH HOLDINGS, Inc. and the name of Takara Leben West Japan Co., Ltd. was changed to Takara Leben Co., Ltd..

1.Summary of Transactions

(1)The name of the business covered and Details of such business

Of the businesses we operate, any and all businesses other than the Group Business Administration Business (including businesses related to the operations required for us to operate as a holding company as a listed company), Energy Business and Asset Management Business

(2)Date of business combination

October 1, 2022

(3)Legal form of business combination

Corporate split (absorption-type company split) with us as Corporation which effects absorption-type demerger and Takara Leben West Japan Co., Ltd. as Relation to absorption-type demerger

(4)Name following business combination

- Split-off companies: MIRARTH HOLDINGS, Inc.
- Successor: Takara Leben Co., Ltd.

(5)Summary of Other Transactions

By shifting to a holding company structure, the Group aims to separate Group management functions from business execution functions and build a robust governance system.

2.Accounting method

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), these transactions are accounted for as transactions under common control.

(Business Combination through Acquisition)

(Tender offer for Takara Leben Infrastructure Investment Corporation)

On September 28, 2022, Sumitomo Mitsui Banking Corporation, a wholly-owned subsidiary of Sumitomo Mitsui Finance & Leasing Co., Ltd. and Sumitomo Mitsui Banking Corporation, a wholly-owned subsidiary of Sumitomo Mitsui Financial Group, entered into a Tender Offer for Green Energy (collectively, 70% owned by Sumitomo Mitsui Financial Group, as a consolidated subsidiary) for the investment units of Takara Leben Infrastructure Investment Corporation (the "Target Unit"). The Company decided to acquire the shares through a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (the "Tender Offer"), and on September 28, 2022, the Tender Offer The Company decided to acquire the investor's units by means of a bargain, and from September 29, 2022, the Tender Offer was executed and the Tender Offer was terminated on November 11, 2022.

As a consequence of the Tender Offer, we have made the target company our consolidated subsidiary with November 18, 2022 (the date on which the Tender Offer is settled).

1.The outline of the Business Combination

(1)Name of the Tender Offeror

Name: Green Energy LLC. of the Tender Offeror

(2)Name of the acquired company and Details of its business

Name of acquired company: Takara Leben Infrastructure Fund Inc.

Business Details: Investments in Renewable Power Generation Facilities

(3)Main reasons for the business combination

This is to expand the renewable Energy Business.

(4)Date of business combination

November 18, 2022

(5)Legal form of business combination

Acquiring Investment units for Cash

(6)Name following business combination

Takara Leben Infrastructure Fund Inc.

(7)Acquired equity interest

Equity ownership held immediately prior to the business combination 6.60%

Equity interest additionally acquired on the date of the business combination 84.78%

Ownership ratio after acquisition 91.37%

(8)Main rationale for determining the company to acquire

Green Energy LLC., a consolidated subsidiary of the Company, acquired a majority interest in Takara Leben Infrastructure Fund Inc.'s Investment units in exchange for cash. As a result, Green Energy LLC. is deemed to have substantial control.

2.Period of performance of the acquired company included in the consolidated financial statements

From December 1, 2022 to February 28, 2023

3.Breakdown of the acquired company's Acquisition cost and consideration by Type

Market value of Investment units held immediately prior to the business combination as of the business combination date	2,499 Millions of yen
Market value of Investment units acquired on the date of business combination	32,122
Acquisition cost	34,622

4.Difference between Acquisition cost of the acquired company and Total amount of Acquisition cost for each transaction that led to the acquisition

Gain on step acquisitions 601 Millions of yen

5.Amount, source, amortization method and amortization period of Goodwill incurred

(1)Amount of Goodwill incurred

2,747 Millions of yen

The amount of Goodwill is calculated on a provisional basis because the allocation of Acquisition cost has not been completed at the end of the fiscal year under review.

(2)Cause of occurrence

This is generated from the excess earnings expected from future business development.

(3)Method and term to amortize goodwill

Straight-line method over 2015 years

6.The amount of assets accepted and liabilities assumed on the date of the Business Combination, and major breakdown thereof

Current assets	6,080 Millions of yen
Fixed assets	68,097
Total assets	<u>74,178</u>
Current liabilities	3,587
Fixed liabilities	35,676
Total liabilities	<u>39,264</u>

7.The estimated amount of influence that would be exerted on the consolidated profit and loss statement for the current Consolidated Fiscal Year if the Business Combination is assumed to have been completed on the day of commencement of the Consolidated Fiscal Year, and the calculation method thereof

Net sales 4,987 Millions of yen

Operating income 1,522

(Calculation Method for Estimated Amounts)

Net sales and profit and loss data calculated on the assumption that the business combination was completed at the beginning of the consolidated fiscal year are used as the approximate amount of the impact.

This note is not subject to Audit certification.

(Asset retirement obligations)

Our group recognizes the obligation to restore Land for rental offices to its original condition at the time of vacating under the real estate lease contract as an asset retirement obligation. However, the description is omitted because the total amount of the obligation is immaterial.

With regard to the obligation to restore the property to its original condition at the time of its vacating under the real estate lease agreement of the head office, etc., instead of recording it as a liability, the Company reasonably estimates the amount that is ultimately deemed unlikely to recover the security deposit related to the real estate lease agreement, and records the amount belonging to the burden for the consolidated fiscal year in expenses.

(Rental and other real estate-related)

We and certain of our consolidated subsidiaries have office buildings (including Land) for lease and condominiums for lease in the Tokyo-based Other region. Rental income (loss) related to such rental properties in End of Previous Consolidated Accounting Period is 355 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 for the fiscal year under review is 259 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)

	End of Previous Consolidated Accounting Period (From April 1, 2021 To March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 To March 31, 2023)
Carrying amount		
Beginning Balance	39,709	38,805
Changes during the year	△903	△3,091
Term end Balance	38,805	35,714
Term end Market Value	38,118	37,254

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

2.Of Change during the period, End of Previous Consolidated Accounting Period increased mainly due to real estate acquisitions (15,485 Millions of yen), while the main decrease was due to transfers to Real estate for sale and Real estate for sale in progress (11.5 thousand Millions of yen), changes in uses other than rental properties (4,283 Millions of yen) and Depreciation and amortization (436 Millions of yen). During the fiscal year under review, the main increases were real estate acquisitions (12,097 Millions of yen) and changes in use to rental properties (38 Millions of yen). 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).

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 their fair values are extremely difficult to determine. End of Previous Consolidated Accounting Period of the property under construction and the amount recorded in the consolidated balance sheet for the current fiscal year are 2,316 Millions of yen and 3,020 Millions of yen, respectively.

(Revenue Recognition)

1.Revenue arising from contracts with customers decomposition data

Information disaggregating revenue from contracts with customers is presented in "Notes (Segment Information, etc.)."

2.Understanding Revenue arising from contracts with customers is based on

The information that forms the basis for understanding Revenue arising from contracts with customers is as described in "4. Significant Items Forming the Basis for Preparation of Consolidated Financial Statements, (5) Accounting Policies, Basis for Recognition of Significant Revenues and Expenses."

3.Information on the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts and the amount and timing of revenue expected to be recognized from contracts with customers existing at the end of the current fiscal year in the following fiscal year and beyond

(1)Balance of contract assets and contract liabilities, etc.

	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Receivables from contracts with customers (beginning Balance)	2,082	2,765 Millions of yen
Receivables from contracts with customers (Term end Balance)	2,765	3,379
Contractual liability (beginning Balance)	5,632	7,323
Contractual liability (Term end Balance)	7,323	10,172

Contractual liabilities primarily relate to advances received from customers who are ordinary consumers who deliver the property pursuant to real estate sales contracts in Real Estate Business. Contractual liabilities are reversed upon recognition of revenue.

The amount of revenue recognized in End of Previous Consolidated Accounting Period that was included in the contractual liability Balance at the beginning of the period was 3,626 Millions of yen.

The amount of revenue recognized in the current fiscal year that was included in contractual liability Balance as of the beginning of the fiscal year was 4,348 Millions of yen.

(2)Transaction price allocated to the remaining performance obligation

We and our consolidated subsidiaries have applied the practical expedient method to note the transaction price allocated to the remaining performance obligations and have not included in the scope of the note for contracts with an initial expected contractual term of 1 year or less. The performance obligations relate to the delivery of the property pursuant to a real estate purchase and sale agreement in Real Estate Business, and the total transaction prices allocated to the remaining performance obligations and the expected term of revenue to be recognized are as follows:

	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Within 1 year	38,295 Millions of yen	23,842 Millions of yen
Due in 1-2 years	11,007	41,942
Due after 2 years through 3 years	3,915	12,222
Total	53,218	78,007

(Segment information, etc.)

[Segment Information]

1. Reportable segments at a Glance

Reportable segments of the Group are components of the Group for which discrete financial information 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.

With the aim of further enhancing corporate value, our Group has shifted to a holding company structure as of October 1, 2022 from the viewpoint of clarifying profitability and business responsibilities for each segment and effectively utilizing management resources by shifting to a pure holding company structure.

Accordingly, in the current consolidated fiscal year, we have decided to change the 5 segments of "Real Estate Sales Business," "Real Estate Rental Business," "Real Estate Management Business," "Energy Business," and "Other Businesses," which were previously disclosed as Reportable segments, to 4 segments: "Real Estate Business," "Energy Business," "Asset Management Business," and "Other Businesses." In addition, the allocation method of company-wide expenses has been reviewed.

Accordingly, End of Previous Consolidated Accounting Period's segmental information is also presented under the new name.

In Real Estate Business, in addition to the core business of new condominiums, the Group is engaged in 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 networks in real estate and renewable energy accumulated in our group. We are entrusted with the management of J-REIT and private funds, etc., and provide excellent investment opportunities and solid asset-management services.

2. Methods of calculating the amounts of items of Net sales, income/loss, assets/liabilities, and Other for each Reportable segments

The accounting methods used for Report of business segments are generally the same as those described in "Significant Items Forming the Basis for Preparation of Consolidated Financial Statements," except for inventory valuation standards.

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 amounts of Net sales, income or loss, assets/liabilities, and Other for each Reportable segments, and breakdown information on revenue

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

(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	118,334	34,248	1,315	153,898	2,895	156,793
Other revenue	5,950	-	-	5,950	-	5,950
Net sales to customers	124,285	34,248	1,315	159,848	2,895	162,744
Intersegment Net sales Or the amount transferred	-	-	-	-	-	-
Total	124,285	34,248	1,315	159,848	2,895	162,744
Segment income (loss) (Δ)	7,661	3,840	593	12,096	Δ219	11,877
Segment assets	163,838	28,441	2,003	194,282	3,236	197,519
Segment liabilities	130,082	26,400	379	156,861	7,364	164,226
Items in Other						
Depreciation and amortization	612	2,164	8	2,785	17	2,803
Amortization of goodwill	78	-	-	78	-	78
Interest expenses	1,030	661	0	1,692	9	1,702
Increased amount of Property, plant and equipment and Intangible assets	14,585	10,372	2	24,960	289	25,249

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

Fiscal year: (From 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) (Δ)	7,906	Δ 956	322	7,271	Δ 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.

4. Difference between Reportable segments Total amount and the amount recorded in the consolidated financial statements and the main Details of the difference

(Items regarding reconciliation of differences)

(Millions of yen)

Net sales	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	159,848	149,253
Net sales of Category in Other	2,895	4,219
Elimination of inter-segment transactions	-	-
Net sales of Consolidated Financial Statements	162,744	153,472

(Millions of yen)

Profit	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	12,096	7,271
Benefits of Other's Category	△219	△241
Elimination of inter-segment transactions	-	-
Amortization of goodwill	-	-
Operating income of Consolidated Financial Statements	11,877	7,030

(Millions of yen)

Assets	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	194,282	304,099
Other's Category property	3,236	5,373
Offset and Elimination of Obligations to Administration Divisions of Head Office	△20,339	△97,348
Corporate assets (Note)	46,293	129,544
Total assets of Consolidated Financial Statements	223,473	341,669

(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	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	156,861	273,501
Other's Category Debt	7,364	3,974
Offset and Elimination of Obligations to Administration Divisions of Head Office	△15,764	△44,814
Corporate liabilities (Note)	15,409	43,864
Total liabilities of Consolidated Financial Statements	163,871	276,527

(NOTE)Corporate debt is a debt 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	2,785	2,553	17	86	35	380	2,838	3,020
Amortization of goodwill	78	78	-	-	250	311	329	390
Interest expenses	1,692	1,939	9	11	53	129	1,755	2,080

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
Property, plant and equipment and intangibles Increased Fixed assets (Note)	24,960	69,445	289	96	151	△48,704	25,400	20,837

(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.

[Related Information]

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

1.Information for each product and service

This information is omitted because the same information is disclosed in Segment Information.

2.Information for each region

(1)Net sales

This information is omitted because Net sales to customers in Japan accounts for more than 90% of Net sales in the consolidated statements of income.

(2)Property, plant and equipment

Disclosure is omitted because the amount of Property, plant and equipment located in Japan exceeds 90% of the amount of Property, plant and equipment on the consolidated balance sheet.

3.Information for each major customer

Not applicable.

Fiscal year: (From April 1, 2022 to March 31, 2023)

1.Information for each product and service

This information is omitted because the same information is disclosed in Segment Information.

2.Information for each region

(1)Net sales

This information is omitted because Net sales to customers in Japan accounts for more than 90% of Net sales in the consolidated statements of income.

(2)Property, plant and equipment

Disclosure is omitted because the amount of Property, plant and equipment located in Japan exceeds 90% of the amount of Property, plant and equipment on the consolidated balance sheet.

3.Information for each major customer

Not applicable.

[About Fixed assets's Impairment loss per Reportable segments]

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Real Estate Business	Energy Business	Asset Management Business	Others (Note)	Corporate and eliminations	Total
Impairment loss	-	-	-	588	-	588

(NOTE)The amount of "Other" is related to the hotel-related business.

Fiscal year: (From 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 the hotel-related business.

[Amortization of goodwill and unamortized Balance per Reportable segments]

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Real Estate Business	Energy Business	Asset Management Business	Other	Corporate and eliminations (Note)	Total
Amortization for the year	78	-	-	-	250	329
Term end Balance	176	-	-	-	1,384	1,561

(NOTE)Corporate and eliminations represent amortized and unamortized Balance related to corporate Goodwill not attributable to Reportable segments.

Fiscal year: (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Real Estate Business	Energy Business	Asset Management Business	Other	Corporate and eliminations (Note)	Total
Amortization for the year	78	-	-	-	311	390
Term end Balance	98	-	-	-	3,820	3,918

(NOTE)Corporate and eliminations represent amortized and unamortized Balance related to corporate Goodwill not attributable to Reportable segments.

[About Negative Goodwill gains per Reportable segments]

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

In "Real Estate Business," the Company acquired shares of Iwano K.K. and made it a consolidated subsidiary. As a result, Negative Goodwill gains was recognized. The recorded amount of Negative Goodwill gains due to this event is 37 Millions of yen.

Fiscal year: (From April 1, 2022 to March 31, 2023)

Not applicable.

[Related party information]

Related party transactions

(1) Transactions between the Company submitting the consolidated financial statements and related parties

Officers and Major Shareholders of the Company Submitting Consolidated Financial Statements (limited to individuals), etc.

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

Not applicable.

Fiscal year: (From April 1, 2022 to March 31, 2023)

Not applicable.

(2) Transactions between consolidated subsidiaries of the Company submitting consolidated financial statements and related parties

Officers and Major Shareholders of the Company Submitting Consolidated Financial Statements (limited to individuals), etc.

End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)

Not applicable.

Fiscal year: (From April 1, 2022 to March 31, 2023)

Not applicable.

(Per Share Information)

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
1 Shares Per share Net assets	542 yen 4 yen	558 yen 95 yen
Net income per share	57.10 yen	41 yen 90 yen
Diluted Net income per share	5,669 yen	4,158 yen

(NOTE) The basis for calculating Net income per share and fully diluted Net income per share is as follows.

	End of Previous Consolidated Accounting Period (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Net income per share		
Net income attributable to owners of parent (Millions of yen)	6,215	4,584
Net income not applicable to common shareholders (Millions of yen)	-	-
Net income attributable to owners of parent related to Common stock (Millions of yen)	6,215	4,584
Average number of shares during the period (Thousands of Shares)	108,854	109,403
Diluted Net income per share		
Net income attributable to owners of parent Adjustments (Millions of yen)	-	-
Common stock growth (Thousands of Shares)	785	852
(Subscription rights to shares (Thousands of Shares))	(785)	(852)
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.

⑤[Consolidated Supplementary Schedule]

[Bonds payable Schedule]

Company Name	Brand	Issue Date	Balance at the beginning of the period (Millions of yen)	Term end Balance (Millions of yen)	Interest rate (%)	Collateral	Maturity date
MIRARTH Holdings Inc.	First Unsecured Bonds payable	January 24, 2020	2,000 (2,000)	-	1.30	No	March 24, 2023
MIRARTH Holdings Inc.	Second Unsecured Bonds payable	January 24, 2020	2,600	2,600	1.50	No	March 24, 2025
Takara Leben Co., Ltd.	First Unsecured Bonds payable	December 5, 2019	108 (108)	-	0.70	No	December 23, 2022
Takara Leben Co., Ltd.	Second Unsecured Bonds payable	June 30, 2020	250	250	0.30	No	June 30, 2027
Takara Leben Co., Ltd.	Third Unsecured Bonds payable	September 30, 2020	100	100	0.02	No	September 30, 2025
Takara Leben Co., Ltd.	Fourth Series of Unsecured Bonds payable	March 25, 2021	300	300	0.30	No	March 25, 2026
Takara Leben Co., Ltd.	5th Unsecured Bonds payable	September 24, 2021	50	50	0.37	No	September 25, 2024
Takara Leben Co., Ltd.	11th Unsecured Bonds payable	June 30, 2020	100	100	0.37	No	June 30, 2025
Takara Leben Co., Ltd.	12th Unsecured Bonds payable	September 15, 2020	100	100 (100)	0.45	No	September 15, 2023
Takara Leben Co., Ltd.	13th Unsecured Bonds payable	September 18, 2020	100	100	0.60	No	September 18, 2025
Takara Leben Co., Ltd.	14th Unsecured Bonds payable	September 30, 2020	100	100	0.40	No	September 30, 2025
Takara Leben Co., Ltd.	15th Unsecured Bonds payable	January 20, 2021	100	100	0.39	No	January 20, 2026
Takara Leben Co., Ltd.	16th Unsecured Bonds payable	February 5, 2021	80 (20)	60 (20)	0.19	No	February 5, 2026
Takara Leben Co., Ltd.	17th Unsecured Bonds payable	February 19, 2021	50	50	0.36	No	February 19, 2026
Takara Leben Co., Ltd.	18th Unsecured Bonds payable	December 15, 2021	100 (20)	80 (20)	0.05	No	December 15, 2026
Takara Leben Co., Ltd.	19th Unsecured Bonds payable	January 20, 2022	100 (20)	80 (20)	0.27	No	January 20, 2027
Leben Clean Energy Co., Ltd.	First Unsecured Bonds payable	September 29, 2022	-	135 (30)	0.70	No	September 29, 2027
Total	-	-	6,238 (2,168)	4,205 (190)	-	-	-

(NOTE)1.() Figures in this report are redemption schedules within 1 year.

2.The redemption schedule for the 5 years after the consolidated balance sheet date is as follows:

Within 1 year (Millions of yen)	Due in 1-2 years (Millions of yen)	Due after 2 years through 3 years (Millions of yen)	Due after 3 years through 4 years (Millions of yen)	Due after 4 years through 5 years (Millions of yen)
190	2,740	940	70	265

[Schedule of Borrowings]

Category	Balance at the beginning of the period (Millions of yen)	Term end Balance (Millions of yen)	Average interest rate (%)	Maturity
Short-term borrowings	14,189	18,065	1.01	-
Non-recourse Short-term borrowings	-	74,004	1.41	-
Long-term loans payable due within 1 year	25,298	25,997	0.89	-
Lease obligations due within 1 year	35	34	-	-
Long-term loans payable (excluding those to be repaid within 1 year)	81,923	104,828	0.93	From April 2024. June. 2057
Lease obligations (excluding obligations due within 1 year)	285	249	-	From April 2024. 2026 April
Total	121,731	223,180	-	-

(NOTE)1. Average interest rates are the weighted average interest rates on Term end borrowings and Balance.

2. Average interest rates on lease obligations are not presented because lease obligations are recorded on the consolidated balance sheets at amounts before deducting interest equivalent amounts included in total lease payments.

3. The aggregate annual maturities of Long-term loans payable and lease obligations (excluding those due within 1 year) for the 5 years following the consolidated balance sheet date are as follows:

	Due in 1-2 years (Millions of yen)	Due after 2 years through 3 years (Millions of yen)	Due after 3 years through 4 years (Millions of yen)	Due after 4 years through 5 years (Millions of yen)
Long-term loans payable	46,607	31,903	10,580	6,844
Lease obligations	34	33	32	31

[Schedule of asset retirement obligations]

As the amount of asset retirement obligations at the beginning of the current fiscal year and the end of the current consolidated fiscal year is less than 1/100 of Total amount of liabilities and Net assets at the beginning of the current fiscal year and the end of the current consolidated fiscal year, the description is omitted pursuant to the provisions of Article 92-2 of the Ordinance on Consolidated Financial Statements.

(2)[Other]

Quarterly information for the current consolidated fiscal year

(Cumulative period)	1st quarter	2nd quarter	Third quarter	Current Consolidated Fiscal Year
Net sales (Millions of yen)	28,325	73,471	95,081	153,472
Quarterly income before income taxes and minority interests (Millions of yen)	398	3,810	1,737	5,703
Quarterly profit attributable to owners of parent (Millions of yen)	206	2,875	1,804	4,584
1 Shares Quarterly (current term) net income (Yen)	1.89	26.35	16.52	41.90

(Accounting period)	1st quarter	2nd quarter	Third quarter	4th quarter
Quarterly net income per share or 1 Shares Quarterly net loss (△) (Yen)	1.89	24.46	△9.76	25.34

2[Financial Statements]

(1)[Financial Statements]

①[Balance Sheet]

(Millions of yen)

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	14,104	12,191
Accounts receivable	※1,※3 775	※1,※3 585
Accounts receivable-other	※3 2,139	※3 2,600
Real estate for sale	※1,※2 16,185	※1,※2 14,610
Power generation facilities for sale	-	※2 291
Real estate for sale in progress	※1,※2 36,227	※1,※2 45,220
Advance payments	5,954	3,051
Prepaid expenses	※2 1,245	※2,※3 1,092
Short-term loans to affiliates	7,370	※3 5,920
Other	※3 3,053	※3 4,529
Allowance for doubtful accounts	△275	△275
Total current assets	86,780	89,821
Fixed assets		
Property, plant and equipment		
Buildings	※1,※2 6,200	※1,※2 7,504
Structures	※1,※2 158	※1,※2 271
Machinery and equipment	※1,※2 4,626	※1,※2 3,865
Tools, furniture and fixtures	※1,※2 149	※1,※2 77
Land	※1,※2 27,974	※1,※2 23,418
Leased assets	276	-
Construction in progress	※1,※2 2,127	※1,※2 2,532
Total property, plant and equipment	41,513	37,669
Intangible assets		
Land Lease Right	※1,※2 491	※1 491
Software	※1,※2 91	※1,※2 160
Goodwill	176	98
Other	41	72
Total intangible assets	801	823
Investments and other assets		
Investment securities	4,613	2,515
Stocks of subsidiaries and affiliates	8,082	※1 18,447
Securities of affiliates of Other	594	497
Investments in capital	488	277
Membership	44	44
Lease deposits	1,212	966
Long-term loans receivable	-	100
Long-term loans receivable from subsidiaries and affiliates	3,973	※3 1,530
Deferred tax assets	515	467
Other	※2 2,050	※2 1,827
Total investments and other assets	21,575	26,674
Total fixed assets	63,890	65,167
Deferred assets		
Bonds payable issuance costs	17	8
Deferred assets Total	17	8
Total assets	150,689	154,996

(Millions of yen)

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes payable	7,286	5,591
Accounts payable	※3 2,370	※3 2,023
Short-term borrowings	※1 6,335	※1 7,609
Current portion of bonds payable	2,000	-
Current portion of long-term loans payable	※1 19,015	※1 18,280
Lease obligations	31	-
Accounts payable-other	※3 714	※3 1,872
Accrued expenses	66	23
Income taxes payable	1,196	113
Advances received	4,597	6,439
Deposits received	※3 605	※3 547
Deferred revenues	18	41
Bonus Allowance	336	14
Compensation for completed construction Allowance	312	305
Other	215	3
Total current liabilities	45,101	42,865
Fixed liabilities		
Long-term loans payable	※1, ※3 50,254	※1, ※3 55,937
Bonds payable	2,600	2,600
Lease and guarantee deposits received	495	620
Lease obligations	273	-
Benefit Allowance	491	11
Asset retirement obligations	24	25
Total Fixed liabilities	54,139	59,194
Total liabilities	99,241	102,059
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus		
Legal capital surplus	4,817	4,817
Other Capital surplus	-	3
Capital surplus Total	4,817	4,820
Retained earnings		
Legal reserve	92	92
Other Retained earnings		
General reserve	14,681	14,681
Retained earnings carried forward	30,828	32,523
Retained earnings Total	45,602	47,297
Treasury stock	△4,456	△4,174
Total shareholders' equity	50,781	52,762
Valuation and translation adjustments		
Net unrealized gains on available-for-sale securities	468	△45
Total valuation and translation adjustments	468	△45
Subscription rights to shares	197	220
Total net assets	51,447	52,937
Total liabilities and net assets	150,689	154,996

	Prior taxable year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Net sales		
Real Estate Business income	※1 78,216	※1 72,556
Energy Business income	10,728	※1 4,475
Other Businesses income	※1 4	※1 333
Net sales Total	88,949	77,364
Cost of sales		
Real Estate Business cost	※1 61,953	※1 58,169
Energy Business cost	※1 10,282	※1 4,439
Other Businesses cost	※1 70	※1 558
Cost of sales Total	72,307	63,167
Gross profit	16,641	14,197
Selling, general and administrative expenses	※1,※2 12,309	※1,※2 10,103
Operating income	4,332	4,093
Non-operating income		
Interest income	※1 69	※1 86
Dividend income	※1 3,989	※1 904
Commission received	72	49
Miscellaneous income	※1 163	※1 509
Total non-operating income	4,294	1,550
Non-operating expenses		
Interest expenses	707	※1 731
Loss on investments in silent partnerships	-	415
Miscellaneous expenses	181	191
Total non-operating expenses	888	1,338
Ordinary income	7,738	4,305
Extraordinary income		
Gain on sales of Fixed assets	-	0
Gain on sales of investment securities	53	-
Total extraordinary income	53	0
Extraordinary loss		
Loss on sales of Fixed assets	-	95
Impairment loss	588	48
Extraordinary losses Total	588	143
Income before income taxes	7,203	4,162
Income taxes, inhabitant taxes and business taxes	1,858	225
Income tax adjustments	291	276
Total income and other taxes	2,150	502
Net income	5,052	3,659

[Cost of sales Statement]

1.Real Estate Business cost statement

Category	Notes Number	Prior taxable year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Purchase Land, etc.	2	25,800	41.6	24,430	42.0
Outsourced construction costs		33,997	54.9	31,552	54.2
Taxes and dues		239	0.4	346	0.6
Depreciation and amortization		310	0.5	175	0.3
Maintenance and management fee		642	1.0	727	1.3
Other		961	1.6	936	1.6
Real Estate Business cost		61,953	100.0	58,169	100.0

(NOTE)1. Cost accounting is based on individual cost accounting.

2.The amounts of impairment losses on inventories for the previous fiscal year and the current fiscal year are Δ 120 Millions of yen and Δ 1032 Millions of yen, respectively.

(Δ is reversal amount).

2.Energy Business cost statement

Category	Notes Number	Prior taxable year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Cost of sales of power generation facilities		5,448	53.0	-	-
Taxes and dues		53	0.5	35	0.8
Depreciation and amortization		779	7.5	625	14.1
Maintenance and management fee		110	1.1	113	2.6
Rent expenses		3,761	36.6	3,531	79.5
Other		128	1.3	133	3.0
Energy Business cost		10,282	100.0	4,439	100.0

③[Statement of Changes in Shareholders' equity]

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Legal reserve	Retained earnings			Retained earnings Total
		Legal capital surplus	Other Capital surplus	Capital surplus Total		Other Retained earnings			
						Reserve for special depreciation	General reserve	Retained earnings carried forward	
Balance at the beginning of the period	4,819	4,817	-	4,817	92	0	14,681	27,316	42,090
Change during the year									
Reversal of reserve for special depreciation						△0		0	-
Dividend of surplus								△1,521	△1,521
Net income								5,052	5,052
Disposal of Treasury stock			△19	△19					
Transfer from Retained earnings to Capital surplus			19	19				△19	△19
Net changes of items other than Shareholders' equity									
Total changes of items during the period	-	-	-	-	-	△0	-	3,511	3,511
Term end Balance	4,819	4,817	-	4,817	92	-	14,681	30,828	45,602

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of the period	△4,604	47,122	481	481	199	47,803
Change during the year						
Reversal of reserve for special depreciation		-				-
Dividend of surplus		△1,521				△1,521
Net income		5,052				5,052
Disposal of Treasury stock	147	128				128
Transfer from Retained earnings to Capital surplus		-				-
Net changes of items other than Shareholders' equity			△12	△12	△2	△15
Total changes of items during the period	147	3,659	△12	△12	△2	3,644
Term end Balance	△4,456	50,781	468	468	197	51,447

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other' equity Retained earnings	Capital surplus Total	Legal reserve	Other Retained earnings		Retained earnings Total
						General reserve	Carry-over profit Surplus	
Balance at the beginning of the period	4,819	4,817	-	4,817	92	14,681	30,828	45,602
Change during the year								
Dividend of surplus							△1,963	△1,963
Net income							3,659	3,659
Disposal of Treasury stock			3	3				
Net changes of items other than Shareholders' equity								
Total changes of items during the period	-	-	3	3	-	-	1,695	1,695
Term end Balance	4,819	4,817	3	4,820	92	14,681	32,523	47,297

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of the period	△4,456	50,781	468	468	197	51,447
Change during the year						
Dividend of surplus		△1,963				△1,963
Net income		3,659				3,659
Disposal of Treasury stock	282	285				285
Net changes of items other than Shareholders' equity			△514	△514	22	△491
Total changes of items during the period	282	1,980	△514	△514	22	1,489
Term end Balance	△4,174	52,762	△45	△45	220	52,937

[Notes]

(Significant accounting policies)

1. Marketable securities

(1) Held-to-maturity debt securities

Stated at amortized cost (straight-line method).

(2) Investments in subsidiaries and affiliates and Other securities in affiliates

Stated at cost determined mainly by the moving-average method

(3) Other in Securities

Other than shares, etc. without market price

Stated at market value (all valuation differences are accounted for using the direct Net assets method, and the cost of securities sold is calculated using the moving-average method).

Stocks, etc. without market price

Stated at cost determined mainly by the moving-average method

2. Valuation standards and methods for inventories

Stated at cost determined by the specific identification method. (The carrying amount on the balance sheet is written down to reflect the decline in profitability.)

3. Depreciation of Fixed assets

(1) Property, plant and equipment (excluding leased property)

Tangible assets are stated at cost. However, the straight-line method is used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016.

Useful life for primary assets is as follows:

Buildings 3-2050 years

Machinery and equipment 7-2017 years

(2) Intangible assets (excluding leased property)

Software for internal use is amortized using the straight-line method over the estimated useful life of 5 years.

(3) Leased assets

Leased assets related to finance lease transactions with ownership transfer

The same depreciation methods applied to self-owned Fixed assets are used.

Leased assets under finance leases that do not transfer ownership

The straight-line method is used with the lease period as the useful life and the residual value as zero.

4. Accounting standards for Allowance

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount estimated based on the historical write-off ratio for general receivables and on the individual collectability of specific receivables, such as doubtful receivables.

(2) Bonus Allowance

In order to provide for the payment of bonuses to employees, the amount of estimated future bonuses to be paid in the current fiscal year is recorded.

(3) Compensation for completed construction Allowance

To provide for losses and compensation service costs arising from defects after delivery of company-built buildings, etc., the Company records repair costs, etc. related to past company-built buildings on a basis.

(4) Benefit Allowance

Provision for employees' retirement benefits is made based on the retirement benefit obligation at the end of the fiscal year. In calculating retirement benefits Allowance and Retirement benefit expenses, the simplified method was used to determine the retirement benefit obligation based on the amount that would be required to be paid if all employees voluntarily terminated their employment as Term end.

5.Revenue Recognition

Details of principal performance obligations and the normal timing of recognizing revenue in our principal businesses are as follows:

(1) Real Estate Business

①New built-for-sale condominium business

The New built-for-sale condominium business sells each condominium unit to general consumers and is obligated to deliver the property pursuant to a real estate sales contract with a customer. Such performance obligations are satisfied at a point in time when the property is delivered and earning is recorded at the time of such delivery.

The transaction price is determined by the real estate sales contract, and in such contracts, the delivery date is generally the same as the date when the entire amount of the sale price is received. Therefore, the payment of the sale price is received at the same time as the delivery of the property.

②Liquidation Business

The fluidizing business is a business of acquiring rental residential properties and office buildings, etc., increasing asset value through leasing and renovation, etc., and then selling them to operating companies, etc.

The performance obligations and the timing of satisfaction thereof, the method of determining transaction prices, and the timing of revenue recognition in the Liquidation Business are the same as in the New built-for-sale condominium business described above.

(2) Energy Business

Energy Business is a business that derives revenues from the sale of operated power generation facilities and revenues from the sale of power generation facilities.

The performance obligation and the timing of satisfaction, the method of determining the transaction price, and the timing of revenue recognition in the proceeds from the sale of active power generation facilities are the same as in the New built-for-sale condominium business described above. In addition, revenue from the sale of power at power generation facilities is recorded primarily at the time of delivery to customers pursuant to power purchase agreements.

6.Other Significant Items Forming the Basis for Preparation of Financial Statements

Accounting for consumption tax

Non-deductible consumption taxes related to assets are charged to income for the period in which they are incurred.

(Critical Accounting Estimates)

• Fixed assets's Impairment loss

(1)Amount recorded as Impairment loss in the financial statements for the current fiscal year

	Prior taxable year	Current fiscal year
Buildings	432 Millions of yen	24 Millions of yen
Land	156 Millions of yen	24 Millions of yen
Total	588 Millions of yen	48 Millions of yen

(2)Details of Significant Accounting Estimates for Identified Items

We group each property individually as the smallest unit that generates cash by using assets.

For these asset groups, Impairment loss 48 Millions of yen is recognized as the recoverable amount based on the appraisal value, etc. by real estate appraisers, as described in "1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, (Related to Consolidated Statements of Income)*6 Impairment loss" for the current fiscal year. The appraisal value, etc. is calculated based on the business plan of each asset group, comprehensively considering the surrounding environment, etc.

If the assumptions used in these estimates require revision due to changes in uncertain economic conditions in the future, additional Impairment loss (Extraordinary loss) may occur in the financial statements for the following fiscal year and beyond.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Calculation of Market Value)

The Company will apply the "Implementation Guidance on Accounting Standard for Calculation of Market Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Guidance on Accounting Standard for Market Value Calculation") from the beginning of the current fiscal year, and apply the new accounting policy stipulated by the Implementation Guidance on Accounting Standard for Market Value Calculation in accordance with the transitional treatment stipulated in Article 27-2 of the Guidance on Accounting Standard for Market Value Calculation in the future. This has no impact on the financial statements.

(Changes in Presentation Method)

(Income Statement)

In the previous fiscal year, Net sales Category in the Statement of Operations was Net sales for Real Estate, Rental Income for Real Estate, Revenue from Power Generation Business, Other revenue for Cost of sales Category in Real Estate Cost of sales, Cost of Real Estate Rental Business, Cost of Power Generation Business, and Cost of Other for Category in the previous fiscal year. With the change in Category from the current fiscal year, Net sales Category in the Statement of Operations has been changed to "Real Estate Business Income," "Energy Business Income," "Other Businesses Income," and Cost of sales OOJ to "Reportable segments Cost," "Real Estate Business Cost" and "Other Businesses Cost." Financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a consequence, real estate Net sales 76,335 Millions of yen, real estate rental income 1404 Millions of yen, power generation business income 10,728 Millions of yen, and Other revenue 480 Millions of yen were reclassified into "Real Estate Business income 78,216 Millions of yen," "Category income 10,728 and Other Businesses income 4 Millions of yen," and "Real estate Cost of sales 60,760 Millions of yen," "Real estate rental cost" 1193 Millions of yen, "Cost of power generation business," 10,282 Millions of yen, "Other."Cost 70 Energy Business has been reclassified as Millions of yen Cost 61,953 Millions of yen, Energy Business Cost 10,282 Millions of yen and Other Businesses Cost 70 Millions of yen.

(Cost of sales Statement)

In the previous fiscal year, Cost of sales statement was Category in the "Real Estate Cost of sales Statement," "Property Lease Cost Statement," and "Power Generation Business Cost Statement." However, due to the change in Reportable segments Category from the current fiscal year, the statement has been changed to the "Real Estate Business Cost Statement" and "Energy Business Cost Statement." To reflect this change in presentation, Cost of sales statement for the previous fiscal year has been reclassified.

(Notes to the Balance Sheet)

※1 Assets pledged as collateral and corresponding liabilities are as follows:

(1)Assets pledged as collateral

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Accounts receivable	495 Millions of yen	87 Millions of yen
Real estate for sale	7,364	11,603
Real estate for sale in progress	30,550	36,366
Buildings	3,998	5,664
Structures	26	124
Machinery and equipment	2,874	2,723
Tools, furniture and fixtures	11	4
Land	20,982	19,866
Construction in progress	2,071	2,053
Land Lease Right	232	232
Software	0	0
Investments in subsidiaries and affiliates (Note)	-	3,940
Total	68,606	82,668

(NOTE)Of this amount, 1,898 Millions of yen is pledged as collateral for 74,004 Millions of yen of Green Energy LLC. loans from financial institutions.

(2)Debt to the above

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Short-term borrowings	4,858 Millions of yen	7,376 Millions of yen
Current portion of long-term loans payable	17,675	14,790
Long-term loans payable	40,309	50,813
Total	62,842	72,980

※2 Change in the purpose of holding assets

(As of March 31, 2022) for previous fiscal year

Real estate for sale in progress 95 Millions of yen was transferred to Land in the current fiscal year due to a change in the purpose of holding real estate assets from resale to rent.

In addition, as a result of the change in the ownership of a portion of real estate owned from development and leasing to resale, the Company transferred 3,021 Millions of yen of buildings, 21 Millions of yen of structures, tools, furniture and fixtures 31 Millions of yen, Land 4,067 Millions of yen, construction in progress 1,112 Millions of yen, and 0 Millions of yen of software to Real estate for sale and Real estate for sale in progress in the current fiscal year. Certain of these assets were sold in the current fiscal year and 7,892 Millions of yen transferred to Real estate for sale was recorded as Cost of sales.

In addition, due to the change in the intent to hold a portion of the mega-solar power generation facilities for resale, in the current fiscal year, prepaid expenses of 69 Millions of yen, structures of 534 Millions of yen, machinery and equipment of 3,705 Millions of yen, Land of 164 Millions of yen, leasehold interest of 165 Millions of yen, and long-term prepaid expenses of 932 Millions of yen ("Investments and other assets "Other") were transferred to Power generation facilities for sale. The assets were sold in the current fiscal year.

Current fiscal year (As of March 31, 2023)

In conjunction with the change in the ownership of certain real estate holdings from development and leasing to resale, in the current fiscal year, buildings 4,499 Millions of yen, structures 47 Millions of yen, tools, furniture and fixtures 32 Millions of yen, Land 7,746 Millions of yen, construction in progress 2254 Millions of yen, and software 0 Millions of yen were transferred to Real estate for sale and Real estate for sale in progress. Certain of these properties were sold during the year, and 6,314 Millions of yen of the 14,265 Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

In addition, due to the change in the intent to hold a portion of the mega-solar power generation facilities for resale, in the current fiscal year, prepaid expenses of 7 Millions of yen, machinery and equipment 143 Millions of yen, Land 60 Millions of yen, and long-term prepaid expenses of 90 Millions of yen ("Investments and other assets" Other") were transferred to Power generation facilities for sale.

※3 Monetary claims and monetary liabilities to affiliated companies (excluding those expressed in Category)

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Short-term monetary claims	3,376 Millions of yen	10,276 Millions of yen
Long-term monetary receivables	-	1,730
Short-term loans payable	385	1,900
Long-term debt	192	36

4 Contingent liabilities

Guarantees for loans from financial institutions

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Joint and several guarantee obligations to financial institutions, etc. until the completion of the registration of mortgage on our customer housing loans	6,585 Millions of yen	10,016 Millions of yen
Takara Leben Co., Ltd.	536	3,000
Leben Zestock Corporation	5,233	2,337
Leben Clean Energy Corporation	1,972	1,930
Leben Home Build Inc.	592	-
Minato Vietnam Co., Ltd.	917	112
WISE ESTATE 3 Co., Ltd.	564	1,615
WISE ESTATE 8 Co., Ltd.	-	246
WISE ESTATE 10 Co., Ltd.	-	237
Takara Leben (Thailand) Co.,Ltd.	-	1,196
Total	16,401	20,691

5 We have entered into overdraft agreements and loan commitment agreements with 44 financial institutions (45 in the previous fiscal year) in order to efficiently procure working capital. Unused Balance at the end of the fiscal year under these contracts are as follows:

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Maximum overdraft amount and loans		
Total commitment	50,281 Millions of yen	46,341 Millions of yen
Loan balance	25,997	28,631
Net amount	24,284	17,710

(Notes to Statements of Income)

※1 Transactions with related companies

	Prior taxable year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Turnover with business transaction		
Net sales	238 Millions of yen	4,115 Millions of yen
Purchases	568	2,373
Excluding operating transactions with subsidiary	3,901	1,067

※2 Approximate percentages of expenses included in selling expenses were 45% in the previous fiscal year, 46% in the current fiscal year, 55% in general and administrative expenses in the previous fiscal year, and 54% in the current fiscal year.

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

	Prior taxable year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Advertising expenses	3,326 Millions of yen	2,560 Millions of yen
Sales commission	630	817
Promotion expenses	1,629	1,237
Salary allowance	1,717	1,013
Bonus Allowance provision	462	257
Retirement benefit expenses	70	45
Depreciation and amortization	132	136
Allowance for doubtful accounts provision	135	-

(Notes to Securities)

Stocks of subsidiaries and affiliates

Balance sheet amount of stocks, etc. without market price

(Millions of yen)

Category	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Investments in subsidiaries	4,972	18,447
Investments in affiliates	3,110	-
Securities of affiliates of Other	594	497

(Deferred tax accounting)

1. Breakdown of principal origins of deferred tax assets and liabilities

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Deferred tax assets		
Bonus Allowance in excess of tax limit	102 Millions of yen	4 Millions of yen
Allowance for doubtful accounts in excess of tax limit	84	84
Real estate for sale valuation loss denied	335	19
Denial of loss from membership revaluation	32	32
Retirement benefits Allowance in excess of tax limit	150	3
Excess depreciation expense disallowed for tax purpose	477	184
Impairment loss deny	724	399
Deferred consumption taxes	89	129
Income Taxes and Other Taxes Payable	116	26
Mandatory write-down of investment securities	3	3
Denial of asset retirement obligations	33	37
Tax Deferred assets	210	118
Compensation for completed construction Allowance in excess of deductible expenses	29	27
Subscription rights to shares	60	80
Loss on compensation for construction contracts denied	66	66
Rental and administrative expenses not recorded	20	20
Shares of the Successor Corporation in Split	-	290
Net unrealized gains on available-for-sale securities	0	28
Other	27	-
Subtotal deferred tax assets	2,565	1,558
Valuation allowance	△1,295	△537
Deferred income taxes Total assets	1,270	1,021
Deferred tax liabilities		
Valuation difference on assets received for merger	△551	△551
Net unrealized gains on available-for-sale securities	△203	△1
Deferred income taxes Total liabilities	△755	△553
Net deferred tax assets (△: liability)	515	467

2. Principal components of significant differences arising between the statutory tax rate and the effective tax rate

	Prior taxable year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Increase in valuation allowance	△1.3	△18.2
Expenses not deductible for income tax purposes	0.4	0.6
Items that are not permanently included in gross profit, such as Dividend income	△0.7	△5.1
Per capita inhabitant tax	0.1	0.2
Investment gains and losses of associations, etc.	-	3.1
Other	0.8	0.9
Effective income tax rate	29.9	12.1

(Business Combinations, etc.)

(Transactions Under Common Control)

The notes are omitted because the same Details is presented in "5. Accounting 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements, (Business Combinations, etc.)."

(Revenue Recognition)

The notes are omitted because the same Details is provided in "Notes (Significant Accounting Policies) 5. Accounting Standards for Revenues and Expenses" for the basis for understanding Revenue arising from contracts with customers.

(Significant Subsequent Events)

Not applicable.

④[Supplementary Schedules]

[Property, plant and equipment Schedule]

(Millions of yen)

Category	Type of property	Balance at the beginning of the period	Increased during current term	Decreased during current term	Amortization for the year	Term end Balance	Accumulated depreciation	Term end Acquisition cost
Property, plant and equipment	Buildings	6,200	6,257	4,711 (24)	242	7,504	782	8,286
	Structures	158	175	49	13	271	40	312
	Machinery and equipment	4,626	3	143	621	3,865	981	4,846
	Tools, furniture and fixtures	149	38	50	59	77	203	280
	Land	27,974	3,450	8,006 (24)	-	23,418	-	23,418
	Leased assets	276	-	262	14	-	19	19
	Construction in progress	2,127	9,987	9,583	-	2,532	-	2,532
	Total	41,513	19,913	22,806 (48)	951	37,669	2,027	39,697
Intangible assets	Land Lease Right	491	-	-	-	491	-	-
	Software	91	114	3	41	160	-	-
	Goodwill	176	-	-	78	98	-	-
	Other	41	49	18	-	72	-	-
	Total	801	163	21	120	823	-	-

(NOTE)1. Figures in parentheses in "Decrease during the year" are Impairment loss amounts.

2.Major Details in the fiscal year under review were as follows.

Buildings	Acquisition of income-producing properties	6,222 Millions of yen
Structures	Acquisition of income-producing properties	173 Millions of yen
Land	Acquisition of income-producing properties	3,450 Millions of yen
Construction in progress	Acquisition of income-producing properties	9,987 Millions of yen
Software	Obtaining a Other	114 Millions of yen

[Allowance Schedule]

Category	Balance at the beginning of the period (Millions of yen)	Increased during current term (Millions of yen)	Decreased during current term (Millions of yen)	Term end Balance (Millions of yen)
Allowance for doubtful accounts	275	-	-	275
Bonus Allowance	336	355	676	14
Compensation for completed construction Allowance	312	0	6	305

(2)[Details of major assets/liabilities]

This information is omitted because the consolidated financial statements have been prepared.

(3)[Other]

Not applicable.

VI. [Outline of stock administration of the submitting company]

Business Year	From April 1 to March 31
Annual Shareholders' Meeting	During June
Record Date	March 31
Record Date of dividends from surplus	September 30 and March 31
Number of Shares per Trading Unit	100 Shares
Purchase and additional purchase of Shares less than 1 unit	(Special Account)
Handling place	Sumitomo Mitsui Trust Bank, Limited, 1-4-1, Marunouchi, Chiyoda-ku, Tokyo Transfer Agent Department
Administrator of Shareholder Registry	(Special Account) Sumitomo Mitsui Trust Bank, Limited, 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Brokerage house	_____
Commissions for purchases and purchases	Amount separately specified as the amount equivalent to the commission for the entrustment of the sale and purchase of shares
Posting of Public Notices	The method of public notices of the Company shall be electronic public notices. Provided, however, that in the event of an incident or Other unavoidable circumstances that preclude electronic public notice, such notice shall be published in the Nihon Keizai Shimbun.
Benefits to shareholders	Not applicable.

(NOTE) Pursuant to the provisions of the Articles of Incorporation of the Company, a Holder of Shares Less than 1 Unit may not exercise any rights other than the rights listed in each item of Paragraph 2 of Article 189 of the Companies Act, the right to make a request pursuant to the provisions of Paragraph 1 of Article 166 of the Companies Act, the right to receive an allotment of Shares for Subscription and an allotment of Subscription rights to shares in accordance with the number of shares held by the Holder, and the right to request the sale of Shares less than 1 unit.

VII. [Reference information of the submitting company]

1[Information on the parent company of the submitting company]

We do not have a parent company, etc. as stipulated in Article 24-7-1 of the Financial Instruments and Exchange Act.

2[Other Reference]

The following documents have been submitted between the commencement date of the current fiscal year and the filing date of the Securities Report.

(1) Securities: Report, the documents attached thereto, and the Confirmation Letter

Fiscal Year (50th fiscal year) (From April 1, 2021 to March 31, 2022) Submitted to 24 June, 2022 Director-General of the Kanto Local Finance Bureau

(2) Internal Control Report and Attachment

Submitted to June 24, 2022 Director-General of the Kanto Local Finance Bureau

(3) Annual Securities Report and confirmation

(First Quarter of the 51st Fiscal Year) (From April 1, 2022 to June 30, 2022) filed with Director-General of the Kanto Local Finance Bureau on August 10, 2022

Submitted to (Second Quarter of the 51st fiscal year) (from July 1, 2022 to September 30, 2022) November 14, 2022 Director-General of the Kanto Local Finance Bureau

(Third Quarter of the 51st fiscal year) (filed with from October 1, 2022 To December 31, 2022) February 13, 2023 Director-General of the Kanto Local Finance Bureau

(4) Extraordinary Report

Submitted to 27 June, 2022 Director-General of the Kanto Local Finance Bureau

This is an extraordinary Report document based on Article 19(2)(ix)-2 of the Cabinet Office Ordinance on Disclosure of Corporate Details, etc. (Results of Exercise of Voting Rights in Ordinary General Meeting of Shareholders).

Submitted to November 14, 2022 Director-General of the Kanto Local Finance Bureau

This is an extraordinary Report statement based on Article 19-2-3 of the Cabinet Office (changes in specified subsidiaries) regarding corporate Details, etc.

Filed with Director-General of the Kanto Local Finance Bureau on November 21, 2022

Corporate Details This is an extraordinary Report document based on Article 19, Paragraph 2, Item 4 (Changes in Major Shareholders) of the Cabinet Office Ordinance on Disclosures.

Part II. [Information on the Guarantee Company, etc. of the Submitting Company]

Not applicable.

Audit report of Independent Audit and Internal Control Audit report

June 23, 2023

MIRARTH HOLDINGS, Inc.

To the Board of Directors

Grant Thornton Taiyo LLC.

Tokyo Office

Designated Liability Managing Partner	Limited Partners Partner	Certified Public Accountant	Tooru Yurue
Designated Liability Managing Partner	Limited Partners Partner	Certified Public Accountant	Takafumi Shimokawa

<Financial Statements Audit>

Audit Comments

In order to provide Audit certification pursuant to the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act, Audit Corporation provided MIRARTH HOLDINGS, Inc. (Former company name: Takara Leben Co., Ltd.)'s consolidated financial statements for the fiscal year from April 1, 2022 to March 31, 2023, which are listed in the "Accounting" section. These include the consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in Shareholders' equity, consolidated statements of cash flows, significant matters forming the basis for preparation of the consolidated financial statements, notes to Other, and consolidated supplementary schedules.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MIRARTH HOLDINGS, Inc. (Former company name: Takara Leben Co., Ltd.) and its consolidated subsidiaries as of March 31, 2023, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

Audit Corporation conducted its Audit in accordance with Audit principles generally accepted in Japan. Audit Corporation's liability under Audit standard is described in "Responsibility of Audit Persons in Audit" in the Consolidated Financial Statements. Audit Corporation is independent from the Corporation and its consolidated subsidiaries. It is also responsible for the ethical conduct of Other as a Audit in accordance with the Code of Professional Ethics. We believe that Audit Corporation has obtained adequate and appropriate Audit evidence that forms the basis for our opinion.

Key Audit Considerations

Key Audit considerations are those deemed by Audit to be of particular importance as a professional expert in Audit of the consolidated financial statements for the current fiscal year. Key Audit considerations include those addressed in Audit's performance process over the consolidated financial statements as a whole and in the development of its opinion. Audit Corporation does not express an opinion on such matters on a case-by-case basis.

Revenue recognition on real estate sales transactions with special purpose companies in which the company or subsidiary was involved in the formation	
Details of Key Audit Considerations and Reasons for Determination	Response on Audit
<p>The Company and its consolidated subsidiaries recorded Net sales 153,472 Millions of yen in the consolidated statements of income for the period from April 1, 2022 to March 31, 2023. This Net sales includes revenues from real estate sale transactions with special purpose entities in which the Company or its subsidiaries were involved in the origination.</p> <p>Generally, real estate sales transactions involve a high degree of individuality in the terms and conditions of the transaction, and the amount of the transaction is significant. In particular, for transactions of complex schemes using special purpose companies, the Company may continuously engage in the real estate through entrusting post-sale management operations and holding a portion of the equity investment in the assignee. As a result, it may be complicated to determine whether or not almost all of the risks and economic values relating to the real estate that are the premises of the sale transaction have been transferred.</p> <p>If this judgment is incorrect, there is a risk that revenue is recognized on a property sale transaction where substantially all of the risk and economic value is not deemed to be transferred to the transferee.</p> <p>Based on the above, Audit Corporation has determined that revenue recognition for real estate sales transactions to special purpose companies in which the Company or its subsidiaries were involved in the formation constitutes the main consideration under Audit.</p>	<p>Audit Corporation primarily performed the following Audit procedures in considering revenue recognition on real estate sale transactions with special purpose entities in which the Corporation or its subsidiaries were involved in the formation.</p> <ul style="list-style-type: none"> • In order to understand Details of the transaction scheme, we inspected the purchase and sale contracts, etc. and asked the management. • Confirmed that the transfer price was the market value based on the contract value established with the third party by matching with the purchase and sale agreement. In addition, Comparison with real estate appraisal reports were conducted as needed, and Comparison of future cash flows and discount rates used as the basis for real estate appraisals were conducted with information such as rents published by external organizations. • The extent of continuing involvement was understood through Details of property management contracts and silent partnership investment contracts, and the impact on the transfer of property-related risks and economic values was assessed. • The repurchase agreement was not granted, or the purchase and sale agreement was inspected and considered. • In order to evaluate the facts of delivery, we inspected the purchase and sale agreement and deposit vouchers. • Examined whether the special purpose company in which the company or subsidiary was involved in the formation does not fall under the category of a subsidiary, reviewed the silent partnership investment agreement, etc., and considered the investment relationship, etc. with the company and consolidated subsidiaries. • In order to verify the risk-bearing ratio, the risk-bearing ratio was calculated and verified to be consistent with the calculation results of the company.

Transaction price pertaining to the sale transaction to the investment corporation	
Details of Key Audit Considerations and Reasons for Determination	Response on Audit
<p>The Corporation recorded Net sales 153,472 Millions of yen in the consolidated statements of operations for the period from April 1, 2022 to March 31, 2023. This Net sales includes Net sales of real estate for Takara Leben Real Estate Investment Corporation.</p> <p>Assets held by Takara Leben Real Estate Investment Corporation are managed by its subsidiary, Takara PAG Real Estate Investment Adviser Co., Ltd.</p> <p>In transactions involving the sale of real estate to investment corporations managed by subsidiaries, the Company utilizes outside experts in determining transaction prices and obtains real estate appraisal reports to examine the range of reasonable transaction prices.</p> <p>There is a controlling relationship between the company and the operating subsidiary. Due to the fact that there is a risk that the Company will trade at a price that diverges from the rational transaction price using its relationship in determining the relevant transaction price and the large amount per transaction, Audit Corporation has determined that the relevant matter constitutes a major consideration under Audit.</p>	<p>Audit Corporation mainly performed the following Audit procedures in examining the validity of the transaction prices for sales transactions to the investment corporations managed by its subsidiaries.</p> <ul style="list-style-type: none"> • Assessed the status of development and operation of internal controls related to sales activities and sales booking for each such transaction. • We asked management about Details and terms of the contract and the accounting treatment of the transaction, and obtained and examined the relevant explanatory materials. • With regard to the relevant transactions, the contract was inspected to verify the economic rationality of the contract Details and terms and the consistency with other related materials and supporting documents, and to examine the appropriateness of the accounting treatment. • With respect to the transaction, the Company reviewed the real estate appraisal reports by experts used by management to assess the suitability, ability and objectivity of the experts and the validity of the assumptions and other factors adopted in the valuation, including the valuation methodologies adopted by the experts and future cash flows developed by management. We also examined the validity of the transaction prices set by the company.

Other description Details

Details contained in Other is the information included in Report of Securities, other than the consolidated financial statements and financial statements and these Audit report. Management is responsible for preparing and disclosing Details listed in Other. The responsibility of Audit & Supervisory Board Members and Audit & Supervisory Board is to monitor the execution of the directors' duties in the development and operation of Details's Report process as described in Other.

Our opinion on the consolidated financial statements of Audit Corporation does not include Other's Details, and our opinion does not represent a view of Other's Details.

The responsibility of Audit for this Audit corporation in the consolidated financial statements is to review, in the course of reading Other's Details, whether there are material differences between Other's stated Details and the consolidated financial statements or the knowledge obtained by Audit corporation in the course of its Audit, and to pay attention to whether there are any indications of a material error in Other's stated OOI other than such material differences.

Audit Corporation is required to Report any material error in Details described in Other if any based on the work performed.

There is no Report by Audit Corporation with respect to Details described in Other.

Management and Audit & Supervisory Board Members and Audit & Supervisory Board' Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements based on the assumption of a going concern and disclosing matters concerning a going concern in accordance with accounting principles generally accepted in Japan.

The responsibility of the corporate auditors and the board of corporate auditors is to monitor the execution of directors' duties in the development and operation of the financial reporting process.

Audit's Responsibility in the Consolidated Financial Statements Audit

Our responsibility is to express an opinion on these consolidated financial statements based on Audit conducted by Audit on an independent basis in Audit report with reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. A misstatement is deemed to be material when it may occur due to fraud or error and individually or when aggregated, if reasonably likely to affect the decisions of users of the consolidated financial statements.

In accordance with Audit standards generally accepted in Japan, Audit shall, through the process of Audit, make judgments as an professional expert and conduct the following with professional skepticism:

- Identify and assess material misstatement risks due to fraud or error. In addition, Audit procedures shall be formulated and implemented in response to the risks of material misstatements. The selection and application of Audit procedures are at the discretion of Audit. In addition, obtain adequate and appropriate Audit evidence-based on which to express an opinion.
- The objective of Audit to the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but Audit considers internal controls relevant to Audit in order to design Audit procedures that are appropriate in the circumstances when conducting a risk assessment.
- Assess the appropriateness of accounting policies adopted by management and their application, as well as the reasonableness of accounting estimates made by management and the reasonableness of related notes.
- To conclude whether it is appropriate for management to prepare the consolidated financial statements on a going concern basis and, based on Audit evidence obtained, whether there is significant uncertainty regarding events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern. If there is a material uncertainty regarding the Company's ability to continue as a going concern, the Company is required to provide cautionary statements in the notes to the consolidated financial statements in Audit report or, if the notes to the consolidated financial statements regarding a material uncertainty are not appropriate, to express an exclusion opinion on the consolidated financial statements. Although Auditor's conclusion is based on Audit evidence obtained through the date of Audit report, future events and circumstances may prevent an entity from continuing as a going concern.
- Assess whether the presentation and composition of the consolidated financial statements, including the related notes, and whether the consolidated financial statements fairly present the underlying transactions and accounting events in accordance with accounting principles generally accepted in Japan, as well as the presentation and Details of the consolidated financial statements.
- Obtain adequate and appropriate Audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. Audit is responsible for Direction, Supervise and the performance of the consolidated financial statements. Audit is solely responsible for Audit's comments.

Audit shall provide Report to Audit & Supervisory Board Members and Audit & Supervisory Board on significant Audit findings, including the scope and timing of the planned Audit, significant deficiencies in internal controls identified in the course of Audit's implementation, and Other matters as required by Audit standards.

Audit shall conduct Report of Audit & Supervisory Board Members and Audit & Supervisory Board with respect to compliance with the professional ethics-related provisions of Details regarding independence and matters that are reasonably likely to affect human independence and for which safeguards are in place to eliminate or mitigate impediments.

Audit shall determine the matters discussed with Audit & Supervisory Board Members and Audit & Supervisory Board that are deemed to be particularly significant in Audit of the consolidated financial statements for the fiscal year under review as key Audit report considerations. Provided, however, that this shall not be stated in cases where the publication of such matters is prohibited by laws and regulations, or in cases where it is judged by Audit that Report of such matters should not be made because it is reasonably expected that the disadvantage caused by Report in Audit report will exceed the public interest, although it is extremely limited.

<Internal Control Audit>

Audit Comments

In order to provide an Audit certification pursuant to Article 193-2-2 of the Financial Instruments and Exchange Act, MIRARTH HOLDINGS, Inc. (Former company name: Takara Leben Co., Ltd.) Corporation Audit March 31, 2023 Internal Control Report.

In our opinion, the internal control Report referred to above, which indicates that the internal control over financial Report as of March 31, 2023 is effective, presents fairly, in all material respects, the results of the assessment of internal control over financial Report in accordance with the standards for assessment of internal control over financial Report generally accepted in Japan.

Basis for Audit Opinion

Audit Corporation conducted an Audit of internal control in accordance with Audit standards for internal control over financial Report generally accepted in Japan. Audit Corporation's responsibility under Audit standard for internal control over financial Report is set forth under the caption "Responsibility of Audit Persons in Internal Control Audit." Audit Corporation is independent from the Corporation and its consolidated subsidiaries. It is also responsible for the ethical conduct of Other as a Audit in accordance with the Code of Professional Ethics. We believe that Audit Corporation has obtained adequate and appropriate Audit evidence that forms the basis for our opinion.

Responsibility of Management, Audit & Supervisory Board Members and Audit & Supervisory Board to the Internal Control Report

Management is responsible for establishing and operating internal control over financial Report and for preparing and properly presenting an Internal Control Report in accordance with standards for evaluating internal control over financial Report generally accepted in Japan.

The responsibility of Audit & Supervisory Board Members and Audit & Supervisory Board is to monitor and verify the design and operation of internal control over financial Report.

It should be noted that there is a possibility that misstatements in financial Report may not be completely prevented or detected by internal control over financial Report.

Responsibility of Audit Personnel in Internal Control Audit

Our responsibility is to express an opinion on the internal control Report based on the internal control Audit performed by Audit based on our internal control Audit report with reasonable assurance about whether the internal control document is free from material misstatement.

Audit shall, through the course of Audit, make judgments as an professional expert in accordance with Audit standards for internal control over financial Report generally accepted in Japan and with professional skepticism:

- Implement Audit procedures to obtain Audit evidence-based information about the assessment of internal control over financial Report in the Internal Control Document. Audit procedures of the Internal Control Audit are selected and applied based on the significance of the effects on the reliability of the financial Report at the discretion of Audit.
- Discuss the presentation of the Internal Control Report as a whole, including descriptions made by management about the scope, procedures and results of the assessment of internal control over financial Report.
- Obtain adequate and appropriate Audit evidence regarding the outcome of the assessment of internal control over financial Report in the Internal Control Report. Audit is responsible for Direction, Supervise and implementation of the internal control Report. Audit is solely responsible for Audit's comments.

Audit shall Report Audit & Supervisory Board members and Audit & Supervisory Board with respect to the scope and timing of the planned internal control Audit, the results of the implementation of the internal control Audit, the significant deficiencies to be disclosed in the identified internal controls, the remediation results, and Other matters required by Audit criteria for internal control.

Audit shall conduct Report of Audit & Supervisory Board Members and Audit & Supervisory Board with respect to compliance with the professional ethics-related provisions of Details regarding independence and matters that are reasonably likely to affect human independence and for which safeguards are in place to eliminate or mitigate impediments.

Interests

The Company and Consolidated Subsidiaries have no interest in the Auditing Corporation or Operating Partners that should be stated pursuant to the provisions of the Certified Public Accountants Act.

Above

(NOTE)1. The original Audit report documents listed above are maintained separately by us (Securities Report Filing Firm).

2.XBRL is not included in the scope of Audit.

Independent Audit's Audit report

June 23, 2023

MIRARTH HOLDINGS, Inc.

To the Board of Directors

Grant Thornton Taiyo LLC.

Tokyo Office

Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Tooru Yurue
Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Takafumi Shimokawa

Audit Comments

For the purpose of Audit certification pursuant to the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act, Audit Corporation conducted an Audit of the financial statements, consisting of the balance sheet, income statement, statement of changes in Shareholders' equity, significant accounting policies, notes to Other, and supplementary schedules for 51st fiscal year fiscal year from April 1, 2022, to March 31, 2023, which are listed in the "Accounting" section.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MIRARTH HOLDINGS, Inc. (Former company name: Takara Leben Co., Ltd.) as of March 31, 2023 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

Audit Corporation conducted its Audit in accordance with Audit principles generally accepted in Japan. Audit Corporation's liability under Audit standard is described in "Responsibility of Audit Persons in Audit Financial Statements." Audit Corporation is independent from the Corporation and, as a Audit, fulfills its Other ethical responsibilities in accordance with the Code of Professional Ethics in Japan. We believe that Audit Corporation has obtained adequate and appropriate Audit evidence that forms the basis for our opinion.

Key Audit Considerations

Key Audit considerations are those deemed by Audit to be of particular importance as a professional expert in Audit of the financial statements for the current fiscal year. Key Audit considerations include those addressed in Audit's performance process over the financial statements as a whole and in the development of Audit's opinion. Audit Corporation does not express an opinion on such matters on a case-by-case basis.

Revenue recognition on real estate sales transactions with special purpose companies in which the company or subsidiary was involved in the formation
This information is omitted because it is the same Details as the major Audit considerations described in Audit report of the consolidated financial statements (revenue recognition for real estate sales transactions with special purpose companies in which the company or a subsidiary was involved in the formation).
Transaction price pertaining to the sale transaction to the investment corporation
This information is omitted because it is the same Details as the major Audit considerations (transaction prices for sales transactions with investment corporations) contained in Audit report of the consolidated financial statements.

Other description Details

Details contained in Other is the information included in Report of Securities, other than the consolidated financial statements and financial statements and these Audit report. Management is responsible for preparing and disclosing Details listed in Other. The responsibility of Audit & Supervisory Board Members and Audit & Supervisory Board is to monitor the execution of the directors' duties in the development and operation of Details's Report process as described in Other.

Audit opinion on the financial statements of Audit Corporation does not include Other's Details, and Audit Corporation does not express an opinion on Other's Details.

The responsibility of this Audit corporation in Audit of financial statements is to review, through Other's stated Details, whether there are material differences between Other's stated Details and the financial statements or the knowledge obtained by Audit corporation in the course of its Audit, and to pay attention to whether there are any other signs of material error in Other's stated OOG other than such material differences.

Audit Corporation is required to Report any material error in Details described in Other if any based on the work performed.

There is no Report by Audit Corporation with respect to Details described in Other.

Management and Audit & Supervisory Board Members and Audit & Supervisory Board' Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is responsible for assessing whether it is appropriate to prepare financial statements based on the going concern assumption, and disclosing matters concerning a going concern in accordance with accounting principles generally accepted in Japan when necessary.

The responsibility of the corporate auditors and the board of corporate auditors is to monitor the execution of directors' duties in the development and operation of the financial reporting process.

Audit's Responsibility in the Financial Statements Audit

Our responsibility is to express an opinion on these financial statements based on Audit performed by Audit report with independent assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. A misstatement is deemed to be material when it may occur due to fraud or error and individually or when aggregated, if reasonably likely to affect the decisions of users of the financial statements.

In accordance with Audit standards generally accepted in Japan, Audit shall, through the process of Audit, make judgments as a professional expert and conduct the following with professional skepticism:

- Identify and assess material misstatement risks due to fraud or error. In addition, Audit procedures shall be formulated and implemented in response to the risks of material misstatements. The selection and application of Audit procedures are at the discretion of Audit. In addition, obtain adequate and appropriate Audit evidence-based on which to express an opinion.
- Although the objective of Audit is not to express an opinion on the effectiveness of the entity's internal control, Audit considers internal controls relevant to Audit in order to design Audit procedures that are appropriate in the circumstances when conducting a risk assessment.
- Assess the appropriateness of accounting policies adopted by management and their application, as well as the reasonableness of accounting estimates made by management and the reasonableness of related notes.
- To conclude whether it is appropriate for management to prepare financial statements on a going concern basis and, based on Audit evidence obtained, whether there is significant uncertainty regarding events or circumstances that raise substantial doubt about the company's ability to continue as a going concern. If there is a material uncertainty regarding the Company's ability to continue as a going concern, the Company is required to provide cautionary statements in the notes to the financial statements in Audit report or, if the notes to the financial statements regarding a material uncertainty are not appropriate, to express an opinion on an exclusion to the financial statements. Although Auditor's conclusion is based on Audit evidence obtained through the date of Audit report, future events and circumstances may prevent an entity from continuing as a going concern.
- Assess the presentation, composition and Details of the financial statements, including the related notes, as well as whether the financial statement presentation and the notes are in accordance with accounting principles generally accepted in Japan, and whether the financial statements fairly present the underlying transactions and accounting events.

Audit shall provide Report to Audit & Supervisory Board Members and Audit & Supervisory Board on significant Audit findings, including the scope and timing of the planned Audit, significant deficiencies in internal controls identified in the course of Audit's implementation, and Other matters as required by Audit standards.

Audit shall conduct Report of Audit & Supervisory Board Members and Audit & Supervisory Board with respect to compliance with the professional ethics-related provisions of Details regarding independence and matters that are reasonably likely to affect human independence and for which safeguards are in place to eliminate or mitigate impediments.

Audit shall determine that the matters discussed with Audit & Supervisory Board Members and Audit & Supervisory Board that are deemed to be particularly significant in Audit of the financial statements for the fiscal year under review are key Audit considerations and shall be included in Audit report. Provided, however, that this shall not be stated in cases where the publication of such matters is prohibited by laws and regulations, or in cases where it is judged by Audit that Report of such matters should not be made because it is reasonably expected that the disadvantage caused by Report in Audit report will exceed the public interest, although it is extremely limited.

Interests

There is no Interests between the Company and Audit Corporation or Managing Partner to be entered in accordance with the provisions of Certified Public Accountant Law.

Above

(NOTE)1. The original Audit report documents listed above are maintained separately by us (Securities Report Filing Firm).

2.XBRL is not included in the scope of Audit.