

Securities Report

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

Business Year April 1, 2023
(52nd fiscal) To March 31 2024

MIRARTH HOLDINGS, Inc.

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 Statement
[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 26, 2024
[Fiscal year]	52nd fiscal period (from April 1, 2023 to March 31 2024)
[Company name]	MIRARTH HOLDINGS, Inc.
[Company Name in English]	MIRARTH HOLDINGS, Inc.
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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		48th fiscal year	49th fiscal year	50th fiscal year	51st fiscal year	52nd
Year-end		2020 March	2021 March	2022 March	2023 March	2024 March
Net sales	(Millions of yen)	168,493	148,397	162,744	153,472	185,194
Ordinary income	(Millions of yen)	11,201	9,933	10,258	5,033	12,984
Net income attributable to owners of parent	(Millions of yen)	5,361	4,693	6,215	4,584	8,178
Comprehensive income	(Millions of yen)	5,202	5,327	6,293	3,852	8,409
Net assets	(Millions of yen)	51,139	54,632	59,601	65,142	71,669
Total assets	(Millions of yen)	195,448	204,315	223,473	341,669	337,447
1 Shares Per share Net assets	(Yen)	467.05	498.78	542.04	558.95	596.90
Net income per share	(Yen)	49.45	43.22	57.10	41.90	74.39
Fully diluted Net income per share	(Yen)	49.11	42.94	56.69	41.58	73.72
Equity ratio	(%)	25.9	26.5	26.5	18.0	19.5
Return on equity	(%)	10.9	9.0	11.0	7.6	12.9
Price-earnings ratio	(times)	7.1	8.6	5.2	9.0	6.9
Cash flow from operating activities	(Millions of yen)	47,708	26,330	23,189	△722	36,777
Cash flow from investing activities	(Millions of yen)	△32,136	△25,090	△27,871	△46,354	△26,329
Cash flow from financing activities	(Millions of yen)	△1,608	2,654	△1,132	61,531	△15,464
Cash and cash equivalents's Term end Balance	(Millions of yen)	34,605	38,500	32,693	47,148	41,884
Number of employees		973	1,061	1,200	1,293	1,377
(Outside, average number of temporary employees)	(People)	(118)	(118)	(111)	(104)	(110)

(NOTE)1. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, dated 2020 March 31) and other standards from the beginning of the fiscal year under 50th fiscal year, and major management indicators and others related to 50th fiscal year and thereafter are the indices after the application of these accounting standards and other standards.

2.The provisional accounting treatment for business combinations conducted in 51st fiscal year has been finalized in the 52nd fiscal period. As a result of the finalization of this provisional accounting treatment, there has been no change in the amount of 51st fiscal year's Be related major management indicators, etc.

(2) Submitting Company management indicators, etc.

Fiscal term		48th fiscal year	49th fiscal year	50th fiscal year	51st fiscal year	52nd
Year-end		2020 March	2021 March	2022 March	2023 March	2024 March
Net sales	(Millions of yen)	123,908	96,949	88,949	77,364	89,226
Ordinary income	(Millions of yen)	10,548	8,682	7,738	4,305	8,336
Net income	(Millions of yen)	4,667	3,257	5,052	3,659	6,209
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)	45,844	47,803	51,447	52,937	56,861
Total assets	(Millions of yen)	150,255	144,796	150,689	154,996	148,678
1 Shares Per share Net assets	(Yen)	420.64	438.12	469.97	480.08	513.95
1 Shares Per share dividends	(Yen)	19.00	14.00	18.00	22.00	24.00
(Including 1 Shares Per share interim dividends)	(Yen)	(6.00)	(4.00)	(4.00)	(4.00)	(6.00)
Net income per share	(Yen)	43.05	30.00	46.42	33.45	56.48
Fully diluted Net income per share	(Yen)	42.75	29.80	46.08	33.19	55.98
Equity ratio	(%)	30.4	32.9	34.0	34.0	38.1
Return on equity	(%)	10.5	7.0	10.2	7.0	11.4
Price-earnings ratio	(times)	8.1	12.4	6.4	11.3	9.1
Dividend payout ratio	(%)	44.1	46.7	38.8	65.8	42.5
Number of employees	(People)	334	365	343	9	38
(Outside, average number of temporary employees)	(People)	(10)	(9)	(8)	(-)	(1)
Total shareholder return	(%)	107.0	118.0	101.7	130.8	177.9
(Comparison index: TOPIX with dividends)	(%)	(90.5)	(128.6)	(131.2)	(138.8)	(196.2)
Highest stock price	(Yen)	525	408	378	404	520
Lowest stock price	(Yen)	306	290	261	280	370

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

2.Highest stock price and Lowest stock price are in Tokyo Stock Exchange Prime market from April, 2022 4 and Tokyo Stock Exchange marketplace Part I. for prior periods.

3.The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, dated 2020 March 31) and other standards from the beginning of the fiscal year under 50th fiscal year, and major management indicators and others related to 50th fiscal year and thereafter are the indices after the application of these accounting standards and other standards.

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	New condominium brands "LEBEN" and "THE LEBEN" announced.
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. (now MIRARTH 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	Relocated Head Office to Marunouchi Iron & Steel Building in Chiyoda-ku.
January, 2018	Acquired PAG Real Estate Investment Advisor Co., Ltd. (now MIRARTH 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	Acquired ACA Clean Energy Co., Ltd. (now MIRARTH Energy Solutions Co., Ltd.), a renewable energy company.
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.
2022 August.	Established Takara Leben(Thailand (Co., Ltd.) in Bangkok, Thailand.
September, 2022	50th anniversary.
October, 2022	Moving to a holding company structure Company name changed to MIRARTH HOLDINGS, Inc.. Takara Leben Co., Ltd. West changed its name to Takara Leben Co., Ltd. and merged with Takara Leben Co., Ltd. Tohoku. Transfer Head Office 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. Takara Leben Infrastructure Fund Inc. was delisted.
February, 2023	Takara Leben Infrastructure Fund Inc. was delisted through a Equity securities tender offer.
June 2023	Renewable Energy Business "MIRARTH Green Tech Co., Ltd." is established.
2023 November	Established MIRARTH Agri Tech Co., Ltd., a biofuels business.
2024 March	Takara PAG Real Estate Investment Advisor Co., Ltd. changed its name to MIRARTH Real Estate Investment Adviser Co., Ltd.

3[Business Details]

Our main groups are as follows.

We operate under 4 Segment: 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 Leben(Thailand) Co., Ltd., a Consolidated subsidiaries, is mainly engaged in the business of investing in real estate.

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

MIRARTH Real Estate Investment Adviser Co., Ltd., a Consolidated subsidiaries, 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. Takara Asset Management Co., Ltd. changed its name to MIRARTH Asset Management Co., Ltd. on April 1, 2024.

2. Takara PAG Real Estate Advisory Ltd. changed its name to MIRARTH Real Estate Investment Adviser Co., Ltd. on March 29, 2024.

3. Leben Clean Energy Co., Ltd. changed its name to MIRARTH Energy Solutions, Inc. on April 1, 2024.

(1)Real Estate Business

As a new condominium business, our group develops, develops, and sells the "LEBEN" and "NEBEL" series on a nationwide basis. 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 provide 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.

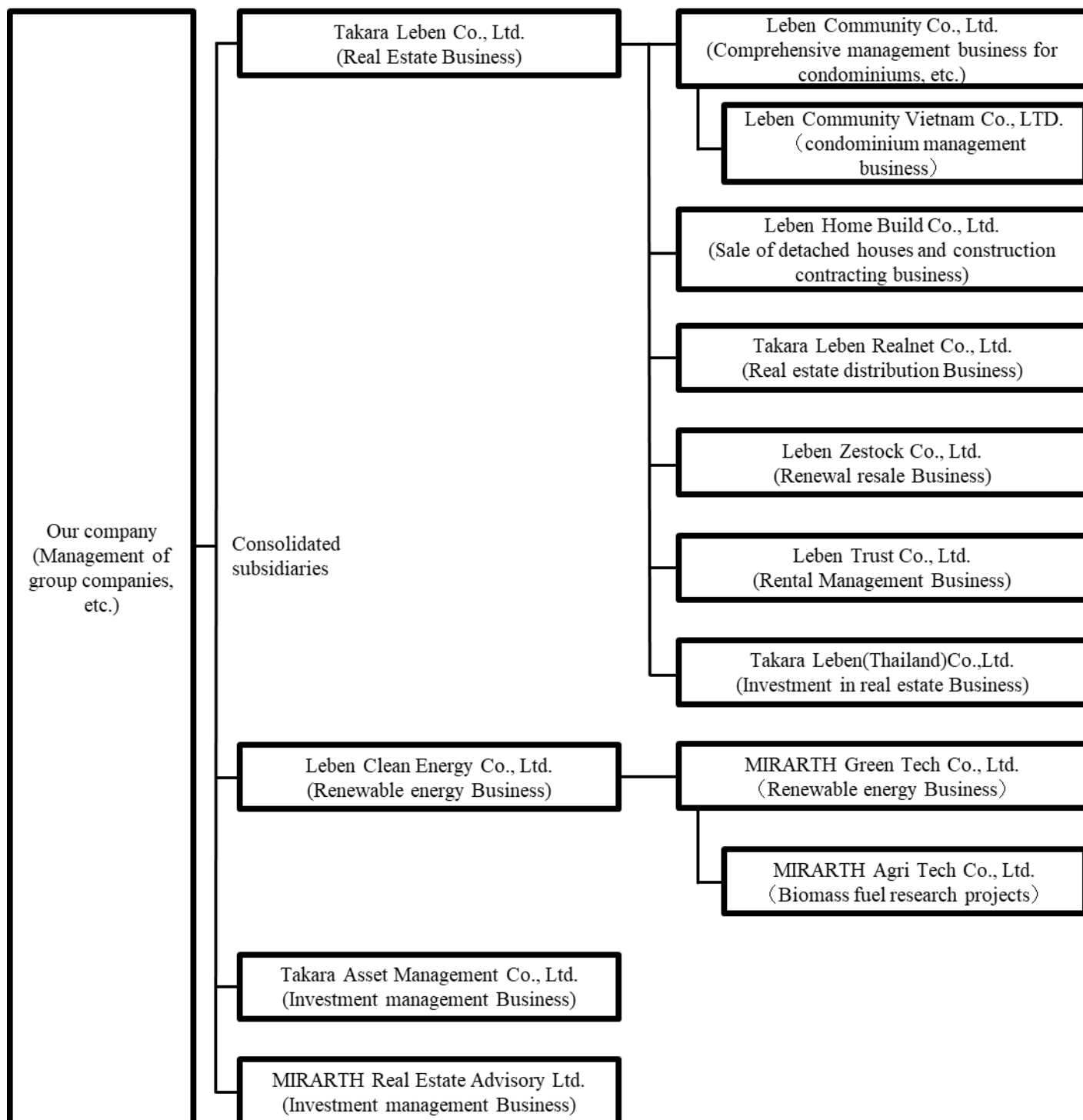
• Hotel Business

Our group is engaged in hotel business.

• For Other Business

Our group is engaged in businesses other than those mentioned above.

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	Chiyoda-ku, Tokyo	400	Real Estate Business	100.0	Interlocking positions held by directors With financial support
Leben Community Co., Ltd.	Chiyoda-ku, Tokyo	60	Real Estate Business Other Businesses	100.0 (100.0)	Interlocking positions held by directors
Leben Home Build Co., Ltd.	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	490	Real Estate Business	100.0 (100.0)	Interlocking positions held by directors
Leben Trust Co., Ltd.	Yokohama City, Kanagawa Prefecture	60	Real Estate Business	100.0 (100.0)	Interlocking positions held by directors
TakaraLeben(Thailand)Co.,Ltd.	Bangkok, Kingdom of Thailand	60 Million THB	Other Businesses	100.0 (100.0)	-
Leben Community Vietnam Co., LTD.	Vietnam Haiphong City	21,218 Million VND	Real Estate Business	100.0 (100.0)	-
Leben Clean Energy Co., Ltd. (NOTE)1,2	Shinjuku-ku, Tokyo	2,155	Energy Business	100.0	With financial support
MIRARTH Green Tech Co., Ltd.	Shinjuku-ku, Tokyo	50	Energy Business	45.0 (45.0)	With financial support
MIRARTH Agri Tech Co., Ltd.	Kingdom of cambodia Phnom Penh	600 Thousands of US\$	Energy Business	45.0 (45.0)	-
Takara Asset Management Co., Ltd. (NOTE)3	Chiyoda-ku, Tokyo	250	Asset Management Business	100.0	Interlocking positions held by directors
MIRARTH Real Estate Investment Advisor Co., Ltd. (NOTE)4	Minato-ku, Tokyo	50	Asset Management Business	90.0	-
Other 14 companies					
(Equity-method affiliates)					
Minato LLC	Shibuya-ku, Tokyo	108	Real Estate Business	34.0 (34.0)	-
Other 4 companies					

(NOTE)1. This is a specified subsidiary.

2. Leben Clean Energy Co., Ltd. changed its name to MIRARTH Energy Solutions, Inc. on April 1, 2024.

3. Takara Asset Management Co., Ltd. changed its name to MIRARTH Asset Management Co., Ltd. on April 1, 2024.

4. Takara PAG Real Estate Advisory Ltd. changed its name to MIRARTH Real Estate Investment Adviser Co., Ltd. on March 29, 2024.

5. Share of voting rights percentage in parentheses is the indirectly owned percentage.

5[Status of Employees]

(1) Consolidated level

As of March 31 2024

Segment name	Number of employees
Real Estate Business	1,377(110)
Energy Business	
Asset Management Business	
Other	
Total	1,377(110)

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

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

3. 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.

(2) Status of Submitting Company

As of March 31 2024

Number of employees	Average age(years)	Average length of service (year)	Average annual salary (thousand yen)
38 (1)	38.1	1.4	7,792

Segment name	Number of employees
Real Estate Business	38(1)
Energy Business	
Asset Management Business	
Other	
Total	38(1)

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

2. Figures in parentheses in Number of employees column indicate the average number of temporary employees per year (equivalent to 8 hours per day).

3. Average annual salary includes Bonus and non-base salary.

4. 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.

(3) Union Information

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

(4) Percentage of Women Workers in Managerial Positions, Rate of male workers taking childcare leave and Differences in Wages of Men and Women Workers

① Submitting Company

Submitting Company is not subject to the obligation to publish under the provisions of the Act on Promotion of Women's 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 description is omitted.

② Consolidated subsidiaries

Current fiscal year						Supplementary Explanations
Name	Percentage of female employees in managerial positions (%) (NOTE)1.	Rate of male workers taking childcare leave (%) (NOTE)2.	Difference in wages of male and female workers (%) (NOTE)1.			
			Total labor	Regular workers	Part-time and fixed-term workers	
Takara Leben Co., Ltd.	10.4	40.9	75.2	75.4	34.1	(NOTE)3. Differences in wages between men and women (NOTE)4.
Leben Community Co., Ltd.	11.4	25.0	69.0	67.1	72.8	(NOTE)3. Differences in wages between men and women (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, I 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 Labour No. 25 of 1991) has been calculated.

3. Period covered: Reiwa 5 Business Year (from April 1, 2023 to March 31, 2024)

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, if they Category in managerial and non-managerial positions, the difference will narrow to around 5-15%. However, since the percentage of women in managerial positions is 10.4%, promotion to women will be systematically promoted.

<Part-time and fixed-term employees>

Divergences have occurred due to the mix of part-time employees and fixed-term employees.

When part-time employees and fixed-term employees are Category, only male employees are fixed-term employees, and there is no discrepancy among part-time employees.

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

<Full-time employees>

Since the ratio of female managers is 11.4%, the promotion of female employees will be systematically promoted.

II. [Business Conditions]

1[Management Policy, Business Environment and Issues to be Addressed]

Our business Policy, business environment, and issues to be addressed are as follows.

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 and 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 Developing human resources and creating a rewarding work environment

On the date of April, 2022 1, we changed our business Segment and restructured our business from the previous 5 business Segment into 4 categories: Real Estate Business, Energy Business, Asset Management Business, and Other Businesses to clarify the profitability of Segment and clarify our business responsibilities. In this way, we have decided to further promote business development that does not rely solely on our mainstay 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 the mainstay of Real Estate Business, which is its core business, in addition to stable growth.

<Specific Strategy>

a)New 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 the 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)Securitization business

Based on the basic Policy of continuing to invest between 300 yen and 50 billion yen annually, we will actively develop rental residential properties and office buildings to optimize our Assets portfolio. In addition, when Assets is sold to Takara Leben Real Estate Investment Corporation, a real estate appraisal report is obtained to review the range of reasonable transaction prices and are approved internally.

c)Detached house sales business

Our basic Policy is to play a complementary role in the new condominium business as a short-term collection business. We will restructure our purchasing and supply systems by strengthening area-marketing, and thoroughly build collection cycles in a short period of time.

d)Renovation Resale Business

Based on the basic Policy of establishing a stable renewal business cycle, the Group will make the most of its intra-Group real estate network to secure appropriate inventories in order to respond to the growing demand for used equipment in recent years.

e)Rental Business

As a recurring revenue business, we will build a portfolio centered on residential offices under the basic Policy of securing stable earnings.

f)Property Management Business

With the basic Policy of securing stable earnings as a recurring revenue business, we will further accumulate management Units and capture businesses derived from management, with the aim of expanding revenue 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 to securing stable profits by holding power generation Facilities through a tender offer for Takara Leben Infrastructure Fund Inc., which was announced on September, 2022 28 and concluded on November, 2022 11. 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 mainstay of II.

i)Asset Management Business

We will strive to grow as a stable fee-based business by expanding the size of Assets under management.

j)Other Businesses

By leveraging our expertise in the 3 pillars of Real Estate Business, Energy Business, and Asset Management Business to take on challenges in new fields and create new value, we aim to establish ourselves as a next-generation independent Segment.

(3)Objective indicators for determining the status of achievement of management Target

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 medium-to long-term Energy Business strategies. Target was changed to Equity ratio of 20% or more (Term end in March 2025), less than LTV65%, a D/E ratio of less than 3.0 times, and ROE13% 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 to maximize corporate value and realize "To design sustainable environments for a happier future for both people and our planet.", which is a part of our business.

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 condominium business, which is subject to relatively large changes due to various external environments, such as surging sales prices, interest rate trends, 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 purposes, but for which there is stable demand. In the Tokyo metropolitan area, there is a polarization in the market of population inflows and population outflows in regional cities. In the Tokyo metropolitan area, we supply in convenient locations near train stations, and in regional cities, we promote the development of compact cities in city centers, which contributes to the development of products that meet customer needs and the revitalization of each city.

The fluidizing business tends to be more susceptible to the impact of the external environment than the new 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

We have set the 4 Important theme of sustainability of "realizing a decarbonized society," "creating a sustainable community," "improving Well-being," and "strengthening governance." We have identified 10 Important issue that correspond to each of them, and will 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 de-carbon 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 the area of society, we will revitalize local communities through the supply of housing such as newly built condominiums and promote the creation of sustainable urban areas. G:With regard to governance, we have established various committees, including the Nomination, Compensation, Compliance and Risk Management Committee Committees. We have also established a whistle-blowing hotline, and are operating appropriately. Through these and other measures, we are working to strengthen governance by ensuring thorough compliance, strengthening Corporate Governance, strengthening our risk-management system, and establishing an internal-control system.

③ Strengthening the financial foundation

In principle, we finance the acquisition of business sites and earning-generating real estate through loans from Financial institutions and other sources. Although interest-bearing Liabilities increased due to the expansion of businesses such as real estate, energy, and asset management, we will promote the diversification of financing methods and strengthen our financial base. We will strengthen stock businesses and expand EBITDA, while continuing to closely monitor financial stability. At the same time, we will strive to improve Equity ratio and reduce the ratio of interest-bearing Liabilities.

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 aggressively recruiting new graduates and mid-career employees, as well as working on diversity, equity 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 for Sustainability]

Our approach and initiatives for 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 has set "To design sustainable environments for a happier future for both people and our planet." as its Our Purpose, and by engaging in Sustainability activities through its businesses, such as supplying housing and introducing renewable energy, the Group will contribute to solving social issues and achieving Sustainability development Target (SDGs), earning the confidence of various stakeholders and society, and aiming for sustainable development.

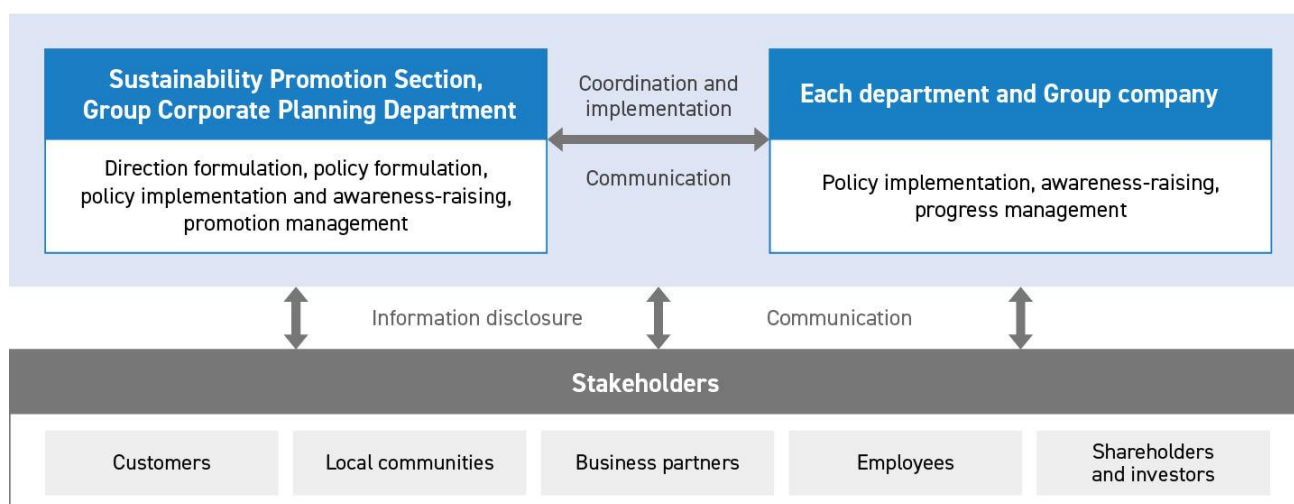
(1) Sustainability General Governance/Risk Management

<Sustainability Promotion System>

We have established a Sustainability promotion system based on the recognition that addressing Sustainability issues is a key 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 risk management in the event of natural disasters, etc.

With Representative Director as Chair, we have established Sustainability committee, which is composed of the presidents and divisional managers of Director and Group companies. This committee promotes ESG strategies, decides Policy and measures related to Sustainability, examines and promotes Important issue (materiality), reviews progress, and discusses improvement plans.

Our Sustainability promotion system is shown below.



<Important theme of sustainability and Materiality Identification Process>

In order to contribute to Sustainability and increase corporate value, our group identifies materiality (Important issue) and implements countermeasures through the following processes. Our Group is contributing to the realization of a Sustainability society and the enhancement of corporate value by actively addressing social issues.

The process for identifying Important theme of sustainability and materiality in our group is as follows.

1.List of social issues

We identified social issues from an environmental, social, and governance (ESG) perspective based on analyses of ESG assessment organizations and market trends.

2. Identifying risks and opportunities

We have clarified the risks and opportunities for MIRARTH Holdings Group in various issues. Through this analysis, we have identified the issues and opportunities that we may face in our corporate activities.

3. Identification of stakeholder impacts

We evaluated how and how MIRARTH Holdings Group is affected by these issues.

4. Importance ratings

Particularly important social issues were selected through discussions at workshops attended by the management of Group companies. These issues are directly linked to the strategic decision-making of MIRARTH Holdings Group. These issues affect corporate growth over the long term.

5. Consideration of measures

We considered measures to mitigate risks and expand opportunities for issues of high importance. Through the workshop, we drafted concrete action plans such as technological innovation and improvement of business processes.

6. Identification of Materiality

Based on the above process, the materiality of MIRARTH Holdings Group was identified and its validity was verified.

7. Setting Up KPI

We have established a KPI to measure specific results based on the selected materiality. As a result, we regularly evaluate the effectiveness of our measures and achieve Sustainability growth. Materiality and Target and KPI's Details are publicly announced Details approved by Sustainability committee.

(2) Critical Sustainability Items

The significant Sustainability items identified above in our grouping through governance/risk management are as follows:

	Important theme of sustainability	Materiality
E Enviro nment	Realization of a decarbonisation society	<ul style="list-style-type: none"> • Responding to Climate Change and Decarbonization
	We will strive to mitigate climate change issues by working to ensure a stable supply of renewable energy, while at the same time aiming to develop energy-saving products with low environmental impact.	<ul style="list-style-type: none"> • Promoting the stable supply and use of renewable energy
S Societ y	Sustainable Urban Development	<ul style="list-style-type: none"> • Achieving Sustainable Growth in Local Communities
	We will contribute to the realization of a Sustainability future by developing local communities and enriching people's lives, and by providing products and services that respond to social issues and changing needs.	<ul style="list-style-type: none"> • Responding to Declining Birthrate and Aging Population and Declining Workforce
	Improving Well-being	<ul style="list-style-type: none"> • Ensuring Employee Health and Safety
	In addition to protecting mental and physical health and safety, we will foster a workplace culture in which diverse human resources can play an active role, and build co-creation relationships through dialogue with stakeholders.	<ul style="list-style-type: none"> • Diversity Equity & Inclusion Promotion of (DE&I) • Respect for human rights and response to supply chains
G Gover nance	Strengthening governance	<ul style="list-style-type: none"> • Consolidation of Corporate Governance
	By promoting sound corporate activities and ensuring transparency in decision-making, we aim to fulfill our corporate social responsibilities and sustainably increase our corporate value.	<ul style="list-style-type: none"> • Tightening risk management
		<ul style="list-style-type: none"> • Implanting business ethics and compliance

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 aggressively recruiting new graduates and mid-career employees and by engaging in diversity equity and inclusion (DE&I). 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.

In addition, we operate a personnel system based on the belief that each and every employee is a company that together creates lasting growth for the future. Takara Leben Co., Ltd. has revised its personnel system to a new 1 that stably generates the human resources needed to achieve its management plan. This system is based on responding to the changing times and on a par path.

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.

At the same time, the Bank has raised wages by about 6.3% in accordance with recent price increases and the governmental Policy, and is working to create an environment in which employees can work without worry.

<Basic Policy on Personnel System>

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

- Establishment of a system for employees to draw up a career vision by clearly laying out the image of the human resources that the company seeks, centered on the values formulated based on the " Purpose"
- Acquisition and retention of talented personnel and improvement of motivation through appropriate allocation of personnel costs
- Education and selection to create talented management personnel
- Increasing employee satisfaction and motivation for growth through fair and transparent evaluation and treatment

In addition, we have established the following basic educational training Policy and conduct various training programs with the aim of growth each employee and enhancing the collective strengths of our organization.

<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 Target

Our Group has formulated KPI linked to Important theme of sustainability and identified materiality (Important issue) from Year ending March 31, 2022 and is promoting group-wide initiatives.

Year ending March 31, 2024's Target and Actual for the year ended March 31, 2025 are as follows:

<Target and Actual (Year ending March 31, 2024)>

Sustainability Important theme	KPI	Year ending March 31, 2024	
		Target	Actual
Creating a Lifestyle with Value	Proposal of new services for lifestyles	5 projects	20 properties
	Supply of newly built condominiums overseas	3 projects ^{※1}	5 projects
	NEBEL supplies	3 buildings	5 buildings
Formation of communities	Number of redevelopment projects	2 projects	1 case ^{※2}
	Sponsorship of local communities	10 properties	20 properties
	Implementation of Board of Directors effectiveness assessment		○ ^{※3}
	Enhancing and Strengthening the Corporate Governance System		○
	Consideration of introduction of clawback clause		△ ^{※4}
	Implementation of anti-corruption education and training		△ ^{※5}
	Promote understanding of directors and employees regarding human rights issues		○
	Number of cases of unfair treatment	0 projects	0 projects
	Understanding the recognition rate of the internal reporting system through questionnaires		○
	Health Checkup Rate	100%	98.9%
	Stress check rate	100%	92.4%
	Percentage of paid holidays taken	70%	73.1%
	Employment ratio of the disabled:	2.3%	2.2%
	Percentage of female managerial staff	9.5% ^{※1}	11.5%
	Return to work for maternity and childcare leave	100%	— ^{※6}
	Training hours per employee	24 hours	42.9 hours
Satisfaction with Sales Staff Survey	90%	89.9%	

Sustainability Important theme	KPI	Year ending March 31, 2024	
		Target	Actual
Provision of high-quality, comfortable spaces	Number of nonconformities related to business processes and quality standards	10 or less	0 projects
	Implementation of a meeting to share preventive measures	5 times or more	※7
	Development of SQMS□ masters	2 or more	※7
	Percentage of Housing Performance Evaluation Sheets Acquired	100%	100%
	Accident frequency rate and lost time frequency rate (*Target: Employees)	0%	0%
	Number of lost-time injuries (*Target: Employees)	0 projects	0 projects
	Safety conference	Once a year	Once
	Special patrol (safety check)	Quarterly	3 times
	Number of safety and health training sessions held (*Target: Employees)	Twice a year	3 times
	Results of the supplier survey	Acquisition rate of A rank: 90%	97.01%
	Accident frequency rate and lost time frequency rate (*Target: Supplier)	Not more than 1.83%	0%
Cultivating the environment and culture	To acquire and disclose CO2 emissions		○※8
	CO2 Emission Reduction Target Configuration		○※8
	Certification rate for energy conservation grade (flat 35)	Detached houses 100%	Detached houses 100%
	Support for cultural cultivation	5 projects	11 projects
	ZEH Condominium Certification	1 building	1 building
	Acquiring CASBEE certification	Acquire A Rank or higher 1 building	1 building
	New operating capacity of renewable energy plants	20MW	43MW
	Total generation scale	360MW※1	368MW※1
	Acquire quantitative data on resources and water and set reduction targets		○
	Formulation of manuals for BCP measures		△※9

※1 Established as medium-term Target for the year ended March 31, 2025.

※2 Number of new participation. Other and 10 properties of businesses under construction and promotion (including projects for the improvement of prime buildings, etc.).

※3 Conducted anonymous questionnaire surveys and interviews with all Director and Audit & Supervisory Board members, including Outside Director, conducted by external consulting institutions, and conducted third-party evaluations.

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

※5 Some compliance training sessions were held.


















※6 None applicable.

※7 Not implemented due to quality organizational review.

※8 Scope: Scope1, 2 and 3.

※9 Establishment of an initial response manual for emergencies such as a major earthquake.

<Target (Year ended March 31, 2025)>

	Important theme of sustainability	Be related SDGs	Materiality	KPI	Year ended March 31, 2025 Target
E Environment	Realization of a decarbonisation society We will strive to mitigate climate change issues by working to ensure a stable supply of renewable energy, while at the same time aiming to develop energy-saving products with low environmental impact.	    	• Responding to Climate Change and Decarbonization • With a stable supply of renewable energy Promoting the use	Rate of Reduced CO ₂ Emissions (Scope1,2 and 3)	※1 of 45% (compared to Fiscal Year 2022)
				Number of in-house initiatives contributing to energy conservation	10 properties
				Aggressive expansion of renovated and renovated condominiums	
				Total generation scale of renewables	780MW※2
				Acquisition of environmental performance certification	5 buildings
Adoption rate of ZEH level in detached houses	100%※3				
Promote the use of renewable energy in the new condominium business					
S Society	Sustainable Urban Development We will contribute to the realization of a Sustainability future by developing local communities and enriching people's lives, and by providing products and services that respond to social issues and changing needs.	    	• Achieving Sustainable Growth in Local Communities • Responding to Declining Birthrate and Aging Population and Declining Workforce	Number of housing supply projects overseas	3 projects
				Number of Redevelopment and Rebuilding Projects	10 properties ※4
				Survey of satisfaction with condominium management operations	5 points or more/6 points
				Number of nonconformities related to business processes and quality standards	10 or less
				Per capita training hours	25 hours
	Promote acquisition of certification for DX businesses				
	Proposal of new services for lifestyles	10 properties			
	Improving Well-being In addition to protecting mental and physical health and safety, we will foster a workplace culture in which diverse human resources can play an active role, and build co-creation relationships through dialogue with stakeholders.	     	• Ensuring Employee Health and Safety • Promoting Diversity, Equity & Inclusion (DE&I) • Respect for human rights and response to supply chains	Stress check rate	100%※5
				Percentage of paid holidays taken	70%※6
				Rates of men taking child-care leave	85%※1
Implementation of Special patrol (safety check) at Construction Sites				Quarterly	
Employment ratio of the disabled:				2.5%	
Percentage of female managerial staff	20%※1				
Ratio of female employees newly hired	30%				
Implementation of Safety conference		Once a year			
Establishment of human rights due diligence system					
Promoting Supply Chain Management					
G Governance	Strengthening governance By promoting sound corporate activities and ensuring transparency in decision-making, we aim to fulfill our corporate social responsibilities and sustainably increase our corporate value.		• Consolidation of Corporate Governance • Tightening risk management • Implanting business ethics and compliance	Implementation of Board of Directors effectiveness assessment	
				Consideration of introduction of clawback clause	
				Verification and management of critical risks	
				Development of BCP manuals	
				Implementing Compliance Training	Annual 3 times
Implementation of compliance questionnaires for all employees	Once a year				
Recognition rate of the internal reporting system	100%				

※1 Set as a medium-term Target up to Fiscal Year 2030.

※2 Calculated in terms of solar MW and set as the medium-term Target for the period ending March 2030.

※3 Residential houses whose thermal insulation performance class 5 and primary energy consumption class 6 have been acquired (excluding renewable energy levels).

※4 Including businesses for improvement of prime buildings, etc.

※5 Statistics based only on enterprises implementing the program.

※6 Annual paid holidays are aggregated for all Grant companies.

<Addressing Climate Change (Initiatives for TCFD Recommendations)>

• Our awareness of climate change

MIRARTH Holdings Group (hereinafter referred to as "our group") recognizes that the progress of climate change is a scientific fact. Accordingly, we believe that measures to deal with the expansion of natural disasters caused by climate change, such as severe typhoons and heavy rains, frequent heat waves and droughts, and global sea-level rises are essential. In addition, we have positioned climate change as a (material) issue that brings significant changes to the natural environment and social structure and has a significant impact on our group's management and overall business. As a global initiative to mitigate climate change, we anticipate a shift toward socioeconomic decarbonization, including the establishment of a framework for reducing greenhouse gas emissions and strengthening emission regulations. We recognize that there are growing social demands for reducing GHG emissions at the development/operation stage in Real Estate Business and for strengthening resilience. At the same time, Energy Business is seeing growth in demand for renewable energy, which we view as a crucial opportunity.

• TCFD endorsement (and participating in TCFD consortiums)

MIRARTH Asset Management Co., Ltd. (formerly Takara Asset Management Co., Ltd.) and MIRARTH Real Estate Investment Adviser Co., Ltd. (formerly Takara PAG Real Estate Advisory Ltd.) announced their endorsement of the recommendations of the Climate-Related Financial Information Disclosure Task Force (TCFD(Task Force on Climate-related Financial Disclosures)), established by the Financial Stability Board (FSB) in June 2022, to promote Information Disclosure on climate-related issues.

With this as our starting point, we analyze and respond to the risks and opportunities that climate change will have on our business, and strengthen and enhance our Information Disclosure in line with the "Governance," "Strategy," "Risk Management," and "Indicators and Target" recommended by our TCFD Recommendations.



(1)Governance

We have established a governance system centered on Board of Directors's Supervise and Sustainability committee to address the risks and opportunities of climate-change. The chief executive officer in charge of responding to climate change is the president of Representative Director, and the executive officer in charge of responding to climate change is Director in charge of Sustainability. Executive officers on climate-related issues regularly Report Chief Officers on climate change response issues at Sustainability committee, including identifying and assessing impacts from climate change, managing risks and opportunities, progressing on adaptation and mitigation initiatives, and establishing indicators and Target. Participants from Sustainability committee deliberate and consider the agenda items before making decisions by the Chief Officer on climate-related issues.

(2)Strategy

• Scope of the analysis

In this scenario-analysis, we targeted 2 of our main businesses, namely Real Estate Business and Energy Business, which are considered to be relatively impacted by climate-change.

• Referenced external scenario

TCFD's recommendation is to explain the resilience of the company's strategy based on multiple scenarios, including 2°C or less. We conducted scenario analyses of our Group's businesses in order to take account of climate-related risks and opportunities. An overview of scenario analysis is as follows: Scenario analysis and the process for identifying and evaluating our risks and opportunities are described below in "Risk Management."

Source	1.5-2 °C scenario	4°C scenario
IEA (International Energy Agency)	NZE2050	STEPS
IPCC (Intergovernmental Panel on Climate Change)	RCP4.5	RCP8.5

[Reasons for Scenario Selection]

●IEA NZE2050(1.5-2 °C transition risk)

As the main source of GHG emissions is energy-consuming, a IEA that can be referred to is selected.

●IPCC RCP4.5(1.5-2°C Scenario Physical Risks)

Selection of IPCC's Report document, which is regarded as a standardized reference material for weather conditions, that corresponds to the analytical scenarios for physical risks.

●IEA STEPS (4°C transition)

As the main source of GHG emissions is energy-consuming, a IEA that can be referred to is selected.

●IPCC RCP8.5 (4°C Scenario Physical Risk)

Selection of IPCC's Report document, which is regarded as a standardized reference material for weather conditions, that corresponds to the analytical scenarios for physical risks.

- World image assumed in each scenario

Each scenario assumes the following global outlook.

1.5-2 °C scenario (high transition risk, small physical risk)
Toward the achievement of Target of the Paris Agreement, social policies and emission controls for decarbonisation will be strengthened, and measures to deal with climate change will progress. This is a scenario that will keep the global temperature rise at the end of the 21st century Comparison from the pre-industrial revolution to 1.5°C-2°C. In all aspects, such as policies, investors, and consumers, moves toward decarbonisation or low carbon are becoming more prominent, and companies are strongly required to respond to climate change, and if they do not respond to such moves, the risk of transition is expected to increase, such as the reduction of their competitive advantage. On the other hand, the frequency and severity of climate disasters will be kept to a certain extent, and the physical risks are assumed to be relatively low.
4°C scenario (small transition risk, large physical risk)
It is a scenario in which sufficient climate change mitigation measures are not realized, greenhouse gas emissions continue to increase, and the global temperature increase at the end of the 21st century Comparison 4°C from before the industrial revolution. Physical risks are expected to increase due to the intensification of natural disasters and the increase in sea-level rises and extreme weather. On the other hand, the transition risk is relatively small due to stagnant efforts for decarbonisation in policies, capital markets, and consumers.

- Identification of Risks, Opportunities and Countermeasures/Strategies

We have identified risks and opportunities in light of the 1.5°C-2°C scenario, in which policies and laws and regulations are strengthened to help realize a decarbonizing society, and the 4°C scenario, in which physical impacts of climate change are caused by severe extreme weather conditions. We have assessed the impacts on those businesses as follows: The financial impact was assessed qualitatively with reference to each of the aforementioned scenarios. We will also promote the following initiatives in response to identified risks and opportunities.

[Real Estate Business]

Classification	Major risks and opportunities	Our financial impact	Term	Financial impact		Countermeasures and strategies	
				4°C Scenario	2/1.5°C Scenario		
Transiti on Risk	Policies and laws	Strengthening Taxation through the Introduction of Carbon Tax	Sales volume decreased due to an increase in sales prices.	Short-term	Small	Medium	Target setting and control of GHG emissions
		Strengthening of various regulations based on energy conservation policies	Increased development costs for regulatory compliance	Medium term	Large	Large	Enhance energy-saving performance and strengthen sales strategy through collaboration with suppliers
	Technical	Evolution and diffusion of renewable energy and energy-saving technologies	Costs of developing and introducing new technologies increased	Medium term	Medium	Large	Collect information on new technologies and services and develop and introduce new technologies as appropriate
		Increase in response to transition to low-emission technologies	Increase in expenses related to new measures and introductions	Medium term	Small	Small	Securing specialist human resources and building organizational and internal systems
	Market	Increase in service prices by related suppliers against the backdrop of expansion of decarbonisation needs	To develop ZEB/ZEH and other eco-friendly properties and to increase construction, renovation and repair costs	Medium term	Medium	Medium	Stabilize prices through collaboration with suppliers
	Reputation	Increasing scarcity of storm-resistant locations and intensifying competition in acquiring sites in favorable locations	Lower sales due to loss of business opportunities	Long pull	Large	Large	Location selection and strengthening Collaboration with other companies in the same industry
		Decline in the value of products and brands not responding to climate change	Decrease in sales due to a decline in property sales prices and rent due to a decline in brand value	Medium term	Small	Medium	Establish energy-saving standards for newly developed projects and consider installing energy-saving standards in existing properties
Physics Risk	Acute	Damage to properties under construction due to storms and floods, and lengthening of construction periods	Increase in construction-related expenses	Short-term	Large	Medium	Adoption of construction methods resilient to storms and floods, and participation in construction insurance
	Chronic	Decline in productivity at construction sites due to rising temperatures	Cost increase due to lengthening of construction period	Medium term	Medium	Medium	Thorough Management of Occupational Safety Considerations at Construction Sites
Opportunit y	Resource efficiency	Promoting the use of recycled energy	Reduction of utility costs procured externally	Medium term	Small	Small	Introduction of on-site and off-site PPA
	Products and services	Increase in demand for low-emission facilities and ZEB/ZEH condominiums	Increase in sales	Medium term	Small	Medium	Promoting the introduction of low-emission facilities and renewable electricity

	Market	Utilization of Public Support Schemes	To reduce cash outflows	Medium term	Medium	Medium	Business expansion through urban redevelopment projects, etc.
		Creation of Replacement Opportunities	Increase in sales	Medium term	Medium	Small	Develop and promote ZEH/ disaster prevention condominiums
		Improved evaluation of market participants in response to climate change	Increase procurement opportunities and the amount of funds procured by increasing corporate value	Medium term	Medium	Medium	Enhancement of climate-related Information Disclosure

[Energy Business]

Classification		Large risks and opportunities	Our financial impact	Term	Financial impact		Countermeasures and strategies
					4°C Scenario	2/1.5°C Scenario	
Transition Risk	Policies and laws	More stringent environmental assessments and stricter regulations	Cost increase due to lengthening of development period	Short-term	Small	Medium	Promote business in line with various regulations
	Technical	Evolution and diffusion of renewable energy and energy-saving technologies	Increased costs for the introduction of new technologies	Medium term	Small	Small	Strengthen information gathering on new technologies and systematically introduce power generation facilities
	Market	Increase in difficulty in securing land due to intensified competition for energy conservation	Reduction of earning opportunities due to stagnation of new development	Short-term	Medium	Large	Selection of business areas with possible grid connection
	Reputation	Decrease of the brand value	Reduction of revenues due to a decrease in customers and restrictions on access to capital	Short-term	Small	Small	Maintain brand image by taking a solid response to climate change
Physics Risk	Acute	Damage to power generation facilities in operation due to natural disasters	Decrease in sales due to decline in electricity sales volume, and increase in repair and other costs	Short-term	Large	Large	Introduction of resilient design concepts, identification of risks through use of hazard maps, provision of Profit coverage, and funding of repair costs
	Chronic	Increase in the failure rate of equipment in operation due to constant abnormal weather conditions	Increase in repair expenses	Long term	Medium	Medium	Introduction of design philosophy in response to climate change and selection of product standards
Opportunity	Policies and laws	Establishment of a legal system to expand and promote the spread of renewable energy	Positive impact on speed and volume of development	Medium term	Small	Large	Secure funding and recruit personnel to expand Assets
	Of resources Efficiency	In-house use of renewable energy	Reduction of utility costs procured externally	Short-term	Small	Small	Selection of development sites and securing of funds
	Products and services	Technologies and product development in response to climate change	Decrease in capital investment expenses due to inexpensive technology development	Medium term	Small	Medium	Strengthen information gathering on new technologies and systematically introduce power generation facilities
		Expansion of O&M business	Increase in O&M sales	Medium term	Small	Medium	Capital investment and securing engineers to expand O&M business
	Market	Expansion of demand for renewable energy	Increase in earning opportunities through new development and business expansion	Medium term	Small	Large	Market research and development of new business models
		Expansion of renewable energy investment	Generate sales and earning synergies with Real Estate Business	Short-term	Small	Medium	Establishment of PJ teams by human resources with expertise in renewable energy and real estate
Utilization of Green Finance		Rise in stock prices and reduction in financial costs due to improvement in corporate value	Short-term	Medium	Medium	Securing human resources for green finance	

(3)Risk Management

The process by which we manage climate change-related risks is as follows:

①Process of identifying and evaluating risks and opportunities

Critical risks and opportunities related to climate-related issues are discussed in Sustainability committee, and the executive officers responsible for responding to climate change call in-house representatives to identify and assess climate-related risks and opportunities annually.

②Risk management processes and integration into company-wide risk management programs

The Chief Officer for Climate-related Issues designates and Direction Sustainability committee to identify and address climate-related risks that are critical to the assessed business and financial planning.

In addition, in its efforts to manage risk mitigation or realize opportunities, the Company will attempt to define and monitor and Target Be related KPI (Key Indicators) where possible.

The executive officers in charge of responding to climate change will Report Sustainability committee once or more annually on the progress and KPI of their respective initiatives.

The Chief Climate Response Officer also Direction to take into account, to the extent feasible, climate-related risks that are critical to business and financial planning in existing enterprise-wide risk management programmes, and integrate risk identification, assessment and management processes.

(4)Indicators and Target

We have set key indicators (KPI) and Target to manage and monitor risks and opportunities. The indicators and Target that have been set are as follows.

①Amount of greenhouse gas emissions

Target: Net-zero GHG emissions from MIRARTH Holdings Group business activities (Scope1, 2 and 3) by Fiscal Year 2050.

Using 2022 as the base year, the interim Target shall be set at [45% reduction by Fiscal Year 2030 (total amount basis)] and the long-term Target shall be set at [zero-net (total amount basis)] by Fiscal Year 2050.

2023 March medium-to long-term Target for reducing greenhouse gas emissions was revised to Target for reducing greenhouse gas emissions in response to the new Scope3 and SBTi(Science Based Targets initiative of the "Net-Zero Standard" ^{※1}).

- Announced on 2023 March 28: Reduce by 2050% by 2030 (compared to Fiscal Year 2020) and net-zero by 2050 *targeting Scope1 2
- Announced on March 29, 2024: Reduce by 45% by 2030 (compared to Fiscal Year 2022), net-zero by 2050 *revised by adding new Scope3

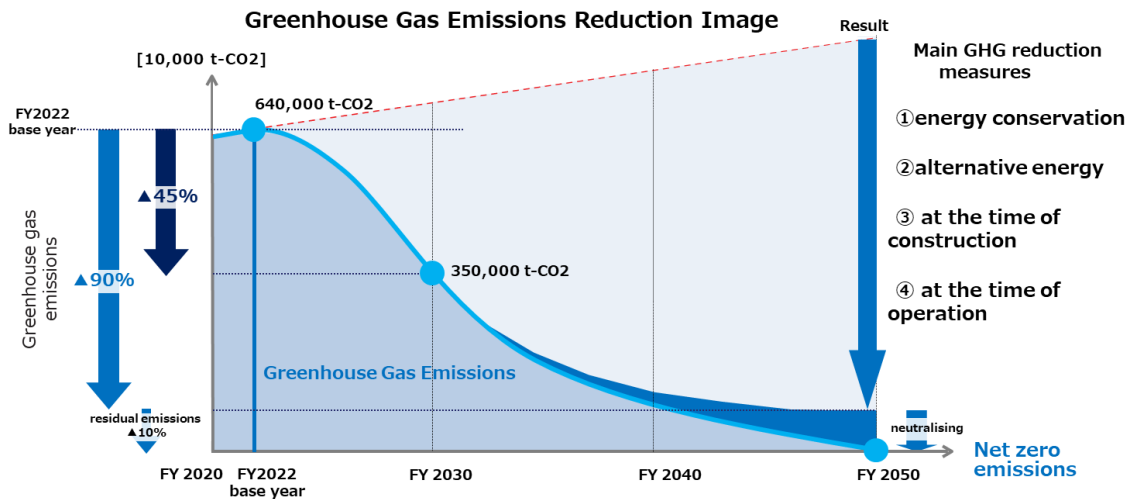
※A standardized standard published by 1 SBT Initiative in October 2021 for establishing a Target that limits global temperature increases from pre-industrial levels to no more than 1.5°C and achieves a net-zero by 2050.

MIRARTH HOLDINGS Group Goals to Achieve Carbon Neutrality
〈Revised with addition of Scope 3〉

Group-wide greenhouse gas emissions

45% reduction by FY2030 ^{※3} (Compared to FY2020) · **Net zero by FY2050**

※Subject to Scope1,Scope2 and Scope3



- ※1 Scope 1: Direct emissions of greenhouse gases by the operator itself (combustion of city gas and other fuels).
- Scope 2: Indirect emissions associated with the use of electricity, heat and steam supplied by other companies.
- Scope 3: Indirect emissions other than Scope 1 and 2 (emissions of other companies related to the activities of the operator).
- ※3 Scope 1 and Scope 2 are to be reduced by 70% by FY2030.
- ※4 Residual emissions are neutralised by using forest-derived absorption and carbon removal technologies outside the value chain.

②Total generation scale of renewables

Target: Build up new 420MW and use Total generation scale as a 780MW by the year ended March 31, 2030.
 ※MW in terms of sunlight

In Energy Business, we view the transition to a decarbonized society as a key "opportunity," where demand for renewable energy is expected to expand. Target is to 420MW and 780MW Total generation scale of renewables by the fiscal year ended March 2030. In addition to solar power, we will promote the development of wind and biomass power generation, aiming to build a stable power supply system for renewable energy. At the same time, we will work to expand our Energy Business by strengthening the operation, maintenance, and control of power plants.

Actual of the various performance indicators will be successively disclosed on the sustainability site.

<https://mirarth.co.jp/en/sustainability/environment/data/>

3[Business and Other Risks]

1.Basic Risk Management Policy

MIRARTH Holdings Group identifies and manages risks based on the basic risk management Policy of ensuring the safety of customers, partners, directors, employees, and their families, fulfilling social responsibilities, harmonizing with the global environment, continuing lasting business, and enhancing corporate value.

We have also established Risk Management Committee as a promotion system to ensure thorough risk management throughout the Group.

2.Risk Management System

(1)About Risk Management Committee

In order to support the stable and Sustainability growth of the Group, we actively and strategically implement risk management by holding regular Risk Management Committee meetings to oversee risks throughout the Group.

① Frequency of meetings

In addition to the regular meetings of Quarterly, Risk Management Committee holds meetings as needed to respond to changes in industries and the marketplace. This ensures swift decision-making and appropriate responses to risks.

② Composition of members

All Director and Audit officers including Representative Director, Group CFO, Group CRO, and Outside officers are members of Risk Management Committee, and risk management is closely related to the formulation and implementation of management strategies. With the addition of the heads of Internal Audit Office and legal departments, the committee examines and makes decisions from a comprehensive risk-management perspective.

③ Minutes Details:

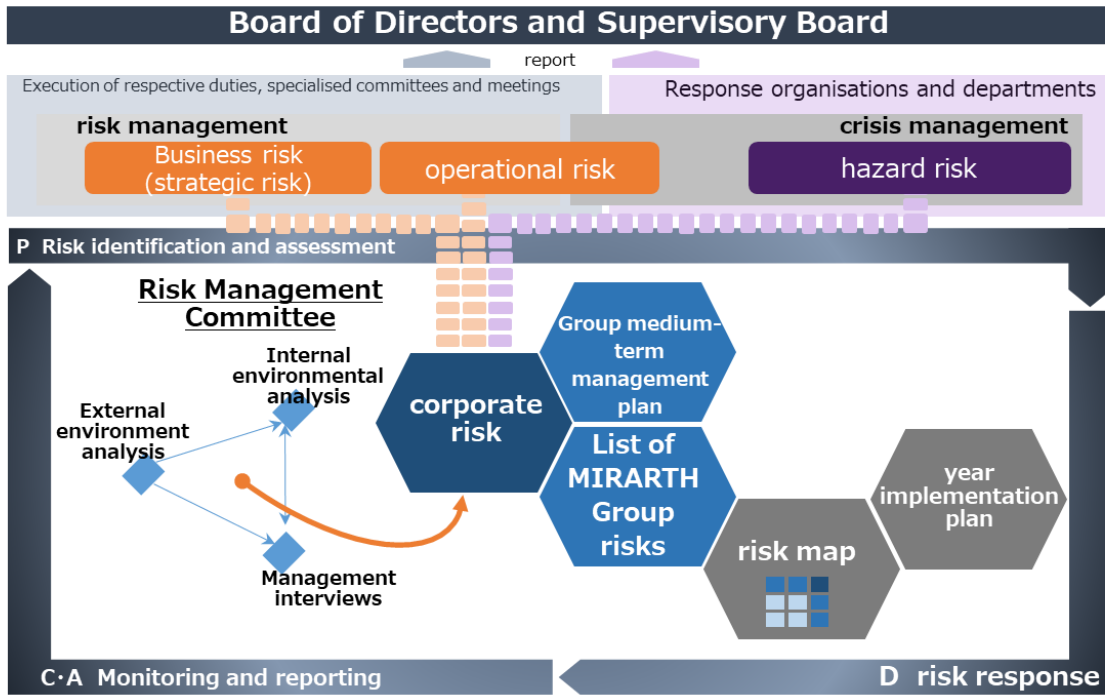
Risk Management Committee agenda is diverse, but it focuses primarily on the following:

- Response status of risk items listed as "risk maps" in Risk Management Committee
- Risk response status, such as changes and revisions of response Policy, with respect to risk items other than the above
- Discuss and decide on the importance and priority of responses to new risks
- Confirmation of consistency between corporate strategy and risk portfolio
- Discussion and determination of future risk management operation Policy

3.Risk management process

Our group's risk management process is as follows.

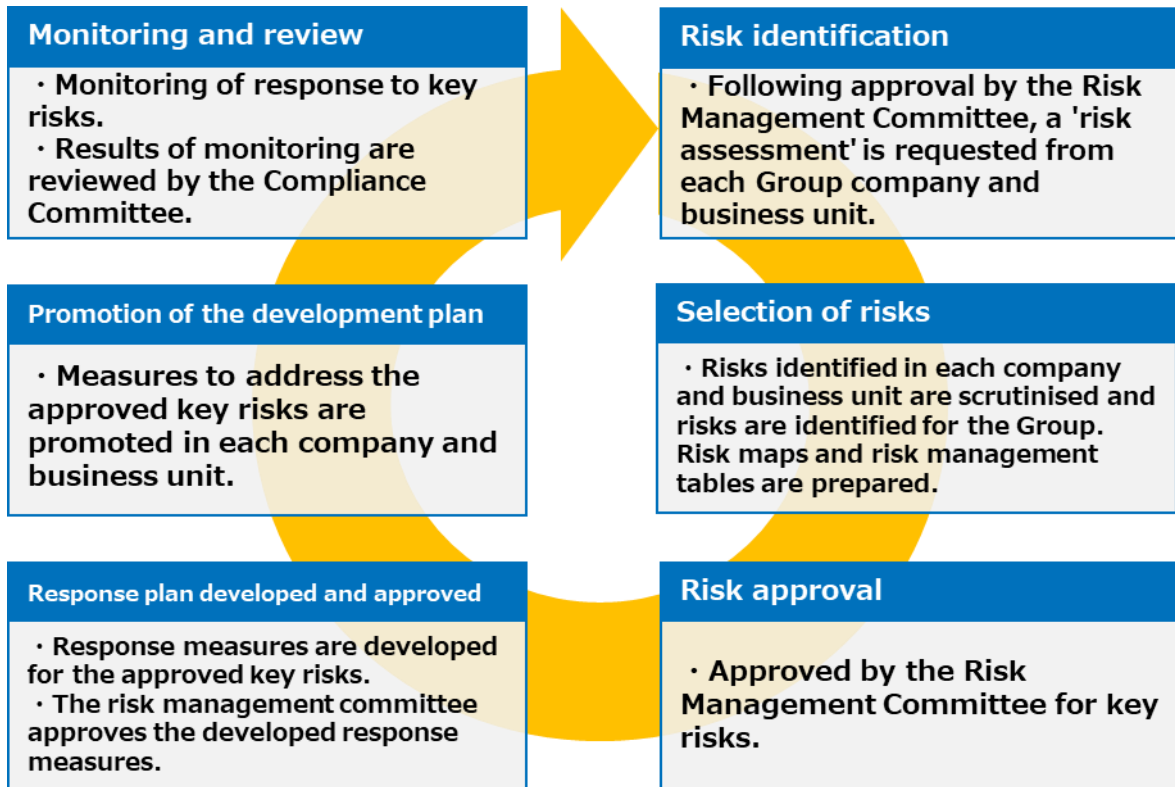
[Conceptual Diagram]



(1)Identification of risks

In the area of risk management, the identification and prioritization of risks that we need to address among the myriad risks in the world is an essential element. Our group identified and prioritized risks according to the flow below.

[Risk Identification Flow Chart]



① Identification of risks at group companies

Comprehensive identification of business strategy risks, operational risks, and hazard risks among Group companies, assessment of the degree of impact, frequency of occurrence, etc., and quantitative scoring, and prioritization based on this evaluation. Risks with high impact and frequency are prioritized for consideration.

At the same time, we will conduct a primary review of the current status of each risk, risk scenarios, opportunities, and countermeasures.

② Risk extraction

With regard to the risks submitted in ①, we conducted a bird's-eye view and Comparison of the risks submitted, and extracted 47 items.

During the extraction, we conducted internal and external environmental analyses and interviews with management to consider not only priorities but also the Group's medium-term management plan and the environment in place. In addition, the level of descriptions was smoothed and unified to determine the current status, risk scenarios, opportunities, and proposals for response to each risk for which a primary examination was conducted.

③ Identification of Risks (Items Posted in Risk Maps)

With regard to the 47 critical risks identified in ②, each of Compliance Committee members listened individually to their views on the items that should be included in the risk map and the top priorities. After discussions at Risk Management Committee, 16 items that should be included in the risk map were identified.

④ Identification of the most important risks

From the 16 risk items listed in the risk map extracted in ③, our group responded with the highest priority and identified the 6 most important risks to watch.

(2) Risk Assessment

Risk assessment methods were evaluated by scoring the risks identified in each company's Business Divisions by multiplying the degree of impact by the frequency/likelihood of occurrence.

① About "Impact"

Based on the 5 definitions of human damage, monetary damage, loss of sales and Profit, credit, and disposition and guidance from Supervise agencies, the magnitude of each impact is evaluated on a 3-level scale of "large, medium, and small."

② Evaluation of "Frequency and Probability of Occurrence"

"Frequency of occurrence" is the degree to which such risks may occur, and for "likelihood of occurrence," the probability of occurrence of such risks is evaluated on a 3-level scale of "high, medium, and low" in accordance with our predetermined criteria. The risk is assessed on the basis of "frequency" or "likelihood."

The judgment criteria are as follows.

Criteria for risk analysis

Degree of influence		Definitions					
Grade	Notation	People	Money	Sales/Profit		Credit	Disposal and guidance
3	Large	Casualties to customers, employees and stakeholders	Financial loss of 100 million yen or more	A factor that causes Net sales's Target (or assumptions) to be revised downward by more than 10%.	<ul style="list-style-type: none"> A factor that causes Target (or assumption) of Operating income, Ordinary income, or Net income to be revised downward by 30% or more. 	<ul style="list-style-type: none"> Affects sales and Profit over a long period of years. Good relationships with stakeholders collapse. 	Supervise A person who receives a disposition beyond the disposition of suspension of license from a government agency, etc.
2	Medium	Substantial physical and mental impact on customers, employees and stakeholders.	Financial loss of 10 million yen or more and less than 100 million yen	A factor that causes Net sales's Target (or assumptions) to be revised downward by 5% to less than 10%.	<ul style="list-style-type: none"> Factors that cause a downward revision of any of Target (or assumptions) of Operating income, Ordinary income, or Net income from 10% to less than 30%. 	<ul style="list-style-type: none"> Affects sales and Profit in months. Temporary suspension of good relations with stakeholders 	Supervise Receives dispositions based on Other, laws and regulations, and regulations in the course of licensing business (Disposition Details is disclosed to outsiders).
1	Small	Those with minimal physical and mental impact on customers, employees and stakeholders.	Financial loss of less than 10 million yen	Factors that cause Net sales's Target (or assumptions) to be revised downward by less than 5%.	<ul style="list-style-type: none"> Factors that cause Target (or assumptions) of Operating income, Ordinary income, or Net income to be revised downward by less than 10%. 	<ul style="list-style-type: none"> Have a temporary impact on sales and Profit. Stakeholders have an unpleasant impression of us. 	Supervise Receive oral warnings and instructions from government agencies (not disclosed to outsiders).

Likelihood (frequency)			Likelihood (probability)		
Grade	Notation	Details	Grade	Notation	Details
3	High	At least once a year	3	High	Occurrence with 80% or more probability
2	Medium	Frequency every few years	2	Medium	Occurrence with probability of 20% to less than 80%
1	Low	Frequency once every 10 years	1	Low	Probability of less than 20%

③ About "Risk"

The committee summarizes how each related company division understands and recognizes the current status of each identified risk and what is anticipated in each company division when such risk materializes.

Through these measures, we have embodied vague risks and made the image of risk response clearer.

④ About "Opportunities"

When this risk is regarded as an "opportunity," the specific image of what scenarios are assumed will be used as the reference material for examining when taking risks.

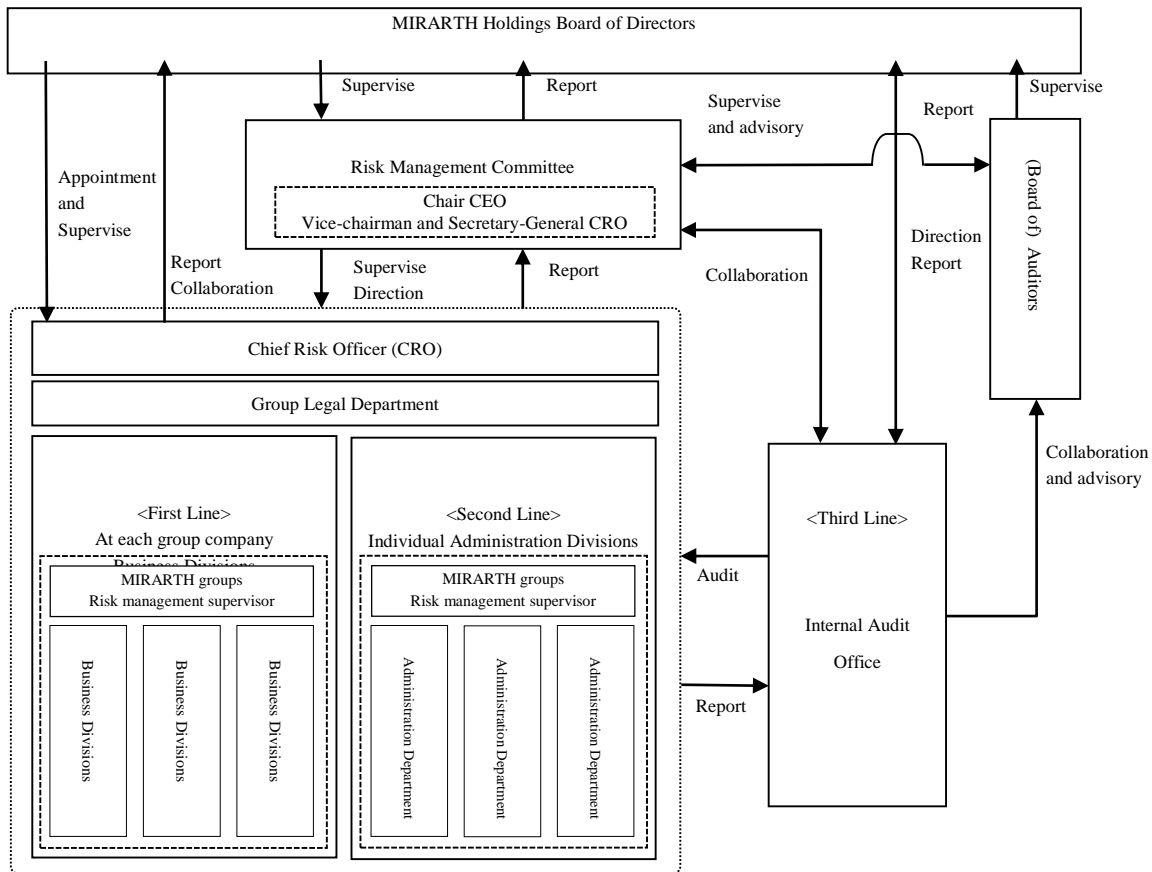
(3)Response to risks

We will formulate appropriate countermeasures and countermeasures for the identified risks. Countermeasures include mitigating, avoiding, passing on, and accepting risks. To ensure that the risk remains within the acceptable range, describe it specifically at the action level.

(4)Monitor and Report Risks

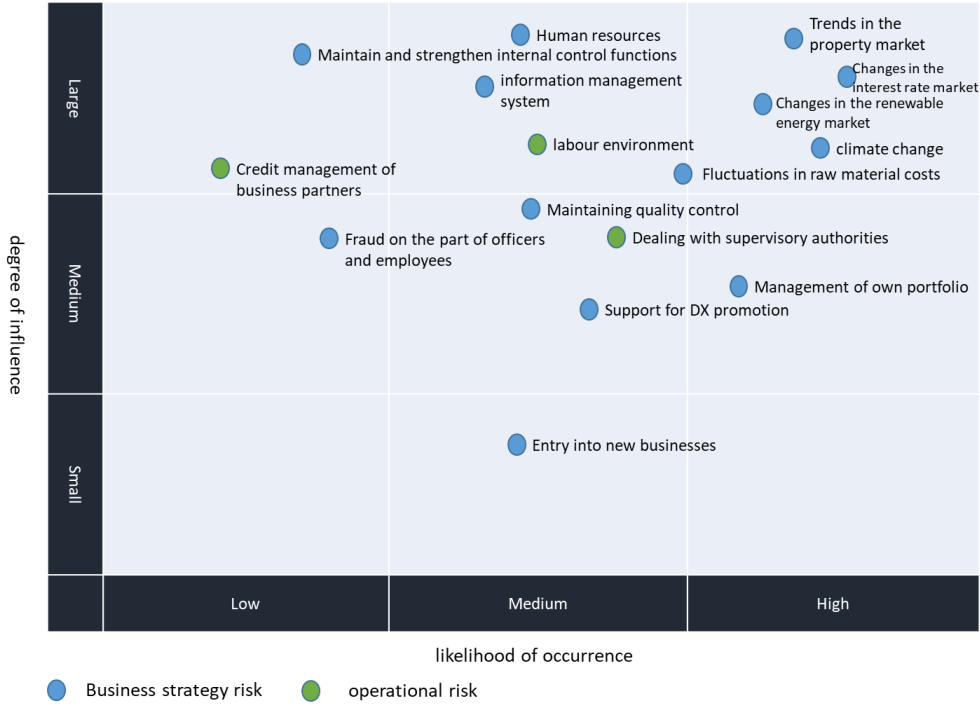
Within the risk items extracted, for the 16 risk items listed in the risk map, the status of each risk will be monitored at Risk Management Committee, which meets once every 4 and a half years, and the strategies/processes will be modified as needed. For the 6 items identified as the highest-priority risks, we track changes in risks and make Report and make adjustments and adjustments as needed by checking the effectiveness of current conditions, risk scenarios, opportunities, and risk responses in more detail.

[Structure Chart and Operation Flow]



4.About the specific risks of our group

(1)Risk map



(2)List of important risks

Item number	Important risk	Details of Risks	Opportunity	Response	Related Materiality
1	Activity in real estate markets	<ul style="list-style-type: none"> Policy changes in economic policies (changes in laws and regulations, interpretations of laws and regulations, and operational Policy) Changes in lifestyles (DINKs, increase in dual-income households, relocation of elderly people to condominiums, and progress in telework) Diversification of housing needs Changes in political conditions and economic trends Demographic changes 	<ul style="list-style-type: none"> Create demand and capture growth opportunities through new products and services Relaxation of requirements for tax reduction policy Increase in opportunities to acquire land and properties 	<ul style="list-style-type: none"> Strengthen information gathering activities Reflection of the needs of buyers Offering a variety of products Strengthen initiatives for diverse financing methods Ongoing performance monitoring and implementation of measures 	Achieving Sustainable Growth in Local Communities
2	Managing its portfolio	<ul style="list-style-type: none"> Change in profitability of business Timing of decision to continue or withdraw from business Emergence of imbalances between purchases and investment and payback periods 	<ul style="list-style-type: none"> Optimize and stabilize Profit structure Acquisition of external credibility by improving budget accuracy 	<ul style="list-style-type: none"> Promote visualization of profit/loss and profitability by business division and PJ by utilizing internal systems, etc. Holding portfolio meetings and other events to curb excessive purchases and investments 	Consolidation of Corporate Governance

3	Securing human resources	<ul style="list-style-type: none"> Retention and outflow of personnel To maintain operational quality and competitiveness 	<ul style="list-style-type: none"> Improving operational productivity, quality, and competitiveness To create new ideas and innovations 	<ul style="list-style-type: none"> Offering competitive treatment and benefits Enhancement of educational programs and training Fostering a culture that accepts diverse human resources and providing a comprehensive work environment Appropriate Evaluation and Operation of the Personnel System Ion1 Promoting the introduction of DX 	Responding to Declining Birthrate and Aging Population and Declining Workforce
4	Changes in the interest rate market	<ul style="list-style-type: none"> Interest rate trend Financial Position Changes in customer purchasing sentiment due to trends in mortgage interest rates 	<ul style="list-style-type: none"> Fund management (Equity securities, receivables, and investment) 	<ul style="list-style-type: none"> Considering the use of fixed interest rates Appropriate control of LTV (no more than LTV65%) 	Achieving Sustainable Growth in Local Communities
5	Climate Change	<ul style="list-style-type: none"> Increase in the risk of natural disasters, etc. Increase in costs associated with the provision of environmentally conscious products Impact of low evaluation by investors on stock prices due to delayed efforts to combat climate change Stricter regulations on the use and emission of greenhouse gases and strengthen conservation Stricter building standards due to stricter laws and regulations 	<ul style="list-style-type: none"> Revitalization of the renewable energy market due to heightened interest in environmental issues Growing demand for environmentally conscious products, disaster-resistant products, and Buildings 	<ul style="list-style-type: none"> Development of renewable energy power plants Reduction of Carbon Dioxide Emissions Scenario analysis Establishment of an internal system in line with the standards of external evaluation organizations Acquisition of Green Certification Promotion of earthquake-resistant Buildings and Facilities Establishment of BCP system 	Responding to climate change and decarbonization, and promoting the stable supply and use of renewable energy
6	To maintain and strengthen internal control functions	<ul style="list-style-type: none"> Occurrence of fraud, misreporting, information leakage, etc. Impact on loss generation and reliability 	<ul style="list-style-type: none"> Improve overall organizational performance by improving business processes 	<ul style="list-style-type: none"> Appropriate management through early detection of risks Implementation of Risk-Assessment and Audit Providing training and education 	Tightening risk management

7	Fluctuations in raw material costs	<ul style="list-style-type: none"> • Impact of Changes in Profit Rate on Business Results 	<ul style="list-style-type: none"> • Savings opportunities • To develop new sources of supply 	<ul style="list-style-type: none"> • Selection of projects to be addressed • Conclusion of long-term contracts and the introduction of price-fixed contracts • Use of commodity futures and options trading • Regular implementation of budget review and re-evaluation of projects 	Achieving Sustainable Growth in Local Communities
8	Changes in the Renewable Energy Market	<ul style="list-style-type: none"> • Changes in business opportunities due to changes in policies and FIT systems • Reactivation of nuclear power plants • Maintenance and management of infrastructure facilities such as power grids • Change in the decarbonization trend • Impact on ecosystems in power plant development • Development and emergence of new technologies • Request of electric power companies to curb output (excessive supply of renewable energy) 	<ul style="list-style-type: none"> • Increase in electricity sales prices due to expansion of renewable energy needs • Brand-ing as a company that contributes to the environment • Introduction of a new system to replace FIT 	<ul style="list-style-type: none"> • Diversification of power sources • Conclusion of long-term power sales contracts • Alliances with energy companies • Initiatives for new businesses such as PPA • Implementation of area-strategy in Energy Business 	Promoting the stable supply and use of renewable energy
9	Labor environment	<ul style="list-style-type: none"> • Impact on productivity and motivation • Personnel changes • Occurrence of harassment • Mental and physical effects of working hours 	<ul style="list-style-type: none"> • Improving employee satisfaction and morale • Improve employee productivity • Compete for talent 	<ul style="list-style-type: none"> • Implementation of monitoring • Development of Consultation and Reporting Desks • Penalties for violation • Development of rules and policies • Introduction of a flexible labor system • Regular health checks and stress management programs • Improving our benefit programs 	Ensuring Employee Health/Safety and Promoting Equity & Inclusion (DE&I)
10	Response to DX Promotion	<ul style="list-style-type: none"> • Impact on corporate competitiveness • Impact on reputation of information management, etc. • Impact on business operations 	<ul style="list-style-type: none"> • Cost reduction • Improving productivity • Increased customer satisfaction 	<ul style="list-style-type: none"> • Organizational Transformation to Promote DX and IT • To provide employees with opportunities to improve their skills and continue learning • Implementation of appropriate security measures 	Responding to Declining Birthrate and Aging Population and Declining Workforce

11	Fraud of Corporate personnel	<ul style="list-style-type: none"> • Reputational and reputational impact • Impact on a company's image and brand value • Legal and financial problems 	<ul style="list-style-type: none"> • Implementation of evaluation through appropriate responses • Prevention and early detection of improper conduct • Enhancement of resilience against corruption 	<ul style="list-style-type: none"> • Implementation of training • Dissemination of information on legal revisions • Formulation and operation of response manuals in the event of occurrence • Strengthening internal controls • Shared risk of fraud • Introduction of clawback clause 	Implanting business ethics and compliance
12	Information management system	<ul style="list-style-type: none"> • Confidential Information Management System • Impact on corporate reliability • Fines and legal liabilities for violations of laws and regulations 	<ul style="list-style-type: none"> • Gaining Customer Trust • Improving Corporate Reliability • Increased customer satisfaction • To accelerate operations • Improving Quality 	<ul style="list-style-type: none"> • Formulation and implementation of information security policy and privacy policy • Implementation of regular information-security Audit and risk-assessment • Restricting access to systems and databases • To promote the introduction of firewalls and security software • To conduct regular training and education for employees 	Tightening risk management
13	To maintain quality management	<ul style="list-style-type: none"> • Impact on customer satisfaction • Occurrence of legal liability 	<ul style="list-style-type: none"> • Increased customer satisfaction • Increasing the brand value 	<ul style="list-style-type: none"> • Introduction of a strict quality control system • Regular Quality Audit and Improvement Activities • Strengthening education and training 	Realizing sustainable growth in local communities, respecting human rights, and addressing supply chains
14	Credit management of business partners (Anti-corporate transactions)	<ul style="list-style-type: none"> • Incurrence of corporate reputation and legal liability 	<ul style="list-style-type: none"> • Providing peace of mind to customers • Avoidance of legal risks 	<ul style="list-style-type: none"> • Formulation and operation of KYC policies • Training and education • Implementation of suspicious transactions and monitoring of customer behavior 	Tightening risk management
15	Response to Supervise authorities	<ul style="list-style-type: none"> • Penalties and legal liabilities for breaches of legal obligations and regulations • Impact on corporate reliability and reputation 	<ul style="list-style-type: none"> • Improving Corporate Reliability • Improving the operation process 	<ul style="list-style-type: none"> • Implementation of training • Promotion of acquisition of qualifications as manager of building examination, etc. • Clarify the process/person responsible for complying with Report and reporting requirements • Monitoring of Report and notification deadlines 	Tightening risk management

16	Launch new business	<ul style="list-style-type: none"> • Understand new markets and Be related laws and regulations • Fund procurement • Profitability of new businesses • Community Relations 	<ul style="list-style-type: none"> • To provide growth opportunities • To strengthen the competitiveness 	<ul style="list-style-type: none"> • Grasping market needs and competitive conditions • Building partnerships with local communities • Clarification of exit criteria 	Promoting the stable supply and use of renewable energy and realizing sustainable growth in local communities
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(3)Explanation of the most important risks

① Activity in real estate markets

Major category	Business strategy risk	Medium classification	Business Environment Risk
Small classification	Activity in real estate markets	Departments in charge (Headquarters/Divisions)	Group Corporate Planning Department
Frequency/likelihood	High	Risk impact	Large
Risk scenario	Real estate-related businesses account for a large portion of the Group's revenues. Accordingly, accurately grasping trends in the real estate market is the most important issue that will determine our future, and we are paying close attention to changes in housing demand in particular. Housing demand is susceptible to changes in the lifestyles of customers, including economic trends, and is affected by various national policies related to the acquisition of housing, as well as changes in the enactment, revisions, and interpretations of laws, regulations, and rules governing For Other properties. Furthermore, the impact of national and regional demographic trends cannot be overlooked.		
Opportunity	We anticipate an increase in opportunities to acquire land and properties as a trigger for the creation of new products and services. We expect to seek and expand businesses other than Real Estate Business, which are unaffected by real estate market trends.		
Countermeasures	With regard to trends in the real estate market, the Corporate Planning Division regularly exchanges information once a month with outside experts, and shares this trend internally. With regard to market trends and needs, we are leveraging the advantages of our integrated manufacturing and sales to build a system that can reflect customer preferences and purchasing trends in product planning, thereby offering a diverse range of products. In view of economic trends, the Group is also considering and strengthening various financing methods, and through these efforts has established a framework that can respond flexibly to market fluctuations. We are also building a business portfolio that does not rely solely on Real Estate Business. We are focusing on securing stable earnings by expanding our stock-based Energy Business and fee-based Asset Management Business.		

② In-house portfolio management

Major category	Business strategy risk	Medium classification	Business Details
Small classification	Its portfolio management	Departments in charge (Headquarters/Divisions)	Group treasury Group Corporate Planning Department
Frequency/likelihood	High	Risk impact	Medium
Current status and Risk scenario	We are working on Energy Business and Asset Management Business with a focus on Real Estate Business. Consideration of the profitability of individual businesses is a very important topic in these 3 Segment, and maintaining a well-balanced portfolio of these businesses is essential to the ongoing development of our group. Accordingly, each of these Segment businesses is required to quickly make decisions on the profitability of individual businesses and on whether to continue or withdraw from their businesses. Controlling the financial indicators that our group has set forth as Target is an indispensable element from the perspective of risk-management.		
Opportunity	We can pursue higher returns by implementing effective Assets allocation and investing strategies. In addition, by investing in a variety of Segment, you can diversify your exposure while expanding your earning oppotunities. By building an optimal business portfolio, we will have the opportunity to increase returns through concentrated investment in profitable businesses.		
Countermeasures	A portfolio meeting is held once a month to restrain excessive investment in the company and acquisition of business real estates and other assets. In addition, we are utilizing an internal system to build a system that enables each division to accurately determine the profitability of its business.		

③ Changes in the interest rate market

Major category	Business strategy risk	Medium classification	Business Environment Risk
Small classification	Changes in the interest rate market	Departments in charge (Headquarters/Divisions)	Group treasury
Frequency/likelihood	High	Risk impact	Large
Current status and Risk scenario	We procure short-term and long-term interest-bearing Liabilities from Financial institutions and other sources for the operation and development of our business. If we need to raise new funds, our funding costs may increase during periods of rising market interest rates. In addition, a rise in market interest rates could lead to a decline in the willingness of homebuyers to purchase and an increase in the expected yields on real estates demanded by investors, which could lead to a decline in the earnings from the sale of condominiums by our group and a decline in the value of owned Assets, and our business, financial condition and results of operations could be adversely affected.		
Opportunity	In a period of rising interest rates, Assets of Individuals is expected to increase over the long term, as deposit interest rates also rise, although there is a company burden in the short term. We anticipate that increased Individuals funding will lead to increased spending, which in turn will stimulate corporate activities and drive increased capital spending.		
Countermeasures	In procuring funds through borrowings, we will lengthen and fix interest rates on our borrowings. At the same time, we will build stable relations with a variety of Financial institutions in order to respond to the risk of short-term rises in interest rates. In addition, we will continue to closely monitor trends in mortgage interest rates and changes in cap rates in the real estate trading market due to future interest rate trends, and will continue to strive to mitigate the risk of rising interest rates through appropriate control of our balance sheet.		

④ Climate Change

Major category	Business strategy risk	Medium classification	Business Environment Risk
Small classification	Climate Change	Departments in charge (Headquarters/Divisions)	Corporate Communication Office
Frequency/likelihood	High	Risk impact	Medium
Current status and Risk scenario	Regulatory restrictions on the use and emission of greenhouse gases, energy conservation regulations, and natural disasters and accidents caused by climate change could affect our business locations, supply chains and customers. In particular, the strengthening of laws and regulations as a national policy may lead to stricter energy-saving standards for condominiums and other buildings and the need to adopt and provide environmentally conscious products. This could have an impact on our earnings. In addition, the status of our Group's efforts to address climate change may affect investors' decisions to invest in us. It is important to appropriately evaluate these risks and take countermeasures. It is necessary to promote risk reduction initiatives, such as building measures to adapt to climate change, development products with less environmental impact through energy conservation, and developing businesses that contribute to decarbonization.		
Opportunity	We have positioned Energy Business as a growing business, and we see growing demand for renewable energy as a crucial opportunity. By expanding the scale of power generation and the provision of related services, we are able to differentiate ourselves from competitors and increase our competitiveness. In addition, the introduction of low-emission facilities and renewable power, as well as increased interest in disaster prevention, will create demand for housing replacement and repairs, and by stimulating such demand, it will be an opportunity to promote the growth of our business.		
Countermeasures	In addition to promoting the development of renewable energy power plants, we will strictly implement initiatives to minimize the burden on the environment by promoting the development of properties with high environmental performance and the reuse of energy in properties. In addition, Sustainability committee, which meets quarterly, deliberates on the basis of the Climate Change Policy and the Greenhouse Gas Reduction Plan. In this way, we will work to reduce greenhouse gases in the promotion of our business activities throughout the entire organization. For example, we will promote the establishment of necessary internal systems.		

⑤ To maintain and strengthen internal control functions

Major category	Business strategy risk	Medium classification	Organizational and governance risk
Small classification	To maintain and strengthen internal control functions	Departments in charge (Headquarters/Divisions)	Group Corporate Planning Department Internal Audit Office
Frequency/likelihood	Medium	Risk impact	Large
Current status and Risk scenario	The importance of internal controls is not pending, and we believe that the expansion of internal controls is an effective means of enhancing the governance of each Group company, and will lead to the deterrence of fraudulent activities and compliance violations, as well as the prompt response in the event that they occur. We intend to continue to expand and enhance these measures in the future.		
Opportunity	By early detection of risks and appropriate management of risks, we are able to raise the level of trust of the company and provide perpetual business. In addition, improvements in business processes and other measures will improve the performance of the entire organization.		
Countermeasures	In addition to strengthen the number of employees involved in internal controls, we are strengthening our functions by providing training and education on internal controls. In addition, by monitoring risk items in conjunction with Audit, the Group will further strengthen its internal control functions.		

⑥ Labor environment

Major category	Operational risk	Medium classification	Personnel and Labor
Small classification	Labor environment	Departments in charge (Headquarters/Divisions)	Group HR
Frequency/likelihood	Medium	Risk impact	High
Current status and Risk scenario	<p>We recognize that the labor environment is a key factor in the company in many areas, including worker health and safety, corporate productivity and Sustainability, compliance with laws and regulations, and social assessment.</p> <p>In particular, we believe that the establishment of a work environment that enables employees to work soundly, including not only managing appropriate working hours but also responding to remote work and health management for employees, will have a significant impact on securing and retaining excellent human resources.</p> <p>At present, under Policy of Well-being, we are expanding the application of telecommuting to create an environment. We are also investing in various measures based on a survey of employee well-being, and conducting training to prevent harassment.</p> <p>We believe that inadequacies or delays in the development of a sound labor environment for employees not only have an impact on productivity due to the recruitment of talented personnel and a decline in motivation, but also lead to a decline in our social reputation, and involve the risk of becoming a competitive disadvantage in the continuation of our business.</p>		
Opportunity	In response to this risk, we believe that establishing a labor environment in accordance with the social environment ahead of others and creating an environment in compliance with laws and regulations will lead to the securing of excellent human resources and the improvement of productivity, thereby giving us an advantage in business continuity.		
Countermeasures	<p>In terms of the working environment, the Group Human Resources Department conducts monthly management of the working hours of each Group company, and strives to establish a system for checking and mitigate the risks.</p> <p>With regard to employee engagement, we are working to improve the quality of our personnel system evaluations, create an open working environment through 1on1, and establish and promote KPI for measures to improve employee engagement based on an understanding of the status of employees through welfare surveys. Director assessment also incorporates items to improve employee engagement, and we are implementing initiatives at the management level.</p>		

5. Crisis management system (crisis management)

We have established a crisis management system to enable us to respond quickly and accurately in the event of an unforeseen event. Crisis management is divided into the following 4 levels according to the degree of impact of damage on the business, and a Crisis Management Team is established to respond to the situation.

(1) Committee Structure

In the event of a crisis, the chief of the countermeasure organization will order the establishment of a countermeasure organization immediately according to the level of crisis management and ending the situation at an early stage.

		Management level A	Control level B	Control level C	Management level D
Countermeasure	Installation Category	Establishment of countermeasure organization		Each department	
	Head of countermeasure organization (*1)	President		Officer in charge of general affairs and the Officer in charge of corporate planning	
		Secretary: Officer in charge of general affairs (*2)			
	Secretariat	General affairs department		-	
Supervising department	Department directly responsible for the crisis or the department designated as the countermeasures organization				
Contact point		General affairs department			
Setting the management level		Approval at the control level shall be made by the president. (In the event of absence, it shall be CRO of the Group. In the event of absence, the director in charge of general affairs will act on behalf of the Company.)			

※1 In the event that the head of the countermeasure organization is absent due to business trips, etc., the Group CRO shall act for Control Level A and B, and in the event that the head of the countermeasure organization is absent, the director in charge of general affairs shall act for this.

In Control Levels C and D, the person in the highest rank corresponding to the position based on the crisis that occurred shall act on behalf of the manager.

※2 In the event that the Director General is absent, such as acting as the head of the countermeasures organization, the head of the department in charge of general affairs shall act for Control Level A and B.

(2) Committee structure (members)

Risk Management Level A and Level B shall consist of the president of the Countermeasures Organization and the general manager of the general affairs division. Risk Management Level C and Level D shall constitute the committees of each department responsible for emergencies based on the Division of Duties Table.

(3) Operational standards

The president, who is the head of the countermeasure organization, sets the management level for the subject crisis. Management Levels A and B establish a secretariat with the head of the countermeasure organization as the president, and Management Levels C and D designate the responsible department as the head of each business division (or headquarters) to respond to crises.

<Business Continuity Planning (BCP)>

In the event of a large-scale natural disaster such as an earthquake, an infectious disease, or an artificial disaster (war, terrorist attack, accident, etc.), we are making efforts to formulate a business continuity plan (BCP) in order to maintain our business as much as possible and to restore operations as quickly as possible.

(1) Basic Policy

Our basic Policy is to fulfill our social responsibilities to our stakeholders by ensuring the safety of our employees, maintaining the business activities of the entire organization as much as possible, and endeavoring to recover as quickly as possible.

(2)Operational System (Cycle)

We identify material matters that may affect the Group as a whole as an immediate Report and make decisions as needed. The items applicable to Immediate Report are as follows:

Code	Item	Examples
1	Serious matters concerning human life	Death occurring among employees and businesses
2	Significant Matters Relating to the Preservation of Assets	Significant damage including fires and collapses occurred at Assets and construction sites.
3	Significant matters related to business continuity	Situations that make it difficult to continue critical business (e.g., system failures, exhaustion of funds, Head Office on-site ban, etc.)
4	Matters concerning credit as a company	Items including the risk of legal disputes such as Individuals information leaks, matters that may lead to reputational risks such as customer problems, and matters related to external public relations
5	Matters that may cause serious damage to Other	

Items that do not qualify as immediate Report are classified as regular Report as the first report 3 hours after the occurrence of the accident, and are monitored every 3 hours until 17:00 and 1 week after the day of the accident.

In conjunction with the formulation of the Business Continuity Plan (BCP), we will establish a system for business continuity management (BCM), refine the effectiveness of BCP based on PDCA cycle, and conduct regular educational, training, and review.

(3)Scope of BCP

The scope of our response is the phase in which the capacity utilization of our organization as a whole declines markedly and it takes time to recover.

(4)Activation criteria

We assume that the chief of the relevant organization will exercise BCP in the event of an earthquake with a seismic intensity of less than 6 or in the event of an emergency such as the inability to maintain business continuity of the entire organization due to unforeseen circumstances.

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

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

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

According to a survey by the Real Estate Economic Institute, Units for supplying condominiums nationwide in 2023 was 65,075 units, down 10.8% from the previous year. The annual supply of Units was below 70000 units for the first time in 3 years, but the average condominium price in 2023 was 59,110 thousand yen, an increase for the seventh consecutive year, and the highest level since the survey was launched in 1973.

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

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

"Be the Takara of the community."

What future does a real estate developer have.

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

MIRARTH will reform themselves and provide answers for 2030.

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

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

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

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

Encourage the region, Japan and the world..

※Takara = treasure

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

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

In the future, based on this long-term vision, we will aim to create synergies that transcend the boundaries between the Group, such as "Real Estate Business," "Energy Business," and "Asset Management Business," by reflecting Target of each company and the daily operations of each employee, as well as the ideal image that each Group company should take until 2030, and to make the future of humans and the planet happy as a "future environmental design company" that transcends the boundaries of a comprehensive real estate developer.

Current Consolidated Fiscal Year's results of operations are as follows: Net sales 185,194 Millions of yen (up 20.7% year on year), Operating income 15,457 Millions of yen (up 119.9% year on year), Ordinary income 12,984 Millions of yen (up 158.0% year on year) and Net income attributable to owners of parent 8178 Millions of yen (up 78.4% year on year).

(Net sales)

In Real Estate Business segment, 162,804 Millions of yen consisted of 2214 newly built condominiums (including JV' interests), sales of income-generating properties, sales of newly built detached houses, sales of pre-owned condominiums, rental income from apartments, condominiums, offices, etc., and management income from 76,661 managed units.

Energy Business sales totaled 13,849 Millions of yen due to the sales of power generation Facilities and other factors.

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

Other Businesses accounts for 7805 Millions of yen due to construction subcontracting, large-scale repair work orders, and various fee income.

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

(Cost of sales)

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

(Selling, general and administrative expenses)

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

(Non-operating income and expenses)

Non-operating income was 1193 Millions of yen, up 18.4% year on year, mainly due to an increase in equity in Profit of affiliates accounted for by the equity method.

Non-operating expenses was 3666 Millions of yen, an increase of 22.0% year on year, mainly due to an increase in Interest expenses.

(Extraordinary income/losses)

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

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

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 162,804 Millions of yen (up 17.0% year on year).

(Energy Business)

Revenues from the sale of Facilities and sales of Other power generation Facilities resulted in a Net sales of 13,849 Millions of yen (up 53.1% year on year).

(Asset Management Business)

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

(Other Businesses)

Net sales for this segment was 7805 Millions of yen (up 85.0% year on year) due to construction subcontracting, orders for large-scale repair work, and revenues from various fees and commissions.

② Financial Condition

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

(Current Assets)

Due to the transfer of business Assets to inventory Assets, etc., Current assets increased by 3208 Millions of yen from 191,937 Millions of yen to End of End of Previous Consolidated Accounting Period.

(Fixed Assets)

Despite the steady purchase of business Assets, Fixed assets decreased by 7442 Millions of yen from 145,441 Millions of yen to End of End of Previous Consolidated Accounting Period due to the transfer to inventory Assets and other factors.

(Current Liabilities)

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

(Fixed Liabilities)

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

(Net Assets)

Total of Net assets has increased by 6526 Millions of yen compared to 71,669 Millions of yen and End of End of Previous Consolidated Accounting Period, respectively, due to the amount of Net income attributable to owners of parent booked exceeding Dividend of surplus, etc.

③ Cash Flow

Cash and cash equivalents ("Funds") in End of the consolidated financial year decreased by 5263 Millions of yen to 41,884 Millions of yen compared to End of End of Previous Consolidated Accounting Period.

(Cash flows from operating activities)

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

(Cash flows from investing activities)

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

(Cash flows from financing activities)

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

④ Actual in manufacturing, orders received and sales

a) Net sales's Actual

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

(NOTE) Transactions between Segment are offset and eliminated.

b) Units under contract during the period

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

c) Contract Balance

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

(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 Review of Current Consolidated Fiscal Year's Operating Results, Details

The operating results of Current Consolidated Fiscal Year and other areas of our core business are as follows. In the newly built condominiums in Real Estate Business, there was a strong appetite for purchasing properties near train stations in central Tokyo and properties compatible with remote work. Sales proceeded favorably, and 2214 units (including JV' equity) were delivered. In Energy Business, a tender offer for Takara Leben Infrastructure Fund Inc.'s Investment units was completed for November, 2022, and Policy was transformed from a flow-based business model in which the Company developed and sold power generation Facilities to a recurring revenue-based business model in which the Company holds power generation Facilities and generates ongoing electricity sales revenue. 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, our core business, is based on borrowings. To ensure stable business growth while securing appropriate equity capital, we have set a numerical Target as 1 of our key management indicators regarding the dependency on borrowings. In light of the fact that borrowings increased as a result of Takara Leben Infrastructure Fund Inc.'s tender offer for Investment units, Target announced an amendment to LTV Target on May 15, 2023, which is in principle less than 65%. LTV in End of the consolidated financial year was 62.4%.

With regard to our Group's capital resources and fund liquidity, our Group's core business, Real Estate Business, has borrowed a portion of the funds for acquiring land and constructing it 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 "V Accounting 1. Consolidated Financial Statements, etc. (1) Notes Matters (Critical Accounting Estimates)."

(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]

Not applicable.

6[R&D activities]

Not applicable.

III. [Status of Facilities]

1[Overview of Capital Expenditures]

Capital expenditures and other expenditures made under Current Consolidated Fiscal Year totaled 26,641 Millions of yen, and were mainly for acquisitions of Assets for business use 26, 221 Millions of yen, and Other 420 Millions of yen.

2[Status of major facilities]

The major facilities of our group are as follows.

(1) Submitting Company

As of March 31 2024

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 □)	Leased assets	Other	Total	
Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	214	0	- (-)	-	424	639	38 (1)
Rental condominiums, etc. (Chuo-ku, Tokyo, etc.)	Real Estate Business	Condominiums for rent, rental stores, and offices	6,932	12	11,285 (16,735.84)	-	1,268	19,498	-
Mega solar facility (Hachimantai City, Iwate Prefecture, etc.)	Energy Business	Mega solar facility	25	3,328	529 (268,213.30)	-	17	3,900	-

(NOTE)1. Of the book value, "Other" is mainly Construction in progress, etc.

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

(2) Domestic subsidiaries

As of March 31 2024

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 □)	Leased assets	Other	Total	
Takara Leben Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	243	-	- (-)	-	-	243	513 (7)
Leben Community Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	113	3	- (-)	-	147	263	465 (86)
Leben Home Build Co., Ltd.	Head Office (Yokohama, Kanagawa)	Real Estate Business	General business facility	21	-	- (-)	-	9	30	125 (2)
Takara Leben Realnet Co., Ltd.	Head Office (Chuo-ku, Tokyo)	Real Estate Business	General business facility	27	-	- (-)	-	8	36	54 (5)
Leben Zestock Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Real Estate Business	General business facility	32	-	- (-)	-	7	40	27
Leben Trust Co., Ltd.	Head Office (Yokohama, Kanagawa)	Real Estate Business	General business facility	23	0	- (-)	-	4	28	74 (8)
Leben Clean Energy Co., Ltd. (NOTE)3	Head Office (Shinjuku-ku, Tokyo)	Energy Business	General business facility	23	-	- (-)	-	19	42	51
Takara Asset Management Co., Ltd. (NOTE)4	Head Office (Chiyoda-ku, Tokyo)	Asset Management Business	General business facility	5	-	- (-)	-	0	6	18 (1)
MIRARTH Real Estate Investment Advisor Co., Ltd. (NOTE)5	Head Office (Minato-ku, Tokyo)	Asset Management Business	General business facility	11	-	- (-)	0	1	13	12
Green Energy LLC, etc.	Mega solar facility (Nasu-gun, Tochigi, etc.)	Energy Business	Mega solar facility	65	42,698	7,846 (2,261,086.45)	-	3,165	53,776	-

(NOTE)1. Of the book value, "Other" mainly consists of Tools, furniture and fixtures, Construction in progress, and Software.

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

3. Leben Clean Energy Co., Ltd. changed its name to MIRARTH Energy Solutions, Inc. on April 1, 2024.

4. Takara Asset Management Co., Ltd. changed its name to MIRARTH Asset Management Co., Ltd. on April 1, 2024.

5. Takara PAG Real Estate Advisory Ltd. changed its name to MIRARTH Real Estate Investment Adviser Co., Ltd. on March 29, 2024.

(3) Foreign subsidiaries

This information is omitted because it is not material.

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

(1) Construction of major facilities

Not applicable.

(2) Disposal of major facilities

Not applicable.

IV. [Status of the Filing Company]

1[Status of Equity securities]

(1)[Total number of Equity securities]

①[Total number of Equity securities]

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) (2024 March 31)	Number of shares issued as of the filing date (shares) (June 26, 2024)	Stock exchange on which the company is listed	Details
Common stock	121,000,000	137,000,000	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	137,000,000	-	-

(NOTE)The issuance of new Equity securities through a public offering with a payment date of June 4, 2024 increased Number of issued shares by 16 million Shares.

(2)[Status of Subscription rights to shares]

①[Details of Stock options system]

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 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(NOTE) 2
Strike term of Subscription rights to shares *	From July 10, 2012 to July 9, 2052
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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 Equity securities gratuitous allotment, or in the event Grant Equity securities count needs to be adjusted according to Other, Grant Equity securities count shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2.The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..

3.① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.

② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.

4.① A. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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)Causes other than the death of Subscription rights to shares (excluding the cases of resignation, etc. stipulated in ii below for Within 3 years from the date of allotment) If, by Subscription rights to shares, Director or Executive Officers status of our group is lost and 10 days have passed since the day following the date of loss

(ii)In the event Subscription rights to shares loses any of the status of Director and Executive Officers of the Group to Within 3 years from the date of allotment of Subscription rights to shares due to resignation or retirement for personal reasons or dismissal or disciplinary action pursuant to 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 (each of which becomes a split company), or a Equity securities transfer (each of which 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 consolidation with respect to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by Equity securities 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 (c) 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

On July 1, 6.2013, Common stock 1 Shares was split into 4 Shares by Equity securities. 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(NOTE) 2
Strike term of Subscription rights to shares *	From May 15, 2013 to May 14, 2053
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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 Equity securities gratuitous allotment, or in the event Grant Equity securities count needs to be adjusted according to Other, Grant Equity securities count shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
3. ① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
4. ① A. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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) Causes other than the death of Subscription rights to shares (excluding the cases of resignation, etc. stipulated in ii below for Within 3 years from the date of allotment) If, by Subscription rights to shares, Director or Executive Officers status of our group is lost and 10 days have passed since the day following the date of loss
 - (ii) In the event Subscription rights to shares loses any of the status of Director and Executive Officers of the Group to Within 3 years from the date of allotment of Subscription rights to shares due to resignation or retirement for personal reasons or dismissal or disciplinary action pursuant to 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 (each of which becomes a split company), or a Equity securities transfer (each of which 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 consolidation with respect to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by Equity securities 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 (c) 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

On July 1, 6.2013, Common stock 1 Shares was split into 4 Shares by Equity securities. 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(NOTE) 2
Strike term of Subscription rights to shares *	From May 2014, 2014 to May 13, 2054
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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 Equity securities gratuitous allotment, or in the event Grant Equity securities count needs to be adjusted according to Other, Grant Equity securities count shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2.The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..

3.① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.

② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.

4.① A. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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) Causes other than the death of Subscription rights to shares (excluding the cases of resignation, etc. stipulated in ii below for Within 3 years from the date of allotment) If, by Subscription rights to shares, Director or Executive Officers status of our group is lost and 10 days have passed since the day following the date of loss

(ii) In the event Subscription rights to shares loses any of the status of Director and Executive Officers of the Group to Within 3 years from the date of allotment of Subscription rights to shares due to resignation or retirement for personal reasons or dismissal or disciplinary action pursuant to 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 (each of which becomes a split company), or a Equity securities transfer (each of which 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 consolidation with respect to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by Equity securities 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 (c) 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is 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(NOTE) 2
Strike term of Subscription rights to shares *	From July 2015, 2015 to July 14, 2055
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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 Equity securities gratuitous allotment, or in the event Grant Equity securities count needs to be adjusted according to Other, Grant Equity securities count shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
3. ① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
4. ① A. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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) Causes other than the death of Subscription rights to shares (excluding the cases of resignation, etc. stipulated in ii below for Within 3 years from the date of allotment) If, by Subscription rights to shares, Director or Executive Officers status of our group is lost and 10 days have passed since the day following the date of loss
 - (ii) In the event Subscription rights to shares loses any of the status of Director and Executive Officers of the Group to Within 3 years from the date of allotment of Subscription rights to shares due to resignation or retirement for personal reasons or dismissal or disciplinary action pursuant to 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 (each of which becomes a split company), or a Equity securities transfer (each of which 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 consolidation with respect to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by Equity securities 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 (c) 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is 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(NOTE) 2
Strike term of Subscription rights to shares *	From May 11, 2016 to May 10, 2056
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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 Equity securities gratuitous allotment, or in the event Grant Equity securities count needs to be adjusted according to Other, Grant Equity securities count shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
3. ① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
 - ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
4. ① A. Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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) Causes other than the death of Subscription rights to shares (excluding the cases of resignation, etc. stipulated in ii below for Within 3 years from the date of allotment) If, by Subscription rights to shares, Director or Executive Officers status of our group is lost and 10 days have passed since the day following the date of loss
 - (ii) In the event Subscription rights to shares loses any of the status of Director and Executive Officers of the Group to Within 3 years from the date of allotment of Subscription rights to shares due to resignation or retirement for personal reasons or dismissal or disciplinary action pursuant to 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 (each of which becomes a split company), or a Equity securities transfer (each of which 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 consolidation with respect to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by Equity securities 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 (c) 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is 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(NOTE) 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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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 Equity securities gratuitous allotment, or in the event Grant Equity securities count needs to be adjusted according to Other, Grant Equity securities count shall be appropriately adjusted to the extent reasonable. Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
3. ① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
- ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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 either Director or Executive Officers status of our group due to the resignation of Within 3 years from the date of Subscription rights to shares allocation for personal reasons (excluding retirement due to the expiration of Term of Office or retirement or retirement due to the convenience of our group)
 4. In the event that any of Director and Executive Officers status of our group is lost due to Ordinary General Meeting of Shareholders resolution or dismissal or disciplinary action by Board of Directors resolution of our group, or that it is reasonably accepted that it is not appropriate to have our Board of Directors exercise Subscription rights to shares
 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 (each of which becomes a split company), or a Equity securities transfer (each of which 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 consolidation with respect to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by Equity securities 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 (c) 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is 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(NOTE) 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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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, corporate split, Equity securities split, or Equity securities reverse split, or Other free allotment, or in the event Grant Equity securities count needs to be adjusted accordingly, Grant Equity securities count shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2.The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..

3.① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.

② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.

4.① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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 either Director or Executive Officers status of our group due to the resignation of Within 1 year from the date of Subscription rights to shares allocation for personal reasons (excluding retirement due to the expiration of Term of Office or retirement or retirement due to the convenience of our group)
4. In the event that any of Director and Executive Officers status of our group is lost due to Ordinary General Meeting of Shareholders resolution or dismissal or disciplinary action by Board of Directors resolution of our group, or that it is reasonably accepted that it is not appropriate to have our Board of Directors exercise Subscription rights to shares
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 (each of which becomes a split company), or a Equity securities transfer (each of which 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 consolidation with respect to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by Equity securities 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 (c) 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

(h) 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(NOTE) 2
Strike term of Subscription rights to shares *	From July 31, 2019 to July 30, 2059
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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, corporate split, Equity securities split, or Equity securities reverse split, or Other free allotment, or in the event Grant Equity securities count needs to be adjusted accordingly, Grant Equity securities count shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
3. ① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
- ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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 either Director or Executive Officers status of our group due to the resignation of Within 1 year from the date of Subscription rights to shares allocation for personal reasons (excluding retirement due to the expiration of Term of Office or retirement or retirement due to the convenience of our group)
 4. In the event that any of Director and Executive Officers status of our group is lost due to Ordinary General Meeting of Shareholders resolution or dismissal or disciplinary action by Board of Directors resolution of our group, or that it is reasonably accepted that it is not appropriate to have our Board of Directors exercise Subscription rights to shares
 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 Equity securities transfer (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 consolidation with regard to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by transfer; and the date of incorporation of Equity securities 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

Re. 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(NOTE) 2
Strike term of Subscription rights to shares *	From August 2, 2020 to August 1, 2060
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 400 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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, corporate split, Equity securities split, or Equity securities reverse split, or Other free allotment, or in the event Grant Equity securities count needs to be adjusted accordingly, Grant Equity securities count shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

- 2.The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
- 3.① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
- ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
- 4.① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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 either Director or Executive Officers status of our group due to the resignation of Within 1 year from the date of Subscription rights to shares allocation for personal reasons (excluding retirement due to the expiration of Term of Office or retirement or retirement due to the convenience of our group)
 4. In the event that any of Director and Executive Officers status of our group is lost due to Ordinary General Meeting of Shareholders resolution or dismissal or disciplinary action by Board of Directors resolution of our group, or that it is reasonably accepted that it is not appropriate to have our Board of Directors exercise Subscription rights to shares
 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 Equity securities transfer (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 consolidation with regard to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by transfer; and the date of incorporation of Equity securities 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

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

Resolution Date	July 12, 2021
Category and number of grantees (persons)	Directors 7 Our 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(NOTE) 2
Strike term of Subscription rights to shares *	From August 1, 2021 to July 31, 2061
For shares issued upon the exercise of Subscription rights to shares Issue price and amount designated as capital (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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 100 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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, Equity securities split, or Equity securities reverse split, or Other free allotment, or in the event Grant Equity securities count needs to be adjusted accordingly, Grant Equity securities count shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
3. ① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
- ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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 either Director or Executive Officers status of our group from the date of Subscription rights to shares allocation due to Within 1 year's resignation at its own discretion, etc. (excluding retirement due to the expiration of Term of Office and retirement or retirement due to the convenience of our group)
 4. In the event that any of Director and Executive Officers status of our group is lost due to Ordinary General Meeting of Shareholders resolution or dismissal or disciplinary action by Board of Directors resolution of our group, or that it is reasonably accepted that it is not appropriate to have our Board of Directors exercise Subscription rights to shares
 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 Equity securities transfer (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 consolidation with regard to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by transfer; and the date of incorporation of Equity securities 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

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

Resolution Date	July 29, 2022
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(NOTE) 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 Current fiscal year (2024 March 31) is shown. As of the end of the previous month (May 31, 2024), there was no change in Details that should be stated from Details as of the end of Current fiscal year, the description related to the end of the previous month of the filing date has been omitted.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 100 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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, Equity securities split, or Equity securities reverse split, or Other free allotment, or in the event Grant Equity securities count needs to be adjusted accordingly, Grant Equity securities count shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
3. ① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 (1) yen resulting from the calculation shall be rounded up.
- ② The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
4. ① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. 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 either Director or Executive Officers status of our group from the date of Subscription rights to shares allocation due to Within 1 year's resignation at its own discretion, etc. (excluding retirement due to the expiration of Term of Office and retirement or retirement due to the convenience of our group)
 4. In the event that any of Director and Executive Officers status of our group is lost due to Ordinary General Meeting of Shareholders resolution or dismissal or disciplinary action by Board of Directors resolution of our group, or that it is reasonably accepted that it is not appropriate to have our Board of Directors exercise Subscription rights to shares
 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 Equity securities transfer (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 consolidation with regard to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by transfer; and the date of incorporation of Equity securities 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

(o) 12th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	July 3, 2023
Category and number of grantees (persons)	Our Director 2 Subsidiary Director 6 Subsidiary Executive Officers 9[8]
Number of Subscription rights to shares (units)*	1,767[1,708]
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 176.7 thousand[170.8 thousand] (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	100(NOTE) 2
Strike term of Subscription rights to shares *	From August 2, 2023 to August 1, 2063
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 32,100 Capital-capitalized amount 16,050 (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 Current fiscal year (2024 March 31) is shown. Regarding matters that have changed from the last day of Current fiscal year to the end of the previous month (May 31, 2024), Details as of the end of the previous month as of the filing date is shown in [], and there is no change from Details as of the end of Current fiscal year for For Other matters.

(NOTE)1. Class of shares that is the object of Subscription rights to shares shall be our Common stock and the target Equity securities per Subscription rights to shares (hereinafter referred to as "Grant Equity securities") shall be 100 Shares.

In addition, in the event we conduct a Equity securities split or Equity securities reverse split of our Common stock after the allocation date of Subscription rights to shares, Grant Equity securities count 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, Equity securities split, or Equity securities reverse split, or Other free allotment, or in the event Grant Equity securities count needs to be adjusted accordingly, Grant Equity securities count shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for Subscription rights to shares that are not Exercise of rights at that point in time and that are the target Equity securities numbers.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be The amount shall be 1 yen per share that can be delivered upon exercise of the Stock Acquisition Rights and multiplied by the total number of Granted Shares..
- 3.① The amount of Capital stock to be increased when issuing Equity securities 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 Article 17 I of the Company Accounting Rules, and any fraction less than 1 ① yen resulting from the calculation shall be rounded up.
 - ②The amount of Legal capital surplus to be increased when issuing Equity securities 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 ① above from the maximum amount of Capital stock to be increased as set forth in ① above.
- 4.① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subsidiaries and associates after the day following the date on which the relevant Subscription rights to shares Person lost any of the positions of Director and Executive Officers of our group (which means us and our group. The same shall apply hereinafter).
 - ②Notwithstanding 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 either Director or Executive Officers status of our group from the date of Subscription rights to shares allocation due to Within 1 year's resignation at its own discretion, etc. (excluding retirement due to the expiration of Term of Office and retirement or retirement due to the convenience of our group)
 4. In the event that any of Director and Executive Officers status of our group is lost due to Ordinary General Meeting of Shareholders resolution or dismissal or disciplinary action by Board of Directors resolution of our group, or that it is reasonably accepted that it is not appropriate to have our Board of Directors exercise Subscription rights to shares

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 Equity securities transfer (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 consolidation with regard to the merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by transfer; and the date of incorporation of Equity securities 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 contract, absorption-type demerger contract, incorporation-type demerger plan, Equity securities replacement contract or Equity securities 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 that is the object of 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 Equity securities subject to the respective Subscription rights to shares. The exercise price after the reorganization shall be 1 yen as the amount of Equity securities 1 Shares Per share of the reorganized companies that can be delivered by exercising the delivered Subscription rights to shares.

④ Matters pertaining to obtaining Subscription rights to shares

In the event that an Absorption-type Merger Agreement, an Incorporation-type Merger Agreement, an Absorption-type Company Split Agreement in which we become a splitting company, an Incorporation-type Company Split Plan, or an Equity securities Exchange Agreement or a Equity securities Transfer Plan in which we become a wholly owned subsidiary is approved in our Ordinary General Meeting of Shareholders (our Board of Directors in the event that the approval of Ordinary General Meeting of Shareholders is not required), a Subscription rights to shares that has not been Exercise of rights 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 relating to the increasing Capital stock and Legal capital surplus in cases where Equity securities is 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 For Other Subscription rights to shares]

Not applicable.

(3) [Exercise Status of Corporate Bonds with Subscription rights to shares with Exercise Price Adjustment Clause]

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)1	△3,000,000	121,000,000	-	4,819	-	4,817

(NOTE)1. Decreased due to cancellation of Treasury stock.

2. Subsequent to the closing date, Number of issued shares increased by 16 million Shares, Capital stock and Legal capital surplus by 3512 Millions of yen each due to a capital increase through a public offering with a payment date of June 4, 2024.

(5)[Breakdown of Shareholders]

As of March 31 2024

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	-	23	29	227	109	194	53,404	53,986	-
Number of shares held (unit)	-	178,873	53,036	321,036	140,699	1,047	514,473	1,209,164	83,600
Percentage (%) of shares held	-	14.79	4.39	26.55	11.63	0.09	42.55	100	-

(NOTE)1. 10,902,707 Shares of Treasury stock is included in 109,027 units under Individuals Other and 7 Shares under Shares less than 1 unit.

2. The "Other Corporation" column includes 16 units of Equity securities in the name of the JASDEC.

(6)[for trust account]

As of March 31 2024

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	25,633	23.28
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka 1-8-1, Minato-ku, Tokyo	11,141	10.12
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	2,975	2.70
Morgan Stanley MUFG Securities, Co., Ltd.	1-9-7, Otemachi, Chiyoda-ku, Tokyo	2,163	1.97
Murayama Kikaku Co., Ltd.	4-33-10, Narimasu, Itabashi-ku Tokyo	2,000	1.82
RUDEN HOLDINGS Co., Ltd.	20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	1,724	1.57
JPMorgan Securities Japan Co., Ltd.	Marunouchi, Chiyoda-ku, Tokyo 2-chord 7th No. 3	1,527	1.39
MIRARTH Holdings Business Partner Shareholding Association	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	1,452	1.32
Sumitomo Mitsui Banking Corporation	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	1,184	1.08
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)	1,175	1.07
Total	-	50,977	46.30

(NOTE)1. Of The Master Trust Bank of Japan, Ltd. (Trust account)'s Number of shares held, there are 11,141,000 Shares of Equity securities in the trust business.

2. Of Custody Bank of Japan, Ltd. (Trust account)'s Number of shares held, there are 2,975,000 Shares of Equity securities in the trust business.

(7)[Status of voting rights]

①[Issued shares]

As of March 31 2024

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 10,902,700	-	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 110,013,700	1,100,137	Same as above
Shares less than 1 unit	Common stock 83,600	-	Shares less than 1 unit (100 shares)
Number of issued shares	121,000,000	-	-
Voting rights of all shareholders	-	1,100,137	-

(NOTE)The column "Shares with full voting rights (other than the above)" includes 1,600 Shares of Equity securities 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 March 31 2024

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)	To Number of issued shares Number of shares held for Percentage (%) for
MIRARTH HOLDINGS, Inc.	Chiyoda-ku, Tokyo Marunouchi 1-chome No. 8-2	10,902,700	-	10,902,700	9.01
Total	-	10,902,700	-	10,902,700	9.01

2[Acquisitions of Treasury stock]

[Class of shares, etc.] Common stock

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

Not applicable.

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

Not applicable.

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

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)	289,900	108,132,700	5,900	2,200,700
Treasury stock held	10,902,707	-	10,896,807	-

(NOTE)Treasury stock held in Current term does not include Equity securities acquired or processed between June 1, 2024 and Securities Report Statement filing date (June 26, 2024).

3[Dividend Policy]

Returning profits to Profit is 1 of the Company's most Important issue, and the Company's basic Policy is to pay stable and continuous dividends in line with business performance, while securing sufficient retained earnings to develop its business and strengthen its 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."

In addition, we have established the Articles of Incorporation to the effect that "the matters set forth in each item of Article 459 I of Dividend of surplus and Other Companies Act may be determined by a resolution of Board of Directors unless otherwise provided by laws and regulations." In Current fiscal year, Term end dividends were determined by a resolution of Ordinary General Meeting of Shareholders.

In the fiscal year under review, we plan to pay dividends that balance internal reserves for future growth, while building a structure that can weather changes in the external environment with our own company strength.

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 30, 2023 Board of Directors resolution	659	6.0
June 26, 2024 Annual Shareholders' Meeting resolution	1,981	18.0

4[Status of Corporate Governance]

(1)[Overview of Corporate Governance]

① Basic Approach to Corporate Governance

We regard "To design sustainable environments for a happier future for both people and our planet." as a "Our Purpose" and recognize that addressing Sustainability issues is a critical management issue. Accordingly, we will not merely pursue Profit, but also comply with laws and corporate ethics. We will fulfill our social responsibilities as a member of the corporate society, and aim 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 this system

a. Overview of Corporate Governance Structure

In order to ensure appropriate Supervise and Audit in the execution of business, we have adopted a system that clarifies Supervise's responsibilities for Board of Directors's Supervise and Audit's Audit system, and a Executive Officers system to clarify Director's management Supervise and Audit's responsibilities for business execution.

(Board of Directors)

Board of Directors is authorized 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 Director from an independent and objective standpoint." Director is currently 7 members including 4 Outside Director, and is chaired by Representative Director Kazuichi Shimada. Director Daisuke Nakamura, Shoichi Akisawa, Outside Director Keiko Yamahira, Naohito Yamagishi, Kaname Uchida, and Yuko Kanamaru. In principle, Board of Directors is held at the frequency of monthly Once and extraordinary Board of Directors is held as needed to make careful and prompt decisions. The Directors monitor each other's performance of their duties.

Attendance Status of Director to Board of Directors in Fiscal Year 2023 is as follows:

Title	Name Title	Attendance Status
		Board of Directors
Representative Director	Kazuichi Shimada	16 times/16 times (100%)
Director	Masashi Yamamoto	16 times/16 times (100%)
Outside Director	Kenji Kawada	16 times/16 times (100%)
Outside Director	Chiaki Tsuji	16 times/16 times (100%)
Outside Director	Keiko Yamahira	16 times/16 times (100%)
Outside Director	Naohito Yamagishi	16 times/16 times (100%)

As a concrete Details for Fiscal Year 2023 under Board of Directors, we have established a structure that enables us to make quicker and more flexible management decisions in the future. At the same time, we have clarified the profitability and business responsibilities of each Segment and effectively utilized management resources. In addition, we have reviewed 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. Accordingly, as the basic Policy of management, we have indicated our raison purpose and values, and we are promoting corporate activities based on the par path. In addition, we shared information and exchanged views on important management issues not only between Outside officers but also between internal and external directors and Executive Officers and others. The items discussed by 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.
- Other evaluated the effectiveness of Board of Directors, and then discussed future initiatives to strengthen Board of Directors and group governance systems after the transition to HD system, which was identified as an issue for the future, and to enhance discussions on management strategies, including crisis-management systems and investing in human capital, for the entire group.

(Audit & Supervisory Board)

Audit & Supervisory Board is empowered to carry out Audit of the execution of Director's duties and the proper implementation of the accounting Audit from an independent and objective standpoint as its main roles and responsibilities. In principle, Audit & Supervisory Board meets at the monthly Once frequency and currently consists of 3 members: Yuko Miura, Standing Audit & Supervisory Board Members Masaki Kimura, and Akihito Watanabe Part-time Audit, all of whom are outside Audit & Supervisory Board members. This ensures a system for more appropriate Audit, including the status of Board of Directors operations and the status of Director's business operations. For information on the activities of Audit & Supervisory Board Members and Audit & Supervisory Board, please refer to (3) Audit Status ① Audit & Supervisory Board Members Audit Status.

(Other Commission)

Other, we have established the Nomination Advisory Committee and the Compensation Advisory Committee, which are voluntary advisory bodies, with the aim of enhancing the objectivity and transparency of the decision-making process concerning personnel, compensation, etc. for Director, etc. and further enhancing and strengthening our corporate governance system. The Nominating Advisory Committee is composed of Outside Director Naohito Yamagishi, Kaname Uchida, Yuko Kanamaru, and Representative Director Kazuichi Shimada. The Compensation Advisory Committee is composed of Outside Director Keiko Yamahira, Naohito Yamagishi, Kaname Uchida, Yuko Kanamaru, and Representative Director Kazuichi Shimada.

Attendance Status of each member to the Nomination Advisory Committee and the Compensation Advisory Committee in Fiscal Year 2023 is as follows.

Title	Name Title	Attendance Status	
		Appointment Advisory Committee	Compensation Advisory Committee
Outside Director (Nomination Advisory Board Chair)	Kenji Kawada	10 times/11 times (91%)	10 times/11 times (91%)
Outside Director (Compensation Advisory Board Chair)	Keiko Yamahira	11 times/11 times (100%)	11 times/11 times (100%)
Outside Director	Chiaki Tsuji	11 times/11 times (100%)	11 times/11 times (100%)
Outside Director	Naohito Yamagishi	11 times/11 times (100%)	11 times/11 times (100%)
Representative Director	Kazuichi Shimada	11 times/11 times (100%)	11 times/11 times (100%)

The Nomination Advisory Committee's Fiscal Year 2023 specific review Details was determined by examining succession plans for the development and selection of successors for CEO, etc.

The Compensation Advisory Committee considered and decided on the executive compensation system as a specific Details for Fiscal Year 2023.

Compliance Committee meets on a monthly Once basis, and Risk Management Committee meets on a quarterly basis in principle. Once meets whenever necessary. The system ensures the appropriateness of Subsidiaries and associates operations by ensuring thorough compliance, risk assessment and management, and by having the general manager of the Group's Internal Audit Office and Audit & Supervisory Board members regularly conduct Audit to Subsidiaries and associates. The 2 committees consist of Representative Director Kazuichi Shimada as Chair and Executive Officers Go Yamaji as the deputy Chair, and Director Daisuke Nakamura, Akisawa Shoichi, Outside Director Yamadairako, Naohito Yamagishi, Kaname Uchida, Yuko Kanamaru, Standing Audit & Supervisory Board Members Yuko Miura, Masaki Kimura and Part-time Audit Akihito Watanabe.

Compliance Committee and Attendance Status to Risk Management Committee by each member in Fiscal Year 2023 are as follows.

Title	Name Title	Attendance Status	
		Compliance Committee	Risk Management Committee
Representative Director (Chair)	Kazuichi Shimada	12 times/12 times (100%)	5 times/5 times (100%)
Group CRO (Deputy Chair)	Go Yamaji	2 times/2 times (100%)	-
Director	Masashi Yamamoto	12 times/12 times (100%)	5 times/5 times (100%)
Outside Director	Kenji Kawada	12 times/12 times (100%)	5 times/5 times (100%)
Outside Director	Chiaki Tsuji	12 times/12 times (100%)	5 times/5 times (100%)
Outside Director	Keiko Yamahira	12 times/12 times (100%)	5 times/5 times (100%)
Outside Director	Naohito Yamagishi	12 times/12 times (100%)	5 times/5 times (100%)
Standing Audit & Supervisory Board Members	Makoto Endo	12 times/12 times (100%)	5 times/5 times (100%)
Standing Audit & Supervisory Board Members	Yuko Miura	12 times/12 times (100%)	5 times/5 times (100%)
Part-time Audit	Asami Honma	12 times/12 times (100%)	5 times/5 times (100%)

(NOTE)Mr. Executive Officers's Compliance Committee and Attendance Status of Risk Management Committee are based on the number of meetings of both committees held in Fiscal Year 2023 since the Group CRO became Vice Chair of both committees as a result of revisions to Compliance Committee Regulations and Risk Management Committee Regulations dated January 29, 2024.

As a concrete Details for the Fiscal Year 2023 study by Compliance Committee, we examined responses to whistle-blowing. We also examined and implemented various types of training as a thorough compliance initiative for our executives and employees.

As a specific Details for Fiscal Year 2023 in Risk Management Committee, we assessed and identified "risks that should be addressed company-wide" among the risks surrounding our group based on the degree of impact and likelihood of occurrence of each risk. We also considered and formulated appropriate countermeasures for identified risks, monitored those risks, and discussed and put in place Report system.

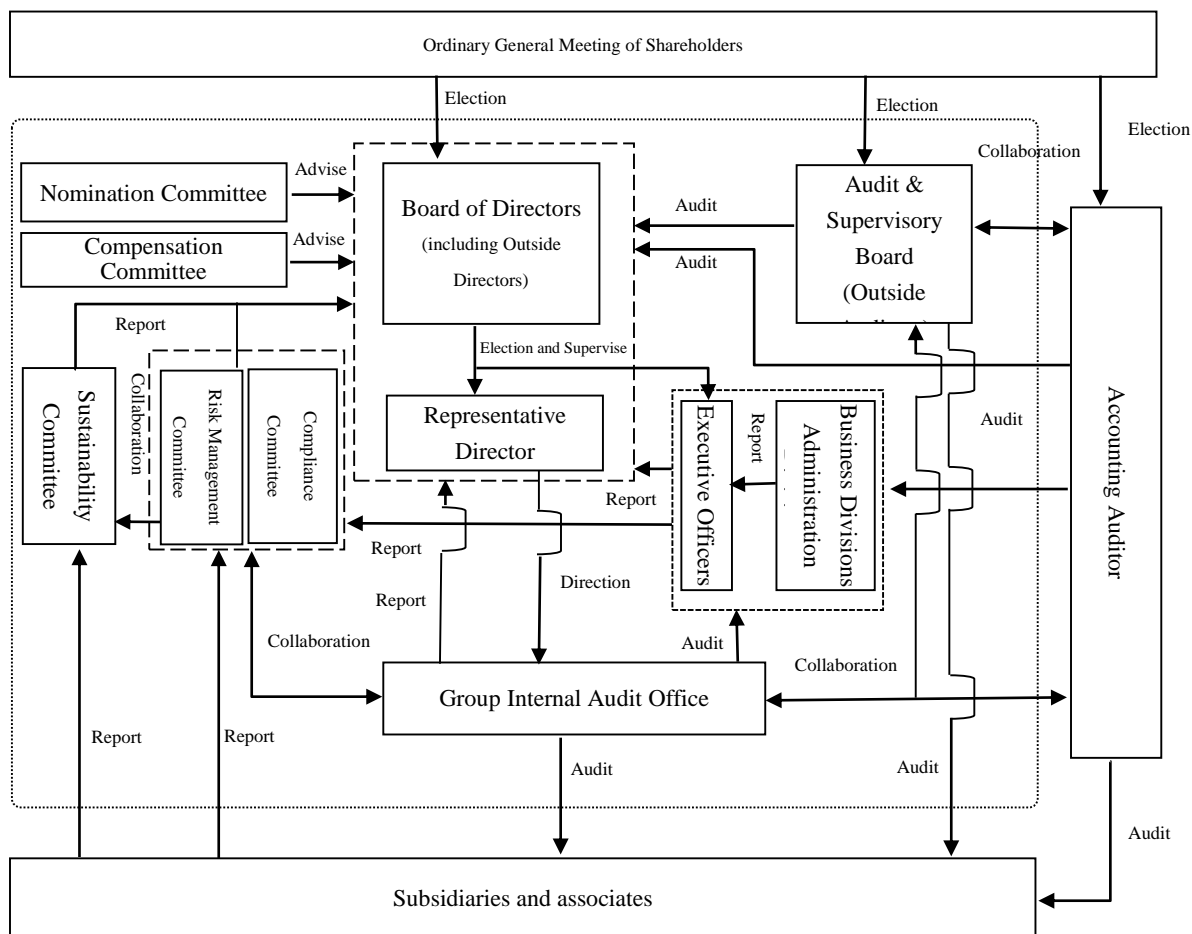
Furthermore, in addition to holding quarterly Once meetings in principle, Sustainability committee meets whenever needed to formulate Policy related to our Sustainability, identify and regularly review materiality as a Important issue, determine environmental Policy and measures, and Report our Sustainability promotion activities to Board of Directors. Sustainability committee consists of Representative Director Kazuichi Shimada as a Chair and Director Daisuke Nakamura, Shoichi Akisawa, Outside Director Keiko Yamahira, Naohito Yamagishi, Kaname Uchida and Yuko Kanamaru.

Attendance Status of Sustainability committee members in Fiscal Year 2023 was as follows.

Title	Name Title	Attendance Status
		Sustainability committee
Representative Director (Chair)	Kazuichi Shimada	4 times/4 times (100%)
Director	Masashi Yamamoto	4 times/4 times (100%)
Outside Director	Kenji Kawada	4 times/4 times (100%)
Outside Director	Chiaki Tsuji	4 times/4 times (100%)
Outside Director	Keiko Yamahira	4 times/4 times (100%)
Outside Director	Naohito Yamagishi	4 times/4 times (100%)

Specific Details for Fiscal Year 2023 at Sustainability committee included the establishment of a KPI for Sustainability, monitoring progress, and re-specifying Important issue (materiality). In addition to analyzing scenarios for disclosing TCFD and determining responses to CDP Climate Change Questionnaire, as a response to climate change, we decided to disclose calculated data on the environment. We also revised Target to reduce emissions of greenhouse gases (Scope 1, 2 and 3) associated with our group's business activities by 45% by Fiscal Year 2030 (compared to Fiscal Year 2022) and to make it net-zero by Fiscal Year 2050, and deliberated on measures to reduce emissions.

The corporate governance structure of our group is shown below.



1. 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 Corporate Governance For Other Matters

a. Internal Control System

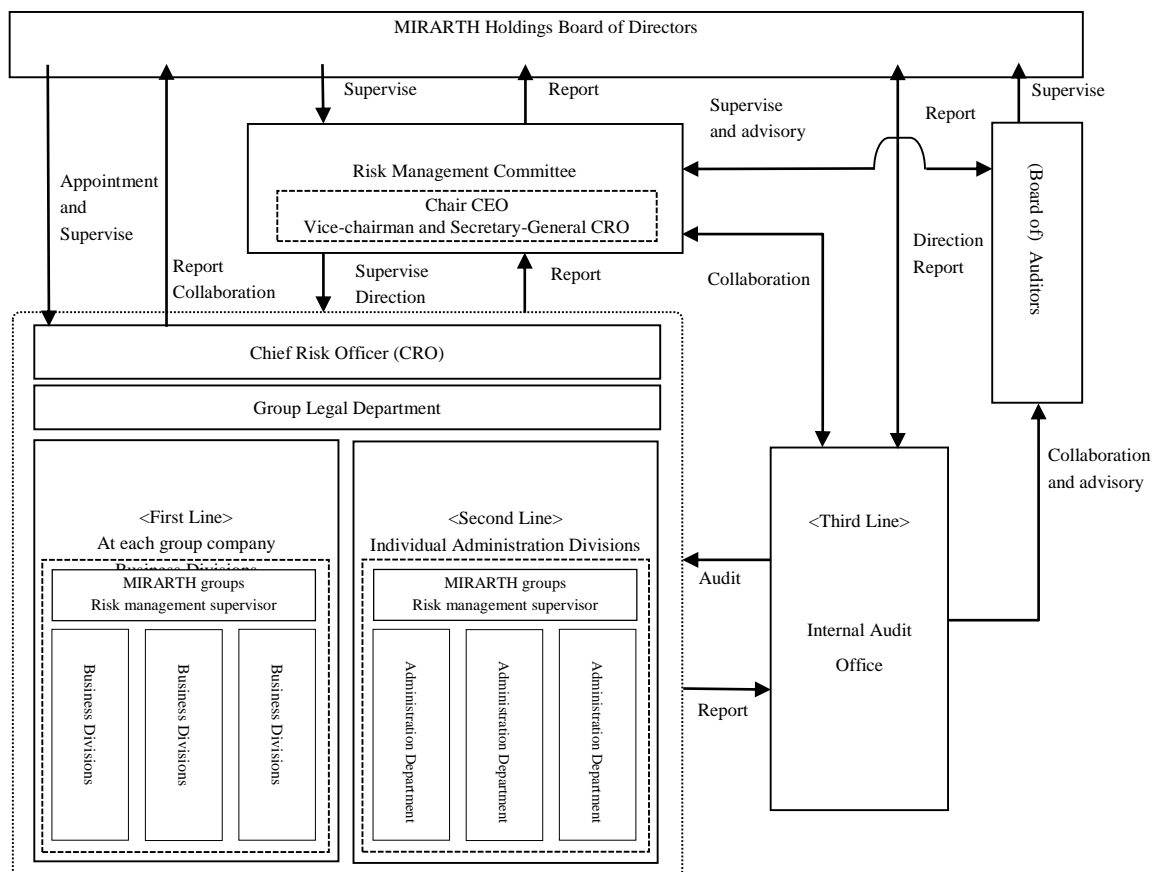
We have established the Internal Control Basic Regulations, which stipulate the basic systems, maintenance, operation, evaluation, and renewal of internal controls to ensure the appropriateness of the operations of us, Consolidated subsidiaries, and equity-method affiliates, as well as the basic matters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

1. 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 Risk Management Committee with the President 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. In order to strengthen internal controls and thoroughly prevent scandals related to operations as a whole, including financial reporting, and non-compliance incidents. In order to develop and continuously improve the Group's risk management system, our Board of Directors will Election the Group CRO (Chief Risk Management Officer) from among Director or Executive Officers, and we will request the convocators to call Risk Management Committee as needed. In this way, we will proactively propose appropriate risk management. In addition, discussions and decisions made at Risk Management Committee are verified in accordance with Risk Management Committee Regulations as appropriate, and Report to Board of Directors is made as Details to make a This system enables prompt decision making when risks materialize..

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 groups. In addition, the Company has established a system for antisocial 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.

In addition, we will ask our business partners to exchange a Memorandum of Understanding on Insulation with Antisocial Forces, or include "Antisocial Forces Elimination Clauses" in various contract documents, etc. and make a of anti-social forces in agreements to enhance measures to eliminate anti-social forces..

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

In the Regulations Governing Affiliated Companies, we have stipulated Subsidiaries and associates management Policy and management organization. We have dispatched our Director, Executive Officers and Audit & Supervisory Board Members to Subsidiaries and associates and regularly held Report meetings to share information. In this way, we are working to streamline management.

E. Outline of Details of Limited Liability Agreement

We have concluded an agreement with Director (excluding those who are executive Director, etc.), Outside Audit & Supervisory Board Members, and Accounting Auditor to limit liability for damages as set forth in Article 423 I of the Companies Act pursuant to the provisions of Article 427 I of the Companies Act. The amount of liability for damages under the applicable agreement is the minimum liability amount as provided by laws and regulations, provided that such liability is limited to the cases where the performance of duties caused by such Director (excluding those who are executive Director, etc.), Outside Audit & Supervisory Board Members, and OOE are performed in good faith and without gross negligence.

O. 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 and statutory auditors, as defined in Section 430-3 I of the Companies Act, with employees who are insured by us and all of our subsidiaries (except MIRARTH Real Estate Investment Adviser Co., Ltd.), who are Director, directors and Audit officers, Executive Officers, and employees who are responsible for administrative Supervise and directing.

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.

Ka. Fixed number of directors

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

Ki. Resolution Requirements for Election and Dismissal of Directors

The Articles of Incorporation of the Company stipulate that Director's Election resolution shall be made 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.

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

- Decision-making body for Dividend of surplus, etc.

We have stipulated in the Articles of Incorporation that matters stipulated in Article 459 I of the Companies Act, including Dividend of surplus, may be stipulated by a resolution of Board of Directors without a resolution of Ordinary General Meeting of Shareholders, unless otherwise stipulated by law. The objective is to flexibly return Profit to shareholders by allowing Dividend of surplus, etc. to be determined by Board of Directors resolutions.

- 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.

- To acquire its own Equity securities

We have stipulated in the Articles of Incorporation that we may acquire our own Equity securities by a resolution of Board of Directors pursuant to Article 165 II of the Companies Act. The aim of this is to acquire treasury Equity securities 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 Director and Audit

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

Ke. Extraordinary Resolution Requirements of Ordinary General Meeting of Shareholders

The Articles of Incorporation of the Company provide that Extraordinary Resolution Requirements of Ordinary General Meeting of Shareholders set forth in Article 309 II of the Companies Act shall be implemented by 2-thirds or more of the voting rights of shareholders present who hold 1-third or more of the shareholders with 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 Directors and Audit & Supervisory Board Members]

① Board of Directors

Male: 7 Female: 3 (Ratio of female directors: 30.0%)

Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
Representative Director, Group CEO, Group COO, President and Executive Officers	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</p> <p>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)</p> <p>Chief Financial Officer (CFO) and General Manager of Corporate Planning Division</p> <p>April. 2014 Our President and Chief Executive Officer (CEO) Representative Director Chief Operating Officer (COO) Chief Financial Officer (CFO)</p> <p>April. 2019 President and Chief Executive Officer of our Representative Director (CEO)</p> <p>June, 2019 Our Representative Director and Chief Executive Officer (CEO) and President and Executive Officers</p> <p>October, 2022 Our Representative Director, Group CEO, Group COO and President and Executive Officers (to present)</p> <p>Takara Leben Co., Ltd. Representative Director and CEO, President and Executive Officers</p> <p>June. 2024 Vice Chairman, Takara Leben Co., Ltd. Director (current position) Housing Industry Credit Guarantee Co., Ltd. Outside Director (to present)</p>	(NOTE)3	1,008
Director Senior Vice President, CFO and Executive Officers (in charge of Group Finance Dept. and Group Accounting Dept.)	Daisuke Nakamura	Born on February 12, 1968	<p>April. 1991 Joined Taiyo Kobe Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>April, 2014 Tokorozawa General Manager of Corporate Sales Dept.</p> <p>April. 2016 General Manager of Corporate Strategy Dept.</p> <p>April, 2017 General Manager, Nihonbashi East Corporate Sales Dept.</p> <p>April. 2019 General Manager, Kanda Corporate Sales Department I</p> <p>April. 2020 Executive Officers</p> <p>Head of Kanda Corporate Sales Department I</p> <p>April, 2021 Bank Executive Officers</p> <p>Head of East Japan Corporate Sales Division I</p> <p>April. 2023 Managing Executive Officers</p> <p>Deputy Chief Officer of Wholesale Division</p> <p>Sumitomo Mitsui Financial Group</p> <p>Managing Executive Officers</p> <p>Assistant General Manager, Wholesale Business Divisions Business Divisions</p> <p>May 2024 Managing Executive Officers of the Company</p> <p>June 2024 Director and CFO of the Company</p> <p>Senior Managing Director, Executive Officers (in charge of Group Finance Dept. and Group Accounting Dept.) (to present)</p> <p>Takara Leben Co., Ltd. Director and Senior Managing Director, Executive Officers (to present)</p>	(NOTE)3	-

Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
Director (in charge of Real Estate Segment)	Shoichi Akisawa	Born May 10, 1965	<p>Joined April, 1988 Towa Real Estate Co., Ltd. (currently Mitsubishi Estate Residence Co., Ltd.)</p> <p>May 1997 Atec Representative Director, LLC</p> <p>January 2002 Inters Director Co., Ltd.</p> <p>February. 2004 Pacific Management Co., Ltd. (Pacific Holdings Co., Ltd. Executive Officers)</p> <p>June. 2008 Representative Director, Pacific Realty Co., Ltd. Pacific Properties Investment Representative Director, LLC.</p> <p>January. 2011 General Manager, Strategic Business Department, Star Mica Co., Ltd.</p> <p>February 2012 General Manager of Director Strategic Business Division Fun Investment Co., Ltd. (currently Star Mica Property Co., Ltd.) Representative Director</p> <p>December. 2014 Representative Director, Star Mica Co., Ltd.</p> <p>June, 2016 Rising Force, Inc. (currently Daito Trust Asset Solution Co., Ltd.) Representative Director</p> <p>June, 2019 Our Director Senior General Manager, Executive Officers Investment/Development Division</p> <p>April. 2020 Our Director Senior Vice President and General Manager of Executive Officers Business Development Division</p> <p>April, 2021 Our Director Senior Vice President and General Manager of Business Division, Executive Officers Investment/Development Division</p> <p>October, 2022 Our Executive Officers Takara Leben Co., Ltd. Representative Director and COO and Vice President Executive Officers</p> <p>June. 2024 Director (in charge of Real Estate Segment) (to present) Takara Leben Co., Ltd. Representative Director and President & Executive Officers (to present)</p>	(NOTE)3	162
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 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> <p>June. 2024 Outside Director, Maruichi Tube Co., Ltd. (current position)</p>	(NOTE)3	-

Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
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> <p>June. 2014 Deputy General Manager, Imperial Guard Headquarters</p> <p>February. 2016 Chief, Niigata Prefectural Police Division</p> <p>Director, March, 2018 College of National Police Agency</p> <p>Deputy Director-General 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 Association (present)</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>	(NOTE)3	3
Director	Kaname Uchida	Born June 14, 1954	<p>April. 1978 Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2004 Director, Policy Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>August. 2005 Director, General Affairs Division, Policy Bureau, Ministry of Internal Affairs and Communications</p> <p>July. 2006 Senior Manager, General Affairs Division, Minister's Secretariat Minister and Deputy Secretariat (Minister's Secretariat)</p> <p>July. 2007 Deputy Vice-Minister of Minister and Secretariat (Policy Bureau)</p> <p>July. 2009 Deputy Director-General of the Minister's Secretariat</p> <p>August. 2010 Director, Land & Water Resources Department</p> <p>July. 2011 Director, Land and Bureau of Construction, Trade and Industry</p> <p>July 2012 Vice President, Urban Renaissance Agency</p> <p>July. 2014 Deputy Director-General, Cabinet Secretariat Cabinet Secretariat and General Manager of Regional Revitalization Integrated Secretariat</p> <p>January, 2015 Cabinet Secretariat, Deputy Director-General of the Cabinet Chief Cabinet Secretary and Chief Cabinet Secretary for Regional Revitalization</p> <p>Director, World Heritage Registration Promotion Office of Fusa Industrial Heritage Site)</p> <p>Also General Manager, Regional Revitalization Promotion Office, Cabinet Office</p>	(NOTE)3	-

			Retired in July 2015 November 2015 Executive Vice President of Real Estate Association Visiting Professor, Reizawa University, April, 2017 (to present) July 2023 (Single Company) Advisor to the Real Property Association (current) July 2023 Director-General of Land Corporate R & D Laboratories June 2024 Director of the Company (to present)		
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Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
Director	Yuko Kanamaru	Born August 25, 1979	<p>October. 2006 Registered as Tokyo Attorney-at-law Association Joined Mori Hamada & Matsumoto</p> <p>May 2012, University of California Graduated from los angeles law school</p> <p>August 2012 Rajah&Tann Law Office (Singapore)</p> <p>August. 2013 Transferred from Sumitomo Electric Industries, Ltd. Partner-Partner January, 2018 Mori Hamada Matsumoto Attorney-at-law</p> <p>April. 2018 Graduate School of Law, Keio University (International Commerci AI Arbitration) Part-time lecturer</p> <p>July 2022 External Audit of Acuris Pharma Co., Ltd. (current)</p> <p>January. 2023 Partner of Gaien Law Office Attorney-at-law (current)</p> <p>Outside Audit & Supervisory Board Member, February, 2023 Bleaf Corporation (to present)</p> <p>June. 2023 Member of AI Outside Director Co., Ltd. (Audit and Supervisory Committee) (to present)</p> <p>July 2023 HEROZ Corporation Outside Director (Audit and Supervisory Committee Member) (current)</p> <p>June 2024 Director of the Company (to present)</p>	(NOTE)3	-
Standing Audit & Supervisory Board Members	Yuko Miura	Born on March 10, 1984	<p>December. 2005 Joined ChuoAoyama Audit Corporation (currently PwC Japan LLC) Registered as Certified Public Accountant in May 2008</p> <p>February. 2012 Joined Novartis Pharma 0.0. Corporate Accounting Department 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 (currently Leben Home Build Co., Ltd.) 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> <p>December 2023 External Audit of Pacific Consultants Co., Ltd. (current)</p> <p>May 2024 Takara Leben Realnet Co., Ltd. Audit & Supervisory Board Members (current position)</p>	(NOTE)4	-
Standing Audit & Supervisory Board Members	Masaki Kimura	Born on June 11, 1964	<p>April. 1987 Joined Kyowa Bank, Ltd. (currently Resona Bank, Ltd.)</p> <p>April. 2006 General Manager, Hiroakiji Branch of the bank</p> <p>April 2008 Resona Holdings Co., Ltd. Internal Audit Department Audit Members</p> <p>July. 2008 Senior Audit Representative of the Company's Audit Department</p> <p>July. 2011 Group Leader, Trust Business Administration Department, Resona Bank, Ltd.</p> <p>October. 2016 General Manager, Investment Management Office of the Bank General Manager, Trust Administration Office, April, 2017 Bank</p> <p>January 2020 Resona Asset Management Co., Ltd. Manager of Loan Investment Risk Management Dept.</p> <p>April, 2021 seconded to Executive Officers, General Manager of Business Department Also in charge of IT Strategic Planning Department In charge of Investment Risk Management Department</p> <p>October. 2021 General Manager of Executive Officers Business Dept. Also in charge of IT Strategic Planning Department In charge of Investment Risk Management Department</p> <p>April. 2024 Joined Resona Bank, Ltd. Loan Advisor, Resona Asset Management Co., Ltd.</p> <p>June 2024 Standing Audit & Supervisory Board Members of the Company (to present) Takara Leben Co., Ltd. Audit (current position)</p>	(NOTE)4	-

Title	Name Title	Date of birth	Brief History	Term of Office	Number of shares held (Thousands of Shares)
Part-time Audit	Akihito Watanabe	Born on December 3, 1961	April. 1984 Joined the Shoko Chukin Bank July. 2005 Branch Manager, Fukushima Branch of the same bank July. 2007 Branch Manager, Niigata Branch of the same bank July. 2010 Counselor, General Affairs Department, Bank July. 2011 Counselor, Banking Business Promotion Department June. 2012 General Manager, Compliance Office December. 2013 General Manager, Credit Control Dept., The Bank August 2015 Managing Director, Executive Officers, Shoko Chukin Keizai Inc. April. 2019 Managing Executive Officers, Shoko Chukin Lease Co., Ltd. June 2024 Part-time Audit of the Company (to present) Takara Leben Co., Ltd. Audit (current position)	(NOTE)4	-
Total					1,173

(NOTE)1. 4 Outside Director are Keiko Yamahira, Naohito Yamagishi, Kaname Uchida, and Yuko Kanamaru.

2. Audit & Supervisory Board Member Yuko Miura, Masaki Kimura and Akihito Watabe are 3 outside Audit & Supervisory Board members.

It is from the closing of Annual Shareholders' Meeting on June 26, 3.2024 to the closing of Within 1 year's final Business Year.

It is from the closing of Annual Shareholders' Meeting on June 26, 4.2024 to the closing of Within 4 years' final Business Year.

5. We Election a substitute Audit officer as stipulated in Article 329 III of the Companies Act in case the number of Audit officers as stipulated by law is not available. Brief history of Audit & Supervisory Board Member is as follows.

Name Title	Date of birth	Brief History	Number of shares held (Thousands of Shares)
Makoto Endo	Born September 2, 1955	April. 1978 Joined The Shoko Chukin Bank (currently The Shoko Chukin Bank) July. 1999 Branch Manager, Kurume Branch of the same bank July. 2001 Inspector, Banko Inspection Department July. 2003 General Manager, Fund Securities Division, The Bank March. 2004 General Manager, Treasury Market Operations Office August. 2006 General Manager, International Department of Safe Bank August. 2007 Dispatched to Polymatech Co., Ltd. September 2010 Transferred to Polymatech Co., Ltd. October. 2011 Managing Director, Shoko Chukin Card Co., Ltd. June. 2018 Full-time Audit & Supervisory Board Member of the Company (to present) June. 2018 Leben Zestock Co., Ltd. Audit & Supervisory Board member June 2018 Takara Asset Management Co., Ltd. (current MIRARTH asset Director, Audit of Scrubber Co., Ltd. May 2022 Leben Trust Co., Ltd. Audit & Supervisory Board members October, 2022 Takara Leben Co., Ltd. Audit & Supervisory Board Members January 2023 Takara Asset Management Co., Ltd. (now MIRARTH Assets) Director, Audit of Scrubber Co., Ltd. May 2024 Leben Home Build Co., Ltd. Audit & Supervisory Board Member (current position)	-

6. We have introduced Executive Officers system, and in addition to the above, we have 4 Executive Officers employees as shown below.

Executive Officers Mika Takaara

Executive Officers Mamoru Takahashi

Executive Officers Kentaro Taniguchi

Executive Officers Go Yamaji

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 Profit conflict with ordinary shareholders, that we have extensive experience and Actual 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 Audit & Supervisory Board Member Masaki Kimura worked for Resona Bank, Ltd., our borrower. However, the ratio of the amount borrowed from the bank to our borrowing amount (as of March 31 of 2024) was approximately 2.47%, and we have determined that this will not affect his independence.

Outside Audit & Supervisory Board Member Akihito Watanabe was the General Manager of the Credit Supervisory Department of the Shoko Chukin Bank, Ltd., which is our borrower. However, as the ratio of the amount of borrowings from the bank to our borrowings (as of March 31 2024) was approximately 1.32%, and since more than 8 years have passed since he retired as the General Manager of the Credit Supervisory Department of the Company, we have determined that this will not affect his independence.

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 Board of Directors and other important meetings, and from that standpoint, express their views as needed to constantly Director's business operations and Supervise. With regard to Standing Audit & Supervisory Board Members, the Company has a deep understanding of management, is proactively working to improve Audit's environment and gather internal information. The Company routinely monitors the status of the establishment and operation of internal control systems, and objectively expresses its opinions and provides advice. The Company believes that management is sufficiently appropriate.

In accordance with Outside Director's Supervise, Audit & Supervisory Board Members' Audit by Outside Director or external Audit, internal Audit and Audit & Supervisory Board Members, and Collaboration with Audit & Supervisory Board Members Audit and Accounting Audit, the Company obtains Audit from the Group Supervise, Audit & Supervisory Board Members and Audit as needed to identify the current status and issues, and to make comments at Audit, and the Outside Audit & Supervisory Board Members, in accordance with Audit Audit and Audit Planning established by Audit and the Outside Audit & Supervisory Board Members, while pursuing Collaboration with the Group Audit and Collaboration

Outside Audit & Supervisory Board Members monitor and verify that Internal Audit Office conducts appropriate Audit operations by attending Audit Details meetings and soliciting opinions as necessary. 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 comprised of 3 outside Audit & Supervisory Board members who have been delivered to Tokyo Stock Exchange as independent Outside officers.

Mr. Yuko Miura is a Standing Audit & Supervisory Board Members qualified Certified Public Accountant and is involved in the field of tax and accounting at Audit corporations and general business companies. Also, Masaki Kimura and Akihito Watanabe, who are also Part-time Audit, have held the positions of branch manager and department manager at Financial institutions, and both have knowledge of finance, accounting, and organizational management, etc.

In addition, the above 3 Audit & Supervisory Board members also serve as Audit officers for Takara Leben Co., Ltd., a subsidiary. In effect, the Company and Takara Leben Co., Ltd. conduct Audit together under a system of 3 Standing Audit & Supervisory Board Members.

Frequency of Submitting Company's Audit & Supervisory Board Members' and Audit & Supervisory Board's activities in b. Current fiscal year, and Details, etc.

The above 3 outside Audit & Supervisory Board members Audit the status of execution of duties by Director and For Other employees in their respective Audit activities from the standpoint of legality and appropriateness. Audit & Supervisory Board Members' Audit results are summarized in Audit report after Report and discussions at Audit & Supervisory Board meetings held over the month Once and Audit & Supervisory Board Members' meetings held as appropriate. 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.

Specific activities of Audit & Supervisory Board Members Details include attending Board of Directors and holding Audit & Supervisory Board (see table below), as well as attending and submitting opinions at key meetings such as Compliance Committee and Risk Management Committee (see Page 81) and Executive Committee (12 times), and enhancing the effectiveness of Cooperation and information sharing and Audit by holding group Audit & Supervisory Board (2 times), holding (13 times) and Audit corporations (10 times). We also hold monthly interviews with Representative Director and Outside Director to exchange views and make recommendations. In addition, we conduct on-site audits of divisions and business sites (including Audit of the affiliates in charge of Audit & Supervisory Board Members) to ascertain the status of Director and Executive Officers and other executives and employees through interviews. 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 2023 (resolution and consultation Details) are described below. In particular, Current fiscal year conducted Audit focusing on the status of the group-management system for a variety of risk factors that are diversifying in line with the expansion of business size 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 ongoing, centered on the newly established CRO (Chief Risk Manager) 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, Approval of Audit Corporation's Audit Result Report, Approval of Standing Audit & Supervisory Board Members & Audit & Supervisory Board Chairman's Election and Audit Director Compensation, Approval of Audit & Supervisory Board Audit Plan, Consent to Audit Compensation of OOG Corporation

• 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 Status of Audit & Supervisory Board Members to Board of Directors and Audit & Supervisory Board are as follows:

Title	Name Title	Attendance Status	
		Board of Directors	Audit & Supervisory Board
Standing Audit & Supervisory Board Members	Makoto Endo	16 times/16 times (100%)	12 times/12 times (100%)
Standing Audit & Supervisory Board Members	Yuko Miura	16 times/16 times (100%)	12 times/12 times (100%)
Part-time Audit	Asami Honma	16 times/16 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 (6 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 reporting lines, the Group Internal Audit Office conducts regular Report of Audit activities directly to Board of Directors and Audit & Supervisory Board, and by operating this system, Collaboration system of the Group Internal Audit Office and Director and Audit & Supervisory Board Members is secured.

③ Financial Audit Status

a. Name of Audit Corporation

Grant Thornton Taiyo LLC.

1. Continuous Audit duration

From the fiscal year ended March 1999 onward

U. Certified Public Accountant who execute business

Designated Limited Liability Partners Managing Partner Tomohiro Oki

Designated Limited Liability Partners Managing Partner Tetsuya Ishibashi

Designated Limited Liability Partners Managing Partner Takafumi Shimokawa

E. Composition of assistants for Audit services

We have 14 Certified Public Accountant and 11 Other assistants in our Audit services.

O. 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 Article 340 I of the Corporation Law, Accounting Auditor shall be dismissed 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.

On December 26, 2023, Grant Thornton Taiyo LLC., our Accounting Auditor, was disposed of by the Financial Services Agency for 3 months from January 1, 2024 to March 31 of the same year, except for renewal of the term of Audit contract and new contracts associated with the listing of Audit companies that have already signed Audit contracts. Audit & Supervisory Board received an explanation from Grant Thornton Taiyo LLC. regarding this disposition, but it has been judged that this will not affect our qualification as a Accounting Auditor.

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

As mentioned above, Accounting Auditor is evaluated based on the Practical Guidelines for Audit & Supervisory Board Members on the Evaluation of Accounting Auditor and Establishment of Selection Standards published by the Japanese Institute of Audit & Supervisory Board Members.

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 Key Audit Considerations (KAM), which Accounting Auditor considers particularly important when conducting Audit in its Audit report documents, discussions with Audit & Supervisory Board over the course of the period were made on the following 2 items, focusing on items selected as candidates by Audit corporations and taking into account the impact on accounting treatment of various management measures implemented during the period.

- Impairment review of Fixed assets held for Energy Business
- Revenue Recognition for Sale Transactions of Real Estate and Generation Facilities

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 determining Other Be related status of Collaboration between Audit 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	48	-	34	-
Consolidated subsidiaries	20	-	39	-
Total	68	-	73	-

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

Not applicable.

U. 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.

E. 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.

O. 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)[Compensation of Directors and Audit & Supervisory Board Members]

① Matters pertaining to Policy concerning the amount of Remuneration, etc. for officers or the determination of the methods 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 business performance, and determine the amount of remuneration based on the degree of contribution of the respective Director to business performance, etc., with the aim of linking it to a sound, efficient, and stable going concern.

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

(i) Decisions on Details of remuneration, etc. for each Individuals of Director: Matters concerning Policy

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 December 25, 2023, we resolved to Policy Details of Director's compensation by Individuals.

2. Summary of Details Decision-Making Policy

a. Basic Policy

The Company shall determine remuneration etc. for officers within a range resolved by the general meeting of shareholders, in comprehensive consideration of results, will be determined based on the advice of the Compensation Advisory Committee, which is a voluntary advisory body, comprehensively considering Director performance, potential risks, the degree of responsibility for group management, and the degree of progress in the medium-term management plan. With regard to business execution Director, a certain percentage of compensation will be linked to performance and the degree of contribution of the respective 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 stockholders, employees, and other stakeholders, and to be determined through appropriate Collateral processes.
 - In addition to Basic remuneration, it shall be determined based on the compensation system designed by introducing Individuals assessment-linked and performance-linked.

Policy (including a policy for the determination of time or conditions for granting remuneration, etc.) concerning the determination of the amount of remuneration, etc. by Individuals of b. Basic remuneration (monetary remuneration)

Our Director's Basic remuneration (monetary remuneration) is based on a Basic remuneration table that takes into account the industry level, the level of other companies, and the level of employee salaries comprehensively, depending on the position, responsibilities, and years of service. The monthly remuneration is based on an equal amount in December.

Details of c. performance-linked remuneration, etc. and non-monetary remuneration, etc. and Policy (including a policy for the determination of time or conditions for granting remuneration, etc.) for determining the methods of calculating the amount or number

Remuneration other than Basic remuneration for our Director shall be a cash Bonus and a Equity securities remuneration Stock options, and the payment or non-payment shall be determined according to the degree of achievement of the performance Target or ESG Target in the relevant period. In addition, each Business Year evaluates the following 5 assessment items ("P.C.F.P.A." assessments) on a 5-point scale, depending on the degree of achievement, and determines them upon consultation with the Compensation Advisory Committee, which is a voluntary advisory committee.

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

The specific amount or number of payments to be paid will be determined based on individual evaluations of each business execution Director, but cash Bonus may be paid according to Target achievement status, etc. of the divisions in charge of each business execution Director, even if the performance Target for the relevant fiscal year is not achieved. Performance indicators, or targets, shall be set each year and shall be reviewed in response to changes in the environment as needed.

Equity securities compensation type Stock options shall be Class A Stock options exercisable after a certain period of time and Class B Stock options exercisable at the time of retirement.

Policy for Determining the Ratio of the Amount of d. Basic remuneration, Performance-Based Compensation, etc. or Non-Monetary Compensation, etc. to the Amount of Compensation, etc. by Individuals of Director

As a general rule, the percentage of Director compensation is as follows: "Director Basic remuneration: Cash Bonus: Class A Stock options: Class B Stock options = 5:2:2:1."

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 the delegation concerning the determination of remuneration, etc. according to Individuals of Director and the reasons why Board of Directors determined that Details of remuneration, etc. according to Individuals pertaining to Current fiscal year was in line with the said Policy

The amount of individual compensation for Director is determined by the Compensation Advisory Committee authorized by the resolution of Ordinary General Meeting of Shareholders based on Board of Directors's Individuals and other Details decisions and Policy determined by the resolution of Board of Directors. The reason for delegating Director's authority to determine Individuals compensation to the Compensation Advisory Committee is to enhance transparency and accountability in determining compensation.

As mentioned above, the Compensation Advisory Committee has decided on the amount of individual compensation for Director and has implemented measures to Board of Directors to Report the total amount paid. As the amount of compensation by Director's Individuals has been determined through these procedures, our Board of Directors has determined that Policy of compensation by Individuals of Director related to Current fiscal year is in line with the above-mentioned determination Individuals.

The members of the Compensation Advisory Committee are as follows.

Member Keiko Yamhira (Outside Director) Member Naohito Yamagishi (Outside Director)

Kaname Uchida (Outside Director) Member Yuko Kanamaru (Outside Director)

Kazuichi Shimada (Representative Director, Group CEO, Group COO, President and Executive Officers)

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

Our non-monetary compensation shall be Equity securities compensation type Stock options, and in principle shall be issued when the performance in the relevant fiscal year achieves Target, etc. 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.

Equity securities compensation type Stock options is Class A Stock options exercisable after a certain period of time and Class B Stock options exercisable upon retirement.

(iv) Matters concerning the remuneration, etc. for Director and Audit: Matters concerning the provisions by resolution; and

Director's compensation limit is set at 600 Millions of yen per annum (excluding employee salaries) for up to 15 Director members as defined in the Articles of Incorporation in the 45th Annual Shareholders' Meeting held at June 27, 2017. 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 49th fiscal year Annual Shareholders' Meeting held by June 25, 2021 that the amount of Stock options compensation will be no more than 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 Total amount of remuneration and Compensation by Type and Number of executives eligible for each Executive Category

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)	229	128	60	41	-	2
Outside officers	73	73	-	-	-	7

(NOTE)1. The amount paid by Director does not include the employee's portion of the employee's salary of Director.

2. Stock options is the amount recorded as expenses in Current fiscal year for Subscription rights to shares allocated, and the number of persons to be paid is 2 Director.

③ Total amount of remuneration of a person whose Total amount of remuneration 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	165	Director	Submitting Company	90	44	30	-

(5)[Equity securities's holdings]

① Equity securities's Category standards and philosophy

Equity securities, which is held for the purpose of receiving Profit from changes in the value of Equity securities or dividends, is designated as investment Equity securities, which is the net investment objective, and the rest is designated as investment Category, which is the objective other than the net investment objective.

② Investment Equity securities held for purposes other than pure investment

a. Testing Details in Board of Directors, etc. regarding the appropriateness of holding Policy and the reasonableness of holding individual Brand

The main objective of our Equity securities holdings Policy is to facilitate business relationships. Based on the share price and other factors, we judge whether to continue holding the shares and make a It continues its cross-shareholding if the cross-holding is reasonable..

The Board of Directors and other bodies examine cross-shareholdings in detail to determine if their purpose is appropriate and the benefits and risks related to the cross-shareholdings are worth the capital cost. Summaries of these examinations are disclosed. is verified as appropriate.

b. Number of issues and Balance Sheet Amount Total

	Number of issues (issue)	Balance Sheet Amount Total amount (Millions of yen)
Unlisted stocks	9	458
Shares other than unlisted shares	6	1,590

(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	2	591
Shares other than unlisted shares	-	-

c. Specified investment shares and Equity securities for each Brand and Balance Sheet Amount of deemed holdings

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
	1,461	1,288		
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
	42	30		
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
	29	22		
Concordia co., Ltd. Financial group	43,280	43,280	The Company maintains these assets to ensure continued smooth financing activities. engages in ongoing banking transactions with a focus on project-based financing	None (Note 2)
	33	21		
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
	19	12		
Tokyo Kiraboshi Financial Group, Inc.	1,000	1,000	We receive financing for a wide range of businesses, not limited to the new condominium business, mainly in Tokyo. The Company maintains these assets to ensure continued smooth financing activities.	None (Note 2)
	4	2		

(NOTE)1. Quantitative holding effect is not stated because it is difficult to measure. For details on the method of verifying the rationality of the holding purpose, please refer to the "Method of verifying the rationality of holding a. and Policy and Details of verifying the appropriateness of holding individual Brand at Board of Directors, etc."

2. The portfolio company does not own our Equity securities, but our affiliate owns our Equity securities.

③ Investment Equity securities 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 Law, we have received Audit from Grant Thornton Taiyo LLC. on the consolidated financial statements of Fiscal year (from April 1, 2023 to March 31, 2024) and Business Year (from April 1, 2023 to March 31, 2024).

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 31,2023)	Current Consolidated Fiscal Year (AS of March 31,2024)
Assets		
Current assets		
Cash and deposits	※4,※5 47,872	※4 42,740
Notes, accounts receivable-trade and contract assets	※1,※4,※5 3,477	※1,※4 8,335
Real estate for sale	※4,※6 34,147	※4,※6 47,381
Power generation facilities for sale	※6 3,375	※6 65
Real estate for sale in progress	※4,※6 82,713	※4,※6 76,598
Costs incurred on uncompleted contracts	0	40
Other	※5,※6 17,415	17,053
Allowance for doubtful accounts	△275	△277
Total current assets	188,728	191,937
Fixed assets		
Property, plant and equipment		
Buildings and structures	33,984	33,724
Accumulated depreciation	△5,104	△5,969
Buildings and structures (net)	※4,※6 28,879	※4,※6 27,755
Machinery and equipment	57,096	63,287
Accumulated depreciation	△8,390	△10,834
Machinery, equipment and vehicles, net	※4,※5,※6 48,705	※4,※6 52,453
Tools, furniture and fixtures	1,126	1,265
Accumulated depreciation	△811	△966
Tools, furniture, and fixtures, net	※4,※6 315	※4,※6 299
Land	※4,※5,※6 41,394	※4,※6 33,759
Leased assets	345	345
Accumulated depreciation	△86	△118
Lease assets, net	258	226
Construction in progress	※4,※5,※6 5,808	※4,※6 3,264
Total property, plant and equipment	125,362	117,759
Intangible assets		
Goodwill	3,918	3,420
Other	※4,※6 4,457	※4,※6 4,643
Total intangible assets	8,376	8,063
Investments and other assets		
Investment securities	2,368	2,597
Long-term loans receivable	830	200
Deferred tax assets	4,744	4,258
Other	※3,※6 11,205	※3,※6 12,563
Allowance for doubtful accounts	△2	△0
Total investments and other assets	19,145	19,619
Total fixed assets	152,884	145,441
Deferred assets	56	68
Total assets	341,669	337,447

(Millions of yen)

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

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

[Consolidated Statements of Income]

(Millions of yen)

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To: 31 March, 2024)
Net sales	※ ¹ 153,472	※ ¹ 185,194
Cost of sales	※ ² 121,763	※ ² 144,603
Gross profit	31,708	40,590
Selling, general and administrative expenses	※ ³ 24,677	※ ³ 25,133
Operating income	7,030	15,457
Non-operating income		
Interest income	28	34
Dividend income	233	174
Commission received	108	122
Income from insurance claim	38	228
Gain from equity method investment	-	238
Miscellaneous income	599	395
Total non-operating income	1,008	1,193
Non-operating expenses		
Interest expenses	2,080	2,795
Losses from equity method investment	219	-
Arrangement fee	165	646
Miscellaneous expenses	540	223
Total non-operating expenses	3,005	3,666
Ordinary income	5,033	12,984
Extraordinary income		
Gain on subsequent acquisitions	601	-
Gain on sales of Fixed assets	※ ⁴ 97	-
Gain on sales of investment securities	-	145
Gain on sales of stock of affiliates	-	563
Total extraordinary income	698	709
Extraordinary loss		
Loss on sales of Fixed assets	※ ⁵ 132	-
Impairment loss	※ ⁶ 48	※ ⁶ 508
Office relocation expenses	26	31
Loss on sales of shares of associated company	-	14
Extraordinary losses Total	206	554
Income before income taxes and minority interests from silent partnerships	5,525	13,139
Distribution of loss in partnership	△178	147
Income before income taxes	5,703	12,991
Income taxes, inhabitant taxes and business taxes	4,708	4,470
Income tax adjustments	△3,451	244
Total income and other taxes	1,257	4,714
Net income	4,445	8,276
Net income (△) attributable to non-controlling interests	△138	98
Net income attributable to owners of parent	4,584	8,178

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

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

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

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

(Millions of yen)

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

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

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

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

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

[Notes]

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

1.Scope of consolidation

(1) 27 companies in Consolidated subsidiaries

Principal Consolidated Subsidiaries

Takara Leben Co., Ltd.

Leben Community, Inc.

Leben Home Build Co., Ltd.

Takara Leben Realnet Co., Ltd.

Leben Zestock Co., Ltd.

LebenTrust Co., Ltd.

Takara Leben(Thailand)Co.,Ltd.

Takara Asset Management Co., Ltd.

MIRARTH Real Estate Investment Advisor Co., Ltd.

On March 29, 2024, Takara PAG Real Estate Investment Advisor Co., Ltd. changed its name to MIRARTH Real Estate Investment Adviser Co., Ltd.

MIRARTH Green Tech Co., Ltd. and Nobeoka Biomass Power Plant LLC and 2 other companies have been included in the scope of consolidation from Current Consolidated Fiscal Year due to the acquisition of Equity securities and other factors.

Leben Energy No. 2 LLC and 4 other companies have been excluded from the scope of consolidation from Current Consolidated Fiscal Year due to the sale of our holdings and other factors.

(2) 4 companies with no Consolidated subsidiaries

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 is 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: 5

Name of the principal company using equity method accounting

Minato LLC

HTLC HOLDING JOINT STOCK COMPANY and 2 other companies have been excluded from the scope of application of the equity method from Current Consolidated Fiscal Year due to the sale of our holdings and other factors.

(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. Matters Relating to Business Year of Consolidated subsidiaries

(1) The fiscal year-end of Consolidated subsidiaries is as follows.

15 on the last day of March, 1 on the last day of May, 1 on the last day of August, 1 on the last day of September, 2 on the last day of November, and 5 on the last day of December,
End of January 2 companies

(2) In preparing the consolidated financial statements, for Consolidated subsidiaries whose closing date differs from the consolidated closing date, the financial statements that have been provisionally settled in the same manner as the consolidated closing date are used. Significant transactions occurring between the provisional closing date and the consolidated closing date are adjusted for consolidation.

4. Accounting and Policy matters

(1) Valuation standards and methods for significant 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 Inventory Assets

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 significant depreciation Assets

① Property, plant and equipment (excluding Leased assets)

Tangible assets are stated at cost. However, Buildings (excluding facilities attached to Buildings) acquired on or after April 1, 1998, and Buildings (excluding facilities attached to Structures) acquired on or after April 1, 2016: The straight-line method is used.

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 50 years

Machinery and equipment 2 to 25 years

② Intangible assets (excluding Leased assets)

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

Allowance for doubtful accounts is provided at an amount equal to Actual rate for ordinary receivables and an amount equal to the estimated uncollectible amount for certain receivables such as doubtful receivables based on the individual collectability.

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

In order to provide for losses and compensation service expenses arising from defects after delivery of company-constructed buildings, etc., the Company records Actual for repair expenses and other expenses related to previous company-constructed buildings, etc.

④ Directors' and corporate auditors' retirement benefits Allowance

To prepare for the payment of Retirement bonuses by directors, the amount required to be paid under End of the consolidated financial year is recorded in accordance with the Directors' Retirement bonuses Regulations (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 time until End of the consolidated financial year.

② Accounting for Differences in the mathematical calculations and Historical Service cost

Previous Service cost is amortized as incurred by the straight-line method over a certain period (mainly 6 years) which is shorter than the average remaining years of service of the employees.

Differences in the mathematical calculations is amortized on a straight-line basis over a certain number of years (mainly 6 years) which are shorter than the average remaining years of service of the eligible employees at the time of accrual of the consolidated Fiscal year from the following consolidated Fiscal year.

③ Accounting policies for Unrecognized actuarial loss and unrecognized historical Service cost

For Unrecognized actuarial loss and unrecognized prior Service cost, the tax effects are recorded in Remeasurements of defined benefit plans of Accumulated other comprehensive income in Net assets, after adjusting for the tax effects.

④ Adoption of simplified method for small enterprises, etc.

Certain Consolidated subsidiaries adopt a 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 eligible employees voluntarily terminated their employment.

(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 condominium business

The new 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. Securitization business

The securitization business is a business of acquiring rental residential properties and office buildings, increasing Assets value through leasing and renovation, 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 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 timing of performance obligations and their satisfaction, the methods of determining transaction prices, and the timing of revenue recognition in the proceeds from the sale of the active power generation Facilities are the same as in the new 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 conduct operations 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, the performance obligations of operations related to the acquisition and transfer of investment Assets 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 Buildings contract, Assets is created or accreted by the performance of the Group's obligations, and the customers control Assets as Assets is created or accreted. As a result, the performance obligation is satisfied over a certain period of time, and the performance obligation is satisfied as the construction progresses 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 Buildings contract. In this contract, the delivery date is usually the same as the receipt of the entire amount of the contract price. Therefore, the contract price is paid at the same time as Buildings delivery.

(6) Significant hedge accounting method

① Hedge accounting method

Interest rate swaps qualify for special treatment and, therefore, are accounted for using special treatment.

② Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedging items... Debt

③ Hedging Policy

The Company and its consolidated subsidiaries enter into interest rate swaps to hedge interest rate exposures on borrowings. These are Policy financial instruments that are not used for speculative purposes.

④ Method for evaluating effectiveness of hedging

The evaluation of effectiveness is omitted for interest rate swaps that are subject to special treatment.

(7) 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.

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

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments that are readily convertible to known amounts of cash and are exposed to insignificant risk of changes in value and Maturity date maturing in 3 months or less at the time of purchase.

(9) 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) Amount recorded as Impairment loss in the consolidated financial statements of Current Consolidated Fiscal Year

	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Buildings and structures	24 Millions of yen	-
Machinery and equipment	-	13 Millions of yen
Land	24 Millions of yen	494 Millions of yen
Total	48 Millions of yen	508 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 stated in "(Consolidated Statements of Income) ※6 Impairment loss" in Current Consolidated Fiscal Year, Impairment loss 508 Millions of yen is recognized as the recoverable amount of the appraised value, etc. or value in use by a real estate appraiser. The appraisal value, etc. is calculated based on the business plan of each asset group, comprehensively considering the surrounding environment, etc. The value in use is calculated based on future cash flows. Such future cash flows are estimated based on the income and expenditure plan approved by Be related companies' Executive Committee, etc. In estimating revenue and expenditure, Energy Business is calculated based on the projected volume of electricity sold and the unit price of electricity sold, as well as the operational streamlining through the expansion of business through medium-to long-term Energy Business strategies. For Assets with a negative value in use based on future cash flows, the recoverable amount is valued at zero.

If the assumptions used in these estimates were to need to be revised due to uncertain future changes in economic conditions or other factors, additional Impairment loss (Extraordinary loss) may occur in the consolidated financial statements after the next consolidated Fiscal year.

(Changes in Presentation Method)

(Consolidated Profit and Loss Statement)

In End of Previous Consolidated Accounting Period, "Insurance proceeds received," which had been included in "Miscellaneous income" under "Non-operating income," exceeded 10/100 of the total amount of Non-operating income, and is now presented separately from Current Consolidated Fiscal Year. To reflect this change in presentation, the consolidated financial statements of End of Previous Consolidated Accounting Period have been reclassified.

Consequently, 637 Millions of yen, which was presented in "Miscellaneous income" under "Non-operating income" in End of Previous Consolidated Accounting Period's consolidated statements of income, has been reclassified as "Insurance income" 38 Millions of yen and "Miscellaneous income" 599 Millions of yen.

In End of Previous Consolidated Accounting Period, the "Arrangement Fee" included in the "Miscellaneous expenses" of "Non-operating expenses" exceeded 10/100 of the total amount of Non-operating expenses, so it was listed separately from Current Consolidated Fiscal Year. To reflect this change in presentation, the consolidated financial statements of End of Previous Consolidated Accounting Period have been reclassified.

Consequently, the 705 Millions of yen presented in "Miscellaneous expenses" under "Non-operating expenses" in End of Previous Consolidated Accounting Period's Consolidated Statements of Income has been reclassified as 165 Millions of yen of "Arrangement Fee" and 540 Millions of yen of "Miscellaneous expenses."

(Additional Information)

(Agreement on Compensation)

On March 27, 2024, we entered into a sponsoring agreement with the assignee of Generation Facilities whereby we agreed to indemnify us for Be related damage, loss and expenses caused by the snow disaster of the transferred Generation Facilities. Certain items for which it is difficult to reasonably estimate their effects at this time are not reflected in 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 (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Accounts receivable	98 Millions of yen	115 Millions of yen
Contract assets	3,379	8,220

※2 Of Advances received, the amount of Contractual liabilities is as follows:

	End of Previous Consolidated Accounting Period (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Contractual liabilities	10,172 Millions of yen	8,994 Millions of yen

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

	End of Previous Consolidated Accounting Period (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Investments and other assets Other (non-consolidated subsidiaries And Investments in affiliates)	3,962 Millions of yen	4,942 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 (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Cash and deposits	3,341 Millions of yen	2,226 Millions of yen
Notes, accounts receivable-trade and contract assets	95	200
Real estate for sale	28,111	26,918
Real estate for sale in progress	73,209	63,755
Buildings and structures	6,359	23,616
Machinery and equipment	5,304	44,170
Tools, furniture and fixtures	4	78
Land	20,949	18,468
Construction in progress	2,229	2,002
Other (Intangible assets)	232	3,700
Total	139,836	185,138

(2)Debt to the above

	End of Previous Consolidated Accounting Period (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Short-term borrowings	89,492 Millions of yen	22,788 Millions of yen
Current portion of long-term loans payable	21,617	35,825
Long-term loans payable	94,471	118,832
Total	205,581	177,446
(Non-recourse loans)	(74,004)	(-)

※5 Non-recourse loan

Nonrecourse loans are as follows:

	End of Previous Consolidated Accounting Period (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Non-recourse Short-term borrowings	74,004 Millions of yen	-Millions of yen
Total	74,004	-

Assets corresponding to non-recourse loans are as follows:

	End of Previous Consolidated Accounting Period (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Cash and deposits	3,209 Millions of yen	-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 holding purpose of Assets

End of Previous Consolidated Accounting Period (March 31,2023)

Power generation facilities for sale 1,024 Millions of yen was transferred to Machinery and equipment 1,024 Millions of yen in Current Consolidated Fiscal Year due to a change in the holding purpose from resale to Assets for business use.

In addition, as a result of the change in the holding purpose from development and leasing to resale, a portion of the real estate owned was transferred to Current Consolidated Fiscal Year as follows: Buildings and structures 5,107 Millions of yen, Tools, furniture and fixtures 32 Millions of yen, Land 8274 Millions of yen, Construction in progress 2,254 Millions of yen, and Land Lease Right 14 Millions of yen ("Other" in Intangible assets), and Software 0 Millions of yen ("Other" in Intangible assets) to Real estate for sale and Real estate for sale in progress. Certain of Assets were sold in Current Consolidated Fiscal Year and 6,765 Millions of yen of the 15,308 Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

In addition, as part of Mega solar power generation Facilities was changed to held for resale, Current Consolidated Fiscal Year transferred Prepaid expenses 7 Millions of yen ("Other" of Current assets), Machinery and equipment 2,579 Millions of yen, Land 60 Millions of yen, Construction in progress 525 Millions of yen, and long-term Prepaid expenses 235 Millions of yen ("Other" of Investments and other assets) to Power generation facilities for sale. Certain of Assets were sold in Current Consolidated Fiscal Year and 2,505 Millions of yen of the 3408 Millions of yen transferred to Power generation facilities for sale were recorded in Cost of sales.

Current Consolidated Fiscal Year (2024 March 31)

As a result of the change in the holding objective from resale to business Assets, a portion of the real estate owned was transferred to Current Consolidated Fiscal Year as follows: Real estate for sale in progress 7 Millions of yen, Power generation facilities for sale 85 Millions of yen to Buildings and structures 3 Millions of yen, Land 4 Millions of yen, and Machinery and equipment 83 Millions of yen, and long-term Prepaid expenses 2 Millions of yen ("Other" in Investments and other assets).

In addition, the Company transferred to Current Consolidated Fiscal Year and Buildings and structures 6,031 Millions of yen, Tools, furniture and fixtures 22 Millions of yen, Land 13,343 Millions of yen, and Construction in progress 1,795 Millions of yen of its real estate holdings in connection with the Company's change in the purpose of holding real estate from development/leasing to resale. Certain of Assets were sold in Current Consolidated Fiscal Year and 10,882 Millions of yen of the 20,342 Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

In addition, as a result of the change in the intent to hold a portion of Mega solar power generation Facilities for resale, Current Consolidated Fiscal Year has transferred Buildings and structures 30 Millions of yen, Machinery and equipment 2,576 Millions of yen, and long-term Prepaid expenses 11 Millions of yen ("Other" in Investments and other assets) to Power generation facilities for sale. Assets was sold in Current Consolidated Fiscal Year and 2,617 Millions of yen was recorded as Cost of sales.

7 Contingent liabilities

Guarantees for loans from financial institutions

	End of Previous Consolidated Accounting Period (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
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	15,420 Millions of yen	11,700 Millions of yen
Minato Vietnam Co., Ltd.	112	647
WISE ESTATE 3 Co., Ltd.	1,615	524
WISE ESTATE 8 Co., Ltd.	246	367
WISE ESTATE 10 Co., Ltd.	237	489
Total	17,632	13,730

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

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

(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 the Consolidated Financial Statements "Notes Matters (Revenue Recognition) 1. Breakdown of Revenue arising from contracts with customers."

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

End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Δ1,032 Millions of yen	16 Millions of yen

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

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

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

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

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Buildings and structures	45 Millions of yen	-Millions of yen
Tools, furniture and fixtures	6	-
Land	45	-
Total	97	-

※5 Details of Loss on sales of Fixed assets is as follows:

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Land	132 Millions of yen	-Millions of yen
Total	132	-

※6 Impairment loss

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

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

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

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

Our group groups hotels on an individual property basis.

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

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

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

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

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

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

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

(Consolidated Statements of Comprehensive Income)

※ Reclassification adjustments and Income tax effect related to Other comprehensive income

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year From April 1, 2023 To 31 March, 2024)
Net unrealized gains on available-for-sale securities:		
Arising during the year	△287 Millions of yen	222 Millions of yen
Reclassification adjustments	△620	0
Before-tax	△908	222
Income tax effect	289	△23
Net unrealized gains on available-for-sale securities	△619	198
Foreign currency translation adjustments:		
Arising during the year	3	△40
Remeasurements of defined benefit plans:		
Arising during the year	8	△33
Reclassification adjustments	14	0
Before-tax	22	△33
Income tax effect	0	7
Remeasurements of defined benefit plans	23	△25
Total other comprehensive income	△593	133

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

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

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

	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 Equity securities reduction of 756.2 thousand Shares in Treasury stock is 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
31 October, 2022 Board of Directors	Common stock	437	4	30 September, 2022	6 December, 2022

(2)Dividends for which Record Date belongs to Current Consolidated Fiscal Year and Effective date of dividends becomes the following consolidated Fiscal year

(Resolution)	Class of shares	Total dividends (Millions of yen)	Source of dividends	1 Shares 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

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

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

	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)	11,192,607	-	289,900	10,902,707
Total	11,192,607	-	289,900	10,902,707

(NOTE)Common stock's Equity securities reduction of 289.9 thousand Shares in Treasury stock is 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	-	-	-	-	-	277
Total		-	-	-	-	-	277

3.Matters concerning dividends

(1)Dividends paid

(Resolution)	Class of shares	Total dividends (Millions of yen)	1 Shares Per share Dividends (Yen)	Record Date	Effective date
June 23, 2023 Annual Shareholders' Meeting	Common stock	1,976	18	March 31,2023	June 26,2023
October 30, 2023 Board of Directors	Common stock	659	6	September 30, 2023	December 4, 2023

(2)Dividends for which Record Date belongs to Current Consolidated Fiscal Year and Effective date of dividends becomes the following consolidated Fiscal year

(Resolution)	Class of shares	Total dividends (Millions of yen)	Source of dividends	1 Shares Per share Dividends (Yen)	Record Date	Effective date
June 26, 2024 Annual Shareholders' Meeting	Common stock	1,981	Retained earnings	18	2024 March 31	June 27, 2024

(Consolidated Statements of Cash Flows)

※1 Relation between Cash and cash equivalents's Term end Balance and the amount of items listed in Consolidated Balance Sheets

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To March 31 2024)
Cash and deposits account	47,872 Millions of yen	42,740 Millions of yen
Time deposits falling due in more than three months	-	△35
Deposits received from customers	△724	△821
Cash and cash equivalents	47,148	41,884

2 Details of significant non-cash transactions

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To March 31 2024)
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	1,024 Millions of yen	93 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	15,684	21,193
Amount transferred from Fixed assets to Power generation facilities for sale due to change in holding purpose of real estate	3,408	2,617

※3 Major components of Assets and Liabilities of companies that became Consolidated subsidiaries as a result of acquiring Equity securities, etc.

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

The components of Assets and Liabilities at the inception of consolidation for companies that newly became Consolidated subsidiaries as a result of the acquisition of Equity securities and the relation between net proceeds from investment and net disbursements were as follows:

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

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

This information is omitted because it is not material.

(Lease Transactions)

1. Financing Lease transactions (lessee)

(1) Financing for transfer of ownership and Lease transactions

① Leased assets's Details

(a) Property, plant and equipment

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

(1) Intangible assets

This is software.

② Depreciation of Leased assets

Significant matters forming the basis for preparing the consolidated financial statements as described in "(2) Depreciation methods for significant depreciation Assets" in "4. Accounting Policy."

(2) Financing and Lease transactions without transfer of ownership

① Leased assets's Details

(a) Property, plant and equipment

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

(1) Intangible assets

This is software.

② Depreciation of Leased assets

Significant matters forming the basis for preparing the consolidated financial statements as described in "(2) Depreciation methods for significant depreciation Assets" in "4. Accounting Policy."

2. Operating Lease Transactions

Future minimum lease payments under non-cancelable operating leases

(Millions of yen)

	End of Previous Consolidated Accounting Period (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Within 1 year	1,418	50
Over one year	10,520	70
Total	11,939	120

(Financial Instruments)

1. Matters relating to financial instruments

(1) Policy of efforts for financial instruments

Our group procures the necessary funds from banks and other financial institutions in light of the sales plan. Derivatives are used to avoid the risks described below, and are Policy that do not engage in speculative transactions.

(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 and Bonds payable primarily represent financing for operating transactions, and repayments and maturities are principally Within 3 years.

Borrowings are exposed to the risk of fluctuations in interest rates, of which a portion is hedged using derivative transactions (interest rate swaps).

Derivative transactions are interest rate swaps used to hedge the risk of fluctuations in interest rates payable on borrowings. The evaluation method for the effectiveness of hedges satisfies the requirements for special treatment of interest rate swaps, and therefore the evaluation of effectiveness is omitted based on the evaluation.

(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.)

We regularly monitor the market value of Investment securities and the financial condition of issuers (client companies) and continuously review their holdings in consideration of market conditions and relations 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.

Derivative transactions are managed in accordance with the Derivative Management Regulations, which stipulate transaction authority and limits.

Consolidated subsidiaries is also managed in accordance with our derivative-management rules.

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. In addition, the contract amounts, etc. related to derivative transactions under Notes under "Derivative Transactions" do not themselves represent the market risks associated with derivative transactions.

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," "Short-term loans receivable" ("Other" of Current assets)," "Notes and accounts payable-trade," and "Short-term borrowings" is omitted because they are cash and their fair values approximate their carrying amounts due to their short-term maturities.

End of Previous Consolidated Accounting Period (March 31, 2023)

	Carrying amount (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities (*1)	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

Current Consolidated Fiscal Year (2024 March 31)

	Carrying amount (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities (*1)	2,138	2,138	-
(2) Long-term loans receivable	200	200	-
Property Total	2,338	2,338	-
(3) Lease obligations, current	34	34	-
(4) Long-term loans payable (including Current portion of long-term loans payable)	174,776	174,719	△57
(5) Bonds payable (including Current portion of bonds payable)	9,815	9,886	71
(6) Lease obligations (fixed)	214	202	△12
Debt Total	184,841	184,843	2
Derivative transactions (*2)	-	-	-

(*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 (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Unlisted stocks	510	458

(*2) The fair value of interest rate swaps with special treatment is included in the fair value of Long-term loans payable as they are accounted for as an integral part of the hedged item Long-term loans payable.

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

End of Previous Consolidated Accounting Period (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	-	-

Current Consolidated Fiscal Year (2024 March 31)

	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	42,740	-	-	-
Notes and accounts receivable	115	-	-	-
Short-term loans	250	-	-	-
Long-term loans receivable	-	200	-	-
Total	43,106	200	-	-

2.Amounts due after the consolidated balance sheet date of Short-term borrowings, Long-term loans payable, Bonds payable and Lease obligations

End of Previous Consolidated Accounting Period (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

Current Consolidated Fiscal Year (2024 March 31)

	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	25,621	-	-	-	-	-
Long-term loans payable	44,102	45,154	18,409	13,467	11,018	42,624
Bonds payable	2,806	1,006	2,736	3,265	-	-
Lease obligations	34	33	32	31	31	86
Total	72,565	46,194	21,178	16,764	11,049	42,710

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:

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

Fair value of Level 2: Fair value calculated using inputs for determining fair value other than Level 1 inputs among the inputs for determining observable fair value

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 in Consolidated Balance Sheets at fair value

End of Previous Consolidated Accounting Period (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

Current Consolidated Fiscal Year (2024 March 31)

Category	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Equity securities	2,138	-	-	2,138
Property Total	2,138	-	-	2,138

(2) Financial instruments other than financial instruments recorded in Consolidated Balance Sheets at fair value

End of Previous Consolidated Accounting Period (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

Current Consolidated Fiscal Year (2024 March 31)

Category	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	-	200	-	200
Property Total	-	200	-	200
Lease obligations, current	-	34	-	34
Long-term loans payable (including Current portion of long-term loans payable)	-	174,719	-	174,719
Bonds payable (including Current portion of bonds payable)	-	9,886	-	9,886
Lease obligations (fixed)	-	202	-	202
Debt Total	-	184,843	-	184,843

(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 determined by the discounted present value method based on the interest rate obtained by adding the credit spread to the appropriate index 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 the fair value of Level 2.

Bonds payable (including Current portion of bonds payable)

The discounted present value method is used to calculate the fair value of Level 2 based on Total amount of Bonds payable and principal and interest issued by the Company and the interest rate based on the remaining term of Bonds payable and credit risk.

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

The fair value of these instruments is determined by 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 of the instruments is classified as Level 2. Certain Long-term loans payable are subject to the exceptional treatment of interest rate swaps (see "Derivative Transactions" below) and are calculated using Total amount of the principal interest rate processed together with the interest rate swaps.

Derivative transactions

The fair value of interest rate swaps with special treatment is included in the fair value of Long-term loans payable as they are accounted for as an integral part of the hedged Long-term loans payable (see "Long-term loans payable" above).

(Notes to Securities)

1.Other in Securities

End of Previous Consolidated Accounting Period (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

Current Consolidated Fiscal Year (2024 March 31)

	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	139	75	64
	(2) Bonds	-	-	-
	(3) Other	1,989	1,880	109
	Subtotal	2,129	1,955	173
Securities whose carrying amount does not exceed Acquisition cost	(1) Equity securities	9	13	△4
	(2) Bonds	-	-	-
	(3) Other	-	-	-
	Subtotal	9	13	△4
Total		2,138	1,969	169

2.Other securities sold

End of Previous Consolidated Accounting Period (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	-

Current Consolidated Fiscal Year (2024 March 31)

Type	Proceeds from sales (Millions of yen)	Total gain on sales (Millions of yen)	Total losses on sales (Millions of yen)
(1)Equity securities	146	145	0
(2)Bonds	-	-	-
(3)Other	-	-	-
Total	146	145	0

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)

1. Derivative financial instruments for which deferred hedged accounting has not been applied

End of Previous Consolidated Accounting Period (March 31, 2023)

Not applicable.

Current Consolidated Fiscal Year (March 31, 2024)

Not applicable.

2. Derivative financial instruments for which deferred hedged accounting has been applied

Interest rate-related

End of Previous Consolidated Accounting Period (March 31, 2023)

Not applicable.

Current Consolidated Fiscal Year (March 31, 2024)

Hedge accounting method	Type of the transaction	Principal items hedged	Contract amount, etc. (Millions of yen)	Over one year of contract amount, etc. (Millions of yen)	Market value (Millions of yen)
Swap rates applied to underlying debt	Interest rate swaps Receive floating, pay fixed	Long-term loans payable	39,785	39,785	(NOTE)

(NOTE) The fair value of interest rate swaps with special treatment is included in the fair value of Long-term loans payable as they are accounted for as an integral part of the hedged item Long-term loans payable.

(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 payment plans adopted by the Company and certain 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 Beginning Balance of projected benefit obligation and Term end Balance (excluding plans to which the simplified method listed in (2) is applied)

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Beginning Balance of projected benefit obligation	916 Millions of yen	1,003 Millions of yen
Service cost	150	158
Interest cost	5	9
Actuarial gain or loss arising	△27	37
Benefits paid	△41	△70
Transfer due to change from simplified method to principle method	-	46
Amortization due to change from simplified method to principle method	-	30
Term end Balance in projected benefit obligation	1,003	1,215

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

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Liabilities related to retirement benefits Beginning Balance	67 Millions of yen	97 Millions of yen
Retirement benefit expenses	59	61
Benefits paid	△25	△7
Contributions to the SME Retirement Benefit Mutual Aid Plan	△4	△5
Transfer due to change from simplified method to principle method	-	△46
Liabilities related to retirement benefits's Term end Balance	97	99

(3) Reconciliation of Assets for Term end Balance and Consolidated Balance Sheets for Retirement Benefit Obligations and Liabilities related to retirement benefits for Retirement Benefits

	End of Previous Consolidated Accounting Period (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Retirement benefit obligation for unfunded plans	1,138 Millions of yen	1,353 Millions of yen
Estimated amount to be paid under the SME Retirement Benefit Mutual Aid Plan	△38	△39
Net amount of liabilities and assets recorded in the consolidated balance sheets	1,100	1,314

(4) Amount of Retirement benefit expenses and its breakdown

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Service cost	150 Millions of yen	158 Millions of yen
Interest cost	5	9
Amortization of actuarial loss	6	0
Retirement benefit expenses calculated by the simplified method	55	56
Amortization due to change from simplified method to principle method	-	30
Retirement benefit expenses for defined benefit plans	216	254

(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, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Differences in the mathematical calculations	△33 Millions of yen	36 Millions of yen
Combined Total	△33	36

(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 (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Unrecognized actuarial loss	△11 Millions of yen	25 Millions of yen
Combined Total	△11	25

(7) Assumptions used in actuarial calculations

Major actuarial assumptions (weighted average)

	End of Previous Consolidated Accounting Period (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
Discount rate	0.86~0.99 %	1.05~1.15 %
Expected rate of salary increase	2.07~2.95	2.34~2.95

3. Defined contribution plan

The required contributions to our SME Retirement Benefit Mutual Aid Plan are End of Previous Consolidated Accounting Period 4 Millions of yen and Current Consolidated Fiscal Year 5 Millions of yen.

(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, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
Selling, general and administrative expenses	327	196

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	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.
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	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.
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	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.
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
Stock by Class of shares (NOTE)1 number of options	Common stock 164 thousand Shares	Common stock 156 thousand Shares
The grant date	August 28, 2018	July 30, 2019
Vesting conditions	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.
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
Stock by Class of shares (NOTE)1 number of options	Common stock 159.6 thousand Shares	Common stock 158.1 thousand Shares
The grant date	August 1, 2020	July 31, 2021
Vesting conditions	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.
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

	11th Series Class B Subscription rights to shares	11th Series Class A Subscription rights to shares
Category and number of persons granted	Directors 7 Name Executive Officer 7 Name	2 of our Director 6 Director of affiliates 9 Executive Officers of affiliates
Stock by Class of shares (NOTE)1 number of options	Common stock 188 thousand Shares	Common stock 289.9 thousand Shares
The grant date	August 23, 2022	August 1, 2023
Vesting conditions	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.	There are no vesting conditions.
The requisite service period	The Company does not consider the applicable service period as it is difficult to reasonably predict the vesting date.	The applicable service period is not specified.
The exercise period	From August 24, 2022 to August 23, 2062	From August 2, 2023 to August 1, 2063

	12th Series Class B Subscription rights to shares
Category and number of persons granted	2 of our Director 6 Director of affiliates 9 Executive Officers of affiliates
Stock by Class of shares (NOTE)1 number of options	Common stock 176.7 thousand Shares
The grant date	August 1, 2023
Vesting conditions	As a general rule, both our Director and Executive Officers positions have been lost since the day following that date.
The requisite service period	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, 2023 to August 1, 2063

(NOTE)1. Figures are converted into Equity securities numbers.

As Equity securities split was conducted at the rate of 4 Shares per Shares on July 1, 2013, the adjusted formula by the relevant Equity securities split is presented.

(2) Size of stock options and their changes

Stock options that existed in Current Consolidated Fiscal Year (Year ending March 31, 2024) are covered, and the number of stock options is converted to Equity securities number.

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	84,000	84,000
Grant	-	-	-	-	-	-	-	-
Lapse	-	-	-	-	-	-	-	-
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	11th Series Class B Subscription rights to shares	Series 11 Class A Subscription rights to shares	12th Series Class B Subscription rights to shares
Non-vested (Shares)					
End of End of Previous Consolidated Accounting Period	119,600	135,200	163,700	-	-
Grant	-	-	-	289,900	176,700
Lapse	-	-	-	-	-
Vesting	-	-	-	289,900	-
Unvested balance	119,600	135,200	163,700	-	176,700
(Shares) after vesting					
End of End of Previous Consolidated Accounting Period	-	-	-	-	-
Vesting	-	-	-	289,900	-
Exercise of rights	-	-	-	289,900	-
Lapse	-	-	-	-	-
Outstanding balance	-	-	-	-	-

(NOTE) Equity securities split was conducted at the rate of 4 Shares per Shares on July 1, 2013. Accordingly, the figures for Equity securities after Equity securities split are shown.

② Unit price information

	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
Exercise Price (Yen)	1	1	1	1	1	1	1	1
Average Stock Price at Exercise (Yen)	-	-	-	-	-	-	-	-
Fair in The grant date Valuation unit price (Yen)	128	306	186	472	480	316	253	290

	Series 9 Class B Subscription rights to shares	Series 10 Class B Subscription rights to shares	11th Series Class B Subscription rights to shares	Series 11 Class A Subscription rights to shares	12th Series Class B Subscription rights to shares
Exercise Price (Yen)	1	1	1	1	1
Average Stock Price at Exercise (Yen)	-	-	-	464	-
Fair value at grant-date (Yen)	228	241	262	482	321

(NOTE)Exercise of rights value is 1 Shares Per share value. 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 11th Series A Subscription rights to shares that was Grant in Current Consolidated Fiscal Year are as follows:

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

	11th Series Class A Subscription rights to shares
Stock Price Volatility (NOTE)1	20.9%
Expected remaining maturity(NOTE)2	0.0028 years
Expected dividend rate (NOTE)3	3.60%
Risk-free rate (NOTE)4	△0.059%

(NOTE)Calculated based on the stock price Actual from August 2, 1.2021 to July 31, 2023.

- 2.The period from Subscription rights to shares allocation date to The exercise period commencement date is used.
- 3.Calculated based on the dividends Actual for the most recent 2010 years.
- 4.Since the expected life is very short, the averages of the overnight Collateral free rates are used.

The fair value estimation methodology for the 12th Series Class B Subscription rights to shares that was Grant in Current Consolidated Fiscal Year is as follows:

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

	12th Series Class B Subscription rights to shares
Stock Price Volatility (NOTE)1	38.7%
Expected remaining maturity(NOTE)2	11.3 years
Expected dividend rate (NOTE)3	3.60%
Risk-free rate (NOTE)4	0.651%

(NOTE)1. Calculated based on the share price Actual from April, 2012 2023 to July 31, 2023.

- 2.The weighted-average of the expected remaining service lives of Subscription rights to shares employees is used.
- 3.Calculated based on the dividends Actual for the most recent 2010 years.
- 4.Calculated based on JGB yields with a term corresponding to the expected remaining term.

4.How to estimate Vesting of stock options

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 Deferred tax assets and Deferred tax liabilities by major source

	End of Previous Consolidated Accounting Period (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Deferred tax assets		
Bonus Allowance in excess of tax limit	221 Millions of yen	272 Millions of yen
Allowance for doubtful accounts in excess of tax limit	85	84
Real estate for sale valuation loss denied	53	58
Denial of loss from membership revaluation	34	33
Liabilities related to retirement benefits in excess of tax limit	355	404
Retirement benefits for directors and corporate auditors Allowance in excess of tax limit	44	30
Excess depreciation expense disallowed for tax purpose	184	182
Impairment loss deny	400	292
Deferred consumption taxes	147	254
Income Taxes and Other Taxes Payable	167	220
Mandatory write-down of investment securities	3	3
Denial of asset retirement obligations	62	67
Tax Deferred assets	251	246
Compensation for completed construction Allowance in excess of deductible expenses	36	48
Subscription rights to shares	80	84
Loss on compensation for construction contracts denied	66	66
Shares of the Successor Corporation in Split	290	290
Tax effect on elimination of unrealized gains on consolidation	742	360
Gain (loss) on transfer Adjustment account	-	210
Other	273	29
Subtotal deferred tax assets	3,503	3,240
Valuation allowance (Note)	△612	△836
Deferred income taxes Total assets	2,890	2,403
Deferred tax liabilities		
Valuation difference on assets received for merger	△551	△551
Net unrealized gains on available-for-sale securities	△2	△43
Gain (loss) on transfer Adjustment account	-	△38
Other	△102	-
Deferred income taxes Total liabilities	△656	△634
Net deferred tax assets (△: liability)	2,234	1,769

(NOTE) The main Valuation allowance changes in Details were higher Adjustment account and Impairment loss related to gains and losses on dispositions.

2. Breakdown of significant differences between Statutory tax rate and Effective income tax rate by major item responsible for the difference

	End of Previous Consolidated Accounting Period (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Increase in valuation allowance	△16.9	1.8
Expenses not deductible for income tax purposes	1.1	0.4
Items that are not permanently included in gross profit, such as	0.0	△0.0
Dividend income	0.2	0.2
Per capita inhabitant tax	9.2	△0.5
Difference in tax rates of subsidiaries	2.1	1.2
Goodwill depreciation	△5.6	2.2
Effect of consolidation adjustments	1.4	0.4
Other	22.0	36.3
Effective income tax rate		

(Business Combinations, etc.)

(Determination of Provisional Accounting Treatment for Business Combinations)

Green Energy LLC, our Consolidated subsidiaries with November 18, 2022, conducted a business combination with Takara Leben Infrastructure Fund Inc. on a provisional basis in End of Previous Consolidated Accounting Period, but has been finalized as Current Consolidated Fiscal Year. There is no change in the amount associated with the finalization of this provisional accounting treatment.

(Asset retirement obligations)

Our group recognizes the obligation to restore Land for office leases to its original state upon vacating under the property lease contract as an Asset retirement obligations, but the description is omitted because the total amount of the obligation is immaterial.

With respect to the obligation to restore an Head Office to its original state upon vacating under a real estate lease contract, instead of recording it as an Liabilities, the Company reasonably estimates the amount that it ultimately cannot expect to recover Be related lease deposit in the real estate lease contract and records the amount belonging to the burden of consolidated Fiscal year in expenses.

(Rental and other real estate-related)

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

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

(Millions of yen)

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

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

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

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

4. Assets under construction is not included in the above table because it is extremely difficult to determine its fair value. Assets's End of Previous Consolidated Accounting Period and Current Consolidated Fiscal Year's Carrying amount under construction are 3020 Millions of yen and 2165 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 "(5) Basis of recognition of significant revenues and expenses" in "4. Basis of preparation of consolidated financial statements, Accounting Policy."

3.Information regarding 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 that exist in End of the consolidated financial year subsequent to the next consolidated Fiscal year

(1)Balance of Contract assets and Contractual liabilities, etc.

	End of Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Receivables from contracts with customers (beginning Balance)	2,765 Millions of yen	3,379 Millions of yen
Receivables from contracts with customers (Term end Balance)	3,379	8,220
Contractual liability (beginning Balance)	7,323	10,172
Contractual liability (Term end Balance)	10,172	8,994

Contractual liabilities primarily relates to Advances received received from customers who are ordinary consumers who deliver the property pursuant to real estate purchase and sale 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 Contractual liabilities Balance at the beginning of the period was 4,348 Millions of yen.

The amount of revenue recognized in Current Consolidated Fiscal Year that was included in Contractual liabilities Balance at the beginning of the period was 7420 Millions of yen.

(2)Transaction price allocated to the remaining performance obligation

We and Consolidated subsidiaries have applied the practical expedient method to Notes the transaction prices allocated to the remaining performance obligations and do not include the initial expected contract term in the scope of Notes for Within 1 year contracts. 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	23,842 Millions of yen	26,656 Millions of yen
Due in 1-2 years	41,942	31,714
Due after 2 years through 3 years	12,222	11,717
Total	78,007	70,089

(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 data is available and regularly reviewed by Board of Directors to make decisions about resource allocation and assess performance.

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

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

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

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

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

The accounting methods used for Report of business Segment are generally the same as those described in "Basis of Presenting the Consolidated Financial Statements," except for the valuation standards for inventory Assets.

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

Reportable segments earnings are Operating income based figures.

Intersegment revenues and transfers are based on prevailing market prices.

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

End of Previous Consolidated Accounting Period (From April 1, 2022 to 31 March, 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 the amount transferred	-	-	-	-	-	-
Total	139,110	9,045	1,096	149,253	4,219	153,472
Segment income (loss) (Δ)	7,906	Δ956	322	7,271	Δ241	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.

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

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

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

(Millions of yen)

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

(Millions of yen)

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

(Millions of yen)

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

(NOTE) Corporate Assets is a Assets that is 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	273,501	274,763
Other's Category Debt	3,974	3,562
Offset and Elimination of Obligations to Administration Divisions of Head Office	△44,814	△44,596
Corporate liabilities (Note)	43,864	32,049
Total liabilities of Consolidated Financial Statements	276,527	265,778

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

(Millions of yen)

Items in Other	Reportable segments Total		Other		Adjusted amount		Carrying value	
	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year
Depreciation and amortization	2,553	4,935	86	84	380	350	3,020	5,370
Amortization of goodwill	78	78	-	-	311	430	390	509
Interest expenses	1,939	2,860	11	2	129	△66	2,080	2,795

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)	69,445	39,281	96	1,231	△48,704	△13,871	20,837	26,641

(NOTE) Increased amount of Property, plant and equipment and Intangible assets's Adjusted amount is the amount of Goodwill accrued, Head Office Buildings and other capital expenditures that are not allocated to Reportable segments, and the amount of elimination of transactions between Segment.

[Related Information]

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

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

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, 2022 to March 31, 2023)

(Millions of yen)

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

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

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

(Millions of yen)

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

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

[Amortization of goodwill and unamortized Balance per Reportable segments]

End of Previous Consolidated Accounting Period (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)The amount of Corporate and eliminations is amortized and unamortized Balance related to corporate Goodwill not attributable to Reportable segments.

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

(Millions of yen)

	Real Estate Business	Energy Business	Asset Management Business	Other	Corporate and eliminations (Note)	Total
Amortization for the year	78	-	-	-	430	509
Term end Balance	19	-	-	-	3,400	3,420

(NOTE)The amount of Corporate and eliminations is 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, 2022 to March 31, 2023)

Not applicable.

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

Not applicable.

[Related party information]

Related party transactions

(1) Consolidated Financial Statements Submitting Company and Related party transactions

Officers and Major Shareholders of the Company Submitting Consolidated Financial Statements (limited to individuals), etc.

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

Not applicable.

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

Not applicable.

(2) Consolidated Financial Statements Submitting Company's Consolidated subsidiaries and Related party transactions

Officers and Major Shareholders of the Company Submitting Consolidated Financial Statements (limited to individuals), etc.

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

Not applicable.

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

Not applicable.

(Per Share Information)

	End of Previous Consolidated Accounting Period (From April 1, 2022 To 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To 31 March, 2024)
1 Shares Per share Net assets	558.95 yen	596 yen 90 yen
Net income per share	41.90 yen	7,439 yen
Diluted Net income per share	41.58 yen	7,372 yen

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

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

(Significant Subsequent Events)

(Issuance of New Shares through Public Offering and Disposal of Treasury stock)

At Board of Directors held on May 20, 2024, we resolved to issue new shares and sell Disposal of Treasury stock and our Equity securities, and the payment and disposition were completed on June 4, 2024. An overview is as follows.

1. Issuance of new Equity securities through public offering

(1) Class of shares and numbers issued	Common stock 16 million Shares
(2) Issue price	458 yen per Shares
(3) Aggregate offer price	7,328 Millions of yen
(4) Amount to be paid	439.08 yen per Shares
(5) Total amount paid	7,025 Millions of yen
(6) Increased amount of Capital stock and Legal capital surplus	Amount of Capital stock increased 3512 Millions of yen Amount of Legal capital surplus increased 3512 Millions of yen
(7) Payment date	June 4, 2024

2. Disposal of Treasury stock through Public Offering

(1) Treasury Class of shares disposed of and number	Common stock 6 million Shares
(2) Disposal price	458 yen per Shares
(3) Total disposal price	2,748 Millions of yen
(4) Amount to be paid	439.08 yen per Shares
(5) Total amount paid	2,634 Millions of yen
(6) Payment date	June 4, 2024

3. Use of proceeds from the current offering

Approximate proceeds from the public offering and the following (the "issuance of new shares through a third-party allotment of new shares") up to Total 11,057 Millions of yen will be used up to 9,057 Millions of yen by September 2026 to fund investments and loans to MIRARTH Energy Solutions, Inc., our Consolidated subsidiaries, and 2,000 Millions of yen by April 2025 to fund investments and loans to Takara Leben Co., Ltd., our Consolidated subsidiaries.

(Issuance of New Shares through Third-Party Allotment of Shares)

At Board of Directors held on May 20, 2024, we resolved to issue new shares through a third-party allotment to SMBC Nikko Securities Co., Ltd. in connection with an over-allotment offering. An overview is as follows.

1. Issuance of new Equity securities through third-party allotment of new shares

(1) Recruitment method	Capital increase through third-party allotment (secondary offering through over-allotment)
(2) Recruitment Class of shares and numbers	Common stock 3.3 million Shares
(3) Amount to be paid	439.08 yen per Shares
(4) Total amount paid	Up to 1448 Millions of yen
(5) Increased amount of Capital stock and Legal capital surplus	Up to 724 Millions of yen of incremental Capital stock Up to 724 Millions of yen of incremental Legal capital surplus
(6) Application date	July 1, 2024
(7) Payment date	July 2, 2024
(8) Allottee	SMBC Nikko Securities Inc.

2. Use of proceeds from the current offering

This is the same as the above (Issuance of new shares through public offering and Disposal of Treasury stock) 3. Use of proceeds.

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 Co., Ltd.	Second Unsecured Bonds payable	January 24, 2020	2,600	2,600 (2,600)	1.50	No	March 24, 2020
MIRARTH Holdings Co., Ltd.	Third Unsecured Bonds payable	October 6, 2023	-	2,000	1.45	No	October 6, 2026
MIRARTH Holdings Co., Ltd.	Fourth Series of Unsecured Bonds payable	October 6, 2023	-	3,000	1.60	No	October 6, 2027
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 (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)	-	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	60 (20)	40 (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	80 (20)	60 (20)	0.05	No	December 15, 2026
Takara Leben Co., Ltd.	19th Unsecured Bonds payable	January 20, 2022	80 (20)	60 (20)	0.27	No	January 20, 2027
Takara Leben Co., Ltd.	20th Collateral Bonds payable	September 25, 2023	-	300	0.57	No	September 25, 2026
Takara Leben Co., Ltd.	No Collateral Bonds payable at 21st	October 25, 2023	-	300	0.25	No	October 25, 2026
Leben Clean Energy Co., Ltd.	First Unsecured Bonds payable	September 29, 2022	135 (30)	105 (30)	0.70	No	September 29, 2027
Leben Clean Energy Co., Ltd.	Second Unsecured Bonds payable	December 29, 2023	-	200 (66)	0.70	No	December 29, 2026
Total	-	-	4,205 (190)	9,815 (2,806)	-	-	-

(NOTE)1.(.) Figures in this document represent scheduled redemption amounts of 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)
2,806	1,006	2,736	3,265	-

[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	18,065	25,621	0.95	-
Non-recourse Short-term borrowings	74,004	-	-	-
Long-term loans payable due within 1 year	25,997	44,102	1.00	-
Lease obligations due within 1 year	34	34	-	-
Long-term loans payable (excluding those to be repaid within 1 year)	104,828	130,673	1.32	From April 2025. December. 2058
Lease obligations (excluding obligations due within 1 year)	249	214	-	September. 2025 2031 December
Total	223,180	200,647	-	-

(NOTE)1. For Average interest rate, the weighted Average interest rate for Term end borrowing Balance is presented.

2. Lease obligations's Average interest rate is not presented because Lease obligations is recorded in Consolidated Balance Sheets at the amount prior to deducting the interest equivalent included in the total Lease fee.

3. The aggregate annual maturities of Long-term loans payable and Lease obligations (excluding obligations 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	45,154	18,409	13,467	11,018
Lease obligations	33	32	31	31

[Schedule of asset retirement obligations]

The amounts of Asset retirement obligations at the beginning of Current Consolidated Fiscal Year and End of the consolidated financial year are not more than 100 times less than Total amounts of Liabilities and Net assets at the beginning of Current Consolidated Fiscal Year and End of the consolidated financial year, and therefore are omitted in accordance with 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)	28,137	59,179	93,279	185,194
Quarterly loss (Δ) (Millions of yen) before income taxes and minority interests (Quarterly income before income taxes and minority interests)	98	719	Δ298	12,991
Quarterly (current term) net income (loss) (Δ) attributable to owners of the parent (Millions of yen)	Δ218	87	Δ1,461	8,178
Quarterly (current term) net income (loss) (Δ) per share (Yen)	Δ1.99	0.79	Δ13.30	74.39

(Accounting period)	1st quarter	2nd quarter	Third quarter	4th quarter
Quarterly net income per share or 1 Shares Quarterly net loss (Δ) (Yen)	Δ1.99	2.78	Δ14.07	87.56

2[Financial Statements]

(1)[Financial Statements]

①[Balance Sheet]

(Millions of yen)

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Assets		
Current assets		
Cash and deposits	12,191	16,689
Accounts receivable	※1,※3 585	※1,※3 2,676
Accounts receivable-other	※3 2,600	※3 676
Real estate for sale	※1,※2 14,610	※1,※2 14,153
Power generation facilities for sale	※2 291	-
Real estate for sale in progress	※1,※2 45,220	※1,※2 31,949
Advance payments	3,051	2,380
Prepaid expenses	※2,※3 1,092	※3 620
Short-term loans to affiliates	※3 5,920	※3 7,585
Other	※3 4,529	※3 6,763
Allowance for doubtful accounts	△275	△275
Total current assets	89,821	83,220
Fixed assets		
Property, plant and equipment		
Buildings	※1,※2 7,504	※1,※2 6,993
Structures	※1,※2 271	※1,※2 177
Machinery and equipment	※1,※2 3,865	※1 3,341
Tools, furniture and fixtures	※1,※2 77	※1,※2 78
Land	※1,※2 23,418	※1,※2 11,814
Construction in progress	※1,※2 2,532	※1,※2 1,025
Total property, plant and equipment	37,669	23,432
Intangible assets		
Land Lease Right	※1 491	※1 242
Software	※1,※2 160	※1 283
Goodwill	98	19
Other	72	79
Total intangible assets	823	624
Investments and other assets		
Investment securities	2,515	2,049
Stocks of subsidiaries and affiliates	※1 18,447	※1 22,039
Securities of affiliates of Other	497	13,868
Investments in capital	277	358
Membership	44	71
Lease deposits	966	840
Long-term loans receivable	100	-
Long-term loans receivable from subsidiaries and affiliates	※3 1,530	-
Deferred tax assets	467	408
Other	※2 1,827	1,722
Total investments and other assets	26,674	41,358
Total fixed assets	65,167	65,416
Deferred assets		
Bonds payable issuance costs	8	41
Deferred assets Total	8	41
Total assets	154,996	148,678

(Millions of yen)

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Liabilities		
Current liabilities		
Notes payable	5,591	14,308
Accounts payable	※3 2,023	※3 3,552
Short-term borrowings	※1 7,609	※1 5,688
Current portion of bonds payable	-	2,600
Current portion of long-term loans payable	※1 18,280	※1 24,831
Accounts payable-other	※3 1,872	※3 988
Accrued expenses	23	44
Income taxes payable	113	1,930
Advances received	6,439	1,660
Deposits received	※3 547	242
Deferred revenues	41	※3 37
Bonus Allowance	14	3
Compensation for completed construction Allowance	305	299
Other	3	338
Total current liabilities	42,865	56,526
Fixed liabilities		
Long-term loans payable	※1,※3 55,937	※1 29,840
Bonds payable	2,600	5,000
Lease and guarantee deposits received	620	421
Benefit Allowance	11	2
Asset retirement obligations	25	26
Total Fixed liabilities	59,194	35,290
Total liabilities	102,059	91,817
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus		
Legal capital surplus	4,817	4,817
Other Capital surplus	3	34
Capital surplus Total	4,820	4,851
Retained earnings		
Legal reserve	92	92
Other Retained earnings		
General reserve	14,681	14,681
Retained earnings carried forward	32,523	36,097
Retained earnings Total	47,297	50,870
Treasury stock	△4,174	△4,066
Total shareholders' equity	52,762	56,476
Valuation and translation adjustments		
Net unrealized gains on available-for-sale securities	△45	107
Total valuation and translation adjustments	△45	107
Subscription rights to shares	220	277
Total net assets	52,937	56,861
Total liabilities and net assets	154,996	148,678

②[Income Statement]

(Millions of yen)

	Prior taxable year (From April 1, 2022 To 31 March, 2023)	Current fiscal year (From April 1, 2023 To 31 March, 2024)
Net sales		
Real Estate Business income	※1 72,556	※1 86,590
Energy Business income	※1 4,475	※1 1,091
Other Businesses income	※1 333	150
Operating revenue		
Affiliated companies Dividend income	-	1,392
Net sales and operating revenue Total	77,364	89,226
Cost of sales		
Real Estate Business cost	※1 58,169	※1 73,068
Energy Business cost	※1 4,439	※1 1,164
Other Businesses cost	※1 558	※1 271
Cost of sales Total	63,167	74,503
Gross profit	14,197	14,722
Selling, general and administrative expenses	※1,※2 10,103	※1,※2 7,132
Operating income	4,093	7,590
Non-operating income		
Interest income	※1 86	※1 81
Dividend income	※1 904	46
Silent partnership Profit	-	※1 404
Commission received	49	21
Miscellaneous income	※1 509	※1 1,060
Total non-operating income	1,550	1,614
Non-operating expenses		
Interest expenses	※1 731	※1 706
Loss on investments in silent partnerships	415	-
Miscellaneous expenses	191	※1 161
Total non-operating expenses	1,338	867
Ordinary income	4,305	8,336
Extraordinary income		
Gain on sales of Fixed assets	0	26
Gain on sales of investment securities	-	146
Gain on sales of stock of affiliates	-	300
Total extraordinary income	0	473
Extraordinary loss		
Loss on sales of Fixed assets	95	-
Impairment loss	48	455
Extraordinary losses Total	143	455
Income before income taxes	4,162	8,354
Income taxes, inhabitant taxes and business taxes	225	2,145
Income tax adjustments	276	△0
Total income and other taxes	502	2,145
Net income	3,659	6,209

[Cost of sales Statement]

1.Real Estate Business cost Statement

		Prior taxable year (From April 1, 2022 To 31 March, 2023)		Current fiscal year (From April 1, 2023 To 31 March, 2024)	
Category	Notes Number	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Purchase Land, etc.	2	24,430	42.0	29,655	40.6
Outsourced construction costs		31,552	54.2	40,867	55.9
Taxes and dues		346	0.6	220	0.3
Depreciation and amortization		175	0.3	240	0.3
Maintenance and management fee		727	1.3	563	0.8
Other		936	1.6	1,520	2.1
Real Estate Business cost		58,169	100.0	73,068	100.0

(NOTE)1. Cost accounting is based on individual cost accounting.

2.The amount of inventory Assets write-downs in Prior taxable year is Δ 1,032 Millions of yen (Δ is reversal amount).

2.Energy Business cost Statement

		Prior taxable year (From April 1, 2022 To 31 March, 2023)		Current fiscal year (From April 1, 2023 To 31 March, 2024)	
Category	Notes Number	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Cost of sales of power generation facilities		-	-	291	25.0
Taxes and dues		35	0.8	60	5.2
Depreciation and amortization		625	14.1	521	44.9
Maintenance and management fee		113	2.6	153	13.2
Rent expenses		3,531	79.5	10	0.9
Other		133	3.0	125	10.8
Energy Business cost		4,439	100.0	1,164	100.0

③[Statement of Changes in Shareholders' equity]

Prior taxable 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

Current fiscal year (From April 1, 2023 to March 31, 2024)

(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	3	4,820	92	14,681	32,523	47,297
Change during the year								
Dividend of surplus							△2,635	△2,635
Net income							6,209	6,209
Disposal of Treasury stock			31	31				
Net changes of items other than Shareholders' equity								
Total changes of items during the period	-	-	31	31	-	-	3,573	3,573
Term end Balance	4,819	4,817	34	4,851	92	14,681	36,097	50,870

	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	△4,174	52,762	△45	△45	220	52,937
Change during the year						
Dividend of surplus		△2,635				△2,635
Net income		6,209				6,209
Disposal of Treasury stock	108	140				140
Net changes of items other than Shareholders' equity			153	153	56	210
Total changes of items during the period	108	3,713	153	153	56	3,924
Term end Balance	△4,066	56,476	107	107	277	56,861

[Notes]

(Significant accounting policies)

1. Marketable securities

(1) Held-to-maturity debt securities

Stated at amortized cost (straight-line method).

(2) Stocks of subsidiaries and affiliates, Securities of affiliates of Other

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. Inventory: Valuation standards and methods for Assets

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 assets)

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

Useful life for primary assets is as follows:

Buildings 3-50 years

Machinery and equipment 7-17 years

(2) Intangible assets (excluding Leased assets)

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

Allowance for doubtful accounts is provided at an amount equal to Actual rate for ordinary receivables and an amount equal to the estimated uncollectible amount for certain receivables such as doubtful receivables based on the individual collectability.

(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

In order to provide for losses and compensation service expenses arising from defects after delivery of company-constructed buildings, etc., the Company records Actual for repair expenses and other expenses related to previous company-constructed buildings, etc.

(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 Benefit Allowance and Retirement benefit expenses, a simplified method is applied that uses the retirement benefit obligation as the amount that would be required if all employees voluntarily terminated their employment with 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 condominium business

The new 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.

②Securitization business

The securitization business is a business of acquiring rental residential properties and office buildings, increasing Assets value through leasing and renovation, 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 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 timing of performance obligations and their satisfaction, the methods of determining transaction prices, and the timing of revenue recognition in the proceeds from the sale of the active power generation Facilities are the same as in the new 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) Group Business Management Business

Revenues from the Group-wide business administration business consist of Dividend income subsidiaries and affiliates.

For Dividend income affiliates, earning is recorded in Effective date of dividends.

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 Current fiscal year's financial statements

	Prior taxable year	Current fiscal year
Buildings	24 Millions of yen	-Millions of yen
Land	24 Millions of yen	455 Millions of yen
Total	48 Millions of yen	455 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.

As described in "1. Consolidated Financial Statements, (1) Consolidated Financial Statements, (Consolidated Statements of Income) ※6 Impairment loss" under Current fiscal year, Impairment loss 455 Millions of yen is recognized as the recoverable amount based on the appraisal value by a real estate appraiser. 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 uncertain future changes in economic conditions or other factors, additional Impairment loss (Extraordinary loss) may occur in the financial statements for the following Business Year and thereafter.

(Changes in Presentation Method)

(Change in Presentation Method due to Transition to Holding Company Structure)

We transitioned to a holding company structure with October 1, 2022.

As a result, dividends from subsidiaries are a source of our revenues. Accordingly, "Dividend income of affiliated companies," which was included in "Dividend income" under Non-operating income until Prior taxable year, is presented separately as "Dividend income of affiliated companies" under operating revenues from Current fiscal year.

Prior taxable year's "Dividend income of Affiliated Companies" is 697 Millions of yen.

(Notes to the Balance Sheet)

※1 Assets pledged as Collateral and corresponding liabilities are as follows:

(1) Assets pledged as Collateral

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Accounts receivable	87 Millions of yen	45 Millions of yen
Real estate for sale	11,603	7,257
Real estate for sale in progress	36,366	26,127
Buildings	5,664	4,985
Structures	124	91
Machinery and equipment	2,723	2,379
Tools, furniture and fixtures	4	12
Land	19,866	8,665
Construction in progress	2,053	1,025
Land Lease Right	232	232
Software	0	0
Investments in subsidiaries and affiliates (Note)	3,940	6,032
Total	82,668	56,855

(NOTE) 1898 Millions of yen of Prior taxable year's Assets pledged as Collateral are Collateral provided Assets for Financial institutions loans from Green Energy LLC.

(2) Debt to the above

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Short-term borrowings	7,376 Millions of yen	5,688 Millions of yen
Current portion of long-term loans payable	14,790	17,287
Long-term loans payable	50,813	24,840
Total	72,980	47,816

※2 Change in holding purpose of Assets

Prior taxable year (March 31,2023)

In conjunction with the change in the holding purpose from development and leasing to resale, a portion of the real estate owned was transferred to Current fiscal year as follows: 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 2,254 Millions of yen, and Software 0 Millions of yen to Real estate for sale and Real estate for sale in progress. Certain of Assets were sold in Current fiscal year and 6314 Millions of yen of the 14,265 Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

In addition, as a result of the change in the intent to hold a portion of Mega solar generation Facilities for resale, a long-term Prepaid expenses 90 Millions of yen ("Current fiscal year" Prepaid expenses") was transferred to Millions of yen at Investments and other assets for Other 7 Power generation facilities for sale, Machinery and equipment 143 Millions of yen, and Land 60 Millions of yen.

Current fiscal year (2024 March 31)

As a result of a change in the holding purpose from resale to Assets for business use, Current fiscal year transferred Real estate for sale in progress 7 Millions of yen to Buildings 3 Millions of yen and Land 4 Millions of yen.

In addition, in conjunction with the change in the holding purpose of certain real estate holdings from development and leasing to resale, Current fiscal year transferred 5,264 Buildings Millions of yen, Structures 143 Millions of yen, Tools, furniture and fixtures 22 Millions of yen, Land 11,072 Millions of yen, and 1,635 Millions of yen to Real estate for sale. Certain of Assets were sold in Current fiscal year and 9,640 Millions of yen of the 18,137 Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

※3 Monetary claims and monetary liabilities to affiliated companies (excluding those expressed in Category)

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Short-term monetary claims	10,276 Millions of yen	13,661 Millions of yen
Long-term monetary receivables	1,730	-
Short-term loans payable	1,900	530
Long-term debt	36	-

4 Contingent liabilities

Guarantees for loans from financial institutions

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Joint and several guarantee obligations to financial institutions, etc. until the completion of the registration of mortgage on our customer housing loans	10,016 Millions of yen	2,441 Millions of yen
Takara Leben Co., Ltd.	3,000	1,200
Leben Zestock Co., Ltd.	2,337	845
Leben Clean Energy Co., Ltd.	1,930	2,537
Minato Vietnam Co., Ltd.	112	647
WISE ESTATE 3 Co., Ltd.	1,615	524
WISE ESTATE 8 Co., Ltd.	246	367
WISE ESTATE 10 Co., Ltd.	237	489
Takara Leben(Thailand)Co.,Ltd.	1,196	1,552
Total	20,691	10,606

5 In order to raise working capital efficiently, we have entered into overdraft and loan commitment agreements with 25 Financial institutions (44 Prior taxable year). Unused Balance at the end of the fiscal year under these contracts are as follows:

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Maximum overdraft amount and loans Total commitment	46,341 Millions of yen	32,007 Millions of yen
Loan balance	28,631	25,458
Net amount	17,710	6,549

(Notes to Statements of Income)

※1 Transactions with Affiliates

	Prior taxable year (From April 1, 2022 To 31 March, 2023)	Current fiscal year (From April 1, 2023 To 31 March, 2024)
Turnover with business transaction		
Net sales	4,115 Millions of yen	36,314 Millions of yen
Purchases	2,373	2,485
Excluding operating transactions with subsidiary	1,067	1,397

※2 The approximate percentages of expenses in selling expenses are Prior taxable year 46%, Current fiscal year 47%, and the approximate percentages of expenses in general and administrative expenses are Prior taxable year 54% and Current fiscal year 53%.

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

	Prior taxable year (From April 1, 2022 To 31 March, 2023)	Current fiscal year (From April 1, 2023 To 31 March, 2024)
Advertising expenses	2,560 Millions of yen	1,158 Millions of yen
Sales commission	817	1,445
Promotion expenses	1,237	760
Salary allowance	1,013	75
Bonus Allowance provision	257	7
Retirement benefit expenses	45	2
Depreciation and amortization	136	148

(Notes to Securities)

Stocks of subsidiaries and affiliates

Balance sheet amount of stocks, etc. without market price

(Millions of yen)

Category	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Investments in subsidiaries	18,447	22,039
Securities of affiliates of Other	497	13,868

(Deferred tax accounting)

1. Breakdown of Deferred tax assets and Deferred tax liabilities by major source

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Deferred tax assets		
Bonus Allowance in excess of tax limit	4 Millions of yen	1 Millions of yen
Allowance for doubtful accounts in excess of tax limit	84	84
Real estate for sale valuation loss denied	19	19
Denial of loss from membership revaluation	32	32
Retirement benefits Allowance in excess of tax limit	3	0
Excess depreciation expense disallowed for tax purpose	184	182
Impairment loss deny	399	163
Deferred consumption taxes	129	229
Income Taxes and Other Taxes Payable	26	110
Mandatory write-down of investment securities	3	3
Denial of asset retirement obligations	37	43
Tax Deferred assets	118	90
Compensation for completed construction Allowance in excess of deductible expenses	27	25
Subscription rights to shares	80	84
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	290
Gain (loss) on transfer Adjustment account	-	210
Net unrealized gains on available-for-sale securities	28	-
Subtotal deferred tax assets	1,558	1,661
Valuation allowance	△537	△629
Deferred income taxes Total assets	1,021	1,031
Deferred tax liabilities		
Valuation difference on assets received for merger	△551	△551
Net unrealized gains on available-for-sale securities	△1	△32
Gain (loss) on transfer Adjustment account	-	△38
Deferred income taxes Total liabilities	△553	△623
Net deferred tax assets (△: liability)	467	408

2. Breakdown of significant differences between Statutory tax rate and Effective income tax rate by major item responsible for the difference

	Prior taxable year (March 31,2023)	Current fiscal year (March 31,2024)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Increase in valuation allowance	△18.2	1.1
Expenses not deductible for income tax purposes	0.6	0.1
Items that are not permanently included in gross profit, such as Dividend income	△5.1	△5.1
Per capita inhabitant tax	0.2	0.0
Investment gains and losses of associations, etc.	3.1	1.5
Other	0.9	△2.6
Effective income tax rate	12.1	25.7

(Revenue Recognition)

Notes is omitted because the same Details is provided in "Notes Matters (Significant accounting policies) 5. Accounting Standards for Revenues and Expenses" as the basis for understanding Revenue arising from contracts with customers.

(Significant Subsequent Events)

(Issuance of New Shares through Public Offering and Disposal of Treasury stock)

At Board of Directors held on May 20, 2024, we resolved to issue new shares and sell Disposal of Treasury stock and our Equity securities, and the payment and disposition were completed on June 4, 2024.

Notes is omitted because the same Details is provided in "Notes Matters (Significant Subsequent Events)" in the consolidated financial statements.

(Issuance of New Shares through Third-Party Allotment of Shares)

At Board of Directors held on May 20, 2024, we resolved to issue new shares through a third-party allotment to SMBC Nikko Securities Co., Ltd. in connection with an over-allotment offering.

Notes is omitted because the same Details is provided in "Notes Matters (Significant Subsequent Events)" in the consolidated financial statements.

④[Supplementary Schedules]

[Property, plant and equipment Schedule]

(Millions of yen)

Category	Type of property	Beginning of the fiscal year Balance	Current period Increase	Current period Decrease amount	Current period Amortization	Term end Balance	Depreciation Accumulated amount	Term end Acquisition cost
Tangible Fixed assets	Buildings	7,504	5,754	5,965	299	6,993	756	7,750
	Structures	271	174	248	19	177	32	210
	Machinery and equipment	3,865	-	-	523	3,341	1,505	4,846
	Tools, furniture and fixtures	77	100	47	51	78	237	316
	Land	23,418	345	11,949 (455)	-	11,814	-	11,814
	Leased assets	-	-	-	-	-	19	19
	Construction in progress	2,532	6,908	8,414	-	1,025	-	1,025
	Total	37,669	13,283	26,626 (455)	894	23,432	2,551	25,984
Intangible Fixed assets	Land Lease Right	491	-	249	-	242	-	-
	Software	160	185	-	62	283	-	-
	Goodwill	98	-	-	78	19	-	-
	Other	72	202	195	-	79	-	-
	Total	823	387	445	141	624	-	-

(NOTE)1. Parentheses in parentheses () in "Decreased during current term" are the recorded amount of Impairment loss.

2. Major Details in the fiscal year under review were as follows.

Buildings	Acquisition of income-producing properties	5,733 Millions of yen
Structures	Acquisition of income-producing properties	164 Millions of yen
Land	Acquisition of income-producing properties	345 Millions of yen
Construction in progress	Acquisition of income-producing properties	6,908 Millions of yen
Software	Obtaining a Other	185 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	14	8	19	3
Compensation for completed construction Allowance	305	0	6	299

(2)[Major Assets and Liabilities's Details]

This information is omitted because the consolidated financial statements have been prepared.

(3)[Other]

Not applicable.

VI [Outline of Submitting Company's Equity securities Operations]

Business Year	From April 1 to 31-Mar
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	
Handling place	(Special Account) 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 set forth in each item of Article 189 II of the Companies Act, the right to make a request pursuant to the provisions of Article 166 I of the Companies Act, the right to receive an allocation of Equity securities for subscription and an allocation of Subscription rights to shares for subscription in accordance with the number of Equity securities held by a Shareholder, and the right to request the sale of Shares less than 1 unit.

VII. [Submitting Company Reference]

1[Information on Submitting Company's Parent Company]

We do not have a parent company, etc. as stipulated in Article 24-7-1 of the Financial Instruments and Exchange Act.

2[For 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 Statement and its attached documents and confirmation

Submitted to Business Year (51st fiscal year) (From April 1, 2022 to 31 March, 2023) June 23, 2023 Director-General of the Kanto Local Finance Bureau

(2) Internal Control Report and Attachment

Submitted to June 23, 2023 Director-General of the Kanto Local Finance Bureau

(3) Annual Securities Report and confirmation

(52nd 1st quarter) (From April 1, 2023 to June 30, 2023) filed with Director-General of the Kanto Local Finance Bureau on August 10, 2023

(52nd 2nd quarter) (From July 1, 2023 to September 30, 2023) filed with Director-General of the Kanto Local Finance Bureau on November 13, 2023

(52nd Third quarter) (From October 1, 2023 to December 31, 2023) filed with Director-General of the Kanto Local Finance Bureau on February 13, 2024

(4) Extraordinary Report

Submitted to June 26, 2023 Director-General of the Kanto Local Finance Bureau

This is an extraordinary Report statement based on Article 19, II 9-2 of the Cabinet Office (Result of Voting Rights Exercised in Ordinary General Meeting of Shareholders) regarding the disclosure of corporate Details, etc.

Filed with Director-General of the Kanto Local Finance Bureau on July 10, 2023

This is an extraordinary Report document based on Article 19 II Item 2 (Issuance of Subscription rights to shares) of the Cabinet Office Ordinance on Disclosure of Corporate Details, etc.

Filed with Director-General of the Kanto Local Finance Bureau on July 10, 2023

This is an extraordinary Report document based on Article 19 II Item 2 (Issuance of Subscription rights to shares) of the Cabinet Office Ordinance on Disclosure of Corporate Details, etc.

(5) Amendment to the Temporary Report Document Report

Filed with Director-General of the Kanto Local Finance Bureau on August 1, 2023

Amended and Restated Report filed on July 10, 2023, in connection with the Extraordinary Report (issued by Subscription rights to shares).

(6) Securities registration statement (public offering and over-allotment offering) and accompanying documents

Filed with Director-General of the Kanto Local Finance Bureau on May 20, 2024

(7) Securities Registration Statement (Allotment to For Other Person) and Documents Attached thereto

Filed with Director-General of the Kanto Local Finance Bureau on May 20, 2024

(8) Amendment of Securities Registration Statement

Filed with Director-General of the Kanto Local Finance Bureau on May 29, 2024

Amendment to Securities Registration Statement filed on May 20, 2024 (offering through general offering and over-allotment).

Filed with Director-General of the Kanto Local Finance Bureau on May 29, 2024

This is an amendment to the Securities Registration Statement (allotment to For Other) filed on May 20, 2024.

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 26, 2024

MIRARTH HOLDINGS, Inc.

To the Board of Directors

Grant Thornton Taiyo LLC.

Tokyo Office

Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Tomohiro Ooki
Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Tetsuya Ishihara
Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Takafumi Shimokawa

<Consolidated Financial Statements Audit>

Audit Comments

Audit Corporation has made an Audit to the consolidated financial statements of MIRARTH HOLDINGS, Inc. for the period from April 1, 2023 to March 31 2024, which are listed in the "Accounting" section, which are Fiscal year's consolidated financial statements for the period from Consolidated Balance Sheets, the consolidated statements of income, Comprehensive income, the consolidated statements of changes in Shareholders' equity, the consolidated statements of cash flows, the significant matters forming the basis for the preparation of the consolidated financial statements, For Other I and the consolidated supplementary schedules, in order to provide a Audit certification under the provisions of Article 193-2 Notes of the Financial Instruments and Exchange Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MIRARTH HOLDINGS, Inc. and Consolidated subsidiaries as of March 31 2024, and the results of their operations and their cash flows for Fiscal 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 of the Corporation and its Consolidated subsidiaries in accordance with the Code of Professional Ethics in Japan. As a Audit, the Corporation fulfills its For Other ethical responsibilities. We believe that Audit Corporation has obtained adequate and appropriate Audit evidence that forms the basis for our opinion.

Highlights

As described in Notes on Significant Subsequent Events, on May 20, 2024, the Company resolved to issue new shares through a public offering and Disposal of Treasury stock in Board of Directors, and the payment and disposition were completed on June 4, 2024. In addition, Board of Directors resolved to issue new shares through a third-party allotment in connection with the offering through over-allotment.

This matter does not affect the views of Audit Corporation.

Key Audit Considerations

Key Audit Considerations is Audit of Current Consolidated Fiscal Year's consolidated financial statements determined by Audit as a professional expert to be particularly relevant. Key Audit Considerations is a correspondent matter in the process of Audit for the consolidated financial statements as a whole and in the formulation of Audit Comments, and Audit Corporation does not express an opinion on such matters individually.

Impairment review of Fixed assets held for Energy Business	
Details of Key Audit Considerations and Reasons for Determination	Response on Audit
<p>The Company has positioned Energy Business as a growth business in the future, and has positioned it as a core business after Real Estate Business, and has changed to Policy, which ensures stable earnings through the ownership of power generation Facilities, and as described in (Segment information, etc.) Segment Information 3., the Company has recorded 113,998 Millions of yen as a Energy Business Assets in Current Consolidated Fiscal Year. The Company is planning to acquire or develop Energy Business Assets based on its medium-to long-term Energy Business strategy. At the same time, the Company is monitoring and managing the profitability of its business Assets. However, Impairment loss 13 Millions of yen has been recorded in Current Consolidated Fiscal Year for some power generation Facilities as described in Notes Matters (Consolidated Statements of Income) *6.</p> <p>The Corporation considers generation Facilities as the smallest unit to generate cash flow. This is considered to be impaired as the basic unit. The Companies assess Impairment loss for generation Facilities with indicators of impairment and record an Impairment loss to reduce the carrying amount to the recoverable amount when it is determined that an Impairment loss should be recognized. Future cash flows by generation Facilities are used to determine Impairment loss recognition and the recoverable amount, and such future cash flows are calculated based on the income and expenditure plan approved by Executive Committee of Be related companies.</p> <p>As described in Notes Matters (Critical Accounting Estimates), significant assumptions in estimating future cash flows are the projected volume of electricity sold and the unit price of electricity sold that will form the basis for future cash flows, the duration of usage and the operational efficiencies of Energy Business based on the Medium-to Long-Term Energy Business Strategy.</p> <p>Energy Business Assets is expected to continue to grow and the significant assumptions described above in estimating the future cash flows to be utilized in the impairment review of Fixed assets held for Energy Business involve uncertainties and require management's judgment, and Audit Corporation has determined that such matters constitute Key Audit Considerations.</p>	<p>Audit Corporation primarily carried out the following Energy Business impairments on its Fixed assets holdings:</p> <ul style="list-style-type: none"> • We understood the roles of Be related Group companies in Details and Energy Business of the medium-to long-term Energy Business strategy through discussions with management, and reviewed the planning for investing in energy Assets based on the strategy. We also checked the funding plan underlying the investment plan and examined the rationality and feasibility of the plan. • The estimated useful lives of generation Facilities in the estimation of future cash flows. The economic remaining useful lives of major Assets and their Comparison are based on published Energy Business with an outline of Be related system and an inspection of an external assessment on machinery and equipment. • Consideration was given to the consistency of future cash flows with the income and expenditure plan approved by Executive Committee, a Be related firm. • In order to verify the reasonableness of the income and expenditure plan prepared by Be related companies for each generation Facilities, we asked about the generation status of differences and reasons for the generation Facilities by Comparison of the estimated sales volume and Actual used in the income and expenditure plan when acquiring or developing new power, and confirmed that they are properly considered in the income and expenditure plan as the basis of future cash flows. • In connection with the forecast of electricity sales volume, which is the basis for future cash-flow electricity sales revenues, this paper discusses with management measures to improve power generation efficiency for each power generation Facilities, and examines the rationality and feasibility of the published external data on output control prospects. • Regarding the unit price of electricity sales, which is the basis for the revenue from electricity sales in future cash flows, this paper discusses with the management about a new system to replace the current system in the medium-to long-term Energy Business strategy and the transition to a new sales strategy, and reviews the outline of the system announced, and examines the rationality and feasibility.

Revenue Recognition for Sale Transactions of Real Estate and Generation Facilities	
Details of Key Audit Considerations and Reasons for Determination	Response on Audit
<p>The Corporation accounts for Net sales 185,194 Millions of yen in Current Consolidated Fiscal Year's consolidated statements of operations. This Net sales includes earnings from the sale of real estate in the Liquidation segment of Real Estate Business and the sale of Facilities in Energy Business.</p> <p>The sale transactions of these properties and power generation Facilities tend to involve a high degree of individuality in the terms of the transactions and a large amount of transactions. Especially in the case of securitization of real estate using special purpose companies, the Company may be continuously involved in the real estate, etc. through entrusted management after the sale, partial ownership of an equity interest in the assignee, etc., and the purchase and sale contract may be subject to repurchase and Lease back provisions. As a result, it may be complicated to determine whether or not almost all of the risks and economic value related to the real estate and power generation Facilities that are the premise of the sale transaction have been transferred. If this judgment is incorrect, significant amounts of revenues will be recorded for real estate and power generation Facilities sales transactions that are not deemed to transfer substantially all of the risks and rewards to the transferee.</p> <p>Based on the above, Audit Corporation has determined that the revenue recognition for the sale transaction of real estate in the liquidation business and the sale transaction of Facilities in operation in Energy Business constitutes Key Audit Considerations.</p>	<p>Audit Corporation primarily performed the following Audit procedures in considering the revenue recognition associated with the sale of real estate in the Liquidation segment and the sale of Energy Business generating Facilities in place.</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. • The transfer price was verified to be the amount based on the contract concluded with a third party, in comparison with the sales contract. In addition, Comparison were conducted with real estate appraisal reports, etc. as needed, and Comparison were conducted with information such as rent announced by external organizations regarding future cash flows and Discount rate used as the basis for real estate appraisals. • Regarding the degree of continuing involvement, we reviewed property management contracts and silent partnership investment contracts to assess the impact on the transfer of risks and economic value related to real estate and power generation Facilities. • We reviewed and examined the purchase and sale contracts and other documents for the existence of repurchase and Lease back provisions. • The facts of delivery were verified by reconciling the accounting records with the sales contract and the deposit vouchers. • In the case of securitization using a special purpose company, whether the special purpose company does not fall under the category of a subsidiary, inspected the silent partnership investment contract, etc., and examined the investment relationship, etc. with the company and Consolidated subsidiaries.

Other description Details

Other description Details is the information included in Securities Report Statement, 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 Director's duties in the development and operation of Other description Details's Report processes.

This Audit does not include Audit Comments in the accompanying consolidated financial statements of Audit Corporation, and it does not express an opinion on Other description Details.

The responsibility of Audit Corporation in Audit to the consolidated financial statements is to review, through Other description Details, whether there are material differences between Other description 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 any other material differences other than such material differences are indicative of a material error in Other description Details.

Audit Corporation is required to Report any material error in its Other description Details as determined 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 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.
- The objective of Audit is not to express an opinion on the effectiveness of the entity's internal control. However, Audit considers Be related internal control over the entity's Audit to design Audit procedures that are appropriate in the circumstances when conducting a risk assessment.
- Assess the appropriateness of accounting Policy adopted by management and the methods of its application, as well as the reasonableness of accounting estimates made by management and the appropriateness of Be related Notes matters.
- 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 draw attention to Notes matters in the consolidated financial statements in Audit report statement, or if Notes matters in the consolidated financial statements for significant 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.
- Evaluate whether the presentation of consolidated financial statements and Notes matters conform to accounting principles generally accepted in Japan, the presentation, composition and Details of consolidated financial statements, including Be related Notes matters, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain adequate and appropriate Audit evidence regarding the financial information of the Corporation and 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 will Report 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 For Other matters as required by Audit standards.

Audit will conduct Report of Audit & Supervisory Board Members and Audit & Supervisory Board with respect to compliance with the provisions of professional ethics in Japan regarding independence and Details for matters that are reasonably likely to affect human independence, and for cases where measures are taken to eliminate impediments or where safeguards are applied to reduce the impediments to an acceptable level.

Audit shall determine that Audit & Supervisory Board & Supervisory Board Members and Current Consolidated Fiscal Year's Audit of the matters discussed with them are of particular importance in Key Audit Considerations's Consolidated Financial Statements and include them in Audit report. Provided, however, that such matters shall not be stated if the publication of such matters is prohibited by laws and regulations, or if it is judged by Audit report that Report would reasonably be expected to cause disadvantage in excess of the public Profit and therefore Audit personnel should not Report such matters, although it is extremely limited.

<Internal Control Audit>

Audit Comments

In order to provide an Audit attestation under the provisions of Article 193-2 II of the Financial Instruments and Exchange Act, Audit Corporation conducted an MIRARTH HOLDINGS, Inc.'s March 31 2024 Report of Internal Control.

In our opinion, the internal control Report referred to above, which indicates that the internal control over financial Report as of March 31 2024 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 of the Corporation and its Consolidated subsidiaries in accordance with the Code of Professional Ethics in Japan. As a Audit, the Corporation fulfills its For Other ethical responsibilities. 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 a 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 For Other matters required by Audit criteria for internal control.

Audit will conduct Report of Audit & Supervisory Board Members and Audit & Supervisory Board with respect to compliance with the provisions of professional ethics in Japan regarding independence and Details for matters that are reasonably likely to affect human independence, and for cases where measures are taken to eliminate impediments or where safeguards are applied to reduce the impediments to an acceptable level.

<Compensation-related information>

Compensation for the Company's and its subsidiaries' Audit attestation services and for non-Audit services to persons in the same network as Audit Corporation and Submitting Company Corporation is included in (3)[Audit Status] on Corporate Governance Included in "Audit Status."

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 of the above Audit report is stored separately by our company (Securities Report Statement Submitting Company).

2.XBRL is not included in the scope of Audit.

Independent Audit's Audit report

June 26, 2024

MIRARTH HOLDINGS, Inc.

To the Board of Directors

Grant Thornton Taiyo LLC.

Tokyo Office

Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Tomohiro Ooki
Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Tetsuya Ishihara
Designated Liability Managing	Limited Partners Partner	Certified Public Accountant	Takafumi Shimokawa

<Financial Statements Audit>

Audit Comments

Audit Corporation I its Audit Certification pursuant to the provisions of Article 193-2 Audit of the Financial Instruments and Exchange Law of MIRARTH HOLDINGS, Inc. for the 52nd Business Year of the period from April 1, 2023, to March 31 2024, as stated in "Accounting," which consists of the balance sheet, income statement, statement of changes in Shareholders' equity, significant accounts, Policy, For Other Notes, and supplementary schedules.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MIRARTH HOLDINGS, Inc. as of March 31 2024 and the results of its operations for Business 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 For Other and 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.

Highlights

As described in Notes on Significant Subsequent Events, on May 20, 2024, the Company resolved to issue new shares through a public offering and Disposal of Treasury stock in Board of Directors, and the payment and disposition were completed on June 4, 2024. In addition, Board of Directors resolved to issue new shares through a third-party allotment in connection with the offering through over-allotment.

This matter does not affect the views of Audit Corporation.

Key Audit Considerations

Key Audit Considerations is a determination by Audit as a professional specialist in Audit of Current fiscal year's financial statements. Key Audit Considerations is a correspondent matter in the process of Audit for the financial statements as a whole and in the formulation of Audit Comments, and Audit Corporation does not express an opinion on such matters individually.

Revenue Recognition for Sale Transactions of Real Estate and Generation Facilities
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This information is omitted because it is the same Details as Key Audit Considerations (revenue recognition for sales transactions of real estate and power generation Facilities) in Audit report of the consolidated financial statements.
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Other description Details

Other description Details is the information included in Securities Report Statement, 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 Director's duties in the development and operation of Other description Details's Report processes.

Audit corporation's Audit Comments to the financial statements does not include Other description Details, and the corporation does not express an opinion on Other description Details.

The responsibility of Audit Corporation in Audit to the financial statements is to review, through Other description Details, whether there are material differences between Other description Details and the financial statements or the knowledge obtained by Audit Corporation in the course of its Audit, and to pay attention to whether any other material differences other than such material differences are indicative of a material error in Other description Details.

Audit Corporation is required to Report any material error in its Other description Details as determined 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 reviews Be related internal control with Audit to design Audit procedures that are appropriate in the circumstances when conducting a risk assessment.
- Assess the appropriateness of accounting Policy adopted by management and the methods of its application, as well as the reasonableness of accounting estimates made by management and the appropriateness of Be related Notes matters.
- 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 draw attention to Notes matters in the financial statements in Audit report statement, or if Notes matters in the financial statements regarding significant uncertainty are not appropriate, to express an exclusion opinion on 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.
- Evaluate whether the financial statement presentation and Notes matters comply with accounting principles generally accepted in Japan, the presentation, composition and Details of the financial statements, including Be related Notes matters, and whether the financial statements fairly present the underlying transactions and accounting events.

Audit will Report 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 For Other matters as required by Audit standards.

Audit will conduct Report of Audit & Supervisory Board Members and Audit & Supervisory Board with respect to compliance with the provisions of professional ethics in Japan regarding independence and Details for matters that are reasonably likely to affect human independence, and for cases where measures are taken to eliminate impediments or where safeguards are applied to reduce the impediments to an acceptable level.

Audit shall determine the matters discussed with Audit & Supervisory Board and Audit Director that are considered to be of particular importance in Audit of Current fiscal year's financial statements as Key Audit Considerations and include them in Audit report. Provided, however, that such matters shall not be stated if the publication of such matters is prohibited by laws and regulations, or if it is judged by Audit report that Report would reasonably be expected to cause disadvantage in excess of the public Profit and therefore Audit personnel should not Report such matters, although it is extremely limited.

<Compensation-related information>

Compensation-related information is included in Audit report of the Consolidated Financial Statements.

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 of the above Audit report is stored separately by our company (Securities Report Statement Submitting Company).
2.XBRL is not included in the scope of Audit.