

**ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.**

This document has been translated from the original Japanese-language document as a guide for non-Japanese investors. In all cases, the Japanese-language original shall take precedence.

## SUMMARY OF FINANCIAL STATEMENTS (Non-Consolidated) for the Year Ended March 31, 2022 (Japanese Standard)

May 13, 2022

Company name : SHIN-NIHON TATEMONO CO., LTD.  
 Stock exchange listing : Tokyo Stock Exchange  
 Code Number : 8893 URL <https://www.kksnt.co.jp/>  
 Representative : Tomohiko Ikeda, President and Chief Executive Officer  
 IR Contact : Hiroaki Sato, Director, Managing Executive Officer, Administrative Department Manager  
 Tel : (81) 3-5962-0776  
 Scheduled date of ordinary general meeting of shareholders : June 28, 2022  
 Scheduled date to file Quarterly Securities Report : June 29, 2022  
 Preparation of supplementary materials of quarterly financial statement : Yes  
 Holding of quarterly financial results briefing : None

(Amounts are rounded down to the nearest million yen)

### 1. Financial Results for the Year Ended March 31, 2022 (April 1, 2021~ March 31, 2022)

#### (1) Operating Result

(% represents the year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
Year Ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	19,468	23.3	1,734	2.6	1,515	5.7	1,236	27.0
March 31, 2021	15,794	(6.6)	1,689	(14.5)	1,433	(8.8)	973	(26.7)

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Operating income margin
Year Ended:	Yen	Yen	%	%	%
March 31, 2022	62.11	—	17.1	7.2	8.9
March 31, 2021	48.90	—	14.9	6.4	10.7

(Reference) Share of profit (loss) of investments accounted for using the equity method: March 31, 2022 —million yen  
March 31, 2021 —million yen

#### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Year Ended:	Millions of yen	Millions of yen	%	Yen
March 31, 2022	20,419	7,612	37.3	382.51
March 31, 2021	21,462	6,810	31.7	341.18

(Reference) Equity: Year Ended March 31, 2022: 7,612 million yen March 31, 2021: 6,810 million yen

#### (3) Cash Flows

	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Cash flows from (used in) financing activities	Cash and cash equivalents at the end of the period
Year Ended:	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	4,540	168	(2,612)	7,029
March 31, 2021	2,322	(139)	(2,197)	4,933

### 2. Dividends

	Dividend per share					Total amount of dividends (annual)	Payout ratio	Dividends ratio to Net Assets
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Annual			
Year Ended:	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	—	0.00	—	22.00	22.00	437	45.0	6.7
March 31, 2022	—	0.00	—	22.00	22.00	437	35.4	6.1
Year ending Mar. 31, 2023 (Forecast)	—	0.00	—	26.00	26.00		35.2	

(Notes) For the basic dividend policy, please refer to “(5) Basic policy on profit distribution and dividends for the current and next fiscal years” under the contents of “1. Overview of Operating Results” on page 6 of the attachment.

### 3. Business Forecasting for the fiscal year ending March 2023 (April 1, 2022~March 31, 2023)

(% represent the year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	21,260	9.2	1,950	12.5	1,710	12.9	1,470	18.9	73.86

#### ※ Notes

#### (1) Changes in accounting policies, changes in accounting estimates, and restatements.

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

#### (2) Number of issued shares (common stock)

##### ① Number of issued shares at the end of the period (including treasury shares)

Year Ended March 31, 2022	19,914,617 shares
Year Ended March 31, 2021	19,914,617 shares

##### ② Number of shares of treasury at the end of the period

Year Ended March 31, 2022	13,256 shares
Year Ended March 31, 2021	12,276 shares

##### ③ Average number of shares during the period

Year Ended March 31, 2022	19,901,854 shares
Year Ended March 31, 2021	19,902,946 shares

※ Summary of the quarterly financial statements is not subject to quarterly reviews by certified public accountants or audit corporations.

#### ※ Explanation as to appropriate use of business forecasts and other special instructions

• The forward-looking statements in this document are based on information available on the data of SNT and on certain assumptions deemed to be reasonable. Accordingly, the statements in this document are not the promise intended in respect of the actual results by the company. Actual financial results may differ significantly due to various factors. Regarding the precautions of using the data of financial forecasts and the premises and conditions, please refer to “(4) Business Outlook” under the contents of “1. Overview of Operating Results” on page 6 of the attachment.

• The supplementary material on financial results will be posted on our company’s website on May 13, 2022.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Year Ended March 31, 2022

During the fiscal year under review, amid the global outbreak of the COVID-19 pandemic, the Japanese economy remained in a difficult situation. Recently, there have been some signs of economic recovery as the number of new infections has gradually decreased due to progress in vaccination, along with the effects of various government policies and the gradual resumption of economic activity. However, in addition to the risk of the COVID-19 resurgence caused by variant strains, the economic outlook remains uncertain and opaque due to the rising raw material and resource prices and the disruptions in logistics caused by the prolonged and tense situation in Ukraine, as well as fluctuations in financial markets.

In the real estate industry, to which the Company belongs, the real estate investment market continues to thrive, reflecting investors' strong interest in the favorable financing environment due to low-interest rates. In the logistics facility market, due to the spread of e-commerce, the demand for properties in the Greater Tokyo Area increased, which led to the expansion of the scale in the logistics facility market. In the rental office market, the vacancy rate was slightly higher, particularly in the central Tokyo areas. The market for newly-built condominiums has shown a strong sales trend, as the number of units supplied increased for two consecutive years, reflecting a strong buying motivation driven by low-interest rates and home mortgage tax deduction, among other factors. On the other hand, with the rising cost of land procurement caused by the intensified competition for high-quality business sites, along with the impact on construction costs driven by the increasing material prices, and the impact of a shortage of semiconductors, our Company's business was expected to face a range of challenges in the coming future.

Under such a market environment, the Company has been engaged in business site procurement activities to achieve the medium- to long-term growth goals by leveraging our strengths in procurement planning and business proposals. In addition to the sales of hotels, logistics facilities, and urban-style compact offices, investment properties of quality high-yield reinforced concrete whole-building and collective sales of investment properties are proceeding as scheduled.

As a result, for the fiscal year under review, the Company achieved net sales of 19,468 million yen (up 23.3% year-on-year), operating income of 1,734 million yen (up 2.6% year-on-year), ordinary income of 1,515 million yen (up 5.7% year-on-year), and net income of 1,236 million yen (up 27.0% year-on-year) reflecting increases in both sales and income.

Results by segment are as follows.

#### (Asset Solution Business)

During the fiscal year under review, the Company planned, developed, and sold hotels, logistics facilities, and urban-style compact offices, mainly in Tokyo's 23 wards, Kanagawa Prefecture, and Saitama Prefecture, as well as the purchase and sale of development sites for other developers.

Regarding the sales performance, the Company delivered 16 projects (an increase of 2 projects from the previous fiscal year), including the Higashi-Shinjuku Project (hotel, Shinjuku-ku, Tokyo), the Ayase Project

(logistics facility, Ayase City, Kanagawa Prefecture), the Urawa Misono Project (logistics facility, Saitama City, Saitama Prefecture), and the Hatchobori Project (office building, Chuo-ku, Tokyo).

As a result, net sales were 10,606 million yen (up 18.1% year on year), and operating income was 1,358 million yen (down 4.4% year on year) due to the price revision of some properties.

#### (Condominium Unit Sales Business)

In the current fiscal year, the Company engaged in purchasing, development, and sales activities mainly in the 23 wards of Tokyo, as well as selling investment properties of reinforced concrete whole buildings and collective sales of investment properties.

For the sales records, the Company handed over 13 buildings (total 221 units, an increase of 31 units in the previous fiscal year) in totally, including “Renaissance Court Akihabara (24 units)” (Chiyoda-ku, Tokyo), “Renaissance Roppongi Premium Court (11 units)” (Minato-ku, Tokyo), “Renaissance Court Naka-Meguro (24 units)” (Meguro-ku, Tokyo) and “Renaissance Court Meguro (19 units)” (Meguro-ku, Tokyo).

The sales result led to an increase in both sales and income, reflected by net sales of 8,797 million yen (up 41.2% year on year) and operating income of 1,072 million yen (up 36.8% year on year).

#### (Residential Housing Sales business)

In the fiscal year under review, the Company concentrated the business resources on the Asset Solution Business and Condominium Unit Sales Business in consideration of the high demand from investors in the real estate market in Tokyo. Thus, no sales record is related to the Residential Housing Sales business.

#### (Others)

Net sales for the fiscal year under review were 64 million yen (down 28.3% year-on-year), and operating income was 20 million yen (down 55.3% year-on-year).

## (2) Overview of Financial Position for the Year Ended March 31, 2022

#### (Current Assets)

At the end of the fiscal year under review, current assets decreased by 785 million yen (down 3.9% year-on-year) to 19,145 million yen. The primary factors behind the reduction were an increase of 4,277 million yen (up 71.8% year-on-year) in real estate for sale in process due to the purchase of land in favorable locations in the central Tokyo area and the steady progress in the construction of ongoing projects. On the other hand, real estate for sale decreased by 7,006 million yen (down 80.2% year-on-year) due to the handing over of hotels, logistics facilities, investment properties of reinforced concrete whole buildings, and collective sales of investment properties.

(Noncurrent assets)

Fixed assets at the end of the fiscal year under review decreased 260 million yen (down 17.0% year-on-year) to 1,270 million yen. It was mainly due to a decrease of 418 million yen (down 89.3% year-on-year) in long-term loans receivable from subsidiaries and associates.

In consequence, total assets decreased by 1,043 million yen (down 4.9% year-on-year) to 20,419 million yen.

(Current Liabilities)

Current liabilities at the end of the fiscal year under review decreased by 4,304 million yen (down 45.1% year-on-year) to 5,237 million yen. The primary factors behind the reduction were the repayment of project loans payable with the steady progress in sales resulting in a decrease of 609 million yen (down 22.0% year-on-year) in short-term loans payable and a decrease of 3,828 million yen (down 62.8% year-on-year) in current portion of long-term loans payable.

(Noncurrent Liabilities)

At the end of the fiscal year under review, noncurrent liabilities increased by 2,459 million yen (up 48.1% year-on-year) to 7,568 million yen. The increase was mainly attributable to a 2,277 million yen increase (up 46.7% year-on-year) in long-term loans payable.

As a result, total liabilities decreased by 1,845 million yen (down 12.6% year-on-year) to 12.86 billion yen.

(Net assets)

Total net assets at the end of the fiscal year under review increased by 802 million yen (up 11.8% year-on-year) to 7,612 million yen. The main factors for the increase were net income, which increased by 1,236 million yen (up 27.0% year-on-year), the decrease of the dividend of the surplus, which was paid 437 million yen, and the increase in valuation difference on available-for-sale securities by 4 million yen.

(3) Overview of Cash flow positions for the Year Ended March 31, 2022

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current fiscal year increased by 2,096 million yen from the end of the previous fiscal year to 7,029 million yen.

The status and the factors in each cash flow in the Year Ended March 31, 2022, are as follows.

(Cash flow from operating activities)

Cash flow from operating activities in the current fiscal year increased by 4,540 million yen (an increase of 2,322 million yen in the previous fiscal year). The primary factor was a decrease in inventories of 2,728 million yen from the end of the last period due to the net income before income taxes of 1,406 million yen, sales of hotels and logistics facilities, and collective sales of investment properties of reinforced concrete whole buildings.

(Cash flow from investing activities)

Cash flow from investment activities in the current fiscal year increased by 168 million yen (a decrease of 139 million yen in the previous fiscal year). It was mainly attributable to proceeds from sales of investment securities of 238 million yen and collection of long-term loans receivable of 265 million yen, while there were 326 million yen of purchase of investment securities and 65 million yen of payments of long-term loans receivable.

(Cash flow from financing activities)

Cash flow from financing activities in the current fiscal year recorded a decrease of 2,612 million yen (a decrease of 2,197 million yen in the previous fiscal year) due to the decline in loans payable of 2,160 million yen and a dividend payment of 437 million yen.

	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2022
Capital Adequacy Ratio (%)	27.1	31.7	37.3
Market-based Capital Adequacy Ratio (%)	24.2	37.7	39.3
Interest-bearing debt/ cash flow ratio (Annum)	—	6.0	2.6
Interest coverage ratio (Times)	—	9.4	18.6

(Note) The calculation method of each indicator is as follows. If the calculation results in a negative figure, it is indicated with a “—”.

- Capital Adequacy Ratio: Shareholders' equity / Total Assets
- Market-based Capital Adequacy Ratio: Market capitalization/ Total Assets
- Interest-bearing debt/ cash flow ratio: Interest-bearing Debt/ Cash flow
- Interest coverage ratio: Cash flow/ Interest paid

※Market capitalization is calculated based on the number of issued shares excluding treasury stock.

※Cash flow refers to the net cash provided by (used in) operating activities.

※Interest-bearing debt refers to all debts on the balance sheet for which interest is paid.

#### (4) Business Outlook

In spite of the fact that the Japanese economy has been lacking strength due to the impact of the global outbreak of the COVID-19 pandemic, with the vaccine progress and the phased increase in economic and social activities along with the accompanying lifting of the declaration of a state of emergency, there have been signs of an upturn in personal consumption and a gradual recovery in the economy.

On the other hand, because of the risk of spreading the infection by variant strains of COVID-19, soaring

energy and raw material prices under the prolonged and tense situation in Ukraine, and economic downside risks due to fluctuations in financial and capital markets, the market environment remains unpredictable in the future.

In such a business environment, as sales contracts for several investment properties of reinforced concrete whole buildings and logistics facilities are proceeding as scheduled, the Company expects net sales of 21,260 million yen (up 9.2% year-on-year), operating income of 1,950 million yen (up 12.5% year-on-year), ordinary income of 1,710 million yen (up 12.9% year-on-year), and net income of 1,470 million yen (up 18.9% year-on-year) for the next fiscal year.

Moreover, the outlook for the next fiscal year is based on information available at the time of publication of this document. If any matter that should be publicized arises, the Company will announce it promptly.

#### (5) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company considers the return of profits to shareholders to be one of its key policies in management. With securing the internal reserves necessary for future business development and assessing the business performance and social situation of each fiscal year, our basic policy is to maintain a stable dividend payout ratio of 30% or more.

The year-end dividend for the current fiscal year is planned to be 22 yen per share.

In addition, the dividend forecast for the next fiscal year is an ordinary dividend of 26 yen per share (dividend payout ratio of 35.2%).

## 2. The basic approach to the selection of accounting standards

In consideration of the lack of overseas funding, the low ratio of foreign shareholders, and the comparability of financial statements over time and between companies, the Company has adopted Japanese standards for the time being. Nevertheless, the Company will respond appropriately to the International Financial Reporting Standards application, considering fundraising status, shareholder composition, and trends among domestic peer companies.



### 3. Financial statements and main notes

#### (1) Balance Sheet

(Thousands of yen)

	Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	4,933,785	7,029,853
Real estate for sale	8,731,547	1,724,566
Real estate for sale in process	5,961,007	10,238,427
Raw materials and supplies	487	1,063
Advance payments-trade	64,250	17,500
Prepaid expenses	29,596	25,636
Short-term receivables from subsidiaries and affiliates	10,000	-
Others	199,999	108,331
Total current assets	19,930,673	19,145,378
Noncurrent assets		
Property, plant and equipment		
Buildings	596,178	596,900
Accumulated depreciation	(78,553)	(97,618)
Buildings, net	517,625	499,282
Structures	14,192	14,192
Accumulated depreciation	(4,706)	(6,125)
Structures, net	9,485	8,066
Tools, furniture and fixtures	67,929	67,412
Accumulated depreciation	(39,730)	(47,497)
Tools, furniture and fixtures, net	28,199	19,915
Land	79,594	79,594
Leased assets	18,506	18,506
Accumulated depreciation	(9,489)	(14,389)
Leased assets, net	9,017	4,116
Total property, plant and equipment	643,922	610,974
Intangible assets		
Leasehold right	1,465	1,465
Software	1,258	629
Leased assets	13,075	8,923
Total intangible assets	15,798	11,017
Investments and other assets		
Investment securities	232,854	228,294
Stocks of subsidiaries and affiliates	63,880	26,027
Investments in capital	31,530	31,530
Long-term loans receivable from subsidiaries and associates	468,610	50,000
Claims provable in bankruptcy, claims provable in rehabilitation and others	8,116	7,733
Long-term prepaid expenses	1,057	5,719
Guarantee deposits	76,944	76,886
Deferred tax assets	181,887	224,938
Others	19,047	12,770
Allowance for doubtful accounts	(212,468)	(15,603)
Total investments and other assets	871,459	648,296
Total noncurrent assets	1,531,180	1,270,289
Deferred assets		
Bond issuance cost	677	3,723
Total deferred assets	677	3,723
Total assets	21,462,531	20,419,391

(Thousands of yen)

	Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	100,178	296,858
Short-term loans payable	2,769,300	2,159,460
Current portion of long-term loans payable	6,092,880	2,264,228
Current portion of bonds	250,000	50,000
Lease obligations	9,837	8,799
Accounts payable—other	12,472	8,490
Accrued expenses	53,088	39,864
Income taxes payable	129,369	115,396
Advances received	55,983	23,020
Deposits received	16,581	18,936
Provision for bonuses	51,535	55,526
Others	1,421	197,387
Total current liabilities	9,542,649	5,237,968
Noncurrent liabilities		
Bonds	-	200,000
Long-term loans payable	4,879,677	7,157,408
Lease obligations	14,123	5,323
Asset retirement obligation	25,743	25,976
Provision for retirement benefits	47,079	49,616
Provision for directors' retirement benefits	106,696	123,808
Others	36,391	6,742
Total noncurrent liabilities	5,109,711	7,568,875
Total liabilities	14,652,360	12,806,844
Net assets		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus		
Legal capital surplus	40,983	40,983
Total capital surplus	40,983	40,983
Retained earnings		
Legal retained earnings	115,449	159,234
Other retained earnings		
Retained earnings brought forward	5,718,613	6,473,138
Total retained earnings	5,834,062	6,632,373
Treasury stock	(3,789)	(4,192)
Total shareholders' equity	6,725,755	7,523,664
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	84,414	88,882
Total valuation and translation adjustments	84,414	88,882
Total net assets	6,810,170	7,612,547
Total liabilities and net assets	21,462,531	20,419,391

## (2) Income Statement

(Thousands of yen)

	Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net sales		
Net sales from the Asset solution business	8,978,486	10,606,903
Net sales from the condominium unit sales business	6,228,378	8,797,096
Net sales from the residential housing sales business	497,610	-
Others	89,801	64,361
Total net sales	15,794,276	19,468,361
Cost of sales		
Cost of sales of the Asset solution business	7,210,084	8,622,871
Cost of sales of the condominium unit sales business	5,050,079	7,139,717
Cost of sales of the residential housing sales business	395,563	-
Others	36,508	35,824
Total cost of sales	12,692,236	15,798,414
Gross profit	3,102,040	3,669,947
Selling, general and administrative expenses	1,412,154	1,935,891
Operating income	1,689,885	1,734,055
Non-operating income		
Interest income	16,402	14,068
Dividends income	2,259	2,404
Land and house rent received	6,349	3,095
Gain on forfeiture of unclaimed dividends	-	4,888
Others	9,137	5,416
Total non-operating income	34,149	29,873
Non-operating expenses		
Interest expenses	246,013	244,085
Contract Cancellation Fee	30,000	-
Others	14,771	4,567
Total non-operating expenses	290,785	248,653
Ordinary income	1,433,248	1,515,274
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	9,001	26,894
Gain on sales of investment securities	-	1,001
Total extraordinary income	9,001	27,895
Extraordinary loss		
Loss on valuation of stocks of subsidiaries and affiliates	11,239	16,272
Loss on valuation of investment securities	-	99,999
Provision of allowance for doubtful accounts	177,078	20,256
Total extraordinary loss	188,318	136,529
Income before income taxes	1,253,931	1,406,640
Income tax-current	229,388	215,500
Income tax-deferred	51,200	(45,022)
Total income taxes	280,589	170,477
Net income	973,342	1,236,162

### (3) Statement of changes in Shareholders' equity

For the Previous Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Thousands of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	854,500	40,983	40,983	65,690	5,292,614	5,358,305
Changes during period						
Dividends of surplus				49,758	(547,344)	(497,585)
Net income of current period					973,342	973,342
Purchase of treasury shares						
Net changes of items other than shareholders' equity (Net amount)						
Total changes during the period	—	—	—	49,758	425,998	475,756
Balance at the end of current period	854,500	40,983	40,983	115,449	5,718,613	5,834,062

	Shareholder's equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' Equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(3,398)	6,250,390	48,350	48,350	6,298,741
Changes during period					
Dividends of surplus		(497,585)			(497,585)
Net income of current period		973,342			973,342
Purchase of treasury shares	(391)	(391)			(391)
Net changes of items other than shareholders' equity (Net amount)			36,063	36,063	36,063
Total changes during the period	(391)	475,365	36,063	36,063	511,429
Balance at the end of current period	(3,789)	6,725,755	84,414	84,414	6,810,170

For the Current Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	854,500	40,983	40,983	115,449	5,718,613	5,834,062
Changes during period						
Dividends of surplus				43,785	(481,636)	(437,851)
Net income of current period					1,236,162	1,236,162
Purchase of treasury shares						
Net changes of items other than shareholders' equity (Net amount)						
Total changes during the period	—	—	—	43,785	754,525	798,311
Balance at the end of current period	854,500	40,983	40,983	159,234	6,473,138	6,632,373

	Shareholder's equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' Equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(3,789)	6,725,755	84,414	84,414	6,810,170
Changes during period					
Dividends of surplus		(437,851)			(437,851)
Net income of current period		1,236,162			1,236,162
Purchase of treasury shares	(402)	(402)			(402)
Net changes of items other than shareholders' equity (Net amount)			4,468	4,468	4,468
Total changes during the period	(402)	797,908	4,468	4,468	802,376
Balance at the end of current period	(4,192)	7,523,664	88,882	88,882	7,612,547

#### (4) Cash Flow Statement

(Thousands of yen)

	Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net cash flow from operating activities		
Net income before taxes	1,253,931	1,406,640
Depreciation and amortization	41,225	38,345
Increase (decrease) in allowance for doubtful accounts	189,390	694
Increase (decrease) in provision for retirement benefits	2,955	2,536
Increase (decrease) in provision for directors' retirement benefits	16,402	17,112
Interest and dividends income	(18,662)	(16,472)
Interest expenses	246,013	244,085
Decrease (increase) in inventories	1,833,597	2,728,985
Decrease (increase) in advance payments	9,800	46,750
Increase (decrease) in notes and accounts payable-trade	(263,309)	196,679
Loss (gain) on sales of investment securities	(9,001)	(1,001)
Loss (gain) on valuation of investment securities	-	99,999
Loss on valuation of shares of subsidiaries and affiliates	-	16,272
Increase (decrease) in advances received	(201,872)	(32,963)
Increase (decrease) in deposits received	(26,164)	2,354
Others	(245,086)	242,751
Subtotal	2,829,218	4,992,773
Interest and dividends income received	13,430	22,749
Interest expenses paid	(247,267)	(243,819)
Income taxes paid	(272,410)	(231,256)
Net cash from operating activities	2,322,971	4,540,447
Net cash from investing activities		
Purchase of property, plant, and equipment	(6,138)	(721)
Purchase of investment securities	(268,331)	(326,000)
Proceeds from sales of investment securities	205,000	238,001
Payments for investments in capital	(4,500)	-
Purchase of stocks of subsidiaries and affiliates	(110,000)	-
Proceeds from sales of shares of subsidiaries and affiliates	119,001	26,894
Net decrease (increase) in short-term loans receivable	(10,000)	10,000
Payments of long-term loans receivable	(217,800)	(65,000)
Collection of long-term loans receivable	152,800	265,793
Others	152	19,494
Net cash from investing activities	(139,816)	168,461
Net cash from financing activities		
Net increase (decrease) in short-term loans payable	(43,500)	(609,840)
Proceeds from long-term loans payable	6,415,100	7,178,660
Repayment of long-term loans payable	(8,061,080)	(8,729,580)
Proceeds from issuance of bonds	-	246,010
Redemption of bonds	-	(250,000)
Repayments of lease obligations	(9,794)	(9,837)
Cash dividends paid	(497,585)	(437,851)
Others	(391)	(402)
Net cash from financing activities	(2,197,251)	(2,612,840)
Net increase (decrease) in cash and cash equivalents	(14,095)	2,096,067
Cash and cash equivalents at the beginning of the period	4,947,881	4,933,785
Cash and cash equivalents at the end of the period	4,933,785	7,029,853

(5) Notes on financial statements

(Notes for the going concern assumption)

Not applicable.

(Change in accounting policy)

- Application of Accounting Standard for Revenue Recognition

“Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No.29, March 31, 2020) and other related accounting standards had applied from the beginning of the current fiscal year, and the Company recognizes revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services is transferred to the customer.

Applying the Accounting Standard for Revenue Recognition follows the transitional treatment set forth in the proviso to paragraph 84 of the Revenue Recognition Accounting Standards. However, it has no impact on the beginning balance of retained earnings. In addition, there is no impact on the profit and loss of the current fiscal year.

In accordance with the transitional treatment set forth in paragraph 89-3 of the Accounting Standard for Revenue Recognition, information on the breaks down revenues arising from contracts with customers in the previous fiscal year is not stated.

- Application of Accounting Standard for Measurement of Fair Value

“Accounting Standard for Measurement of Fair Value” (ASBJ Statement No. 30, July 4, 2019) and other related accounting standards had been applied from the beginning of the current fiscal year. In accordance with the transitional treatment set forth in paragraph 19 of the Accounting Standard for Fair Value Calculation and paragraphs 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated by the Accounting Standard for Fair Value Calculation will be applied prospectively. There is no impact on the quarterly financial statements.

(Segment information, etc.)

[Segment information]

# 1. Segment reporting

The Company's reportable segments are components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The business divisions of the Company, which are located at the head office, formulate comprehensive strategies and develop business activities for the products and services handled by the Company.

Therefore, the reportable segments of the Company are classified based on the content of the products and services and identified as “Asset Solution Business”, “Condominium Unit Sales Business”, and “Residential Housing Sales business”, total 3 reportable segments.

The “Asset Solution Business” plans and sells land for development and other income-producing properties such as logistics facilities to other developers. The “Condominium Unit Sales Business” focuses on developing and selling investment properties of reinforced concrete whole buildings developed by the Company or jointly with other companies. The “Residential Housing Sales business” develops and sells detached houses, detached housing sites, and wood frame whole buildings.

2. The calculation and accounting methods of sales amount, profit or loss, assets, and other items used in this reporting segment are the same as the method used for preparing financial statements.
3. Information on sales and profit /loss by reportable segments

For the Previous Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Thousands of yen)

	Reportable Segment				Others (Note) 1	Total	Adjustment (Note) 2	Recorded amount in in financial statements (Note)3
	Asset solution business	Condominium unit sales business	Residential housing sales business	Total				
Net sales								
Sales to external customers	8,978,486	6,228,378	497,610	15,704,475	89,801	15,794,276	—	15,794,276
Intersegment sales	—	—	—	—	—	—	—	—
Total	8,978,486	6,228,378	497,610	15,704,475	89,801	15,794,276	—	15,794,276
Segment margin	1,420,128	783,409	74,178	2,277,717	45,241	2,322,958	(633,073)	1,689,885
Segment assets	9,871,948	9,659,276	155,452	19,686,677	651,403	20,338,081	1,124,450	21,462,531
Others								
Depreciation	904	1,111	1	2,016	24,042	26,059	15,165	41,225
The increase of property, plant, equipment, and Intangible assets	—	—	—	—	—	—	6,559	6,559

- (Notes)
1. “Other” is a business segment not included in the reportable segment, and includes rental business, construction contracting business, brokerage business, consulting business, etc.
  2. The adjustment amounts are as follows:
    - (1) The segment margin adjustment of -633,073 thousand yen is corporate expenses that are not allocated to each reportable segment and are mainly general administrative expenses that do not belong to any reportable segment.
    - (2) The segment assets adjustment of 1,124,450 thousand yen is corporate expenses that are not allocated to each reportable segment and are mainly property, plant and equipment, investment securities, and guarantee deposits that do not belong to any reportable segment.
  3. The segment margin is adjusted with operating income in the income statement.



For the Current Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Reportable Segment				Others (Note) 1	Total	Adjustment (Note) 2	Recorded amount in in financial statements (Note)3
	Asset solution business	Condominium unit sales business	Residential housing sales business	Total				
Net sales								
Goods transferred at a point in time	10,456,936	8,766,450	—	19,223,386	458	19,223,844	—	19,223,844
Goods transferred over a period of time	—	—	—	—	—	—	—	—
Revenue from contracts with customers	10,456,936	8,766,450	—	19,223,386	458	19,223,844	—	19,223,844
Other income (Note) 4	149,967	30,645	—	180,612	63,903	244,516	—	244,516
Sales to external customers	10,606,903	8,797,096	—	19,403,999	64,361	19,468,361	—	19,468,361
Intersegment sales	—	—	—	—	—	—	—	—
Total	10,606,903	8,797,096	—	19,403,999	64,361	19,468,361	—	19,468,361
Segment margin	1,358,056	1,072,074	—	2,430,131	20,204	2,450,335	(716,280)	1,734,055
Segment assets	6,773,573	12,224,574	—	18,998,148	623,692	19,621,841	797,550	20,419,391
Others								
Depreciation	728	604	—	1,332	23,284	24,617	13,728	38,345
The increase of property, plant, equipment, and Intangible assets	—	—	—	—	—	—	721	721

- (Notes)
1. “Other” is a business segment not included in the reportable segment, and includes rental business, construction contracting business, brokerage business, consulting business, etc.
  2. The adjustment amounts are as follows:
    - (1) The segment margin adjustment of -716,280 thousand yen is corporate expenses that are not allocated to each reportable segment and are mainly general administrative expenses that do not belong to any reportable segment.
    - (2) The segment assets adjustment of 797,550 thousand yen is corporate expenses that are not allocated to each reportable segment and are mainly property, plant and equipment, investment securities, and guarantee deposits that do not belong to any reportable segment.
  3. The segment margin is adjusted with operating income in the income statement.
  4. “Other income” refers to incomes based on the accounting standards for lease transactions.

#### [Related Information]

For the Previous Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

#### 1. Products and Services provide

Description omitted as the same information is disclosed in the segment information.

#### 2. Regions

##### (1) Net sales

Not applicable as there is no sales record from other regions except Japan.

##### (2) Property, plant and equipment

Not applicable as there is no property, plant, and equipment exist in other regions except Japan.

### 3. Main customers

(Thousands of yen)

Customer name	Net sales	Related reportable segment
ZETA 1 LLC	3,889,530	Condominium Unit Sales Business
Shallon Tec Co., Ltd.	2,322,050	Asset Solution Business
Liberty Co., Ltd.	1,644,376	Asset Solution Business

For the Current Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

#### 1. Products and Services provide

Description omitted as the same information is disclosed in the segment information.

#### 2. Regions

##### (1) Net sales

Not applicable as there is no sales record from other regions except Japan.

##### (2) Property, plant and equipment

Not applicable as there is no property, plant, and equipment exist in other regions except Japan.

#### 3. Main customers

(Thousands of yen)

Customer name	Net sales	Related reportable segment
ZETA 2 LLC	5,212,846	Condominium Unit Sales Business
Glory Shield LLC	3,030,000	Asset Solution Business
UA Properties TMK	2,284,000	Asset Solution Business

[Information on impairment loss on noncurrent assets by reportable segments]

For the Previous Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Not applicable.

For the Current Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Not applicable.

[Information on amortization of goodwill and undepreciated balance by reporting segments]

Not applicable.

[Information on Gain on bargain purchase by reporting segments]

Not applicable.

(Gains/ losses from Equity Method Investments)

Not applicable.

(The detailed information of a share)

	Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net assets per share	342.18 yen	382.51 yen
Net income per share	48.90 yen	62.11 yen

(Notes) 1. Diluted net income per share is not stated as the latent share does not exist.

2. The basis of calculating net income per share is as follows.

	Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net income per share		
Net income (Thousands of yen)	973,342	1,236,162
Amount not attributable to common shareholders (Thousands of yen)	—	—
Net income applicable to common stock (Thousands of yen)	973,342	1,236,162
Average number of common shares during the period (Thousands of share)	19,902	19,901

3. The basis of calculating net assets per share is as follows.

	Year Ended March 31, 2021	Year Ended March 31, 2022
Total net assets (Thousands of yen)	6,810,170	7,612,547
Net assets applicable to common shares at the year-end (Thousands of yen)	6,810,170	7,612,547
Number of common shares at the year-end used in calculation of net assets per share (Thousands of share)	19,902	19,901

(Significant subsequent events)

Not applicable.