

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, 2023 (Japanese Standard)

May 15, 2023

Company name	: SHIN-NIHON TATEMONO CO., LTD.
Stock exchange listing	: Tokyo Stock Exchange
Code Number	: 8893 URL <a href="https://www.kksnt.co.jp/">https://www.kksnt.co.jp/</a>
Representative	: Manabu Kondo, President and Chief Executive Officer
IR Contact	: Takahiro Moteji, Director and Executive Officer, Division Director of Administration Department
Tel	: (81) 3-5962-0776
Scheduled date of ordinary general meeting of shareholders	: June 28, 2023
Scheduled date to file Quarterly Securities Report	: June 29, 2023
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, 2023 (April 1, 2022~ March 31, 2023)

### (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, 2023	21,105	8.4	2,002	15.5	1,815	19.8	1,886	52.6	
March 31, 2022	19,468	23.3	1,734	2.6	1,515	5.7	1,236	27.0	

	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, 2023	94.79	—	22.6	7.8	9.5
March 31, 2022	62.11	—	17.1	7.2	8.9

(Reference) Share of profit (loss) of investments accounted for using the equity method:	March 31, 2023	—million yen
	March 31, 2022	—million yen

## (2) Financial Position

271 Financial Position				
	Total assets	Net assets	Equity ratio	Net assets per share
Year Ended:	Millions of yen	Millions of yen	%	Yen
March 31, 2023	26,313	9,096	34.6	457.09
March 31, 2022	20,419	7,612	37.3	382.51

(Reference) Equity:	Year Ended March 31, 2023: 9,096 million yen	March 31, 2022: 7,612 million yen
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### (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, 2023	(2,932)	(64)	2,887	6,920
March 31, 2022	4,540	168	(2,612)	7,029

## 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, 2022	—	0.00	—	22.00	22.00	437	35.4	6.1
March 31, 2023	—	0.00	—	30.00	30.00	597	31.6	7.1
Year ending Mar. 31, 2024 (Forecast)	—	0.00	—	30.00	30.00		35.5	

(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 2024 (April 1, 2023~March 31, 2024)

(% 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	23,660	12.1	2,680	33.8	2,430	33.8	1,680	(10.9)	84.41

#### ※ Notes

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

- ① Changes in accounting policies due to revisions of accounting standards, etc. : No
- 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, 2023	19,914,617 shares
Year Ended March 31, 2022	19,914,617 shares

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

Year Ended March 31, 2023	13,956 shares
Year Ended March 31, 2022	13,256 shares

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

Year Ended March 31, 2023	19,901,059 shares
Year Ended March 31, 2022	19,901,854 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 statements made in this document about future prospects are based on the information available up to the date and certain reasonable assumptions. However, please note that these statements are not guarantees of actual results by the company. There are various factors that can significantly affect the actual financial results. For more details on the precautions to consider when using the financial forecast data, as well as the assumptions and conditions, please refer to the section "(4) Business Outlook" under the "1. Overview of Operating Results" on page 6 of the attached document.

•The supplementary material containing the financial results will be published on our company's website on May 15, 2023.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Year Ended March 31, 2023

During the fiscal year under review, the Japanese economy exhibited signs of recovery from the impact of the COVID-19 pandemic, and there was an increase in consumer spending, particularly face-to-face services offered by nationwide travel assistance, which supported a gradual recovery in the economy. In addition, the relaxation of border restrictions and the depreciation of the yen positively influenced inbound demand, fostering a positive trend of recovery, and further expansion is expected to enhance the economy in the post-COVID-19 landscape. Nevertheless, there are certain downside risks as the prolonged situation in Ukraine has led to rising resource and commodity prices, and global monetary tightening and yen depreciation pose additional challenges to the economy. The recovery of consumer spending may be delayed due to households' growing inclination to save money.

The real estate industry, in which the Company operates, experienced a decrease in cumulative investment in the real estate investment market compared to the previous year. This decline can be attributed to cautious investment behavior among domestic investors, while foreign investors remained enthusiastic about investing. In the logistics facility market, there has been an increase in the vacancy rate due to the expansion of new supply in the Greater Tokyo Area. However, demand remains strong, particularly among logistics companies and e-commerce operators. In the rental office market, although tenant relocation increased as businesses considered a combination of office and remote work, especially in central Tokyo areas, the vacancy rate was slightly increased due to the substantial supply of new office buildings. Regarding the newly-built condominiums market, the number of available units decreased for the first time in two years in the Greater Tokyo Area due to escalating construction costs resulting from the rise in material prices and semiconductor shortages. Additionally, the restricted supply has led to an increase in condominium prices.

In the prevailing market environment, the Company has actively pursued business site procurement activities to effectively realize its medium- to long-term growth objectives by leveraging our expertise in procurement planning and sales operations to capitalize on our strengths. In the Asset Solution Business segment, the Company has diligently expanded the sales of development sites to other developers, completing numerous large-scale projects. In the Condominium Unit Sales Business segment, in the 23 wards of Tokyo, starting with the top-grade "Renaissance Premium Court" series, the Company has made notable progress in selling quality investment reinforced concrete whole-building properties near train stations and collective sales of investment properties.

As a result, for the fiscal year under review, the Company achieved net sales of 21,105 million yen (up 8.4% year-on-year), operating income of 2,002 million yen (up 15.5% year-on-year), ordinary income of 1,815 million yen (up 19.8% year-on-year), and net income of 1,886 million yen (up 52.6% year-on-year) reflecting increased in both sales and income.

Results by segment are as follows.

#### (Asset Solution Business)

During the fiscal year under review, the Company focused on the acquisition and sale of development sites to other developers.

In terms of sales performance, the Company successfully delivered 16 projects (same as the previous fiscal year), including the Roppongi Project (Minato-ku, Tokyo), a downtown property, the Ochanomizu Project (Bunkyo-ku, Tokyo), the Komagome Project (Kita-ku, Tokyo), and the Nakagawara Project (Fuchu City, Tokyo), a large-scale project.

As a result, net sales were 9,173 million yen (down 13.5% year-on-year), and operating income was 1,223 million yen (down 9.9% year-on-year).

#### (Condominium Unit Sales Business)

In the current fiscal year, the Company engaged in purchasing, development, and sales activities 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 14 buildings (a total of 318 units, an increase of 97 units in the previous fiscal year) in total, including "Renaissance Shoto Premium Court (8 units)" (Shibuya-ku, Tokyo), "Renaissance Court Tsukiji (28 units)" (Chuo-ku, Tokyo), "Renaissance Court Takadanobaba (28 units)" (Shinjuku-ku, Tokyo) and "Renaissance Court Setagaya Wakabayashi (38 units)" (Setagaya-ku, Tokyo).

As a result, net sales were 11,847 million yen (up 34.7% year-on-year), and operating income was 1,654 million yen (up 54.3% year-on-year).

#### (Asset Holding Business)

During the fiscal year under review, the Company continued to manage and operate two owned rental properties. As a result, net sales amounted to 62 million yen (down 1.9% year-on-year), and operating income reached 20 million yen (up 3.7% year-on-year).

#### (Others)

Net sales for the fiscal year under review were 20 million yen, and operating income was 11 million yen.

## (2) Overview of Financial Position for the Year Ended March 31, 2023

#### (Current Assets)

Current assets at the end of the current fiscal year increased by 5,420 million yen (up 28.3% year-on-year) to 24,565 million yen. The primary factors were the strategic site acquisitions in prime locations within central Tokyo and progress made in ongoing construction projects, resulting by the increase of a 1,487 million yen in real estate for sale (up 86.3% year-on-year) and a 3,656 million yen increase in real estate for sale in process (up 35.7% year-on-year).

(Noncurrent assets)

Fixed assets at the end of the fiscal year under review increased by 473 million yen (up 37.3% year-on-year) to 1,744 million yen. This was mainly due to an increase of 461 million yen (up 202.3% year-on-year) in investment securities.

As a result, total assets increased by 5,893 million yen (up 28.9% year-on-year) to 26,313 million yen.

(Current Liabilities)

Current liabilities at the end of the current fiscal year increased by 3,178 million yen (up 60.7% year-on-year) to 8,416 million yen. The increase was mainly due to the steady advancement in acquiring new properties, resulting in an increase of 2,051 million yen (up 90.6% year-on-year) in current portion of long-term loans payable, and an increase of 1,102 million yen (23 million yen at the end of the previous period) in advances received, attributable to deposit payments made by the progression of property sales contracts.

(Noncurrent Liabilities)

Noncurrent liabilities at the end of the current fiscal year increased by 1,231 million yen, (up 16.3% year-on-year) to 8.8 billion yen. The increase was mainly due to an increase of 1,298 million yen (up 18.1% year-on-year) in long-term loans payable.

As a result, total liabilities increased by 4,409 million yen, (up 34.4% year-on-year) to 17,216 million yen.

(Net assets)

Total net assets at the end of the fiscal year under review increased by 1,483 million yen (up 19.5% year-on-year) to 9,096 million yen. The increase was mainly due to an increase of 1,886 million yen in net income (up 52.6% year-on-year), a decrease of 437 million yen due to the payment of dividends from surplus, and an increase of 35 million yen in the valuation difference on available-for-sale securities.

(3) Overview of Cash flow positions for the Year Ended March 31, 2023

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current fiscal year decreased 109 million yen from the end of the previous fiscal year to 6,920 million yen.

The status and the factors in each cash flow in the Year Ended March 31, 2023, are as follows.

(Cash flow from operating activities)

Cash flow from operating activities in the current fiscal year decreased by 2,932 million yen (an increase of 4,540 million yen in the previous fiscal year). This was mainly due to a net income before taxes of 2,103 million yen, while inventories increased by 5,144 million yen from the end of the previous fiscal year due to the site acquisitions in good locations in central Tokyo and ongoing construction projects.

(Cash flow from investing activities)

Cash flow from investment activities in the current fiscal year decreased by 64 million yen (an increase of 168 million yen in the previous fiscal year). This change primarily resulted from proceeds of 360 million yen generated from sales of shares of subsidiaries and affiliates, while there was an outflow of 452 million yen for purchase of investment securities.

(Cash flow from financing activities)

Cash flow from financing activities in the current fiscal year increased by 2,887 million yen (a decrease of 2,612 million yen in the previous fiscal year) due to an increase of 3,384 million yen in borrowings as a result of steady progress in the purchase of new properties and the payment of 437 million yen in dividends.

	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2023
Capital Adequacy Ratio (%)	31.7	37.3	34.6
Market-based Capital Adequacy Ratio (%)	37.7	39.3	35.8
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

The Japanese economy is gradually recovering from the impact of the COVID-19 pandemic, with an increase in personal consumption playing a significant role in supporting this recovery amidst the coexistence with the COVID-19.

However, certain challenges persist, such as the escalation of raw materials and logistics costs due to the ongoing situation in Ukraine, as well as the rise in prices, particularly on the food and services sector. Additionally, the global interest rates are putting pressure on corporate price indices and household budgets, warranting careful observation of future trends.

In this business environment, the Company expects net sales of 23,660 million yen (a 12.1% year-on-year increase), operating income to amount to 2,680 million yen (a 33.8% year-on-year increase), ordinary income to reach 2,430 million yen (a 33.8% year-on-year increase), and net income of 1,680 million yen (a 10.9% year-on-year decline) for the next fiscal year, as the progress of sales contracts for various asset management condominiums and distribution facilities, which are proceeding as planned.

Moreover, the outlook for the next fiscal year is based on the information available at the time of this document's publication. Any significant matters that necessitate disclosure will be promptly announced by the Company.

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

The Company prioritizes returning profits to its shareholders as a fundamental policy in its management approach. With striking a balance between securing sufficient internal reserves for future business growth and evaluating the performance of our operations and the prevailing social conditions each fiscal year, our basic policy is to maintain a stable dividend payout ratio of 30% or higher.

For the current fiscal year, we plan to distribute a year-end dividend of 30 yen per share.

In addition, looking ahead to the next fiscal year, the Company forecasts an ordinary dividend of 30 yen per share, resulting in a dividend payout ratio of 35.5%.

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

Considering the limitations in accessing overseas funding, the relatively low presence of foreign shareholders, and the need for consistent financial statement comparisons over time and across companies, the Company has currently adopted Japanese accounting standards. However, we remain open to the possibility of aligning with International Financial Reporting Standards (IFRS) in the future. The Company is committed to responding appropriately to changes in reporting standards based on factors such as fundraising requirements, shareholder composition, and prevailing practices among domestic peer companies.



## 3. Financial statements and main notes

## (1) Balance Sheet

(Thousands of yen)

	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,029,853	6,920,669
Real estate for sale	1,724,566	3,212,035
Real estate for sale in process	10,238,427	13,895,131
Raw materials and supplies	1,063	1,130
Advance payments-trade	17,500	172,100
Prepaid expenses	25,636	30,289
Others	108,331	334,483
Total current assets	19,145,378	24,565,840
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings	596,900	622,831
Accumulated depreciation	(97,618)	(116,149)
Buildings, net	499,282	506,682
Structures	14,192	14,192
Accumulated depreciation	(6,125)	(7,545)
Structures, net	8,066	6,646
Tools, furniture and fixtures	67,412	53,562
Accumulated depreciation	(47,497)	(39,582)
Tools, furniture and fixtures, net	19,915	13,980
Land	79,594	79,594
Leased assets	18,506	18,506
Accumulated depreciation	(14,389)	(18,347)
Leased assets, net	4,116	158
Total property, plant and equipment	610,974	607,063
<b>Intangible assets</b>		
Leasehold right	1,465	1,465
Software	629	282
Leased assets	8,923	4,771
Total intangible assets	11,017	6,518
<b>Investments and other assets</b>		
Investment securities	228,294	690,102
Stocks of subsidiaries and affiliates	26,027	20,389
Investments in capital	31,530	31,630
Long-term loans receivable from subsidiaries and associates	50,000	-
Claims provable in bankruptcy, claims provable in rehabilitation and others	7,733	6,937
Long-term prepaid expenses	5,719	5,169
Guarantee deposits	76,886	76,376
Deferred tax assets	224,938	287,116
Others	12,770	27,770
Allowance for doubtful accounts	(15,603)	(14,807)
Total investments and other assets	648,296	1,130,684
Total noncurrent assets	1,270,289	1,744,266
<b>Deferred assets</b>		
Bond issuance cost	3,723	2,925
Total deferred assets	3,723	2,925
Total assets	20,419,391	26,313,031

(Thousands of yen)

	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	296,858	391,676
Short-term loans payable	2,159,460	2,194,000
Current portion of long-term loans payable	2,264,228	4,315,793
Current portion of bonds	50,000	50,000
Lease obligations	8,799	4,196
Accounts payable—other	8,490	10,027
Accrued expenses	39,864	82,662
Income taxes payable	115,396	175,034
Advances received	23,020	1,125,217
Deposits received	18,936	10,292
Provision for bonuses	55,526	56,872
Others	197,387	269
Total current liabilities	5,237,968	8,416,042
Noncurrent liabilities		
Bonds	200,000	150,000
Long-term loans payable	7,157,408	8,455,973
Lease obligations	5,323	1,127
Asset retirement obligation	25,976	26,212
Provision for retirement benefits	49,616	51,926
Provision for directors' retirement benefits	123,808	79,766
Others	6,742	35,627
Total noncurrent liabilities	7,568,875	8,800,633
Total liabilities	12,806,844	17,216,676
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	159,234	172,641
Other retained earnings		
Retained earnings brought forward	6,473,138	7,908,265
Total retained earnings	6,632,373	8,080,907
Treasury stock	(4,192)	(4,502)
Total shareholders' equity	7,523,664	8,971,887
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	88,882	124,467
Total valuation and translation adjustments	88,882	124,467
Total net assets	7,612,547	9,096,355
Total liabilities and net assets	20,419,391	26,313,031

## (2) Income Statement

(Thousands of yen)

	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net sales		
Net sales from the asset solution business	10,606,903	9,173,754
Net sales from the condominium unit sales business	8,797,096	11,847,976
Net sales from the asset holding business	63,903	62,709
Others	458	20,932
Total net sales	19,468,361	21,105,371
Cost of sales		
Cost of sales of the asset solution business	8,622,871	7,683,271
Cost of sales of the condominium unit sales business	7,139,717	9,430,199
Cost of sales of the asset holding business	35,824	35,280
Others	-	-
Total cost of sales	15,798,414	17,148,752
Gross profit	3,669,947	3,956,619
Selling, general and administrative expenses	1,935,891	1,954,191
Operating income	1,734,055	2,002,427
Non-operating income		
Interest income	14,068	1,979
Dividends income	2,404	2,844
Land and house rent received	3,095	27,939
Gain on forfeiture of unclaimed dividends	4,888	-
Insurance premiums refunded cancellation	-	21,150
Others	5,416	1,167
Total non-operating income	29,873	55,080
Non-operating expenses		
Interest expenses	244,085	239,548
Others	4,567	2,055
Total non-operating expenses	248,653	241,603
Ordinary income	1,515,274	1,815,904
Extraordinary income		
Gain on sales of investment securities	1,001	-
Gain on sales of subsidiaries and affiliates' stocks	26,894	340,000
Total extraordinary income	27,895	340,000
Extraordinary loss		
Loss on sales of investment securities	-	2,390
Loss on valuation of investment securities	99,999	-
Loss on valuation of stocks of subsidiaries and affiliates	16,272	5,637
Provision of allowance for doubtful accounts	20,256	-
Loss on compensation for construction	-	44,601
Total extraordinary loss	136,529	52,629
Income before income taxes	1,406,640	2,103,274
Income tax-current	215,500	294,793
Income tax-deferred	(45,022)	(77,882)
Total income taxes	170,477	216,910
Net income	1,236,162	1,886,363

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

For the Previous 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

For the Current Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	159,234	6,473,138	6,632,373
Changes during period						
Dividends of surplus				13,407	(451,237)	(437,829)
Net income of current period					1,886,363	1,886,363
Purchase of treasury shares						
Net changes of items other than shareholders' equity (Net amount)						
Total changes during the period	—	—	—	13,407	1,435,126	1,448,533
Balance at the end of current period	854,500	40,983	40,983	172,641	7,908,265	8,080,907

	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	(4,192)	7,523,664	88,882	88,882	7,612,547
Changes during period					
Dividends of surplus		(437,829)			(437,829)
Net income of current period		1,886,363			1,886,363
Purchase of treasury shares	(310)	(310)			(310)
Net changes of items other than shareholders' equity (Net amount)			35,585	35,585	35,585
Total changes during the period	(310)	1,448,223	35,585	35,585	1,483,808
Balance at the end of current period	(4,502)	8,971,887	124,467	124,467	9,096,355

## (4) Cash Flow Statement

(Thousands of yen)

	Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net cash flow from operating activities		
Net income before taxes	1,406,640	2,103,274
Depreciation and amortization	38,345	34,620
Increase (decrease) in allowance for doubtful accounts	694	(796)
Increase (decrease) in provision for retirement benefits	2,536	2,310
Increase (decrease) in provision for directors' retirement benefits	17,112	(44,042)
Interest and dividends income	(16,472)	(4,823)
Interest expenses	244,085	239,548
Decrease (increase) in inventories	2,728,985	(5,144,241)
Decrease (increase) in advance payments	46,750	(154,600)
Increase (decrease) in notes and accounts payable-trade	196,679	94,817
Loss (gain) on sales of investment securities	(1,001)	2,390
Loss (gain) on valuation of investment securities	99,999	-
Loss (gain) on sales of shares of subsidiaries and associates	(26,894)	(340,000)
Loss on valuation of shares of subsidiaries and affiliates	16,272	5,637
Increase (decrease) in advances received	(32,963)	1,102,197
Increase (decrease) in deposits received	2,354	(8,643)
Others	269,646	(339,324)
Subtotal	4,992,773	(2,451,674)
Interest and dividends income received	22,749	4,823
Interest expenses paid	(243,819)	(242,424)
Income taxes paid	(231,256)	(243,058)
Net cash from operating activities	4,540,447	(2,932,333)
Net cash from investing activities		
Purchase of property, plant, and equipment	(721)	(31,312)
Proceeds from sales of property, plant and equipment	-	4,753
Purchase of investment securities	(326,000)	(452,000)
Proceeds from sales of investment securities	238,001	52,090
Payments for investments in capital	-	(100)
Purchase of stocks of subsidiaries and affiliates	-	(30,000)
Proceeds from sales of shares of subsidiaries and affiliates	26,894	360,000
Net decrease (increase) in short-term loans receivable	10,000	-
Payments of long-term loans receivable	(65,000)	-
Collection of long-term loans receivable	265,793	50,000
Others	19,494	(18,011)
Net cash from investing activities	168,461	(64,579)
Net cash from financing activities		
Net increase (decrease) in short-term loans payable	(609,840)	34,540
Proceeds from long-term loans payable	7,178,660	10,976,980
Repayment of long-term loans payable	(8,729,580)	(7,626,851)
Proceeds from issuance of bonds	246,010	-
Redemption of bonds	(250,000)	(50,000)
Repayments of lease obligations	(9,837)	(8,799)
Cash dividends paid	(437,851)	(437,829)
Others	(402)	(310)
Net cash from financing activities	(2,612,840)	2,887,728
Net increase (decrease) in cash and cash equivalents	2,096,067	(109,184)
Cash and cash equivalents at the beginning of the period	4,933,785	7,029,853
Cash and cash equivalents at the end of the period	7,029,853	6,920,669

(5) Notes on financial statements

(Notes for the going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Segment reporting

The Company's operations are organized into distinct segments, each with its own financial information that undergoes regular review by the Board of Directors, which enables the effective allocation of management resources and performance evaluation.

At our head office, the business divisions formulate comprehensive strategies and oversee operations related to the Company's products and services.

Consequently, our reportable segments are categorized based on the nature of the products and services offered. We have identified three reportable segments: "Asset Solution Business," "Condominium Unit Sales Business," and "Asset Holding Business."

The "Asset Solution Business" focuses on planning and selling development land and income-generating properties like logistics facilities to other developers. The "Condominium Unit Sales Business" specializes in developing and selling investment properties, particularly reinforced concrete whole buildings, either independently or in collaboration with other companies. The "Asset Holding Business" manages the rental operations of residential condominiums owned by the Company.

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, 2022 (April 1, 2021 to March 31, 2022)

	Reportable Segment				Others (Note) 1	Total	Adjustment (Note) 2	Recorded amount in in financial statements (Note)3
	Asset solution business	Condominium unit sales business	Asset Holding 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	63,903	244,516	—	244,516	—	244,516
Sales to external customers	10,606,903	8,797,096	63,903	19,467,902	458	19,468,361	—	19,468,361
Intersegment sales	—	—	—	—	—	—	—	—
Total	10,606,903	8,797,096	63,903	19,467,902	458	19,468,361	—	19,468,361
Segment margin	1,358,056	1,072,074	19,755	2,449,885	449	2,450,335	(716,280)	1,734,055
Segment assets	6,773,573	12,224,574	623,527	19,621,675	165	19,621,841	797,550	20,419,391
Others								
Depreciation	728	604	23,284	24,617	—	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 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.



For the Current Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	Asset Holding business	Total				
Net sales								
Goods transferred at a point in time	9,173,754	11,799,382	59	20,973,195	20,932	20,994,128	—	20,994,128
Goods transferred over a period of time	—	—	—	—	—	—	—	—
Revenue from contracts with customers	9,173,754	11,799,382	59	20,973,195	20,932	20,994,128	—	20,994,128
Other income (Note) 4	—	48,593	62,649	111,243	—	111,243	—	111,243
Sales to external customers	9,173,754	11,847,976	62,709	21,084,439	20,932	21,105,371	—	21,105,371
Intersegment sales	—	—	—	—	—	—	—	—
Total	9,173,754	11,847,976	62,709	21,084,439	20,932	21,105,371	—	21,105,371
Segment margin	1,223,306	1,654,700	20,482	2,898,488	11,029	2,909,517	(907,089)	2,002,427
Segment assets	9,204,390	14,976,158	598,210	24,778,759	6,863	24,785,622	1,527,408	26,313,031
Others								
Depreciation	376	484	22,430	23,292	0	23,293	11,327	34,620
The increase of property, plant, equipment, and Intangible assets	—	—	—	—	—	—	31,312	31,312

- (Notes)
1. "Other" is a business segment not included in the reportable segment, and includes construction contracting business, brokerage business, consulting business, etc.
  2. The adjustment amounts are as follows:
    - (1) The segment margin adjustment of -907,089 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 1,527,408 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.

#### (1) Changes in Reportable Segments

In line with our objective of providing accurate and relevant management information concerning the allocation of resources and business structure, we have made adjustments to our reportable segments for the current fiscal year. The "Residential Housing Sales business," previously treated as a separate reportable segment, has now been included within the "Others" category. Conversely, the "Asset-holding business," previously part of the "Others" segment, has been designated as its distinct reportable segment.

Also, segment information for the first quarter of the previous fiscal year has been restated based on the revised segment classification.

[Related Information]

For the Previous 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

For the Current Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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
JM Antares 1 LLC	3,967,727	Condominium Unit Sales Business
JM Antares 2 LLC	3,230,480	Condominium Unit Sales Business
Meitetsu City Design Co.Ltd.	2,532,442	Asset Solution Business

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

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

Not applicable.

For the Current Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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, 2022 (April 1, 2021 to March 31, 2022)	Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net assets per share	382.51 yen	457.09 yen
Net income per share	62.11 yen	94.79 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, 2022 (April 1, 2021 to March 31, 2022)	Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net income per share		
Net income (Thousands of yen)	1,236,162	1,886,363
Amount not attributable to common shareholders (Thousands of yen)	—	—
Net income applicable to common stock (Thousands of yen)	1,236,162	1,886,363
Average number of common shares during the period (Thousands of share)	19,901	19,901

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

	Year Ended March 31, 2022	Year Ended March 31, 2023
Total net assets (Thousands of yen)	7,612,547	9,096,355
Net assets applicable to common shares at the year-end (Thousands of yen)	7,612,547	9,096,355
Number of common shares at the year-end used in calculation of net assets per share (Thousands of share)	19,901	19,900

(Significant subsequent events)

Not applicable.