

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 Third Quarter Ending March 31, 2024 (Japanese Standard)



February 14, 2024

Company name : SHIN-NIHON TATEMONO CO., LTD.
 Stock exchange listing : Tokyo Stock Exchange
 Code Number : 8893 URL <https://www.kksnt.co.jp/>
 Representative : Manabu Kondo, President and Chief Executive Officer
 IR Contact : Takahiro Motegi, Director and Executive Officer, Division Director of Administration Department
 Tel : (81) 3-5962-0776
 Scheduled date to file Quarterly Securities Report : February 14, 2024
 Scheduled date to commence dividend payments : -
 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 Third Quarter Ending March 31, 2024 (April 1, 2023~ December 31, 2023)

(1) Operating Result (cumulative)

(% represent the year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third Quarter Ending March 31, 2024	20,650	—	2,277	—	2,167	—	1,497	—
Third Quarter Ended March 31, 2023	—	—	—	—	—	—	—	—

	Earnings per share	Diluted Earnings per Share
	Yen	Yen
Third Quarter Ending March 31, 2024	75.23	—
Third Quarter Ended March 31, 2023	—	—

(Notes) Information regarding the former year is not stated because the financial statement of Third Quarter Ended March 31, 2023 was consolidated.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Third Quarter Ending March 31, 2024	25,976	10,010	38.5
Year Ended March 31, 2023	26,313	9,096	34.6

(Reference) Equity: Third Quarter Ending March 31, 2024: 10,010 million yen March 31, 2023: 9,096 million yen

2. Dividends

	Dividend per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2023	—	0.00	—	30.00	30.00
Year ending Mar. 31, 2024	—	0.00	—		
Year ending Mar. 31, 2024 (Forecast)				30.00	30.00

(Notes) Revisions of the dividend forecast most recently announced: None

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) Revisions of the business forecast most recently announced: None

※ Notes

- (1) Application of special accounting methods in preparation of quarterly financial statements : No
- (2) 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

(3) Number of issued shares (common stock)

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

3Q Ending March 31, 2024	19,914,617 shares
Year Ended March 31, 2023	19,914,617 shares

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

3Q Ending March 31, 2024	14,777 shares
Year Ended March 31, 2023	13,956 shares

③ Average number of shares during the period (cumulative)

3Q Ending March 31, 2024	19,900,266 shares
3Q Ended March 31, 2023	19,901,153 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 currently available to the Company and 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 “(3) Explanation of forecast information such as business forecasts” on page 4 of the attachment.

• The supplementary material on financial results will be posted on our company’s website on February 14, 2024.

○ Table of Contents of the Attached Document

1. Qualitative Information on Quarterly Financial Results for the Period under Review	2
(1)Explanation of Operating Results	2
(2)Explanation of Financial Position.....	3
(3)Explanation of forecast information such as business forecasts.....	4
2. Financial statements and main notes.....	5
(1)Quarterly Balance Sheet	5
(2)Quarterly Income Statement	7
(3)Notes on quarterly financial statements.....	8
(Notes for the going concern assumption).....	8
(Notes on significant changes in the amount of shareholders' equity)	8
(Additional Information)	8
(Segment information, etc.).....	13
(Revenue Recognition).....	13

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

During the first nine months of the current fiscal year, the Japanese economy continued to recover moderately as normalization of economic activities progressed further and consumer spending and inbound demand picked up.

The economy continued to recover moderately in line with further normalization of economic activities and a pickup in consumer spending and inbound demand. On the other hand, the economic outlook remained uncertain due to the effects of prolonged global monetary tightening, concerns about the future of the Chinese economy, unstable international conditions stemming from the situation in Ukraine, the situation in Israel and Palestine, and rising resource prices and logistics costs resulting from the weak yen and other factors.

In the real estate industry, of which we are a part, while the business environment remained severe due to soaring construction and labor costs, the real estate investment market remained strong due to rising demand, especially for rental housing, and rising rents for income-producing properties in the Tokyo metropolitan area, where the population has moved back into the city center due to the end of coronavirus infection, and there has been an excess of new residents. The real estate investment market remained strong.

In this business environment, in the Tokyo metropolitan area, centering on the 23 wards of Tokyo, we steadily completed the delivery of land for condominium development to other developers in the Revitalization Business, delivered asset management condominiums in the Condominium Sales Business as planned, and in the Asset Holding Business, achieved a strong performance in the first half of the fiscal year, including the newly acquired properties in the second quarter. In the Asset Holding business, we continued to operate three rental properties, including a property newly acquired in the second quarter, resulting in net sales of 20,650 million yen, operating income of 2,277 million yen, ordinary income of 2,167 million yen, and net income of 1,497 million yen for the third quarter of the current fiscal year.

	Current 3 rd quarter cumulative period	
	Amount	Net Sales (millions of yen)
Asset Solution Business	16 projects	13,584
Condominium Unit Sales Business	167 units	7,006
Asset-Holding Business	—	57
Others	—	2
Total Net Sales	—	20,650
Operating income (loss)	—	2,277

Results by segment are as follows.

(Asset Solution Business)

During the nine months ended December 31, 2023, the Company steadily delivered condominium development sites and logistics facilities to other developers, mainly in the 23 wards of Tokyo, resulting in net

sales of 13,584 million yen and operating income of 1,897 million yen.

(Condominium Unit Sales Business)

In the third quarter cumulative period, the Company delivered "Renaissance Nishiazabu Premium Court (19 units)," the highest grade of our asset management condominium "Premium Court" series, in Minato-ku, Tokyo, bringing the number of units delivered to 167 units in the third quarter cumulative period. As a result, net sales amounted to 7,006 million yen and operating income to 1,103 million yen.

(Asset-Holding Business)

During the nine months ended December 31, 2023, the Company continued to operate two rental properties it has owned for some time, and a newly acquired rental property in Suginami Ward in the second quarter contributed to higher earnings, resulting in net sales of 57 million yen and operating income of 11 million yen.

(Others)

Net sales in the third quarter of the current fiscal year totaled 2 million yen and operating income 0 million yen.

(2) Explanation of Financial Position

Status of Assets, Liabilities, and Net assets

(Assets)

Total assets decreased 336 million yen (down 1.3% from the end of the previous period) to 25,976 million yen at the end of the third quarter of the current fiscal year. Current assets decreased 676 million yen (down 2.8%) to 23,889 million yen, and noncurrent assets increased 340 million yen (up 19.5%) to 2,084 million yen.

The main factors of the decrease in current assets were a 1,791 million yen decrease in real estate for sale (down 55.8%) due to the steady delivery of properties, and a 606 million yen increase in real estate for sale in process (up 4.4%) due to progress in site purchase and construction work.

Noncurrent assets increased mainly due to an increase of 660 million yen (up 108.7%) in property, plant and equipment resulting from the acquisition of new real estate for lease in the asset holding business.

(Liabilities)

Total liabilities at the end of the third quarter amounted to 15,965 million yen, down 1,250 million yen (down 7.3% from the end of the previous period) from the end of the previous period. Current liabilities decreased 381 million yen (down 4.5% from the end of the previous period) to 8,034 million yen, and long-term liabilities decreased 869 million yen (down 9.9% from the end of the previous period) to 7,931 million yen.

The main factors of the decrease were an increase in short-term loans payable of 1,002 million yen (up 45.7%

from the end of the previous period) due to progress in purchasing new properties, while long-term loans payable decreased 879 million yen (down 10.4% from the end of the previous period) and current portion of long-term loans payable decreased 452 million yen (down 10.5% from the end of the previous period) due to steady progress in property deliveries, Advances received decreased 884 million yen (down 78.6% from the end of the previous period).

(Net assets)

Total net assets increased by 914 million yen (up 10.1% from the end of the previous period) to 10,010 million yen. The main factors were an increase of 1,497 million yen due to quarterly net income and a decrease of 597 million yen due to dividends from surplus.

(3) Explanation of forecast information such as business forecasts

For the year ending March 31, 2024, there are no changes to the forecasts announced on May 15, 2023. If any matter that should be publicized arises, the Company will announce it promptly.

2. Financial statements and main notes

(1) Quarterly Balance Sheet

(Thousands of yen)

	Previous Fiscal Year (March 31, 2023)	3 rd Quarter Ending March 31, 2024 (December 31, 2023)
Assets		
Current assets		
Cash and deposits	6,920,669	7,222,223
Real estate for sale	3,212,035	1,420,566
Real estate for sale in process	13,895,131	14,501,460
Raw materials and supplies	1,130	1,463
Advance payments—trade	172,100	511,250
Prepaid expenses	30,289	36,494
Others	334,483	196,057
Total current assets	24,565,840	23,889,516
Noncurrent assets		
Property, plant and equipment		
Buildings	622,831	733,224
Accumulated depreciation	(116,149)	(134,891)
Buildings, net	506,682	598,333
Structures	14,192	14,192
Accumulated depreciation	(7,545)	(8,609)
Structures, net	6,646	5,582
Tools, furniture and fixtures	53,562	63,145
Accumulated depreciation	(39,582)	(39,069)
Tools, furniture and fixtures, net	13,980	24,076
Land	79,594	639,131
Leased assets	18,506	18,506
Accumulated depreciation	(18,347)	(18,466)
Leased assets, net	158	39
Total property, plant and equipment	607,063	1,267,164
Intangible assets		
Leasehold right	1,465	1,465
Software	282	1,699
Leased assets	4,771	1,975
Total intangible assets	6,518	5,140
Investments and other assets		
Investment securities	690,102	670,736
Stocks of subsidiaries and affiliates	20,389	5,363
Investments in capital	31,630	31,630
Claims provable in bankruptcy, claims provable in rehabilitation and others	6,937	6,550
Long-term prepaid expenses	5,169	4,619
Guarantee deposits	76,376	80,332
Deferred tax assets	287,116	-
Others	27,770	27,770
Allowance for doubtful accounts	(14,807)	(14,420)
Total investments and other assets	1,130,684	812,582
Total noncurrent assets	1,744,266	2,084,886
Deferred assets		
Bond issuance cost	2,925	2,327
Total deferred assets	2,925	2,327
Total assets	26,313,031	25,976,730

	(Thousands of yen)	
	Previous Fiscal Year	3 rd Quarter Ending
	(March 31, 2023)	March 31, 2024
	(December 31, 2023)	
Liabilities		
Current liabilities		
Accounts payable for construction contracts	391,676	261,341
Short-term loans payable	2,194,000	3,196,180
Current portion of long-term loans payable	4,315,793	3,863,236
Current portion of bonds	50,000	50,000
Lease obligations	4,196	1,738
Accounts payable—other	10,027	9,360
Accrued expenses	82,662	123,321
Income taxes payable	175,034	232,442
Advances received	1,125,217	240,506
Deposits received	10,292	15,472
Provision for bonuses	56,872	21,886
Others	269	19,037
Total current liabilities	8,416,042	8,034,524
Noncurrent liabilities		
Bonds payable	150,000	100,000
Long-term loans payable	8,455,973	7,576,536
Lease obligations	1,127	-
Asset retirement obligation	26,212	26,390
Provision for retirement benefits	51,926	57,435
Provision for directors' retirement benefits	79,766	98,346
Deferred tax liabilities	-	45,002
Others	35,627	27,583
Total noncurrent liabilities	8,800,633	7,931,294
Total liabilities	17,216,676	15,965,819
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	172,641	172,641
Other retained earnings		
Retained earnings brought forward	7,908,265	8,808,417
Total retained earnings	8,080,907	8,981,059
Treasury stock	(4,502)	(4,971)
Total shareholders' equity	8,971,887	9,871,570
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	124,467	139,340
Total valuation and translation adjustments	124,467	139,340
Total net assets	9,096,355	10,010,910
Total liabilities and net assets	26,313,031	25,976,730

(2) Quarterly Income Statement

Third Quarter Cumulative Period

(Thousands of yen)

	3 rd Quarter Ending March 31, 2024 (April 1, 2023 to December 31, 2023)
Net sales	
Net sales from the Asset solution business	13,584,345
Net sales from the condominium unit sales business	7,006,122
Net sales from the asset-holding business	57,568
Others	2,169
Total net sales	20,650,205
Cost of sales	
Cost of sales of the Asset solution business	11,316,208
Cost of sales of the condominium unit sales business	5,539,098
Cost of sales of the asset-holding business	36,313
Total cost of sales	16,891,620
Gross profit	3,758,585
Selling, general and administrative expenses	1,480,890
Operating income (loss)	2,277,694
Non-operating income	
Interest income	6,522
Dividends income	20,193
Land and house rent received	34,542
Others	1,352
Total non-operating income	62,610
Non-operating expenses	
Interest expenses	169,625
Others	2,890
Total non-operating expenses	172,516
Ordinary income (loss)	2,167,789
Extraordinary income	
Gain on sales of property	48
Gain on sales of investment securities	20,197
Gain on sales of shares of subsidiaries	432
Total extraordinary income	20,678
Extraordinary loss	
Gain on sales of investment securities	12,727
Total extraordinary income	5,026
Total extraordinary loss	17,753
Income (loss) before income taxes	2,170,713
Income tax-current	347,986
Income tax-deferred	325,555
Total income taxes	673,541
Net income (loss)	1,497,172

(3) Notes on quarterly financial statements

(Notes for the going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Additional Information)

Management Integration through the Establishment of a Joint Holding Company (Share Transfer) with TASUKI Inc.

At their respective Board of Directors meetings held on November 16, 2023, our company and TASUKI Inc. ("TASUKI" and collectively with our company, the "Companies") resolved to establish TASUKI Holdings Inc. as the wholly owning parent company of both companies as of April 1, 2024 (the "Effective Date") through a joint share transfer (the "Share Transfer"), and jointly prepared a share transfer plan (the "Share Transfer Plan") regarding this share transfer. The implementation of the Share Transfer is subject to the approval of the Board of Directors of TASUKI Holdings Co ("Joint Holding Company").

The implementation of the Share Transfer was approved at our company's extraordinary general meeting of shareholders held on January 25, 2024 and at the ordinary general meeting of shareholders of TASUKI Inc. held on December 21, 2023.

(1) Background and purpose of the Share Transfer

(I) Background of the Share Transfer

Our corporate philosophy is "to change and not to change," and we are committed to creating new ways of living and living with flexible ideas from the viewpoints of people who live in our homes, and to continuing to supply quality housing that will always satisfy our residents amidst the changing environment of a consumer society that is becoming more selective in its choices. We aim to achieve sustainable growth and development, with our corporate mission to realize the dreams of our customers as our social mission. Based on this management policy, we are developing and selling our own condominium series, the "Renaissance Condominium" series, which sets the standard for next-generation condominiums, mainly in the 23 wards of Tokyo, and the "Renaissance Court" series of asset management condominiums, mainly studio apartments, which are in high demand in urban areas, as well as domestic and overseas. We are also involved in the planning, development, and sales of our top-grade "Renaissance Premium Court" series, which is highly acclaimed by investors in Japan and overseas, and compact condominiums that respond flexibly to changes in family structures. In addition, we are also sensitive to changes in market and social conditions, and plan and develop logistics facilities and office buildings to meet the needs of society as a comprehensive real estate developer.

TASUKI's corporate philosophy is "Connecting the world with TASUKI - Becoming a hub of society through innovation -" and TASUKI aims to update people's lives as a life-platformer with its strength in utilizing cutting-edge technology. Based on this management policy, TASUKI mainly Develops a "life-

platform business" that provides a home for people's lives through the development and sale of new investment IoT residences mainly in the 23 wards of Tokyo, the SaaS business that provides a multi-platform for real estate developers, and the DX consulting business, which supports companies in their DX promotion from strategy formulation to effectiveness verification.

However, transactions have been moving online against the backdrop of government environmental improvements, and even in the real estate industry, where system reforms have not progressed for a long time, a gradual shift to digitalization is taking place.

In the midst of such a major turning point in the real estate industry, real estate in Tokyo, where the two companies' business bases are centered, is attracting attention worldwide as attractive real estate from the perspectives of profitability and stability.

In light of this environment, Our company and TASUKI have conducted a wide range of studies with the aim of improving the corporate value of both companies. The Company and Tusk have conducted a wide range of studies with the aim of enhancing the corporate value of both companies. In May 2023, Our company received a management integration proposal from TASUKI, and this was the occasion for our company to consider the possibility of resolving management issues and increasing corporate value through this proposal in order to address issues in the real estate industry, such as changes in social structure and diversification of customer needs, and to enhance corporate value. On the other hand, TASUKI also conducted various studies in order to further increase its own recognition, expand the scale of its business, and achieve sustainable growth as a life-platformer and development through the inorganic strategy in TASUKI's mid-term management plan announced on September 19, 2023. Then, TASUKI identified our company as a candidate as a company that is expected to generate significant synergies as described in "(II) Purpose of the Share Transfer and Expected Synergistic Effects" below and that can achieve sustainable growth in corporate value, and proposed a management integration to our company and have conducted full-scale discussions between the two companies. In the course of their discussions on the business integration, our company and TASUKI reached a common understanding that the two companies have a complementary relationship in terms of their respective strengths and challenges, and that by using their respective strengths to strengthen their purchasing and sales capabilities in their sales bases centered on the 23 wards of Tokyo, they can respond flexibly to changes in the market environment and realize further growth by establishing a management foundation and establishing a joint holding company. The two companies have believed that the management integration will enable both companies to establish a management foundation, secure stable earnings, achieve sustainable growth, and enhance corporate value over the medium to long term.

(II) Purpose of the stock transfer and expected synergistic effects

Through this share transfer, both companies hope to integrate and effectively utilize their management resources by creating synergistic effects for the following purposes:

Through this, both companies aim to establish unique positions in the real estate industry and increase corporate value.

(i) Mutual utilization of networks and know-how in real estate value distribution

Both companies provide optimized real estate value to customers, mainly in the 23 wards of Tokyo, but the scale of development differs; specifically, our company mainly handles projects of 150 m² or more, while

TASUKI mainly handles projects of 60 m2 to 150 m2. Therefore, there are no competition between the two companies in everything from acquiring business land to selling it. In addition we will realize an increase in business opportunities by mutually utilizing the networks of both companies, and at the same time, we will expand the SaaS type real estate purchasing and development support service "TASUKI TECH" owned by ZISEDAI Co., Ltd. (hereinafter referred to as "ZISEDAI"), a subsidiary of TASUKI. We aim to improve business productivity by utilizing TECH.

(ii) Expanding the service line of SaaS-type real estate purchasing and development support service "TASUKI TECH"

By utilizing our supply track record and planning know-how in "TASUKI TECH," a SaaS-type real estate purchasing and development support service provided by ZISEDAI, we aim to improve the sophistication of our solutions, expand our service line, and expand our sales channels.

(iii) Improving cost competitiveness through shared use of resources

The two companies will aim to improve operational efficiency and reduce costs by jointly using internal and external resources in design, construction, sales, and corporate management.

(iv) Promotion of human capital management

We will promote human resource exchange between the two companies and work to provide opportunities to create new value for organizations and develop human resources by sharing mutual expertise, know-how, and knowledge. We will strive to create a workplace environment where diverse human resources can demonstrate their full potential.

(2) Summary of the stock transfer

(I) Schedule of the stock transfer

Record date for the annual general meeting of shareholders (TASUKI)	September 30, 2023
Board of directors meeting to approve the stock transfer plan (both companies)	November 16, 2023
Preparation of the stock transfer plan (both companies)	November 16, 2023
Notice of record date for extraordinary general meeting of shareholders (us)	November 16, 2023
Extraordinary General Meeting of Shareholders Record Date (us)	December 1, 2023
Share transfer plan approval ordinary general meeting of shareholders (TASUKI)	December 21, 2023
Extraordinary general meeting of shareholders to approve stock transfer plan (us)	January 25, 2024
Delisting date (both companies)	March 28, 2024 (planned)
Joint holding company establishment registration date (effective date)	April 1, 2024 (planned)
Joint holding company stock initial listing date	April 1, 2024 (planned)

(Note) The above is the current plan, and if necessary due to the necessity of proceeding with the Share Transfer Procedures or for any other reason, this may be changed by agreement after consultation between both companies.

(II) Method of this stock transfer

This will be a joint stock transfer in which our company and TASUKI will be the wholly-owned subsidiaries, and the newly established joint holding company will be the wholly-owned parent company.

(III) Contents of allocation related to this stock transfer (stock transfer ratio)

company	SHIN NIHON TATEMONO	TASUKI
Stock transfer ratio	1	2.24

(Notes) 1 Details of allotment of shares related to this stock transfer

One share of the common stock of the joint holding company will be allotted and delivered for each share of common stock of the Company, and 2.24 shares of common stock of the joint holding company will be allotted and delivered for each share of common stock of TASUKI. However, in the event that there is a significant change in the terms and conditions on which the calculation of the above share transfer ratio is based or an event that has a material impact occurs, the above may be changed through consultation between the two companies.

The number of shares per unit of the joint holding company is planned to be 100 shares.

If this share transfer results in a fraction less than one share in the number of common shares of the joint holding company that must be delivered to shareholders of the Company or TASUKI, in accordance with the provisions of Article 234 of the Companies Act and other related laws and regulations, We will pay the shareholder an amount corresponding to the fractional share less than one share.

2 Number of new shares to be delivered by the joint holding company through this share transfer (planned): Common stock: 51,455,153 shares

The above is the total number of outstanding shares of the Company as of September 30, 2023 (19,914,617 shares) and TASUKI's number of shares outstanding as of September 30, 2023. The information is based on the total number of issued shares (14,087,200 shares) as of the 30th of the month. However, the Company and TASUKI plan to cancel the number of treasury shares that they currently hold or will newly acquire in the future, to the extent that they are able to do so in practice by the day before the effective date of the Share Transfer. 14,576 shares of common stock that are treasury stock held by the Company as of September 30, 2023, 96 shares of common stock that are treasury stock held by TASUKI as of September 30, 2023, and upon this share transfer. In the above calculation, treasury stock acquired through the purchase of shares related to a dissenting shareholder's share purchase request as stipulated in Article 806, Paragraph 1 of the Companies Act is excluded from the scope of new stock issuance in the above calculation. Please note that the number of treasury shares that will actually be canceled by the effective date of this share transfer is currently undetermined, so the above number of shares issued by the joint holding company may change.

3 Handling of shares less than one unit, etc.

As a result of this stock transfer, we plan to apply for an initial listing on the Tokyo Stock Exchange for the shares of the joint holding company that will be allotted to the shareholders of the Company and TASUKI. Since the shares will be able to be traded on the Tokyo Stock Exchange, if you own 100 or more shares of the Company or 45 or more shares of TASUKI, you will be able to acquire a unit of shares of the joint holding company through this share transfer. We believe that we will continue to be able to provide liquidity in the joint holding company's shares to shareholders of the Company or TASUKI who receive an allotment of 100 or more shares of the joint holding company's stock. Please note that shareholders of the Company and TASUKI who receive an allotment of less than 100 shares of joint holding company stock may not sell such allotted shares on the Tokyo Stock Exchange or any other financial instruments exchange; It is possible to request the joint holding company to purchase such shares constituting less than one unit.

(IV) Regarding dividends of surplus

Under the Share Transfer Plan, both companies will provide shareholders or registered stock pledgees with common stock of the Company listed or recorded in the final shareholder register as of March 31, 2024 with a fee of 30 yen per share. and that TASUKI may make dividends of surplus up to the limit of We have agreed that we can pay dividends of surplus up to 26 yen per share.

Regarding the joint holding company's dividend standards, we will implement profit returns with a dividend payout ratio of 35% (consolidated) or higher, taking into consideration the past dividend policies and dividend levels of both companies and the future performance of the joint holding company. It's a schedule.

(3) Status of the joint holding company newly established as a result of this stock transfer

(1) Trade name	TASUKI Holdings Co., Ltd.
(2) Head office location	2-7-9 Kita-Aoyama, Minato-ku, Tokyo
(3) Scheduled appointment of representatives and officers	Chairman and Representative Director : Kondo Manabu Representative Director and President : Kashiwamura Yu Director : Murata Koji Director : Motegi Takahiro Outside director : Onoda Maiko Outside director : Oba Mutsuko Full-time external auditor : Koga Kazumasa Outside auditor : Minami Ken Outside auditor : Kumagai Humihiro
(4) Business details	Business management of subsidiaries, etc. and all businesses incidental to or related to these.
(5) Capital	3,000 million yen
(6) Accounting period	September 30
(7) Net assets (consolidated)	This is not confirmed at this time.
(8) Total assets (consolidated)	This is not confirmed at this time.

(4) Overview of accounting treatment

The purchase method is expected to be applied to the accounting treatment associated with this share transfer, as it falls under the category of acquisition under accounting standards for business combinations. With the application of the purchase method, goodwill (or negative goodwill) is expected to be generated in the joint holding company's consolidated financial statements, but the amount has not been determined at this time.

(Segment information, etc.)

[Segment information]

Previous cumulative Third quarter (from April 1, 2023, to December 31, 2023)

Information on sales and profit /loss by re
portable segments

(Thousands of yen)

	Reportable Segment				Others (Note) 1	Total	Adjustment (Note) 2	Recorded amount in quarterly income statement (Note)3
	Asset solution business	Condominium unit sales business	Asset-holding business	Total				
Net sales								
Goods transferred at a point in time	13,584,345	6,952,464	42	20,536,852	2,169	20,539,021	—	20,539,021
Goods transferred over time	—	—	—	—	—	—	—	—
Revenue from contracts with customers	13,584,345	6,952,464	42	20,536,852	2,169	20,539,021	—	20,539,021
Other income (Note 4)	—	53,658	57,525	111,184	—	111,184	—	111,184
Sales to external customers	13,584,345	7,006,122	57,568	20,648,036	2,169	20,650,205	—	20,650,205
Intersegment sales	—	—	—	—	—	—	—	—
Total	13,584,345	7,006,122	57,568	20,648,036	2,169	20,650,205	—	20,650,205
Segment margin	1,897,632	1,103,249	11,984	3,012,866	299	3,013,165	(735,471)	2,277,694

- (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 segment margin adjustment of -735,471 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.
 3. The segment margin is adjusted with operating income in the quarterly income statement.
 4. “Other income” includes income based on the accounting standard for lease transactions.

(Revenue Recognition)

Information on the revenue breakdown of contracts with customers has stated in the “Notes (Segment Information, etc.)” section.