



Fiscal Year March 2022 Earnings Announcement (Japanese GAAP)

May 12, 2022

Company Name: **Hoosiers Holdings** Listed market: Tokyo Stock Exchange Prime Market
 Stock Code: 3284 URL: <https://www.hoosiers.co.jp>
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 Scheduled date of the annual meeting of shareholders: June 24, 2022
 Scheduled date to file Securities Report: June 27, 2022
 Scheduled date to commence dividend payment: June 27, 2022
 Preparation of supplemental information of annual financial results: Yes
 Holding of annual financial results briefing: Yes (For institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

1. Fiscal Year March 2022 Consolidated Earnings Results (From April 1, 2021 to March 31, 2022)

(1) Consolidated Earnings

(% indicates change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/22	79,542	(0.8)	6,694	23.2	5,692	23.3	3,068	6.6
FY3/21	80,222	(5.9)	5,435	(18.8)	4,616	(16.3)	2,878	939.3

(Note) Comprehensive income: FY3/22 ¥3,882 million (35.1%) FY3/21 ¥2,873 million (-%)

	Earnings Per Share	Diluted Earnings Per Share	ROE	ROA	Operating Margin
	Yen	Yen	%	%	%
FY3/22	86.74	86.61	10.2	4.3	8.4
FY3/21	50.98	50.93	8.1	3.3	6.8

(Reference) Share of (profit) loss of entities accounted for using equity method FY3/22 ¥(255) million FY3/21 ¥(58) million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of March 31, 2022	127,905	38,960	24.4	883.66
As of March 31, 2021	136,030	36,368	21.2	815.78

(Reference) Shareholders' equity: As of March 31, 2022 ¥31,263 million As of March 31, 2021 ¥28,861 million

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
FY3/22	20,259	(4,172)	(9,896)	30,143
FY3/21	10,722	(3,058)	(15,077)	23,923

2. Dividends

	Dividend per Share					Total Dividend (Annual)	Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/21	—	6.00	—	18.00	24.00	988	47.1	3.1
FY3/22	—	17.00	—	19.00	36.00	1,288	41.5	4.2
FY3/23 (Forecast)	—	24.00	—	24.00	48.00		40.4	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 2023 (From April 1, 2022 to March 31, 2023)

(% indicates changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings Per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	80,000	0.6	7,300	9.0	6,500	14.2	4,200	36.9	118.71

*** Matters to be noted**

(1) Changes in important subsidiaries (Changes in specified subsidiaries which accompany a change in the scope of consolidation): **No**

(2) Changes in accounting principles, changes in accounting estimates and retrospective restatements

- (a) Changes in accounting principles in accordance with revisions to accounting and other standards: Yes
- (b) Changes in accounting principles other than above (a): No
- (c) Changes in accounting estimates: No
- (d) Retrospective restatements: No

(3) Outstanding shares (Common stock)

(a) Number of outstanding shares at the end of period (Including treasury shares)

March 31, 2022	36,916,775 shares	March 31, 2021	36,916,775 shares
March 31, 2022	1,537,512 shares	March 31, 2021	1,537,512 shares
FY3/22	35,379,263 shares	FY3/21	56,463,967 shares

(b) Number of treasury shares at the end of period

(c) Average number of shares during the period

The number of treasury shares includes 410,550 shares of our company that are held by Board Benefit Trust as of the end of the consolidated fiscal year under review.

(Reference) Summary of Non-Consolidated Earnings Results

1. Fiscal Year March 2022 Consolidated Earnings Results (From April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Earnings

(% indicates changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/22	2,088	(66.7)	422	(90.6)	244	(94.5)	194	(95.5)
FY3/21	6,271	255.4	4,494	—	4,408	—	4,303	—

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY3/22	5.51	5.50
FY3/21	76.22	76.14

(2) Non-Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FY3/22	48,111	19,009	39.5	537.30
FY3/21	49,065	19,952	40.7	563.97

(Reference) Shareholders' equity: As of March 31, 2022 ¥19,009 million
As of March 31, 2021 ¥19,952 million

* Earnings Announcement is out of scope of audit by certified public accountants or an audit corporation.

*** Explanatory statement regarding the proper use of financial forecasts and other notes**

All forecasts provided in this document are based on certain reasonable assumptions and beliefs in light of information currently available and, therefore, it is not intended for guaranteeing to meet them. Actual results may differ from our forecasts due to various unforeseen reasons.

*The year-on-year percentage change exceeding 1,000% or negative figures in FY3/22 and/or FY3/21 is indicated as “-.”

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1. Overview of Business Performance, etc.

(1) Overview of business performance during the consolidated fiscal year under review

During the consolidated fiscal year under review, the Japanese economy witnessed signs of recovery as efforts were made to both prevent the spread of infections and continue socioeconomic activities amid the progress of vaccination as a measure to prevent the COVID-19 infection, but the prospect remained uncertain due to the spread of a new variant after the new year as well as a rise in raw material prices and unstable global situation.

The real estate industry, especially the condominium market in major regional cities which is our main business area, continued to show steady growth mainly due to penetration of new lifestyles and diversified housing needs, but the future business environment is uncertain due to concerns over possible rises in construction material prices and interest rates.

Under such environment, profitability improved mainly in our mainstay business Real Estate Development and CCRC, and we are making steady progress toward the Medium-Term Management Plan (for FY3/22 to FY3/26) announced on May 13, 2021. Also, as announced in “Announcement on the commencement of management of ‘Hoosiers Private REIT Investment Corporation’” dated March 25, 2022 (Japanese version only), we originated a private REIT which mainly invests in residence, with an aim to diversify exit strategies in the Real Estate Investment business and improve profitability. Furthermore, we also engage in other businesses compatible with the real estate business, such as hotel management business, sports club operation and PFI operation, with an aim to offer new added value to people’s lives.

During the consolidated fiscal year under review, the number of contracted units was 1,379, 17 buildings, and that of delivered units was 1,395, 18 buildings. As of the end of the consolidated fiscal year, we managed 19,636 units. Consequently, as the results for the consolidated fiscal year, we posted net sales of ¥79,542 million (down 0.8% year over year), operating income of ¥6,694 million (up 23.2% year over year), ordinary income of ¥5,692 million (up 23.3% year over year), and profit attributable to owners of parent of ¥3,068 million (up 6.6% year over year).

Results by segment are as follows.

(I) Real Estate Development

During the consolidated fiscal year under review, the Group recorded net sales of ¥36,436 million (down 34.1% year over year) and operating income of ¥2,686 million (down 42.5 % year over year) due to a delivery of 811 condominium units such as “Duo Hills Yamagata Nanukamachi Tower,” and “Duo Hills Chiba Chuo ” etc. and 91 detached houses such as “Duo Avenue Hikarigaoka Koen.”

(II) CCRC

During the consolidated fiscal year under review, the Group recorded net sales of ¥20,539 million (up 79.1% year over year) and operating income of ¥2,510million (up 614.0% year over year) due to a delivery of 484 condominium units such as “Duo Scene Funabashi Takanedai.” and “Duo Scene Omiya.”

(III) Real Estate Investment

During the consolidated fiscal year under review, the Group recorded net sales of ¥16,143 million (up 117.9% year over year) and operating income of ¥1,052 million (up 161.4% year over year).

(1) Real Estate Sales

Due to the sales of inventory assets, we recorded net sales of ¥12,780 million (up 187.7% year over year).

(2) Rental Revenue

We recorded net sales of ¥2,708 million (up 11.1% year over year) due to the stable operation of owned income-producing properties.

(IV) Condominium Management and Related Services

We recorded net sales of ¥6,353 million (up 6.6% year over year) and operating income of ¥259 million (operating loss of ¥71 million a year earlier) during the consolidated fiscal year under review.

(1) Condominium Management

We recorded net sales of ¥1,917 million (up 6.4% year over year) due to the start of the new management contracting of “Duo Hills Yamagata Nanukamachi Tower”, “Duo Hills Chiba Chuo,” etc. in condominium management.

(2) Sports Club Operation Revenue

We recorded net sales of ¥3,495 million (up 6.3% year over year) mainly due to the operation of sports clubs.

(3) Other Income

We recorded net sales of ¥941 million (up 8.2% year over year) in hotel business and consigned construction, etc.

Following the “declaration of a state of emergency” by the Japanese Government, sports club and hotel businesses closed some of their facilities. Fixed costs incurred by those facilities during the temporary closure were recorded as “loss due to the spread of COVID-19,” and impairment losses for non-current assets of unprofitable facilities, in the sports club operation were recorded in extraordinary losses.

(V) Other

We recorded net sales of ¥68 million (down 4.6% year over year) and operating income of ¥20 million (up 150.9% year over year) through PFI operations.

(2) Overview of financial position as of the end of fiscal year under review

Assets, liabilities, and net assets

During the fiscal year ended March 31, 2022, the inventory decreased as sales of condominium apartments and detached houses showed solid growth even amid COVID-19 pandemic, and the outstanding balance of loans payable decreased, and as a result, total assets amounted to ¥127,905 million (down 6.0% from March 31, 2021), total liabilities amounted to ¥88,945 million (down 10.8% from March 31, 2021) and total net assets amounted to ¥38,960million (up 7.1% from March 31 2021).

(3) Cash flows

During the consolidated fiscal year under review, cash and cash equivalents increased by ¥6,219 million to ¥30,143 million mainly due to increased cash inflows resulting from a decrease of inventories despite increased cash outflows resulting from repayment of loans payable. Cash and deposits were ¥32,035 million, including deposits, etc. whose purpose of use is limited to development of ¥1,892 million.

(I) Cash flows from operating activities

Net cash provided by operating activities was ¥20,259 million (¥10,722 million provided in the previous fiscal year), which was mainly due to a decrease in inventory as a consequence of solid performance in sales of condominium apartments and detached houses, our mainstay business.

(II) Cash flows from investing activities

Net cash used in investing activities was ¥4,172 million (¥3,058 million used in the previous fiscal year), which was mainly due to cash outflows from purchase of property, plant and equipment and intangible assets and purchase of other securities of subsidiaries and associates.

(III) Cash flows from financing activities

Net cash used in financing activities was ¥9,896 million (¥15,077 million used in the previous fiscal year), which was mainly due to repayments of borrowings, etc.

(Reference) Cash flow-related indicators

	FY3/20	FY3/21	FY3/22
Equity Ratio (%)	29.3	21.2	24.4
Equity Ratio, Market Capitalization Based (%)	23.6	19.2	18.0

Equity Ratio: Net Assets / Total Assets

Equity Ratio, Market Capitalization Based: Market Capitalization / Total Assets

(Notes)

1. Each indicator is based on consolidated financial data.
2. Market capitalization = Period end share price × Number of outstanding shares at end of period (excluding treasury shares)

(4) Future prospects

For the fiscal year ending March 31, 2023, the business environment is expected to remain uncertain due to concerns over a resurgence of COVID-19 with new variant and increasing geopolitical risks. On the other hand, we expect to see steady demand in our mainstay housing business as efforts are made to both prevent the spread of infections and continue socioeconomic activities against the backdrop of penetration of new lifestyles and diversified housing needs.

In light of such prospect, the consolidated earnings forecasts for the fiscal year ending March 31, 2023 are net sales of ¥80,000 million, operating income of ¥7,300 million, ordinary income of ¥6,500 million, and profit attributable to owners of parent of ¥4,200 million.

Basic policy regarding the distribution of profits during the current and next periods

We will continue to aim to enhance our business performance in order to implement a stable and continual dividend payment, in overall consideration of a need to secure internal reserves as well, in anticipation of future performance and business development.

For the fiscal year under review, we plan to pay dividends per share of ¥36. As ¥17 was already paid at the end of the second quarter, ¥19 per share is scheduled to be paid as the year-end dividend.

With the introduction of a new indicator of dividend on equity ratio (DOE) aimed at improving the downward rigidity of dividends, we will aim to enhance profit return to shareholders for the next five years started April 1, 2021 under the return policy of “payout ratio of over 40% and DOE of over 4%” in comprehensive consideration of optimum equity level and the investment environment while maintaining performance-linked profit return.

For details, please refer to “Announcement of Medium-Term Management Plan (from FY3/22 to FY3/26)” released on May 13, 2021.

For the year ending March 31, 2023, we plan to pay dividends per share of ¥48 (¥24 at the end of the second quarter and ¥24 as the year-end dividend).

2. Basic Policy for the Selection of Accounting Standards

The policy of the Group at the current time is to create consolidated financial statements under the Japanese GAAP with consideration for the period comparability of the consolidated financial statements and the comparability between companies.

Furthermore, we have a policy to appropriately support the application of IFRS upon consideration of various conditions in Japan and around the world.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Million yen)

	End of Previous Fiscal Year (March 31, 2021)	Fiscal Year under Review (March 31, 2022)
Assets		
Current assets		
Cash and deposits	29,293	32,035
Accounts receivable - trade	382	733
Merchandise	34	25
Real estate for sale	31,122	23,659
Real estate for sale in process	37,029	33,599
Operational investment securities	1,463	567
Prepaid expenses	1,539	1,325
Other	4,295	4,840
Allowance for doubtful accounts	(17)	(115)
Total current assets	105,142	96,672
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,185	18,629
Accumulated depreciation	(4,103)	(4,747)
Buildings and structures, net	11,081	13,881
Machinery, equipment and vehicles	148	29
Accumulated depreciation	(57)	(22)
Machinery, equipment and vehicles, net	91	6
Tools, furniture and fixtures	501	468
Accumulated depreciation	(396)	(396)
Tools, furniture and fixtures, net	104	72
Land	11,166	9,423
Leased assets	854	1,312
Accumulated depreciation	(851)	(860)
Leased assets, net	2	451
Construction in progress	3	—
Total property, plant and equipment	22,449	23,835
Intangible assets		
Goodwill	177	164
Other	271	301
Total intangible assets	448	466
Investments and other assets		
Investment securities	2,908	3,114
Long-term loans receivable	1,815	104
Deferred tax assets	1,893	1,247
Other	1,377	2,469
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	7,990	6,931
Total non-current assets	30,888	31,233
Total assets	136,030	127,905

(Million yen)

	End of Previous Fiscal Year (March 31, 2021)	Fiscal Year under Review (March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,045	4,280
Short-term loans payable	11,216	7,166
Current portion of bonds	3,582	595
Current portion of long-term loans payable	14,826	16,111
Income taxes payable	1,332	608
Advances received	4,517	3,733
Provision for bonuses	315	302
Provision for after-sales services	48	37
Other	4,644	2,884
Total current liabilities	41,530	35,722
Non-current liabilities		
Bonds payable	2,628	7,487
Long-term loans payable	51,845	41,295
Deferred tax liabilities	909	1,062
Allowance for share provision to directors	223	223
Net defined benefit liability	160	138
Asset retirement obligations	469	693
Other	1,894	2,322
Total non-current liabilities	58,131	53,223
Total liabilities	99,661	88,945
Net assets		
Shareholders' equity		
Capital stock	15,882	5,000
Capital surplus	—	10,882
Retained earnings	14,042	15,858
Treasury shares	(990)	(990)
Total shareholders' equity	28,934	30,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112	226
Foreign currency translation adjustment	(185)	286
Total accumulated other comprehensive income	(72)	513
Subscription rights to shares	0	0
Non-controlling interests	7,507	7,696
Total net assets	36,368	38,960
Total liabilities and net assets	136,030	127,905

(2) Consolidated Income Statement and Comprehensive Income Statement
Consolidated Income Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)
Net sales	80,222	79,542
Cost of sales	64,145	62,861
Gross profit	16,077	16,681
Selling, general and administrative expenses	10,642	9,986
Operating income	5,435	6,694
Non-operating income		
Interest income	63	56
Dividend income	46	305
Contract cancellations	144	155
Foreign exchange gains	47	—
Subsidy income	184	102
Gain on investments in partnership	152	—
Other	43	77
Total non-operating income	682	698
Non-operating expenses		
Interest expenses	977	984
Commission fee	373	286
Amortization of share issuance cost	28	—
Foreign exchange losses	—	120
Share of loss of entities accounted for using equity method	58	255
Other	64	53
Total non-operating expenses	1,502	1,700
Ordinary income	4,616	5,692
Extraordinary income		
Gain on sales of non-current assets	0	2
Gain on reversal of asset retirement obligations	—	9
Gain on sales of investment securities	0	—
Gain on sales of receivables	475	—
Total extraordinary income	476	11
Extraordinary losses		
Impairment loss	1,360	429
Loss on valuation of investment securities	—	25
Loss on disaster	15	19
Loss on store closings	76	11
Loss due to the spread of COVID-19	290	67
Total extraordinary losses	1,742	553
Income before income taxes	3,349	5,151
Income taxes - current	1,497	1,238
Income taxes - deferred	(992)	643
Total income taxes	505	1,881
Profit	2,844	3,270
Profit attributable to non-controlling interests	(34)	201
Profit attributable to owners of parent	2,878	3,068

Consolidated Comprehensive Income Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)
Profit	2,844	3,270
Other comprehensive income		
Valuation difference on available-for-sale securities	112	114
Foreign currency translation adjustment	(90)	496
Share of other comprehensive income of entities accounted for using equity method	6	1
Total other comprehensive income	28	611
Comprehensive income	2,873	3,882
Comprehensive income attributable to		
Owners of parent	2,920	3,655
Non-controlling interests	(47)	227

(3) Statement of Change in Consolidated Shareholders' Equity

Previous Fiscal Year (From April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	15,882	—	26,655	(311)	42,226
Changes of items during period					
Dividends of surplus			(1,377)		(1,377)
Profit attributable to owners of parent			2,878		2,878
Purchase of treasury shares				(14,800)	(14,800)
Disposal of treasury shares		(5)		12	6
Cancellation of treasury shares		(14,108)		14,108	—
Transfer from retained earnings to capital surplus		14,114	(14,114)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(12,613)	(678)	(13,292)
Balance at the end of the year	15,882	—	14,042	(990)	28,934

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the year	—	(114)	(114)	0	714	42,827
Changes of items during period						
Dividends of surplus						(1,377)
Profit attributable to owners of parent						2,878
Purchase of treasury shares						(14,800)
Disposal of treasury shares						6
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	112	(70)	42	(0)	6,792	6,834
Total changes during period	112	(70)	42	(0)	6,792	(6,458)
Balance at the end of the year	112	(185)	(72)	0	7,507	36,368

Fiscal Year under Review (From April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year under review	15,882	—	14,042	(990)	28,934
Changes of items during period					
Dividends of surplus			(1,252)		(1,252)
Profit attributable to owners of parent			3,068		3,068
Capital reduction	(10,882)	10,882			—
Sale of shares of consolidated subsidiaries		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	(10,882)	10,882	1,816	—	1,815
Balance at the end of the year	5,000	10,882	15,858	(990)	30,749

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the year under review	112	(185)	(72)	0	7,507	36,368
Changes of items during period						
Dividends of surplus						(1,252)
Profit attributable to owners of parent						3,068
Capital reduction						—
Sale of shares of consolidated subsidiaries						(0)
Net changes in items other than shareholders' equity	114	471	586	—	189	775
Total changes during period	114	471	586	—	189	2,591
Balance at the end of the year	226	286	513	0	7,696	38,960

(4) Consolidated Cash Flow Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Income before income taxes	3,349	5,151
Depreciation	1,201	1,375
Amortization of share issuance cost	28	—
Amortization of goodwill	13	13
Impairment loss	1,360	429
Increase (decrease) in allowance for doubtful accounts	(0)	105
Increase (decrease) in provision for bonuses	(38)	(12)
Increase (decrease) in net defined benefit liability	35	(21)
Increase (decrease) in provision for after-sales services	(133)	(10)
Interest and dividend income	(109)	(361)
Interest expenses	977	984
Share of (profit) loss of entities accounted for using equity method	58	255
Foreign exchange losses (gains)	(47)	120
Subsidy income	(184)	(102)
Loss on store closings	76	11
Loss due to the spread of the novel coronavirus	290	67
Decrease (increase) in notes and accounts receivable - trade	225	(350)
Decrease (increase) in inventories	8,170	11,760
Decrease (increase) in investment securities for sale	195	940
Decrease (increase) in prepaid expenses	571	288
Increase (decrease) in notes and accounts payable - trade	(65)	3,231
Decrease (increase) in consumption taxes refund receivable	(338)	563
Increase (decrease) in accrued consumption taxes	(1,093)	398
Increase (decrease) in advances received	106	(784)
Increase (decrease) in deposits received	89	(1,472)
Other	(421)	(531)
Subtotal	14,317	22,046
Interest and dividends received	109	238
Interest paid	(915)	(1,015)
Subsidies received	161	123
Payments associated with the loss due to the spread of COVID-19	(290)	(67)
Income taxes refund	9	949
Income taxes paid	(2,670)	(2,015)
Net cash provided by (used in) operating activities	10,722	20,259
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,278)	(2,097)
Proceeds from sales of property, plant and equipment and intangible assets	71	114
Purchase of investment securities	(445)	(519)
Proceeds from sales of investment securities	1	—
Proceeds from distribution of investment securities	396	366
Purchase of other securities of subsidiaries and associates	—	(1,350)
Payments of loans receivable	(280)	(869)
Collection of loans receivable	80	574
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(386)
Other	397	(5)
Net cash provided by (used in) investing activities	(3,058)	(4,172)

(Million yen)

	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,849	(4,212)
Proceeds from long-term loans payable	33,421	22,016
Repayments of long-term loans payable	(37,303)	(31,573)
Proceeds from issuance of bonds	2,000	5,536
Redemption of bonds	(622)	(3,664)
Proceeds from share issuance to non-controlling shareholders	6,905	7
Proceeds from disposal of treasury shares resulting from exercise of subscription rights to shares	6	—
Purchase of treasury shares	(14,800)	—
Dividends paid	(1,377)	(1,259)
Placement into limited purpose deposit	(5,000)	—
Withdrawal of limited purpose deposit		3,484
Other	(157)	(232)
Net cash provided by (used in) financing activities	(15,077)	(9,896)
Effect of exchange rate change on cash and cash equivalents	(10)	29
Net increase (decrease) in cash and cash equivalents	(7,424)	6,219
Cash and cash equivalents at beginning of period	31,348	23,923
Cash and cash equivalents at end of period	23,923	30,143

(5) Matters to be Noted regarding Consolidated Financial Statements

(Notes on the premise of a going concern)

Not applicable.

(Changes in accounting principles)

(Application of the accounting standard for revenue recognition)

On April 1, 2022, the Company applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020, “Accounting Standard for Revenue Recognition”), etc. and recognizes revenue at an amount that it expects to receive in exchange for the promised goods or services when the control of the goods or services is transferred to a customer.

In applying the Accounting Standard for Revenue Recognition, etc. from April 1, 2021, the Company followed the transitional treatment stipulated by a provisory clause of Paragraph 84 of the Accounting Standard for Revenue Recognition, and any cumulative effects of the retrospective application, assuming the new accounting principle had been applied to periods prior to April 1, 2021, were adjusted to the balance of retained earnings as of April 1, 2021.

The application has no impact on loss before income taxes for the fiscal year ended March 31, 2022 or the balance of retained earnings as of April 1, 2021.

(Application of the accounting standard for fair value measurement)

On April 1, 2021, the Company applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019, “Accounting Standard for Fair Value Measurement”), etc., and the new accounting principle stipulated in the Accounting Standard for Fair Value Measurement, etc. is applied prospectively pursuant to the transitional treatment stipulated by Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The application has no impact on the consolidated financial statements.

(Accounting estimates about the impact of the spread of COVID-19 infections)

Under the assumption that the impact of COVID-19 will continue for a certain period of time, the Group has reflected the accounting estimates about future cash flow calculation, impairment on non-current assets and recoverability of deferred tax assets in the accounting treatment. However, the impact of COVID-19 contains many uncertain factors, and accordingly, it may have adverse effects on the Group’s financial position and operating results in the future periods.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which discrete financial information is available and whose results are regularly reviewed by the Board of Directors to make decisions about management resources to be allocated and assess their performance.

The Group's reportable segments consist of five segments: "Real Estate Development" handling newly built Real Estate Development; "CCRC" handling condominium apartments and ancillary services targeting active seniors; "Real Estate Investment" engaging in purchase/sale and rental of income-producing properties, international businesses, etc.; "Condominium Management and Related Services" handling mainly condominiums management service and hotel businesses and sports club operations, and "Other" engaging in PFI operations.

2. Method of calculating net sales, profit or losses, assets, liabilities and other items by reportable segment

The accounting treatments applied for reportable segments are in accordance with accounting principles and procedures adopted in preparing the consolidated financial statements.

Segment income is based on operating income.

Intersegment sales or transfers are based on market prices.

3. Information concerning net sales, profit or losses, assets, liabilities and other items by reportable segment
Previous Fiscal Year (From April 1, 2020 to March 31, 2021)

	Reportable Segment						Adjustment	Consolidated income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net sales								
Sales to external customers	55,315	11,466	7,409	5,959	72	80,222	—	80,222
Intersegment sales or transfers	54	75	290	280	—	701	(701)	—
Total	55,370	11,542	7,700	6,239	72	80,924	(701)	80,222
Segment income (loss)	4,671	351	402	(71)	8	5,362	72	5,435
Segment assets	31,460	20,217	51,418	3,579	61	106,737	29,293	136,030
Others								
Depreciation	10	8	969	114	—	1,103	98	1,201
Amortization of goodwill	—	—	2	11	—	13	—	13
Impairment losses	—	—	405	954	—	1,360	—	1,360
Investments in entities accounted for using equity method	—	—	1,705	—	—	1,705	—	1,705
Increases in property, plant and equipment and intangible assets	—	1	3,161	65	—	3,228	30	3,259

- (Notes)
1. The adjustment for segment income (loss) consists of elimination of intersegment transactions of ¥(31) million, the amounts unable to be allocated to reportable segments of ¥(0) million and income (loss) of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥104 million.
 2. The segment income (loss) is adjusted with the operating income in the consolidated income statement.
 3. The adjustment for segment assets consists of elimination of intersegment transactions of ¥(3) million, the amounts unable to be allocated to reportable segments of ¥15,323 million and assets of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥13,973 million.
 4. The adjustment for depreciation consists of the amounts unable to be allocated to reportable segments of ¥5 million and depreciation of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥92 million.
 5. The adjustment for increases in property, plant and equipment and intangible assets represents an increase of ¥30 million in the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments.
 6. Part of property, plant and equipment was transferred to real estate for sale due to a change in holding purpose, but this change has no impact on segment income.

Fiscal Year under Review (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable Segment						Adjustment	Consolidated income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net sales								
Sales to external customers	36,436	20,539	16,143	6,353	68	79,542	—	79,542
Intersegment sales or transfers	—	0	371	284	—	655	(655)	—
Total	36,436	20,540	16,514	6,637	68	80,198	(655)	79,542
Segment income	2,686	2,510	1,052	259	20	6,530	164	6,694
Segment assets	31,186	14,626	51,012	2,892	54	99,772	28,133	127,905
Others								
Depreciation	4	3	1,267	18	—	1,294	81	1,375
Amortization of goodwill	—	—	2	11	—	13	—	13
Impairment losses	—	—	420	8	—	429	—	429
Investments in entities accounted for using equity method	—	—	2,880	—	—	2,880	—	2,880
Increases in property, plant and equipment and intangible assets	—	2	5,262	509	—	5,774	87	5,861

- (Notes)
1. The adjustment for segment income consists of elimination of intersegment transactions of ¥(31) million, the amounts unable to be allocated to reportable segments of ¥(1) million and income of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥196 million.
 2. The segment income is adjusted with the operating income in the consolidated income statement.
 3. The adjustment for segment assets consists of elimination of intersegment transactions of ¥(18) million, the amounts unable to be allocated to reportable segments of ¥16,690 million and assets of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥11,461 million.
 4. The adjustment for depreciation consists of the amounts unable to be allocated to reportable segments of ¥10 million and depreciation of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥71 million.
 5. The adjustment for increases in property, plant and equipment and intangible assets represents an increase of ¥87 million in the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments.
 6. Part of property, plant and equipment was transferred to real estate for sale and real estate for sale in process due to a change in holding purpose, but this change has no impact on segment income.
 7. Part of real estate for sale and real estate for sale in process were transferred to property, plant and equipment due to a change in holding purpose, but this change has no impact on segment income.

[Related information]

Previous Fiscal Year (From April 1, 2020 to March 31, 2021)

1. Information by products and services

(Million yen)

	Real estate sales	Real estate rental	Condominium management	Sports club operation	Other	Total
Sales to external customers	70,249	2,490	1,802	3,286	2,393	80,222

2. Information by region

(1) Net sales

The disclosure is omitted as sales to external customers in Japan exceed 90% of net sales in the consolidated income statement.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Vietnam	Total
20,573	1,868	6	22,449

3. Information by major customer

The disclosure is omitted as there are no external customers that account for more than 10% of net sales in the consolidated income statement.

Fiscal Year under Review (From April 1, 2021 to March 31, 2022)

1. Information by products and services

(Million yen)

	Real estate sales	Real estate rental	Condominium management	Sports club operation	Other	Total
Sales to external customers	68,443	2,773	1,917	3,495	2,912	79,542

2. Information by region

(1) Net sales

The disclosure is omitted as sales to external customers in Japan exceed 90% of net sales in the consolidated income statement.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Vietnam	Total
21,884	1,951	—	23,835

3. Information by major customer

The disclosure is omitted as there are no external customers that account for more than 10% of net sales in the consolidated income statement.

[Information on impairment loss of non-current assets for each reportable segment]

Previous Fiscal Year (From April 1, 2020 to March 31, 2021)

The disclosure is omitted as the same information is disclosed in segment information.

Fiscal Year under Review (From April 1, 2021 to March 31, 2022)

The disclosure is omitted as the same information is disclosed in segment information.

[Information about amortization of goodwill and year-end balance for each reportable segment]

Previous Fiscal Year (From April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable Segment						Corporate and elimination	Total
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Subtotal		
Amortization amount for the year	—	—	2	11	—	13	—	13
Impairment loss for the year	—	—	—	0	—	0	—	0
Year-end balance	—	—	15	162	—	177	—	177

Fiscal Year under Review (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable Segment						Corporate and elimination	Total
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Subtotal		
Amortization amount for the year	—	—	2	11	—	13	—	13
Impairment loss for the year	—	—	—	—	—	—	—	—
Year-end balance	—	—	12	151	—	164	—	164

[Information about gain on bargain purchase for each reportable segment]

Previous Fiscal Year (From April 1, 2020 to March 31, 2021)

Not applicable.

Fiscal Year under Review (From April 1, 2021 to March 31, 2022)

Not applicable.

(Per share information)

	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)
Net assets per share	¥815.78	¥883.66
Earnings per share	¥50.98	¥86.74
Diluted earnings per share	¥50.93	¥86.61

(Notes) 1. Basis for calculation of net assets per share is as follows:

Item	End of Previous Fiscal Year (March 31, 2021)	End of Fiscal Year under Review (March 31, 2022)
Total net assets (Million yen)	36,368	38,960
Amount deducted from total net assets (Million yen)	7,507	7,697
(Of which, subscription rights to shares (Million yen))	(0)	(0)
(Of which, non-controlling interests (Million yen))	(7,507)	(7,696)
Net assets at end of year attributable to common stock (Million yen)	28,861	31,263
Number of outstanding common stock (Shares)	36,916,775	36,916,775
Number of treasury shares of common stock (Shares)	1,537,512	1,537,512
Number of common stock used to calculate net assets per share (Shares)	35,379,263	35,379,263

2. Basis for calculation of earnings per share and diluted earnings per share is as follows:

Item	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)
Earnings per share		
Profit attributable to owners of parent (Million yen)	2,878	3,068
Amounts not attributable to common stock shareholders (Million yen)	—	—
Profit attributable to owners of parent related to common stock at end of year (Million yen)	2,878	3,068
Average number of common stock during the year (Shares)	56,463,967	35,379,263
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Million yen)	—	—
Increase in common stock (Shares)	56,891	51,670
(Of which, subscription rights to shares (Shares))	(56,891)	(51,670)
Description of potentially dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

3. The Company's shares held by the Board Benefit Trust as trust assets under the "Board Benefit Trust" program are included in treasury shares deducted in calculating the number of average shares during the year for the calculation of earnings per share and also those deducted from the total number of outstanding shares at end of year for the calculation of net assets per share. The number of those treasury shares As of March 31, 2021 and 2022 was 410,550 shares and 410,550 shares, respectively.

The average number of the treasury shares during the year deducted to calculate earnings per share for the years ended March 31, 2021 and 2022 was 410,550 shares and 410,550 shares, respectively.

(Important subsequent events)

Not applicable.

4. Other Information

(1) Records of Sales

	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)	YoY change (%)
Segment Name	Net sales (Million yen)	Net sales (Million yen)	
(I) Real Estate Development			
(1) Real Estate Sales	55,085	36,313	65.9
(2) Other Income	229	123	53.5
Total Real Estate Development	55,315	36,436	65.9
(II) CCRC			
(1) Real Estate Sales	10,722	19,349	180.5
(2) Other Income	744	1,190	160.0
Total CCRC	11,466	20,539	179.1
(III) Real Estate Investment			
(1) Real Estate Sales	4,441	12,780	287.7
(2) Rental Revenue	2,437	2,708	111.1
(3) Other Income	530	653	123.4
Total Real Estate Investment	7,409	16,143	217.9
(IV) Condominium Management and Related Services			
(1) Condominium Management	1,802	1,917	106.4
(2) Sports Club Operation Revenue	3,286	3,495	106.3
(3) Other Income	870	941	108.2
Total Condominium Management and Related Services	5,959	6,353	106.6
(VI) Other	72	68	95.4
Total	80,222	79,542	99.2

Note: Intersegment transactions are offset and omitted.

(2) Real Estate Sales Information

	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)											
	Outstanding Contracts at Beginning of Period			New Contracts Signed during Period			Number of Delivery during Period			Outstanding Contracts at End of Period		
	Transaction volume			Transaction volume (YoY comparison)			Transaction volume (YoY comparison)			Transaction volume (YoY comparison)		
Real Estate Development	719 Units	— Block	— Building	1,180 Units	7 Blocks	— Building	1,397 Units	7 Blocks	— Building	502 Units	— Block	— Building
	26,430 (Million yen)			48,515 (Million yen)			55,085 (Million yen)			19,860 (Million yen)		
				(94.0%)			(119.0%)			(75.1%)		
CCRC	238 Units	— Block	— Building	249 Units	— Block	— Building	268 Units	— Block	— Building	219 Units	— Block	— Building
	9,383 (Million yen)			9,877 (Million yen)			10,722 (Million yen)			8,538 (Million yen)		
				(80.8%)			(124.2%)			(91.0%)		
Real Estate Investment	2 Units	— Block	— Building	28 Units	— Block	13 Buildings	29 Units	— Block	10 Buildings	1 Unit	— Block	3 Buildings
	82 (Million yen)			6,203 (Million yen)			4,441 (Million yen)			1,844 (Million yen)		
				(33.1%)			(23.7%)			(—%)		
Total	959 Units	— Block	— Building	1,457 Units	7 Blocks	13 Buildings	1,694 Units	7 Blocks	10 Buildings	722 Units	— Block	3 Buildings
	35,896 (Million yen)			64,596 (Million yen)			70,249 (Million yen)			30,243 (Million yen)		
				(78.3%)			(95.4%)			(84.3%)		

	Fiscal Year under Review (From April 1, 2021 to March 31, 2022)											
	Outstanding Contracts at Beginning of Period			New Contracts Signed during Period			Number of Delivery during Period			Outstanding Contracts at End of Period		
	Transaction volume			Transaction volume (YoY comparison)			Transaction volume (YoY comparison)			Transaction volume (YoY comparison)		
Real Estate Development	502 Units	— Block	— Building	1,040 Units	— Block	— Building	902 Units	— Block	— Building	639 Units	— Block	— Building
	19,860 (Million yen)			41,948 (Million yen) (86.5%)			36,313 (Million yen) (65.9%)			25,494 (Million yen) (128.4%)		
CCRC	219 Units	— Block	— Building	331 Units	— Block	— Building	484 Units	— Block	— Building	66 Units	— Block	— Building
	8,538 (Million yen)			13,844 (Million yen) (140.2%)			19,349 (Million yen) (180.5%)			3,034 (Million yen) (35.5%)		
Real Estate Investment	1 Unit	— Block	3 Buildings	8 Units	— Block	17 Buildings	9 Units	— Block	18 Buildings	— Unit	— Block	2 Buildings
	1,844 (Million yen)			11,600 (Million yen) (187.0%)			12,780 (Million yen) (287.7%)			664 (Million yen) (36.0%)		
Total	722 Units	— Block	3 Buildings	1,379 Units	— Block	17 Buildings	1,395 Units	— Block	18 Buildings	705 Units	— Block	2 Buildings
	30,243 (Million yen)			67,393 (Million yen) (104.3%)			68,443 (Million yen) (97.4%)			29,193 (Million yen) (96.5%)		

Note: Transaction volume means the total amount of tax-excluded selling prices of condominium apartments, detached houses, etc. The number of units and transaction volume for joint venture properties are calculated by multiplying by the investment ratio and rounded down to the nearest integer.