First Quarter Fiscal Year Ending March 31, 2023
Consolidated Earnings Announcement (Japanese GAAP)

August 10, 2022

Company Name: **Hoosiers Holdings Co., Ltd.** Listed market: Tokyo Stock Exchange Prime Market

Stock Code: 3284 URL: https://www.hoosiers.co.jp/

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Scheduled date to file quarterly report: August 12, 2022

Scheduled date to commence dividend payment: -

Preparation of supplemental information of quarterly financial results: Yes

Holding of quarterly financial results briefing: No

(Figures are rounded down to the nearest million yen)

1. 1st Quarter FY3/23 Consolidated Earnings Results (April 1, 2022 to June 30, 2022)

(1) Consolidated Earnings (Cumulative)

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1st Quarter FY3/23	6,552	(31.6)	(568)	—	(855)	—	(677)	—
1st Quarter FY3/22	9,585	(7.4)	19	—	(115)	—	(194)	—

(Note) Comprehensive income: 1st Quarter FY3/23 ¥47 million (36.9%) 1st Quarter FY3/22 ¥35 million (-%)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
1st Quarter FY3/23	(19.14)	—
1st Quarter FY3/22	(5.49)	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of June 30, 2022	132,075	38,329	23.1
As of March 31, 2022	127,905	38,960	24.4

(Reference) Shareholders' equity: As of June 30, 2022 ¥30,548 million As of March 31, 2022 ¥31,263 million

2. Dividends

	Dividend per Share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Annual
	Yen	Yen	Yen	Yen	Yen
FY3/22	—	17.00	—	19.00	36.00
FY3/23	—				
FY3/23 (Forecast)		24.00	—	24.00	48.00

(Note) Changes in the latest forecasts released: No

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

(Note) Changes in the latest forecasts released: No

*** Matters to be noted**

(1) Changes in important subsidiaries during the quarter under review: No

(2) Application of specific accounting treatments in preparing the quarterly consolidated financial statements: No

(3) 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

Note: Please refer to "2. Consolidated Quarterly Financial Statements and Main Notes, (3) Matters to be Noted regarding Consolidated Quarterly Financial Statements (Changes in accounting principles)" on page 10.

(4) Outstanding shares (Common stock)

(a) Number of outstanding shares at the end of period (Including treasury shares)	June 30, 2022	36,916,775 shares	March 31, 2022	36,916,775 shares
(b) Number of treasury shares at the end of period	June 30, 2022	1,537,512 shares	March 31, 2022	1,537,512 shares
(c) Average number of shares during the period (Quarterly cumulative period)	1st Quarter FY3/23	35,379,263 shares	1st Quarter FY3/22	35,379,263 shares

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 first quarter under review.

*Earnings Announcement is out of scope of quarterly reviews 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 is indicated as"-" if figures for the three months ended June 30, 2022 and/or 2021 were negative.

○ Table of contents of the attached document

1. Qualitative Information on the Financial Statements for the Quarter under Review …… 4
(1) Explanation about business performance …… 4
(2) Qualitative information on consolidated financial position …… 5
(3) Qualitative information on consolidated earnings forecasts …… 5
2. Consolidated Quarterly Financial Statements and Main Notes …… 6
(1) Consolidated Quarterly Balance Sheets …… 6
(2) Consolidated Quarterly Income Statement and Comprehensive Income Statement …… 8
(3) Matters to be Noted regarding Consolidated Quarterly Financial Statements …… 10
(Notes on the premise of a going concern) …… 10
(Notes on the significant change in the shareholders' equity amount) …… 10
(Changes in accounting principles) …… 10
(Segment information, etc.) …… 10
3. Other Information …… 11
(1) Records of Sales …… 11
(2) Real Estate Sales Information …… 12

1. Qualitative Information on the Financial Statements for the Quarter under Review

(1) Explanation about business performance

During the first quarter under review, the number of contracted units was 320 and 1 building, and that of delivered units was 78 and 2 buildings. As of the end of the first quarter, we managed 19,636 units. Consequently, as the results for the first quarter, we posted net sales of ¥6,552 million (down 31.6% year over year), operating loss of ¥568 million (operating income of ¥19 million a year earlier), ordinary loss of ¥855 million (ordinary loss of ¥115 million a year earlier), and loss attributable to owners of parent of ¥677 million (loss attributable to owners of parent of ¥194 million a year earlier).

In our Real Estate Development, CCRC, and Real Estate Investment, sales are booked upon delivery to customers, not at the time purchase and sales contracts are executed. As a result, this tends to cause a deviation in quarterly sales depending on the timing of delivery.

Results by segment are as follows.

(I) Real Estate Development

During the first quarter under review, the Group recorded net sales of ¥944 million (down 82.0% year over year) and operating loss of ¥754 million (operating income of ¥22 million a year earlier) due to a delivery of 23 condominium units such as “Duo Hills Yamagata Nanukamachi Tower” ,etc.

(II) CCRC

During the first quarter under review, the Group recorded net sales of ¥2,536 million (up 74.4% year over year) and operating income of ¥254 million (operating loss of ¥33 million a year earlier) due to a delivery of 54 condominium units, including all units of “Duo Scene Kunitachi.”

(III) Real Estate Investment

We recorded net sales of ¥1,437 million (up 3.8% year over year) and operating loss of ¥120 million (operating loss of ¥62 million a year earlier) during the first quarter under review.

(1) Real Estate Sales

Due to the sales of inventory assets, we recorded net sales of ¥655 million (up 2.5% year over year).

(2) Rental Revenue

We recorded net sales of ¥674 million (up 4.0% year over year) due to the stable operation of owned income-producing properties.

(IV) Condominium Management and Related Services

We recorded net sales of ¥1,621 million (up 8.6% year over year) and operating income of ¥6 million (down 87.1% year over year) during the first quarter under review.

(1) Condominium Management

We recorded net sales of ¥500 million (up 6.0% year over year) mainly due to management revenues based on the condominium management contract.

(2) Sports Club Operation Revenue

We recorded net sales of ¥884 million (up 7.9% year over year) mainly due to the operation of sports clubs.

(3) Other Income

We recorded net sales of ¥236 million (up 17.9% year over year) in hotel business and consigned construction, etc.

(V) Other

We recorded net sales of ¥12 million (down 13.7% year over year) and operating income of ¥4 million (down 17.0% year over year) through PFI operations.

The progress status of the annual delivery plan in the Real Estate Sales is shown below. In Condominium apartments , the main business of the Group, 75.6% of the contracts have been executed.

FY3/23	Number of units to be delivered	Number of contracts signed	Progress
Condominium apartments	1,034	782	75.6%
Condominium apartments for seniors	310	158	51.0%
Detached houses	46	4	8.7%
Total	1,390	944	67.9%

(Notes) 1. “Condominium apartments” show the total number of family condominiums and compact condominiums.
2. The number of units for joint venture properties is shown with consideration for the joint venture ratio. (by rounding down to the nearest integer)

(2) Qualitative information on consolidated financial position

As of the end of the first quarter under review, total assets amounted to ¥132,075 million (up 3.3% from March 31, 2022) mainly due to increases of real estate for sale in process and borrowings, total liabilities amounted to ¥93,746 million (up 5.4% from March 31, 2022), and total net assets amounted to ¥38,329 million (down 1.6% from March 31, 2022).

(3) Qualitative information on consolidated earnings forecasts

The earnings forecasts for the fiscal year ending March 31, 2023 remain unchanged from those announced on May 12, 2022 as results and sales status for the first quarter under review have progressed as planned and the Group’s operating environment is within the scope of the assumption.

2. Consolidated Quarterly Financial Statements and Main Notes

(1) Consolidated Quarterly Balance Sheets

(Million yen)

	End of Previous Fiscal Year (March 31, 2022)	End of 1st Quarter under Review (June 30, 2022)
Assets		
Current assets		
Cash and deposits	32,035	30,050
Accounts receivable - trade	733	697
Merchandise	25	21
Real estate for sale	23,659	21,289
Real estate for sale in process	33,599	41,197
Operational investment securities	567	540
Prepaid expenses	1,325	1,593
Other	4,840	5,241
Allowance for doubtful accounts	(115)	(128)
Total current assets	96,672	100,502
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,881	14,001
Machinery, equipment and vehicles, net	6	6
Tools, furniture and fixtures, net	72	67
Land	9,423	9,143
Leased assets, net	451	443
Total property, plant and equipment	23,835	23,662
Intangible assets		
Goodwill	164	160
Other	301	335
Total intangible assets	466	496
Investments and other assets	6,931	7,413
Total non-current assets	31,233	31,573
Total assets	127,905	132,075
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,184	1,682
Electronically recorded obligations - operating	3,096	3,096
Short-term loans payable	7,166	8,035
Current portion of bonds	595	595
Current portion of long-term loans payable	16,111	17,719
Income taxes payable	608	38
Advances received	3,733	4,900
Provision for bonuses	302	188
Provision for after-sales services	37	37
Other	2,884	3,413
Total current liabilities	35,722	39,708
Non-current liabilities		
Bonds payable	7,487	7,980
Long-term loans payable	41,295	41,458
Deferred tax liabilities	1,062	1,082
Allowance for share provision to directors	223	223
Net defined benefit liability	138	—
Asset retirement obligations	693	904
Other	2,322	2,387
Total non-current liabilities	53,223	54,037
Total liabilities	88,945	93,746

(Million yen)

	End of Previous Fiscal Year (March 31, 2022)	End of 1st Quarter under Review (June 30, 2022)
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	10,882	10,883
Retained earnings	15,858	14,501
Treasury shares	(990)	(990)
Total shareholders' equity	30,749	29,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	226	464
Foreign currency translation adjustment	286	688
Total accumulated other comprehensive income	513	1,153
Subscription rights to shares	0	0
Non-controlling interests	7,696	7,781
Total net assets	38,960	38,329
Total liabilities and net assets	127,905	132,075

(2) Consolidated Quarterly Income Statement and Comprehensive Income Statement

Consolidated Quarterly Income Statement

Consolidated Income Statements for the First Quarter (Cumulative)

(Million yen)

	Previous 1st Quarter (From April 1, 2021 to June 30, 2021)	1st Quarter under Review (From April 1, 2022 to June 30, 2022)
Net sales	9,585	6,552
Cost of sales	7,471	5,097
Gross profit	2,113	1,454
Selling, general and administrative expenses	2,093	2,023
Operating income (loss)	19	(568)
Non-operating income		
Interest income	15	3
Dividend income	123	17
Contract cancellations	38	2
Subsidy income	37	65
Gain on investments in partnership	6	—
Other	36	39
Total non-operating income	258	128
Non-operating expenses		
Interest expenses	251	245
Commission fee	57	61
Foreign exchange losses	52	83
Share of loss of entities accounted for using equity method	25	11
Other	6	13
Total non-operating expenses	393	415
Ordinary loss	(115)	(855)
Extraordinary income		
Gain on sales of non-current assets	1	—
Total extraordinary income	1	—
Extraordinary losses		
Loss on disaster	18	—
Loss due to the spread of COVID-19	44	—
Total extraordinary losses	63	—
Loss before income taxes	(176)	(855)
Income taxes - current	13	15
Income taxes - deferred	(62)	(257)
Total income taxes	(49)	(242)
Profit (loss) attributable to	(127)	(613)
Non-controlling interests	66	63
Owners of parent	(194)	(677)

Consolidated Quarterly Comprehensive Income Statements

Consolidated Income Statements for the First Quarter (Cumulative)

(Million yen)

	Previous 1st Quarter (From April 1, 2021 to June 30, 2021)	1st Quarter under Review (From April 1, 2022 to June 30, 2022)
Loss	(127)	(613)
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	237
Foreign currency translation adjustment	190	455
Share of other comprehensive income of entities accounted for using equity method	(5)	(32)
Total other comprehensive income	162	661
Comprehensive income	35	47
Comprehensive income attributable to		
Owners of parent	(47)	(35)
Non-controlling interests	82	83

(3) Matters to be Noted regarding Consolidated Quarterly Financial Statements

(Notes on the premise of a going concern)

Not applicable.

(Notes on the significant change in the shareholders' equity amount)

Not applicable.

(Changes in accounting principles)

(Application of the accounting standard for revenue recognition)

On April 1, 2022, the Company applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021, "Implementation Guidance on Accounting Standard for Fair Value Measurement"), and the new accounting policy stipulated in the Implementation Guidance on Accounting Standard for Fair Value Measurement is applied prospectively pursuant to the transitional treatment stipulated by Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. The application has no impact on the consolidated quarterly financial statements.

(Segment information, etc.)

[Segment information]

Previous 1st Quarter (From April 1, 2021 to June 30, 2021)

1. Information on the amount of net sales and profit/loss for each reportable segment

(Million yen)

	Reportable Segment						Adjustment	Consolidated quarterly income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net Sales								
Sales to external customers	5,238	1,454	1,385	1,492	14	9,585	—	9,585
Intersegment sales or transfers	1	0	86	75	—	164	(164)	—
Total	5,239	1,455	1,471	1,567	14	9,749	(164)	9,585
Segment income (loss)	22	(33)	(62)	53	5	(14)	33	19

(Notes) 1. The adjustment for segment income (loss) consists of elimination of intersegment transactions of ¥(14) million, the amounts unable to be allocated to reportable segments of ¥(1) million and income (loss) of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥49 million.

2. The segment income (loss) is adjusted with the operating income in the consolidated quarterly income statement.

1st Quarter under Review (From April 1, 2022 to June 30, 2022)

1. Information on the amount of net sales and profit/loss for each reportable segment

(Million yen)

	Reportable Segment						Adjustment	Consolidated quarterly income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net Sales								
Sales to external customers	944	2,536	1,437	1,621	12	6,552	—	6,552
Intersegment sales or transfers	—	—	64	45	—	110	(110)	—
Total	944	2,536	1,502	1,666	12	6,662	(110)	6,552
Segment income (loss)	(754)	254	(120)	6	4	(608)	40	(568)

(Notes) 1. The adjustment for segment income (loss) consists of elimination of intersegment transactions of ¥(0) 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 ¥39 million.

2. The segment income (loss) is adjusted with the operating income in the consolidated quarterly income statement.

3. 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.

3. Other Information

(1) Records of Sales

	Previous 1st Quarter (From April 1, 2021 to June 30, 2021)	1st Quarter under Review (From April 1, 2022 to June 30, 2022)	YoY Change (%)
Segment Name	Net sales (Million yen)	Net sales (Million yen)	
(I) Real Estate Development			
(1) Real Estate Sales	5,206	919	17.7
(2) Other Income	31	24	79.0
Total Real Estate Development	5,238	944	18.0
(II) CCRC			
(1) Real Estate Sales	1,214	2,197	180.8
(2) Other Income	239	339	141.6
Total CCRC	1,454	2,536	174.4
(III) Real Estate Investment			
(1) Real Estate Sales	648	665	102.5
(2) Rental Revenue	649	674	104.0
(3) Other Income	87	97	112.0
Total Real Estate Investment	1,385	1,437	103.8
(IV) Condominium Management and Related Services			
(1) Condominium Management	471	500	106.0
(2) Sports Club Operation Revenue	819	884	107.9
(3) Other Income	200	236	117.9
Total Condominium Management and Related Services	1,492	1,621	108.6
(V) Other	14	12	86.3
Total	9,585	6,552	68.4

(Notes)
1. Intersegment transactions are offset and omitted.
2. In the Real Estate Development, CCRC, and Real Estate Investment, sales are booked upon delivery to customers, not at the time purchase and sales contracts are executed. As a result, this tends to cause a deviation in quarterly sales depending on the timing of delivery.
3. In the Real Estate Development and CCRC, Rental Revenue is included in Other Income as the amount is immaterial.

(2) Real Estate Sales Information

	Previous 1st Quarter (From April 1, 2021 to June 30, 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	502 Units — Block — Building 19,860 (Million yen)	245 Units — Block — Building 8,860 (Million yen) (107.8%)	139 Units — Block — Building 5,206 (Million yen) (65.9%)	608 Units — Block — Building 23,513 (Million yen) (87.9%)
CCRC	219 Units — Block — Building 8,538 (Million yen)	67 Units — Block — Building 2,762 (Million yen) (180.1%)	29 Units — Block — Building 1,214 (Million yen) (670.3%)	257 Units — Block — Building 10,086 (Million yen) (94.0%)
Real Estate Investment	1 Unit — Block 3 Buildings 1,844 (Million yen)	3 Units — Block 1 Building 447 (Million yen) (86.9%)	4 Units — Block 2 Buildings 648 (Million yen) (227.7%)	— Unit — Block 2 Buildings 1,642 (Million yen) (525.7%)
Total	722 Units — Block 3 Buildings 30,243 (Million yen)	315 Units — Block 1 Building 12,070 (Million yen) (117.6%)	172 Units — Block 2 Buildings 7,070 (Million yen) (84.5%)	865 Units — Block 2 Buildings 35,243 (Million yen) (93.2%)

	1st Quarter under Review (From April 1, 2022 to June 30, 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	639 Units — Block — Building 25,494 (Million yen)	228 Units — Block — Building 8,907 (Million yen) (100.5%)	24 Units — Block — Building 919 (Million yen) (17.7%)	844 Units — Block — Building 33,482 (Million yen) (142.4%)
CCRC	66 Units — Block — Building 3,034 (Million yen)	92 Units — Block — Building 3,870 (Million yen) (140.1%)	54 Units — Block — Building 2,197 (Million yen) (180.8%)	104 Units — Block — Building 4,707 (Million yen) (46.7%)
Real Estate Investment	— Unit — Block 2 Buildings 664 (Million yen)	— Units — Block 1 Building 321 (Million yen) (71.9%)	— Units — Block 2 Buildings 665 (Million yen) (102.5%)	— Unit — Block 1 Building 320 (Million yen) (19.5%)
Total	705 Units — Block 2 Buildings 29,193 (Million yen)	320 Units — Block 1 Building 13,099 (Million yen) (108.5%)	78 Units — Block 2 Buildings 3,781 (Million yen) (53.5%)	948 Units — Block 1 Building 38,510 (Million yen) (109.3%)

(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.