



\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
- (ii) Changes in accounting policies other than (i) : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

(3) Number of shares issued (common stock)

(i) Number of shares outstanding at end of the period (including treasury stock)

FY2023	24,361,000 shares	FY2022	24,361,000 shares
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(ii) Number of treasury stock held at end of the period

FY2023	798,325 shares	FY2022	897,325 shares
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(iii) Average number of shares outstanding during the period

FY2023	23,530,940 shares	FY2022	23,508,476 shares
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\* Consolidated financial statements (Japanese GAAP) are not subject to audit procedure.

\* Explanation of the proper use of financial forecasts and other important notes

(1) Financial forecasts

The statements about the future included in this report, including financial forecasts, are based on information currently available to the Company and certain assumptions that are considered reasonable, which do not guarantee the achievement of such projected results. Actual results may vary considerably from these projections due to a range of factors. See “(4) Outlook of FY2024” under “1. Operating Results and Financial Position” on page 3 of the Accompanying Materials for the assumptions of the financial forecasts and points to note in the use of financial forecasts

(2) Access to presentation materials for financial results

The presentation material for financial results is disclosed through together with these financial statements. This information also is posted on the Company’s website on the same day.

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## 1. Operating Results and Financial Position

### (1) Analysis of Operating Results

During the consolidated fiscal year under review (January 1 through December 31, 2023), the Japanese economy achieved a moderate recovery led by wage increases and improved personal spending, despite recent stagnation in parts of the economy. Meanwhile, attention must be paid to future trends, including the risk of downward pressure on the Japanese economy caused by a downturn in overseas economies amid the ongoing global tightening of monetary policy, rising commodity prices, the situation in the Middle East, and the impact of changes in the financial and capital markets.

In the real estate industry where the MUGEN ESTATE Group operates, a gradual recovery continued and demand remained strong. Demand among foreign investors for real estate in Japan remained steady thanks to a recovery of inbound tourism and the effect of a weak yen caused by the interest-rate gap between the U.S. and Japan. However, there are factors that require vigilance, including interest rate trends that will be affected if the Bank of Japan reviews its monetary policy.

According to the Real Estate Information Network for East Japan (East Japan REINS), the number of contracts signed for used condominium units in the Tokyo metropolitan area was 35,987, up 1.6% year on year, in 2023. This figure was higher than that in the previous fiscal year for the first time in two years. The average unit price per square meter of contracted condominium units stood at 719,000 yen (up 6.9% year on year). This was the 11th consecutive year of increase. The average unit price rose 88.3% in the past eleven years. The contract price came to 45,750,000 yen (up 7.0% year on year). This was the 11th consecutive year of increase as the average unit price per square meter. The number of inventory properties recorded a double-digit year-on-year increase of 11.7% in December, surpassing the same period of the previous fiscal year for the 23rd consecutive month.

In this business environment, the MUGEN ESTATE Group enjoyed strong demand in its mainstay Real Estate Trading Business, mainly for residential-type properties (rental condominiums, changes in the owners of units, owned condominium units, detached houses, etc.)

Sales and sales volume of residential type properties greatly exceeded the levels of a year ago, which was attributable to efforts to enhance and expand purchases and sales by making improvements in the area according to the policy stated in the Second Medium-term Management Plan and the increased sales personnel. In addition, the average unit selling price rose substantially from the previous fiscal year thanks to progress in the sale of properties in the high-price range.

Sales and sales volume of investment type properties (rental condominiums and office blocks; income properties) largely exceeded those in the previous fiscal year, reflecting an increase in demand from domestic and overseas investors attracted by the low-interest rate environment associated with the continued monetary easing and the depreciation of the yen, as well as by the effect of strengthening the sales team. Purchases were on a par with the level of a year ago.

In the Real Estate Development Business, three new properties equipped with environmentally friendly items in the SIDEPLACE series were completed in the fiscal year under review. The Group sold three properties as a result of strengthening leasing and sales activities.

In the Real Estate Specified Joint Business, the first-phase applications for the Nursing Care Edogawa Project were sold out and the partnership was established in December 2023. The Group is begun sales activities for the second-phase applications.

As a result, consolidated net sales increased 65.3% year on year, to 51,640 million yen, consolidated operating income rose 99.4% year on year, to 5,936 million yen, consolidated ordinary income rose 127.1% year on year, to 5,243 million yen, and consolidated profit attributable to owners of parent rose 133.5% year on year, to 3,653 million yen in the first nine months under review.

The following is an overview of the results by segment.

[Real Estate Trading Business]

In the Real Estate Trading Business, the number of units sold in investment-type properties came to 130 (up 41 units year on year) and the average unit selling price was 158 million yen (down 16.7% year on year), registering net sales of 20,609 million yen (up 21.7% year on year). Meanwhile, the number of units sold in residential-type properties came to 432 (up 143 units year on year) and the average unit selling price was 59 million yen (up 57.5% year on year), registering net sales of 25,554 million yen (up 135.4% year on year).

In the Real Estate Development Business, three properties were sold (up two year on year) with an average sales price at 325 million yen (up 76.2% year on year), while sales amounted to 976 million yen (up 428.7% year on year).

In the Real Estate Specified Joint Business, second-phase sales in the Setagaya Project and first-phase sales in the Nursing Care Edogawa Project ended, and sales totaled 1,919 million yen (up 108.0% year on year).

As a result, net sales for the segment increased 70.1% year on year, to 49,353 million yen, and the segment profit (operating income for the segment) increased 77.6% year on year, to 7,194 million yen.

[Real Estate Leasing and Other Business]

In the Real Estate Leasing and Other Business, revenue from real estate leasing came to 2,119 million yen (up 2.0% year on year).

As a result, net sales for the segment increased 2.7% year on year, to 2,286 million yen, and segment profit (operating income for the segment) down 1.1% year on year, to 771 million yen.

Note: The “investment-type properties” are classified as real estate generating rental income, including rental condominiums and office blocks, which are used by buyers for the purpose of investment. The “residential-type properties” are classified as real estate used by buyers as their housing units, most of which are owned condominiums and Land and other assets are also included.

### (2) Analysis of Financial Position

The financial position of the MUGEN ESTATE Group at the end of the consolidated fiscal year under review included assets of 80,362 million yen (up 3.8% from the end of the previous fiscal year), liabilities of 52,518 million yen (down 0.6% from the end of the previous fiscal year), and net assets of 27,844 million yen (up 13.2% from the end of the previous fiscal year).

Principal factors contributing to the increase in assets included increases of 2,666 million yen in cash and deposits and 1,487 million yen in real estate properties for sale, and a decrease of 1,274 million yen in property.

The decrease in liabilities was attributable primarily to decreases of 4,268 million yen in long-term loans payable (including the current portion of long-term loans payable), 522 million yen in bonds payable (including current portion), and an increase 3,129 million yen in short-term loans payable.

The growth in net assets resulted in large part from a rise of 3,653 million yen in retained earnings due to the recording of profit attributable to owners of parent, partly offset by a decrease of 469 million yen in retained earnings attributable to dividends paid.

### (3) Analysis of Cash Flows

Cash and cash equivalents (“cash”) at the end of the consolidated fiscal year under review increased 2,722 million yen from the end of the previous consolidated fiscal year, to 19,037 million yen. The cash flow positions and contributing factors are as follows.

#### [Cash flows from operating activities]

Net cash provided in operating activities during the consolidated fiscal year under review totaled 5,374 million yen (net cash used in operating activities during the previous consolidated fiscal year was 11,491 million yen). This was mainly attributable to profit before income taxes of 5,222 million yen, while there were the Income taxes paid of 1,002 million yen and the increase in inventories of 410 million yen.

#### [Cash flows from investing activities]

Net cash used in investing activities during the consolidated fiscal year under review amounted to 498 million yen (net cash used in investing activities during the previous consolidated fiscal year was 157 million yen). This was primarily the result of proceeds of 2,064 million yen from the withdrawal of time deposits, while payments into deposits amounted to 2,012 million yen and purchase of property, plant and equipment to 510 million yen.

#### [Cash flows from financing activities]

Net cash used in financing activities during the consolidated fiscal year under review totaled 2,153 million yen (net cash provided in financing activities during the previous consolidated fiscal year was 11,847 million yen). This primarily reflects proceeds from long-term loans payable of 18,335 million yen and proceeds from the issuance of corporate bonds of 2,581 million yen and short-term loans net increase of 3,129 million yen, while the repayment of long-term loans payable was 22,603 million yen and the redemption of Bonds payable was 3,122 million yen.

#### (Reference) Cash flow indicators

	FY2021	FY2022	FY2023
Equity ratio (%)	37.4	31.6	34.5
Market value equity ratio (%)	18.7	15.3	32.8
Interest-bearing debt to cash flow ratio (years)	11.1	-	8.9
Interest coverage ratio (times)	6.2	-	7.3

Equity ratio: shareholders' equity / total assets

Market value equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debts / cash flow

Interest coverage ratio: cash flow / interest payment

Note 1: Each indicator is calculated using consolidated financial figures.

2: The market capitalization has been calculated by multiplying the closing stock price at the fiscal year-end by the number of shares outstanding at the fiscal year-end.

3: Cash flow represented operating cash flow.

### (4) Outlook for FY2024 (January 1, 2024 to December 31, 2024)

A moderate economic recovery is expected given the effect of the government's general economic measures, wage growth, and other factors supporting and bolstering the economy. However, future uncertainties are growing, including global monetary tightening, rising commodity prices, and the effect of overseas economic slowdown.

The real estate industry, where the Group operates, should benefit from demand backed by a recovery of inbound tourism, the effect of the depreciation yen associated with the interest-rate gap between the U.S. and Japan, and low interest rates. However, the aggravation of labor shortages caused by the enforcement of the Act on the Arrangement of Related Acts to Promote Work Style Reform may lead to a further increase in construction costs and the extension of construction periods. Also, concerns about the future are increasing given rising fixed mortgage rates due to the Bank of Japan's widening of the yield band for long-term government bonds, among other factors. The Group needs to pay close attention to these factors.

In this environment, the Group will work on boosting sales by further strengthening selling and buying activities and focusing on expanding trading areas and increasing investment properties after opening the Osaka sales office in the Purchase and Resale Business, a core business, under the basic policies of the Second Medium-term Management Plan: (i) strengthening the revenue base to expand businesses, (ii) building networks to seize revenue opportunities, (iii) increasing organizational strength to drive business growth, and (iv) advancing digital transformation, which will support business expansion and growth. In hiring, increasing and developing human resources as priority measures, the Group will continue to recruit sales personnel and improve its education system to foster individual skills while focusing on raising back office efficiency and developing support systems.

In the Real Estate Development Business, the Group will build a system of cooperating with the Purchase and Resale Business in purchase and sale. It will increase and enhance the skills of its workforce while pursuing the comprehensive development of energy-efficient and environmentally friendly products.

In the Real Estate Specified Joint Business, the Group will expand sales channels by recruiting personnel and using digital marketing. It will focus on selling all properties in the ongoing projects and on planning and achieving an early sellout of the fifth-phase products.

The Group has revised its numerical targets for the fiscal year ending December 31, 2024 and forecast consolidated net sales of 60,896 million yen (up 17.9% year on year), operating income of 6,861 million yen (up 15.6% year on year), ordinary income of 6,036 million yen (up 15.1% year on year), and profit attributable to owners of parent of 3,985 million yen (up 9.1% year on year).

The above forecasts regarding future performance are based on information available when this material was announced, and actual results may differ from the forecasts due to a variety of factors in the future.

### (5) Basic Policy for Dividend Distribution and Dividends for FY2023 and FY2024

The Group considers the return to shareholders to be one of its most important management initiatives. The Group's basic policy is to continue to pay stable dividends while strengthening its financial position and maintaining adequate internal reserves in order to expand its business in the long term. The Group plans to determine the allocation of profit by comprehensively taking into account the levels of

performance and the cost of capital and capital profitability based on the balance sheet. The Group aims for a consolidated dividend payout ratio of 40% or more in the medium to long term.

As stated above, the Group pays dividends after comprehensively assessing annual results, improving its business portfolio to achieve sustainable growth, investment in human capital, and other factors. Dividend payment is, in principle, once a year as year-end dividends, which are determined at the general shareholders' meeting. Year-end dividends are determined at the general shareholders' meeting. Interim dividends are determined by the Board of Directors.

The Group plans to pay a year-end dividend of 63 yen per share, for the fiscal year ended December 31, 2023. The consolidated payout ratio will be 40.6%.

The Group plans to pay a year-end dividend of 68 yen per share for the fiscal year ending December 31, 2024 based on the present forecast. The consolidated payout ratio will be 40.3%

The Group will actively use internal reserves to purchase properties to expand its core businesses, namely the Purchase and Resale Business and the Leasing Business, and its growth businesses, the Development Business and Real Estate Specified Joint Business, while investing in human resources and in IT systems.

## 2. Basic Perspective on Selection of Accounting Standards

The MUGEN ESTATE Group currently plans to prepare its consolidated financial statements based on the Japanese standards for the time being because it operates businesses in Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama, Chiba) and Osaka, and because the percentage of foreign corporations and other non-Japanese shareholders is low.

The Group plans to discuss and examine the timing for introducing the International Financial Reporting Standards (IFRS), taking into account its business development going forward and factors such as domestic trends and international trends.

3. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Million yen)

	FY2022 (As of December 31, 2022)	FY2023 (As of December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	17,754	20,420
Accounts receivable - trade	23	35
Real estate for sale	51,116	52,644
Real estate for sale in process	517	477
Other	767	616
Allowance for doubtful accounts	(5)	(4)
<b>Total current assets</b>	<b>70,174</b>	<b>74,189</b>
Non-current assets		
Property, plant and equipment		
Buildings	3,413	2,684
Accumulated depreciation	(461)	(508)
Buildings, net	2,952	2,176
Land	3,441	2,902
Other	110	159
Accumulated depreciation	(73)	(81)
Other, net	37	77
<b>Total property, plant and equipment</b>	<b>6,430</b>	<b>5,156</b>
Intangible assets		
Leasehold right	63	63
Other	21	18
<b>Total intangible assets</b>	<b>84</b>	<b>81</b>
Investments and other assets		
Investment securities	21	7
Deferred tax assets	306	454
Other	370	419
<b>Total investments and other assets</b>	<b>698</b>	<b>880</b>
<b>Total non-current assets</b>	<b>7,213</b>	<b>6,119</b>
Deferred assets		
Bond issuance cost	60	53
<b>Total deferred assets</b>	<b>60</b>	<b>53</b>
<b>Total assets</b>	<b>77,448</b>	<b>80,632</b>

(Million yen)

	FY2022 (As of December 31, 2022)	FY2023 (As of December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	495	466
Short-term borrowings	6,023	9,153
Current portion of bonds payable	3,091	1,041
Current portion of long-term borrowings	6,520	5,407
Income taxes payable	622	1,413
Provision for bonuses	24	44
provision for director's bonuses	20	45
provision for Executive Officers bonuses	26	64
Construction warranty reserve	36	60
Other	1,640	1,785
<b>Total current liabilities</b>	<b>18,501</b>	<b>19,484</b>
Non-current liabilities		
Bonds payable	4,623	6,150
Long-term borrowings	29,049	25,894
Retirement benefit liability	115	308
Other	553	681
<b>Total non-current liabilities</b>	<b>34,342</b>	<b>33,034</b>
<b>Total liabilities</b>	<b>52,843</b>	<b>52,518</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,552	2,552
Capital surplus	2,475	2,475
Retained earnings	20,027	23,207
Treasury shares	(543)	(483)
<b>Total shareholders' equity</b>	<b>24,511</b>	<b>27,751</b>
Share acquisition rights	92	92
<b>Total net assets</b>	<b>24,604</b>	<b>27,844</b>
<b>Total liabilities and net assets</b>	<b>77,448</b>	<b>80,362</b>

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statement of Income

(Million yen)

	FY2022 (From January 1, 2022 to December 31, 2022)	FY2023 (From January 1, 2023 to December 31, 2023)
Net sales	31,242	51,640
Cost of sales	24,092	40,233
Gross profit	7,150	11,406
Selling, general and administrative expenses	4,173	5,469
Operating profit	2,976	5,936
Non-operating income		
Interest and dividend income	1	1
Commission income	15	72
Penalty income	21	16
Refund of real estate acquisition tax	15	25
Other	8	14
Total non-operating income	63	131
Non-operating expenses		
Interest expenses	655	724
Commission expenses	43	46
Other	32	54
Total non-operating expenses	731	825
Ordinary profit	2,309	5,243
Extraordinary income		
Extraordinary losses		
Loss on sales of non-current assets	2	0
Impairment loss	28	—
Loss on valuation of investment securities	—	13
Office relocation expenses	—	6
Total extraordinary losses	30	20
Profit before income taxes	2,278	5,222
Income taxes – current	767	1,716
Income taxes – deferred	(54)	(147)
Total income taxes	713	1,568
Profit	1,564	3,653
Profit attributable to owners of parent	1,564	3,653

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2022 (From January 1, 2022 to December 31, 2022)	FY2023 (From January 1, 2023 to December 31, 2023)
Income before minority interests	1,564	3,653
Comprehensive income	1,564	3,653
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,564	3,653

### (3) Consolidated Statements of Changes in Net Assets

FY2022 (From January 1, 2022 to December 31, 2022)

(Million yen)

	Shareholders' equity					Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained Earnings	Treasury shares	Total shareholders' equity		
Balance at the beginning of the fiscal year	2,552	2,475	18,827	(401)	23,453	92	23,546
Changes of items during period							
Dividends of surplus			(356)		(356)		(356)
Profit attributable to owners of parent			1,564		1,564		1,564
Purchase of treasury shares				(198)	(198)		(198)
Disposal of treasury shares			(7)	56	48		48
Total changes of items during period	—	—	1,200	(141)	1,058	—	1,058
Balance at the end of the fiscal year	2,552	2,475	20,027	(543)	24,511	92	24,604

FY2023 (From January 1, 2023 to December 31, 2023)

(Million yen)

	Shareholders' equity					Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained Earnings	Treasury shares	Total shareholders' equity		
Balance at the beginning of the fiscal year	2,552	2,475	20,027	(543)	24,511	92	24,604
Changes of items during period							
Dividends of surplus			(469)		(469)		(469)
Profit attributable to owners of parent			3,653		3,653		3,653
Purchase of treasury shares					—		
Disposal of treasury shares			(4)	59	55		55
Total changes of items during period	—	—	3,179	59	3,239	—	3,239
Balance at the end of the fiscal year	2,552	2,475	23,207	(483)	27,751	92	27,844

## (4) Consolidated Statements of Cash Flows

(Million yen)

	FY2022 (From January 1, 2022 to December 31, 2022)	FY2023 (From January 1, 2023 to December 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,278	5,222
Impairment loss	28	—
Depreciation	664	717
Increase (decrease) in allowance for doubtful accounts	2	1
Increase (decrease) in provision for bonuses	4	20
Increase (decrease) in provision for director's bonuses	20	24
Increase (decrease) in provision for Executive Officers bonuses	26	38
Increase (decrease) in construction warranty reserve	(12)	24
Increase (decrease) in net defined benefit liability	5	193
Interest and dividend income	(1)	(1)
Interest expenses	655	724
Share-based compensation expenses	36	53
Refund of real estate acquisition tax	15	25
Amortization of bond issuance costs	22	25
Loss on retirement of non-current assets	2	0
Loss (gain) on sales of non-current assets	—	13
Decrease (increase) in trade receivables	(3)	(12)
Decrease (increase) in inventories	(14,890)	(410)
Increase (decrease) in trade payables	134	(29)
Increase (decrease) in accrued consumption taxes	9	240
Decrease (increase) in consumption taxes refund receivable	(234)	248
Increase (decrease) in lease and guarantee deposits received	11	16
Decrease (increase) in other current assets	205	(99)
Increase (decrease) in other current liabilities	632	(7)
Other, net	(14)	78
<b>Subtotal</b>	<b>(10,398)</b>	<b>7,108</b>
Interest and dividend income received	1	1
Interest paid	(649)	(734)
Income taxes refund	0	0
Income taxes paid	(444)	(1,002)
<b>Net cash provided by (used in) operating activities</b>	<b>(11,491)</b>	<b>5,374</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,928)	(2,012)
Proceeds from withdrawal of time deposits	1,939	2,064
Purchase of property, plant and equipment	(145)	(510)
Purchase of intangible assets	(10)	(5)
Payments for investments in capital	—	(4)
Payments of leasehold and guarantee deposits	(12)	(0)
Proceeds from refund of leasehold and guarantee deposits	0	(29)
<b>Net cash provided by (used in) investing activities</b>	<b>(157)</b>	<b>(498)</b>

(Million yen)

	FY2022 (From January 1, 2022 to December 31, 2022)	FY2023 (From January 1, 2023 to December 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,284	3,129
Proceeds from long-term borrowings	21,827	18,335
Repayments of long-term borrowings	(14,431)	(22,603)
Proceeds from issuance of bonds	4,608	2,581
Redemption of bonds	(882)	(3,122)
Purchase of treasury shares	(198)	—
Repayments of lease liabilities	(3)	(4)
Cash dividends paid	(356)	(469)
Net cash provided by (used in) financing activities	11,847	(2,153)
Net increase (decrease) in cash and cash equivalents	199	2,722
Cash and cash equivalents at beginning of period	16,116	16,315
Cash and cash equivalents at end of period	16,315	19,037

## (5) Notes to Consolidated Financial Statements

(Segment information)

[Segment information]

### 1. Summary of reportable segments

#### (1) Method for determining which segments to report

The reportable segments of the Group comprise those business units for which separate financial information is available, and which are subject to a regular review conducted by the Company's Board of Directors in order to determine the allocation of management resources and assess the business performance.

The principal business of the Group is real estate trading in which used condominium units and detached houses are purchased, refurbished, and sold. In addition, the Group operates a leasing business, in which it purchases and leases real estate for lease, leases condominiums and other buildings before selling, and provides lease management of condominiums, etc.

Therefore, the Group has decided that the "Real Estate Trading Business" and "Real Estate Leasing and Other Business" will be the segments it reports.

#### (2) Types of products and services in each reportable segment

The Real Estate Trading Business includes revenues from trading owned condominiums, investment-type properties (rental condominiums, and office blocks), and detached houses, related interior and exterior work, and sales brokerage.

The Real Estate Leasing and Other Business includes rent income from leasing condominiums, buildings, owned condominium units, etc., and fees for providing lease management service for rental condominiums and buildings.

### 2. Method for calculating net sales, profit or loss, assets, liabilities, and amounts of other items for each reportable segment

The accounting method for the reportable segments is generally the same as that provided in the "Key factors fundamental to the preparation of the consolidated financial statements."

Profit from the reportable segments is based on operating income.

Inter-segment revenues and transfers are based on the prevailing market prices.

### 3. Information on net sales, profit or loss, assets, liabilities, and amounts of other items for each reportable segment

FY2022 (From January 1, 2022 to December 31, 2022)

(Million yen)

	Reportable Segments			Adjustment (Note)	Total
	Real Estate Trading Business	Real Estate Leasing and Other Business	Sub-total		
Net sales					
Net sales to external customers	29,016	2,226	31,242	—	31,242
Inter-segment sales or transfer	88	20	108	(108)	—
Total	29,104	2,246	31,351	(108)	31,242
Segment profit	4,051	780	4,831	(1,854)	2,976
Segment assets	23,036	35,497	58,534	18,914	77,448
Other items					
Depreciation	5	633	639	25	664
Increase in PPE and intangible non-current assets	8	122	131	27	158

(Notes)

1. The adjustments include the following.

(1) The segment profit adjustment of (1,854) million yen consists of primarily company-wide expenses that are not allocated to the selling, general and administrative expenses of each reported segment.

(2) The segment asset adjustment of 18,914 million yen includes cash and cash deposits, deferred tax assets, assets related to the management division, and other items which are company-wide assets that are not allocated to each reported segment.

2. The segment profit has been adjusted to the operating income stated in the consolidated statements of income.

3. Because the rent income from the investment-type properties before the sale is included in the net sales in the Real Estate Leasing and Other Business, these properties are segment assets of the Real Estate Leasing and Other Business during the period of possession, and are transferred to the segment assets of the Real Estate Trading Business at the book value every time they are sold.

4. Impairment losses of 28 million yen are posted in the Real Estate Trading Business.

FY2023 (From January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable Segments			Adjustment (Note)	Total
	Real Estate Trading Business	Real Estate Leasing and Other Business	Sub-total		
Net sales					
Net sales to external customers	49,353	2,286	51,640	—	51,640
Inter-segment sales or transfer	0	27	27	(27)	—
Total	49,353	2,313	51,667	(27)	51,640
Segment profit	7,194	771	7,966	(2,030)	5,936
Segment assets	25,494	33,337	58,831	21,531	80,362
Other items					
Depreciation	7	668	675	41	717
Increase in PPE and intangible non-current assets	30	331	362	5	367

(Notes)

1. The adjustments include the following.

(1) The segment profit adjustment of (2,030) million yen consists of primarily company-wide expenses that are not allocated to the selling, general and administrative expenses of each reported segment.

(2) The segment asset adjustment of 21,531 million yen includes cash and cash deposits, deferred tax assets, assets related to the management division, and other items which are company-wide assets that are not allocated to each reported segment.

2. The segment profit has been adjusted to the operating income stated in the consolidated statements of income.

3. Because the rent income from the investment-type properties before the sale is included in the net sales in the Real Estate Leasing and Other Business, these properties are segment assets of the Real Estate Leasing and Other Business during the period of possession, and are transferred to the segment assets of the Real Estate Trading Business at the book value every time they are sold.

(Per share information)

	FY2022 (From January 1, 2022 to December 31, 2022)	FY2023 (From January 1, 2023 to December 31, 2023)
Net assets per share	1,044.67 yen	1,177.77 yen
Net income per share	66.56 yen	155.27 yen
Diluted net income per share	66.16 yen	154.35 yen

The basis for the calculation of net income per share and diluted net income per share is as follows.

Item	FY2022 (From January 1, 2022 to December 31, 2022)	FY2023 (From January 1, 2023 to December 31, 2023)
Net income per share		
Profit attributable to owners of parent (Million yen)	1,564	3,653
Amount that does not belong to ordinary shareholders (Million yen)	—	—
Profit attributable to owners of parent, available to common stock (Million yen)	1,564	3,653
Average number of common stock outstanding for the period (shares)	23,508,476	23,530,940
Diluted net income per share		
Adjustment for profit attributable to owners of parent (Million yen)	—	—
Increase in the number of common stock (shares)	140,911	141,030
(Subscription rights to shares(shares) )	(140,911)	(141,030)
Overview of dilutive shares not included in the calculation of diluted net income per share due to the absence of the dilution effect	—	—

(Significant Subsequent Events)

There is no applicable information.