

## Consolidated Financial Results for the Six Months Ended September 30, 2020

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 Stock listing: Tokyo Stock Exchange 1<sup>st</sup> Section  
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Scheduled date of quarterly securities report: November 11, 2020  
 Scheduled date of dividend payable: -  
 Supplemental materials for quarterly results: Yes  
 Presentation on quarterly results to be held: Yes

\*Amounts are rounded down to million yen.

### 1. Consolidated Performance for the Six Months Ended September 30, 2020

#### (1) Consolidated Operating Results

\*Percentage figures shown under net sales, operating profit, ordinary profit, and profit attributable to owners of parent columns indicate year-on-year changes for those items.

(“¥” indicates millions of yen, except for per share figures.)

	Net Sales		Operating Profit		Ordinary Profit	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
For the six months ended September 30, 2020	¥32,164	(20.8)%	¥5,667	(49.4)%	¥5,384	(51.2)%
For the six months ended September 30, 2019	¥40,635	23.0 %	¥11,192	23.8 %	¥11,042	26.3 %

(Note) Comprehensive income: For the six months ended September 30, 2020: ¥3,370 million (down 54.3%)  
 For the six months ended September 30, 2019: ¥7,376 million (up 27.8%)

	Profit Attributable to Owners of Parent		Earnings per Share (yen)	Fully Diluted Earnings per Share (yen)
	Amount	Change (%)	Amount	Amount
For the six months ended September 30, 2020	¥3,459	(54.1)%	¥71.04	¥71.01
For the six months ended September 30, 2019	¥7,542	26.2%	¥154.87	¥154.83

## (2) Consolidated Financial Position

("¥" indicates millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)
As of September 30, 2020	¥130,952	¥69,137	50.4%
As of March 31, 2020	¥130,293	¥64,809	49.6%

(Reference) Total Equity: As of September 30, 2020: ¥ 65,953 million  
As of March 31, 2020: ¥ 64,620 million

## 2. Cash Dividends

	Cash Dividends per Share (Yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual Total
FY Ended March 31, 2020	-	0.00	-	42.00	42.00
FY Ending March 31, 2021	-	0.00			
FY Ending March 31, 2021 (Forecast)			-	42.00	42.00

(Note) Changes from the latest released dividend forecasts: None

## 3. Forecast for Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

\*Percentage figures indicate year-on-year changes for those items.  
("¥" indicates millions of yen, except for per share figures.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount
FY Ending March 31, 2021	¥70,000	(4.4) %	¥6,930	(58.2) %	¥6,500	(59.7) %	¥4,100	(61.6) %	¥84.19

(Note) Changes from the latest released performance: None

## 4. Notes

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

New companies: -

Excluded companies: -

(2) Adoption of special accounting practices in the preparation of quarterly consolidated financial statements:

None

(3) Changes in accounting principles, procedures and presentation methods

1) Changes caused by revision of accounting standards: None

2) Changes of accounting standards other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(4) Number of outstanding shares (common stock)

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

As of September 30, 2020: 48,755,500 shares

As of March 31, 2020: 48,755,500 shares

2) Number of shares of treasury stock at the end of the period:

As of September 30, 2020: 56,644 shares

As of March 31, 2020: 56,644 shares

3) Average number of shares for the period:

For the six months ended September 30, 2020: 48,698,856 shares

For the six months ended September 30, 2019: 48,698,856 shares

\*This Summary of Consolidated Financial Results is not subject to review processes under the Financial Instruments and Exchange Act.

\*Explanation for appropriate use of forecast and other notes

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by us or certain assumptions that we have deemed as rational. We cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from our expectations as a result of various factors. For the assumptions used and other notes, please refer to “1. (3) Explanation regarding forward-looking statements such as consolidated earnings forecasts” on page 6.

(About changing the presentation unit of the amount)

The number of accounts and the others listed in the attached quarterly consolidated financial statements and key notes was previously stated in thousand yen unit but it is listed in million yen unit from the first quarter consolidated accounting period and the first quarter consolidated the cumulative period. Further, in the previous consolidated fiscal year and the previous second quarter consolidated cumulative period it is also changed to million-yen unit and stated.

In this document, the terms “we”, “us”, “our” and “Sun Frontier” refer to Sun Frontier Fudousan Co., Ltd. and consolidated subsidiaries or, as the context may require, Sun Frontier Fudousan Co., Ltd. on a non-consolidated basis.

## Accompanying Materials

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## 1. Qualitative information regarding consolidated performance for the first six months

### (1) Explanation regarding operating results

Matters concerning the future in this document are those judged by Sun Frontier as of the of submission date of this consolidated performance for the first six months.

During the six months ended September 30, 2020, the Japanese economy showed signs of recovery from the sharp decline in the real GDP growth rate during the three months ended June 30, 2020, due to the spread of new coronavirus (COVID-19) infections, supported by large-scale emergency economic measures by the government, funding support systems by the Bank of Japan, and the continuation of monetary easing policies. However, it is necessary to pay close attention to future trends, such as the economic impact of the re-expansion of COVID-19 infections. As for the global economy, despite the implementation of large-scale financial support and monetary easing in each country, the future outlook is extremely difficult due to the ongoing the spread of COVID-19 infections in the United States, India, Brazil, and other countries, the recurrence of COVID-19 infections in Europe, intensified confrontations between the United States and China, and financial deterioration due to large-scale COVID-19 countermeasures in developing countries.

In the real estate market in Japan, the average rent in the office building market in central Tokyo (5 Wards of the Central Tokyo: Chiyoda, Chuo, Minato, Shinjuku and Shibuya Ward) as of September was 22,773 yen (unit price per tsubo), a decline for the second consecutive month. The average vacancy rate was 3.43%, an increase of 1.94 points in total for the seventh consecutive month (according to a survey conducted by a private research institution), indicating that the office market is starting to deteriorate. Against the backdrop of the recent damage caused by the outbreak of COVID-19, some companies are reducing their offices by promoting remote work. However, actual demand for small and medium-sized offices has been steady, as seen in the expansion of floor space at high-performing companies and the BCP movement to disperse offices where employees are concentrated in one location. On the other hand, in the real estate investment market, although domestic institutional investors and J-REITs are eager to invest due to the expectation of a prolonged low interest rate environment, they are cautious due to uncertainty about the future, and market sentiment is mixed.

Against this backdrop, we are making every effort to prevent COVID-19 infections in clients and among employees. Even in business environment, where sales are limited, we are able to quickly grasp market trends and changes from the field, improve our ability to solve problems from the clients' point of view, and develop our business by flexibly changing ourselves. We will continue our core business to concentrate management resources on the revitalization and utilization of small and medium-sized office buildings in central Tokyo.

As a result, net sales decreased 20.8% to 32,164 million yen from the same period of the previous fiscal year, operating profit decreased 49.4% to 5,667 million yen from the same period of the previous fiscal year, ordinary profit decreased 51.2% to 5,384 million yen from the same period of the previous fiscal year, and profit attributable to owners of parent decreased 54.1% to 3,459 million yen from the same period of the previous fiscal year.

The results of each segment are as follows.

#### (Real Estate Revitalization Business)

In the Real Estate Revitalization Business, we are engaged in (1) Replanning Business, (2) Rental Building Business, and (3) Hotel Development Business.

- (1) In the Replanning Business, all processes from purchase of buildings to planning and development, tenant occupancy, sales, and subsequent support are manufactured in-house. Each division, such as the building management, leasing, and brokerage divisions in the real estate service division and the construction division brings together the knowledge and know-how they have accumulated in their respective fields. They then make improvements and reform based on detailed understanding of clients' intentions, creating products with high added value and providing various services for building management. The ability to create added value

in the clients' point of view is our strength. In purchasing, we carefully select properties while looking at the direction of the market. In commercialization, we aim to create an office that can be chosen in this “new normal”, based on new values, by enhancing sensitivity to market movements such as the voices of tenants that are heard every day and by firmly grasping changes in offices, towns and working styles. As a concrete example of this, in July, we began offering a new service “WEEK”, which allows clients to lease our set-up office on a certain day of the week. In November, we opened our first Creative Art Office "A Yotsuya" (22 rooms made in themes of wall paintings) as a shared office in Yotsuya, Shinjuku Ward, Tokyo. Furthermore, in the area of sales, we maintain and expand the value of buildings by maintaining stable real estate revenues in close coordination with leasing and property management divisions and respond to the needs of a wide range of clients in Japan and overseas. With investment product in sub-divided real estate, which is based in Act on Specified Joint Real Estate Ventures, we expanded our clients base through the formation of the second project (1,150 million yen) following the first project, which was sold out in the previous fiscal year. As a result, the number of buildings sold in Replanning Business was 15 which is 27.6% in segment profit margin, even in the midst of the damage caused by the outbreak of COVID-19. However, both the net sales and profits declined significantly compared to the 24 buildings sold, including large-scale projects, a 34.6% in segment profit margin from the same period of the previous fiscal year.

- (2) In Rental Building Business, with the aim of building a stable revenue base as a stock business, we are working to increase rent income in the medium to long term by expanding the number of rental buildings properties in Replanning Business while utilizing the operational capabilities cultivated in the real estate service division. However, income decreased due to decrease in rent income from Hotel Business and advanced rent payment due to the expansion of sub-leases business despite a slight increase in net sales compared with the same period of the previous fiscal year.
- (3) In the Hotel Development Business, the development of HIYORI OCEAN RESORT OKINAWA (203 plots), our first condominium hotel in Onna Village, Okinawa Prefecture, has made steady progress. A total of 135 plots, from the first to the fifth period of sales, have been registered and sold out. In November, we started the sixth sale (5 plots). At the same time, initiatives for new projects has been suspended, except for hotels that are currently under construction, in view of the uncertain outlook for the tourism business due to the impact of COVID-19.

As a result, net sales decreased 26.6% to 26,138 million yen from the same period of the previous fiscal year and segment profit decreased 41.9% to 7,136 million yen from the same period of the previous fiscal year for the Real Estate Revitalization Business as a whole.

#### (Real Estate Service Business)

In the Real Estate Service Business, we are engaged in (1) Property Management Business, (2) Building Maintenance Business, (3) Brokerage Business, and (4) Leasing Business. By bringing together the expertise that each of these business divisions has cultivated in the field, they cooperate with each other, and by applying their originality and ingenuity, they create a chain of added value which also serves as the basis for creating high profitability in the Replanning Business.

- (1) In Property Management Business, we have improved the satisfaction of tenants through meticulous property management and maintenance. At the same time, we have implemented highly profitable and highly operational building management through efforts such as attracting tenants by taking advantage of its community-based strengths and improving profits by revising conditions for appropriate rent and reviewing power supply and demand contracts. we provide accurate and prompt information to tenants who are affected by the COVID-19 outbreak and building owners who are concerned and utilizes its accumulated experience and organizational power to resolve any new requests or problems arising from the spread of COVID-19 infections. As a result of our continued provision of high-quality added value services done in the clients' point of view, the number of entrusted buildings exceeded 400, while maintaining a high occupancy rate

level even in the event during the outbreak of COVID-19. Both net sales and profits increased compared with the same period last fiscal year.

	End of September 2018	End of September 2019	End of September 2020
Number of Managing Buildings	378 buildings	381 buildings	403 buildings
Occupancy Rate	97.2%	98.9%	96.8%

- (2) In the Building Maintenance Business, we are promoting cooperation with the property management division, taking advantage of our strengths in cleaning high places, waterproofing work, and exterior wall repair work using swings for exterior windows and exterior walls. Although demand for COVID-19 decontamination and disinfection work was newly captured, orders from clients declined since they were forced to close due to the declaration of an emergency situation. As a result, both net sales and profits decreased slightly compared to the same period last fiscal year."
- (3) In the Brokerage Business, as part of its real estate consulting, we are responding swiftly to inquiries from other divisions, including Property Management Business and Leasing Businesses. At the same time, we contribute to our business promotion as a whole by purchasing and selling replanning properties. Both net sales and profits increased compared with the same period of the previous fiscal year.
- (4) In the Leasing Business, we provide a service network based in 12 sites, mainly in the 5 wards of central Tokyo. It functions as a window for consultation close to the local building owners. We don't consult only one aspect of problems for building owners like vacancy, but also a variety of fundamental problems related to real estate, such as management, inheritance, and deterioration of buildings that are difficult to deal with due to the aging of the population through communicating with clients at the site. By working to solve these problems from a multi-faceted and long-term perspective, the revitalization business as a whole has been strengthened and enriched by creating opportunities for Replanning Business purchase, sales, construction orders, and brokerage. In addition, we understand the needs of tenants in detail at the site of tenant leasing by thinking together, researching, and making proposals to them. In this way, we anticipate changes quickly and find out needs from the user-in perspective of the small and medium-sized building market. As a result of the damage caused by the outbreak of COVID-19, both net sales and profits decreased compared with the same period of the previous fiscal year.

As a result, net sales in Real Estate Service Business as a whole decreased 0.5% to 1,707 million yen from the same period of the previous fiscal year and segment profit increased 3.3% to 1,141 million yen from the same period of the previous fiscal year.

#### (Operation Business)

In the Operation Business, we are engaged in (1) Hotel Operation Business and (2) Conference Room Rental Business.

- (1) In the Hotel Operation Business, "Tabino Hotel Kashima" (194 rooms) opened in April 2020, bringing the total number of hotels to 15 (2,092 rooms). Although the occupancy rate of hotels in areas with high business needs remained steady at a certain level, 7 hotels were forced to temporarily close due to a sharp decline in the number of inbound tourists and the closure of tourist facilities, resulting in a significant decrease in occupancy rate. As a result, despite efforts to reduce expenses, we recorded a loss due to a large decrease in net sales compared with the same period of the previous fiscal year. The spread and expansion of Go To Travel (the start of flights to and from Tokyo), which started during the six months ended September 30, 2020, and the revival of various events are expected to lead to a recovery in the future.
- (2) As of the end of September, we operated a total of 21 sites (approximately 7,300 seats) in the Conference Room Rental Business, consisting of 11 rental conference rooms as the "Vision Center," 6 sites for the "Vision Rooms," 3 rental offices as the "Vision Office," and 1 coworking space called "Vision Works." We continue to refine our service quality through clients' point of view, and the number of repeat clients and

clients through referrals is increasing. Although we responded quickly to new clients' needs by taking measures against infectious diseases, the deployment of online facilities, custom-made offices, and the launch of new services for flat-rate meeting rooms, both net sales and profits declined compared with the previous fiscal year.

As a result, net sales in Operation Business as a whole decreased 49.2% to 1,378 million yen from the same period of the previous fiscal year and segment loss was 621 million yen compared with 207 million yen in segment profit from the same period of the previous fiscal year.

(Other Business)

In Other Business, we are engaged in (1) Rent Guarantee Business, (2) Overseas Business, and (3) Construction Business.

- (1) In Rent Guarantee Business, when contract of guarantee is implemented, we conduct fact-finding surveys thoroughly and rigorously in tenant guarantee examinations. When rent arrears occur, we provide services tailored to building owners not only rent guarantee but also sincere support until the lease is surrendered. By COVID-19, consultations from building owners increased due to the increasing of vacant rooms, the concerning of tenant credit and the switching from personal guarantee. Against this background, the number of new and renewed guarantees handled remained steady and net sales increased compared with the same period of the previous fiscal year. However, profits decreased under the impact of COVID-19 due to the accumulation of provision for fulfillment of guarantees caused by the increase in rent arrears.
- (2) In Overseas Business, we have expanded into Southeast Asian countries where growth is expected, and has developed real estate mainly for condominiums and houses using Japanese advanced construction technology. we are developing its business with a focus on providing Asian people with experience of Japanese quality. The Hiyori Garden Tower (306 units), a high-rise condominium in Da Nang, Viet Nam, was completed in December 2019 and delivered until September this year. Both net sales and profits increased significantly compared with the same period of the previous fiscal year because the portion delivered from January to June this year was recorded during the six months ended September 30, 2020.
- (3) In the Construction Business, renewal planning, repair and reform of commercial buildings, interior finishing work, and others are carried out. Both net sales and profits declined due to a reactionary decline following the delivery of large-scale construction work from the same period of the previous fiscal year

As a result, net sales of Other Business as a whole increased 206.5% to 3,498 million yen from the same period of the previous fiscal year and segment profit increased 178.7% to 964 million yen from the same period of the previous fiscal year.



(2) Explanation regarding financial position

Total assets increased 0.5% to 130,952 million yen as of September 30, 2020 compared to June 30, 2020. Liability decreased 5.6% to 61,815 million yen as of September 30, 2020 compared to June 30, 2020 and net assets decreased to 6.7% to 69,137 million yen as of September 30, 2020 compared to June 30, 2020.

The main factors behind the increase in total assets were a decrease of 4,331 million yen in real estate for sale in process and a decrease of 974 million yen in real estate for sale, and a decrease of 1,078 million yen in accrued consumption taxes and advance payments included in other current assets, while there was an increase of 7,132 million yen in cash and deposits.

The main reason for the decrease in liabilities was a decrease of 7,153 million yen in long-term borrowings and a decrease of 1,382 million yen in income taxes payable, and a decrease of 1,139 million yen in advances received included in other current liabilities, despite an increase of 6,602 million yen in long-term borrowings scheduled to be repaid within one year.

The main factor behind the increase in net assets was the payment of year-end dividends of 2,047 million yen, despite the recording of 3,459 million yen in profit attributable to owners of parent and an increase of 3 billion yen in non-controlling interests. The increase in non-controlling interests was due to the issuance of preferred shares by subsidiaries.

As a result, sales in equity ratio increased 0.8 percentage points to 50.4% as of September 30, 2020 compared to June 30, 2020.

(3) Explanation regarding forward-looking statements such as consolidated earnings forecasts

As for the results for the fiscal year ended March 31, 2021, there are no changes to the forecast figures announced on August 6, 2020.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Consolidated Balance Sheet

(Unit: million yen)

	As of March 31, 2020	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and time deposits	18,627	25,759
Notes and accounts receivable – trade	891	605
Real estate for sale	9,426	8,452
Real estate for sale in process	81,703	77,372
Costs of uncompleted construction contracts	602	702
Supplies	33	22
Other	2,575	1,443
Allowance for doubtful accounts	(18)	(46)
<b>Total current assets</b>	<b>113,842</b>	<b>114,311</b>
Non-current assets		
Property, plant and equipment		
Buildings (net amount)	1,900	2,036
Land	6,821	6,821
Other (net amount)	1,692	1,669
<b>Total property, plant and equipment</b>	<b>10,413</b>	<b>10,526</b>
Intangible assets		
Goodwill	524	470
Other	188	158
<b>Total intangible assets</b>	<b>712</b>	<b>629</b>
Investments and other assets		
Guarantee deposits	3,856	3,909
Deferred tax assets	1,041	1,074
Other	426	505
Allowance for doubtful accounts	(1)	(3)
<b>Total investments and other assets</b>	<b>5,324</b>	<b>5,485</b>
<b>Total non-current assets</b>	<b>16,450</b>	<b>16,641</b>
<b>Total assets</b>	<b>130,293</b>	<b>130,952</b>

(Unit: million yen)

	As of March 31, 2020	As of September 30, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,132	2,929
Short-term borrowings	478	-
Current portion of long-term borrowings	3,985	10,588
Income taxes payable	3,566	2,183
Provision for bonuses	215	220
Provision for bonuses for directors (and other officers)	80	28
Construction warrantee reserve	2	2
Provision for fulfillment of guarantees	50	69
Other	6,540	5,807
Total current liabilities	18,052	21,827
Non-current liabilities		
Long-term borrowings	44,906	37,752
Retirement benefit liability	11	11
Provision for share-based remuneration	40	48
Other	2,473	2,175
Total non-current liabilities	47,431	39,988
Total liabilities	65,483	61,815
<b>Net Assets</b>		
Shareholders' equity		
Share capital	11,965	11,965
Capital surplus	6,445	6,445
Retained Earnings	46,347	47,759
Treasury shares	(67)	(67)
Total shareholders' equity	64,690	66,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	2
Foreign currency translation adjustment	(73)	(150)
Total accumulated other comprehensive income	(69)	(148)
Share acquisition rights	11	16
Non-controlling interests	177	3,167
Total net assets	64,809	69,137
Total liabilities and net assets	130,293	130,952

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

(Unit: million yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Net sales	40,635	32,164
Cost of sales	25,750	23,153
Gross profit	14,884	9,010
Selling, general and administrative expenses	3,692	3,343
Operating profit	11,192	5,667
Non-operating income		
Interest income	21	28
Dividend income	0	0
Subsidy income	0	42
Penalty income	159	-
Other	32	16
Total non-operating income	215	87
Non-operating Expenses		
Interest expenses	210	259
Other	155	111
Total non-operating expenses	365	370
Ordinary profit	11,042	5,384
Extraordinary income		
Gain on sales of non-current assets	3	0
Total extraordinary income	3	0
Extraordinary loss		
Loss on devaluation of memberships	-	6
Total extraordinary losses	-	6
Profit before income taxes	11,045	5,378
Income taxes - current	3,662	2,033
Income taxes - deferred	(153)	(107)
Total income taxes	3,508	1,925
Profit	7,537	3,452
Profit attributable to non-controlling interests	(5)	(6)
Profit attributable to owners of parent	7,542	3,459

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Profit	7,537	3,452
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(1)
Foreign currency translation adjustment	(161)	(81)
Total other comprehensive income	(160)	(82)
Comprehensive income	7,376	3,370
Comprehensive income attributable to		
Owners of parent	7,389	3,381
Non-controlling interests	(13)	(10)

(3) Notes to Consolidated Financial Statements  
(Notes to Assumption of Going Concerns))  
Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)  
Not applicable.

(Additional information)

1. Accounting estimates for the impact of the spread of COVID-19 infections

There have been no material changes to assumptions regarding the impact of the spread of COVID-19 infections described in the additional information in the consolidated financial statements for the previous fiscal year.

2. Treatment of application of tax effect accounting for transition from consolidated tax payment system to new tax group relief system

Sun Frontier and certain domestic consolidated subsidiaries have adopted the "Guidance on Application of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) in accordance with Paragraph 3 of the "Treatment of Application of Tax Effect Accounting for the Transition from the Consolidated Tax Payment System to the Group Accumulation System" (ASBJ Guidance No. 39, March 31, 2020) for items for which the non-consolidated tax payment system was reviewed in accordance with the transition to the Tax Group Relief System established under the "Act for Partial Revision of the Income Tax Act, etc. (Act No. 8, 2020). The provisions of Paragraph 44 do not apply, and the amount of deferred tax assets and deferred tax liabilities is based on the provisions of the tax laws prior to the revision.

(Segment Information, etc.)

[Segment Information]

I For the six months ended September 30, 2019

1. Information on net sales and profit for each reportable segment

(Unit: million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment amount (Note 2)	Amount on Quarterly Consolidat ed Statement of Income (Note 3)
	Real Estate Revitalizat ion Business	Real Estate Service Business	Operation Business	Subtotal				
Net Sales	35,615	1,715	2,715	40,045	1,141	41,187	(551)	40,635
Segment profit	12,293	1,105	207	13,605	346	13,951	(2,909)	11,042

Note 1. The "Other" segment is a business segment that is not included in the reportable segment and includes the rent guarantee business, overseas business, construction solutions business, etc.

Note 2. Adjustments to segment profit include elimination of intersegment transactions of 56 million yen and deduction of 2,853 million yen for corporate expenses not allocated to each reportable segment. Corporate expenses are primarily selling, general and administrative expenses not attributable to any reportable segment.

Note 3. Segment profit is reconciled to ordinary profit in the consolidated statement of income.

2. Information on impairment loss or goodwill of fixed assets for each reportable segment

Not applicable.

II For the six months ended September 30, 2020

1. Information on net sales and profit(loss) for each reportable segment

(Unit: million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment amount (Note 2)	Amount on Consolidat ed Statement of Income (Note 3)
	Real Estate Revitalizat ion Business	Real Estate Service Business	Operation Business	Subtotal				
Net Sales	26,138	1,707	1,378	29,224	3,498	32,722	(558)	32,164
Segment profit(loss)	7,136	1,141	(621)	7,656	964	8,620	(3,236)	5,384

Note 1. The "Other" segment is a business segment that is not included in the reportable segment and includes the rent guarantee business, overseas business, construction solutions business, etc.

Note 2. Adjustments to segment profit(loss) include elimination of intersegment transactions of 161 million yen and deduction of 3,075 million yen for corporate expenses not allocated to each reportable segment. Corporate expenses are primarily selling, general and administrative expenses not attributable to any reportable segment.

Note 3. Segment profit is reconciled to ordinary profit in the consolidated statement of income.

2. Information on impairment loss or goodwill of fixed assets for each reportable segment

Not applicable.

(Significant Subsequent Events)

Not applicable.