

## Consolidated Financial Results for the Nine Months Ended December 31, 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: February 10, 2021  
 Scheduled date of dividend payable: -  
 Supplemental materials for quarterly results: Yes  
 Presentation on quarterly results to be held: None

\*Amounts are rounded down to million yen.

### 1. Consolidated Performance for the Nine Months Ended December 31, 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	
For the nine months ended December 31, 2020	¥46,442	(15.0)%	¥7,032	(48.1)%	¥6,562	(50.6)%
For the nine months ended December 31, 2019	¥54,631	20.9 %	¥13,560	11.5 %	¥13,297	13.2 %

(Note) Comprehensive income: For the nine months ended December 31, 2020: ¥3,890 million (down 56.4 %)

For the nine months ended December 31, 2019: ¥8,932 million (up 14.4 %)

	Profit Attributable to Owners of Parent		Earnings per Share (yen)	Fully Diluted Earnings per Share (yen)
For the nine months ended December 31, 2020	¥4,059	(54.8 %)	¥83.35	¥83.31
For the nine months ended December 31, 2019	¥8,976	12.7 %	¥184.32	¥184.27

## (2) Consolidated Financial Position

("¥" indicates millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)
As of December 31, 2020	¥124,952	¥69,656	53.2%
As of March 31, 2020	¥130,293	¥64,809	49.6%

(Reference) Total Equity: As of December 31, 2020: ¥ 66,501 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 December 31, 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 December 31, 2020: 56,644 shares

As of March 31, 2020: 56,644 shares

3) Average number of shares for the period:

For the nine months ended December 31, 2020: 48,698,856 shares

For the nine months ended December 31, 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 third 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 nine 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 nine months.

During the nine months ended December 31, 2020, the Japanese economy has been stagnant for a long time due to the impact of COVID-19 infections and it is necessary to continue to monitor future trends. With regard to the global economy, the outlook for the future is extremely difficult due to the expansion of COVID-19 infection and the continued intensification of conflicts between the United States and China.

However, in addition to the continuation of large-scale financial support and monetary easing in each country, vaccination is gradually starting and future recovery is expected.

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 December was 21,999 yen (unit price per tsubo), a decline for the fifth consecutive month (1,015 yen.) The average vacancy rate was 4.49%, worsening for the tenth consecutive month (increased 3.00% points according to a survey by a private research institution) and market conditions are becoming increasingly severe. Demand for small and medium-sized offices has been steady, as seen in the expansion of floor space at high-performing companies and the movement to disperse offices where employees are concentrated in one location. However, against the backdrop of the recent damage caused by the outbreak of COVID-19, some companies are reducing their offices by promoting remote work.

Moreover, 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 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.

For the time being, the Company's management policies are to "thoroughly prevent the spread of the COVID-19 infection and continue business," "maintain financial stability," and "concentrate resources on our core business the 'revitalization and utilization of real estate.'"

As a result, net sales decreased 15.0% to 46,442 million yen from the same period of the previous fiscal year, operating profit decreased 48.1% to 7,032 million yen from the same period of the previous fiscal year, ordinary profit decreased 50.6% to 6,562 million yen from the same period of the previous fiscal year, and profit attributable to owners of parent decreased 54.8% to 4,059 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 an 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. We have been opening new set-up offices such as in November, we opened our first Creative Art Office "A Yotsuya", an office with Brooklyn-themed wall paintings, and in December “GINZA-QUINT”, an anti-virus office designed for social distance equipped with the newest anti-virus machines.

From the perspective of ESG, we are accelerating new initiatives to realize a decarbonized society, such as switching our replanning properties to “RE100,” a renewable energy source, and introducing "Mori no Denki," a forest-based environmental credit, which is 100% carbon neutral.

Furthermore, in the area of sales, we 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), which was sold out in the previous fiscal year. As a result, the number of buildings sold in Replanning Business was 18 which is 25.2% 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 33 buildings sold, including large-scale projects, a 33.2% 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. Both net sales and income decreased compared with the same period of the previous fiscal year due to decrease in rent income from Hotel Business and advanced rent payment associated with the expansion of sub-leases business.

(3) In the Hotel Development Business, the development of HIYORI OCEAN RESORT OKINAWA (204 plots), our first condominium hotel in Onna Village, Okinawa Prefecture, has made steady progress. A total of 126 plots has been completed transfer and resulted in a significant increase both in sales and profits.

As of January, we have sold 14 plots and completed the delivery of a total of 140 plots. As for hotels under construction, we are preparing to open, paying full attention to measures against COVID-19.

As a result, net sales decreased 15.9% to 37,957 million yen from the same period of the previous fiscal year and segment profit decreased 38.4% to 9,271 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 December 2018	End of December 2019	End of December 2020
Number of Managing Buildings	377 buildings	391 buildings	404 buildings
Occupancy Rate	97.8%	98.4%	95.7%

(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. By working to solve these problems from a multi-faceted and long-term perspective, our Company's 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 0.2% to 2,562 million yen from the same period of the previous fiscal year and segment profit increased 1.1% to 1,664 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, we have 15 (2,092 rooms) operating hotels. Due to the outbreak of COVID-19 there was a sharp decline in the number of inbound tourists, closure of tourist facilities and events, the government's request to refrain not only from traveling on vacation, but also from business trips resulted 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.

(2) In the Conference Room Rental Business, we continue to refine our service quality through clients' point of view, work on increasing number of repeat clients and clients through referrals, taking measures against infectious diseases, the deployment of online facilities, custom-made offices, the launch of new services for flat-rate meeting rooms, responded quickly to new clients' needs, and seriously implemented cost-cutting measures. Due to the influence of the outbreak of the COVID-19 both net sales and profits declined compared with the previous fiscal year.

As a result, net sales in Operation Business as a whole decreased 45.0% to 2,383 million yen from the same period of the previous fiscal year and segment loss was 797 million yen compared with 178 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 both net sales and profits increased compared with the same period of the previous fiscal year.

(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 2020. Both net sales and profits increased significantly compared with the same period of the previous fiscal year because the portion delivered from January to September 2020 was recorded during the nine months ended December 31, 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 17.7% to 4,208 million yen from the same period of the previous fiscal year and segment profit increased 44.2% to 1,272 million yen from the same period of the previous fiscal year.

#### (2) Explanation regarding financial position

Total assets decreased 4.1% to 124,952 million yen as of December 31, 2020 compared to September 30, 2020. Liability decreased 15.6% to 55,295 million yen as of December 31, 2020 compared to September 30, 2020 and net assets increased to 7.5% to 69,656 million yen as of December 31, 2020 compared to September 30, 2020.

The main factors behind the decrease in total assets were a decrease of 12,305 million yen in real estate for sale in process and a decrease of 719 million yen in accrued consumption taxes and advance payments included in other current assets, while there was an increase of 1,232 million yen in cash and deposits and an increase of 6,291 million yen in real estate for sale.

The main reason for the decrease in liabilities was a decrease of 727 million yen in accounts payable, a decrease of 2,954 million yen in income taxes payable, a decrease of 1,689 yen in advances received included



in other current liabilities, and a decrease of 6,245 million yen in long-term borrowings, despite an increase of 1,303 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 4,059 million yen in profit attributable to owners of parent and an increase of 3,000 million 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 3.6 percentage points to 53.2% as of December 31, 2020 compared to September 30, 2020.

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

During the nine months ended December 31, 2020, both operating profit as well as ordinary profit exceeded the consolidated earnings forecasts and profit attributable to owners of parent has been performing well also. Currently there are no changes to the forecast figures announced on August 6, 2020, but we will swiftly announce when we decide revision is necessary depending on future progress.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Consolidated Balance Sheet

(Unit: million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and time deposits	18,627	19,860
Notes and accounts receivable – trade	891	1,234
Real estate for sale	9,426	15,718
Real estate for sale in process	81,703	69,398
Costs of uncompleted construction contracts	602	635
Supplies	33	23
Other	2,575	1,660
Allowance for doubtful accounts	(18)	(37)
<b>Total current assets</b>	<b>113,842</b>	<b>108,495</b>
Non-current assets		
Property, plant and equipment		
Buildings (net amount)	1,900	1,993
Land	6,821	6,821
Other (net amount)	1,692	1,651
<b>Total property, plant and equipment</b>	<b>10,413</b>	<b>10,465</b>
Intangible assets		
Goodwill	524	444
Other	188	155
<b>Total intangible assets</b>	<b>712</b>	<b>599</b>
Investments and other assets		
Guarantee deposits	3,856	3,946
Deferred tax assets	1,041	983
Other	426	467
Allowance for doubtful accounts	(1)	(4)
<b>Total investments and other assets</b>	<b>5,324</b>	<b>5,392</b>
<b>Total non-current assets</b>	<b>16,450</b>	<b>16,457</b>
<b>Total assets</b>	<b>130,293</b>	<b>124,952</b>

(Unit: million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,132	2,405
Short-term borrowings	478	80
Current portion of long-term borrowings	3,985	5,288
Income taxes payable	3,566	611
Provision for bonuses	215	107
Provision for bonuses for directors (and other officers)	80	41
Construction warrantee reserve	2	0
Provision for fulfillment of guarantees	50	74
Other	6,540	5,938
Total current liabilities	18,052	14,546
Non-current liabilities		
Long-term borrowings	44,906	38,660
Retirement benefit liability	11	11
Provision for share-based remuneration	40	52
Other	2,473	2,024
Total non-current liabilities	47,431	40,748
Total liabilities	65,483	55,295
<b>Net Assets</b>		
Shareholders' equity		
Share capital	11,965	11,965
Capital surplus	6,445	6,445
Retained Earnings	46,347	48,358
Treasury shares	(67)	(67)
Total shareholders' equity	64,690	66,701
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	2
Foreign currency translation adjustment	(73)	(202)
Total accumulated other comprehensive income	(69)	(199)
Share acquisition rights	11	16
Non-controlling interests	177	3,139
Total net assets	64,809	69,656
Total liabilities and net assets	130,293	124,952

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

(Unit: million yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Net sales	54,631	46,442
Cost of sales	35,498	34,021
Gross profit	19,132	12,421
Selling, general and administrative expenses	5,572	5,389
Operating profit	13,560	7,032
Non-operating income		
Interest income	34	34
Subsidy income	1	70
Penalty income	159	—
Other	36	21
Total non-operating income	231	126
Non-operating Expenses		
Interest expenses	337	371
Other	157	224
Total non-operating expenses	494	596
Ordinary profit	13,297	6,562
Extraordinary income		
Gain on sales of non-current assets	3	0
Total extraordinary income	3	0
Extraordinary loss		
Loss on sales of non-current assets	-	0
Loss on retirement of non-current assets	-	2
Loss on devaluation of memberships	-	6
Total extraordinary losses	-	9
Profit before income taxes	13,301	6,553
Income taxes - current	4,304	2,570
Income taxes - deferred	25	(44)
Total income taxes	4,329	2,526
Profit	8,971	4,027
Loss attributable to non-controlling interests	4	31
Profit attributable to owners of parent	8,976	4,059

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Profit	8,971	4,027
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(1)
Foreign currency translation adjustment	(39)	(136)
Total other comprehensive income	(39)	(137)
Comprehensive income	8,932	3,890
Comprehensive income attributable to		
Owners of parent	8,946	3,929
Non-controlling interests	(13)	(38)

(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 nine months ended December 31, 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 Consolidated Statement of Income (Note 3)
	Real Estate Revitalization Business	Real Estate Service Business	Operation Business	Subtotal				
Net Sales	45,131	2,566	4,335	52,034	3,574	55,608	(976)	54,631
Segment profit	15,061	1,646	178	16,885	882	17,767	(4,470)	13,297

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 117 million yen and deduction of 4,352 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 nine months ended December 31, 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 Consolidated Statement of Income (Note 3)
	Real Estate Revitalization Business	Real Estate Service Business	Operation Business	Subtotal				
Net Sales	37,957	2,562	2,383	42,903	4,208	47,112	(669)	46,442
Segment profit(loss)	9,271	1,664	(797)	10,138	1,272	11,410	(4,847)	6,562

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 171 million yen and deduction of 4,676 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(loss) 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.