

Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025

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 Stock listing: Tokyo Stock Exchange Prime Section
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 Scheduled date of dividend payment commencement: -
 Supplemental materials for the financial results: Yes
 Presentation to explain for the financial results: Yes (For institutional investors and analysts)

*Amounts are rounded down to millions of yen.

1. Consolidated Performance in the First Quarter of Fiscal Year Ending March 31, 2025

(1) Consolidated Operating Results

(indicate year on year changes)

	Net Sales		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2025/3 1Q	15,685	-15.0	2,834	-32.6	2,739	-34.5	1,878	-40.1
FY2024/3 1Q	18,452	-19.4	4,206	-36.9	4,184	-37.4	3,134	-33.2

(Note) Comprehensive income: FY2025/3 1Q : 2,274 millions of yen (-28.2%)

FY2024/3 1Q : 3,168 millions of yen (-35.8%)

	Earnings per Share	Fully Diluted Earnings per Share
	¥	¥
FY2025/3 1Q	38.68	34.13
FY2024/3 1Q	64.60	64.54

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	¥ million	¥ million	%
FY2025/3 1Q	193,546	95,133	47.1
FY2024/3	188,661	94,416	48.0

(Reference) Equity: FY2025/3 1Q : 91,198 millions of yen

FY2024/3 : 90,519 millions of yen

2. Cash Dividends

	Cash Dividends per Share (yen)				
	1 st quarter end	2 nd quarter end	3 rd quarter end	Year end	Annual Total
	¥	¥	¥	¥	¥
FY2024/3		26.00		32.00	58.00
FY2025/3					
FY2025/3 (Forecast)		33.00		33.00	66.00

(Note) Changes from the latest released dividend forecast: No

3.Forecast for Consolidated Financial Results for FY2025/3 (April 1, 2024 to March 31, 2025)

(indicate year on year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		EPS (yen)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	100,000	25.2	20,870	18.6	20,000	15.1	14,000	17.5	288.35

(Note) Changes from the latest forecast: No

※ Notes

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

New companies: -

Excluded companies: -

(2) Adaption of special accounting practices in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, estimates and retrospective restatement

1) Changes in accounting policies due to changes in accounting standard: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock):	FY2025/3 1Q	48,755,500 shares	FY2024/3	48,755,500 shares
2) Number of shares of treasury stock at the end of the period:	FY2025/3 1Q	203,208 shares	FY2024/3	203,208 shares
3) Average number of shares for the period (April 1, 2024 to June 30, 2024):	FY2025/3 1Q	48,552,292 shares	FY2024/3 1Q	48,517,865 shares

(Note) The increase in the number of shares of treasury stock at the end of the first quarter in FY2024/3 from the end of FY2023/3 is due to the free transfer of 533 shares of restricted stock as remuneration held by the former employees, who resigned themselves during their terms in this period.

※ Consolidated Financial Results reviewed by Certified public accountants or auditors: None

※ Explanation for appropriate use of forecast and other special matters

Earnings per share in the forecast of consolidated financial results for FY2025/3 is calculated based on the average number of shares for the period, 48,552,292 shares.

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by the Company as well as certain assumptions deemed rational. It does not mean that the Company assures that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance may be significantly different from such expectations due to various factors. For further information on assumptions used in forecasts, please see Page 8, (3) Explanation of Forward-Looking Statements such as Consolidated Earnings Forecasts.

Accompanying Materials

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1. Qualitative Information on Quarterly Financial Results

(1) Management's discussion

Forward-looking statements in the text are based on the judgment of our group as of the end of this quarter.

During the first quarter ended June 30, 2024 (hereinafter referred to as the current period under review), the Japanese economy continued to recover moderately as prices continued to rise. In addition, monetary policy has shifted to a normal state due to the termination of negative interest rates by the Bank of Japan. At present, the financial market is in turmoil due to the Bank of Japan's policy interest rate hike, and the outlook is uncertain. In the global economy, while there are concerns about a slowdown in the Chinese economy, the U.S. economy has begun to show a slowdown in inflation, and a soft landing due to a reduction in the policy interest rate is expected.

In the real estate market, the average rent in the Tokyo business area (central 5 wards/Chiyoda, Chuo, Minato, Shinjuku, and Shibuya) bottomed out in November 2023 (unit price of 19,726 yen/tsubo) after a 40-month consecutive decline and is currently rising to 19,979 yen (in June 2024). The average vacancy rate, after peaking at 6.48% in June 2023, generally continued to improve, and improved 1.33%pt to 5.15% in June 2024 (according to a survey by a private research institution). In addition to the decline in new supply of office buildings in 2024 from 2023, demand is recovering as the importance of offices is reaffirmed, and expectations for further rent increases and lower vacancy rates are increasing. In addition to these market conditions, the outlook for a decline in interest rates in the United States suggests that overseas investors' stance on investing in offices is likely to turn to buying again in the near future. Demand for investment in hotels is also expected to remain strong due to the impact of the expansion of tourism demand resulting from the increase in foreign visitors to Japan.

In this business environment, our Group has been promoting our business while continuing to closely monitor interest rate trends and geopolitical risks both domestically and overseas. In Real Estate Revitalization Business, our core business, both sales and profits increased as the number of sales increased year on year and the profit margin remained at a high level. Real Estate Service Business continued to perform well. In Hotel Operation Business, sales and profits both grew significantly, supported by strong inbound demand. On the other hand, due to a reaction to the sale of 1 hotel in Hotel Development Business in the same period of the previous fiscal year, both net sales and profits decreased in the hotel and tourism business and in the consolidated results for the current period under review.

As a result of the above, for the fiscal year under review, net sales were 15,685 million yen (down 15.0% year on year), operating income was 2,834 million yen (down 32.6%), ordinary income was 2,739 million yen (down 34.5%), and net income attributable to owners of parent was 1,878 million yen (down 40.1%).

The results of each segment are as follows.

(Real Estate Revitalization Business)

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

(1) In Replanning Business, the Group provides one-stop real estate services covering everything from the purchase of buildings to revitalization and utilization planning, construction work, attracting tenants, delinquent rent guarantee services, management, and subsequent building management. During the current period under review, we made progress as planned in meeting our annual purchase target of 55 billion yen through collaboration among the divisions in the Office Business and the strengthening of our purchasing system. In commercialization, we reflect the true needs of customers on the front lines in our products and increase the value of our products to high-value-added properties. In property sales, the number of properties sold increased by 1 compared with the same period of the previous fiscal year to 6 properties. Segment profit margin also remained at a high level of 30% and progressed as planned. We

will continue to leverage our leasing capabilities based on close ties with community to sell high occupancy, high value-added real estate to both domestic and overseas investors. We also continued to focus on purchasing and selling our apartment replanning business, which we are developing in New York, and purchased 2 properties during the current period under review. In the real estate specific joint venture, we made 2 purchases during the current period under review. Of these, Compass Oyama (licensed nursery school) is scheduled to be sold out during the second quarter following its first formation on July 31. In the current period under review, both net sales and profits increased year on year.

- (2) In Rental Building Business, the Group aims to build a stable earnings base as a stock business. While expanding the number of rental buildings in Replanning Business, the Group is working to increase rental income over the medium to long term while leveraging the operational capabilities accumulated in the real estate services division. Although net sales increased year on year due to a decline in vacancy rates resulting from leasing activities in addition to progress in purchasing properties, profit decreased due to construction costs and other expenses incurred in existing buildings that are now being commercialized.

As a result of the above, net sales for Real Estate Revitalization Business was 8,711 million yen (down 13.2% year on year), and segment income was 2,348 million yen (up 14.7%).

(Real Estate Service Business)

In Real Estate Service Business, we are engaged in (1) Property Management Business, (2) Building Maintenance Business, (3) Sales Brokerage Business, (4) Leasing Brokerage Business, (5) Rental Conference Room Business, and (6) Rent Guarantee Business.

- (1) In Property Management Business, we aim to increase tenant satisfaction by managing buildings in line with needs. At the same time, we are working with the leasing brokerage division to attract tenants and to revise the terms and conditions for appropriate rents. In this way, we are supporting high-occupancy and high-profit building management that meets the needs of building owners. In the current period under review, the number of entrusted buildings increased by 42 compared with the same period of the previous fiscal year, and we achieved the target of 500 entrusted buildings as of the end of the fiscal year ending March 2025, the final year of the current medium-term management plan, ahead of schedule. In addition, both net sales and income increased, partly because the occupancy rate improved year on year for the same 2.69%pt.

	End of June 2022	End of June 2023	End of June 2024
Number of Entrusted Buildings	440 buildings	464 buildings	506 buildings
Utilization rate	91.77%	90.81%	93.50%

- (2) In Building Maintenance Business, the Group conducts inspections, cleaning, renovation work, and surveys to maintain and manage buildings under the slogan "making Tokyo the world's most beautiful district." We are collaborating with the various divisions of the Office Business, leveraging our strengths in glass cleaning, exterior wall cleaning, and exterior wall repair. In the current period under review, net sales increased year on year due to an increase in the number of buildings under management in collaboration with other departments. On the other hand, profits declined due to higher material prices and higher personnel costs.

- (3) In Brokerage Business, as part of real estate consulting, we are working to respond quickly to inquiries from customers in other divisions, including Property Management Business and Leasing Brokerage Business. The Office business is working together to expand the customer base to meet the building owners' management needs, and based on the trust we have accumulated, we are leading to the conclusion of sales brokerage transactions. In the current period under review, although net sales increased due in

part to an increase in the number of external brokerage transactions, profits were on a par with the same period of the previous fiscal year.

- (4) In Leasing Brokerage Business, we have built a service network of 12 offices in major urban areas. By utilizing the needs and changes of tenants that were quickly obtained at leasing sites in research and proposals for the optimal use of office spaces, we are able to create new value from the customer's perspective in the product planning of Replanning Business. In the sub-leasing business, we are working to acquire new contracts in order to resolve each problem for building owners. We will continue to work closely with our customers to provide services as a familiar consultation service and contribute to local communities. In the fiscal year under review, both net sales and profits were on a par with the same period of the previous fiscal year.
- (5) In Rental Conference Room Business, an increasing number of companies resumed collective training and demand for rental conference rooms increased. As a result, repeat demand also increased along with new usage through services that respond to customer requests. During the current period under review, we expanded the floor space of its 3 bases in Vision Center Tamachi, Vision Center Shinjuku Mines Tower, and Vision Center Ichigaya. The size of its operations was 15 bases, increasing by 922 tsubo from the end of March to 7,403 tsubo. We will continue to accelerate the expansion of our sites, mainly in central Tokyo. In the current period under review, both net sales and profits increased significantly year on year due to orders for long-term projects and large-scale projects from repeat customers, as well as the start of operations at 3 sites with increased floor space.
- (6) In Rent Guarantee Business, we provide TRI-WINS, a rent guarantee service that is closely aligned with building owners, throughout the process of investigating occupancy, screening, guaranteeing delinquent payments, building surrender lawsuits, and vacating at offices and stores. Compared to general rental guarantees, this service covers a broader range of services. It is a "3-way good" = Win-Win-Win service that solves the risks and issues faced by both building owners and tenants and contributes to the Japanese economy's growth and social stability. In the current period under review, both net sales and income increased year on year due to steady performance resulting from an increase in the number of new contracts for credit guarantees, our main business.
In July, SF Building Support Co., Ltd., our consolidated subsidiary engaged in this business, entered into a partnership agreement with OMISE CRAFT, a restaurant opening support service, in order to support the opening of small and medium-sized restaurants and to contribute to the growth and stability of the restaurant market. We will contribute to the promotion of restaurant openings by providing TRI-WINS to OMISE CRAFT users, and we will work to help grow the Japanese economy.

As a result, net sales for Real Estate Services Business was 3,119 million yen (up 17.1% year on year), and segment income was 1,696 million yen (up 9.4%).

(Hotel and Tourism Business)

In the Hotel and Tourism Business, we are engaged in (1) Hotel Development Business and (2) Hotel Operation Business.

- (1) In Hotel Development business, both net sales and income decreased year on year due to the absence of property sales during the current period. In addition to the funds collected from the sale of hotels, the Company will utilize the funds procured through the issuance of convertible bonds, which were paid in on October 6, 2023, to expand its business by reinvesting in M&A and development centered on the "Tabino Hotel" brand in the future. Currently, we are planning to open 12 hotels with 1,678 rooms in Japan, for a total of 39 hotels and 4,801 rooms in total.

(2) In Hotel Management Business, we currently operate a total of 27 hotels (3,123 rooms). We will continue to focus on creating enthusiastic fans through our staff's warm service under the theme of "heartwarming and fun hotel." In the current period under review, in addition to the effects of inbound tourism due to the weak yen, occupancy rates and average price per room continued to increase based on our group's high value-added strategy. As a result, both sales and profits increased substantially year on year.

In July, Oriental Hills Okinawa joined our group through M&A. The hotel is located in Onna Village, Okinawa Prefecture, and is an all-suite villa consisting of 14 cottage-type buildings. All buildings have one of the largest private pools in Japan, and the meals are local ingredients, which have been highly regarded as an auberge tailored to customer preferences. We will continue to further grow the attractiveness of this hotel and develop attractive hotel and tourism businesses throughout the country by providing luxury hotel services.

As a result of the above, net sales for Hotel and Tourism Business was 3,681 million yen (down 54.2% year on year), and segment income was 845 million yen (down 68.0% year on year).

(Other Business)

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

(1) In Overseas Development Business, the Group has expanded into Da Nang City, the largest city in central Vietnam, where growth is expected, and is developing businesses such as condominium development. We acquired land for development in October 2023, and construction is scheduled to begin in August this year. We will continue to contribute to the development of local communities by providing high-quality housing using Japan's advanced construction technologies. In the current period under review, both sales and profits declined.

(2) In Construction Business, the Group conducts renovation planning, repair and renovation work, interior finishing work, and telecommunications work for commercial buildings. In the current period under review, both net sales and profits increased year on year due to progress in construction at Group companies.

As a result of the above, overall sales in Others were 481 million yen (up 30.6% year on year) and segment profit was 157 million yen (up 371.5%).

Major initiatives during the current period under review were as follows.

Our group aims to solve social issues through our business and promotes sustainability management by defining 3 key issues (materiality): "environmental protection," "regional revitalization," and "human resource development." As part of these efforts, we have established targets for the reduction of greenhouse gas emissions in our group. Our goal is to reduce greenhouse gas emissions in Scope1 and Scope2 by 22% (2.7% reduction annually) by fiscal 2030 and to make them carbon neutral by fiscal 2050, based on fiscal 2022 as the base year for our group-wide greenhouse gas emissions. We will continue to further promote various specific measures to realize a carbon-free society.

(2) Explanation of Financial Position

Total assets at the end of the fiscal year under review were 193,546 million yen (up 2.6% compared with the end of the previous fiscal year), liabilities were 98,413 million yen (up 4.4%), and net assets were 95,133 million yen (up 0.8%).

The increase in total assets was mainly due to an increase of 6,350 million yen in real estate for sale and an increase of 5,969 million yen in real estate for sale in progress, despite a decrease of 7,550 million yen in cash and deposits.

The increase in liabilities was mainly due to an increase in short-term loans payable of 1,124 million yen and an increase in long-term loans payable of 8,640 million yen, despite a decrease in current portion of long-term loans payable of 4,628 million yen and a decrease in income taxes payable of 1,851 million yen.

The main factor for the increase in net assets was an increase of 1,878 million yen in quarterly net income attributable to owners of the parent, despite an increase of 1,553 million yen in year-end dividends paid and other factors.

The equity ratio was 47.1% (down 0.9% points).

(3) Explanation of Forward-Looking Statements such as Consolidated Earnings Forecasts

The forecasts announced on May 10, 2024 are unchanged for the year ending March 31, 2025.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	End of the previous fiscal year (As of March 31, 2024)	End of the 1st quarter of the fiscal year under review (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	47,867	40,317
Notes, accounts receivable and contract assets	2,138	2,062
Real estate for sale	11,632	17,983
Real estate in process for sale	95,081	101,050
Costs of uncompleted construction Contracts.	50	77
Supplies	104	102
Others	2,680	2,184
Allowance for doubtful accounts	-38	-40
Total current assets	159,518	163,738
Non-current assets		
Property, plant and equipment		
Buildings (net amount)	10,038	9,969
Land	11,029	11,027
Other (net amount)	1,254	1,666
Total property, plant and equipment	22,323	22,662
Intangible assets		
Goodwill	579	544
Others	614	605
Total intangible assets	1,193	1,150
Investments and other assets		
Guarantee deposits	3,523	3,972
Deferred tax assets	1,644	1,569
Others	470	465
Allowance for doubtful accounts	-13	-12
Total investments and other assets	5,626	5,994
Total non-current assets	29,143	29,807
Total assets	188,661	193,546

(Millions of yen)

	End of the previous fiscal year (As of March 31, 2024)	End of the 1st quarter of the fiscal year under review (As of June 30, 2024)
Liabilities		
Current liabilities		
Accounts payable	2,810	2,951
Short-term borrowings	62	1,186
Current portion of long-term loans payable	12,207	7,579
Income taxes payable	2,967	1,116
Provision for bonuses	279	161
Provision for directors' bonuses	80	20
Reserves for guarantee performance	44	41
Others	6,314	6,907
Total current liabilities	24,767	19,962
Long-term liabilities		
Corporate bonds	9,999	9,999
Long-term debt	57,272	65,913
Provision for stock benefits	97	100
Others	2,107	2,437
Total non-current liabilities	69,477	78,450
Total liabilities	94,244	98,413
Net assets		
Shareholders' equity		
Common stock	11,965	11,965
Capital surplus	6,433	6,433
Retained earnings	71,725	72,045
Treasury stock	-233	-233
Total shareholders' equity	89,889	90,210
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	2	2
Foreign currency translation adjustment	626	986
Total other accumulated comprehensive income	629	988
Stock acquisition right	30	30
Non-controlling shareholders' equity	3,867	3,904
Total net assets	94,416	95,133
Total liabilities and net assets	188,661	193,546

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statement of Income
The first quarter consolidated cumulative accounting period

(Millions of yen)

	The 1st quarter of the previous fiscal year (April 1, 2023 to June 30, 2023)	The 1st quarter of the fiscal year under review (April 1, 2024 to June 30, 2024)
Net sales	18,452	15,685
Cost of sales	12,146	10,491
Gross profit	6,306	5,194
Selling, general and administrative expenses	2,099	2,359
Operating income	4,206	2,834
Non-operating income		
Interest and dividend income	21	8
Foreign exchange gain	78	52
Others	25	27
Total non-operating income	125	88
Non-operating expenses		
Interest expenses	128	181
Others	18	2
Total non-operating expenses	147	183
Ordinary profit	4,184	2,739
Extraordinary income		
Government subsidy	-	200
Total extraordinary income	-	200
Extraordinary loss		
Loss on reduction of non-current assets	-	200
Loss on retirement of non-current assets	23	-
Total extraordinary losses	23	200
Profit before income taxes	4,161	2,739
Income taxes-current	524	792
Income taxes-deferred	503	70
Total income taxes	1,028	863
Profit	3,132	1,876
Loss attributable to non-controlling interests	-1	-1
Profit attributable to owners of parent	3,134	1,878

Quarterly Consolidated Statements of Comprehensive Income
The first quarter consolidated cumulative accounting period

(Millions of yen)

	The 1st quarter of the previous fiscal year (April 1, 2023 to June 30, 2023)	The 1st quarter of the fiscal year under review (April 1, 2024 to June 30, 2024)
Net profit	3,132	1,876
Other comprehensive income		
Valuation difference on available-for-sale securities	0	-0
Foreign currency translation adjustment	35	398
Total other comprehensive income	35	398
Quarterly comprehensive income	3,168	2,274
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of parent	3,169	2,237
Quarterly comprehensive income attributable to non-controlling interests	-0	37

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

I The Previous 1st Quarter (From April 1, 2023 to June 30, 2023)

1.Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
Board of Directors held on May 16, 2023	Common stock	1,216	25.00	March 31, 2023	June 28, 2023	Retained earnings

(Note) The total amount of cash dividends declared by resolution of the Board of Directors on May 16, 2023 includes 3 million yen of cash dividends paid to the Company's shares held by the trust account of the Board Benefit Trust (J-ESOP).

2.Dividends for which the record date belongs to the first quarter of the current fiscal year, and for which the effective date falls after the end of the first quarter of the current fiscal year

Not applicable.

II The First Quarter (From April 1, 2024 to June 30, 2024)

1.Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
Board of Directors held on May 21, 2024	Common stock	1,553	32.00	March 31, 2024	June 26, 2024	Retained earnings

(Note) 1 The total amount of cash dividends declared by resolution of the Board of Directors on May 21, 2024 includes 4 million yen of cash dividends paid to the Company's shares held by the trust account of the Board Benefit Trust (J-ESOP).

2 Dividends per share include a commemorative dividend of 2 yen to commemorate the 25th anniversary of the Company's founding.

2.Dividends for which the record date belongs to the first quarter of the current fiscal year, and for which the effective date falls after the end of the first quarter of the current fiscal year

Not applicable.

(Segment Information)

[Segment Information]

I The Previous 1st Quarter (From April 1, 2023 to June 30, 2023)

1.Information on net sales and income (loss) by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable Segments				Other (Note)1	Total
	Real estate revitalization	Real estate services	Hotels and tourism	Total		
Net sales						
Revenue from contracts with customers	7,089	2,039	7,985	17,115	368	17,484
Other income (Note 2)	598	337	32	968	-	968
Sales to customers	7,688	2,377	8,018	18,084	368	18,452
Intersegment sales	4	287	11	303	0	303
Total	7,693	2,665	8,029	18,388	368	18,756
Segment profit	2,047	1,551	2,638	6,237	33	6,270

(Note) 1. The "Other" is a business segment that is not included in reportable segments, including overseas development and construction businesses.

2. Other income consists of rental income in accordance with ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

2.The Difference between the total amount of income (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, as well as the main details of said difference (matters related to difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segments total	6,237
Profit of "Others" category	33
Elimination of inter-segment transactions	-11
Corporate expenses (Note)	-2,074
Ordinary income on the quarterly consolidated statements of income	4,184

(Note) Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

3.Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

II The First Quarter (From April 1, 2024 to June 30, 2024)

1.Information on net sales and income (loss) by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable Segments				Others (Note)1	Total
	Real estate revitalization	Real estate services	Hotels and tourism	Total		
Net sales						
Revenue from contracts with customers	7,300	2,518	3,586	13,404	462	13,867
Other income (Note 2)	1,411	331	75	1,818	-	1,818
Sales to customers	8,711	2,849	3,661	15,223	462	15,685
Intersegment sales	0	269	19	289	18	308
Total	8,711	3,119	3,681	15,512	481	15,994
Segment profit	2,348	1,696	845	4,890	157	5,047

(Note) 1 "Others" is a business segment that is not included in reportable segments, including overseas development and construction businesses.

2 Other income consists of rental income in accordance with ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

2.Difference between the total amount of income (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, as well as the main details of said difference (matters related to difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segments total	4,890
Profit of "Others" category	157
Elimination of inter-segment transactions	-36
Corporate expenses (Note)	-2,270
Ordinary income on the quarterly consolidated statements of income	2,739

(Note) Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

3.Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

(Notes to Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation expense (including amortization of inventories in lease and amortization of intangible assets excluding goodwill) and amortization of goodwill related to the first quarter of the fiscal year are as follows:

	The 1st quarter of previous fiscal year (April ,1 2023 to June 30, 2023)	The 1st quarter of fiscal year under review (April 1, 2024 to June 30, 2024)
Depreciation and amortization	477 millions of yen	577 millions of yen
Amortization of goodwill	16 millions of yen	35 millions of yen