

# Consolidated Financial Results for the Second Quarter (Interim) of Fiscal Year Ending March 31, 2025

November 7, 2024 released

Company name: Sun Frontier Fudousan Co., Ltd.  
 Stock listing: Tokyo Stock Exchange Prime Section  
 Code number: 8934  
 URL: <https://www.sunfirt.co.jp/en/>  
 Representative: Seiichi Saito, President  
 Inquiries: Takeshi Hirahara, Senior Executive Officer, General Manager of Corporate Planning Department  
 (Phone: +81-3-5521-1301)

Scheduled date of interim securities report submission: November 8, 2024

Scheduled date of dividend payment commencement: December 3, 2024

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 Second Quarter (Interim) 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 interim	36,786	-24.9	6,703	-44.2	6,350	-46.8	4,422	-47.7
FY2024/3 interim	48,998	38.7	12,022	49.4	11,944	48.7	8,463	57.7

(Note) Comprehensive income: FY2025/3 interim : 5,161 millions of yen (-42.9%)

FY2024/3 interim : 9,032 millions of yen (52.0%)

	Earnings per Share	Fully Diluted Earnings per Share
	¥	¥
FY2025/3 interim	91.07	80.34
FY2024/3 interim	174.39	174.22

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	¥ million	¥ million	%
FY2025/3 interim	199,224	97,872	47.2
FY2024/3	188,661	94,416	48.0

(Reference) Equity: FY2025/3 interim : 94,118 millions of yen

FY2024/3 : 90,519 millions of yen

## 2. Cash Dividends

	Cash Dividends per Share (yen)				
	1 <sup>st</sup> quarter end	2 <sup>nd</sup> quarter end	3 <sup>rd</sup> quarter end	Year end	Annual Total
	¥	¥	¥	¥	¥
FY2024/3		26.00		32.00	58.00
FY2025/3		33.00			
FY2025/3 (Forecast)				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	288.28

(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): Yes

New companies: 4 companies. Sun Frontier Asset Management Inc., Oriental Resort Associates.inc

Excluded companies: -

(Note) During this interim of FY2025/3, the company established Sun Frontier Asset Management Inc.. and other 2 companies, and acquired the shares of Oriental Resort Associates.inc, which included in the scope of consolidation. In addition, the deemed acquisition date of acquiring Oriental Resort Associates.inc was on the end of this quarter, so only the balance sheet is consolidated.

(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 2Q	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 2Q	172,616 shares	FY2024/3	203,208 shares
3) Average number of shares for the period (interim):	FY2025/3 2Q	48,563,573 shares	FY2024/3 2Q	48,530,650 shares

(Note) The number of shares of treasury stock at the end of the interim in FY2025/3 is due to the free transfer of 1,051 shares of restricted stock as remuneration held by the former employees resigned during their terms in this period and 31,643 treasury shares deducting disposed of as remuneration of restricted stock.

※ Consolidated Financial Results is not eligible for review by Certified Public Accountants or auditors.

※ Explanation for appropriate use of forecast and other special matters

Earnings per share in the forecast of consolidated financial results for FY2025/3 are calculated based on the average number of shares for the period, 48,563,573 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 assurances 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 9, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements.

## Accompanying Materials

### Contents

Accompanying Materials .....	3
1. Qualitative Information on Interim Financial Results .....	4
(1) Management's discussion .....	4
(2) Explanation of Financial Position .....	9
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements .....	9
2. Interim Consolidated Financial Statements and Main Notes .....	10
(1) Interim consolidated balance sheets .....	10
(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income .....	12
Interim Consolidated Income Statement .....	12
Consolidated Statements of Comprehensive Income .....	13
(3) Notes to Interim Consolidated Financial Statements .....	14
(Notes on the Going Concern Assumption) .....	14
(Notes on Substantial Changes in the Amount of Shareholders' Equity) .....	14
(Segment Information) .....	15
(Revenue Recognition) .....	16

## 1. Qualitative Information on Interim 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 the current interim consolidated accounting period.

During the Interim of the consolidated cumulative period (hereinafter referred to as the current period under review), the Japanese economy remained generally stable, despite the Bank of Japan's termination of a negative interest rate policy and an additional interest rate hike, partly because the pace of interest rate hikes was expected to be moderate. The global economy is expected to see sustained economic growth in the United States and revitalized economic activity in Europe due to interest rate reductions in both regions. On the other hand, there are concerns about a slowdown in economic growth due to the slowdown in the Chinese economy and the impact of geopolitical risks in the Middle East and Ukraine.

In the real estate market, new supply of office buildings began to decline, and the return to offices also progressed. Rent increases and vacancy rates continued to improve. Demand for shared offices and co-working spaces is also increasing, and the operating style of office buildings is diversifying. In the real estate investment market, although the Bank of Japan has raised its policy interest rate, Japanese real estate prices remain at a more affordable level than those in Europe and the United States, and the strong investment appetite of high net worth individuals and institutional investors, particularly from Asia, continues. In the hotel and tourism market, occupancy rates and accommodation charges at accommodation facilities are increasing due to growth in domestic travel and inbound demand, while the effects of labor shortages and over-tourism are becoming apparent.

In this business environment, our Group's office building business focuses on commercializing real estate that meets social value, such as office buildings that can accommodate diverse operating styles or office buildings that have acquired environmental certification. Although the rate of progress in property sales has remained in the 30% range, property sales for the current fiscal year are generally in line with the plan due to the concentration in the second half of the fiscal year. We will also make progress in purchasing properties as planned, and will promote property purchasing activities while keeping an eye on changes in the market for the sustainable growth of our group. In addition, in the hotel and tourism business, although property sales are planned for the second half of the fiscal year, the acquisition of land for hotel development and the progress of construction work are steady. Hotel operations also saw significant increases in occupancy rates and average price per room, as a result of hospitality and strengthened marketing.

(Millions of yen)

	FY2024/3 2Q	FY2025/3 2Q	Change	Forecast	Progress
Net sales	48,998	36,786	-24.9%	100,000	36.8%
Gross profit	16,357	11,520	-29.6%	31,000	37.2%
Operating income	12,022	6,703	-44.2%	20,870	32.1%
Ordinary income	11,944	6,350	-46.8%	20,000	31.8%
Profit attributable to owners of parent	8,463	4,422	-47.7%	14,000	31.6%

Results by business segment were as follows.

#### Real Estate Revitalization Business

In the real estate revitalization business, we are engaged in ① the Replanning Business and ② the Rental Building Business.

① In the Replanning Business, the occupancy rate declines, and we renovate buildings that require repairs and improved designs from a customer-centric perspective. In this way, we aim to increase the value of high occupancy and high-value-added buildings. In the New York business, the Group conducts real estate revitalization business in New York City, aiming to enhance the quality of life for local residents and providing real estate investment opportunities to investors in Japan. The Real Estate Specified Joint Venture provides small-lot products that enable easy and secure asset management by carefully selecting prime real estate properties in urban areas and making them small lots.

In the current period under review, the number of properties sold was 14 (including one small-lot product), consistent with the same period of the previous fiscal year. However, both net sales and profits decreased due to the relatively modest scale of the properties year on year. Property sales for the current fiscal year are concentrated in the second half of the fiscal year. Including property sales, which are currently contracted and are scheduled to be settled during the current fiscal year, the progress rate against the full-year forecast has been steady, exceeding 50%.

② In the Rental Building Business, the Group aims to build a stable earnings base as a stock business. Among the commercialization of properties in the replanning business, the Group is working to increase rental income by leveraging the know-how accumulated in the real estate services business.

In the current period under review, net sales increased year on year due to progress in purchasing properties and a decline in vacancy rates resulting from leasing activities. However, profits declined due to construction costs and other expenses.

#### <Results of Real Estate Revitalization Business>

(Millions of yen)

	FY2024/3 2Q	FY2025/3 2Q	Change	Forecast	Progress
<b>Net sales</b>	<b>31,984</b>	<b>22,344</b>	<b>-30.1%</b>	<b>69,800</b>	<b>32.0%</b>
Replanning Business	30,728	20,987	-31.7%	67,000	31.3%
Rental Building Business	1,256	1,357	+8.1%	2,800	48.5%
<b>Gross profit</b>	<b>10,161</b>	<b>6,684</b>	<b>-34.2%</b>	<b>21,230</b>	<b>31.5%</b>
Replanning Business	9,873	6,501	-34.2%	20,600	31.6%
Rental Building Business	287	182	-36.4%	630	28.9%
<b>Segment profit</b>	<b>9,543</b>	<b>6,049</b>	<b>-36.6%</b>	-	-
Replanning Business	9,256	5,866	-36.6%	-	-
Rental Building Business	287	182	-36.4%	-	-

#### (Real Estate Services)

The Real Estate Services segment engages 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 strive to improve the profitability of owner-occupied properties and maximize real estate value by building management that reflects the needs of tenants, thereby supporting high occupancy and highly profitable building management.

During the current period under review, the number of buildings contracted increased by 44 units year on year to 522 units. The occupancy rate was 93.09%, and both net sales and income increased due in part to a 0.22%pt

improvement compared with the same period of the previous fiscal year. The number of buildings under contract is expected to increase to 540 during the current fiscal year, ahead of the fiscal year-end target of the current medium-term management plan of 500 buildings.

- ② In Building Maintenance Business, the Group conducts inspections, cleaning, renovation work, surveys, and other projects to maintain and manage buildings under the slogan "Making Tokyo the world's most beautiful district." In the current period under review, both net sales and profits increased year on year due to an increase in the number of buildings under management in collaboration with various divisions within the Group. While continuing to pursue appropriate management fees, we will continue to grow our business results.
- ③ As part of its real estate consulting services, Sales Brokerage Business segment provides services for prompt resolution of problems such as property sales and purchases from customers in each division, including Property Management and Leasing Brokerage Businesses.  
During the current period under review, interest rate differentials between Japan and overseas resulted in strong willingness of investors, primarily in Asia, to invest in Japanese real estate. As a result, the performance of overseas subsidiaries that attract overseas investors to Japan was favorable, and both net sales and profits increased year on year. We expect strong results to continue as investors in the region continue their strong appetite for real estate investment.
- ④ In Leasing Brokerage Business, we have built a service network of 12 offices in major areas of central Tokyo. We provide support for tenant openings and relocations, while solving all kinds of problems related to building management in line with the requests of building owners.  
In the current period under review, sales and profits were in line with the same period of the previous fiscal year, reflecting a recovery trend in the office market. We expect the number of brokerage deals to increase on a full-year basis as the office leasing market improves further due to the return of offices and other factors.
- ⑤ Retail Conference Room Business operates 18 sites in the Tokyo metropolitan area and leases spaces for a variety of uses, including training, seminars, exhibitions, testing sites, and parties.  
During the current period under review, we opened 3 new sites and expanded the floor space of 3 sites, bringing the total size of operations to 18 sites and to 9,711 tsubo. We expect to achieve our full-year target of 10 thousand tsubo ahead of schedule. Although net sales increased year-over-year due to an increase in orders for long-term and large-scale events from repeat customers, profits decreased due to the recording of new opening costs for large-scale bases. In the current fiscal year, we will continue to consider opening new locations and expanding the floor space of existing locations, and, based on our policy of "not just selling rooms, but ensuring the success of events", we will work to increase profitability in the overall business by increasing floor space in the current fiscal year and achieving profitability at new locations opened.
- ⑥ Rent Guarantee Business provides TRI-WINS, a rent guarantee service that covers a wide range of areas, including occupancy surveys, examination, delinquency guarantees, building surrender lawsuits, and vacating, in offices and stores. The business endeavors to resolve the risks and issues faced by both owners and tenants and to contribute to economic growth and social stability.  
In the current period under review, both net sales and profits increased year on year due to the steady performance of the Company as a result of an increase in the number of new contracts for credit guarantees, the Company's main business.

<Results of Real Estate Services Business>

(Millions of yen)

	FY2024/3 2Q	FY2025/3 2Q	Change	Forecast	Progress
<b>Net sales</b>	<b>5,172</b>	<b>5,954</b>	<b>+15.1%</b>	<b>11,650</b>	<b>51.1%</b>
<b>Gross profit</b>	<b>2,914</b>	<b>2,949</b>	<b>+1.2%</b>	<b>6,300</b>	<b>46.8%</b>
<b>Segment profit</b>	<b>2,902</b>	<b>2,940</b>	<b>+1.3%</b>	-	-

(Hotels and Tourism)

In Hotel and Tourism Business, the Group conducts ① Hotel Development Business and ② Hotel Management Business.

① Hotel Development Business is engaged in the development and revitalization of highly attractive hotels that lead to the revitalization of the city and society.

In the current period under review, both net sales and profits decreased due to a reaction to the sale of 1 hotel, which was in the same period of the previous fiscal year. Meanwhile, development plans, including the start of construction, are progressing steadily, including the conclusion of a basic agreement for the opening of a new hotel with Rokkasho Village in Aomori Prefecture. The number of hotels under construction and planning increased by 479 rooms for 2 hotels from the first quarter, bringing the total to 2,117 rooms for 15 hotels.

② Hotel Management Business values the culture and history of the region, and while operating hotels that develop together with the region, provides naturally friendly services under the theme of "Heartwarming and fun hotel."

In the current period under review, the number of hotels currently in operation is 3,144 rooms for 28 hotels. Both net sales and profits increased significantly year-on-year as a result of expanding inbound demand and continued increases in occupancy rates and average price per room based on our group's high value-added strategy. In July, Oriental Hills Okinawa joined our group through M&A, and in September, Hiyori Stay Kyoto Kamogawa opened as planned, contributing to future results. We expect that our group hotels will continue to perform well in the future, coupled with increased tourism demand and the results of improved operational efficiency and marketing through system utilization.

<Hotel and Tourism Business Results>

(Millions of yen)

	FY2024/3 2Q	FY2025/3 2Q	Change	Forecast	Progress
<b>Net sales</b>	<b>11,329</b>	<b>8,216</b>	<b>-27.5%</b>	<b>17,430</b>	<b>47.1%</b>
Hotel Development Business	5,270	272	-94.8%	3,000	9.1%
Hotel Management Business, etc.	6,059	7,943	+31.1%	14,430	55.1%
<b>Gross profit</b>	<b>3,432</b>	<b>2,101</b>	<b>-38.8%</b>	<b>3,840</b>	<b>54.7%</b>
Hotel Development Business	2,200	107	-95.1%	1,100	9.7%
Hotel Management Business, etc.	1,232	1,994	+61.8%	2,740	72.8%
<b>Segment profit</b>	<b>3,397</b>	<b>2,005</b>	<b>-41.0%</b>	-	-
Hotel Development Business	2,165	52	-97.6%	-	-
Hotel Management Business, etc.	1,232	1,952	+58.4%	-	-

(Other Business)

Other Businesses include 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 with high growth potential, and is developing a total business, from the development and sale of high-rise condominiums to Leasing Brokerage and Property Management services.

In the current period under review, both net sales and profits decreased year on year. Construction of HIYORI Aqua Tower, the second condominium project, began in August and is scheduled to be completed in the fall of 2026. Sales activities will commence from the next fiscal year, but the recognition of results is scheduled for 2026 and 2027, after completion.

② In Construction Business, the Group focuses on renovation projects, including office spaces, exterior facades, and entrances, as well as performing interior work for offices and residences, and telecommunications network installations for office.

In the current period under review, net sales remained nearly flat year on year, but profit increased mainly due to improved profit margins in large-scale projects..

<Other results>

(Millions of yen)

	FY2024/3 2Q	FY2025/3 2Q	Change	Forecast	Progress
<b>Net sales</b>	<b>996</b>	<b>953</b>	<b>-4.4%</b>	<b>2,560</b>	<b>37.2%</b>
<b>Gross profit</b>	<b>155</b>	<b>259</b>	<b>+66.5%</b>	<b>420</b>	<b>61.7%</b>
<b>Segment profit</b>	<b>131</b>	<b>227</b>	<b>+72.8%</b>	<b>-</b>	<b>-</b>

Sustainability initiatives during the fiscal year under review are as follows.

Our group is promoting efforts to resolve social issues through business based on our Sustainability Vision. "We will contribute to the realization of a sustainable society through our business activities, valuing the spirit of altruism, which is our company motto (Credo)." The Sun Frontier Sustainability Report 2024 was published in September 2024. This report is positioned as a tool for communicating with a wide range of stakeholders, and introduces the Sun Frontier Group's initiatives for sustainable growth, focusing on interviews with management, business managers, outside directors, and employees. We will continue to enhance our strengths in the "Philosophy" and "Amoeba Management" to a positive corporate culture and contribute to the realization of our management philosophy through sustainability management.

For more information about the Sustainability Report, see URL below.

[https://www.sunfrt.co.jp/sustainability/disc/sustainability\\_report\\_2024\\_ja.pdf?rev4](https://www.sunfrt.co.jp/sustainability/disc/sustainability_report_2024_ja.pdf?rev4)



## (2)Explanation of Financial Position

Total assets at the end of the current interim consolidated accounting period were 199,224 million yen (up 5.6% year on year), liabilities were 101,351 million yen (up 7.5% year on year), and net assets were 97,872 million yen (up 3.7% year on year).

The increase in total assets was mainly due to an increase of 950 million yen in real estate for sale, 12,258 million yen in real estate for sale in process, an increase of 971 million yen in buildings, net of property, plant and equipment, and an increase of 1,080 million yen in other, net, despite a decrease of 6,243 million yen in cash and deposits.

The increase in liabilities was mainly due to an increase in accounts payable-trade of 1,207 million yen and an increase in long-term loans payable of 8,292 million yen, despite a decrease in current portion of long-term loans payable of 4,378 million yen and a decrease in income taxes payable of 533 million yen.

The increase in net assets was mainly attributable to the recording of interim net income attributable to owners of the parent of 4,422 million yen, despite the payment of year-end dividends of 1,556 million yen and other factors.

The equity ratio was 47.2% (down 0.8% points).

## (3)Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There is no change in the forecast for the fiscal year ending March 2025 announced on May 10 2024.

## 2. Interim Consolidated Financial Statements and Main Notes

### (1) Interim consolidated balance sheets

	(Millions of yen)	
	End of previous fiscal year (As of March 31 2024)	During current consolidated interim accounting period (As of September 30 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	47,867	41,624
Notes, accounts receivable and contract assets	2,138	2,253
Real estate for sale	11,632	12,582
Real estate in process for sale	95,081	107,339
Costs of uncompleted construction contracts	50	37
Supplies	104	99
Others	2,680	2,390
Allowance for doubtful accounts	-38	-42
Total current assets	159,518	166,285
Non-current assets		
Property, plant and equipment		
Buildings, net	10,038	11,010
Land	11,029	11,039
Other, net	1,254	2,335
Total property, plant and equipment	22,323	24,385
Intangible assets		
Goodwill	579	1,107
Others	614	1,276
Total intangible assets	1,193	2,383
Investments and other assets		
Guarantee deposits	3,523	3,809
Deferred tax assets	1,644	1,956
Others	470	415
Allowance for doubtful accounts	-13	-12
Total investments and other assets	5,626	6,168
Total non-current assets	29,143	32,938
Total assets	188,661	199,224

	(Millions of yen)	
	End of previous fiscal year (As of March 31 2024)	During current consolidated interim accounting period (As of September 30 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable	2,810	4,018
Short-term borrowings	62	315
Current portion of long-term loans payable	12,207	7,828
Income taxes payable	2,967	2,434
Provision for bonuses	279	305
Provision for directors' bonuses	80	40
Provision for fulfillment of guarantees	44	39
Others	6,314	7,965
<b>Total current liabilities</b>	<b>24,767</b>	<b>22,947</b>
Long-term liabilities		
Bonds payable	9,999	9,999
Long-term borrowings	57,272	65,564
Retirement benefit liability	1	1
Provision for share-based remuneration	97	104
Others	2,105	2,733
<b>Total noncurrent liabilities</b>	<b>69,477</b>	<b>78,404</b>
<b>Total liabilities</b>	<b>94,244</b>	<b>101,351</b>
Net assets		
Shareholders' equity		
Share capital	11,965	11,965
Capital surplus	6,433	6,462
Retained earnings	71,725	74,590
Treasury stock	-233	-202
<b>Total shareholders' equity</b>	<b>89,889</b>	<b>92,816</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	3
Foreign currency translation adjustment	626	1,299
<b>Total accumulated other comprehensive income</b>	<b>629</b>	<b>1,302</b>
Stock acquisition rights	30	30
Non-controlling shareholders' equity	3,867	3,723
<b>Total net assets</b>	<b>94,416</b>	<b>97,872</b>
<b>Total liabilities and net assets</b>	<b>188,661</b>	<b>199,224</b>

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

Interim Consolidated Income Statement

	(Millions of yen)	
	Previous interim consolidated accounting period (April 1 2023 To September 30 2023)	During current consolidated interim accounting period (April 1 2024 To September 30 2024)
Net sales	48,998	36,786
Cost of sales	32,641	25,265
Gross profit	16,357	11,520
Selling, general and administrative expenses	4,334	4,817
Operating income	12,022	6,703
Non-operating income		
Interest and dividend income	43	19
Foreign exchange gain	112	16
Others	37	28
Total non-operating income	193	64
Non-operating expenses		
Interest expenses	256	391
Others	15	25
Total non-operating expenses	271	417
Ordinary profit	11,944	6,350
Extraordinary income		
Government subsidy	-	212
Total extraordinary income	-	212
Extraordinary losses		
Loss on reduction of fixed assets	-	212
Loss on retirement of non-current assets	25	-
Total extraordinary loss	25	212
Profit before income taxes	11,919	6,350
Corporate tax, resident tax and business tax	2,914	2,243
Corporate tax adjustments	496	-311
Total income taxes	3,410	1,932
Profit	8,508	4,418
Profit attributable to non-controlling interests	45	-4
Profit attributable to owners of parent	8,463	4,422

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous interim consolidated accounting period (April 1 2023 To September 30 2023)	During current consolidated interim accounting period (April 1 2024 To September 30 2024)
Profit	8,508	4,418
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	523	742
Total other comprehensive income	524	743
Comprehensive income	9,032	5,161
(Breakdown)		
Owners of parent	8,963	5,096
Non-controlling interests	69	65

### (3) Notes to Interim Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

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

#### I. Previous interim consolidated accounting period (From April 1 2023 to September 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
BoD 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 falls in the current interim consolidated accounting period, and the effective date falls after the end of the current interim consolidated accounting period

Resolution	Class of shares	Total dividends (Millions of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
BoD held on November 9 2023	Common stock	1,265	26.00	September 30 2023	December 5 2023	Retained earnings

(NOTE) The total amount of cash dividends declared by resolution of the Board of Directors on November 9 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).

##### 3.Significant changes in shareholders' equity

Not applicable.

#### II. Current interim consolidated accounting period (From April 1 2024 to September 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
BoD 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 for the 25th anniversary of the Company's founding.

##### 2.Dividends for which the record date falls in the current interim consolidated accounting period, and the effective date falls after the end of the current interim consolidated accounting period

Resolution	Class of shares	Total dividends (Millions of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
BoD held on November 7 2024	Common stock	1,607	33.00	September 30 2024	December 3 2024	Retained earnings

(NOTE) The total amount of cash dividends declared by resolution of the Board of Directors on November 7 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).

3. Significant changes in shareholders' equity

Not applicable.

(Segment Information)

[Segment Information]

I Previous interim consolidated accounting period (From April 1 2023 to September 30 2023)

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 Service	Hotels and tourism	Total		
Net sales						
Revenue from contracts with customers	29,883	4,042	11,244	45,169	989	46,158
Other income (Note 2)	2,095	678	65	2,839	-	2,839
Sales to customers	31,978	4,720	11,309	48,009	989	48,998
Intersegment sales	5	451	19	476	7	484
Total	31,984	5,172	11,329	48,486	996	49,483
Segment profit	9,543	2,902	3,397	15,844	131	15,976

(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 interim consolidated statements of income, as well as the main details of said difference (matters related to difference reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	15,844
Profit of "Others" category	131
Elimination of inter-segment transactions	11
Corporate expenses (Note)	-4,043
Ordinary income in the interim consolidated statements of income	11,944

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

3. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

II Current interim consolidated accounting period (From April 1 2024 to September 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 Service	Hotels and tourism	Total		
Net sales						
Revenue from contracts with customers	18,633	4,620	7,998	31,252	881	32,133
Other income (Note 2)	3,710	769	173	4,652	-	4,652
Sales to customers	22,343	5,389	8,171	35,904	881	36,786
Intersegment sales	1	564	44	610	71	682
Total	22,344	5,954	8,216	36,515	953	37,468
Segment profit	6,049	2,940	2,005	10,994	227	11,222

(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 interim consolidated statements of income, as well as the main details of said difference (matters related to difference reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	10,994
Profit of "Others" category	227
Elimination of inter-segment transactions	-30
Corporate expenses (Note)	-4,842
Ordinary income in the interim consolidated statements of income	6,350

(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.

(Revenue Recognition)

Information that breaks down revenues arising from contracts with customers is as described in "Notes (Segment Information, etc.)."