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November 9, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 8850
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 Scheduled date to file quarterly securities report: November 10, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2023	104,983	6.5	12,662	6.7	14,583	2.4	9,517	(0.7)
September 30, 2022	98,598	8.4	11,864	16.7	14,241	33.5	9,586	34.0

Note: Comprehensive income For the six months ended September 30, 2023: ¥9,841 million [(4.6%)]
 For the six months ended September 30, 2022: ¥10,314 million [34.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	191.62	-
September 30, 2022	193.03	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2023	292,752	152,535	51.1	3,013.58
March 31, 2023	293,100	145,086	48.6	2,869.50

Reference: Equity
 As of September 30, 2023: ¥149,679 million
 As of March 31, 2023: ¥142,519 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	43.00	-	50.00	93.00
Fiscal year ending March 31, 2024	-	50.00			
Fiscal year ending March 31, 2024 (Forecast)			-	55.00	105.00

Note: Revisions to the forecast of cash dividends most recently announced: None
 Fiscal year ending March 31, 2024 (Forecast) Breakdown of year-end dividends
 Ordinary ¥50.00 , Commemorative dividend for 55th anniversary ¥5.00

3. Earnings Forecast of Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	238,000	1.8	31,000	10.3	31,300	4.3	21,000	3.9	422.80

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	53,998,205 shares
As of March 31, 2023	53,998,205 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023	4,329,835 shares
As of March 31, 2023	4,331,046 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	49,668,487 shares
Six months ended September 30, 2022	49,663,413 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements in this document are based on information available to the Company and on certain assumptions deemed reasonable by the Company. Actual results may differ significantly from these forecasts due to various factors.

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1. Qualitative information related to this quarterly financial report

(1) Explanation of Operating Results

During the second quarter of the fiscal year under review, despite the normalization of economic activities mainly due to the transition of the legal status of COVID-19 to Category V Infectious Diseases, the outlook of the Japanese economy remains uncertain due to such factors as soaring raw material prices associated, increased geopolitical risks due to unstable international situation and fluctuations in financial and capital markets.

Under these circumstances, in the Tokyo metropolitan area and other major cities in Japan, the Group has aimed for stable and sustainable growth and business development together with its customers by providing one-stop services in real estate utilization, from construction, rental brokerage and real estate brokerage to real estate management, as well as by promoting cooperation among related businesses.

As a result, as of September 30, 2023, the number of managed real estate properties that provide a stable revenue base to the Group was as follows: 147,712 apartments and condominiums, 99,047 monthly parking spaces, and 53,057 hourly parking spaces through the Navi Park service, and in the corporate housing management business, 105,245 housing units and 13,881 parking spaces (for 453 companies). By adding 4,073 condominium units for sale and 643,721 units for the 24-hour emergency response service Access 24, we managed 900,751 housing units, 165,985 parking spaces and 2,596 buildings and facilities in total.

As of September 30, 2023, the PITAT HOUSE network of real estate brokerage outlets numbered 639 nationwide (116 Starts Group outlets and 523 network outlets). As for elderly assistance and childcare facilities, we operated 122 facilities as of September 30, 2023, and are preparing to open seven facilities in the Tokyo metropolitan area.

As of September 30, 2023, in 34 cities in 21 countries (including countries and regions) around the world, our overseas offices have provided services tailored to the needs of each country, such as brokering offices and company housing for expatriates of Japanese companies seeking to expand overseas, brokering the purchase and sale of real estate for investment and factories and other facilities, and managing rental offices, service apartments, and hotels.

As for the business results for the second quarter of the fiscal year under review, in the Real Estate Management Business, the number of properties under management increased, resulting in steady growth in management commissions and maintenance sales, as well as in sales, including "Navi Park," leasing sales of hourly parking facility while the transaction volume in the Real Estate Brokerage Business also remained strong. In the Publishing Business, sales of books and e-books, including "Ano Hana ga Saku Oka de Kimi ni mata deaetara", an original story by Starts Publishing Bunko that is scheduled to be made into a movie, were strong, and the number of users of "Oz Premium Reservation" also recovered. Similarly, leisure demand recovered in the Hotel and Leisure Business, resulting in net sales of 104,983 million yen (up 6.5% year-on-year), operating income of 12,662 million yen (up 6.7% year-on-year), and ordinary income of 14,583 million yen (up 2.4% year-on-year), Net income attributable to owners of the parent was 9,517 million yen (down 0.7% year-on-year).

Overview by Segment

The following is a summary of business results by business segment.

(i) Construction Business

In the Construction Business, we continue to provide consulting services for asset management and asset inheritance through our community-based sales activities, which have remained unchanged since the company's establishment, and we make proposals for effective land utilization with a wealth of content that leverages our comprehensive strengths, including rental housing, commercial buildings, hotels, senior assistance facilities, childcare facilities, and logistics warehouses, as well as refining construction and seismic isolation of existing buildings.

In the field of "buildings with seismic isolation structures," which we are focusing on promoting as social infrastructure, we have proposed optimal land utilization for all land, owners, and tenants based on regional characteristics. As a result, we have received orders for a total of 607 properties as of September 30, 2023. In addition, from October 2023, we will contribute to the realization of a Carbon-Neutrality society by providing "electricity with environmental value" through the standard installation of solar power generation equipment in wooden rental housing in the Tokyo metropolitan area, which is constructed and managed by the Group.

In the second quarter of the fiscal year under review, as a result of soaring building material prices and labor cost, net sales were 32,922 million yen (up 1.1% year on year), operating income was 2,045 million yen (down 40.4% year on year), and the order backlog was 125,611 million yen (up 1.3% year on year).

■ Construction Business orders received and construction work completed

Item	Classification	Amount of construction carried from the previous period	Orders received	Total	Net sales of completed construction contracts	Amount of construction carried to the next period		Amount of construction in the current period
						Construction contracts on hand	Of which, completed amount	
Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	General housing	3,437	1,007	4,444	1,588	2,856	12	1,592
	Rental housing	101,693	19,063	120,757	23,555	97,201	723	24,192
	Other	19,928	11,504	31,433	7,435	23,997	1,165	6,900
	Total	125,059	31,575	156,635	32,579	124,055	1,901	32,685
Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)	General housing	2,356	1,304	3,661	1,203	2,458	15	1,203
	Rental housing	95,910	21,455	117,365	24,862	92,503	664	24,903
	Other	27,640	9,866	37,506	6,856	30,649	964	6,881
	Total	125,906	32,626	158,533	32,922	125,611	1,645	32,987

(ii) Rental Brokerage Business

In the Rental Brokerage Business, renewal commissions remained steady as the number of properties under management increased, however the number of corporate head office relocation projects and tenant introductions declined. As a result, net sales for the second quarter of the fiscal year under review were 3,330 million yen (down 1.0% year on year) and operating income was 669 million yen (down 23.1% year on year).

(iii) Real Estate Brokerage Business

In the Real Estate Brokerage Business, brokerage commissions and the number of transactions remained steady as we efforts to build relationships with corporations through proposals for CRE (corporate real estate) solutions in collaboration with Group companies, and actively utilized the MY HOME AUCTION, a real estate sales support service, to promote highly transparent transactions for both sellers and buyers. As a result, net sales for the second quarter of the fiscal year under review were 4,022 million yen (up 16.8% year on year) and operating income was 1,688 million yen (up 82.3% year on year).

(iv) Real Estate Management Business

In the Real Estate Management Business, sales from management commissions and repair work, remained strong due to an increase in the number of properties under management. Leasing sales also increased due to steady progress in the use of the hourly parking Navi Park, and as a result, net sales for the second quarter of the fiscal year under review were 43,913million yen (up 4.6% year on year) and operating income was 6,184million (up 10.9% year on year).

■ Real Estate Management Business Sales

(Millions of yen)

	Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)
	Amount	Amount
Sales from management commissions	5,595	5,969
Maintenance sales	12,438	13,394
Leasing sales	23,944	24,549
Total	41,977	43,913

(v) Real Estate Development Business

In the Real Estate Development Business, as a result of the sale of one rental housing units to Starts Proceed Investment Corporation, the delivery of the newly built condominium, Alpha Grande Narita Hachibangai (Narita City, Chiba Prefecture) , the delivery of the newly detached house, CLASEED yurinokidai 3 (Yachiyo City, Chiba Prefecture), net sales for the Second quarter of the fiscal year under review were 1,502 million yen (up 1.3% year on year) and operating loss was 72 million yen (compared with an operating loss of 175 million yen in the previous fiscal year). Due to start of sales of newly detached house, CLASEED yurinokidai 3 and CLASEED Kasai 4 (Edogawa-ku, Tokyo, 2units), The complete sale of the newly built condominium, Alpha Grande Nippori (Arakawa-ku, Tokyo; 44 units), resulted in a contract balance of 2,738 million yen with 51 units for the second quarter of the fiscal year under review.

■ Contract for Real Estate Properties

(Millions of yen)

	Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)				Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)			
	Contract volume		Contract balance		Contract volume		Contract balance	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Detached house	1	288	2	634	5	285	3	178
Condominium	52	2,379	162	6,743	18	795	47	2,521
Rental housing	1	810	-	-	1	498	-	-
Used house	-	-	-	-	1	38	1	38
Other revenue	-	6	-	-	-	4	-	-
Total	54	3,484	164	7,377	25	1,621	51	2,738

■ Sales for Real Estate Properties

(Millions of yen)

	Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)		Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)	
	Volume	Amount	Volume	Amount
Detached house	3	549	2	106
Condominium	1	101	20	894
Rental housing	1	810	1	498
Land	1	16	-	-
Other revenue	-	6	-	4
Total	6	1,482	23	1,502

(vi) Publishing Business

In the Publishing Business, the number of users of OZ Premium Reservations, a contingency fee-based customer service of OZ Mall, a website for women with more than 4 million members, increase number of users, especially in small groups. In addition, sales of books and e-books, including “Ano Hana ga Saku Oka de Kimi to Mata Deaetara”, which will be made into a movie in December this year, were strong, focused on promotional activities tailored to target audience through SNS. As a result, net sales for the second quarter of the fiscal year under review were 3,784 million yen (up 32.1% year on year) and operating income was 1,056 million yen (up 81.7% year on year).

(vii) Hotel and Leisure Business

In the Hotel and Leisure Business, domestic demand has recovered steadily due to the transition of the legal status of COVID-19 to Category V Infectious Diseases. As a result, net sales for the second quarter of the fiscal year under review were 5,696 million yen (up 57.6% year on year) and operating income was 470 million yen (compared with an operating loss of 216 million yen in the previous fiscal year).

(viii) Elderly Assistance and Childcare Business

In the Elderly Assistance and Childcare Business, Care station Kirara Takasago (Katsusika-ku, Tokyo) was opened in September and the existing facilities remained steady. Net sales for the second quarter of the fiscal year under review 5,722 million yen (up 4.0% year on year). However, due to increase of labor cost from increased in the number of employees and a rise in base salaries and aggressive efforts in recruiting and developing human resources, operating income was 264 million yen (down 22.7% year on year).

(ix) Consulting Business

In the Consulting Business, the number of small-amount, short-term insurance contracts remained strong, and management fees for management entrustment of Starts Proceed Investment Corporation increased, while non-life insurance agency fees decreased due to a reaction to the rush demand associated with the revision of fire insurance contracts starting in October of last year. As a result, net sales for the second quarter of the fiscal year under review were 3,706 million yen (up 9.1% year on year) and operating income was 626 million yen (down 12.0% year on year).

(x) Merchandising and Culture Business

In the Merchandising and Culture Business, we manufacture and sell the Sherlock series of card key systems and operate art museums. As a result, net sales for the second quarter of the fiscal year under review were 382 million yen (up 3.0% year on year) and operating income was 49 million yen (up 104.6% year on year).

(2) Explanation of Financial Position.

1) Assets, Liabilities and Net Assets

Total assets as of the end of the consolidated six-month reporting period decrease 347 million yen from the end of the previous fiscal year to 292,752 million yen. This was mainly due to a decrease in cash and deposits, while real estate for sale in process and property, plant and equipment increased.

Total liabilities amounted to 140,217 million yen, down 7,796 million yen from the end of the previous fiscal year. This was mainly due to a decrease in accounts payable-trade and accounts payable for construction contracts.

Total net assets amounted to 152,535 million yen, up 7,449 million yen from the end of the previous fiscal year. This was mainly due to an increase retained earnings.

2) Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the consolidated six-month reporting period totaled 68,546 million yen, a decrease of 9,939 million yen from the end of the previous fiscal year.

The status of each cash flow category the end of the consolidated six-month reporting period is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 2,697 million yen (compared with 6,475 million yen provided in the previous fiscal year), mainly due to income before income taxes and minority interests of 14,520 million yen, despite a decrease in Accounts payable trade and accounts payable for construction contracts of 2,727 million yen, an increase in inventories of 2,212 million yen in the Real Estate Development Business, income taxes paid of 5,145 million yen and other items that used cash.

(Cash flows from investing activities)

Net cash used in investing activities totaled 12,315 million yen (compared with 4,185 million yen used in the previous fiscal year) mainly due to the construction of the Real Estate Development Business and the acquisition of rental real estate.

(Cash flows from financing activities)

Net cash used in financing activities totaled 848 million yen (compared with 3,506 million yen used in the same period of the previous fiscal year) due to dividends of surplus of 2,476 million yen, despite borrowings for working capital.

(3) Explanation of Consolidated Earnings Forecasts and other forward-looking information

The results for the current quarter have been in line with the plan, and there is no change to the earnings forecast announced on May 12, 2023.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	85,225	75,341
Notes and accounts receivable - trade, and contract assets	16,174	17,828
Real estate for sale	1,503	1,036
Real estate for sale in process	10,362	12,394
Costs on construction contracts in progress	1,987	2,420
Other	12,614	11,296
Allowance for doubtful accounts	(305)	(335)
Total current assets	127,562	119,983
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,656	49,091
Land	76,480	78,563
Other, net	9,160	10,624
Total property, plant and equipment	134,297	138,279
Intangible assets		
Software	2,037	2,133
Software in progress	1,155	1,815
Goodwill	911	781
Other	66	66
Total intangible assets	4,171	4,797
Investments and other assets		
Investment securities	13,569	15,934
Deferred tax assets	2,615	2,510
Other	11,339	11,648
Allowance for doubtful accounts	(303)	(247)
Allowance for investment loss	(153)	(153)
Total investments and other assets	27,068	29,692
Total non-current assets	165,537	172,769
Total assets	293,100	292,752

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable-trade and accounts payable for construction contracts	22,801	16,317
Short-term borrowings	7,974	11,319
Current portion of long-term borrowings	15,223	14,112
Income taxes payable	5,270	4,561
Contract liabilities	12,733	11,168
Provision for bonuses	2,989	3,075
Other	24,826	23,998
Total current liabilities	91,818	84,553
Non-current liabilities		
Long-term borrowings	42,452	41,802
Provision for retirement benefits for directors (and other officers)	1,050	1,096
Provision for warranties for completed construction	1,168	1,170
Provision for loss on lease business	420	410
Deferred tax liabilities for land revaluation	573	573
Retirement benefit liability	268	262
Asset retirement obligations	2,751	2,766
Other	7,509	7,582
Total non-current liabilities	56,195	55,663
Total liabilities	148,013	140,217
Net assets		
Shareholders' equity		
Share capital	11,039	11,039
Capital surplus	6,417	6,475
Retained earnings	127,700	134,738
Treasury shares	(8,173)	(8,173)
Total shareholders' equity	136,984	144,078
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,468	3,498
Revaluation reserve for land	1,253	1,253
Foreign currency translation adjustment	289	351
Remeasurements of defined benefit plans	523	498
Total accumulated other comprehensive income	5,535	5,600
Non-controlling interests	2,566	2,855
Total net assets	145,086	152,535
Total liabilities and net assets	293,100	292,752

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income (cumulative)
Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	98,598	104,983
Cost of sales	68,296	71,813
Gross profit	30,302	33,170
Selling, general and administrative expenses	18,438	20,507
Operating profit	11,864	12,662
Non-operating income		
Interest income	12	72
Dividend income	205	266
Foreign exchange gains	2,073	1,549
Reversal of allowance for doubtful accounts	28	-
Subsidy income	135	112
Other	165	108
Total non-operating income	2,620	2,109
Non-operating expenses		
Interest expenses	135	113
Provision of allowance for doubtful accounts	56	8
Other	51	66
Total non-operating expenses	243	188
Ordinary profit	14,241	14,583
Extraordinary income		
Gain on sale of non-current assets	271	-
Gain on sale of investment securities	1	0
Total extraordinary income	272	0
Extraordinary losses		
Loss on retirement of non-current assets	99	55
Other	26	8
Total extraordinary losses	126	64
Profit before income taxes	14,387	14,520
Income taxes - current	4,665	4,658
Income taxes - deferred	23	95
Total income taxes	4,689	4,753
Profit	9,698	9,766
Profit attributable to non-controlling interests	112	249
Profit attributable to owners of parent	9,586	9,517

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	9,698	9,766
Other comprehensive income		
Valuation difference on available-for-sale securities	338	38
Foreign currency translation adjustment	287	61
Remeasurements of defined benefit plans, net of tax	(9)	(25)
Total other comprehensive income	616	74
Comprehensive income	10,314	9,841
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,203	9,582
Comprehensive income attributable to non-controlling interests	110	258

(3) Quarterly Consolidated Statements of Cash Flows (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	14,387	14,520
Depreciation	2,617	2,798
Loss (gain) on sale and retirement of property, plant and equipment	(172)	57
Increase (decrease) in allowance for doubtful accounts	44	(25)
Increase (decrease) in provision for bonuses	93	85
Increase (decrease) in net defined benefit asset and liability	(121)	(134)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	29	45
Interest and dividend income	(217)	(338)
Interest expenses	135	113
Foreign exchange losses (gains)	(2,073)	(1,549)
Decrease (increase) in trade receivables	(1,083)	(1,653)
Decrease (increase) in inventories	(2,707)	(2,212)
Increase (decrease) in trade payables	(772)	(2,727)
Increase (decrease) in contract liabilities	1,164	(1,607)
Decrease (increase) in other current assets	(892)	1,531
Increase (decrease) in other current liabilities	(239)	(800)
Other, net	623	(485)
Subtotal	10,815	7,618
Interest and dividends received	221	338
Interest paid	(136)	(114)
Income taxes paid	(4,424)	(5,145)
Net cash provided by (used in) operating activities	6,475	2,697
Cash flows from investing activities		
Payments into time deposits	(83)	(220)
Proceeds from withdrawal of time deposits	512	228
Purchase of property, plant and equipment	(4,525)	(9,132)
Proceeds from sale of property, plant and equipment	558	0
Purchase of intangible assets	(564)	(1,070)
Purchase of investment securities	(309)	(2,683)
Proceeds from sale of investment securities	360	599
Loan advances	(14)	(0)
Proceeds from collection of loans receivable	17	12
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(51)	-
Other, net	(84)	(49)
Net cash provided by (used in) investing activities	(4,185)	(12,315)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	560	3,345
Proceeds from long-term borrowings	6,236	6,600
Repayments of long-term borrowings	(8,402)	(8,360)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,983)	(2,476)
Dividends paid to non-controlling interests	(46)	(54)
Other, net	130	98
Net cash provided by (used in) financing activities	(3,506)	(848)
Effect of exchange rate change on cash and cash equivalents	636	527
Net increase (decrease) in cash and cash equivalents	(579)	(9,939)
Cash and cash equivalents at beginning of period	67,638	78,485
Cash and cash equivalents at end of period	67,058	68,546

(4) Notes on the Quarterly Consolidated Financial Statements**Notes on Going Concern Assumptions**

Not applicable.

Notes on Noteworthy Changes in Shareholders' Equity

Not applicable.

Segment Information

Segment information

I. Six-month period in the previous fiscal year (From April 1, 2022 to September 30, 2022)

1. Information on net sales, income or loss, and breakdown of revenue by reporting segment

(Millions of yen)

	Construction Business	Rental Brokerage Business	Real Estate Brokerage Business	Real Estate Management Business	Real Estate Development Business	Publishing Business	Hotel and Leisure Business
Net sales							
Revenue from customer contracts	32,579	3,364	3,442	24,358	1,482	2,865	3,614
Other revenue (Note) 3	-	-	-	17,619	-	-	-
Net sales to external customers	32,579	3,364	3,442	41,977	1,482	2,865	3,614
Intersegment net sales and transfer	1,521	844	33	1,185	3	182	141
Total	34,100	4,208	3,475	43,163	1,486	3,047	3,755
Segment profit (loss)	3,435	870	926	5,577	(175)	581	(216)

	Elderly Assistance and Childcare Business	Consulting Business	Merchandising and Culture Business	Total	Adjustment (Note) 1	Amount recorded in the Quarterly Consolidated Statements of Income (Note) 2
Net sales						
Revenue from customer contracts	5,504	2,408	371	79,990	-	79,990
Other revenue (Note) 3	-	987	-	18,607	-	18,607
Net sales to external customers	5,504	3,395	371	98,598	-	98,598
Intersegment net sales and transfer	0	1,665	2,386	7,964	(7,964)	-
Total	5,505	5,061	2,758	106,563	(7,964)	98,598
Segment profit (loss)	341	711	24	12,076	(212)	11,864

(Notes) 1. Adjustments to segment profit (loss) are eliminations of inter-segment transactions.

2. Segment income (loss) is reconciled with operating income in the Quarterly Consolidated Statements of Income.

3. Other revenue includes rental income from real estate.

II. Six-month period under review (From April 1, 2023 to September 30, 2023)

1. Information on net sales, income or loss, and breakdown of revenue by reporting segment

(Millions of yen)

	Construction Business	Rental Brokerage Business	Real Estate Brokerage Business	Real Estate Management Business	Real Estate Development Business	Publishing Business	Hotel and Leisure Business
Net sales							
Revenue from customer contracts	32,922	3,330	4,022	26,227	1,502	3,784	5,696
Other revenue (Note) 3	-	-	-	17,686	-	-	-
Net sales to external customers	32,922	3,330	4,022	43,913	1,502	3,784	5,696
Intersegment net sales and transfer	2,462	841	25	1,609	1,048	194	235
Total	35,385	4,171	4,047	45,523	2,551	3,978	5,932
Segment profit (loss)	2,045	669	1,688	6,184	(72)	1,056	470

	Elderly Assistance and Childcare Business	Consulting Business	Merchandising and Culture Business	Total	Adjustment (Note) 1	Amount recorded in the Quarterly Consolidated Statements of Income (Note) 2
Net sales						
Revenue from customer contracts	5,722	2,570	382	86,161	-	86,161
Other revenue (Note) 3	-	1,135	-	18,822	-	18,822
Net sales to external customers	5,722	3,706	382	104,983	-	104,983
Intersegment net sales and transfer	2	1,791	2,468	10,680	(10,680)	-
Total	5,725	5,497	2,851	115,664	(10,680)	104,983
Segment profit (loss)	264	626	49	12,982	(319)	12,662

(Notes) 1. Adjustments to segment profit (loss) are eliminations of inter-segment transactions.

2. Segment income (loss) is reconciled with operating income in the Quarterly Consolidated Statements of Income.

3. Other revenue includes rental income from real estate.