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November 8, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 8850
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 Scheduled date to file semi-annual securities report: November 14, 2024
 Scheduled date to commence dividend payments: December 2, 2024
 Preparation of supplementary material on semi-annual financial results: Yes
 Holding of semi-annual 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, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	108,851	3.7	15,071	19.0	14,857	1.9	12,027	26.4
September 30, 2023	104,983	6.5	12,662	6.7	14,583	2.4	9,517	(0.7)

Note: Comprehensive income For the six months ended September 30, 2024: ¥12,262 million [24.6%]
 For the six months ended September 30, 2023: ¥9,841 million [(4.6%)]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	242.14	-
September 30, 2023	191.62	-

(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, 2024	318,133	174,796	53.9	3,449.58
March 31, 2024	324,109	165,318	50.0	3,264.60

Reference: Equity
 As of September 30, 2024: ¥171,347 million
 As of March 31, 2024: ¥162,155 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, 2024	-	50.00	-	55.00	105.00
Fiscal year ending March 31, 2025	-	55.00			
Fiscal year ending March 31, 2025 (Forecast)			-	55.00	110.00

Note: Revisions to the forecast of cash dividends most recently announced: None
Fiscal year ended March 31, 2024 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 ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	228,000	(2.3)	30,700	0.7	30,700	(8.1)	22,400	1.4	450.96

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 semi-annual 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: Yes
 - (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, 2024	53,998,205 shares
As of March 31, 2024	53,998,205 shares

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

As of September 30, 2024	4,326,106 shares
As of March 31, 2024	4,327,274 shares

(iii) Average number of shares during the period.

Six months ended September 30, 2024	49,672,124 shares
Six months ended September 30, 2023	49,668,487 shares

* This semi-annual financial results report is exempt from a 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. For assumptions underlying the forecasts and notes to the forecasts, refer to 1. Qualitative Information on the Semi-Annual Financial Results, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Information on page 7.

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1. Qualitative Information on the Semi-Annual Financial Results

(1) Explanation of Operating Results

During the first half of the fiscal year under review, the Japanese economy was on a moderate recovery trend due to the normalization of economic activity, improvement in the employment and income environment, and expansion of inbound demand. However, the outlook remained uncertain due to factors such as prolonged international instability, higher prices, and soaring raw materials and energy prices.

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, 2024, the number of managed real estate properties that provide a stable revenue base to the Group was as follows: 151,036 rental apartments, 102,023 monthly parking spaces, and 55,337 hourly parking spaces through the Navi Park service, and in the corporate housing management business, 109,990 housing units and 12,800 parking spaces (for 470 companies). By adding 4,466 condominium units and 692,284 units for the 24-hour emergency response service Access 24, we managed 957,776 housing units, 170,160 parking spaces and 2,675 buildings and facilities in total.

As of September 30, 2024, the PITAT HOUSE network of real estate brokerage outlets numbered 635 nationwide (114 Starts Group outlets and 521 network outlets). As for elderly assistance and childcare facilities, we operated 126 facilities as of September 30, 2024, and are preparing to open six facilities in the Tokyo metropolitan area.

As of September 30, 2024, 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 our sports and cultural activities, we sponsor the “Starts Senior Golf Tournament”, co-sponsor the “Japan national table tennis team” and the children's invitational performance “Kokoro no Gekijo”, and support our players' activities such as table tennis, golf, canoeing, and skateboarding. In addition, we have acquired the naming rights for the vision of the eye position of Shibuya Scramble Crossing and started the operation of “Starts Vision SHIBUYA.” As a “Comprehensive Life and Culture Corporation,” we will not only expand the Group's wide range of businesses, but also develop advertising to let people know about our corporate philosophy “People are everything, the heart is all,” and our corporate culture and climate.

As for the business results for the first half of the fiscal year under review, in the Construction Business, sales price revisions contributed to an increase in gross profit, and in the Rental Brokerage Business and the Real Estate Management Business, revenue from brokerage commission and management commission grew steadily due to an increase in the number of properties under management. In the Publishing Business, sales of books and e-books, including a long hit of “Ano Hana ga Saku Oka de Kimi to Mata Deaetara,” grew steadily, and the number of users of “Oz Premium Reservation” increased mainly in restaurants. In the Hotel and Leisure Business, sales were strong due to a recovery in demand. In the Finance and Consulting Business, the number of housing loan transactions grew steadily, and commission revenue increased.

As a result of the above, net sales were 108,851 million yen (up 3.7% year-on-year), operating income was 15,071 million yen (up 19.0% year-on-year), ordinary income was 14,857 million yen (up 1.9% year-on-year), and net income attributable to owners of the parent was 12,027 million yen (up 26.4% 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, renovation of existing buildings, and seismic isolation with a wealth of content that leverages our comprehensive strengths, including rental housing, commercial buildings, hotels, senior assistance facilities, childcare facilities, and logistics warehouses.

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 620 properties as of September 30, 2024. We strive to increase asset value through our proposals that meet the needs of tenants and the environment, such as "Moku Building," a high-rise seismic isolated apartment building with a mixed reinforced concrete and wooden structure that reduces construction costs and CO2 emissions, "Gated Community Housing," a concept rental housing with livability and design features, and "Area Soins Premium," a child-care specialized rental housing.

In the six-month of fiscal year under review, sales amounted to 31,904 million yen (down 3.1% year-on-year), operating income to 3,059 million yen (up 49.5% year-on-year), and order backlog to 132,109 million yen (up 5.2% year-on-year), due to the contribution of sales price revisions considering soaring construction material prices and labor costs.

■ Construction Business orders received and construction work completed

(Millions of yen)

Item	Classifica- tion	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
						Construc- tion contracts on hand	Of which, completed amount	
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
Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	General housing	2,224	929	3,153	997	2,155	29	1,017
	Rental housing	89,794	24,035	113,830	23,296	90,533	647	23,100
	Other	39,121	7,909	47,030	7,610	39,420	1,320	8,191
	Total	131,140	32,873	164,014	31,904	132,109	1,998	32,309

(ii) Rental Brokerage Business

In the Rental Brokerage Business, brokerage commissions and renewal commissions remained strong because of an increase in the number of properties under management and rising market rents. Net sales for the six-month of fiscal year under review were 3,796 million yen (up 14.0% year-on-year) and operating income was 942 million yen (up 40.8% year-on-year).

(iii) Real Estate Brokerage Business

In the Real Estate Brokerage Business, the number of transactions remained steady, reflecting the promotion of highly transparent transactions for both sellers and buyers by utilizing the MY HOME AUCTION, a real estate sales support service. On the other hand, due to the absence of such a large-scale trust beneficiary right transaction brokerage concluded in the previous interim consolidated accounting period, net sales for the six-month of fiscal year under review were 3,832 million yen (down 4.7% year-on-year) and operating income was 1,366 million yen (down 19.1% year-on-year).

(iv) Real Estate Management Business

In the Real Estate Management Business, sales from management commissions and leasing business such as Navi Park, hourly parking lots, remained strong as the number of properties under management increased. In the area of maintenance sales through various types of repair work, we are promoting the use of LED lighting in managed properties, composting a part of branches and leaves generated from pruning work, which reduce CO2 emissions. Net sales for the period amounted to 46,370 million yen (up 5.6% year-on-year), operating income to 6,573 million yen (up 6.3% year-on-year).

■ Real Estate Management Business Sales

(Millions of yen)

	Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)
	Amount	Amount
Sales from management commissions	5,969	6,381
Maintenance sales	13,394	14,700
Leasing sales	24,549	25,288
Total	43,913	46,370

(v) Real Estate Development Business

In the Real Estate Development Business, the delivery of a newly built detached house, QUWON GARDEN Todoroki (Setagaya-ku, Tokyo) and the delivery of the remained condominium units of Alpha Grande Narita Hachibangai (Narita-shi, Chiba) and Alpha Grande Nippori (Arakawa-ku, Tokyo) resulted in net sales of 555 million yen (down 63.0% year-on-year) and operating loss of 160 million yen (operating loss of 72 million yen in the same period of the previous year). The contract balance for the current interim consolidated accounting period totaled 2,000 million yen for 31 units, reflecting the progress in sales of the newly built detached house, QUWON GARDEN Todoroki and a new condominium in process, Alpha Grande Koshigaya Lake Town (Koshigaya-shi, Saitama: total number of units: 39).

■ Contract for Real Estate Properties

(Millions of yen)

	Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)				Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)			
	Contract volume		Contract balance		Contract volume		Contract balance	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Detached house	5	285	3	178	2	513	1	336
Condominium	18	795	47	2,521	10	557	30	1,663
Rental housing	1	498	-	-	-	-	-	-
Used housing	1	38	1	38	-	-	-	-
Land	-	-	-	-	1	208	-	-
Other revenue	-	4	-	-	-	25	-	-
Total	25	1,621	51	2,738	13	1,304	31	2,000

■ Sales for Real Estate Properties

(Millions of yen)

	Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)		Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	
	Volume	Amount	Volume	Amount
Detached house	2	106	1	176
Condominium	20	894	3	144
Rental housing	1	498	-	-
Land	-	-	1	208
Other revenue	-	4	-	25
Total	23	1,502	5	555

(vi) Publishing Business

In the Publishing Business, sales of books, e-books and e-comics, including Starts Publishing Bunko, continued to be favorable due to sales promotion measures such as product development in line with readers' needs and development of visualization. The film “Ano Hana ga Saku Oka de Kimi to Mata Deaetara” has been a long-running hit and has been screened throughout Vietnam and in Taiwan. In addition, OZ Premium Reservations, a contingency fee-based customer sending service of OZ Mall, a website for women with over 4.5 million members, the number of users is increasing, centering on restaurant reservations, including the launch of OZ's Private and Large Group Reservations, a new service that provides concierge support for large-group dinner party reservations. Net sales for the six-month of the fiscal year under review were 4,461 million yen (up 17.9% year-on-year) and operating income was 1,455 million yen (up 37.8% year-on-year).

(vii) Hotel and Leisure Business

In the Hotel and Leisure Business, following the opening of HOTEL Emion SAPPORO (Kita-ku, Sapporo, Hokkaido; 295 guest rooms) in December 2023, HOTEL comento YOKOHAMA KANNAI (seven floors above ground, 116 guest rooms) opened on April 1, 2024, adjacent to “YOKOHAMA BUNTAI”, an arena facility resulting from the reconstruction of the Yokohama Culture and Sports Center. Demand for leisure activities remained strong at existing facilities. As a result, net sales for the six-month of the fiscal year under review were 7,206 million yen (up 26.5% year-on-year) and operating income was 748 million yen (up 59.2% year-on-year).

(viii) Elderly Assistance and Childcare Business

In the Elderly Assistance and Childcare Business, the five new facilities opened in the previous fiscal year, in addition to the existing facilities, have been operating steadily, and the official price of daycare centers has increased from the previous year. We will continue to actively engage in activities to recruit and train personnel. Net sales for the six-month of the fiscal year under review 6,054 million yen (up 5.8% year-on-year). operating income was 290 million yen (up 9.9% year-on-year).

(ix) Finance and Consulting Business

In the Finance and Consulting Business, we concluded a consignment agreement with “Hamamatsu Iwata Shinkin Bank” as a new trust agency. In addition, we were selected as the successful bidder for the PFI project “Multipurpose Facility and Toyohashi Park East Area Development and Operation Project” by Toyohashi City, Aichi Prefecture, and signed a basic agreement contract. We will redevelop the multipurpose indoor facility (arena) and park facilities in Toyohashi Park in an integrated manner, and provide integrated maintenance, management and operation services for approximately 30 years after the completion of the facilities. In the six-month of the fiscal year under review, the number of Starts Proceed Investment Corporation management fees, mortgage loan fees, and small-amount short-term insurance policies steadily increased, resulting in net sales of 4,279 million yen (up 15.5% year-on-year) and operating income of 897 million yen (up 43.3% 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. Net sales for the six-month of the fiscal year under review were 390 million yen (up 2.1% year-on-year) and operating income was 37 million yen (down 23.4% year-on-year).

(2) Explanation of Financial Position.

1) Assets, Liabilities and Net Assets

Total assets at the end of the consolidated six-month reporting period decreased by 5,975 million yen from the end of the previous fiscal year to 318,133 million yen. This was mainly due to a decrease in contract assets and other accounts receivable, while real estate for sale and real estate for sale in process increased.

Total liabilities amounted to 143,336 million yen, a decrease of 15,453 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 174,796 million yen, an increase of 9,478 million yen from the end of the previous fiscal year. This was mainly due to an increase in 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 86,913 million yen, an increase of 34 million yen from the end of the previous fiscal year.

Changes in each cash flow category during the consolidated six-month reporting period were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 12,712 million yen (compared with 2,697 million yen provided in the same period of the previous year), reflecting mainly 17,819 million yen in income before income taxes, 6,489 million yen in collection of accounts receivable for construction contracts, and 3,251 million yen in depreciation and amortization, despite a decrease of 5,746 million yen in accounts payable for construction work, an increase of 5,447 million yen in inventories due to purchases of real estate for sale in process, and 5,791 million yen in income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities totaled 4,491 million yen (compared with 12,315 million yen used in the previous fiscal year), mainly due to the acquisition of rental real estate, etc.

(Cash flows from financing activities)

Net cash used in financing activities totaled 8,018 million yen (compared with 848 million yen used in the same period of the previous fiscal year), mainly due to paying dividends of surplus of 2,726 million yen and repaying bank loans such as working capital.

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

The results for the intermediate period have been in line with the plan, and there is no change to the earnings forecast announced on May 10, 2024.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	94,037	97,176
Notes and accounts receivable - trade, and contract assets	20,410	13,920
Real estate for sale	3,563	5,811
Real estate for sale in process	11,967	14,483
Costs on construction contracts in progress	2,022	2,495
Other	15,912	9,053
Allowance for doubtful accounts	(373)	(477)
Total current assets	147,540	142,464
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	57,143	56,051
Land	75,065	74,948
Other, net	5,963	6,895
Total property, plant and equipment	138,172	137,896
Intangible assets		
Software	2,259	2,363
Software in progress	2,061	2,441
Goodwill	652	522
Other	65	66
Total intangible assets	5,038	5,394
Investments and other assets		
Investment securities	15,834	14,741
Deferred tax assets	1,887	1,819
Other	15,972	16,145
Allowance for doubtful accounts	(194)	(184)
Allowance for investment loss	(143)	(143)
Total investments and other assets	33,356	32,378
Total non-current assets	176,568	175,669
Total assets	324,109	318,133

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable-trade and accounts payable for construction contracts	22,198	16,218
Short-term borrowings	8,379	6,194
Current portion of long-term borrowings	14,256	14,060
Income taxes payable	6,157	5,069
Contract liabilities	13,259	11,885
Provision for bonuses	3,064	3,082
Other	26,299	24,885
Total current liabilities	93,615	81,397
Non-current liabilities		
Long-term borrowings	50,797	47,869
Provision for retirement benefits for directors (and other officers)	1,126	1,145
Provision for warranties for completed construction	1,176	589
Provision for loss on lease business	319	326
Deferred tax liabilities for land revaluation	573	573
Retirement benefit liability	263	266
Asset retirement obligations	3,201	3,249
Other	7,716	7,920
Total non-current liabilities	65,175	61,939
Total liabilities	158,790	143,336
Net assets		
Shareholders' equity		
Share capital	11,039	11,039
Capital surplus	6,545	6,572
Retained earnings	144,836	154,134
Treasury shares	(8,173)	(8,174)
Total shareholders' equity	154,247	163,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,352	2,619
Revaluation reserve for land	1,253	1,254
Foreign currency translation adjustment	212	1,153
Remeasurements of defined benefit plans	3,089	2,748
Total accumulated other comprehensive income	7,908	7,775
Non-controlling interests	3,162	3,449
Total net assets	165,318	174,796
Total liabilities and net assets	324,109	318,133

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

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	104,983	108,851
Cost of sales	71,813	72,210
Gross profit	33,170	36,641
Selling, general and administrative expenses	20,507	21,569
Operating profit	12,662	15,071
Non-operating income		
Interest income	72	211
Dividend income	266	241
Foreign exchange gains	1,549	—
Subsidy income	112	281
Other	108	136
Total non-operating income	2,109	871
Non-operating expenses		
Interest expenses	113	173
Foreign exchange losses	—	837
Provision of allowance for doubtful accounts	8	—
Other	66	74
Total non-operating expenses	188	1,085
Ordinary profit	14,583	14,857
Extraordinary income		
Gain on sale of non-current assets	—	2,999
Gain on sale of investment securities	0	91
Total extraordinary income	0	3,090
Extraordinary losses		
Loss on retirement of non-current assets	55	125
Other	8	3
Total extraordinary losses	64	128
Profit before income taxes	14,520	17,819
Income taxes - current	4,658	4,925
Income taxes - deferred	95	500
Total income taxes	4,753	5,426
Profit	9,766	12,393
Profit attributable to non-controlling interests	249	365
Profit attributable to owners of parent	9,517	12,027

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	9,766	12,393
Other comprehensive income		
Valuation difference on available-for-sale securities	38	(727)
Foreign currency translation adjustment	61	940
Remeasurements of defined benefit plans, net of tax	(25)	(343)
Total other comprehensive income	74	(131)
Comprehensive income	9,841	12,262
Comprehensive income attributable to		
Owners of parent	9,582	11,894
Non-controlling interests	258	367

(3) Consolidated Statements of Cash Flows (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	14,520	17,819
Depreciation	2,798	3,251
Loss (gain) on sale and retirement of property, plant and equipment	57	(2,874)
Increase (decrease) in allowance for doubtful accounts	(25)	94
Increase (decrease) in provision for bonuses	85	18
Increase (decrease) in net defined benefit asset and liability	(134)	(155)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	45	18
Interest and dividend income	(338)	(453)
Interest expenses	113	173
Foreign exchange losses (gains)	(1,549)	837
Decrease (increase) in trade receivables	(1,653)	6,489
Decrease (increase) in inventories	(2,212)	(5,447)
Increase (decrease) in trade payables	(2,727)	(5,746)
Increase (decrease) in contract liabilities	(1,607)	(1,484)
Decrease (increase) in other current assets	1,531	7,130
Increase (decrease) in other current liabilities	(800)	(1,447)
Other, net	(485)	85
Subtotal	7,618	18,310
Interest and dividends received	338	370
Interest paid	(114)	(177)
Income taxes paid	(5,145)	(5,791)
Net cash provided by (used in) operating activities	2,697	12,712
Cash flows from investing activities		
Payments into time deposits	(220)	(3,384)
Proceeds from withdrawal of time deposits	228	338
Purchase of property, plant and equipment	(9,132)	(4,321)
Proceeds from sale of property, plant and equipment	0	3,866
Purchase of intangible assets	(1,070)	(843)
Purchase of investment securities	(2,683)	(669)
Proceeds from sale of investment securities	599	712
Loan advances	(0)	(19)
Proceeds from collection of loans receivable	12	0
Other, net	(49)	(170)
Net cash provided by (used in) investing activities	(12,315)	(4,491)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,345	(2,000)
Proceeds from long-term borrowings	6,600	5,278
Repayments of long-term borrowings	(8,360)	(8,587)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,476)	(2,726)
Dividends paid to non-controlling interests	(54)	(93)
Other, net	98	112
Net cash provided by (used in) financing activities	(848)	(8,018)
Effect of exchange rate change on cash and cash equivalents	527	(167)
Net increase (decrease) in cash and cash equivalents	(9,939)	34
Cash and cash equivalents at beginning of period	78,485	86,878
Cash and cash equivalents at end of period	68,546	86,913

(4) Notes on the Semi-Annual Consolidated Financial Statements
(Notes on Changes in Accounting Policies)

Application of the Accounting Standards for Current Income Tax and others

The Company has applied the Accounting Standard for Current Income Tax (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") and others since the beginning of the semi-annual of the current fiscal year under review.

The revision of the classification of income taxes (taxation on other comprehensive income) is in accordance with the transitional treatment provided in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment provided in the proviso to Paragraph 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). The change in accounting policy has no impact on the semi-annual consolidated financial statements.

In addition, the Company has applied the Revised Implementation Guidance 2022 from the beginning of the semi-annual of the current fiscal year to the revision related to the review of the treatment in the consolidated financial statements in the case of deferring, for tax purposes, the gain or loss on the sale of shares of subsidiaries among consolidated companies. This change in accounting policy has been applied retroactively, and the semi-annual consolidated financial statements and consolidated financial statements for the previous semi-annual and the previous fiscal year have been prepared after the retrospective application.

The change in accounting policy had no impact on the semi-annual consolidated financial statements for the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information)

Segment information

I. Six-month period in the previous fiscal year (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 Semi-Annual 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 Interim Consolidated Statements of Income.
 3. Other revenue includes rental income from real estate.

II. Six-month period under review (From April 1, 2024 to September 30, 2024)

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	31,904	3,796	3,832	28,228	555	4,461	7,206
Other revenue (Note) 3	—	—	—	18,141	—	—	—
Net sales to external customers	31,904	3,796	3,832	46,370	555	4,461	7,206
Intersegment net sales and transfer	3,141	862	43	2,103	29	196	288
Total	35,046	4,659	3,875	48,473	584	4,657	7,495
Segment profit (loss)	3,059	942	1,366	6,573	(160)	1,455	748

	Elderly Assistance and Childcare Business	Consulting Business	Merchandising and Culture Business	Total	Adjustment (Note) 1	Amount recorded in the Semi-Annual Consolidated Statements of Income (Note) 2
Net sales						
Revenue from customer contracts	6,054	3,033	390	89,464	—	89,464
Other revenue (Note) 3	—	1,245	—	19,387	—	19,387
Net sales to external customers	6,054	4,279	390	108,851	—	108,851
Intersegment net sales and transfer	0	2,049	3,017	11,735	(11,735)	—
Total	6,054	6,329	3,408	120,587	(11,735)	108,851
Segment profit (loss)	290	897	37	15,210	(138)	15,071

- (Notes)
1. Adjustments to segment profit (loss) are eliminations of inter-segment transactions.
 2. Segment income (loss) is reconciled with operating income in the Semi-Annual Consolidated Statements of Income.
 3. Other revenue includes rental income from real estate.

Notes on Noteworthy Changes in Shareholders' Equity

Not applicable.

Notes on Going Concern Assumptions

Not applicable.