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February 8, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 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: February 9, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	163,483	(2.6)	21,068	3.2	22,423	2.6	14,569	0.8
December 31, 2022	167,875	20.5	20,410	25.9	21,848	28.2	14,447	27.5

Note: Comprehensive income For the nine months ended December 31, 2023: ¥14,829 million [(4.6%)]
 For the nine months ended December 31, 2022: ¥15,551 million [35.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	293.32	-
December 31, 2022	290.90	-

(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
December 31, 2023	308,987	155,151	49.2	3,062.29
March 31, 2023	293,100	145,086	48.6	2,869.50

Reference: Equity
 As of December 31, 2023: ¥152,104 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	422.79

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 December 31, 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 December 31, 2023	4,327,917 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)

Nine months ended December 31, 2023	49,670,366 shares
Nine months ended December 31, 2022	49,665,825 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 third quarter of the fiscal year under review, the outlook for the Japanese economy remained uncertain due to such factors as rising prices and rapid exchange rate fluctuations, while socioeconomic activities continued to normalize in line with the transition of the novel coronavirus to Category 5.

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 December 31, 2023, the number of managed real estate properties that provide a stable revenue base to the Group was as follows: 147,713 rental apartments, 99,540 monthly parking spaces, and 53,296 hourly parking spaces through the Navi Park service, and in the corporate housing management business, 105,243 housing units and 14,375 parking spaces (for 452 companies). By adding 4,073 condominium units and 651,420 units for the 24-hour emergency response service Access 24, we managed 908,449 housing units, 167,211 parking spaces and 2,619 buildings and facilities in total.

As of December 31, 2023, the PITAT HOUSE network of real estate brokerage outlets numbered 634 nationwide (113 Starts Group outlets and 521 network outlets). As for elderly assistance and childcare facilities, we operated 124 facilities as of December 31, 2023, and are preparing to open five facilities in the Tokyo metropolitan area.

In December 2023, we opened HOTEL Emion SAPPORO (Kita-ku, Sapporo-shi, Hokkaido; 295 guest rooms), our ninth hotel in Japan.

As of December 31, 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 factories and other facilities, and managing rental offices, service apartments, and hotels.

As for the business results for the third 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 leasing sales of hourly parking spaces through the Navi Park service, while the transaction volume in the Real Estate Brokerage Business also remained strong. In the Publishing Business, sales of related books were strong due to a great hit of the movie "Ano Hana ga Saku Oka de Kimi to Mata Deaetara" based on the original work of Starts Publishing Bunko, and the number of users of "OZ's Premium Reservation" was also steady. Demand for leisure activities also recovered in the Hotel and Leisure Business.

On the other hand, in the Real Estate for Sale Business, the sales of rental apartment buildings to Starts Proceed Investment Corporation decreased compared to the third quarter of the previous fiscal year.

As a result of the above, net sales were 163,483 million yen (down 2.6% year on year), operating income was 21,068 million yen (up 3.2% year on year), ordinary income was 22,423 million yen (up 2.6% year on year), and net income attributable to owners of parent was 14,569 million yen (up 0.8% 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 based on regional characteristics for all land, owners, and tenants. As a result, we have received orders for a total of 611 properties as of December 31, 2023.

In the third quarter of the fiscal year under review, despite steady progress in construction, as a result of soaring building material prices and labor cost, net sales were 53,978 million yen (up 3.5% year-on-year), operating income was 4,631 million yen (down 18.0% year-on-year), and the backlog of orders was 118,537 million yen (down 3.6% year-on-year).

■ Construction Business orders received and construction work completed

(Millions of yen)

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	
Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	General housing	3,437	1,274	4,711	2,434	2,277	6	2,431
	Rental housing	101,693	30,462	132,155	37,322	94,833	845	38,081
	Other	19,928	18,364	38,293	12,418	25,874	1,130	11,833
	Total	125,059	50,101	175,160	52,174	122,986	1,982	52,346
Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	General housing	2,356	1,898	4,254	1,983	2,270	1	1,968
	Rental housing	95,910	31,862	127,772	41,235	86,536	655	41,266
	Other	27,640	12,849	40,489	10,759	29,730	1,124	10,905
	Total	125,906	46,609	172,516	53,978	118,537	1,781	54,141

(ii) Rental Brokerage Business

In the Rental Brokerage Business, brokerage commissions and renewal commissions remained steady due to an increase in the number of properties under management. In addition, we created new commercials and conducted employee training and store renovations to further enhance customer satisfaction. As a result, net sales for the third quarter of the fiscal year under review were 5,021 million yen (up 1.0% year on year) and operating income was 1,053 million yen (down 13.9% year on year)

(iii) Real Estate Brokerage Business

In the Real Estate Brokerage Business, we provide consulting services for business assets combined with our real estate management services through community-based sales. In addition to promoting proposals for purchase and replacement of business assets, we have 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 third quarter of the fiscal year under review were 5,639 million yen (up 12.8% year on year) and operating income was 2,144 million yen (up 53.5% year on year).

(iv) Real Estate Management Business

In the Real Estate Management Business, due to an increase in the number of properties under management, sales of management fees and sales of maintenance were strong, and sales in the Leasing Business also made steady progress. In addition, we worked to improve the quality of the services provided in line with customer needs, such as launching a smartphone application payment system for parking fees at the Navi Park hourly rental parking lot and opening the Starts Technical Training Center to improve the skills and knowledge of employees. As a result, net sales for the third quarter of the fiscal year under review were 66,825 million yen (up 4.0% year on year) and operating income was 9,457 million yen (up 7.8% year on year).

■ Real Estate Management Business Sales

(Millions of yen)

	Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
	Amount	Amount
Sales from management commissions	8,362	8,958
Maintenance sales	19,885	20,968
Leasing sales	35,987	36,898
Total	64,234	66,825

(v) Real Estate Development Business

In the Real Estate Development Business, we sold one rental apartment building to Starts Proceed Investment Corporation and promoted the sale of condominium, Alpha Grande Narita Hachibangai (Narita-shi, Chiba), newly detached houses, CLASEED Yurinokidai III (Yachiyo City, Chiba: total of 3 units) and CLASEED Kasai IX (Edogawa-ku, Tokyo: total of 2 units). However, in the first nine months of the previous fiscal year, we had sold six rental apartment buildings to Starts Proceed Investment Corporation. As a result, net sales for the third quarter of the fiscal year under review were 2,001 million yen (down 87.6% year on year) and operating loss was 125 million yen (operating income of 865 million yen for the first nine months of the previous fiscal year under review). In addition, the sales of newly condominium, Alpha Grande Koshigaya Lake Town (Koshigaya-shi, Saitama, 39 units), and newly detached house, QUWON GARDEN Bunkyo Sengoku (Bunkyo-ku, Tokyo, 2 units), have started. As a result, the contract balance amounted to 3,572 million yen with 62 units for the third quarter of the fiscal year under review, including the newly condominium, Alpha Grande Nippori (Arakawa-ku, Tokyo; 44 units), of which units have been already contracted.

■ Contract for Real Estate Properties

(Millions of yen)

	Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)				Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)			
	Contract volume		Contract balance		Contract volume		Contract balance	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Detached house	2	568	1	280	8	645	2	306
Condominium	93	4,482	196	8,359	36	1,765	60	3,266
Rental housing	6	14,345	-	-	1	498	-	-
Used housing	-	-	-	-	1	38	-	-
Other revenue	-	7	-	-	-	5	-	-
Total	101	19,403	197	8,640	46	2,953	62	3,572

■ Sales for Real Estate Properties

(Millions of yen)

	Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)		Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	
	Volume	Amount	Volume	Amount
Detached house	5	1,182	6	339
Condominium	8	588	25	1,119
Rental housing	6	14,345	1	498
Used housing	-	-	1	38
Land	1	16	-	-
Other revenue	-	7	-	5
Total	20	16,139	33	2,001

(vi) Publishing Business

In the Publishing Business, the number of users of OZ Premium Reservations, a success fee type customer referral service for OZ Mall, a website for women with more than 4 million members, has increased mainly for restaurant reservations. In addition, in line with the huge success of the movie “Ano Hana ga Saku Oka de Kimi to Mata Deaetara”, released in December 2023, sales of the original work exceeded one million copies in total, and sales of books also increased. As a result, net sales for the third quarter of the fiscal year under review were 5,737 million yen (up 24.4% year on year) and operating income was 1,646 million yen (up 56.3% 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 third quarter of the fiscal year under review were 9,216 million yen (up 39.7% year on year) and operating income was 1,088 million yen (up 515.8% year on year).

In December 2023, we opened HOTEL Emion SAPPORO (Kita-ku, Sapporo-shi, Hokkaido; 295 guest rooms), our ninth hotel in Japan.

(viii) Elderly Assistance and Childcare Business

In the Elderly Assistance and Childcare Business, we opened Group home Kirara Fuchu Nakagawara (Fuchu-shi, Tokyo) and Group home Kirara Takasago (Katsushika-ku, Tokyo). We have been working to maintain the occupancy rate of the residential facilities, have provided the training to improve the quality, have improved treatment of the facilities, and have opened new facilities, which has increased the cost, such as personnel expenses. As a result, net sales for the third quarters of the fiscal year under review were 8,642 million yen (up 3.7% year on year) and operating income was 414 million yen (down 15.8% year on year).

(ix) Consulting Business

In the Consulting Business, real estate management trust fees, housing loan fees, and the number of low-cost, short-term insurance contracts remained steady. As a result, net sales for the third quarter of the fiscal year under review were 5,770 million yen (up 11.4% year on year) and operating income was 1,105 million yen (up 17.7% 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 third quarter of the fiscal year under review were 650 million yen (up 2.2% year on year) and operating income was 159 million yen (up 117.9% year on year).

(2) Explanation of Financial Position.

1) Assets, Liabilities and Net Assets

Total assets as of the end of the consolidated nine-month reporting period increased 15,887 million yen from the end of the previous fiscal year to 308,987 million yen. This was mainly due to an increase in real estate for sale and in property, plant, and equipment.

Total liabilities amounted to 153,835 million yen, up 5,821 million yen from the end of the previous fiscal year.

Total net assets amounted to 155,151 million yen, up 10,065 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 nine-month reporting period totaled 73,588 million yen, a decrease of 4,896 million yen from the end of the previous fiscal year.

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

(Cash flows from operating activities)

Net cash provided by operating activities totaled 4,854 million yen (compared with 18,795 million yen provided in the previous fiscal year), which was mainly due to Depreciation expense 4,257 million yen , income before income taxes and minority interests of 22,328 million yen, while an increase of 6,113million yen in accounts receivable mainly related to construction, an increase of 7,221 million yen in inventories such as real estate for sale, income taxes paid of 9,716 million yen and other items that used cash.

(Cash flows from investing activities)

Net cash used in investing activities totaled 15,300 million yen (compared with 8,291 million yen used in the previous fiscal year) mainly due to the construction of the HOTEL Emion SAPPORO and HOTEL comento YOKOHAMA KANNAI, and the acquisition of rental real estate.

(Cash flows from financing activities)

Net cash provided by financing activities totaled 5,216 million yen (compared with 2,995 million yen used in the same period of the previous fiscal year) due to borrowings for project funds, despite dividends of surplus of 4,883 million yen.

(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 December 31, 2023
Assets		
Current assets		
Cash and deposits	85,225	80,545
Notes and accounts receivable - trade, and contract assets	16,174	22,288
Real estate for sale	1,503	5,751
Real estate for sale in process	10,362	12,431
Costs on construction contracts in progress	1,987	2,648
Other	12,614	13,027
Allowance for doubtful accounts	(305)	(338)
Total current assets	127,562	136,354
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,656	54,947
Land	76,480	76,003
Other, net	9,160	7,960
Total property, plant and equipment	134,297	138,911
Intangible assets		
Software	2,037	2,199
Software in progress	1,155	1,944
Goodwill	911	717
Other	66	65
Total intangible assets	4,171	4,927
Investments and other assets		
Investment securities	13,569	15,018
Deferred tax assets	2,615	2,115
Other	11,339	12,055
Allowance for doubtful accounts	(303)	(241)
Allowance for investment loss	(153)	(153)
Total investments and other assets	27,068	28,794
Total non-current assets	165,537	172,633
Total assets	293,100	308,987

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable-trade and accounts payable for construction contracts	22,801	23,088
Short-term borrowings	7,974	13,866
Current portion of long-term borrowings	15,223	13,981
Income taxes payable	5,270	1,965
Contract liabilities	12,733	11,466
Provision for bonuses	2,989	1,763
Other	24,826	26,004
Total current liabilities	91,818	92,136
Non-current liabilities		
Long-term borrowings	42,452	47,756
Provision for retirement benefits for directors (and other officers)	1,050	1,087
Provision for warranties for completed construction	1,168	1,174
Provision for loss on lease business	420	382
Deferred tax liabilities for land revaluation	573	573
Retirement benefit liability	268	265
Asset retirement obligations	2,751	2,774
Other	7,509	7,684
Total non-current liabilities	56,195	61,699
Total liabilities	148,013	153,835
Net assets		
Shareholders' equity		
Share capital	11,039	11,039
Capital surplus	6,417	6,523
Retained earnings	127,700	137,309
Treasury shares	(8,173)	(8,173)
Total shareholders' equity	136,984	146,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,468	2,881
Revaluation reserve for land	1,253	1,253
Foreign currency translation adjustment	289	785
Remeasurements of defined benefit plans	523	485
Total accumulated other comprehensive income	5,535	5,406
Non-controlling interests	2,566	3,046
Total net assets	145,086	155,151
Total liabilities and net assets	293,100	308,987

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	167,875	163,483
Cost of sales	119,189	111,414
Gross profit	48,686	52,069
Selling, general and administrative expenses	28,275	31,000
Operating profit	20,410	21,068
Non-operating income		
Interest income	25	121
Dividend income	228	289
Foreign exchange gains	947	819
Reversal of allowance for doubtful accounts	8	12
Subsidy income	171	163
Other	340	230
Total non-operating income	1,721	1,638
Non-operating expenses		
Interest expenses	196	171
Provision of allowance for doubtful accounts	10	1
Other	76	110
Total non-operating expenses	283	282
Ordinary profit	21,848	22,423
Extraordinary income		
Gain on sale of non-current assets	539	0
Gain on sale of investment securities	149	31
Other	18	—
Total extraordinary income	707	32
Extraordinary losses		
Loss on sale of non-current assets	0	2
Loss on retirement of non-current assets	133	107
Other	62	17
Total extraordinary losses	196	127
Profit before income taxes	22,359	22,328
Income taxes - current	6,451	6,619
Income taxes - deferred	1,270	764
Total income taxes	7,721	7,383
Profit	14,637	14,944
Profit attributable to non-controlling interests	190	375
Profit attributable to owners of parent	14,447	14,569

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	14,637	14,944
Other comprehensive income		
Valuation difference on available-for-sale securities	(124)	(573)
Foreign currency translation adjustment	1,053	496
Remeasurements of defined benefit plans, net of tax	(14)	(38)
Total other comprehensive income	913	(115)
Comprehensive income	15,551	14,829
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,362	14,440
Comprehensive income attributable to non-controlling interests	189	388

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	22,359	22,328
Depreciation	3,981	4,257
Loss (gain) on sale and retirement of property, plant and equipment	(405)	109
Increase (decrease) in allowance for doubtful accounts	26	(28)
Increase (decrease) in provision for bonuses	(1,089)	(1,226)
Increase (decrease) in net defined benefit asset and liability	(180)	(192)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	28	37
Interest and dividend income	(253)	(411)
Interest expenses	196	171
Foreign exchange losses (gains)	(947)	(819)
Decrease (increase) in trade receivables	(4,838)	(6,113)
Decrease (increase) in inventories	4,276	(7,221)
Increase (decrease) in trade payables	932	544
Increase (decrease) in contract liabilities	529	(1,271)
Decrease (increase) in other current assets	(1,097)	(168)
Increase (decrease) in other current liabilities	2,278	1,139
Other, net	1,814	3,199
Subtotal	27,612	14,332
Interest and dividends received	257	411
Interest paid	(197)	(172)
Income taxes paid	(8,876)	(9,716)
Net cash provided by (used in) operating activities	18,795	4,854
Cash flows from investing activities		
Payments into time deposits	(818)	(632)
Proceeds from withdrawal of time deposits	890	482
Purchase of property, plant and equipment	(7,622)	(11,594)
Proceeds from sale of property, plant and equipment	2,031	2
Purchase of intangible assets	(938)	(1,426)
Purchase of investment securities	(2,312)	(2,366)
Proceeds from sale of investment securities	1,251	417
Loan advances	(24)	(10)
Proceeds from collection of loans receivable	43	14
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(51)	—
Other, net	(741)	(185)
Net cash provided by (used in) investing activities	(8,291)	(15,300)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,495	5,892
Proceeds from long-term borrowings	14,196	16,500
Repayments of long-term borrowings	(19,850)	(12,437)
Purchase of treasury shares	(0)	(0)
Dividends paid	(4,044)	(4,883)
Dividends paid to non-controlling interests	(53)	(62)
Other, net	262	208
Net cash provided by (used in) financing activities	(2,995)	5,216
Effect of exchange rate change on cash and cash equivalents	370	332
Net increase (decrease) in cash and cash equivalents	7,878	(4,896)
Cash and cash equivalents at beginning of period	67,638	78,485
Cash and cash equivalents at end of period	75,516	73,588

(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. Nine-month period in the previous fiscal year (From April 1, 2022 to December 31, 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	52,174	4,972	5,001	37,931	16,139	4,611	6,595
Other revenue (Note) 3	—	—	—	26,303	—	—	—
Net sales to external customers	52,174	4,972	5,001	64,234	16,139	4,611	6,595
Intersegment net sales and transfer	3,130	1,232	117	1,879	9	290	222
Total	55,305	6,205	5,119	66,114	16,148	4,901	6,818
Segment profit	5,648	1,223	1,396	8,775	865	1,053	176

	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	8,331	3,697	636	140,090	—	140,090
Other revenue (Note) 3	—	1,481	—	27,784	—	27,784
Net sales to external customers	8,331	5,178	636	167,875	—	167,875
Intersegment net sales and transfer	1	2,459	3,741	13,086	(13,086)	—
Total	8,332	7,638	4,378	180,962	(13,086)	167,875
Segment profit	491	939	73	20,644	(233)	20,410

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

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

3. Other revenue includes rental income from real estate.

II. Nine-month period under review (From April 1, 2023 to December 31, 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	53,978	5,021	5,639	40,330	2,001	5,737	9,216
Other revenue (Note) 3	—	—	—	26,495	—	—	—
Net sales to external customers	53,978	5,021	5,639	66,825	2,001	5,737	9,216
Intersegment net sales and transfer	5,092	1,236	30	2,500	1,075	316	349
Total	59,071	6,258	5,669	69,326	3,077	6,053	9,565
Segment profit (loss)	4,631	1,053	2,144	9,457	(125)	1,646	1,088

	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	8,642	4,072	650	135,289	—	135,289
Other revenue (Note) 3	—	1,698	—	28,194	—	28,194
Net sales to external customers	8,642	5,770	650	163,483	—	163,483
Intersegment net sales and transfer	4	2,663	4,729	17,998	(17,998)	—
Total	8,647	8,434	5,379	181,482	(17,998)	163,483
Segment profit (loss)	414	1,105	159	21,575	(507)	21,068

(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.