

November 12, 2021

## Consolidated Financial Results for the Fiscal Period Ended September 30, 2021 <under J-GAAP>

Company name: **Pressance Corporation Co., Ltd.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Section code: 3254  
 URL: <https://www.pressance.co.jp/>  
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Scheduled date of ordinary general meeting of shareholders: December 17, 2021  
 Scheduled date of start of dividend payment: December 20, 2021  
 Scheduled date of filing of annual securities report: December 20, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results presentation meeting: None

(Amounts less than one million yen have been omitted.)

### 1. Consolidated operating results for the fiscal period ended September 30, 2021 (April 1, 2021 to September 30, 2021)

#### (1) Consolidated operating results (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	%
Fiscal period ended September 30, 2021	99,752	—	14,225	—	13,888	—	9,121	—
Fiscal year ended March 31, 2021	243,813	8.8	29,762	(8.7)	29,079	(9.1)	20,533	(6.2)

Notes: Comprehensive income Fiscal period ended September 30, 2021 9,159 million yen [(-) %]  
 Fiscal year ended March 31, 2021 19,825 million yen [(9.1) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal period ended September 30, 2021	134.17	134.05	6.4	5.3	14.3
Fiscal year ended March 31, 2021	315.32	315.29	16.1	10.0	12.2

Reference: Share of profit (loss) of entities accounted for using equity method  
 Fiscal period ended September 30, 2021 (54) million yen  
 Fiscal year ended March 31, 2021 (373) million yen

Note: Following the change of fiscal year-end, the fiscal period ended September 30, 2021 covers the six months from April 1, 2021 to September 30, 2021. For this reason, year-on-year changes (percentages) are not stated.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	256,024	148,256	57.6	2,167.93
As of March 31, 2021	268,762	140,132	51.8	2,049.96

Reference: Equity  
 As of September 30, 2021 147,400 million yen  
 As of March 31, 2021 139,353 million yen

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended September 30, 2021	25,900	(1,069)	(12,616)	99,922
Fiscal year ended March 31, 2021	98,278	(141)	(52,112)	87,709

### 2. Dividends

	Annual dividends per share					Total cash dividends (Full-year)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	—	13.00	—	16.00	29.00	1,934	9.2	1.5
Fiscal period ended September 30, 2021	—	—	—	16.00	16.00	1,092	11.9	0.8
Fiscal year ending September 30, 2022 (Forecast)	—	16.00	—	16.00	32.00		22.1	

Note: Following the change of fiscal year-end, the fiscal period ended September 30, 2021 covers the six months from April 1, 2021 to September 30, 2021.

### 3. Consolidated results forecasts for the fiscal year ending September 30, 2022 (October 1, 2021 to September 30, 2022)

(Percentages indicate year on year changes compared to the same period of the previous FY.)

	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
Six months ending March 31 2022	66,427	—	8,796	—	8,377	—	4,988	—	73.38
Full year	140,834	—	16,063	—	15,205	—	9,829	—	144.56

Note: Following the change of fiscal year-end, the fiscal period ended September 30, 2021 covers the six months from April 1, 2021 to September 30, 2021. For this reason, year-on-year changes (percentages) are not stated.

#### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement after error corrections
  - a. Changes in accounting policies due to amendments to accounting standards and other regulations: Yes
  - b. Changes in accounting policies due to other reasons than a. above: None
  - c. Changes in accounting estimates: None
  - d. Restatement after error corrections: None

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

Effective from the beginning of the consolidated fiscal period ended September 30, 2021, the Company applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, revised on March 31, 2020, the “ASBJ Statement No. 29”), etc. and changed its accounting policy to recognize revenue at the point when control of a promised good or service is transferred to a customer and in the amount expected to be received in exchange for the good or service.

Regarding application of ASBJ Statement No. 29, etc., the transitional treatment stipulated in the proviso of paragraph 84 of ASBJ Statement No. 29 is followed. This change has no impact on the beginning balance of retained earnings or on profit or loss for the consolidated fiscal period ended September 30, 2021.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019, the “ASBJ Statement No. 30”) etc. from the beginning of the consolidated fiscal period ended September 30, 2021. In accordance with the transitional treatment stipulated in paragraph 19 of ASBJ Statement No. 30 and paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting standard described by ASBJ Statement No. 30, etc. to transactions taking place on and after the application date. This change has no impact on the consolidated financial statements.

(3) Number of issued shares (common stock)

a. Number of issued shares at end of period (including treasury shares)

As of September 30, 2021	68,858,316 shares
As of March 31, 2021	68,845,511 shares

b. Number of treasury shares at end of period

As of September 30, 2021	867,061 shares
As of March 31, 2021	866,984 shares

c. Average number of shares during the period

Fiscal period ended September 30, 2021	67,983,551 shares
Fiscal year ended March 31, 2021	65,118,736 shares

**\*Notes**

Due to the introduction of the share-based payment-type ESOP, a certain number of shares of the Company held in the trust account is included in the “Number of treasury shares at the end of period” (309,860 shares for the fiscal period ended September 30, 2021 and 309,860 shares for the fiscal year ended March 31, 2021). And, a certain number of shares held in the trust account is included in the treasury shares that were deducted when calculating the “Average number of shares during the period” (309,860 shares for the fiscal period ended September 30, 2021 and 310,865 shares for the fiscal year ended March 31, 2021).

\* Financial results reports do not require auditing.

\* Explanations about the proper use of financial forecasts and other important notes

(Caution Concerning Forward-looking Statements)

Forward-looking statements in this document, including the results forecasts, are based on the information available to the Company at the time of disclosure and on certain assumptions deemed to be practicable by the Company. These statements do not purport that the Company pledges or ensures to achieve such statements. Actual business and other results may differ substantially due to various factors. For preconditions to the assumptions and other important notes concerning the financial forecasts, please refer to “1. Business Results and Financial Position (4) Future Outlook” on page 2 and 3 of the attachment.

(Method of Obtaining Supplementary Materials for Financial Results)

Supplementary materials on financial results are posted on TDnet on the release date of this document (Japanese version only).

## **1. Business Results and Financial Position**

### **(1) Business Results**

Pursuant to a resolution of the 24th Ordinary General Meeting of Shareholders held on June 25, 2021, Pressance Corporation Co, Ltd. (the “Company”) has changed the fiscal year-end from March 31 to September 30. As a result, the 25th fiscal period, which is the transitional period for changing the fiscal year, covers the six months from April 1, 2021 to September 30, 2021. For this reason, year-on-year changes are not stated for the fiscal period ended September 30, 2021.

During the consolidated fiscal period ended September 30, 2021, Japan’s economy and business environment remained challenging due to the impacts of the COVID-19 pandemic. Although business activities are expected to pick up, we must pay close attention to infection trends inside and outside Japan, as well as fluctuations in financial and capital markets, etc.

In the real estate industry, to which the Group belongs, in addition to the impacts of the COVID-19 pandemic, land costs in cities and construction costs remain elevated. Although these and other factors are causes for concern, interest rates on housing loans remain low while the Japanese government’s ongoing measures to help homebuyers, such as a mortgage tax breaks, are still on track, contributing to a stable economy. Demand for condominiums in city centers, which form our main supply area, remained solid, generally supported by the trend of more people and households moving into cities to seek the convenience of urban living.

Given these business circumstances, the Company has focused on supplying condominiums in selected locations of central parts of major cities in the Kinki, Tokai/Chukyo, Tokyo metropolitan areas, and other core regions including Okinawa, which are our major sales areas.

Under such business conditions, the Company posted the following consolidated performance for the fiscal period ended September 30, 2021. Net sales amounted to 99,752 million yen, operating profit amounted to 14,225 million yen, ordinary profits amounted to 13,888 million yen, and profit attributable to owners of parent amounted to 9,121 million yen.

An overview of operating results by business segment is as follows:

#### **Real Estate Sale Business**

In the real estate sales business, Pressance Loger Shin-Umeda (84 units), a family-type condominium in the Pressance Loger series, and Pressance THE KYOTO SUITO (128 units), a Pressance series studio condominium, performed favorably.

However, as economic activities remain constrained by the impacts of the COVID-19 pandemic, our sales activities are also affected. In addition, sales of family-type condominiums decreased significantly due to the small number of completed properties, although this is in line with our plan.

As a result, sales of studio condominiums amounted to 48,218 million yen (2,924 units); sales of family-type condominiums amounted to 34,383 million yen (866 units); sales of hotel properties amounted to 8,000 million yen (420 units); sales of other types of housing amounted to 4,732 million yen (224 units); sales of other real estate amounted to 41 million yen; and, sales in businesses accompanying real estate sales amounted to 706 million yen. Total sales in the real estate sales business were 96,081 million yen and segment profit amounted to 14,001 million yen.

#### **Other Business**

In the other sales segment, self-owned real estate for rent showed steady performance. Sales in other business amounted to 3,671 million yen and segment profit amounted to 819 million yen.

As stated in the “Notice Regarding Changes in Fiscal Year (Fiscal year-end)” disclosed on May 14, 2021, following approval of “Partial Amendment of the Articles of Incorporation” at the 24th Ordinary General Meeting of Shareholders held on June 25, 2021, we have changed the fiscal year-end from March 31 to September 30. For this reason, the 25th fiscal period, which is the transitional period for changing the fiscal year, covers the six months from April 1, 2021 to September 30, 2021.

## **(2) Financial Position**

### **Current Assets**

Total current assets as of the end of this consolidated fiscal period amounted to 237,376 million yen (down 4.7%), which represents a decrease of 11,663 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in inventory of 24,850 million yen, which offset an increase in cash and deposits of 12,338 million yen.

### **Non-current Assets**

Total non-current assets as of the end of this consolidated fiscal period amounted to 18,648 million yen (down 5.4%), which represents a decrease of 1,073 million yen compared to the end of the previous fiscal year. This was due mainly to a decrease in long-term loans receivable from subsidiaries and associates of 762 million yen, because they are now due within one year, and to a decrease in deferred tax liabilities of 972 million yen, following a decrease in temporary differences related mainly to valuation loss of inventories, which offset an increase in real estate for rent of 853 million yen following the transfer of real estate for sale to self-owned real estate.

### **Liabilities**

Total liabilities as of the end of this consolidated fiscal period amounted to 107,768 million yen (down 16.2%), which represents a decrease of 20,861 million yen compared to the end of the previous fiscal year. This was mainly due to a 11,503 million yen decrease in loans payable to financial institutions and a 4,936 million yen decrease in electronically recorded obligations -operating following the arrival of the payment due date.

### **Net Assets**

Total net assets as of the end of this consolidated fiscal period amounted to 148,256 million yen (up 5.8%), which represents an increase of 8,123 million yen compared to the end of the previous fiscal year. This was principally due to an increase in retained earnings of 8,029 million yen following the posting of profit attributable to owners of parent.

## **(3) Analysis on Cash Flows**

Cash and cash equivalents as of the end of this consolidated fiscal period totaled 99,922 million yen, which represents an increase of 12,213 million yen compared to the end of the previous fiscal year.

The status and factors in each cash flow for the fiscal period ended September 30, 2021, are as follows:

### **Cash Flows from Operating Activities**

Net cash provided by operating activities totaled 25,900 million yen.

This was mainly due to cash inflows resulting from a decrease in inventories of 24,151 million yen following the delivery of condominiums and the posting of 13,888 million yen in profit before income taxes, while there were cash outflows as a result of a payment of income tax of 6,618 million yen, a decrease in notes and accounts payable-trade of 4,997 million yen reflecting an increase in the settlement of electronically recorded obligations-operating, and other factors.

### **Cash Flows from Investing Activities**

Net cash used in investing activities came to 1,069 million yen.

This was principally due to cash outflows resulting from the acquisition of non-current assets of 699 million yen and loans to subsidiaries and associates of 262 million yen, which offset cash inflows from sales of non-current assets of 58 million yen.

### **Cash Flows from Financing Activities**

Net cash used in financing activities totaled 12,616 million yen.

This was due mainly to cash outflows resulting from a net decrease in loans payable to financial institutions of 11,503 million yen.

## **(4) Future Outlook**

Although it is necessary to pay attention to the impacts of the COVID-19 pandemic, we expect the market to remain firm in the real estate industry, to which we belong, supported by stable housing demand and other factors that stimulate willingness to buy, including the Japanese government's ongoing measures to support homebuyers. In the condominium market, we expect demand to remain firm given that the

population and the number of households are increasing at many center areas of major cities, which form our main supply area.

Given such a business environment, the Group will continue providing condominiums in convenient city-center locations that meet the needs of customers at an appropriate price level. In addition, we will further strengthen our sales force by providing guidance and education to sales employees and pursue the creation of new added value to meet diverse needs, aiming for further business growth. Furthermore, by combining the management resources and business know-how of Open House Co., Ltd., and the Company, we will create business synergies, such as mutually complementary geographical coverage and expansion of merchandise lineups, which will lead to further strengthening and expansion of our business. The planned consolidated financial results for the fiscal year from October 1, 2021 to September 30, 2022 are as follows.

#### **Real Estate Sale Business**

Sales of studio condominiums are expected to be 50,687 million yen; sales of family-type condominiums, 62,614 million yen; sales of other types of housing, 12,810 million yen; sales of other real estate, 6,325 million yen; and, sales of business accompanying real estate sale, 967 million yen. We plan to achieve total sales of 133,404 million yen in the real estate sales business.

#### **Other Business**

Sales in other business are expected to be 7,429 million yen from rent revenue of owned real estate for rent and income of the rental management business, among others.

#### **Expenses**

We anticipate an increase in land acquisition costs and construction costs in cost of sales. With respect to selling, general and administrative expenses, an increase in expenses, including personnel expenses, is expected due to the planned increase in personnel.

As a result, in the fiscal year ending September 30, 2022, the Group plans to achieve net sales of 140,834 million yen, operating profit of 16,063 million yen, ordinary profit of 15,205 million yen, and profit attributable to owners of parent of 9,829 million yen.

### **(5) Basic Policy on Profit Distribution, Dividend for the Current Fiscal Period and Next Fiscal Year**

The Company has always considered returning profits to shareholders to be a top priority. Setting a stable and continuous dividend payment as a basic policy, the Company is committed to increasing shareholder value by securing profits mainly as internal reserves and utilizing them for investments to strengthen the business foundation and growth, taking into consideration future business development and business characteristics.

The Articles of Incorporation stipulate that the Company will pay dividends of surplus by a resolution of the Board of Directors and, in principle, pay dividends twice a year at the interim and end of the fiscal year.

For the fiscal period ended September 30, 2021, the Company plans to pay out a year-end dividend of 16 yen per share. For the fiscal year ending September 30, 2022, the Company plans to pay out an interim dividend of 16 yen per share and a year-end dividend of 16 yen per share, making an annual total of 32 yen per share.

## **2. Basic Approach to Selection of Accounting Standards**

The Group prepares consolidated financial statements in accordance with Japanese accounting standards. The Group intends to continue examining the application of international accounting standards in consideration of conditions both in Japan and abroad.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	90,799	103,138
Accounts receivable - trade	112	89
Real estate for sale	8,538	23,491
Real estate for sale in process	142,143	102,347
Raw materials and supplies	152	143
Other	7,389	8,290
Allowance for doubtful accounts	(95)	(124)
Total current assets	249,040	237,376
Non-current assets		
Property, plant and equipment		
Buildings and structures	424	406
Accumulated depreciation	(226)	(195)
Buildings and structures, net	197	211
Real estate for rent	14,770	15,613
Accumulated depreciation	(1,031)	(1,021)
Real estate for rent, net	13,738	14,592
Land	243	197
Construction in progress	0	—
Other	317	290
Accumulated depreciation	(240)	(229)
Other, net	77	60
Total property, plant and equipment	14,257	15,062
Intangible assets	149	101
Investments and other assets		
Investment securities	51	102
Long-term loans receivable	38	39
Long-term loans receivable from subsidiaries and associates	762	—
Deferred tax assets	3,709	2,736
Other	754	606
Total Investments and other assets	5,315	3,484
Total non-current assets	19,722	18,648
Total assets	268,762	256,024

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	280	367
Electronically recorded obligations - operating	6,641	1,704
Short-term loans payable	4,662	920
Current portion of long-term loans payable	52,318	38,228
Income taxes payable	6,670	3,730
Advances received	5,621	5,024
Provision for bonuses	212	226
Other	4,937	3,929
<b>Total current liabilities</b>	<b>81,344</b>	<b>54,131</b>
Non-current liabilities		
Long-term loans payable	46,469	52,798
Provision for share-based payment	231	257
Deferred tax liabilities	3	—
Other	580	581
<b>Total non-current liabilities</b>	<b>47,284</b>	<b>53,637</b>
<b>Total liabilities</b>	<b>128,629</b>	<b>107,768</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,880	6,890
Capital surplus	7,882	7,892
Retained earnings	125,460	133,489
Treasury shares	(883)	(883)
<b>Total shareholders' equity</b>	<b>139,340</b>	<b>147,388</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	10
Foreign currency translation adjustment	11	1
<b>Total accumulated other comprehensive income</b>	<b>13</b>	<b>11</b>
Subscription rights to shares	381	439
Non-controlling interests	398	416
<b>Total net assets</b>	<b>140,132</b>	<b>148,256</b>
<b>Total liabilities and net assets</b>	<b>268,762</b>	<b>256,024</b>

**(2) Consolidated statements of income and comprehensive income**

## Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)	Fiscal period ended September 30, 2021 (Apr. 1, 2021 to Sep. 30, 2021)
Net sales	243,813	99,752
Cost of sales	196,541	77,069
Gross profit	47,271	22,683
Selling, general and administrative expenses		
Sales commission	7,917	3,714
Advertising expenses	311	141
Directors' compensation	373	180
Salaries and allowances	3,850	2,080
Bonuses	235	51
Provision for bonuses	125	184
Retirement benefit expenses	56	30
Provision for share-based payment	37	25
Depreciation	102	50
Other	4,498	1,997
Total selling, general and administrative expenses	17,509	8,457
Operating profit	29,762	14,225
Non-operating income		
Interest income	4	1
Dividend income	1	1
Purchase discounts	2	2
Foreign exchange gains	55	29
Commission fees	63	19
Penalty income	586	77
Real estate acquisition tax refund	48	38
Other	163	59
Total non-operating income	927	231
Non-operating expenses		
Interest expenses	756	350
Share of loss of entities accounted for using equity method	373	54
Provision of allowance for doubtful accounts	95	29
Commission fees	257	73
Other	127	60
Total non-operating expenses	1,610	568
Ordinary profit	29,079	13,888
Extraordinary income		
Gain on sales of non-current assets	210	—
Gain on reversal of share acquisition rights	54	—
Total extraordinary income	264	—
Profit before income taxes	29,344	13,888
Income taxes - current	10,819	3,762
Income taxes - deferred	(1,234)	965
Total income taxes	9,585	4,727
Net income	19,759	9,161
Profit (Loss) attributable to non-controlling interests	(773)	39
Profit attributable to owners of parent	20,533	9,121

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)	Fiscal period ended September 30, 2021 (Apr. 1, 2021 to Sep. 30, 2021)
Net income	19,759	9,161
Other comprehensive income		
Valuation difference on available-for-sale securities	3	8
Foreign currency translation adjustment	46	(1)
Share of other comprehensive income of entities accounted for using equity method	15	(8)
Total other comprehensive income	65	(1)
Comprehensive income	19,825	9,159
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,598	9,120
Comprehensive income attributable to non-controlling interests	(773)	39

**(3) Consolidated statements of changes in equity****Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)**

(Millions of yen)

	Shareholders' equity				
	Capital stock:	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,290	5,292	106,609	(887)	115,306
Changes of items during period					
Issuance of new shares	2,589	2,589			5,179
Dividends of surplus			(1,682)		(1,682)
Profit attributable to owners of parent			20,533		20,533
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Net changes of items other than shareholders' equity					
Total changes of items during period	2,589	2,589	18,850	3	24,033
Balance at end of current period	6,880	7,882	125,460	(883)	139,340

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	(1)	(50)	(52)	264	1,172	116,690
Changes of items during period						
Issuance of new shares						5,179
Dividends of surplus						(1,682)
Profit attributable to owners of parent						20,533
Purchase of treasury shares						(0)
Disposal of treasury shares						3
Net changes of items other than shareholders' equity	3	62	65	116	(773)	(591)
Total changes of items during period	3	62	65	116	(773)	23,441
Balance at end of current period	1	11	13	381	398	140,132

**Fiscal period ended September 30, 2021 (April 1, 2021 to September 30, 2021)**

(Millions of yen)

	Shareholders' equity				
	Capital stock:	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,880	7,882	125,460	(883)	139,340
Changes of items during period					
Issuance of new shares	9	9			19
Dividends of surplus			(1,092)		(1,092)
Profit attributable to owners of parent			9,121		9,121
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	9	9	8,029	(0)	8,048
Balance at end of current period	6,890	7,892	133,489	(883)	147,388

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	1	11	13	381	398	140,132
Changes of items during period						
Issuance of new shares						19
Dividends of surplus						(1,092)
Profit attributable to owners of parent						9,121
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	8	(9)	(1)	58	18	75
Total changes of items during period	8	(9)	(1)	58	18	8,123
Balance at end of current period	10	1	11	439	416	148,256

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)	Fiscal period ended September 30, 2021 (Apr. 1, 2021 to Sep. 30, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	29,344	13,888
Depreciation	314	220
Amortization of goodwill	100	27
Increase (decrease) in allowance for doubtful accounts	95	29
Interest and dividend income	(6)	(2)
Interest expenses	756	350
Foreign exchange losses (gains)	(55)	(29)
Share of (profit) loss of entities accounted for using equity method	373	54
Decrease (increase) in inventories	86,909	24,151
Increase (decrease) in notes and accounts payable - trade	(2,593)	(4,997)
Share-based remuneration expenses	243	77
Increase (decrease) in provision for bonuses	(41)	13
Increase (decrease) in provision for share-based payment	37	25
Loss (gain) on sales of non-current assets	(210)	—
Gain on reversal of share acquisition rights	(54)	—
Increase (decrease) in advances received	(5,043)	(596)
Decrease (increase) in consumption taxes refund receivable	75	107
Increase (decrease) in accrued consumption taxes	1,410	(585)
Other	(1,560)	124
<b>Subtotal</b>	<b>110,095</b>	<b>32,860</b>
Interest and dividend income received	6	2
Interest expenses paid	(746)	(344)
Income taxes paid	(11,076)	(6,618)
<b>Net cash provided by operating activities</b>	<b>98,278</b>	<b>25,900</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(163)	(699)
Proceeds from sales of non-current assets	889	58
Purchase of investment securities	(2)	(1)
Payments of loans receivable from subsidiaries and associates	(865)	(262)
Payments into time deposits	—	(125)
Purchase of shares of subsidiaries and associates	—	(40)
Other	—	0
<b>Net cash used in investing activities</b>	<b>(141)</b>	<b>(1,069)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans payable	27,645	19,177
Repayments of long-term loans payable	(85,941)	(26,938)
Proceeds from issuance of common shares	5,116	—
Cash dividends paid	(1,681)	(1,092)
Net increase (decrease) in short-term loans payable	2,758	(3,742)
Repayments to non-controlling shareholders	—	(20)
Other	(8)	(0)
<b>Net cash used in financing activities</b>	<b>(52,112)</b>	<b>(12,616)</b>
Effect of exchange rate change on cash and cash equivalents	1	(1)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>46,025</b>	<b>12,213</b>
Cash and cash equivalents at beginning of period	41,684	87,709
<b>Cash and cash equivalents at end of period</b>	<b>87,709</b>	<b>99,922</b>

## 5. Other

### Orders and sales

Following the change of fiscal year-end, the fiscal period ended September 30, 2021 covers the six months from April 1, 2021 to September 30, 2021.

For ease of comparison, we provide the results for the same period of the previous fiscal year (from April 1, 2020 to September 30, 2020).

#### a. Actual orders

Six months ended September 30, 2020 (April 1, 2020 to September 30, 2020)

Name of segment	Category	Total amount of contracts				Outstanding balance of contracts			
		Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)	Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)
Real estate sale business	Studio condominiums	2,452	103.7	38,363	88.3	3,189	86.8	51,087	80.3
	Family-type condominiums	844	72.9	33,316	77.3	1,144	60.9	45,952	67.7
	Sale of hotel property	37	26.2	1,700	47.3	457	42.9	10,176	38.8
	Sale of other type of housing	149	118.3	3,302	129.1	85	193.2	2,406	200.6
	Sale of other real estate	—	—	9,582	484.7	—	—	2,685	268.6
Total amount of reportable segments		3,482	91.9	86,266	91.1	4,875	73.2	112,308	70.2

Fiscal period ended September 30, 2021 (April 1, 2021 to September 30, 2021)

Name of segment	Category	Total amount of contracts				Outstanding balance of contracts			
		Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)	Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)
Real estate sale business	Studio condominiums	1,877	76.5	31,446	82.0	1,953	61.2	29,455	57.7
	Family-type condominiums	892	105.7	37,139	111.5	1,078	94.2	47,174	102.7
	Sale of hotel property	240	648.6	3,750	220.5	—	—	—	—
	Sale of other type of housing	213	143.0	4,654	140.9	85	100.0	2,502	104.0
	Sale of other real estate	2	—	5,966	62.3	1	—	6,325	235.5
Total amount of reportable segments		3,224	92.6	82,957	96.2	3,117	63.9	85,457	76.1

#### \*Notes

- In the table above, “total amount of orders” has been replaced with “total amount of contracts.
- Consumption taxes are not included in the above amounts.
- Amounts of additional constructions are included in the above amounts.
- Number of units in total amount of contracts and the outstanding balance of contracts may fluctuate due to change of business plan.
- The sale of other type of housing refers to the sale of houses, including used houses and detached houses, other than newly built condominiums.
- The sale of other real estate refers to the sale of real estate, including commercial stores and lands for development, other than housing
- Amounts of contracts and outstanding balance of contracts for sale of other real estate for the six months ended September 30, 2020 and September 30, 2021, refer to commercial stores and lands for development.
- Business segments which are not included in the reportable segments are not applicable.

**b. Actual sales**

Name of segment	Category	Six months ended September 30, 2020 (Apr. 1, 2020 to Sep. 30, 2020)				Six months ended September 30, 2021 (Apr. 1, 2021 to Sep. 30, 2021)			
		Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)	Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)
Real estate sale business	Studio condominiums	2,734	96.5	47,833	89.5	2,924	106.9	48,218	100.8
	Family-type condominiums	1,756	125.2	63,079	119.5	866	49.3	34,383	54.5
	Sale of hotel property	150	116.3	5,380	176.4	420	280.0	8,000	148.7
	Sale of other type of housing	107	105.9	2,125	117.0	224	209.3	4,732	222.6
	Sale of other real estate	—	—	11,869	116.6	1	—	41	0.3
	Business accompanying real estate sale	—	—	866	120.6	—	—	706	81.6
Total amount of reportable segments		4,747	106.3	131,156	107.5	4,435	93.4	96,081	73.3
Other		—	—	4,254	124.1	—	—	3,671	86.3
Total		4,747	106.3	135,411	108.0	4,435	93.4	99,752	73.7

**\*Notes**

1. Consumption taxes are not included in the above amounts.
2. Amounts of additional constructions are included in the above amounts.
3. The sale of other type of housing refers to the sale of houses, including used houses and detached houses, other than newly built condominiums.
4. The sale of other real estate refers to the sale of real estate, including commercial stores and lands for development, other than housing
5. Business accompanying real estate sale includes income from intermediation fees from real estate sales and income from post-delivery optional construction work such as floor coating.
6. Net sales of other real estate for the six months ended September 30, 2020 and September 30, 2021, refer to commercial stores and lands for development.