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February 13, 2024

## Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year 2024 (FY06/2024) [Japanese standards] (Consolidated)

Company name: AMBITION DX HOLDINGS Co., Ltd.  
 Stock exchange listing: Tokyo  
 Securities code: 3300 URL: <https://am-bition.jp/>  
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Scheduled date to file Quarterly Securities Report: February 13, 2024  
 Scheduled date to commence dividend payments: N/A  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional/private investors and analysts)

(Amounts less than one mil. yen are rounded down)

### 1. Consolidated financial results of the second quarter of FY06/2024 (July 1, 2023 – December 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss) attributable to owners of parent	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
2Q of FY06/2024	19,144	11.3	990	24.5	890	20.3	535	26.3
2Q of FY06/2023	17,206	18.4	795	46.7	740	46.1	423	58.3
(Note) Comprehensive profit	2Q of FY06/2024: 555 mil. yen [39.5%]		2Q of FY06/2023: 398 mil. yen [ -%]					

	Net profit (loss) per share	Diluted net profit (loss) per share
	yen	yen
2Q of FY06/2024	77.87	74.56
2Q of FY06/2023	62.27	61.45

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	mil. yen	mil. yen	%	yen
2Q of FY06/2024	23,453	5,006	21.3	725.93
FY06/2023	20,516	4,600	22.3	667.24

(Reference) Shareholders equity 2Q of FY06/2024: 4,988 mil. yen  
 FY06/2023: 4,584 mil. yen

### 2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
FY06/2023	—	0.00	—	22.00	22.00
FY06/2024	—	0.00	—	25.00	25.00
FY06/2024 (forecasts)	—	—	—	25.00	25.00

(Note) Revisions to dividend forecasts published most recently: No

### 3. Consolidated performance forecasts for FY06/2024 (July 1, 2023 – June 30, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss) attributable to owners of parent		Net profit (loss) per share
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%	yen
Full term	37,760	4.2	2,006	25.1	1,677	13.2	1,104	14.9	160.74

(Note) Revisions to performance forecasts published most recently: No

**\*Notes**

- (1) Changes in significant subsidiaries during the current quarter consolidated cumulative period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods to the preparation of quarterly consolidated financial statement: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- ① Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - ② Changes in accounting policies due to other reasons: No
  - ③ Changes in accounting estimates: No
  - ④ Restatement of prior period financial statements: No

## (4) Number of issued shares (common shares)

- ① Total number of issued shares at the end of the period (including treasury stock)

2Q of FY06/2024:	6,872,200 shares	FY06/2023:	6,871,000 shares
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- ② Number of treasury stock at the end of the period

2Q of FY06/2024:	93 shares	FY06/2023:	93 shares
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- ③ Average number of shares during the period (quarterly cumulative)

2Q of FY06/2024:	6,871,364 shares	2Q of FY06/2023:	6,804,352 shares
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\* Quarterly summary of financial results is not included in a quarterly review by a certified public accountant or an auditing firm.

\* Explanation regarding appropriate use of the earnings forecast and other special notes

1. Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecasts. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of factors. For preconditions for performance forecasts and precaution statements in using such forecasts, please see the appendix, page 3, "1. Qualitative Information regarding the Financial Results of the Current Quarter: (3) Descriptions regarding future prospects such as consolidated performance forecasts".

2. Briefings for institutional/private investors and for analysts will be held on February 22 (Thu.) and 27 (Tue.), 2024, respectively.

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## 1. Qualitative Information regarding the Financial Results of the Current Quarter

### (1) Descriptions regarding operating results

During the current second quarter consolidated cumulative period, business environment around the Group has presented some recovery trends in personal spending and employment situations, thus maintaining moderate upward momentum. On the other hand, we are still in unpredictable situations against the backgrounds of, for example, fluctuating financial/capital markets, energy prices remaining at high levels, and price escalation caused by steep price rise of raw materials.

In such a business environment, the Group aims at its own business reform and also reforming the whole industry to which it belongs, through DX (digital transformation), and sets its vision as “To reform real estate business through DX and become a sole real estate digital platformer which fuses digital and real world together”. Having its three major policies as “Business reform by promoting DX”, “Efforts to discrete business expansion such as promoting M&A” and “Industry reform by development/sales of novel real estate DX products”, the Company plans to achieve its business performance with net sales of 50 billion yen and operating profit of 3 bln. yen, by the end of FY06/2026.

During the current second quarter consolidated cumulative period, our principal Leasing DX Property Management Business segment has worked on increasing the number of houses under its management and at the same time made use of the next-generation management system named “AMBITION Cloud” that helped higher productivity in the process of receiving property management contract through to gathering information about rooms where residents thereof are going to vacate, and in addition, our leasing abilities greatly improved. All of these factors contributed to achieving record-high net sales and operating profit.

Leasing DX Leasing Brokerage Business segment could achieve higher net sales by taking DX measures and increasing personnel in preparation for peak season. However, investment in such as human resources and opening new shops (increase by 2 YoY) resulted in lower operating profit.

Sales/Purchase DX Investment Business segment successfully completed handing over a newly-built condominium and achieved its initial plan for the current second quarter consolidated cumulative period.

Real Estate DX Business that is our new driver for growth has mainly promoted development of its own application for residents called “AMBITION Me”, as such it would realize improvement in both satisfaction and engagement for residents, and also maximization of their LTV (Life Time Value). In addition, implementation of M&A and alliance is under consideration proactively.

Consequently, consolidated performance of the current second consolidated cumulative period was as follows: Net sales: 19,144,148 thousand yen (increase by 11.3% [1,937,230 thousand yen] YoY); Operating profit: 990,332 thousand yen (increase by 24.5% [195,082 thousand yen] YoY); Ordinary profit: 890,458 thousand yen (increase by 20.3% [150,080 thousand yen] YoY); and Net profit attributable to owners of parent: 535,088 thousand yen (increase by 26.3% [111,348 thousand yen] YoY).

Operating results of individual business segments are as follows.

#### *(Leasing DX Property Management Business)*

This business segment is the Group’s principal one which undertakes mainly subleasing of residential real estates, and has its basic policies as to increase number of houses under its management and to maintain high occupancy rates. “AMBITION Cloud” transforms every operation for real estate leasing management to a digitalized one, and realizes much higher operational efficiency and improved productivity.

During the current second quarter consolidated cumulative period, number of houses under its management smoothly increased to 25,522 (increase by 1,002 YoY), as well as 14,456 subleased houses (increase by 646 YoY).

These operations resulted in Net sales of 9,866,789 thousand yen (increase by 5.8% [538,833 thousand yen] YoY), and Segment profit (Operating profit) of 833,788 thousand yen (increase by 32.7% [205,449 thousand yen] YoY).

#### *(Leasing DX Leasing Brokerage Business)*

This business segment undertakes brokerage business for leased properties, mainly those managed by the Company. AMBITION AGENCY Co., Ltd. (which operates “ROOMPIA”) and AMBITION VALOR Co., Ltd. (which operates “VALOR”), both of which are subsidiaries, run 18 shops in total including 9 in Tokyo, 8 in Kanagawa Pref. and 1 in Saitama Pref. High leasing ability of this segment contributes to the high occupancy rates maintained by the principal Property Management Business segment.

During the current second quarter consolidated cumulative period, by making use of an AIxRPA tool named “RAC·TECH”, the Company continued to work on personnel downsizing for inputting work and increase in the number of response. In addition, not only measures for attracting guests such as those via WEB by strengthened advertising strategies and remote customer services / VR preview, but also reinforcement of electronic contract

package integrated with our unique electronic signature system called “AMBITION Sign” which utilizes blockchain (distributed ledger) technologies, have realized improvement in our customers’ values of experiences with room searching. These measures and increased personnel in preparation for peak season (plus 46 employees YoY), as well as successful human resources development led to higher net sales, but operating loss of this segment became wider due to such as expenses for human resources and opening new shops (increase by 2 YoY).

These operations resulted in Net sales of 359,523 thousand yen (increase by 9.9% [32,423 thousand yen] YoY) and Segment loss (Operating loss) of 70,487 thousand yen (which was 56,816 thousand yen in the previous FY).

*(Sales/Purchase DX Investment Business)*

This business is carried out by Investment Division of the Company which develops its business around selling renovated condominium apartments with emphasis on location, in collaboration with VERITAS INVESTMENT Co., Ltd., a subsidiary of the Company, which develops its business around selling self-developed newly built designers’ condominiums for investment focusing on “Good location”, “Good design” and “Superior equipment specification”, supported by wide variety of procurement channels.

During the current second quarter consolidated cumulative period, this segment could operate as planned, and number of houses sold by VERITAS was 139 (decrease by 17 YoY). Meanwhile, Investment Division of the Company has reinforced preparedness for procurement taking risks consistently into account and maintained high level of inventory turnover rate, consequently having sold 48 houses (increase by 8 YoY).

These operations resulted in Net sales of 8,426,361 thousand yen (increase by 15.3% [1,118,112 thousand yen] YoY), and Segment profit (Operating profit) of 1,200,621 thousand yen (increase by 9.8% [107,425 thousand yen] YoY).

*(Incubation Business)*

In this business segment, investment in venture companies which carry out businesses highly compatible with those of the Group, capital tie-up, and support for invested companies and other operations, are undertaken by AMBITION VENTURES Co., Ltd. which is a subsidiary.

As of the end of the current second quarter consolidated cumulative period, the Company has invested in 30 venture companies. They include two companies newly invested during the current second quarter consolidated cumulative period. During the current second quarter consolidated cumulative period, some of investment securities were sold off.

These operations resulted in Net sales of 2,349 thousand yen (increase by 335.8% [1,810 thousand yen] YoY) and Segment loss (Operating loss) of 12,163 thousand yen (which was 36,341 thousand yen in the previous FY).

*(Other Business)*

Other Business segment consists collectively of Real Estate DX Business (including an overseas subsidiary for system development), Small Amount Short-term Insurance Business, and ZEH/Utilities Business.

For Real Estate DX Business, the next-generation management system “AMBITION Cloud” has been developed mainly by our overseas subsidiary, AMBITION VIETNAM Co., Ltd., and internal DX is promoted on a priority basis. Leasing DX Property Management Business segment makes use of “AMBITION Cloud” to develop a variety of systems for real estate leasing management operations, such as those for contract progress management, repair management, and offering management, realizing substantial improvement in operational efficiency and productivity. Also, an electronic contract package integrated with the Company’s unique electronic signature system called “AMBITION Sign” which utilizes IT-enabled explanation of important matters and blockchain (distributed ledger) technologies, has been provided to Leasing DX Business segment. Moreover, the DX application “AMBITION Me” for residents will be further developed, and by keeping relationship with customers from move-in, renewal through to vacation, it becomes possible to provide various services including online healthcare service which was started to be provided recently, as such new business development can be anticipated.

During the current second quarter consolidated cumulative period, online healthcare service has been newly provided via “AMBITION Me”. New technologies are utilized for “AMBITION Me”, such as enhancement of FAQ function by utilizing “Generative AI”. Application for searching for rooms called “Room concierge”, the Group’s first BtoC matching service has continuously acquired increasing number of registered users which is currently 36,060 (increase by 138.2% YoY). Small Amount Short-term Insurance Business has continued to obtain new contracts smoothly during the current second quarter consolidated cumulative period, along with playing a role in facilitating DX in the Group by using the “MONOLITH” system developed by a subsidiary, in which the whole process from application through to payment can be completed on a paperless basis. ZEH/Utilities Business is undertaken by DRAFT Inc. (a subsidiary), which manages ZEH (Net Zero Energy House) business activities for sales of electricity-generating/energy-saving facilities such as storage batteries, photovoltaics and exterior painting, as well as agency operations for opening/switching services of utilities operators and also sales of water-

servers. Synergies with the Leasing DX Business have been brought about as well, such as providing services also to residents of properties under our management and customers of our Leasing Brokerage Business.

These operations resulted in Net sales of 489,124 thousand yen (increase by 101.2% [246,049 thousand yen] YoY) and Segment loss (Operating loss) of 30,938 thousand yen (which was 66,676 thousand yen in the previous FY).

## (2) Descriptions regarding financial position

### ① Assets, liabilities, and net assets

Total assets at the end of the current second quarter consolidated fiscal period was 23,453,148 thousand yen, i.e. increase by 2,936,561 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Real estate for sale by 4,255,821 thousand yen, in Land by 679,249 thousand yen, and in Buildings and structures (net) by 404,424 thousand yen on one hand, whereas decrease in Real estate for sale in process by 2,868,725 thousand yen, in Goodwill by 87,623 thousand yen, and in Investment securities by 28,059 thousand yen on the other.

Total liabilities was 18,446,843 thousand yen, i.e. increase by 2,531,199 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Short-term loans payable by 1,513,482 thousand yen, in Long-term loans payable by 1,430,221 thousand yen and in Operating accounts payable by 752,377 thousand yen on one hand, whereas decrease in Current portion of long-term loans payable by 1,317,919 thousand yen, in Accrued expenses by 60,186 thousand yen and in Current portion of bonds by 47,500 thousand yen on the other.

Total net assets was 5,006,305 thousand yen, i.e. increase by 405,361 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Retained earnings by 383,928 thousand yen and in Valuation difference on available-for-sale securities by 20,613 thousand yen.

### ② Cash flow status

Balance of cash and cash equivalents at the end of the current second quarter consolidated cumulative period was 5,689,946 thousand yen, i.e. increase by 118,317 thousand yen as compared to the end of the previous consolidated FY.

Cash flow status for each activity category and main factors thereof are as follows.

#### *(Cash flows from operating activities)*

Net cash provided by operating activities during the current second quarter consolidated cumulative period was 925,541 thousand yen (which was 800,356 thousand yen in the previous FY). Major positive factors include Decrease in real estate for sale by 2,868,725 thousand yen, Net profit before income taxes and minority interests of 890,458 thousand yen, and Increase in notes and accounts payable - trade by 750,967 thousand yen; and major negative factors include Increase in real estate for sale by 3,625,306 thousand yen, Income taxes paid of 324,366 thousand yen, and Interest expenses paid of 74,417 thousand yen.

#### *(Cash flows from investing activities)*

Net cash used in investing activities during the current second quarter consolidated cumulative period was 2,218,285 thousand yen (which was 1,207,159 thousand yen in the previous FY). Major negative factors include Purchase of property, plant and equipment of 1,996,611 thousand yen, Expense by payment of guarantee deposits of 137,842 thousand yen, and Purchase of intangible assets of 77,302 thousand yen; and major positive factors include Proceeds from withdrawal of time deposits of 10,000 thousand yen.

#### *(Cash flows from financing activities)*

Net cash provided by financing activities during the current second quarter consolidated cumulative period was 1,412,211 thousand yen (which was 213,417 thousand yen in previous FY). Major positive factors include Proceeds from long-term loans payable of 2,767,300 thousand yen and Net increase in short-term loans payable by 1,513,482 thousand yen; and major negative factors include Repayments of long-term loans payable of 2,654,997 thousand yen.

## (3) Descriptions regarding future prospects such as consolidated performance forecasts

For the current second quarter consolidated cumulative period, consolidated performance forecasts for FY06/2024 as announced on August 14, 2023 have been unchanged.

In the event of any modification being deemed necessary in the future, it will be noticed promptly.

**2. Quarterly Consolidated Financial Statements and Principal Notes****(1) Quarterly Consolidated Balance Sheets**

	Previous consolidated fiscal year (June 30, 2023)	Current second quarter consolidated fiscal period (December 31, 2023)
(thousand yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	5,639,629	5,757,946
Operating accounts receivable	318,538	346,606
Real estate for sale	2,817,537	7,073,358
Real estate for sale in process	5,322,704	2,453,978
Supplies	9,752	9,194
Operational investment securities	240,225	307,957
Others	582,084	813,589
Allowance for doubtful accounts	(28,375)	(45,928)
Total current assets	14,902,096	16,716,703
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	891,079	1,295,503
Land	2,545,044	3,224,294
Others (net)	27,868	34,710
Total property, plant and equipment	3,463,992	4,554,508
Intangible assets		
Goodwill	908,869	821,246
Others	194,351	230,797
Total intangible assets	1,103,221	1,052,044
Investments and other assets		
Investment securities	97,412	69,353
Guarantee deposits	150,595	210,987
Deferred tax assets	279,694	311,203
Others	538,795	567,932
Allowance for doubtful accounts	(21,498)	(31,033)
Total investment and other assets	1,045,000	1,128,443
Total non-current assets	5,612,214	6,734,996
Deferred assets		
Bond issuance cost	2,276	1,448
Total deferred assets	2,276	1,448
Total assets	20,516,587	23,453,148

(thousand yen)

	Previous consolidated fiscal year (June 30, 2023)	Current second quarter consolidated fiscal period (December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	443,093	1,195,470
Short-term loans payable	2,200,250	3,713,732
Current portion of long-term loans payable	3,058,988	1,741,068
Current portion of bonds	125,400	77,900
Accounts payable - other	137,740	99,378
Accrued expenses	332,027	271,840
Income taxes payable	335,729	396,434
Consumption taxes payable	26,277	69,692
Advances received	1,476,692	1,554,417
Operating deposits received	230,239	238,955
Provision for bonuses	2,000	81,026
Others	153,314	190,016
Total current liabilities	8,521,753	9,629,934
Non-current liabilities		
Bonds payable	49,900	33,200
Long-term loans payable	6,553,908	7,984,130
Long-term guarantee deposits	719,559	724,898
Deferred tax liabilities	—	9,700
Others	70,520	64,979
Total non-current liabilities	7,393,889	8,816,908
<b>Total liabilities</b>	<b>15,915,643</b>	<b>18,446,843</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	401,508	401,899
Capital surplus	483,957	484,348
Retained earnings	3,691,252	4,075,181
Treasury stock	(99)	(99)
Total shareholders' equity	4,576,619	4,961,330
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,263	27,877
Foreign currency translation adjustment	631	(564)
Total accumulated other comprehensive income	7,895	27,312
Subscription rights to shares	2,928	2,926
Non-controlling interests	13,500	14,735
<b>Total net assets</b>	<b>4,600,943</b>	<b>5,006,305</b>
<b>Total liabilities and net assets</b>	<b>20,516,587</b>	<b>23,453,148</b>



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

(Quarterly Consolidated Statements of Income)

(For the second quarter consolidated cumulative period)

(thousand yen)

	Previous second quarter consolidated cumulative period (Jul. 1, 2022 – Dec. 31, 2022)	Current second quarter consolidated cumulative period (Jul. 1, 2023 – Dec. 31, 2023)
Net sales	17,206,917	19,144,148
Cost of sales	14,089,424	15,396,932
Gross profit	3,117,492	3,747,215
SG&A expenses	2,322,242	2,756,882
Operating profit (loss)	795,250	990,332
Non-operating profit (loss)		
Interest income	31	27
Dividend income	84	58
Brokerage income	0	0
Gain on investments in partnership	2,433	2,635
Subsidy income	17,610	333
Miscellaneous income	2,753	4,484
Total non-operating profit	22,914	7,539
Non-operating expenses		
Interest expenses	63,086	77,724
Amortization of bond issuance cost	872	827
Foreign exchange losses	99	72
Commission fee	12,865	26,889
Miscellaneous loss	862	1,898
Total non-operating expenses	77,787	107,413
Ordinary profit (loss)	740,378	890,458
Extraordinary profit		
Gain on sales of investment securities	3,738	—
Total extraordinary profit	3,738	—
Extraordinary losses		
Loss on retirement of non-current assets	6	—
Total extraordinary losses	6	—
Net profit (loss) before income taxes and minority interests	744,110	890,458
Income taxes	336,502	385,412
Income taxes - deferred	(16,371)	(31,277)
Total income taxes	320,131	354,135
Net profit (loss)	423,979	536,323
Net profit (loss) attributable to non-controlling shareholders	240	1,235
Net profit (loss) attributable to owners of parent	423,739	535,088

(Quarterly Consolidated Statements of Comprehensive Income)  
(For the second quarter consolidated cumulative period)

(thousand yen)

	Previous second quarter consolidated cumulative period (Jul. 1, 2022 – Dec. 31, 2022)	Current second quarter consolidated cumulative period (Jul. 1, 2023 – Dec. 31, 2023)
Net profit (loss)	423,979	536,323
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(24,998)	20,613
Foreign currency translation adjustment	(701)	(1,196)
Total other comprehensive income (loss)	(25,700)	19,417
Comprehensive income (loss)	398,278	555,740
(detail)		
Comprehensive income (loss) attributable to owners of parent	398,038	554,505
Comprehensive income (loss) attributable to non-controlling interests	240	1,235

**(3) Quarterly Consolidated Cash Flow Statements**

	(thousand yen)	
	Previous second quarter consolidated cumulative period (Jul. 1, 2022 - Dec. 31, 2022)	Current second quarter consolidated cumulative period (Jul. 1, 2023 - Dec. 31, 2023)
<b>Cash flows from operating activities</b>		
Net profit (loss) before income taxes and minority interests	744,110	890,458
Depreciation	63,872	95,357
Amortization of goodwill	70,183	87,623
Increase (decrease) in allowance for doubtful accounts	5,024	27,088
Increase (decrease) in reserve for bonuses	(195)	79,026
Increase (decrease) in ordinary underwriting reserve	22,380	(3,644)
Loss (gain) on sale of investment securities	(3,738)	—
Interest and dividends income	(116)	(85)
Amortization of bond issuance cost	872	827
Interest expenses	63,086	77,724
Loss on retirement of non-current assets	6	—
Gain on investments in partnership	(2,433)	(2,635)
Decrease (increase) in operational investment securities	28,661	(41,004)
Decrease (increase) in notes and accounts receivable - trade	(47,820)	(37,408)
Decrease (increase) in inventories	(11)	2,895
Decrease (increase) in real estate for sale	391,107	(3,625,306)
Decrease (increase) in real estate for sale in process	247,919	2,868,725
Increase (decrease) in long-term guarantee deposits	(6,698)	17,072
Increase (decrease) in operating deposits received	27,401	8,716
Increase (decrease) in advances received	12,198	77,725
Decrease (increase) in prepaid expenses	(41,992)	(2,574)
Increase (decrease) in notes and accounts payable - trade	(221,259)	750,967
Increase (decrease) in accrued expenses	(39,511)	(60,643)
Increase (decrease) in accrued consumption taxes	(41,570)	43,415
Others	(76,346)	69,918
Subtotal	1,195,131	1,324,240
Income taxes paid	(336,432)	(324,366)
Interest and dividends income received	116	85
Interest expenses paid	(58,459)	(74,417)
Net cash provided by (used in) operating activities	800,356	925,541
<b>Cash flows from investing activities</b>		
Payments into time deposits	(32,500)	(15,000)
Proceeds from withdrawal of time deposits	30,000	10,000
Purchase of property, plant and equipment	(1,276,537)	(1,996,611)
Purchase of intangible assets	(46,050)	(77,302)
Purchase of investment securities	(50,158)	(1,105)
Proceeds from sale of investment securities	7,566	96
Payments for investments in capital	—	(3,341)
Collection of investments in capital	101,985	5,671
Expense by payment of guarantee deposits	(4,473)	(137,842)
Proceeds from collection of guarantee deposits	63,936	52
Others	(926)	(2,901)
Net cash provided by (used in) investing activities	(1,207,159)	(2,218,285)

	(thousand yen)	
	Previous second quarter consolidated cumulative period (Jul. 1, 2022 - Dec. 31, 2022)	Current second quarter consolidated cumulative period (Jul. 1, 2023 - Dec. 31, 2023)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	869,182	1,513,482
Proceeds from long-term loans payable	2,014,700	2,767,300
Repayments of long-term loans payable	(2,583,880)	(2,654,997)
Proceeds from issuance of bonds	98,900	—
Expense by redemption of bonds	(54,500)	(64,200)
Proceeds from issuance of new shares	—	781
Dividends paid	(128,983)	(150,153)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,000)	—
Net cash provided by (used in) financing activities	213,417	1,412,211
Effect of exchange rate change on cash and cash equivalents	(659)	(1,150)
Net increase (decrease) in cash and cash equivalents	(194,045)	118,317
Cash and cash equivalents at beginning of period	5,148,939	5,571,629
Cash and cash equivalents at 2Q end	4,954,893	5,689,946

**(4) Notes on Quarterly Consolidated Financial Statements**

(Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

**【Segment Information】****I Previous second quarter consolidated cumulative period (Jul. 1, 2022 – Dec. 31, 2022)***1. Information on net sales and profit/loss of each reportable segment*

(thousand yen)

	Reportable segments					Other Business (see Note)	Total
	Leasing DX Property Management Business	Leasing DX Leasing Brokerage Business	Sales/Purchase DX Investment Business	Incubation Business	Subtotal		
Net sales							
Sales to external customers	9,327,955	327,099	7,308,248	539	16,963,842	243,075	17,206,917
Inter-segment sales or transfer	10,308	89,044	—	—	99,352	13,895	113,248
Total	9,338,263	416,144	7,308,248	539	17,063,195	256,970	17,320,165
Segment profit (loss)	628,338	(56,816)	1,093,195	(36,341)	1,628,377	(66,676)	1,561,700

Note: "Other Business" refers to business segment not included in the reportable segments, which includes Real Estate DX Business (including an overseas subsidiary for system development), Small Amount Short-term Insurance Business and Hotel Business.

*2. Difference between the total amount of profit or loss of reportable segments and the amount presented on the Quarterly Consolidated Statements of Income; and main contents of said difference (items in relation to adjustment of difference)*

(thousand yen)

Profit	Amount
Reportable segments total	1,628,377
"Other" profit	(66,676)
Corporate expenses (see Note)	(766,450)
Operating profit (loss) on the Quarterly Consolidated Statements of Income	795,250

Note: Corporate expenses comprises of SG&A expenses not attributable to reportable segments.

## II Current second quarter consolidated cumulative period (Jul. 1, 2023 – Dec. 31, 2023)

## 1. Information on net sales and profit/loss of each reportable segment

(thousand yen)

	Reportable segments					Other Business (see Note)	Total
	Leasing DX Property Management Business	Sales/Purchase DX Investment Business	Leasing DX Leasing Brokerage Business	Incubation Business	Subtotal		
Net sales							
Sales to external customers	9,866,789	359,523	8,426,361	2,349	18,655,023	489,124	19,144,148
Inter-segment sales or transfer	21,027	84,797	—	—	105,825	33,816	139,642
Total	9,887,816	444,321	8,426,361	2,349	18,760,848	522,941	19,283,790
Segment profit (loss)	833,788	(70,487)	1,200,621	(12,163)	1,951,758	(30,938)	1,920,819

Note: “Other Business” refers to business segment not included in the reportable segments, which includes Real Estate DX Business (including an overseas subsidiary for system development), Small Amount Short-term Insurance Business, and ZEH/Utilities Business.

## 2. Difference between the total amount of profit or loss of reportable segments and the amount presented on the Quarterly Consolidated Statements of Income; and main contents of said difference (items in relation to adjustment of difference)

(thousand yen)

Profit	Amount
Reportable segments total	1,951,758
“Other” profit	(30,938)
Corporate expenses (see Note)	(930,487)
Operating profit (loss) on the Quarterly Consolidated Statements of Income	(990,332)

Note: Corporate expenses comprises of SG&A expenses not attributable to reportable segments.

## (Significant Post-Balance Sheet Events)

Not applicable.