

# Summary of Business Results for the Third Quarter Ended September 30, 2020 [Japan GAAP] (Consolidated)

November 13, 2020

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 Expected date of filing of quarterly report: November 13, 2020 Expected starting date of dividend payment: -  
 Preparation of quarterly supplementary financial document: Yes  
 Quarterly results briefing: None

(Rounded down to million yen)

## 1. Consolidated business results for the nine months ended September 2020 (January 1, 2020 through September 30, 2020)

### (1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Sep. 2020	10,835	3.1	265	-64.3	152	-77.5	92	-78.3
Nine months ended Sep. 2019	10,512	-0.2	743	-11.5	676	-7.8	425	13.1

(Note) Comprehensive income

Nine months ended September 2020: 92 million yen (-78.3%)

Nine months ended September 2019: 425 million yen (13.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sep. 2020	10.95	10.92
Nine months ended Sep. 2019	50.34	50.24

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Sep. 2020	21,774	9,801	45.0
As of Dec. 2019	19,293	9,894	51.3

(Reference) Shareholders' equity

As of September 2020: 9,797 million yen

As of December 2019: 9,890 million yen

## 2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 2019	-	0.00	-	23.00	23.00
Year ending Dec. 2020	-	0.00	-	-	-
Year ending Dec. 2020 (forecast)	-	-	-	25.00	25.00

(Note) Revisions to dividend forecast for the current quarter: None

## 3. Forecast of consolidated business results for the fiscal year ending December 2020 (January 1, 2020 through December 31, 2020)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Dec. 2020	16,725	-7.2	647	-65.2	450	-74.4	268	-76.8	31.81

(Note) Revisions to business forecast for the current quarter: None

**\*Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Applications of simplified accounting procedures and accounting procedures unique to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies associated with revision of accounting standards: : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of September 2020 8,468,300 shares

As of December 2019 8,456,300 shares

② Treasury stock at the end of period

As of September 2020 29,942 shares

As of December 2019 242 shares

③ Average number of stock during period (quarterly cumulative period)

Nine months ended September 2020 8,445,564 shares

Nine months ended September 2019 8,450,111 shares

**\*Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

**\*Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors.

## 1. Qualitative Information on Quarterly Financial Results

### (1) Results of Operations

In the third quarter of the current fiscal year, net sales were 10,835 million (up by 3.1% YoY), operating income was 265 million yen (down by 64.3% YoY), ordinary income was 152 million yen (down by 77.5% YoY), and net income attributable to owners of parent was 92 million yen (down by 78.3% YoY).

Results by business segment are as follows.

#### ① Real Estate Sales Business

In the Real Estate Sales Business, the segment recorded net sales of 9,568 million yen (up by 2.6% YoY) and segment income of 1,083 million yen (down by 31.3% YoY).

Sales and purchase results for the third quarter of the current fiscal year are as follows.

#### i Sales Results

Classification	Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
Leasehold land	206	-9.3	3,376	-4.1
Old unutilized properties	51	+27.5	3,949	-25.4
Freehold	10	+66.7	1,876	+992.1
Other Real Estate Sales Business	-	-	366	+7.7
Total	267	-2.2	9,568	+2.6

- (Note) 1. The amounts shown above do not include consumption taxes.  
 2. Inter-segment transactions have been eliminated.  
 3. "Number of contracts" indicates the number of transactions.  
 4. "Classification" of Leasehold land, Old unutilized properties, and Freehold is stated according to the classification at the time of purchase. When leasehold land has changed to freehold with rights adjustment after purchase, this case is included in "Leasehold land" based on the classification at the time of purchase. As for the classification of mixed properties with leasehold land, old unutilized properties, and freehold, properties including leasehold land are classified as "Leasehold land", and properties containing a mix of old unutilized properties and freehold are classified as "Old unutilized properties."  
 5. "Other Real Estate Sales Business" consists of rent income, income from brokerage fees, and commission income from outsourcing.

Although sales of leasehold land and old unutilized properties decreased, total sales increased year-on-year due to a large increase in sales of freehold.

Sales for the third quarter of the current fiscal year fell short of the plan due to delays in sales, but we currently expect to achieve the full-year plan based on the current status of sales contracts and settlements in the fourth quarter.

#### ii Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (Million yen)	YoY (%)
Leasehold land	265	-20.9	3,855	+14.7
Old unutilized properties	43	-44.9	5,654	+19.8
Freehold	9	-43.8	1,568	+4.0
Total	317	-26.1	11,078	+15.5

- (Note) 1. The amounts shown above do not include consumption taxes.  
 2. "Number of lots" indicates the number of sales lots expected at the time of purchase of the property, such as the number of leaseholders in the case of leasehold land.  
 3. As for the classification of mixed properties with leasehold land, old unutilized properties, and freehold, properties including leasehold land are classified as "Leasehold land", and properties containing a mix of old unutilized properties and freehold are classified as "Old unutilized properties."

The purchase amount increased year-on-year thanks to the growth in purchases in all categories.

#### ② Construction Business

In the Construction Business, the segment recorded net sales of 1,267 million yen (up 6.8% YoY) and segment loss of 5 million yen (segment loss of 65 million yen in the same period of the previous fiscal year).

Sales and orders in the third quarter of the current fiscal year are as follows.

i Sales Results

Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
125	-3.1	1,267	+6.8

- (Note) 1. The amounts shown above do not include consumption taxes.  
2. Inter-segment transactions have been eliminated.  
3. "Number of contracts" indicates the number of contracts received.  
4. "Number of contracts" and "Sales" include the number and amount of renovation works and reconstruction works.

As for sales, net sales increased year-on-year, despite falling short of the plan due to delays in business negotiations and the postponement of some contracts caused by the spread of the new coronavirus (COVID-19) infections.

ii Order Results

Orders received (million yen)	YoY (%)	Order backlog (million yen)	YoY (%)
736	-56.0	493	-55.3

- (Note) 1. The amounts shown above do not include consumption taxes.  
2. Inter-segment transactions have been eliminated.  
3. The above amounts are based on selling prices.

Both orders received and order backlog significantly decreased as there were delays in business negotiations and the postponement of some contracts due to the spread of COVID-19.

(2) Financial Position

(Current assets)

Current assets increased by 2,482 million yen from the end of the previous fiscal year to 20,576 million yen at the end of the third quarter of the current fiscal year. This was mainly due to a decrease of 1,485 million yen in cash and deposits and an increase of 3,819 million yen in property for sale.

(Fixed assets)

Fixed assets decreased by 1 million yen from the end of the previous fiscal year to 1,197 million yen at the end of the third quarter of the current fiscal year. This was due to a decrease of 13 million yen in property, plant and equipment, a decrease of 10 million yen in intangible assets, and an increase of 22 million yen in investments and other assets.

(Current liabilities)

Current liabilities decreased by 1,348 million yen from the end of the previous fiscal year to 7,699 million yen at the end of the third quarter of the current fiscal year. This was mainly due to a decrease of 232 million yen in accounts payable-trade, a decrease of 333 million yen in short-term loans payable, and a decrease of 478 million yen in other current liabilities.

(Fixed liabilities)

Fixed liabilities at the end of the third quarter of the current fiscal year increased by 3,922 million yen from the end of the previous fiscal year to 4,273 million yen. This was mainly due to an increase of 3,929 million yen in long-term loans payable.

(Net assets)

Net assets at the end of the third quarter of the current fiscal year decreased by 93 million yen from the end of the previous fiscal year to 9,801 million yen. This was mainly due to a decrease of 102 million yen in retained earnings.

(3) Consolidated Business Forecasts and Other Forward-Looking Information

There are no changes to the business forecasts announced on July 31, 2020 currently, owing to the strong sales in the fourth quarter.