

May 13, 2022

**Notice of Impact on Business Results Due to Change in Consolidated Subsidiary (Transfer of Shares), etc. and Revision to Business Forecasts**

We hereby announce the impact on our business performance, which was under scrutiny in “Notice regarding Waiver of Loans to a Consolidated Subsidiary and the Transfer of Shares” released on March 24, 2022. We also announce that we have revised our business forecasts for the fiscal year ending December 2022, which was announced on February 14, 2022, as follows.

1. Business performance impact associated with change in a consolidated subsidiary (transfer of shares), etc.

As stated in “Notice regarding Waiver of Loans to a Consolidated Subsidiary and the Transfer of Shares” released on March 24, 2022, we waived our loans (hereinafter referred to as the “waiver of loans”) to our consolidated subsidiary, One’s Life Home, Inc. (hereinafter referred to as the “OLH”), and have transferred all of our stock in OLH (hereinafter referred to as the “transfer of shares”) on March 31, 2022.

The waiver of loans will have no impact on both consolidated and non-consolidated financial results because the waiver of loans is for a consolidated subsidiary and the allowance for doubtful accounts has been recorded in a prior year in the non-consolidated financial statements.

Although the impact of the loss (gain) on sales of shares of subsidiaries and associates through the transfer of shares on both consolidated and non-consolidated business results is expected to be minor, the impact on the calculation of income taxes associated with the waiver of loans and the transfer of shares is expected to be a decrease of approximately 230 million yen in income taxes.

The impact of the exclusion of OLH from the scope of consolidation of the Company through the transfer of shares is a decrease of 1,134 million yen in net sales in the consolidated financial results; however, the impact on operating income, ordinary income, and net income is minimal.

2. Revision of the consolidated business forecasts

(1) Revision of consolidated business forecasts for the 1<sup>st</sup> half of the fiscal year ending December 2022 (January 1, 2022 to June 30, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A) (Announced on February 14, 2022)	Million yen 7,052	Million yen 395	Million yen 317	Million yen 201	Yen 24.49
Revised forecast (B)	8,290	839	761	669	81.14
Increase/decrease (B-A)	1,237	444	444	467	
Rate of change (%)	17.6%	112.6%	139.9%	231.4%	
(Reference) Previous results (1 <sup>st</sup> half of the fiscal year ended December 2021)	9,109	689	631	402	48.37

(2) Revision of full-year consolidated business forecasts for the fiscal year ending December, 2022 (January 1, 2022 to December 31, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A) (Announced on February 14, 2022)	Million yen 18,235	Million yen 1,301	Million yen 1,142	Million yen 754	Yen 91.52
Revised forecast (B)	17,103	1,402	1,226	1,058	128.40
Increase/decrease (B-A)	(1,131)	100	83	304	
Rate of change (%)	(6.2%)	7.8%	7.3%	40.3%	
(Reference) Previous results (Fiscal year ended December 2021)	16,836	1,117	999	609	73.56

(3) Reasons for revision of consolidated business forecasts

Regarding the consolidated business forecasts for the 1<sup>st</sup> half of the fiscal year ending December 2022, net sales are projected to exceed the forecasts as the adjustment of the rights of old unutilized properties scheduled for sale in the second half progressed steadily and the sales period is expected to be moved up to the first half of the current fiscal year in our Group's mainstay "Real Estate Sales Business" although net sales will decrease due to the exclusion of OLH from the scope of consolidation of the Company.

In addition, operating income and ordinary income are expected to exceed the forecasts due to higher-than-expected sales prices and cost reductions under the strong real estate market in old unutilized properties, and net income is expected to exceed the forecasts due to a decrease in income taxes for the reasons as described in 1.

As for the full-year consolidated business forecasts for the fiscal year ending December 2022, although net sales will decrease due to the exclusion of OLH from the scope of consolidation of the Company, each income is expected to exceed the forecasts due to the expected steady growth of the Real Estate Sales Business as mentioned above.

Accordingly, we have revised our consolidated business forecasts for the 1<sup>st</sup> half and full year of the fiscal year ending December 2022 as above.

3. Revision of non-consolidated business forecasts

(1) Revision of non-consolidated business forecasts for the 1<sup>st</sup> half of the fiscal year ending December 2022 (January 1, 2022 to June 30, 2022)

	Net sales	Ordinary income	Net income	Net income per share
Previous forecast (A) (Announced on February 14, 2022)	Million yen 6,546	Million yen 358	Million yen 243	Yen 29.47
Revised forecast (B)	8,066	778	658	79.84
Increase/decrease (B-A)	1,520	419	415	
Rate of change (%)	23.2%	117.0%	170.9%	
(Reference) Previous results (1 <sup>st</sup> half of the fiscal year ended December 2021)	8,605	542	313	37.67

(2) Revision of full-year non-consolidated business forecasts for the fiscal year ending December, 2022 (January 1, 2022 to December 31, 2022)

	Net sales	Ordinary income	Net income	Net income per share
Previous forecast (A) (Announced on February 14, 2022)	Million yen 16,865	Million yen 1,140	Million yen 752	Yen 91.23
Revised forecast (B)	16,875	1,241	1,046	126.87
Increase/decrease (B-A)	10	101	293	
Rate of change (%)	0.1%	8.9%	39.1%	
(Reference) Previous results (Fiscal year ended December 2021)	15,529	993	603	72.85

(3) Reason for revision

For the reasons stated in 2.(3) , we have revised the non-consolidated business forecasts as described above.

\*This revision to business forecasts is based on information currently available to the Company and certain assumptions that the Company believes are reasonable. Actual results may differ from these forecasts due to various factors that may arise in the future.