

May 14, 2021

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (FY3/21)

[Japanese GAAP]

Company name: Sanyo Homes Corporation

Listing: Tokyo Stock Exchange, First Section

Securities code: 1420

URL: <https://www.sanyohomes.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: June 24, 2021

Scheduled date of filing of Annual Securities Report: June 25, 2021

Scheduled date of payment of dividend: June 3, 2021

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for securities analysts)

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for FY3/21 (April 1, 2020 – March 31, 2021)

(1) Consolidated results of operations (Percentages shown for net sales and profits represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/21	53,487	(5.1)	782	89.5	872	110.2	509	41.8
FY3/20	56,351	4.6	412	(71.2)	415	(73.1)	359	(62.4)

Note: Comprehensive income (million yen) FY3/21: 501 (up 35.5%) FY3/20: 370 (down 54.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
	Yen	Yen	%	%	%
FY3/21	46.98	-	3.0	1.6	1.5
FY3/20	29.78	-	2.1	0.7	0.7

Reference: Equity in earnings of associates (million yen) FY3/21: - FY3/20: (38)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2021	52,611	16,922	32.2	1,531.73
As of Mar. 31, 2020	57,896	16,498	28.5	1,537.65

Reference: Shareholders' equity (million yen) As of Mar. 31, 2021: 16,922 As of Mar. 31, 2020: 16,485

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/21	6,107	(106)	(5,137)	7,184
FY3/20	(5,634)	984	5,175	6,320

### 2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/20	-	0.00	-	25.00	25.00	275	83.9	1.7
FY3/21	-	0.00	-	25.00	25.00	282	53.2	1.6
FY3/22 (forecasts)	-	0.00	-	25.00	25.00		39.5	

### 3. Consolidated Forecast for FY3/22 (April 1, 2021 – March 31, 2022)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	67,200	25.6	1,300	66.2	1,100	26.1	700	37.4	63.36

**\* Notes**

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

(2) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, and others: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting-based estimates: None
- 4) Restatements: None

(3) Number of outstanding shares (common shares)

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

As of Mar. 31, 2021: 12,620,000 shares As of Mar. 31, 2020: 12,620,000 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2021: 1,572,113 shares As of Mar. 31, 2020: 1,898,853 shares

3) Average number of shares outstanding during the period

FY3/21: 10,840,925 shares FY3/20: 12,058,416 shares

Note: Number of treasury shares at the end of the period includes the Company shares held by the Management Board Incentive Plan Trust (FY3/21: 262,372 shares, FY3/20: 289,150 shares). The Company shares held by the said Trust (FY3/21: 272,087 shares, FY3/20: 293,297 shares) are also included to treasury shares that are exempted in a calculation of the average number of shares outstanding during the period.

**Reference: Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for FY3/21 (April 1, 2020 – March 31, 2021)**

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/21	44,698	(5.8)	789	270.8	784	462.7	477	-
FY3/20	47,468	3.2	212	(84.1)	139	(89.3)	20	(97.6)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
FY3/21	44.06	-	-	-
FY3/20	1.66	-	-	-

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen	Million yen	Million yen	Million yen	%	Yen	Yen	
As of Mar. 31, 2021	50,780	15,969	15,969	15,569	31.4	1,445.52	1,451.04	
As of Mar. 31, 2020	56,380	15,569	15,569	15,569	27.6	1,451.04	1,451.04	

Reference: Shareholders' equity (million yen) As of Mar. 31, 2021: 15,969 As of Mar. 31, 2020: 15,556

\* The current financial report is not subject to audit by certified public accountants or auditing firms.

\* Cautionary statement with respect to forward-looking statements and other special items

Note concerning forward-looking statements

Forecasts regarding future performance in this report are based on assumptions judged to be valid and information available to the Company at the time this report was prepared. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations" on page 2 for forecast assumptions and notes of caution for usage.

**Contents of Attachments**

1. Overview of Results of Operations	2
(1) Analysis of Results of Operations	2
(2) Analysis of Financial Position	3
(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years	4
2. Basic Approach to the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Notes	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Income	7
Consolidated Statement of Comprehensive Income	8
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows	10
(5) Notes to Consolidated Financial Statements	11
Going Concern Assumption	11
Segment and Other Information	11
Per Share Information	14
Subsequent Events	14
4. Other Information	15

## 1. Overview of Results of Operations

### (1) Analysis of Results of Operations

For the current fiscal year ended March 31, 2021, the Japanese economy was negatively impacted by the novel coronavirus disease (COVID-19) as was the case in the previous fiscal year, which heavily damaged our social life and economic activities. As such, the economic outlook remains unprecedentedly uncertain.

Despite ongoing monetary easing policy to maintain low mortgage rate, Japan's housing sector also remains unclear due to restricted sales activities in model home sites and model apartments as well as a potentially prolonged COVID-19 pandemic.

Under such circumstances, with a tagline of "Housing with satisfaction to people and the earth," Sanyo Homes ("the Company") aims to enhance corporate value by providing housing in line with the "ECO & SAFETY" concept, making proposals that can be useful for customers' living, and conducting business that meets a social need.

During the current fiscal year, the Company took advantage of changing social situations. Specifically, the Company launched "Family SOHO," our unique working-style solution that will realize the best balance of "working" and "good living," in July 2020, and "MultiShelter with Resilience," a combined solution leveraging the characteristics of the basement and the rooftop, in October 2020. The latter solution meets the needs for disaster risk reduction and a new lifestyle and won the Excellence Awards in the "Japan Resilience Award 2021." As a part of the initiatives to change our sales style, we reduced the number of showhouses at conventional comprehensive exhibition sites and newly opened "Best Life Concierge Salon" with sales office functions by the end of the current fiscal year.

The factors mentioned above led to results of operations for the current fiscal year as follows: net sales decreased by 5.1% from one year earlier to 53,487 million yen mainly due to a decrease in the Housing Business that was partially offset by improved cost of goods sold ratio, operating profit increased by 89.5% from one year earlier to 782 million yen, ordinary profit increased by 110.2% from one year earlier to 872 million yen, and profit attributable to owners of parent increased by 41.8% from one year earlier to 509 million yen.

### Overview by Segment

Performance by business segment is as follows.

In the housing sector, we won the Excellence Awards for the sixth consecutive year and won the Special Excellence Company Award for the fourth consecutive year in the "House of the Year in Energy 2020." In February 2021, we started to propose "*Kaiteki Kuki Osusume Pakku*" (which literally means "Recommendation package for clean and hygienic air") to thoroughly clean the air inside the house with the combined solution of optimal ventilation, virus filtration and allergen deactivation. The ratio of detached ZEH (net zero energy house) homes reached 75% and we are dedicated to increasing this ratio going forward.

The asset utilization sector has expanded its business domains to large facilities such as factories and warehouses while focusing on matching between landowners, business operators and tenants. We have also proposed eco-friendly products with ZEH design for existing rental housing.

In the remodeling sector, indoor remodeling work was affected by the stay-at-home trend during the pandemic. However, as there is a lot of potential demand, we have utilized the "Home Dock," a drone-based system to diagnose the conditions of a building, and offered ideas like remodeling to provide better insulation as well as installation of solar systems in order to save more energy and further reduce CO<sub>2</sub> emissions.

The residential renewal and resale (distribution of existing houses) sector has seen an increasing demand year by year partly backed by governmental measures to stimulate the existing houses market. Accordingly, the Company has managed the information provided by partner real-estate companies as well as our information in our own network system to help customers purchase or sell pre-owned housing that meets their requirements under the business concept of "ECO & SAFETY."

Consequently, sales in the Housing Business for the current fiscal year were 21,101 million yen, down 13.7% from

one year earlier, and operating loss was 511 million yen, a deterioration of 228 million yen from one year earlier.

In the Condominium Business segment, we completed the construction of eight condominiums in the fourth quarter of the current fiscal year as originally scheduled. Among them, “SANMAISON Shinkanaoka Residential,” a family-type condominium in Sakai City, Osaka, enjoyed strong sales and sold all the 250 units at its completion. The ownerships have already been transferred. Additionally, we started sales of “SANMIT DAINICHI” (a 159-unit condominium for seniors in Moriguchi City, Osaka), our last condominium in a long-term mixed-use redevelopment area in front of Dainichi station. As a result, sales slightly decreased year-on-year, but operating profit increased by 23.9% due to improved cost of goods sold ratio.

As a result, sales in this segment for the current fiscal year were 28,449 million yen, down 0.6% from one year earlier, and operating profit was 2,288 million yen, up 23.9% from one year earlier.

Our frontier business sector engages in new businesses such as sales of structural steel frameworks and eco-energy facilities including solar power and storage batteries. In April 2021, a newly established “Sanyo Architec Corporation” launched operations to cover this business sector.

The life support business sector engages in management of condominiums and nursing/child-care facilities. We have particularly focused on child-care operations recently and opened three nursery schools under the San Friends brand in April 2021. The number of our nursery school totals 29 (including one school under management contract).

We will further improve and refine the “companion robot,” such as by developing a product package with a stand-alone booth while promoting sales to medical facilities and the like.

In the field of regional revitalization, we opened “SAN Share Office Hinase,” a shared workspace, in Bizen City, Okayama Prefecture, in March 2021. We will further contribute to the regional revitalization of rural Japan along with expanding our business.

As a result, sales in the other businesses segment for the current fiscal year were 3,936 million yen, up 20.0% from one year earlier and operating loss was 134 million yen, an improvement of 17 million yen from one year earlier.

### **Forecasts for the next fiscal year**

For the next fiscal year, as the economy still suffers the blow from the pandemic that led the Japanese government to declare the third state of emergency in April 2021, the outlook of the housing sector remains potentially uncertain like the previous fiscal year in real estate prices and the trend in housing supply and demand. As efforts to address global warming, the Japanese government declared a goal to become carbon-neutral by 2050 by reducing greenhouse emissions to “net zero” and announced the Green Growth Strategy.

Under these circumstances, we aim to further enhance corporate value by carrying out a tagline of “Housing with satisfaction to people and the earth” and the “ECO & SAFETY” business concept. We will work hard to protect the global environment while catering to customers’ needs, and enhance our brand recognition for achieving sustainable growth.

### **(2) Analysis of Financial Position**

#### **1) Assets, Liabilities and Net Assets**

Total assets decreased 5,284 million yen from the end of the previous fiscal year to 52,611 million yen at the end of the current fiscal year on a consolidated basis. The main factors were decreases of 11,173 million yen in real estate for sale in process and 846 million yen in notes receivable, accounts receivable from completed construction contracts and other, which were partially offset by increases of 7,003 million yen in real estate for sale and 663 million yen in cash and deposits.

Total liabilities decreased 5,708 million yen from the end of the previous fiscal year to 35,689 million yen. The main factor was decreases of 5,045 million yen in long- and short-term borrowings and 543 million yen in notes payable, accounts payable for construction contracts and other.

Total net assets increased 424 million yen from the end of the previous fiscal year to 16,922 million yen. The main factors include an increase of 234 million yen in retained earnings and a decrease of 226 million yen in treasury shares. As a result, the equity ratio was 32.2%.

## 2) Cash Flows

Cash and cash equivalents (hereafter “net cash”) increased 863 million yen from the end of the previous fiscal year to 7,184 million yen at the end of the current fiscal year on a consolidated basis. This net increase of 863 million yen can be explained by a cash inflow of 6,107 million yen from operating activities, which was partially offset by cash outflows of 106 million yen from investing activities and 5,137 million yen from financing activities.

A summary of cash flows and major components are as follows.

### *Cash flows from operating activities*

For the fiscal year ended March 31, 2021, net cash provided by operating activities totaled 6,107 million yen (compared with net cash used of 5,634 million yen in the previous fiscal year). The main factors were an 807 million yen in profit before income taxes, a 4,015 million yen decrease in inventories and an 846 million yen decrease in trade receivables.

### *Cash flows from investing activities*

For the fiscal year ended March 31, 2021, net cash used in investing activities totaled 106 million yen (compared with net cash provided of 984 million yen in the previous fiscal year). The main factors were net proceeds from withdrawal of time deposits of 200 million yen and purchase of property, plant and equipment of 208 million yen.

### *Cash flows from financing activities*

For the fiscal year ended March 31, 2021, net cash used in financing activities totaled 5,137 million yen (compared with net cash provided of 5,175 million yen in the previous fiscal year). The main factors were proceeds from disposal of treasury shares of 195 million yen and repayments of long- and short-term borrowings (net) of 5,045 million yen.

## **(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years**

The distribution of earnings to shareholders is one of our highest priorities. The basic policy is to pay a consistent dividend to shareholders while retaining sufficient earnings for sustaining growth and building a sound infrastructure for our operations.

Regarding the profit distribution for the current fiscal year, we will follow the above policy and pay the annual total dividend of 25 yen per share. We have made this decision because we are keen on ensuring the shareholder return while improving the financial soundness through increasing shareholders’ equity. As for the dividend for the next fiscal year, we plan to pay the annual total dividend of 25 yen per share, the same amount as for the current fiscal year.

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

The Sanyo Homes Group will continue to prepare consolidated financial statements based on generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

**3. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/20	FY3/21
	(As of Mar. 31, 2020)	(As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	8,220,883	8,884,688
Notes receivable, accounts receivable from completed construction contracts and other	2,734,677	1,888,310
Securities	49,919	79,543
Real estate for sale	9,695,177	16,699,069
Real estate for sale in process	30,078,067	18,904,793
Costs on construction contracts in progress	69,204	176,043
Other inventories	142,777	189,630
Prepaid expenses	637,792	386,387
Other	1,743,194	892,550
Allowance for doubtful accounts	(508)	(30)
Total current assets	53,371,186	48,100,985
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,395,939	1,442,291
Land	747,755	752,932
Other, net	39,416	53,819
Total property, plant and equipment	2,183,111	2,249,043
Intangible assets		
Software	21,307	30,209
Other	64,432	51,232
Total intangible assets	85,739	81,442
Investments and other assets		
Investment securities	110,197	31,340
Deferred tax assets	753,738	696,362
Other	1,398,204	1,457,336
Allowance for doubtful accounts	(5,967)	(4,667)
Total investments and other assets	2,256,174	2,180,370
Total non-current assets	4,525,025	4,510,856
Total assets	57,896,211	52,611,842

	(Thousands of yen)	
	FY3/20	FY3/21
	(As of Mar. 31, 2020)	(As of Mar. 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	6,989,125	6,445,987
Short-term borrowings	12,390,000	13,140,000
Current portion of long-term borrowings	8,690,000	4,270,000
Accrued expenses	621,364	634,747
Income taxes payable	199,099	278,960
Advances received on construction contracts in progress	1,026,992	883,150
Advances received	1,009,590	631,390
Provision for bonuses	263,714	393,015
Provision for warranties for completed construction	71,700	90,600
Other	833,050	977,932
<b>Total current liabilities</b>	<b>32,094,637</b>	<b>27,745,783</b>
<b>Non-current liabilities</b>		
Long-term borrowings	7,364,000	5,989,000
Deferred tax liabilities	80,482	88,636
Provision for share awards for directors (and other officers)	122,958	139,754
Provision for retirement benefits for directors (and other officers)	11,158	13,983
Retirement benefit liability	1,311,408	1,332,241
Other	413,173	380,048
<b>Total non-current liabilities</b>	<b>9,303,181</b>	<b>7,943,663</b>
<b>Total liabilities</b>	<b>41,397,818</b>	<b>35,689,446</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,945,162	5,945,162
Capital surplus	3,611,796	3,596,197
Retained earnings	8,231,921	8,465,977
Treasury shares	(1,297,313)	(1,070,940)
<b>Total shareholders' equity</b>	<b>16,491,567</b>	<b>16,936,396</b>
<b>Accumulated other comprehensive income</b>		
Remeasurements of defined benefit plans	(6,204)	(14,001)
<b>Total accumulated other comprehensive income</b>	<b>(6,204)</b>	<b>(14,001)</b>
Share acquisition rights	13,030	-
<b>Total net assets</b>	<b>16,498,392</b>	<b>16,922,395</b>
<b>Total liabilities and net assets</b>	<b>57,896,211</b>	<b>52,611,842</b>



**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**Consolidated Statement of Income**

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net sales	56,351,143	53,487,929
Cost of sales	46,656,791	43,362,754
Gross profit	9,694,352	10,125,174
Selling, general and administrative expenses	9,281,723	9,343,158
Operating profit	412,628	782,016
Non-operating income		
Interest income	6,014	6,711
Rental income	32,768	37,000
Penalty income	47,283	144,752
Subsidy income	78,750	67,319
Subsidy income	41,580	49,046
Other	22,378	67,088
Total non-operating income	228,775	371,917
Non-operating expenses		
Interest expenses	169,118	200,329
Commission expenses	5,555	36,432
Share of loss of entities accounted for using equity method	38,630	-
Other	12,985	44,659
Total non-operating expenses	226,289	281,421
Ordinary profit	415,114	872,512
Extraordinary income		
Gain on sale of property, plant and equipment	608	-
Gain on sale of shares of subsidiaries and associates	250,362	-
Total extraordinary income	250,970	-
Extraordinary losses		
Loss on retirement of non-current assets	33,709	-
Impairment losses	67,590	64,865
Total extraordinary losses	101,300	64,865
Profit before income taxes	564,785	807,647
Income taxes-current	213,163	229,369
Income taxes-deferred	(7,517)	68,964
Total income taxes	205,646	298,334
Profit	359,138	509,313
Profit attributable to owners of parent	359,138	509,313

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Profit	359,138	509,313
Other comprehensive income		
Foreign currency translation adjustment	12,614	-
Remeasurements of defined benefit plans, net of tax	(1,671)	(7,796)
Total other comprehensive income	10,943	(7,796)
Comprehensive income	370,082	501,516
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	370,082	501,516
Comprehensive income attributable to non-controlling interests	-	-

**(3) Consolidated Statement of Changes in Equity**

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,945,162	3,611,796	8,188,282	(170,741)	17,574,500	(12,614)	(4,532)	(17,147)	13,030	17,570,383
Changes during period										
Dividends of surplus			(315,499)		(315,499)			-		(315,499)
Profit attributable to owners of parent			359,138		359,138			-		359,138
Purchase of treasury shares				(1,133,228)	(1,133,228)			-		(1,133,228)
Disposal of treasury shares				6,656	6,656			-		6,656
Net changes in items other than shareholders' equity					-	12,614	(1,671)	10,943	-	10,943
Total changes during period	-	-	43,638	(1,126,572)	(1,082,933)	12,614	(1,671)	10,943	-	(1,071,990)
Balance at end of period	5,945,162	3,611,796	8,231,921	(1,297,313)	16,491,567	-	(6,204)	(6,204)	13,030	16,498,392

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,945,162	3,611,796	8,231,921	(1,297,313)	16,491,567	-	(6,204)	(6,204)	13,030	16,498,392
Changes during period										
Dividends of surplus			(275,257)		(275,257)			-		(275,257)
Profit attributable to owners of parent			509,313		509,313			-		509,313
Purchase of treasury shares				(21)	(21)			-		(21)
Disposal of treasury shares		(15,599)		226,394	210,795			-		210,795
Net changes in items other than shareholders' equity					-		(7,796)	(7,796)	(13,030)	(20,826)
Total changes during period	-	(15,599)	234,055	226,373	444,829	-	(7,796)	(7,796)	(13,030)	424,002
Balance at end of period	5,945,162	3,596,197	8,465,977	(1,070,940)	16,936,396	-	(14,001)	(14,001)	-	16,922,395

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

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	564,785	807,647
Depreciation	115,482	130,891
Impairment losses	67,590	64,865
Increase (decrease) in provision for bonuses	(86,000)	129,300
Interest income	(6,014)	(6,711)
Interest expenses	169,118	200,329
Decrease (increase) in trade receivables	(926,962)	846,367
Decrease (increase) in inventories	(1,953,165)	4,015,690
Increase (decrease) in trade payables	(211,743)	(543,137)
Increase (decrease) in advances received on construction contracts in progress	(127,770)	(143,842)
Increase (decrease) in advances received	(1,188,440)	(378,199)
Decrease (increase) in consumption taxes refund receivable	(555,793)	527,345
Decrease (increase) in prepaid expenses	(209,074)	252,409
Decrease (increase) in accounts receivable-other	93,617	384,163
Other, net	(634,631)	200,064
Subtotal	(4,889,003)	6,487,183
Interest and dividends received	2,101	4,002
Interest paid	(168,890)	(200,199)
Income taxes paid	(578,331)	(183,210)
Net cash provided by (used in) operating activities	(5,634,123)	6,107,776
Cash flows from investing activities		
Payments into time deposits	(2,400,000)	(1,900,000)
Proceeds from withdrawal of time deposits	3,600,000	2,100,000
Purchase of property, plant and equipment	(295,499)	(208,398)
Other, net	79,660	(97,676)
Net cash provided by (used in) investing activities	984,160	(106,075)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,410,000	750,000
Proceeds from long-term borrowings	10,464,000	4,600,000
Repayments of long-term borrowings	(8,250,000)	(10,395,000)
Proceeds from sale of treasury shares	-	195,600
Purchase of treasury shares	(1,133,228)	(21)
Other payments	-	(13,030)
Dividends paid	(315,389)	(275,445)
Net cash provided by (used in) financing activities	5,175,381	(5,137,896)
Net increase (decrease) in cash and cash equivalents	525,418	863,804
Cash and cash equivalents at beginning of period	5,795,464	6,320,883
Cash and cash equivalents at end of period	6,320,883	7,184,688

**(5) Notes to Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Segment and Other Information**

Segment information

## 1. Overview of reportable segment

The reportable segments of the Group are constituent units of the Company for which separate financial information is available and for which the Board of Directors conducts a regular review for the purposes of determining the allocation of management resources and evaluating business performance.

The Company establishes a manufacturing and sales structure by each product and service and conducts business operations based on a comprehensive strategy for all products and services.

Consequently, based on the types of business activities, there are two reportable segments by product and service: the Housing Business and the Condominium Business.

The Housing Business includes designs, construction supervision and contracting, sales and other activities for housing, asset utilization and residential remodeling. The Condominium Business includes the development, sales, rental and other activities for condominium buildings.

## 2. Calculation methods for net sales, profit or loss, assets, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the methods listed in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements.”

Profits for reportable segments are operating profit figures. Inter-segment sales and transfers are determined in the same manner as for general transactions based on market prices.

## 3. Information related to net sales, profit or loss, assets, and other items for each reportable segment

FY3/20 (Apr. 1, 2019 - Mar. 31, 2020)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Housing Business	Condominium Business	Subtotal				
Net sales							
Sales to external customers	24,441,576	28,629,893	53,071,470	3,279,673	56,351,143	-	56,351,143
Inter-segment sales or transfers	262,038	2,160	264,198	66,304	330,502	(330,502)	-
Total	24,703,614	28,632,053	53,335,668	3,345,978	56,681,646	(330,502)	56,351,143
Segment profit (loss)	(282,965)	1,847,463	1,564,498	(151,923)	1,412,574	(999,946)	412,628
Segment assets	6,690,102	38,192,081	44,882,183	1,717,150	46,599,333	11,296,877	57,896,211
Other items							
Depreciation and amortization	39,773	1,763	41,536	55,059	96,596	18,885	115,482
Increase in property, plant and equipment and intangible assets	53,404	-	53,404	311,312	364,716	1,365	366,081

Notes: 1. The Other segment represents the businesses which are not included in any of the reportable segments and mainly consist of the lifestyle support services.

2. Adjustments to segment profit (loss) and assets are as follows.

- (1) The negative adjustment of 999,946 thousand yen to segment profit or loss includes company-wide costs that are not allocated to any of the reportable segments. Company-wide costs consist of general and administrative expenses that cannot be attributable to any of the reportable segments.
- (2) The 11,296,877 thousand yen adjustment to segment assets includes company-wide assets that are not allocated to any of the reportable segments. Company-wide assets mainly include excess working capital, working capital and other assets not attributable to any of the reportable segments.

- (3) The 18,885 thousand yen adjustment to depreciation and amortization includes depreciation of company-wide assets that cannot be allocated to reportable segments.
  - (4) The 1,365 thousand yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures not attributable to any of the reportable segments.
3. Segment profit and assets are adjusted with operating profit and total assets shown on the consolidated financial statements, respectively.

FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Housing Business	Condominium Business	Subtotal				
Net sales							
Sales to external customers	21,101,628	28,449,813	49,551,441	3,936,487	53,487,929	-	53,487,929
Inter-segment sales or transfers	56,225	2,160	58,385	55,557	113,943	(113,943)	-
Total	21,157,853	28,451,973	49,609,827	3,992,045	53,601,872	(113,943)	53,487,929
Segment profit (loss)	(511,836)	2,288,887	1,777,050	(134,796)	1,642,254	(860,237)	782,016
Segment assets	5,727,075	34,195,807	39,922,883	1,705,456	41,628,339	10,983,502	52,611,842
Other items							
Depreciation and amortization	30,374	2,290	32,665	84,757	117,422	13,468	130,891
Increase in property, plant and equipment and intangible assets	50,614	46,593	97,208	132,254	229,463	8,639	238,102

Notes: 1. The Other segment represents the businesses which are not included in any of the reportable segments and mainly consist of the lifestyle support services.

2. Adjustments to segment profit (loss) and assets are as follows.
  - (1) The negative adjustment of 860,237 thousand yen to segment profit or loss includes company-wide costs that are not allocated to any of the reportable segments. Company-wide costs consist of general and administrative expenses that cannot be attributable to any of the reportable segments.
  - (2) The 10,983,502 thousand yen adjustment to segment assets includes company-wide assets that are not allocated to any of the reportable segments. Company-wide assets mainly include excess working capital, working capital and other assets not attributable to any of the reportable segments.
  - (3) The 13,468 thousand yen adjustment to depreciation and amortization includes depreciation of company-wide assets that cannot be allocated to reportable segments.
  - (4) The 8,639 thousand yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures not attributable to any of the reportable segments.
3. Segment profit and assets are adjusted with operating profit and total assets shown on the consolidated financial statements, respectively.

## Related information

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

## 1. Information by product and service

Omitted because the same information is presented in the segment information.

## 2. Information by region

## (1) Sales

Not applicable because there are no sales to external customers outside Japan.

## (2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

## 3. Information by major customer

(Thousands of yen)

Name of the customer	Sales	Relevant operating segment
Company A	6,455,500	Condominium Business

Note: The name of the customer is not disclosed here based on confidentiality agreement with Company A.

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

## 1. Information by product and service

Omitted because the same information is presented in the segment information.

## 2. Information by region

## (1) Sales

Not applicable because there are no sales to external customers outside Japan.

## (2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

## 3. Information by major customer

Omitted because no sales to external customer account for 10% or more of net sales on the consolidated statement of income.

## Information related to impairment loss on non-current assets for each reportable segment

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Housing Business	Condominium Business	Other	Elimination or corporate	Total
Impairment loss	67,590	-	-	-	67,590

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Housing Business	Condominium Business	Other	Elimination or corporate	Total
Impairment loss	52,986	-	11,878	-	64,865

## Information related to amortized amounts and the unamortized balance of goodwill for each reportable segment

Not applicable.

## Information related to gain on bargain purchase for each reportable segment

Not applicable.

**Per Share Information**

(Yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net assets per share	1,537.65	1,531.73
Net income per share	29.78	46.98

Notes: 1. The amounts of diluted net income per share for the current and previous fiscal years are not presented because there are no potentially dilutive shares for both fiscal years.

2. For the purpose of calculating the amounts of net assets per share, the number of shares of the Company held by the Management Board Incentive Plan Trust (FY3/20: 289,150 shares, FY3/21: 262,372 shares) was included in the number of treasury shares, which was to be deducted from the calculation of the number of shares issued at the end of the period. For the purpose of calculating the amounts of net income per share, the number of shares of the Company held by the said Trust was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares outstanding during the period (FY3/20: 293,297 shares, FY3/21: 272,087 shares).

3. The basis of calculating the net assets per share is as follows:

	FY3/20 (As of Mar. 31, 2020)	FY3/21 (As of Mar. 31, 2021)
Total net assets (Thousands of yen)	16,498,392	16,922,395
Deduction on total net assets (Thousands of yen) [of which, share acquisition rights (Thousands of yen)]	13,030 [13,030]	- [-]
Net assets at the end of the fiscal year applicable to common stock (Thousands of yen)	16,485,362	16,922,395
Number of shares of common stock used in calculation of net assets per share (Shares)	10,721,147	11,047,887

4. The basis of calculating the net income per share is as follows:

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	359,138	509,313
Profit not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to common shareholders of parent (Thousands of yen)	359,138	509,313
Average number of common shares outstanding during the period (Shares)	12,058,416	10,840,925
Summary of potential shares not included in the calculation of diluted net income per share due to no dilutive effect	<Subscription rights to shares> Issue No. 1: 12,000 rights (for 1,200,000 common shares) Issue No. 2: 10,000 rights (for 1,000,000 common shares)	-

**Subsequent Events**

Not applicable.



#### 4. Other Information

##### 1) Orders Received

Orders received in FY3/21 are broken down by segment as follows. (Thousands of yen)

Operating segment	Orders received	Year-on-year (%)	Order backlog	Year-on-year (%)
Housing Business	18,877,586	86.1	8,697,628	79.6
Condominium Business	21,732,383	85.1	9,182,950	57.8
Other	3,936,487	120.0	-	-
Total	44,546,457	87.8	17,880,578	66.7

- Notes: 1. Inter-segment transactions have been eliminated.  
 2. The above amounts do not include consumption taxes.  
 3. No order backlog is shown in the "Other" segment because net sales are the same as the orders received.

Orders received by region are as follows. (Thousands of yen)

Kanto area	Chubu area	Kinki area	Kyushu area	Total
10,362,655	6,013,272	22,709,653	5,460,875	44,546,457

##### 2) Sales

Sales in FY3/21 are broken down by segment as follows.

Operating segment	Sales (Thousands of yen)	Year-on-year (%)
Housing Business	21,101,628	86.3
Condominium Business	28,449,813	99.4
Other	3,936,487	120.0
Total	53,487,929	94.9

- Notes: 1. Inter-segment transactions have been eliminated.  
 2. The above amounts do not include consumption taxes.

Sales by region are as follows. (Thousands of yen)

Kanto area	Chubu area	Kinki area	Kyushu area	Total
13,611,225	6,321,859	27,366,231	6,188,613	53,487,929

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*