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August 10, 2023

**Summary of Consolidated Financial Results for the
Second Quarter of the Fiscal Year Ending December 31, 2023
(Six Months Ended June 30, 2023)
(Under Japanese GAAP)**

Company name: LA Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange, Fukuoka Stock Exchange
 Securities code: 2986
 URL: <https://www.lahd.co.jp/>
 Representative: Eiichi Wakita, President and Representative Director
 Inquiries: Kazunari Kurihara, Board Director
 Telephone: +81-3-5405-7350
 Scheduled date to file quarterly securities report: August 10, 2023
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

**1. Consolidated financial results for the six months ended June 30, 2023
(from January 1, 2023 to June 30, 2023)**

(1) Consolidated operating results (cumulative)

(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	%
Six months ended								
June 30, 2023	16,648	132.9	2,881	208.9	2,665	274.6	1,818	245.7
June 30, 2022	7,148	1.2	932	(38.4)	711	(50.8)	525	(44.6)

Note: Comprehensive income For the six months ended June 30, 2023: ¥1,858 million [227.4%]
 For the six months ended June 30, 2022: ¥567 million [(40.2)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2023	310.92	305.14
June 30, 2022	98.40	94.91

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	54,467	12,865	23.4
December 31, 2022	50,669	11,417	22.3

Reference: Equity As of June 30, 2023: ¥12,749 million
 As of December 31, 2022: ¥11,286 million

Note: The provisional accounting treatment for a business combination has been finalized in the first quarter of 2023. All figures as of December 31, 2022 reflect the finalized figures.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	-	200.00	200.00
Fiscal year ending December 31, 2023	-	0.00			
Fiscal year ending December 31, 2023 (Forecast)			-	210.00	210.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Outlook for Fiscal Year 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year 2023	30,000	64.4	5,500	30.1	4,800	28.7	3,400	0.1	586.79

Note: Revisions to the most recently announced consolidated outlook: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: -

Excluded: 1 company (FAN STYLE HD Co., Ltd.)

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements (Changes in Significant Subsidiaries during the Period)” on page 9 for further information.

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 9 for further information.

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

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

As of June 30, 2023	6,057,775 shares
As of December 31, 2022	5,794,275 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2023	39 shares
As of December 31, 2022	- shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2023	5,848,353 shares
Six months ended June 30, 2022	5,344,891 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Cautionary statement with respect to forward-looking statements

The above projections are based on information available at the time of release of this report. Actual results could differ significantly from these projections due to a variety of factors. For further details regarding the projections, please refer to page 3, “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements.”

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

A provisional accounting treatment was used in the 2022 consolidated financial statements concerning the acquisition of FAN STYLE HD Co., Ltd. on December 30, 2022. The accounting treatment was finalized in the first quarter of 2023. As a result, comparisons in the first half financial statements reflect the reexamination of the allocation of the cost of this acquisition. Comparisons and analysis concerning the end of 2022 are based on monetary figures that reflect the reexamination of the initial allocation of the cost of the acquisition due to the finalization of the provisional accounting treatment.

In the first half of 2023, net sales increased 132.9% year on year to 16,648 million yen, the operating profit increased 208.9% to 2,881 million yen, the ordinary profit increased 274.6% to 2,665 million yen and profit attributable to owners of parent increased 245.7% to 1,818 million yen.

Business segment performance was as follows.

Business Segment Sales

Segments	2Q 2022	2Q 2023	Composition	YoY
	(Jan. 1, 2022 – Jun. 30, 2022)	(Jan. 1, 2023 – Jun. 30, 2023)		
	Thousands of yen	Thousands of yen	%	%
Real Estate Sales	6,697,648	16,124,376	96.8	140.7
[New Real Estate Sales]	[4,850,751]	[7,631,350]	45.8	57.3
[Revitalized Real Estate Sales]	[1,846,896]	[8,493,026]	51.0	359.9
Real Estate Leasing	423,307	502,317	3.1	18.7
Others	27,750	22,273	0.1	(19.7)
Total	7,148,705	16,648,968	100.0	132.9

Note: Sales exclude intersegment sales.

1) New Real Estate Sales

First half sales in this segment increased by 57.3% year on year to 7,631 million yen, and segment profit increased by 122.1% to 2,142 million yen. This growth was mainly attributable to the successful completion of three land sales transactions and the sale of THE EDGE in Shibuya-ku, Tokyo, an office building under income-producing development projects. Additionally, the construction of L'attrait RESIDENCE Meinohama, a new condominium building for sale located in Fukuoka City, Fukuoka Prefecture, was successfully completed and there are stable progress in delivery.

2) Revitalized Real Estate Sales

First half sales in this segment increased by 359.9% year on year to 8,493 million yen, and segment profit increased by 926.1% to 1,114 million yen. This growth was primarily driven by the strong sales of the Premium Renovation Series properties, which constitute the core business focused on selling individually refurbished condominiums. Additionally, the completion of sales involving land and buildings in Shibuya-ku, Tokyo and other properties within the investment project business further contributed to this positive performance.

3) Real Estate Leasing

First half sales in this segment increased by 18.7% year on year to 502 million yen, and segment profit increased by 49.1% to 206 million yen. This was mainly due to an increase in leasing income at a healthcare facility.

Note: Segment profit is the segment gross profit minus the segment selling expenses and non-operating expenses.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

Assets totaled 54,467 million yen at the end of the second quarter of 2023, an increase of 3,797 million yen from the end of 2022. This change included an increase of 767 million yen in cash and deposits, and an increase of 5,380 million yen in real estate for sale due to purchases of real estate for business operations and transfer from real estate for sale in process. Real estate for sale in process decreased by 1,509 million yen mainly due to transfer to real estate for sale as five development projects completed.

Liabilities totaled 41,601 million yen at the end of the second quarter of 2023, an increase of 2,349 million yen from the end of 2022. This change included increases of 256 million yen in short-term borrowings and 2,096 million yen in long-term borrowings (including current portion) due to the procurement of funds to purchase real estate for business operations and land for real estate developments.

Net assets totaled 12,865 million yen at the end of the second quarter of 2023, an increase of 1,448 million yen from the end of 2022. This change included a decrease of 1,158 million yen in capital surplus due to dividend payments, an increase of 381 million yen each in share capital and capital surplus due to exercise of share acquisition rights, and first half profit attributable to owners of parent of 1,818 million yen.

2) Cash flows

Cash and cash equivalents increased by 686 million yen from the end of the previous fiscal year to 10,169 million yen. Cash flows and the main reasons for changes are as follows.

a. Cash flows from operating activities

Net cash used in operating activities was 1,324 million yen compared with 3,773 million yen used in the same period of the previous fiscal year. Main factors include profit before income taxes of 2,673 million yen, an increase of 3,433 million yen in inventories and income taxes paid of 1,006 million yen.

b. Cash flows from investing activities

Net cash provided by investing activities was 15 million yen compared with 1,228 million yen used in the same period of the previous fiscal year. Main factors include purchase of investment securities of 113 million yen and proceeds from sale of investment securities of 146 million yen.

c. Cash flows from financing activities

Net cash provided by financing activities was 1,962 million yen compared with 3,519 million yen provided in the same period of the previous fiscal year. Main factors include net decrease in short-term borrowings of 1,506 million yen, proceeds from long-term borrowings of 13,893 million yen, repayments of long-term borrowings of 10,034 million yen, and dividends paid of 1,135 million yen.

(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements

There are no revisions to the 2023 forecast that was announced on February 14, 2023 with results of operations for 2022.

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

(Thousands of yen)

	Fiscal Year 2022 (As of Dec. 31, 2022)	2Q 2023 (As of Jun. 30, 2023)
Assets		
Current assets		
Cash and deposits	9,482,711	10,250,192
Accounts receivable-trade	4,730	388
Real estate for sale	12,495,968	17,875,979
Real estate for sale in process	16,343,214	14,834,051
Other	991,851	900,759
Allowance for doubtful accounts	(1,507)	(900)
Total current assets	39,316,970	43,860,472
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,651,472	5,434,039
Land	4,622,908	4,349,105
Other, net	94,179	106,122
Total property, plant and equipment	10,368,560	9,889,267
Intangible assets	39,913	39,463
Investments and other assets	935,212	671,147
Total non-current assets	11,343,686	10,599,878
Deferred assets	8,580	6,781
Total assets	50,669,236	54,467,132

	(Thousands of yen)	
	Fiscal Year 2022 (As of Dec. 31, 2022)	2Q 2023 (As of Jun. 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	547,830	1,100,783
Short-term borrowings	4,197,600	4,454,300
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	8,948,282	8,828,991
Income taxes payable	1,082,636	859,532
Provision for bonuses	54,650	-
Provision for bonuses for directors (and other officers)	22,200	-
Other	1,205,329	1,012,735
Total current liabilities	16,068,527	16,266,343
Non-current liabilities		
Bonds payable	920,000	965,000
Long-term borrowings	21,321,997	23,537,304
Asset retirement obligations	112,909	113,212
Other	828,152	719,499
Total non-current liabilities	23,183,060	25,335,016
Total liabilities	39,251,588	41,601,359
Net assets		
Shareholders' equity		
Share capital	613,926	995,883
Capital surplus	1,645,001	1,256,780
Retained earnings	9,043,265	10,472,932
Treasury shares	-	(146)
Total shareholders' equity	11,302,193	12,725,449
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(27,064)	(20,804)
Deferred gains or losses on hedges	(6,955)	(6,209)
Foreign currency translation adjustment	18,148	51,334
Total accumulated other comprehensive income	(15,870)	24,320
Share acquisition rights	131,324	116,003
Total net assets	11,417,648	12,865,772
Total liabilities and net assets	50,669,236	54,467,132

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(For the Six-month Period)

	(Thousands of yen)	
	2Q 2022	2Q 2023
	(Jan. 1, 2022 – Jun. 30, 2022)	(Jan. 1, 2023 – Jun. 30, 2023)
Net sales	7,148,705	16,648,968
Cost of sales	5,412,601	12,238,799
Gross profit	1,736,104	4,410,169
Selling, general and administrative expenses	803,445	1,528,957
Operating profit	932,658	2,881,212
Non-operating income		
Interest income	1,208	461
Dividend income	1,975	4,486
Foreign exchange gains	112,896	24,413
Insurance return	2,338	116,456
Other	25,734	35,968
Total non-operating income	144,153	181,785
Non-operating expenses		
Interest expenses	191,613	265,916
Commission expenses	96,044	112,955
Amortization of bond issuance expenses	2,268	2,662
Other	75,261	15,752
Total non-operating expenses	365,188	397,287
Ordinary profit	711,624	2,665,710
Extraordinary income		
Gain on sale of investment securities	-	7,475
Total extraordinary income	-	7,475
Profit before income taxes	711,624	2,673,186
Income taxes-current	157,268	836,067
Income taxes-deferred	28,443	18,774
Total income taxes	185,711	854,842
Profit	525,913	1,818,344
Profit attributable to owners of parent	525,913	1,818,344

(Quarterly Consolidated Statement of Comprehensive Income)
(For the Six-month Period)

	(Thousands of yen)	
	2Q 2022 (Jan. 1, 2022 – Jun. 30, 2022)	2Q 2023 (Jan. 1, 2023 – Jun. 30, 2023)
Profit	525,913	1,818,344
Other comprehensive income		
Valuation difference on available-for-sale securities	6,495	6,259
Deferred gains or losses on hedges	1,198	745
Foreign currency translation adjustment	34,089	33,185
Total other comprehensive income	41,782	40,190
Comprehensive income	567,695	1,858,534
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	567,695	1,858,534
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	2Q 2022 (Jan. 1, 2022 – Jun. 30, 2022)	2Q 2023 (Jan. 1, 2023 – Jun. 30, 2023)
Cash flows from operating activities		
Profit before income taxes	711,624	2,673,186
Depreciation	121,173	119,266
Increase (decrease) in allowance for doubtful accounts	-	(607)
Increase (decrease) in provision for bonuses	(55,935)	(54,650)
Increase (decrease) in provision for bonuses for directors (and other officers)	(10,450)	(22,200)
Interest and dividend income	(3,184)	(4,947)
Interest expenses on borrowings and bonds	191,613	265,916
Commission expenses	96,044	112,955
Loss (gain) on sale of investment securities	-	(7,475)
Decrease (increase) in trade receivables	1,084	4,341
Decrease (increase) in advance payments to suppliers	187,492	91,648
Decrease (increase) in inventories	(5,062,005)	(3,433,367)
Increase (decrease) in trade payables	103,048	552,953
Increase (decrease) in advances received	275,581	59,418
Net change in consumption taxes refund receivable or accrued consumption taxes	(21,952)	79,979
Other, net	735,209	(387,984)
Subtotal	(2,730,655)	48,434
Interest and dividends received	3,184	4,947
Interest paid	(208,657)	(287,171)
Commission fee paid	(63,821)	(84,169)
Income taxes paid	(773,373)	(1,006,188)
Net cash provided by (used in) operating activities	(3,773,324)	(1,324,147)
Cash flows from investing activities		
Payments into time deposits	-	(19,800)
Proceeds from withdrawal of time deposits	253,231	7,200
Purchase of investment securities	(63,945)	(113,406)
Proceeds from sale of investment securities	-	146,947
Purchase of property, plant and equipment	(1,416,436)	(75,968)
Proceeds from collection of loans receivable	-	72,244
Payments of construction assistance fund receivables	(1,749)	(1,749)
Other, net	86	-
Net cash provided by (used in) investing activities	(1,228,813)	15,464
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	825,600	(1,506,800)
Proceeds from long-term borrowings	9,097,000	13,893,570
Repayments of long-term borrowings	(5,189,552)	(10,034,054)
Proceeds from issuance of bonds	-	50,000
Redemption of bonds	(5,000)	(5,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	700,063
Purchase of treasury shares	(499,895)	(146)
Dividends paid	(708,933)	(1,135,458)
Net cash provided by (used in) financing activities	3,519,218	1,962,174
Effect of exchange rate change on cash and cash equivalents	34,089	33,185
Net increase (decrease) in cash and cash equivalents	(1,448,830)	686,676
Cash and cash equivalents at beginning of period	6,561,734	9,482,711
Cash and cash equivalents at end of period	5,112,904	10,169,388

(4) Notes to Quarterly Consolidated Financial Statements**(Going Concern Assumption)**

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Significant Subsidiaries during the Period)

In the first quarter of 2023, consolidated subsidiary FAN STYLE HD Co., Ltd. was dissolved and removed from the scope of consolidation following its merger with consolidated subsidiary FAN STYLE Co., Ltd., which is the surviving company of this absorption-type merger.

(Changes in Accounting Policies)

(Application of the Implementation Guidance on the Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on the Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Guidance No. 31, June 17, 2021) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Implementation Guidance on the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures in Paragraph 27-2 of the Implementation Guidance on the Accounting Standard for Fair Value Measurement. There is no effect of the application of this guidance on the quarterly consolidated financial statements.

(Segment Information)

I 2Q 2022 (Jan. 1, 2022 – Jun. 30, 2022)

1. Information related to sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment				Others (Note)	Total
	New Real Estate Sales	Revitalized Real Estate Sales	Real Estate Leasing	Sub-total		
Net sales						
Sales to customers	4,850,751	1,846,896	423,307	7,120,955	27,750	7,148,705
Inter-segment sales or transfers	-	-	-	-	53,805	53,805
Total	4,850,751	1,846,896	423,307	7,120,955	81,555	7,202,511
Segment profit	964,916	108,566	138,734	1,212,217	81,555	1,293,773

Note: Others represent the businesses which are not included in any of the reportable segments and consist of the brokerage business.

2. Difference between total amounts for reportable segments and amounts recorded in the quarterly consolidated financial statements, and primary items of such difference (items related to the difference adjustments)

(Thousands of yen)

Profit	Amount
Total for reportable segments	1,212,217
Profit classified as "Others"	81,555
Eliminations for inter-segment transactions	(53,805)
Corporate expenses (Note)	(528,343)
Ordinary profit on the quarterly consolidated statement of income	711,624

Note: Corporate expenses consist mainly of general and administrative expenses, and non-operating expenses that cannot be attributed to any of the reportable segments.

3. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Not applicable.

II 2Q 2023 (Jan. 1, 2023 – Jun. 30, 2023)

1. Information related to sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment				Others (Note)	Total
	New Real Estate Sales	Revitalized Real Estate Sales	Real Estate Leasing	Sub-total		
Net sales						
Sales to customers	7,631,350	8,493,026	502,317	16,626,694	22,273	16,648,968
Inter-segment sales or transfers	-	-	-	-	170,595	170,595
Total	7,631,350	8,493,026	502,317	16,626,694	192,869	16,819,563
Segment profit	2,142,771	1,114,010	206,808	3,463,590	191,078	3,654,668

Note: Others represent the businesses which are not included in any of the reportable segments and consist of the brokerage business.

2. Difference between total amounts for reportable segments and amounts recorded in the quarterly consolidated financial statements, and primary items of such difference (items related to the difference adjustments)

(Thousands of yen)

Profit	Amount
Total for reportable segments	3,463,590
Profit classified as "Others"	191,078
Eliminations for inter-segment transactions	(170,595)
Corporate expenses (Note)	(818,362)
Ordinary profit on the quarterly consolidated statement of income	2,665,710

Note: Corporate expenses consist mainly of general and administrative expenses, and non-operating expenses that cannot be attributed to any of the reportable segments.

3. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Not applicable.

* This financial report is solely a translation of summary 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.