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February 14, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (Under Japanese GAAP)

Company name: LA Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange, Fukuoka Stock Exchange
 Securities code: 2986
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 Scheduled date of annual general meeting of shareholders: March 28, 2024
 Scheduled date to commence dividend payments: March 29, 2024
 Scheduled date to file annual securities report: March 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for 2023 (from January 1, 2023 to December 31, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	31,499	72.6	5,552	31.4	4,941	32.5	3,293	(2.6)
December 31, 2022	18,253	24.4	4,226	31.4	3,730	31.0	3,381	72.6

Note: Comprehensive income 2023: ¥3,303 million [(3.0)%] 2022: ¥3,406 million [73.4%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2023	549.10	537.65	25.0	8.8	17.6
December 31, 2022	638.25	621.60	36.4	8.6	23.2

Reference: Equity in earnings of affiliates (millions of yen) 2023: - 2022: -

Note: The provisional accounting treatment for a business combination has been finalized in 2023. All figures for the fiscal year ended December 31, 2022 reflect the finalized figures.

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	61,209	15,212	24.6	2,409.00
December 31, 2022	50,669	11,417	22.3	1,947.84

Reference: Equity As of December 31, 2023: ¥15,048 million As of December 31, 2022: ¥11,286 million

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

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2023	(3,202)	(1,403)	7,773	12,689
December 31, 2022	(3,061)	(1,479)	6,932	9,482

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2022	-	0.00	-	200.00	200.00	1,158	31.3	12.1
Fiscal year ended December 31, 2023	-	0.00	-	211.00	211.00	1,318	38.4	9.7
Fiscal year ending December 31, 2024 (Forecast)	-	0.00	-	220.00	220.00		39.3	

Note: The year-end dividends for the fiscal years ended December 31, 2022 and 2023 were partially paid from the capital surplus. Please see “Breakdown of dividends paid from the capital surplus” below for more information.

3. Consolidated outlook for 2024 (from January 1, 2024 to December 31, 2024)

(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 2024	33,000	4.8	5,700	2.7	5,000	1.2	3,500	6.3	560.30

* **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 “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Significant Accounting Policies in the Preparation of Consolidated Financial Statements)” on page 14 for further information.

- (2) 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 “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 18 for further information.

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

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

As of December 31, 2023	6,246,775 shares
As of December 31, 2022	5,794,275 shares

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

As of December 31, 2023	136 shares
As of December 31, 2022	- shares

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

Fiscal year ended December 31, 2023	5,998,839 shares
Fiscal year ended December 31, 2022	5,297,814 shares

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

* Cautionary statement with respect to forward-looking statements

Note concerning forward-looking statements

The above projections are based on assumption judged to be valid and 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 and notes of caution for usage, please refer to page 4, “1. Overview of Results of Operations, (4) Outlook.”

Breakdown of dividends paid from the capital surplus

Of the dividends for 2022, breakdown of dividends paid from the capital surplus is shown below.

Record date	Year-end	Total
Dividend per share (yen)	200.00	200.00
Total dividends (millions of yen)	1,158	1,158

Note: Reduction rate in net assets due to the dividends paid from net assets: 0.208

Of the dividends for 2023, breakdown of dividends paid from the capital surplus is shown below.

Record date	Year-end	Total
Dividend per share (yen)	211.00	211.00
Total dividends (millions of yen)	1,318	1,318

Note: Reduction rate in net assets due to the dividends paid from net assets: 0.221

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Outlook	4
(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years	5
2. Basic Approach for the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
(Going Concern Assumption)	14
(Significant Accounting Policies in the Preparation of Consolidated Financial Statements)	14
(Changes in Accounting Policies)	18
(Consolidated Balance Sheet)	18
(Consolidated Statement of Income)	19
(Consolidated Statement of Comprehensive Income)	20
(Consolidated Statement of Changes in Equity)	20
(Consolidated Statement of Cash Flows)	23
(Segment and Other Information)	23
(Per Share Information)	27
(Subsequent Events)	27

1. Overview of Results of Operations

(1) 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 2023. As a result, year-on-year comparisons in the financial statements reflect the reexamination of the allocation of the cost of this acquisition. Comparisons and analysis concerning 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.

The Japanese economy recovered slowly during 2023 as social and economic activity began to return to normal after the pandemic, monetary easing continued even after a new Bank of Japan governor was named, and demand created by foreign tourists recovered due to the yen's weakness. According to the Statistics Bureau of the Ministry of Internal Affairs and Communications, the consumer price index has increased at an annualized rate of more than 2.0% every month during the 21-month period between April 2022 and December 2023. As a result, there are expectations for medium to long-term economic growth now that Japan has ended a long period of deflation. There is still uncertainty about the economic outlook because of the high cost of energy and raw materials worldwide, volatility of financial markets, and other reasons.

In the real estate market, the primary business domain of the LA Holdings Group, the interest among investors in Japan and other countries in investing in Japanese real estate remained high because of the continuation of low interest rates. In the market for existing condominiums, the number of transactions in the Tokyo area was 1.6% higher than in 2022, the first year-on-year increase in two years. In addition, the number of existing condominiums priced over 100 million yen continued to increase as these transactions were 33.9% higher than in 2022.

During 2023, the LA Holdings Group used its increasing ability to procure funds to purchase several large properties in prime urban locations in order to aim for more growth of sales and earnings.

In the new real estate sales segment, sales of newly developed income-producing properties, the main business of this segment, contributed to earnings due to the success of measures to add value. In the revitalized real estate sales segment, there were strong sales of Premium Renovation series condominiums, which have prices of more than 100 million yen, as market prices rose. Condominiums in this series have three main features: a location in Tokyo's three central wards, floor area of about 100 square meters, and high-end designs and amenities. In the investment project category of this segment, sales of land and buildings contributed to earnings. In the real estate leasing segment, an increase in leased assets due to the acquisition of healthcare properties contributed to earnings.

In 2023, net sales increased 72.6% year on year to 31,499 million yen, operating profit increased 31.4% to 5,552 million yen, ordinary profit increased 32.5% to 4,941 million yen and profit attributable to owners of parent decreased 2.6% to 3,293 million yen.

Business segment performance was as follows.

Business Segment Sales

Segments	2022	2023	Composition	YoY
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)		
	Thousands of yen	Thousands of yen	%	%
Real Estate Sales	17,227,037	30,444,046	96.7	76.7
[New Real Estate Sales]	[11,159,525]	[15,301,430]	48.6	37.1
[Revitalized Real Estate Sales]	[6,067,512]	[15,142,615]	48.1	149.6
Real Estate Leasing	897,020	1,014,213	3.2	13.1
Others	129,050	41,056	0.1	(68.2)
Total	18,253,108	31,499,316	100.0	72.6

Note: Sales exclude intersegment sales.

1) New Real Estate Sales

Sales in 2023 in this segment increased by 37.1% year on year to 15,301 million yen, and segment profit increased by 11.8% to 4,408 million yen. This growth was mainly attributable to the successful completion of seven land sales transactions and the sales of THE EDGE office building in Shibuya-ku, Tokyo and two commercial buildings A*G Futako Tamagawa in Setagaya-ku, Tokyo and A*G Nishi-Nakasu in Fukuoka City, Fukuoka Prefecture, which are properties under income-producing development projects. Additionally, the construction of new condominium buildings L'atrait RESIDENCE Meinohama located in Fukuoka City, Fukuoka Prefecture and un rêve GRANDIT YAESE located in Okinawa Prefecture was successfully completed and all of the units have been delivered.

2) Revitalized Real Estate Sales

Sales in 2023 in this segment increased by 149.6% year on year to 15,142 million yen, and segment profit increased by 200.3% to 1,922 million yen. This growth was primarily driven by the strong sales of the Premium Renovation series condominiums, 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

Sales in 2023 in this segment increased by 13.1% year on year to 1,014 million yen, and segment profit increased by 29.8% to 458 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) Financial Position

Assets

Assets totaled 61,209 million yen at the end of 2023, an increase of 10,540 million yen or 20.8% from the end of 2022. This change included increases of 3,300 million yen in cash and deposits, 3,197 million yen in real estate for sale due to purchases of real estate for business operations and land for real estate developments, and 4,120 million yen in real estate for sale in process.

Liabilities

Liabilities totaled 45,997 million yen at the end of 2023, an increase of 6,745 million yen or 17.2% from the end of 2022. This change included increases of 3,452 million yen in short-term borrowings and 3,886 million yen in long-term borrowings due to the procurement of funds to purchase real estate for business operations and land for real estate developments.

Net assets

Net assets totaled 15,212 million yen at the end of 2023, an increase of 3,795 million yen or 33.2% 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 808 million yen each in share capital and capital surplus due to exercise of share acquisition rights, and profit attributable to owners of parent of 3,293 million yen.

(3) Cash Flows

Cash and cash equivalents increased by 3,206 million yen from the end of 2022 to 12,689 million yen. Cash flows and the main reasons for changes are as follows.

Cash flows from operating activities

Net cash used in operating activities was 3,202 million yen compared with 3,061 million yen used one year earlier. Main factors include profit before income taxes of 4,832 million yen, an increase of 6,398 million yen in inventories and income taxes paid of 1,608 million yen.

Cash flows from investing activities

Net cash used in investing activities was 1,403 million yen compared with 1,479 million yen used one year earlier. Main factors include purchase of property, plant and equipment of 1,064 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 7,773 million yen compared with 6,932 million yen provided one year earlier. Main factors include net increase in short-term borrowings of 3,452 million yen, proceeds from long-term borrowings of 24,859 million yen, and repayments of long-term borrowings of 21,059 million yen.

Reference: Cash flow indicators

	2019	2020	2021	2022	2023
Equity-to-asset ratio (%)	18.1	18.1	20.0	22.3	24.6
Market value-based equity-to-asset ratio (%)	27.7	16.4	29.8	38.3	46.3
Interest-bearing debt to cash flow ratio (%)	-	9.3	-	-	-
Interest coverage ratio (times)	-	7.2	-	-	-

Equity-to-asset ratio: $\text{Equity} / \text{Total assets}$

Market value-based equity-to-asset ratio: $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio: $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payments}$

- Notes: 1. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued shares at the end of the period, excluding treasury shares.
2. Cash flows are calculated using the figures for operating cash flows.
3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest. Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.
4. Dashes are shown for negative figures and figures where calculations were not possible.

(4) Outlook

The business climate in 2024 will be challenging because of the rising cost of construction materials, the result of inflation caused by events in the global economy during the past few years, Japan's chronic shortage of construction workers, and the new restriction on overtime work. When these issues delay completions of projects due to the longer time needed for construction, the timing of property sales may be affected. The LA Holdings Group is working closely with partner companies to cope with these difficulties. In addition, activities are focusing on acquisitions of land and properties for revitalization where substantial value can be added in order to achieve consistent growth and the long-term growth of corporate value. All activities have the goal of supplying highly appealing products to customers.

In the new real estate sales segment, the development of many residential and commercial projects will continue in the income-producing development business, which is the main source of growth in this segment. One goal is to add even more value by creating plans and designs that give properties a competitive edge. Making brands more powerful and expanding operations to major regional cities of Japan are also goals for operations in 2024. In the condominium business, plans include using the L'atrait RESIDENCE brand in major regional cities and the growth of the un rêve GRANDIT brand business in Okinawa. All activities are aimed at building a sound base for business operations and establishing a distinctive position in markets in order to fully benefit from the competitive strengths of the LA Holdings Group.

In the revitalized real estate sales segment, the primary activity is the sale of renovated condominium units. Most sales are condominiums in the Premium Renovation series, which have prices of more than 100 million yen. Activities also include the Hi▶La▶Re brand and the Billion-Residence brand for high-grade residences priced at over 1 billion yen. Overall, this segment will continue to sell properties that span a broad spectrum of customer needs while using superior plans and designs for competitive strengths that shield properties from competition based on low prices. The goal is to establish a distinctive position in the markets of this segment.

In the real estate leasing segment, the priorities are building stronger relationships with current operators and adding relationship with new high-quality operators. Making substantial investments in healthcare facilities, which meet a vital need in society, is another goal as activities continue for optimizing the leasing portfolio for stable

income. An equity alliance agreement was signed with URBAN LiKE INC. on December 18, 2023. This is one more step in activities for the growth of leasing facilities in the health care and public welfare sectors that care for people special needs, older people and others. Examples include group homes in Kyushu for people with developmental disabilities and for-profit elderly care facilities.

Based on this outlook, we forecast net sales of 33,000 million yen, operating profit of 5,700 million yen, ordinary profit of 5,000 million yen, and profit attributable to owners of parent of 3,500 million yen in 2024.

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

Returning profits to shareholders is one of the highest priorities of LA Holdings. The basic policy is to pay a dividend that reflects results of operations as well as the need to retain earnings for financial soundness and funding future business activities. The guideline for the dividend is a payout ratio of at least 30% of the profit attributable to owners of parent.

Based on results of operations in 2023, we plan to pay a year-end dividend for 2023 of 211 yen per share, which is a payout ratio of 38.4%.

We plan to pay a dividend of 220 yen per share for 2024.

2. Basic Approach to the Selection of Accounting Standards

The LA Holdings Group will continue to prepare consolidated financial statements using 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.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	2022		2023	
	(As of Dec. 31, 2022)		(As of Dec. 31, 2023)	
Assets				
Current assets				
Cash and deposits		9,482,711		12,783,071
Accounts receivable-trade		4,730		1,138
Real estate for sale	*1, *3	12,495,968	*1, *3	15,693,369
Real estate for sale in process	*1	16,343,214	*1	20,463,812
Advance payments to suppliers		658,888		508,078
Prepaid expenses	*1	147,385		231,054
Other		185,577		201,068
Allowance for doubtful accounts		(1,507)		(900)
Total current assets		39,316,970		49,880,693
Non-current assets				
Property, plant and equipment				
Buildings and structures	*1, *3	6,376,083	*1, *3	6,446,538
Accumulated depreciation		(724,611)		(932,554)
Buildings and structures, net	*1, *3	5,651,472	*1, *3	5,513,983
Machinery, equipment and vehicles		26,982		29,287
Accumulated depreciation		(23,438)		(22,786)
Machinery, equipment and vehicles, net		3,543		6,501
Tools, furniture and fixtures	*3	52,517		55,845
Accumulated depreciation		(15,781)		(24,031)
Tools, furniture and fixtures, net	*3	36,736		31,814
Land	*1, *3	4,622,908	*1, *3	4,561,791
Construction in progress		53,900	*1	76,720
Total property, plant and equipment		10,368,560		10,190,810
Intangible assets				
Leasehold interests in land	*3	36,593		36,593
Other		3,319		2,419
Total intangible assets		39,913		39,013
Investments and other assets				
Investment securities	*2	330,882	*2	641,506
Investments in capital		13,790		10,490
Long-term loans receivable		72,244		-
Long-term prepaid expenses	*1	158,252		50,792
Deferred tax assets		114,711		175,253
Other		245,331		215,972
Total investments and other assets		935,212		1,094,015
Total non-current assets		11,343,686		11,323,839
Deferred assets				
Bond issuance costs		8,580		5,376
Total deferred assets		8,580		5,376
Total assets		50,669,236		61,209,909

	(Thousands of yen)	
	2022	2023
	(As of Dec. 31, 2022)	(As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	547,830	345,820
Short-term borrowings	*1, *4 4,197,600	*1, *4 7,649,900
Current portion of bonds payable	10,000	810,000
Current portion of long-term borrowings	*1, *4 8,948,282	*1, *4 8,861,279
Accounts payable-other	513,155	129,639
Accrued expenses	24,590	20,981
Income taxes payable	1,082,636	1,047,031
Accrued consumption taxes	78,718	230,051
Advances received	413,067	310,608
Deposits received	95,604	273,709
Unearned revenue	77,962	86,265
Provision for bonuses	54,650	69,661
Provision for bonuses for directors (and other officers)	22,200	-
Other	2,230	24,505
Total current liabilities	16,068,527	19,859,454
Non-current liabilities		
Bonds payable	920,000	230,000
Long-term borrowings	*1, *4 21,321,997	*1, *4 25,208,910
Deferred tax liabilities	54,953	49,506
Long-term leasehold and guarantee deposits received	596,925	527,459
Asset retirement obligations	112,909	113,515
Other	176,273	8,365
Total non-current liabilities	23,183,060	26,137,758
Total liabilities	39,251,588	45,997,213
Net assets		
Shareholders' equity		
Share capital	613,926	1,422,753
Capital surplus	1,645,001	1,683,651
Retained earnings	9,043,265	11,948,536
Treasury shares	-	(626)
Total shareholders' equity	11,302,193	15,054,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(27,064)	(1,062)
Deferred gains or losses on hedges	(6,955)	(5,087)
Foreign currency translation adjustment	18,148	-
Total accumulated other comprehensive income	(15,870)	(6,149)
Share acquisition rights	131,324	164,530
Total net assets	11,417,648	15,212,696
Total liabilities and net assets	50,669,236	61,209,909

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

	(Thousands of yen)	
	2022	2023
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Net sales	18,253,108	31,499,316
Cost of sales	12,237,962	22,989,967
Gross profit	6,015,146	8,509,348
Selling, general and administrative expenses	* 1,788,583	* 2,957,005
Operating profit	4,226,563	5,552,342
Non-operating income		
Interest income	1,968	671
Dividend income	3,279	6,029
Foreign exchange gains	106,745	25,654
Insurance return	8,737	116,841
Other	32,097	36,447
Total non-operating income	152,828	185,644
Non-operating expenses		
Interest expenses	402,668	546,165
Interest expenses on bonds	7,171	8,215
Commission expenses	142,858	194,425
Amortization of bond issuance expenses	4,636	5,264
Other	91,625	42,623
Total non-operating expenses	648,961	796,694
Ordinary profit	3,730,430	4,941,292
Extraordinary income		
Gain on sale of non-current assets	2,989	599
Gain on sale of investment securities	-	10,303
Gain on sale of shares of subsidiaries and associates	1,855	-
Gain on bargain purchase	801,282	-
Total extraordinary income	806,126	10,902
Extraordinary losses		
Loss on retirement of non-current assets	-	5,097
Loss on sale of investment securities	-	54,670
Loss on sale of shares of subsidiaries and associates	-	60,243
Total extraordinary losses	-	120,011
Profit before income taxes	4,536,556	4,832,184
Income taxes-current	1,175,289	1,603,595
Income taxes-deferred	(20,081)	(65,359)
Total income taxes	1,155,207	1,538,235
Profit	3,381,348	3,293,948
Profit attributable to owners of parent	3,381,348	3,293,948

(Consolidated Statement of Comprehensive Income)

	(Thousands of yen)	
	2022	2023
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Profit	3,381,348	3,293,948
Other comprehensive income		
Valuation difference on available-for-sale securities	6,779	26,002
Deferred gains or losses on hedges	2,082	1,867
Foreign currency translation adjustment	15,977	(18,148)
Total other comprehensive income	* 24,840	* 9,720
Comprehensive income	3,406,189	3,303,669
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,406,189	3,303,669
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

2022 (Jan. 1, 2022 – Dec. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	288,332	1,358,007	5,661,916	(96)	7,308,160
Changes during period					
Dividends of surplus-other capital surplus		(711,107)			(711,107)
Profit attributable to owners of parent			3,381,348		3,381,348
Purchase of treasury shares				(499,895)	(499,895)
Exercise of share acquisition rights	325,593	325,593			651,187
Increase by share exchanges		672,507		499,992	1,172,500
Net changes in items other than shareholders' equity					
Total changes during period	325,593	286,993	3,381,348	96	3,994,033
Balance at end of period	613,926	1,645,001	9,043,265	-	11,302,193

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(33,843)	(9,037)	2,171	(40,710)	75,111	7,342,560
Changes during period						
Dividends of surplus-other capital surplus						(711,107)
Profit attributable to owners of parent						3,381,348
Purchase of treasury shares						(499,895)
Exercise of share acquisition rights						651,187
Increase by share exchanges						1,172,500
Net changes in items other than shareholders' equity	6,779	2,082	15,977	24,840	56,213	81,053
Total changes during period	6,779	2,082	15,977	24,840	56,213	4,075,087
Balance at end of period	(27,064)	(6,955)	18,148	(15,870)	131,324	11,417,648

2023 (Jan. 1, 2023 – Dec. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	613,926	1,645,001	9,043,265	-	11,302,193
Changes during period					
Dividends of surplus-other capital surplus		(1,158,855)			(1,158,855)
Profit attributable to owners of parent			3,293,948		3,293,948
Purchase of treasury shares				(626)	(626)
Exercise of share acquisition rights	808,827	808,827			1,617,654
Transfer from retained earnings to capital surplus		388,677	(388,677)		-
Net changes in items other than shareholders' equity					
Total changes during period	808,827	38,649	2,905,271	(626)	3,752,121
Balance at end of period	1,422,753	1,683,651	11,948,536	(626)	15,054,315

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(27,064)	(6,955)	18,148	(15,870)	131,324	11,417,648
Changes during period						
Dividends of surplus-other capital surplus						(1,158,855)
Profit attributable to owners of parent						3,293,948
Purchase of treasury shares						(626)
Exercise of share acquisition rights						1,617,654
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	26,002	1,867	(18,148)	9,720	33,205	42,926
Total changes during period	26,002	1,867	(18,148)	9,720	33,205	3,795,048
Balance at end of period	(1,062)	(5,087)	-	(6,149)	164,530	15,212,696

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	2022 (Jan. 1, 2022 – Dec. 31, 2022)	2023 (Jan. 1, 2023 – Dec. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	4,536,556	4,832,184
Depreciation	241,409	240,155
Gain on bargain purchase	(801,282)	-
Increase (decrease) in allowance for doubtful accounts	-	(607)
Increase (decrease) in provision for bonuses	(1,285)	15,011
Increase (decrease) in provision for bonuses for directors (and other officers)	11,750	(22,200)
Interest and dividend income	(5,247)	(6,701)
Interest expenses on borrowings and bonds	409,840	554,380
Commission expenses	142,858	194,425
Loss (gain) on sale of investment securities	-	44,367
Gain on sale of non-current assets	(2,989)	(599)
Loss on retirement of non-current assets	-	5,097
Loss (gain) on sale of shares of subsidiaries and associates	(1,855)	60,243
Decrease (increase) in trade receivables	1,155	3,591
Decrease (increase) in advance payments to suppliers	(202,115)	150,810
Decrease (increase) in inventories	(6,990,723)	(6,398,084)
Increase (decrease) in trade payables	266,913	(202,009)
Increase (decrease) in advances received	(116,508)	(101,247)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(168,454)	86,405
Other, net	1,009,510	(343,789)
Subtotal	(1,670,468)	(888,565)
Interest and dividends received	5,247	6,701
Interest paid	(407,059)	(577,108)
Commission fee paid	(94,675)	(134,745)
Income taxes paid	(894,958)	(1,608,866)
Net cash provided by (used in) operating activities	(3,061,914)	(3,202,585)
Cash flows from investing activities		
Payments into time deposits	-	(100,604)
Proceeds from withdrawal of time deposits	253,231	7,200
Purchase of property, plant and equipment	(1,699,834)	(1,064,296)
Proceeds from sale of property, plant and equipment	24,380	818
Purchase of intangible assets	(289)	-
Purchase of investment securities	(72,715)	(197,447)
Proceeds from sale of investment securities	19,250	230,128
Purchase of shares of subsidiaries and associates	-	(374,300)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	23,052
Proceeds from collection of loans receivable	-	72,244
Payments of construction assistance fund receivables	(3,499)	(3,499)
Other, net	86	3,300
Net cash provided by (used in) investing activities	(1,479,391)	(1,403,405)

	(Thousands of yen)	
	2022	2023
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,247,600	3,452,300
Proceeds from long-term borrowings	15,870,500	24,859,484
Repayments of long-term borrowings	(9,680,398)	(21,059,574)
Proceeds from issuance of bonds	100,000	117,939
Redemption of bonds	(10,000)	(10,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	600,084	1,550,563
Proceeds from issuance of share acquisition rights	14,252	-
Purchase of treasury shares	(499,895)	(626)
Dividends paid	(709,779)	(1,136,085)
Other, net	-	(188)
Net cash provided by (used in) financing activities	6,932,363	7,773,813
Effect of exchange rate change on cash and cash equivalents	15,977	39,132
Net increase (decrease) in cash and cash equivalents	2,407,035	3,206,955
Cash and cash equivalents at beginning of period	6,561,734	9,482,711
Increase in cash and cash equivalents resulting from share exchange	513,941	-
Cash and cash equivalents at end of period	* 9,482,711	* 12,689,666

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Significant Accounting Policies in the Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 5

Names of primary consolidated subsidiaries:

L'attrait Co., Ltd.

LA Asset Co., Ltd.

L'attrait Residential Co., Ltd.

FAN STYLE Co., Ltd.

FAN STYLE RESORT Co., Ltd.

FAN STYLE HD Co., Ltd. was excluded from the scope of consolidation in 2023 since this company was absorbed by the consolidated subsidiary FAN STYLE Co., Ltd. and subsequently dissolved.

L'attrait Property Development Inc. was excluded from the scope of consolidation as LA Holdings sold all of its shares in 2023.

(2) Primary non-consolidated subsidiaries

Bigaro Agency Co., Ltd.

Okinawa Gojinsha Co.,Ltd.

Reason for exclusion

These subsidiaries are not included in the scope of consolidation since it is a small-scale business whose assets, sales, net income/loss (equity in earnings) and retained earnings (equity in earnings) have no significant effect on the overall results of consolidated financial statements.

2. Application of the equity method

(1) Number of non-consolidated subsidiaries and affiliates not accounted for under the equity method: 1

Name of primary company: URBAN LiKE INC.

URBAN LiKE INC. was included as an equity-method affiliate as LA Holdings newly acquired its shares in 2023.

(2) Names of primary non-consolidated subsidiaries and affiliates not accounted for under the equity method

Non-consolidated subsidiaries:

Bigaro Agency Co., Ltd.

Okinawa Gojinsha Co.,Ltd.

An affiliate: LA/BSP Vision Fund Investment Limited Partnership

These non-consolidated subsidiaries and one affiliate are not accounted for under the equity method since they have a very minor effect on net income/loss (equity in earnings) and retained earnings (equity in earnings), and are relatively insignificant in the context of the consolidated financial statements.

3. Fiscal years of consolidated subsidiaries

All consolidated subsidiaries' fiscal years end on the balance sheet date for the consolidated financial statements.

4. Accounting policies

(1) Valuation standards and methods for principal assets

a. Marketable securities

Available-for sale securities

Securities with market quotations

Stated at market value. (Valuation difference is included directly in net assets. Cost of securities sold is determined by the moving-average method.)

Securities without market quotations

Stated at cost determined by the moving-average method.

Investments in investment limited partnerships (those which are regarded as securities in accordance with Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are stated at the net amount equivalent to equity on the most recent financial statements that are available on the reporting date as specified in the partnership agreement.

b. Derivatives

Stated at market value.

c. Inventories

Real estate for sale

Stated at cost determined by the specific identification method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

Real estate for sale in process

Stated at cost determined by the specific identification method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

(2) Depreciation and amortization of principal assets

a. Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings (excluding attached facilities) acquired on or after April 1, 1998, as well as facilities attached to buildings and structures acquired on or after April 1, 2016 on which depreciation is calculated by the straight-line method.

Useful lives of principle assets are as follows:

Buildings and structures:	3 - 47 years
Machinery, equipment and vehicles:	4 - 6 years
Tools, furniture and fixtures:	3 - 15 years

Following the revisions to the Corporation Tax Act, assets acquired on or before March 31, 2007 are depreciated by the previous Corporation Tax Act. Accordingly, the difference between the residual value of such an asset and the value equivalent to 5% of its acquisition cost is depreciated in equal installments over five years starting from the year following the year in which the value of an asset falls to 5% of its acquisition cost.

b. Intangible assets (excluding leased assets)

Software for internal use is amortized over an expected useful life of five years by the straight-line method.

c. Long-term prepaid expenses

Long-term prepaid expenses are calculated in equal installments.

(3) Accounting for significant deferred assets

Bond issuance cost

Bond issuance cost is calculated by the straight-line method.

Amortization period: 3 years

(4) Recognition of significant allowances

a. Allowance for doubtful accounts

Allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio and bad receivables based on case-by-case determination of collectibility.

b. Provision for bonuses

To prepare for employee bonus obligation, an allowance is provided based on the estimated amount attributable to the current fiscal year.

c. Provision for bonuses for directors (and other officers)

To provide for performance-linked remuneration to be paid to directors and other officers, an allowance is provided based on the estimated amount attributable to the current fiscal year.

(5) Recognition of significant income and expenses

The nature of the main performance obligations related to revenue from contracts with customers in the major businesses of LA Holdings and its subsidiaries and the timing when those performance obligations are typically satisfied (when revenue is typically recognized) are as follows.

Revenue in these businesses is recognized in accordance with contracts and other agreements with customers. There are no payments from customers that have the potential of varying significantly. In most cases, the amounts that customers have promised to pay are received within one year and there are no significant financing aspects of these payments.

a. Real Estate Sales

i. New real estate sales

The main activities of this business category are real estate development, planning and sales for land, and property acquisitions, developments and sales involving the new condominium buying and selling business. This business category fulfills its obligations by delivering properties to customers in accordance with the terms of real estate transaction contracts.

The fulfillment of obligations is completed at the time ownership of a property is transferred to the buyer and revenue is recognized at the same time.

Transaction prices are determined by real estate transaction contracts and other agreements. Part of the transaction price is received as a deposit when a contract is signed and the remainder is received when ownership is transferred to the buyer.

ii. Revitalized real estate sales

The main activities of this business category are the sale of renovated condominiums, the sale of renovated condominium buildings, and property acquisitions, interior renovations and sales involving investment projects. This business category fulfills its obligations by delivering properties to customers in accordance with the terms of real estate transaction contracts.

The fulfillment of obligations is completed at the time ownership of a property is transferred to the buyer and revenue is recognized at the same time.

Transaction prices are determined by real estate transaction contracts and other agreements. Part of the transaction price is received as a deposit when a contract is signed and the remainder is received when ownership is transferred to the buyer.

b. Real Estate Leasing

The main activities of this business segment are the leasing of real estate owned by the LA Holdings Group and classified as non-current assets and the leasing of real estate classified as real estate for sale to tenants until the properties are sold.

Revenue from leasing these properties is recognized during the leasing period in accordance with accounting standards for leases. Obligations concerning lease fees and other items that are tasks associated with the leasing of these properties are fulfilled at the time each service is provided and revenue is recognized when the provision of the service has been completed.

Transaction prices are determined in real estate lease contracts and other agreements and lease payments are received on the last day of the month before the month covered by each lease payment.

c. Others

Others is a business segment not included in reportable segments and includes the brokerage business and other activities.

The brokerage business involves serving as an intermediary between buyers and sellers of real estate in order to reach an agreement for a transaction contract. In accordance with the brokerage contract with the customer, this business is obligated to assist with negotiations and adjustments to reach an agreement for a transaction contract and perform all other associated tasks including documents and explanations about important items, preparation and submission of the contract, assistance with procedures involving the contract, and all other required activities.

This obligation is fulfilled when ownership of the property in the real estate transaction contract that was finalized in accordance with the brokerage contract and other items is transferred from the seller to the buyer. At that time, revenue from these brokerage services is recognized.

Transaction prices are determined in contracts and other documents and the payment to complete the transaction is made when ownership is transferred.

(6) Translation of significant foreign currency-denominated assets and liabilities

Foreign currency-denominated monetary assets and liabilities are translated into yen at the spot exchange rate in effect on the balance sheet date. Exchange gain or loss is accounted as profit or loss. The balance sheet accounts of overseas consolidated subsidiaries are also translated into yen at the spot exchange rate in effect on their balance sheet dates. The income statement accounts of overseas consolidated subsidiaries are translated into yen at the average exchange rate for their accounting periods. Translation adjustments are included in the foreign currency translation adjustment in net assets.

(7) Accounting for hedges

a. Hedging method

LA Holdings applies deferred hedge accounting.

b. Hedging instruments and risks hedged

Hedging instrument: Interest rate swaps

Risk hedged: Borrowings

c. Hedging policy

Hedging does not exceed the value of the corresponding liability and is used solely to reduce exposure to interest rate risk and improve financial income.

d. Evaluation of hedge effectiveness

The cumulative change in cash flows of the hedged liability and cumulative change in cash flows of the hedging instrument are compared and the resulting ratio is used to evaluate the effectiveness of hedging.

(8) Scope of cash and cash equivalents on consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash, deposits that can be withdrawn on demand, and short-term investments, generally with original maturities of 3 months or less, that are readily convertible to known amounts of cash and are so near maturity that the risk of a change in value is insignificant.

(9) Other significant matters for preparation of the consolidated financial statements

Accounting for consumption taxes

Non-deductible consumption taxes on inventories are included in selling, general and administrative expenses.

Non-deductible consumption taxes on non-current assets are included in the "others" item of investments and other assets and amortized in equal installments over five years.

(Changes in Accounting Policies)

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

LA Holdings 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 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 consolidated financial statements.

(Consolidated Balance Sheet)***1. Assets pledged as collateral and liabilities with collateral**

Assets pledged as collateral are as follows.

	(Thousands of yen)	
	2022 (As of Dec. 31, 2022)	2023 (As of Dec. 31, 2023)
Real estate for sale	11,536,500	14,490,149
Real estate for sale in process	15,829,447	20,227,985
Prepaid expenses	1,108	-
Buildings and structures	5,505,339	5,400,797
Land	4,432,608	4,400,600
Construction in progress	-	7,420
Long-term prepaid expenses	112,281	-
Total	37,417,284	44,526,953

Liabilities with collateral are as follows.

	(Thousands of yen)	
	2022 (As of Dec. 31, 2022)	2023 (As of Dec. 31, 2023)
Short-term borrowings	4,197,600	7,344,900
Current portion of long-term borrowings	8,753,327	8,633,947
Long-term borrowings	19,995,307	24,449,769
Total	32,946,234	40,428,617

***2. Investment securities for non-consolidated subsidiaries and affiliates are as follows.**

	(Thousands of yen)	
	2022 (As of Dec. 31, 2022)	2023 (As of Dec. 31, 2023)
Investment securities (stock)	15,530	16,530
Investment securities (investments in capital)	55,000	52,829

***3. Changes in purpose of holding assets**

2022 (As of Dec. 31, 2022)

At consolidated subsidiary L'attrait Co., Ltd., 763,554 thousand yen of buildings and structures, 53,257 thousand yen of tools, furniture and fixtures, 424,222 thousand yen of land and 69,525 thousand yen of leasehold interests in land, a total of 1,310,559 thousand yen, were reclassified as real estate for sale due to a change in the purpose of holding these assets. At consolidated subsidiary LA Asset Co., Ltd., 78,795 thousand yen of buildings and structures and 335,737 thousand yen of land, a total of 414,532 thousand yen, were reclassified as real estate for sale due to a change in the purpose of holding these assets.

2023 (As of Dec. 31, 2023)

At consolidated subsidiary LA Asset Co., Ltd., 287,437 thousand yen of buildings and structures and 637,264 thousand yen of land, a total of 924,701 thousand yen, were reclassified as real estate for sale due to a

change in the purpose of holding these assets. At consolidated subsidiary FAN STYLE HD Co., Ltd., 53,186 thousand yen of buildings and structures and 34,199 thousand yen of land, a total of 87,386 thousand yen, were reclassified as real estate for sale due to a change in the purpose of holding these assets.

*4. Overdraft agreements and committed credit facilities

At consolidated subsidiaries L'atrait Co., Ltd., L'atrait Residential Co., Ltd. and LA Asset Co., Ltd., there are overdraft agreements and committed credit facilities with banks to facilitate the efficient procurement of funds for business requirements.

The balance of unused credit lines under these agreements is as follows.

	(Thousands of yen)	
	2022	2023
	(As of Dec. 31, 2022)	(As of Dec. 31, 2023)
Current account overdraft and committed credit facilities	7,559,000	13,514,000
Credit used	5,069,300	9,560,270
Credit available	2,489,700	3,953,730

(Consolidated Statement of Income)

* Major items of selling, general and administrative expenses are as follows.

	(Thousands of yen)	
	2022	2023
	(Jan. 1, 2022 – Dec. 31, 2022)	(Jan. 1, 2023 – Dec. 31, 2023)
Sales commission	254,307	740,267
Advertising expenses	61,665	124,180
Operating expenses	96,526	119,087
Remuneration for directors (and other officers)	83,084	170,945
Provision for bonuses for directors (and other officers)	22,200	-
Payroll and allowances	362,792	590,141
Provision for bonuses	54,650	69,661
Commission expenses	236,548	235,834
Depreciation	11,101	18,286
Rent expenses	48,548	44,967
Taxes and dues	196,091	331,843

(Consolidated Statement of Comprehensive Income)

* Reclassification and tax effect items concerning other comprehensive income

(Thousands of yen)

	2022 (Jan. 1, 2022 – Dec. 31, 2022)	2023 (Jan. 1, 2023 – Dec. 31, 2023)
Valuation difference on available-for-sale securities:		
Amount incurred during the period	7,707	(26,849)
Reclassification adjustments	-	51,842
Before tax effect adjustments	7,707	24,993
Tax effect	(928)	1,008
Valuation difference on available-for-sale securities	6,779	26,002
Deferred gains or losses on hedges:		
Amount incurred during the period	16	120
Reclassification adjustments	2,985	2,126
Before tax effect adjustments	3,001	2,246
Tax effect	(919)	(379)
Deferred gains or losses on hedges	2,082	1,867
Foreign currency translation adjustment:		
Amount incurred during the period	15,977	39,132
Reclassification adjustments	-	(57,281)
Before tax effect adjustments	15,977	(18,148)
Tax effect	-	-
Foreign currency translation adjustment	15,977	(18,148)
Total other comprehensive income	24,840	9,720

(Consolidated Statement of Changes in Equity)

2022 (Jan. 1, 2022 – Dec. 31, 2022)

1. Type and number of outstanding shares

(Shares)

Type of share	As of Jan. 1, 2022	Increase	Decrease	As of Dec. 31, 2022
Common shares	5,387,219	407,056	-	5,794,275

Outline of changes

Increase due to issuance of shares resulting from exercise of share acquisition rights: 284,400 shares

Increase due to issuance of shares resulting from share exchange: 122,656 shares

2. Type and number of treasury shares

(Shares)

Type of share	As of Jan. 1, 2022	Increase	Decrease	As of Dec. 31, 2022
Common shares	44	227,300	227,344	-

Outline of changes

Increase due to share acquisition in accordance with the Articles of Incorporation pursuant to Article 165, Paragraph 2 of the Companies Act: 227,300 shares

Decrease due to disposal of treasury shares resulting from share exchange: 227,344 shares

3. Matters regarding share acquisition rights

Classification	Share acquisition rights (itemized)	Type of shares under share acquisition rights	Number of shares under share acquisition rights				Balance as of Dec. 31, 2022 (Thousands of yen)
			As of Jan. 1, 2022	Increase	Decrease	As of Dec. 31, 2022	
Reporting company	Share acquisition rights issued as stock options (Note 1)	-	-	-	-	-	122,690
	10th issue of share acquisition rights with a provision for exercise price adjustment (Note 2)	Common shares	-	200,000	200,000	-	-
	11th issue of share acquisition rights with a provision for exercise price adjustment (Note 2)	Common shares	-	200,000	-	200,000	5,204
	12th issue of share acquisition rights with a provision for exercise price adjustment (Note 2)	Common shares	-	200,000	-	200,000	3,430
Total			-	600,000	200,000	400,000	131,324

Notes: 1. For share acquisition rights issued as stock options, the exercise period has not yet started for 107,466 thousand yen of these rights.

2. Summary of changes in the number of shares under share acquisition rights

The increases in the 10th, 11th and 12th issues of share acquisition rights with a provision for exercise price adjustment are due to the issuance of rights and the decrease in the 10th issue of share acquisition rights with a provision for exercise price adjustment is due to the exercise of these rights.

4. Matters regarding dividends

(1) Amount paid as dividends

Resolution	Type of share	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Mar. 30, 2022	Common shares	711	132.00	Dec. 31, 2021	Mar. 31, 2022

(2) Dividends for which the record date belongs to the current fiscal year and the effective date is in the following fiscal year

Resolution	Type of share	Source of funds	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Mar. 30, 2023	Common shares	Capital surplus	1,158	200.00	Dec. 31, 2022	Mar. 31, 2023

2023 (Jan. 1, 2023 – Dec. 31, 2023)

1. Type and number of outstanding shares

Type of share	As of Jan. 1, 2023	Increase	Decrease	As of Dec. 31, 2023
Common shares	5,794,275	452,500	-	6,246,775

Outline of changes

Increase due to issuance of shares resulting from exercise of share acquisition rights: 452,500 shares

2. Type and number of treasury shares

(Shares)

Type of share	As of Jan. 1, 2023	Increase	Decrease	As of Dec. 31, 2023
Common shares	-	136	-	136

Outline of changes

Increase due to request for the purchase of shares less than one unit: 136 shares

3. Matters regarding share acquisition rights

Classification	Share acquisition rights (itemized)	Type of shares under share acquisition rights	Number of shares under share acquisition rights			Balance as of Dec. 31, 2023 (Thousands of yen)
			As of Jan. 1, 2023	Increase	Decrease	
Reporting company	Share acquisition rights issued as stock options (Note 1)	-	-	-	-	164,530
	11th issue of share acquisition rights with a provision for exercise price adjustment (Note 2)	Common shares	200,000	-	200,000	-
	12th issue of share acquisition rights with a provision for exercise price adjustment (Note 2)	Common shares	200,000	-	200,000	-
Total			400,000	-	400,000	164,530

Notes: 1. For share acquisition rights issued as stock options, the exercise period has not yet started for 123,185 thousand yen of these rights.

2. Summary of changes in the number of shares under share acquisition rights

The decrease in the 11th issue of share acquisition rights with a provision for exercise price adjustment is due to the exercise of these rights.

The decrease in the 12th issue of share acquisition rights with a provision for exercise price adjustment is due to the exercise of these rights (189,000 shares) and the acquisition and cancelation of these rights (11,000 shares).

4. Matters regarding dividends

(1) Amount paid as dividends

Resolution	Type of share	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Mar. 30, 2023	Common shares	1,158	200.00	Dec. 31, 2022	Mar. 31, 2023

(2) Dividends for which the record date belongs to the current fiscal year and the effective date is in the following fiscal year

Resolution	Type of share	Source of funds	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Mar. 28, 2024	Common shares	Capital surplus	1,318	211.00	Dec. 31, 2023	Mar. 29, 2024

(Consolidated Statement of Cash Flows)

* The relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amount of items posted in the consolidated balance sheet is as follows.

	(Thousands of yen)	
	2022 (Jan. 1, 2022 – Dec. 31, 2022)	2023 (Jan. 1, 2023 – Dec. 31, 2023)
Cash and deposits	9,482,711	12,783,071
Time deposit with maturities over 3 months	-	(93,404)
Cash and cash equivalents	9,482,711	12,689,666

(Segment and Other Information)**Segment information**

1. Outline of reportable segments

Segments used for financial reporting are the constituent units of LA Holdings for which separate financial information is available and for which Board of Directors perform periodic studies for the purposes of determining the allocation of resources and evaluating performance.

There are three reportable segments, which are based on business and administrative units of the LA Holdings Group: New Real Estate Sales, Revitalized Real Estate Sales, and Real Estate Leasing.

The main activities of the New Real Estate Sales segment are real estate development, planning and sales for land, and property acquisitions, developments and sales involving the new condominium buying and selling business. The main activities of the Revitalized Real Estate Sales segment are the sale of renovated condominiums, the sale of renovated condominium buildings, and property acquisitions, interior renovations and sales involving investment projects. The main activities of the Real Estate Leasing segment are the leasing of real estate owned by the LA Holdings Group and classified as non-current assets and the leasing of real estate classified as real estate for sale to tenants until the properties are sold.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for reportable segments

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

3. Information related to net sales, profit or loss, assets, liabilities and other items for reportable segments

	2022 (Jan. 1, 2022 – Dec. 31, 2022)				(Thousands of yen)	
	New Real Estate Sales	Revitalized Real Estate Sales	Real Estate Leasing	Sub-total	Others (Note)	Total
Net sales						
Sales to customers	11,159,525	6,067,512	897,020	18,124,058	129,050	18,253,108
Inter-segment sales or transfers	-	-	-	-	178,091	178,091
Total	11,159,525	6,067,512	897,020	18,124,058	307,141	18,431,199
Segment profit	3,942,619	640,172	353,530	4,936,322	307,141	5,243,464
Segment assets	21,496,027	8,373,082	9,956,409	39,825,518	-	39,825,518
Segment liabilities	18,613,324	7,059,858	8,762,918	34,436,101	9,551	34,445,652
Other items						
Depreciation	-	-	230,307	230,307	-	230,307
Interest expenses	211,785	76,122	101,700	389,608	-	389,608
Increase (decrease) in property, plant and equipment and intangible assets	202,731	-	2,108,383	2,311,115	-	2,311,115

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

2023 (Jan. 1, 2023 – Dec. 31, 2023)

(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	15,301,430	15,142,615	1,014,213	31,458,259	41,056	31,499,316
Inter-segment sales or transfers	-	-	-	-	366,924	366,924
Total	15,301,430	15,142,615	1,014,213	31,458,259	407,980	31,866,240
Segment profit	4,408,843	1,922,423	458,835	6,790,102	404,224	7,194,326
Segment assets	24,549,826	12,515,155	9,834,710	46,899,692	1,872	46,901,564
Segment liabilities	22,364,532	10,541,997	8,346,254	41,252,784	21,463	41,274,248
Other items						
Depreciation	3,438	-	223,519	226,958	-	226,958
Interest expenses	296,267	136,068	92,568	524,905	-	524,905
Increase (decrease) in property, plant and equipment and intangible assets	0	-	1,052,265	1,052,265	-	1,052,265

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

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

(Thousands of yen)

Net sales	2022	2023
Total for reportable segments	18,124,058	31,458,259
Net sales classified as "Others"	307,141	407,980
Eliminations for inter-segment transactions	(178,091)	(366,924)
Net sales on the consolidated statement of income	18,253,108	31,499,316

(Thousands of yen)

Profit	2022	2023
Total for reportable segments	4,936,322	6,790,102
Profit classified as "Others"	307,141	404,224
Eliminations for inter-segment transactions	(178,091)	(366,924)
Corporate expenses (Note)	(1,334,942)	(1,886,109)
Ordinary profit on the consolidated statement of income	3,730,430	4,941,292

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

(Thousands of yen)

Assets	2022	2023
Total for reportable segments	39,825,518	46,899,692
Assets classified as "Others"	-	1,872
Corporate assets (Note)	10,843,717	14,308,345
Assets on the consolidated statement of income	50,669,236	61,209,909

Note: Corporate assets consist mainly of cash and deposits and non-current assets that cannot be attributed to any of the reportable segments.

(Thousands of yen)

Liabilities	2022	2023
Total for reportable segments	34,436,101	41,252,784
Liabilities classified as "Others"	9,551	21,463
Corporate liabilities (Note)	4,805,935	4,722,964
Liabilities on the consolidated statement of income	39,251,588	45,997,213

Note: Corporate liabilities consist mainly of interest-bearing debt that cannot be attributed to any of the reportable segments.

(Thousands of yen)

Other items	Total for reportable segments		Others		Adjustment		Amount in the consolidated financial statements	
	2022	2023	2022	2023	2022	2023	2022	2023
Depreciation	230,307	226,958	-	-	11,101	13,196	241,409	240,155
Interest expenses	389,608	524,905	-	-	13,060	21,260	402,668	546,165
Increase in property, plant and equipment and intangible assets	2,311,115	1,052,265	-	-	309,397	26,681	2,620,512	1,078,946

Note: The depreciation adjustment is depreciation of corporate assets. The interest expense adjustment is expenses for loans to fund working capital. The adjustment to the increase in property, plant and equipment and intangible assets is items that cannot be attributed to any reportable segment, mainly capital expenditures involving the head office.

Related information

2022 (Jan. 1, 2022 – Dec. 31, 2022)

1. Information about products and services

Omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

Omitted because sales to external customers in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information of specific major customer

Not applicable.

2023 (Jan. 1, 2023 – Dec. 31, 2023)

1. Information about products and services

Omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

Omitted because sales to external customers in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information of specific major customer

Not applicable.

Information related to impairment loss of non-current assets by reportable segment

Not applicable.

Information related to amortization of goodwill and unamortized balance by reportable segment

Not applicable.

Information related to gain on bargain purchase by reportable segment

2022 (Jan. 1, 2022 – Dec. 31, 2022)

In 2022, the acquisition of FAN STYLE HD Co., Ltd. resulted in a gain on bargain purchase in the New Real Estate Sales segment of 801,282 thousand yen. This gain is not included in the segment profit because the gain on bargain purchase was classified as extraordinary income.

Note: Information related to gain on bargain purchase by reportable segment reflects a significant revision of the initial allocation of the acquisition cost arising from finalization of the provisional accounting method.

2023 (Jan. 1, 2023 – Dec. 31, 2023)

Not applicable.

(Per Share Information)

(Yen)

	2022 (Jan. 1, 2022 – Dec. 31, 2022)	2023 (Jan. 1, 2023 – Dec. 31, 2023)
Net assets per share	1,947.84	2,409.00
Basic earnings per share	638.25	549.10
Diluted earnings per share	621.60	537.65

Notes: 1. The basis of calculating the net income per share and diluted earnings per share is as follows:

(Thousands of yen, unless otherwise stated)

	2022 (Jan. 1, 2022 – Dec. 31, 2022)	2023 (Jan. 1, 2023 – Dec. 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent	3,381,348	3,293,948
Amount not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	3,381,348	3,293,948
Average number of shares during the period (shares)	5,297,814	5,998,839
Diluted earnings per share		
Profit attributable to owners of parent	-	-
Increase in the number of common shares (shares)	141,962	127,722
[Share acquisition rights (shares)]	[141,962]	[127,722]
Summary of dilutive shares not included in the calculation of diluted earnings per share since there was no dilutive effect	Share acquisition rights issued pursuant to the Board of Directors' resolution on August 10, 2022 11th issue of share acquisition rights Number of share acquisition rights: 2,000 (200,000 common shares) 12th issue of share acquisition rights Number of share acquisition rights: 2,000 (200,000 common shares)	-

2. The basis of calculating net assets per share is as follows.

(Thousands of yen, unless otherwise stated)

	2022 (As of Dec. 31, 2022)	2023 (As of Dec. 31, 2023)
Total net assets	11,417,648	15,212,696
Deduction on total net assets	131,324	164,530
[Share acquisition rights]	[131,324]	[164,530]
Net assets applicable to common shares at end of period		
Number of common shares used in calculation of net assets per share (shares)	5,794,275	6,246,639

3. Net assets per share, basic earnings per share and diluted earnings per share for 2022 reflect a significant revision of the initial allocation of the acquisition cost arising from finalization of the provisional accounting method.

Subsequent Events

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.