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May 15, 2024

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024 (Three Months Ended March 31, 2024) (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: May 15, 2024  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	7,872	75.7	877	132.2	708	218.0	477	226.1
March 31, 2023	4,480	128.1	377	107.5	222	596.6	146	358.2

Note: Comprehensive income For the three months ended March 31, 2024: ¥474 million [215.1%]  
 For the three months ended March 31, 2023: ¥150 million [230.5%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2024	76.39	74.77
March 31, 2023	25.19	24.53

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	58,184	14,395	24.4
December 31, 2023	61,209	15,212	24.6

Reference: Equity As of March 31, 2024: ¥14,204 million  
 As of December 31, 2023: ¥15,048 million

## 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, 2023	-	0.00	-	211.00	211.00
Fiscal year ending December 31, 2024	-				
Fiscal year ending December 31, 2024 (Forecast)		0.00	-	220.00	220.00

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

## 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

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): None

Newly included: - Excluded: -

(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: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2024	6,246,775 shares
As of December 31, 2023	6,246,775 shares

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

As of March 31, 2024	136 shares
As of December 31, 2023	136 shares

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

Three months ended March 31, 2024	6,246,639 shares
Three months ended March 31, 2023	5,808,717 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 2, "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

In the first quarter of 2024, net sales increased 75.7% year on year to 7,872 million yen, operating profit increased 132.2% to 877 million yen, ordinary profit increased 218.0% to 708 million yen and profit attributable to owners of parent increased 226.1% to 477 million yen.

Business segment performance was as follows.

#### Business Segment Sales

Segments	1Q 2023 (Jan. 1, 2023 – Mar. 31, 2023)	1Q 2024 (Jan. 1, 2024 – Mar. 31, 2024)	Composition	YoY
	Thousands of yen	Thousands of yen	%	%
Real Estate Sales	4,225,872	7,602,338	96.6	79.9
[New Real Estate Sales]	[1,985,760]	[839,682]	10.7	(57.7)
[Revitalized Real Estate Sales]	[2,240,111]	[6,762,655]	85.9	201.9
Real Estate Leasing	245,102	231,489	2.9	(5.6)
Others	9,702	38,991	0.5	301.9
Total	4,480,677	7,872,819	100.0	75.7

Note: Sales exclude intersegment sales.

#### 1) New Real Estate Sales

Sales in the first quarter of 2024 in this segment decreased by 57.7% year on year to 839 million yen, and segment loss was 16 million yen, compared with profit of 248 million yen one year earlier. During the first quarter, construction of L'attrait Residence KYOTO, which is in the city of Kyoto, was completed and the transfer of ownership to the buyers of these condominium units started.

#### 2) Revitalized Real Estate Sales

Sales in the first quarter of 2024 in this segment increased by 201.9% year on year to 6,762 million yen, and segment profit increased by 338.8% to 1,060 million yen. This growth was primarily driven by the strong sales of the Premium Renovation series, which sell for more than 100 million yen per condominium unit.

#### 3) Real Estate Leasing

Sales in the first quarter of 2024 in this segment decreased by 5.6% year on year to 231 million yen, and segment profit increased by 7.0% to 100 million yen. This was mainly due to the start of operations at healthcare facilities and other leased properties.

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

### (2) Explanation of Financial Position

Assets totaled 58,184 million yen at the end of the first quarter of 2024, a decrease of 3,025 million yen from the end of 2023. This change included a decrease of 2,444 million yen in cash and deposits.

Liabilities totaled 43,789 million yen at the end of the first quarter of 2024, a decrease of 2,208 million yen from the end of 2023. This change included an increase of 779 million yen in notes and accounts payable-trade, and decreases of 2,470 million yen in current portion of long-term borrowings and 837 million yen in income taxes payable.

Net assets totaled 14,395 million yen at the end of the first quarter of 2024, a decrease of 817 million yen from the end of 2023. This change included profit attributable to owners of parent of 477 million yen and a decrease of 1,318 million yen in capital surplus due to dividend payments.

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

There are no revisions to the 2024 forecast that was announced on February 14, 2024 with results of operations for 2023.

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

	(Thousands of yen)	
	2023	1Q 2024
	(As of Dec. 31, 2023)	(As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	12,783,071	10,338,789
Accounts receivable-trade	1,138	1,369
Real estate for sale	15,693,369	18,452,608
Real estate for sale in process	20,463,812	20,293,628
Other	940,201	1,510,516
Allowance for doubtful accounts	(900)	(900)
Total current assets	49,880,693	50,596,012
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,513,983	3,413,799
Land	4,561,791	2,985,612
Other, net	115,035	122,867
Total property, plant and equipment	10,190,810	6,522,279
Intangible assets	39,013	38,788
Investments and other assets	1,094,015	1,022,991
Total non-current assets	11,323,839	7,584,059
Deferred assets	5,376	4,065
Total assets	61,209,909	58,184,137

	(Thousands of yen)	
	Fiscal Year 2023 (As of Dec. 31, 2023)	1Q 2024 (As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	345,820	1,125,138
Short-term borrowings	7,649,900	7,835,000
Current portion of bonds payable	810,000	810,000
Current portion of long-term borrowings	8,861,279	6,390,959
Income taxes payable	1,047,031	209,442
Provision for bonuses	69,661	-
Other	1,075,761	940,224
Total current liabilities	19,859,454	17,310,765
Non-current liabilities		
Bonds payable	230,000	225,000
Long-term borrowings	25,208,910	25,540,055
Asset retirement obligations	113,515	113,667
Other	585,332	599,597
Total non-current liabilities	26,137,758	26,478,320
Total liabilities	45,997,213	43,789,086
Net assets		
Shareholders' equity		
Share capital	1,422,753	1,422,753
Capital surplus	1,683,651	1,683,651
Retained earnings	11,948,536	11,107,655
Treasury shares	(626)	(626)
Total shareholders' equity	15,054,315	14,213,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,062)	(4,932)
Deferred gains or losses on hedges	(5,087)	(3,678)
Total accumulated other comprehensive income	(6,149)	(8,610)
Share acquisition rights	164,530	190,226
Total net assets	15,212,696	14,395,051
Total liabilities and net assets	61,209,909	58,184,137

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

	(Thousands of yen)	
	1Q 2023	1Q 2024
	(Jan. 1, 2023 – Mar. 31, 2023)	(Jan. 1, 2024 – Mar. 31, 2024)
Net sales	4,480,677	7,872,819
Cost of sales	3,564,727	6,183,449
Gross profit	915,950	1,689,369
Selling, general and administrative expenses	537,993	811,688
Operating profit	377,956	877,680
Non-operating income		
Interest income	411	101
Dividend income	52	-
Foreign exchange gains	6,156	-
Other	22,963	10,119
Total non-operating income	29,583	10,220
Non-operating expenses		
Interest expenses	125,102	147,501
Commission expenses	54,739	12,616
Share of loss of entities accounted for using equity method	-	9,313
Amortization of bond issuance expenses	1,310	1,310
Other	3,708	9,019
Total non-operating expenses	184,860	179,761
Ordinary profit	222,679	708,139
Extraordinary income		
Gain on sale of investment securities	7,475	-
Total extraordinary income	7,475	-
Profit before income taxes	230,155	708,139
Income taxes-current	34,595	199,205
Income taxes-deferred	49,251	31,773
Total income taxes	83,847	230,978
Profit	146,308	477,160
Profit attributable to owners of parent	146,308	477,160



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

	(Thousands of yen)	
	1Q 2023	1Q 2024
	(Jan. 1, 2023 – Mar. 31, 2023)	(Jan. 1, 2024 – Mar. 31, 2024)
Profit	146,308	477,160
Other comprehensive income		
Valuation difference on available-for-sale securities	(308)	(3,870)
Deferred gains or losses on hedges	639	1,409
Foreign currency translation adjustment	3,993	-
Total other comprehensive income	4,324	(2,460)
Comprehensive income	150,632	474,699
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	150,632	474,699
Comprehensive income attributable to non-controlling interests	-	-

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

Not applicable.

**(Significant Changes in Shareholders' Equity)**

Not applicable.

**(Additional Information)**

Changes in purpose of holding assets

At consolidated subsidiary LA Asset Co., Ltd., 2,101,414 thousand yen of buildings and structures, net, and 1,765,363 thousand yen of land, a total of 3,866,777 thousand yen, were reclassified as real estate for sale due to a change in the purpose of holding these assets.

**(Segment Information)**

I 1Q 2023 (Jan. 1, 2023 – Mar. 31, 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	1,985,760	2,240,111	245,102	4,470,975	9,702	4,480,677
Inter-segment sales or transfers	-	-	-	-	86,496	86,496
Total	1,985,760	2,240,111	245,102	4,470,975	96,198	4,567,173
Segment profit	248,041	241,725	93,819	583,585	95,070	678,655

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	583,585
Profit classified as "Others"	95,070
Eliminations for inter-segment transactions	(86,496)
Corporate expenses (Note)	(369,479)
Ordinary profit on the quarterly consolidated statement of income	222,679

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 1Q 2024 (Jan. 1, 2024 – Mar. 31, 2024)

## 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	839,682	6,762,655	231,489	7,833,828	38,991	7,872,819
Inter-segment sales or transfers	-	-	-	-	198,666	198,666
Total	839,682	6,762,655	231,489	7,833,828	237,657	8,071,486
Segment profit (loss)	(16,748)	1,060,632	100,383	1,144,267	235,729	1,379,997

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	1,144,267
Profit classified as “Others”	235,729
Eliminations for inter-segment transactions	(198,666)
Corporate expenses (Note)	(473,191)
Ordinary profit on the quarterly consolidated statement of income	708,139

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.

### Subsequent Events

(Issuance of New Shares as Restricted Stock Compensation Plan)

The Board of Directors of LA Holdings approved a resolution on April 11, 2024 to issue new shares as described below. The payment for the new shares was completed on May 10, 2024.

1. Outline of the issuance

(1) Payment date	May 10, 2024
(2) Class and number of shares to be issued	21,100 shares of the Company's common stock
(3) Issue price	4,900 yen per share
(4) Total amount of issued shares	103,390,000 yen
(5) Recipients of restricted stock and number of shares to be allotted	Three Directors (excluding Outside Directors) of the Company: 20,400 shares One Operating Officer: 300 shares Two employees: 400 shares
(6) Other items	With respect to the Issuance of New Shares, LA Holdings has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for the issuance of new shares

At the Board of Directors' meeting held on February 14, 2024, the directors approved a resolution to establish a restricted stock compensation plan (the Compensation Plan) for the purposes of giving eligible directors (including the eligible operating officer and employees, same hereafter) an incentive for achieving the sustained growth of LA Holdings' corporate value and of further aligning the interests of eligible directors with the interests of shareholders. Directors who are eligible to receive this remuneration are the members of Board of Directors of LA Holdings other than outside directors, and operating officers who do not concurrently serve as directors of LA Holdings, and employees.

In addition, at the 4th Ordinary General Meeting of Shareholders held on March 28, 2024, shareholders approved measures that include the following actions based on the terms of the Compensation Plan as remuneration for the purpose of granting restricted stock to eligible directors. (1) Eligible directors will receive up to 100 million yen of monetary claims each year. (2) Up to 100,000 shares of LA Holdings common stock will be issued and/or treasury stock will be used each year. (3) The period during which restricted stock cannot be sold or transferred is three years beginning on the day the restricted stock was received.

The following section is a summary of the terms of the Compensation Plan.

#### Overview of the Compensation Plan

Eligible directors use all monetary compensation claims received from LA Holdings through the Compensation Plan as the payment for receiving newly issued or existing common stock of LA Holdings. The amount paid by eligible directors for this newly issued or existing stock will be determined at the Board of Directors based on the Tokyo Stock

Exchange closing price of LA Holdings common stock on the business day immediately prior to the date of the corresponding resolution of the Board of Directors (if LA Holdings shares were not traded that day, the closing price on the most recent preceding trading day) within an amount not particularly advantageous to the eligible directors and others who receive this stock.

When newly issued or existing common stock of LA Holdings is distributed by using the Compensation Plan, an eligible director must sign a restricted stock allocation contract with LA Holdings that includes the following terms: (1) During the designated period, the common stock of LA Holdings allocated in accordance with the restricted stock allocation contract cannot be sold, pledged as collateral or transferred in any way; (2) In certain specified events, LA Holdings may acquire the common stock under the Compensation Plan at no cost.

Following an examination of proposed changes by the Nominations and Remuneration Committee, LA Holdings has decided to make the following changes for the purpose of providing further motivation for the eligible directors. The total amount of monetary compensation claims, which is 103,390,000 yen, and the number of shares of common stock to be distributed by the Compensation Plan, which is 21,100 shares, were determined based on the purposes of this plan, the performance of LA Holdings, the scope of duties of the eligible directors and other applicable items. In accordance with the terms of the Compensation Plan, the six individuals covered by this plan will use all of the monetary compensation claims received in order to purchase LA Holdings common stock allocated for the purpose of distributing restricted stock. Section 3 contains a summary of the restricted stock allocation contract that all eligible directors must sign in order to purchase this stock.

### **3. Summary of the restricted stock allocation contract**

#### **(1) Mandatory holding period:**

May 10, 2024 (payment date) to May 9, 2027

#### **(2) Conditions and period for end of restriction on sale**

For every eligible director, the restriction on the sale of all restricted stock will end upon the completion of the mandatory holding period if, during this entire period, the person holding this stock is continuously a Director, Executive Officer, Operating Officer who is not concurrently a Director, Audit & Supervisory Board member or employee or in a similar position at LA Holdings or one of its subsidiaries.

#### **(3) When an eligible director resigns or retires during the mandatory holding period due to reaching the end of a term as director or mandatory retirement age or for another legitimate reason**

##### **1) Time of end of restriction on sale**

When an eligible director resigns or retires due to reaching the end of a term as director or mandatory retirement age or for another legitimate reason (including in the event of death) as a Director, Executive Officer, Operating Officer who is not concurrently a Director, Audit & Supervisory Board member or employee or in a similar position at LA Holdings or one of its subsidiaries, the restriction on the sale of the Compensation Plan Stock ends immediately after the resignation or retirement.

##### **2) Number of shares to which the end of the restriction applies**

The number of applicable shares is the number of shares held when an eligible director resigns or retires, as explained in the preceding item 1), multiplied by the fraction obtained by dividing by 36 the number of months the eligible director held the restricted stock beginning with the month after the month of the payment date and ending with the month of the resignation or retirement. Any number of shares of less than one trading unit resulting from this calculation is discarded.

#### **(4) Acquisition of restricted stock by LA Holdings at no cost**

Upon the completion of the mandatory holding period or the end of the restriction on sale explained in the preceding item (3), LA Holdings naturally has the right to acquire at no cost any Compensation Plan Stock for which the restriction on sale is still valid. In the event that eligible directors fall under certain events stipulated in the restricted stock allocation contract during the mandatory holding period, LA Holdings naturally has the right to acquire at no cost all restricted stock held at that time by eligible director.

#### **(5) Measures in the event of a reorganization or similar action**

The Board of Directors may approve a resolution that ends the restriction on the sale of restricted stock immediately prior to the business day before the effective date of a reorganization, etc. in the event that, during

the mandatory holding period, the General Meeting of Shareholders (or Board of Directors if the approval of shareholders is not required) approves a resolution for a merger in which LA Holdings is dissolved, an exchange of stock, stock transfer plan or other reorganization or similar action that makes LA Holdings a wholly owned subsidiary. The restriction on the transfer of restricted stock will end immediately before the business day prior to the day the reorganization or similar action becomes effective for the number of shares held at that time by eligible director multiplied by the fraction obtained by dividing by 36 the number of months the eligible director held the restricted stock beginning with the month after the month of the payment date and ending with the month the reorganization or similar event was approved by the Board of Directors. Any number of shares less than one trading unit resulting from this calculation is discarded. In addition, on the business day prior to the day prior to the day the reorganization or similar action becomes effective, LA Holdings will acquire with no payment to the holders all restricted stock for which the transfer restriction is still valid.

(6) Custody of restricted stock

During the mandatory holding period, the restricted stock will be placed in accounts established by eligible directors for this purpose at Nomura Securities Co., Ltd. These accounts ensure that the eligible directors do not sell, pledge as collateral or transfer to another owner in any way the restricted stock. To ensure the effectiveness of the stock sale restrictions, LA Holdings signed contracts with Nomura Securities concerning the management of the accounts used for the custody of the restricted stock held by the eligible directors. Also, the eligible directors have agreed to the terms for managing these accounts.

#### 4. Basis of calculation and information about the price per share

Individuals who are to receive the restricted stock will use monetary compensation claims received from LA Holdings as the payment in accordance with the Compensation Plan. To eliminate any arbitrary aspects of the issue price of these shares, the price is 4,900 yen, the closing price of LA Holdings common stock on the Growth Market of the Tokyo Stock Exchange on April 10, 2024, which is the business day prior to the Board of Directors resolution concerning the distribution of the restricted stock. LA Holdings believes this is a reasonable price that is not significantly advantageous because the price is the market price immediately prior to the Board of Directors resolution.

*\* 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.*