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August 9, 2024

## Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2024 (Six Months Ended June 30, 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  
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Scheduled date to file semi-annual securities report: August 9, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

### 1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

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

(Percentages indicate year-on-year changes.)

|                  | Net sales       |        | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|------------------|-----------------|--------|------------------|--------|-----------------|--------|---|--------|
| Six months ended | Millions of yen | %      | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| June 30, 2024    | 13,986          | (16.0) | 1,576            | (45.3) | 1,162           | (56.4) | 792                                     | (56.4) |
| June 30, 2023    | 16,648          | 132.9  | 2,881            | 208.9  | 2,665           | 274.6  | 1,818                                   | 245.7  |

Note: Comprehensive income For the six months ended June 30, 2024: ¥792 million [(57.3)%]

For the six months ended June 30, 2023: ¥1,858 million [227.4%]

|                  | Basic earnings per share | Diluted earnings per share |
|------------------|--------------------------|----------------------------|
| Six months ended | Yen                      | Yen                        |
| June 30, 2024    | 126.70                   | 124.70                     |
| June 30, 2023    | 310.92                   | 305.14                     |

#### (2) Consolidated financial position

|                   | Total assets    | Net assets      | Equity-to-asset ratio |
|-------------------|-----------------|-----------------|-----------------------|
| As of             | Millions of yen | Millions of yen | %                     |
| June 30, 2024     | 61,342          | 14,439          | 23.3                  |
| December 31, 2023 | 61,209          | 15,212          | 24.6                  |

Reference: Equity As of June 30, 2024: ¥14,290 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<br>December 31, 2023                | -                          | 0.00               | -                 | 211.00          | 211.00 |
| Fiscal year ending<br>December 31, 2024               | -                          | 0.00               |                   |                 |        |
| Fiscal year ending<br>December 31, 2024<br>(Forecast) |                            |                    | -                 | 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) Significant changes in the scope of consolidation during the period: None

Newly included: - Excluded: -

(2) Adoption of accounting treatment specific to the preparation of consolidated interim 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 June 30, 2024     | 6,306,375 shares |
| As of December 31, 2023 | 6,246,775 shares |

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

|                         |               |
|-------------------------|---------------|
| As of June 30, 2024     | 91,536 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)

|                                |                  |
|--------------------------------|------------------|
| Six months ended June 30, 2024 | 6,254,260 shares |
| Six months ended June 30, 2023 | 5,848,353 shares |

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

\* Cautionary statement with respect to forward-looking statements

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

## Contents of Attachments

|   |    |
|---|----|
| 1. Qualitative Information on Consolidated Interim Financial Performance                                | 2  |
| (1) Explanation of Results of Operations  | 2  |
| (2) Explanation of Financial Position   | 2  |
| (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements                          | 3  |
| 2. Consolidated Interim Financial Statements and Notes  | 4  |
| (1) Consolidated Interim Balance Sheet  | 4  |
| (2) Consolidated Interim Statement of Income and Consolidated Interim Statement of Comprehensive Income | 6  |
| Consolidated Interim Statement of Income  |    |
| Consolidated Interim Statement of Comprehensive Income  |    |
| (3) Consolidated Interim Statement of Cash Flows  | 8  |
| (4) Notes to Consolidated Interim Financial Statements  | 10 |
| (Going Concern Assumption)  | 10 |
| (Significant Changes in Shareholders' Equity)   | 10 |
| (Additional Information)  | 10 |
| (Segment Information)   | 10 |

## 1. Qualitative Information on Consolidated Interim Financial Performance

### (1) Explanation of Results of Operations

In the first half of 2024, net sales decreased 16.0% year on year to 13,986 million yen, operating profit decreased 45.3% to 1,576 million yen, ordinary profit decreased 56.4% to 1,162 million yen and profit attributable to owners of parent decreased 56.4% to 792 million yen.

Business segment performance was as follows.

#### Business Segment Sales

| Segments                        | 2Q 2023<br>(Jan. 1, 2023 – Jun. 30, 2023) | 2Q 2024<br>(Jan. 1, 2024 – Jun. 30, 2024) | Composition | YoY    |
|---------------------------------|---|---|-------------|--------|
|                                 | Thousands of yen                          | Thousands of yen                          | %           | %      |
| Real Estate Sales               | 16,124,376                                | 13,462,214                                | 96.3        | (16.5) |
| [New Real Estate Sales]         | [7,631,350]                               | [2,929,846]                               | 21.0        | (61.6) |
| [Revitalized Real Estate Sales] | [8,493,026]                               | [10,532,367]                              | 75.3        | 24.0   |
| Real Estate Leasing             | 502,317                                   | 467,898                                   | 3.3         | (6.9)  |
| Others                          | 22,273                                    | 55,929                                    | 0.4         | 151.1  |
| Total                           | 16,648,968                                | 13,986,042                                | 100.0       | (16.0) |

Note: Sales exclude intersegment sales.

#### 1) New Real Estate Sales

Sales in the first half of 2024 in this segment decreased by 61.6% year on year to 2,929 million yen, and segment profit decreased by 80.2% to 424 million yen. This was mainly attributable to land planning and sales in Koga City, Fukuoka prefecture, sales of THE EDGE office building in Fukuoka City, Fukuoka Prefecture, which is property under income-producing development project, and the completion of L'attrait Residence KYOTO, which is in the city of Kyoto and start of the transfer of ownership to the buyers of these condominium units.

#### 2) Revitalized Real Estate Sales

Sales in the first half of 2024 in this segment increased by 24.0% year on year to 10,532 million yen, and segment profit increased by 41.5% to 1,576 million yen. This growth was primarily driven by the strong sales of the BILLION-RESIDENCE series and the Premium Renovation series, which sell for more than 1 billion yen and 100 million yen, respectively, per condominium unit. Both brands constitute the core business focused on selling individually revitalized condominiums. Additionally, sales of FAN TORII MANSION in Okinawa prefecture were strong within the investment project business.

#### 3) Real Estate Leasing

Sales in the first half of 2024 in this segment decreased by 6.9% year on year to 467 million yen, and segment profit decreased by 9.1% to 187 million yen.

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

### (2) Explanation of Financial Position

#### 1) Assets, liabilities and net assets

Assets totaled 61,342 million yen at the end of the second quarter of 2024, an increase of 132 million yen from the end of 2023. This change included decreases of 5,920 million yen in cash and deposits and 3,714 million yen in property, plant and equipment due to transfer of some rental assets to real estate for sale, and an increase of 9,046 million yen in real estate for sale due to acquisition of real estate and the completion of three income-producing development projects in the New Real Estate Sales business.

Liabilities totaled 46,903 million yen at the end of the second quarter of 2024, an increase of 905 million yen from the end of 2023. This change included decreases of 1,426 million yen in long-term borrowings and 962 million yen in current portion of long-term borrowings, and an increase of 3,063 million yen in short-term borrowings.

Net assets totaled 14,439 million yen at the end of the second quarter of 2024, a decrease of 773 million yen from the end of 2023. This change included a decrease of 1,318 million yen in capital surplus due to dividend payments, increases of 394 million yen in purchase of treasury shares, 81 million yen each in share capital and capital surplus due to exercise of share acquisition rights, and profit attributable to owners of parent of 792 million yen.

## 2) Cash flows

Cash and cash equivalents decreased by 5,933 million yen from the end of the previous fiscal year to 6,756 million yen. Cash flows and the main reasons for changes are as follows.

### a. Cash flows from operating activities

Net cash used in operating activities was 4,430 million yen compared with 1,324 million yen used in the same period of the previous fiscal year. Main factors include profit before income taxes of 1,162 million yen, an increase of 4,588 million yen in inventories, an increase of 1,016 million yen in trade payables and income taxes paid of 989 million yen.

### b. Cash flows from investing activities

Net cash used in investing activities was 438 million yen compared with 15 million yen provided in the same period of the previous fiscal year. Main factors include purchase of investment securities of 46 million yen and purchase of property, plant and equipment of 382 million yen.

### c. Cash flows from financing activities

Net cash used in financing activities was 1,064 million yen compared with 1,962 million yen provided in the same period of the previous fiscal year. Main factors include a net increase in short-term borrowings of 3,063 million yen, proceeds from long-term borrowings of 7,456 million yen, repayments of long-term borrowings of 9,845 million yen, and dividends paid of 1,338 million yen.

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

|                                     | (Thousands of yen)    |                       |
|-------------------------------------|-----------------------|-----------------------|
|                                     | 2023                  | 2Q 2024               |
|                                     | (As of Dec. 31, 2023) | (As of Jun. 30, 2024) |
| Assets                              |                       |                       |
| Current assets                      |                       |                       |
| Cash and deposits                   | 12,783,071            | 6,862,579             |
| Accounts receivable-trade           | 1,138                 | 389                   |
| Real estate for sale                | 15,693,369            | 24,739,647            |
| Real estate for sale in process     | 20,463,812            | 19,982,170            |
| Other                               | 940,201               | 2,077,264             |
| Allowance for doubtful accounts     | (900)                 | (900)                 |
| Total current assets                | 49,880,693            | 53,661,151            |
| Non-current assets                  |                       |                       |
| Property, plant and equipment       |                       |                       |
| Buildings and structures, net       | 5,513,983             | 3,366,073             |
| Land                                | 4,561,791             | 2,889,565             |
| Other, net                          | 115,035               | 221,127               |
| Total property, plant and equipment | 10,190,810            | 6,476,766             |
| Intangible assets                   | 39,013                | 38,563                |
| Investments and other assets        | 1,094,015             | 1,163,360             |
| Total non-current assets            | 11,323,839            | 7,678,690             |
| Deferred assets                     | 5,376                 | 2,755                 |
| Total assets                        | 61,209,909            | 61,342,597            |

|   | (Thousands of yen)    |                       |
|---|-----------------------|-----------------------|
|   | 2023                  | 2Q 2024               |
|   | (As of Dec. 31, 2023) | (As of Jun. 30, 2024) |
| Liabilities   |                       |                       |
| Current liabilities                                   |                       |                       |
| Notes and accounts payable-trade                      | 345,820               | 1,362,771             |
| Short-term borrowings                                 | 7,649,900             | 10,713,400            |
| Current portion of bonds payable                      | 810,000               | 810,000               |
| Current portion of long-term borrowings               | 8,861,279             | 7,898,801             |
| Income taxes payable                                  | 1,047,031             | 395,705               |
| Provision for bonuses                                 | 69,661                | -                     |
| Other   | 1,075,761             | 948,881               |
| Total current liabilities                             | 19,859,454            | 22,129,559            |
| Non-current liabilities                               |                       |                       |
| Bonds payable   | 230,000               | 225,000               |
| Long-term borrowings                                  | 25,208,910            | 23,782,246            |
| Asset retirement obligations                          | 113,515               | 113,819               |
| Other   | 585,332               | 652,546               |
| Total non-current liabilities                         | 26,137,758            | 24,773,613            |
| Total liabilities                                     | 45,997,213            | 46,903,173            |
| Net assets  |                       |                       |
| Shareholders' equity                                  |                       |                       |
| Share capital   | 1,422,753             | 1,504,162             |
| Capital surplus                                       | 1,683,651             | 1,765,060             |
| Retained earnings                                     | 11,948,536            | 11,422,928            |
| Treasury shares                                       | (626)                 | (395,564)             |
| Total shareholders' equity                            | 15,054,315            | 14,296,587            |
| Accumulated other comprehensive income                |                       |                       |
| Valuation difference on available-for-sale securities | (1,062)               | (2,191)               |
| Deferred gains or losses on hedges                    | (5,087)               | (3,419)               |
| Total accumulated other comprehensive income          | (6,149)               | (5,611)               |
| Share acquisition rights                              | 164,530               | 148,448               |
| Total net assets                                      | 15,212,696            | 14,439,424            |
| Total liabilities and net assets                      | 61,209,909            | 61,342,597            |



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

|   | (Thousands of yen)                        |   |
|---|---|---|
|   | 2Q 2023<br>(Jan. 1, 2023 – Jun. 30, 2023) | 2Q 2024<br>(Jan. 1, 2024 – Jun. 30, 2024) |
| Net sales   | 16,648,968                                | 13,986,042                                |
| Cost of sales   | 12,238,799                                | 10,826,527                                |
| Gross profit  | 4,410,169                                 | 3,159,515                                 |
| Selling, general and administrative expenses                | 1,528,957                                 | 1,582,745                                 |
| Operating profit  | 2,881,212                                 | 1,576,769                                 |
| Non-operating income  |   |   |
| Interest income   | 461                                       | 294                                       |
| Dividend income   | 4,486                                     | 2,569                                     |
| Foreign exchange gains                                      | 24,413                                    | -   |
| Insurance return  | 116,456                                   | -   |
| Other   | 35,968                                    | 18,340                                    |
| Total non-operating income                                  | 181,785                                   | 21,204                                    |
| Non-operating expenses                                      |   |   |
| Interest expenses   | 265,916                                   | 304,202                                   |
| Commission expenses   | 112,955                                   | 76,785                                    |
| Share of loss of entities accounted for using equity method | -   | 18,842                                    |
| Amortization of bond issuance expenses                      | 2,662                                     | 2,620                                     |
| Other   | 15,752                                    | 32,828                                    |
| Total non-operating expenses                                | 397,287                                   | 435,279                                   |
| Ordinary profit   | 2,665,710                                 | 1,162,694                                 |
| Extraordinary income  |   |   |
| Gain on sale of investment securities                       | 7,475                                     | -   |
| Total extraordinary income                                  | 7,475                                     | -   |
| Profit before income taxes                                  | 2,673,186                                 | 1,162,694                                 |
| Income taxes-current  | 836,067                                   | 374,762                                   |
| Income taxes-deferred                                       | 18,774                                    | (4,500)                                   |
| Total income taxes  | 854,842                                   | 370,261                                   |
| Profit  | 1,818,344                                 | 792,433                                   |
| Profit attributable to owners of parent                     | 1,818,344                                 | 792,433                                   |

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

|  | (Thousands of yen)             |                                |
|--|--------------------------------|--------------------------------|
|  | 2Q 2023                        | 2Q 2024                        |
|  | (Jan. 1, 2023 – Jun. 30, 2023) | (Jan. 1, 2024 – Jun. 30, 2024) |
| Profit   | 1,818,344                      | 792,433                        |
| Other comprehensive income                                     |                                |                                |
| Valuation difference on available-for-sale securities          | 6,259                          | (1,129)                        |
| Deferred gains or losses on hedges                             | 745                            | 1,667                          |
| Foreign currency translation adjustment                        | 33,185                         | -                              |
| Total other comprehensive income                               | 40,190                         | 538                            |
| Comprehensive income   | 1,858,534                      | 792,971                        |
| Comprehensive income attributable to                           |                                |                                |
| Comprehensive income attributable to owners of parent          | 1,858,534                      | 792,971                        |
| Comprehensive income attributable to non-controlling interests | -                              | -                              |

**(3) Consolidated Interim Statement of Cash Flows**

|  | (Thousands of yen)             |                                |
|--|--------------------------------|--------------------------------|
|  | 2Q 2023                        | 2Q 2024                        |
|  | (Jan. 1, 2023 – Jun. 30, 2023) | (Jan. 1, 2024 – Jun. 30, 2024) |
| Cash flows from operating activities   |                                |                                |
| Profit before income taxes   | 2,673,186                      | 1,162,694                      |
| Depreciation   | 119,266                        | 103,648                        |
| Increase (decrease) in allowance for doubtful accounts                             | (607)                          | -                              |
| Increase (decrease) in provision for bonuses                                       | (54,650)                       | (69,661)                       |
| Increase (decrease) in provision for bonuses for directors (and other officers)    | (22,200)                       | -                              |
| Interest and dividend income   | (4,947)                        | (2,864)                        |
| Interest expenses on borrowings and bonds  | 265,916                        | 304,202                        |
| Commission expenses  | 112,955                        | 76,785                         |
| Share of loss (profit) of entities accounted for using equity method               | -                              | 18,842                         |
| Loss (gain) on sale of investment securities                                       | (7,475)                        | -                              |
| Decrease (increase) in trade receivables   | 4,341                          | 749                            |
| Decrease (increase) in advance payments to suppliers                               | 91,648                         | (571,742)                      |
| Decrease (increase) in inventories   | (3,433,367)                    | (4,588,571)                    |
| Increase (decrease) in trade payables  | 552,953                        | 1,016,950                      |
| Increase (decrease) in advances received   | 59,418                         | 58,719                         |
| Increase/decrease in consumption taxes payable/consumption taxes refund receivable | 79,979                         | (153,389)                      |
| Other, net   | (387,984)                      | (412,054)                      |
| Subtotal   | 48,434                         | (3,055,691)                    |
| Interest and dividends received  | 4,947                          | 2,864                          |
| Interest paid  | (287,171)                      | (295,058)                      |
| Commission fee paid  | (84,169)                       | (93,295)                       |
| Income taxes paid  | (1,006,188)                    | (989,419)                      |
| Net cash provided by (used in) operating activities                                | (1,324,147)                    | (4,430,601)                    |
| Cash flows from investing activities   |                                |                                |
| Payments into time deposits  | (19,800)                       | (19,800)                       |
| Proceeds from withdrawal of time deposits  | 7,200                          | 7,200                          |
| Purchase of property, plant and equipment  | (75,968)                       | (382,972)                      |
| Purchase of investment securities  | (113,406)                      | (46,405)                       |
| Proceeds from sale of investment securities  | 146,947                        | 5,600                          |
| Proceeds from collection of loans receivable                                       | 72,244                         | -                              |
| Payments of construction assistance fund receivables                               | (1,749)                        | (1,749)                        |
| Net cash provided by (used in) investing activities                                | 15,464                         | (438,128)                      |

|  | (Thousands of yen)             |                                |
|--|--------------------------------|--------------------------------|
|  | 2Q 2023                        | 2Q 2024                        |
|  | (Jan. 1, 2023 – Jun. 30, 2023) | (Jan. 1, 2024 – Jun. 30, 2024) |
| Cash flows from financing activities   |                                |                                |
| Net increase (decrease) in short-term borrowings                                     | (1,506,800)                    | 3,063,500                      |
| Proceeds from long-term borrowings   | 13,893,570                     | 7,456,000                      |
| Repayments of long-term borrowings   | (10,034,054)                   | (9,845,141)                    |
| Proceeds from issuance of bonds  | 50,000                         | -                              |
| Redemption of bonds  | (5,000)                        | (5,000)                        |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 700,063                        | 38                             |
| Purchase of treasury shares  | (146)                          | (394,938)                      |
| Dividends paid   | (1,135,458)                    | (1,338,820)                    |
| Net cash provided by (used in) financing activities                                  | 1,962,174                      | (1,064,362)                    |
| Effect of exchange rate change on cash and cash equivalents                          | 33,185                         | -                              |
| Net increase (decrease) in cash and cash equivalents                                 | 686,676                        | (5,933,092)                    |
| Cash and cash equivalents at beginning of period                                     | 9,482,711                      | 12,689,666                     |
| Cash and cash equivalents at end of period   | 10,169,388                     | 6,756,574                      |

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

Not applicable.

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

LA Holdings purchased 91,400 treasury shares pursuant to resolution of the Board of Directors meeting on May 30, 2024. As a result, treasury shares increased 394,938 thousand yen during the first six months of the current fiscal year to 395,564 thousand yen at the end of the second quarter.

**(Additional Information)**

Changes in purpose of holding assets

At consolidated subsidiary LA Asset Co., Ltd., 2,110,965 thousand yen of buildings and structures, net, and 1,865,098 thousand yen of land, a total of 3,976,064 thousand yen, were reclassified as real estate for sale due to a change in the purpose of holding these assets.

**(Segment Information)**

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

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

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

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

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

(Thousands of yen)

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

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

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

Not applicable.

II 2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)

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

|                                  | Reportable segment       |                                  |                        |            | Others<br>(Note) | Total      |
|----------------------------------|--------------------------|----------------------------------|------------------------|------------|------------------|------------|
|                                  | New Real<br>Estate Sales | Revitalized Real<br>Estate Sales | Real Estate<br>Leasing | Sub-total  |                  |            |
| Net sales                        |                          |                                  |                        |            |                  |            |
| Sales to customers               | 2,929,846                | 10,532,367                       | 467,898                | 13,930,112 | 55,929           | 13,986,042 |
| Inter-segment sales or transfers | -                        | -                                | -                      | -          | 295,937          | 295,937    |
| Total                            | 2,929,846                | 10,532,367                       | 467,898                | 13,930,112 | 351,867          | 14,281,980 |
| Segment profit                   | 424,471                  | 1,576,196                        | 187,913                | 2,188,580  | 348,737          | 2,537,318  |

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 consolidated interim financial statements, and primary items of such difference (items related to the difference adjustments)

(Thousands of yen)

| Profit  | Amount      |
|---|-------------|
| Total for reportable segments                                   | 2,188,580   |
| Profit classified as “Others”                                   | 348,737     |
| Eliminations for inter-segment transactions                     | (295,937)   |
| Corporate expenses (Note)                                       | (1,078,685) |
| Ordinary profit on the consolidated interim statement of income | 1,162,694   |

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

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

Not applicable.

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