

Summary of Business Results for the First Quarter Ended September 30, 2024

[Japan GAAP] (Consolidated)

November 13, 2024

Company **&Do Holdings Co., Ltd.** Listed on the TSE
 Stock code 3457 URL: <https://www.housedo.co.jp/and-do/en/>
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 Expected starting date of dividend payment: -
 Preparation of supplementary financial document: Yes
 Holding of results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the three months ended September 2024 (July 1, 2024 through September 30, 2024)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Sep. 30, 2024	14,545	(5.5)	384	(60.4)	292	(65.4)	143	(74.3)
Three months ended Sep. 30, 2023	15,389	60.1	970	182.9	847	191.7	558	219.4

(Note) Comprehensive income:

Three months ended Sep. 30, 2024: 145 million yen (down 74.5%)

Three months ended Sep. 30, 2023: 569 million yen (up 184.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Sep. 30, 2024	7.21	7.19
Three months ended Sep. 30, 2023	28.32	28.07

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2024	77,583	16,539	21.3	829.36
As of Jun. 30, 2024	79,568	17,250	21.6	865.07

(Reference) Shareholders' equity:

As of Sep. 30, 2024: 16,509 million yen

As of Jun. 30, 2024: 17,220 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2024	-	0.00	-	43.00	43.00
Fiscal year ending Jun. 30, 2025	-				
Fiscal year ending Jun. 30, 2025 (forecast)		0.00	-	45.00	45.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Forecast of consolidated business results for the fiscal year ending June 2025 (July 1, 2024 through June 30, 2025)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending Dec. 31, 2024	34,230	(3.2)	1,800	(16.6)	1,800	(14.1)	1,188	(15.4)	59.68
Fiscal year ending Jun. 30, 2025	70,000	3.6	4,000	11.5	4,000	15.7	2,640	6.6	132.62

(Note) Revisions to the most recently announced business forecast: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of accounting procedures specific to preparation of the quarterly consolidated financial statements:
Yes

(Note) Please refer to the section “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Accounting Procedures Specific to Preparation of the Quarterly Consolidated Financial Statements)” on page 9 of the attachments for further information.

(3) Changes in accounting policies and accounting estimates, and restatements

- | | |
|--|--------|
| 1) Changes in accounting policies associated with revision of accounting standards | : Yes |
| 2) Changes in accounting policies other than 1) | : None |
| 3) Changes in accounting estimates | : None |
| 4) Restatements | : None |

(Note) Please refer to the section “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 9 of the attachments for further information.

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (treasury shares included)

As of Sep. 30, 2024	19,906,800 shares
As of Jun. 30, 2024	19,906,800 shares

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

As of Sep. 30, 2024	589 shares
As of Jun. 30, 2024	586 shares

3) Average number of shares during the period (cumulative)

Three months ended Sep. 30, 2024	19,906,212 shares
Three months ended Sep. 30, 2023	19,711,882 shares

*** Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm:**
Yes (voluntary)

*** Explanation regarding appropriate use of business forecasts and other special instructions**

(Caution concerning forward-looking statements)

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. The Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors. Please refer to the section “1. Overview of Results of Operations, etc., (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 4 of the attachments regarding preconditions or other related matters for the forecasts.

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Interim Review Report

1. Overview of Results of Operations, etc.

(1) Results of Operations

In the first quarter of the current fiscal year, Japan saw sustained positive business confidence, supported by robust corporate earnings and an improving employment and income environment. While consumer spending showed encouraging signs of recovery, close monitoring of interest rate and price trends, both domestically and internationally, remains essential.

In the real estate industry, where the &Do Holdings Group operates, the Bank of Japan ended its negative interest rate policy but demand for housing was firm as interest rates on mortgages remained low.

The &Do Holdings Group is taking many actions based on the three-year medium-term plan that ends in June 2025 with the goal of more growth of business operations and corporate value. Resources are focused on four growth enhancement businesses: Franchisee Business, House-Leaseback Business, Finance Business, and Real Estate Buying and Selling Business. In these businesses, we are making substantial investments for human resources, advertising and marketing, and other activities. By deepening ties among all of our businesses, we are making progress with services that combine real estate and financing as well as with becoming even more profitable.

The &Do Holdings Group reported net sales of 14,545 million yen (down 5.5% year on year), operating profit of 384 million yen (down 60.4% year on year) and ordinary profit of 292 million yen (down 65.4% year on year). Profit attributable to owners of parent amounted to 143 million yen (down 74.3% year on year).

Business segment performance was as follows.

(As of September 30, 2024)

Segment	Net sales (Millions of yen)	Activities
Franchisee Business	775	26 new franchisee contracts, raising total to 708 17 new franchised stores, raising total to 636
House-Leaseback Business	3,100	231 new properties purchased, raising holdings to 729; 90 properties sold
Finance Business	132	130 new guarantees for reverse mortgages, raising total to 1,741
Real Estate Buying and Selling Business	9,776	283 transactions
Real Estate Brokerage Business	246	373 brokered properties
Renovation Business	514	346 contracts; 344 renovation completions
Other Business	-	Overseas business
Total	14,545	-

1) Franchisee Business

In this business, many activities are under way to expand the network of stores. One priority is the Tokyo metropolitan area, where this is much potential for adding more stores. There are also activities to increase the number of franchised stores mainly in urban areas of the Kansai area and Kyushu. The addition of franchisees is supported by rising awareness of our brand as the number of these stores increases and by large expenditures for advertising and human resources. During the first quarter of the fiscal year, there were 26 new franchisee contracts. The number of franchisee contracts at the end of September 2024 was 708.

We have reinforced a franchisee follow-up system using supervisors, added a variety of new services and increased the number of partner companies. Due to these actions, we added 17 franchised stores, raising the total to 636 at the end of September 2024.

As a result, segment sales decreased 0.3% to 775 million yen and segment profit increased 1.5% to 497 million yen.

2) House-Leaseback Business

This business is growing due to a large number of inquiries from prospective customers and new house-leaseback contracts. There is a significant need for this method of using real estate to procure funds for retirement income, a business or a variety of other purposes. The addition of 231 house-leaseback properties during the first quarter raised to 729 the number of properties purchased and leased back by this business as of September 30, 2024. In addition, we have been generating capital gains through the transfer, resale, or divestment of 90 properties to real estate purchasing companies and other entities.

As a result, segment sales decreased 50.4% to 3,100 million yen and segment profit decreased 52.1% to 371 million yen.

3) Finance Business

This business uses the &Do Holdings Group's nationwide network of real estate assessment and sales expertise, one of the group's core strengths, for the use of real estate to meet customers' financing requirements. In the reverse mortgage guarantee business, there were more activities to increase the number of guarantee agreements with financial institutions and build stronger ties with these institutions for increasing public awareness and the use of reverse mortgages. In the first quarter, the number of reverse mortgage guarantees increased by 130 to 1,741 and guarantees totaled 22,976 million yen.

As a result, segment sales increased 18.7% to 132 million yen and segment profit was up 148.0% to 40 million yen.

4) Real Estate Buying and Selling Business

Cooperation with directly operated real estate brokerage stores and other measures were used to buy more properties and supply properties that match the needs of customers in order to increase sales. Sales remain favorable as the demand for houses in Japan continues to be strong, supported by low mortgage interest rates. The result was transactions for 283 properties during the first quarter, up 64.5% from one year earlier.

As a result, segment sales increased 33.1% to 9,776 million yen and segment profit decreased 25.6% to 568 million yen.

5) Real Estate Brokerage Business

There are activities to position stores as a one-stop source of comprehensive services by using synergies with other group businesses in order to increase earnings. Although there is strong demand in Japan for houses because of extremely low interest rates on mortgages, the number of brokerage transactions during the first quarter was 373, down 13.9% from one year earlier, due to redeployment of personnel to key growth-driving businesses.

As a result, segment sales decreased 17.1% to 246 million yen and segment profit decreased 32.3% to 102 million yen.

6) Renovation Business

This business used a collaboration with the Real Estate Brokerage Business to sell existing homes with renovation orders as a single package. Moreover, we held many joint renovation fairs with housing equipment manufacturers to attract customers. The number of renovation contracts signed in the first quarter decreased 11.5% from one year earlier to 346 and the number of renovation completions decreased 12.5% to 344.

As a result, segment sales decreased 15.4% to 514 million yen and segment profit decreased 7.3% to 48 million yen.

(2) Financial Position**Assets**

Total assets amounted to 77,583 million yen at the end of September 2024, a decrease of 1,984 million yen over the end of June 2024.

There was an increase of 4,808 million yen in inventories, the result of the increasing number of properties in the House-Leaseback Business and Real Estate Buying and Selling Business.

There was decreases of 2,698 million yen in property, plant and equipment because of the reclassification of properties owned by the Real Estate Buying and Selling Business from non-current assets to real estate for sale and 4,445 million yen in cash and deposits.

Liabilities

Liabilities totaled 61,044 million yen, a decrease of 1,273 million yen over the end of June 2024.

There was an increase of 1,918 million yen in short-term borrowings.

There were decreases of 1,282 million yen in current portion of long-term borrowings, 521 million yen in long-term borrowings and 1,031 million yen in income taxes payable.

Net assets

Net assets totaled 16,539 million yen, a decrease of 710 million yen over the end of June 2024.

There was an increase of 143 million yen in retained earnings because of the booking of profit attributable to owners of parent.

There was a decrease of 855 million yen in retained earnings due to dividend payments.

(Millions of yen)

	FY2024 (As of Jun. 30, 2024)	First quarter of FY2025 (As of Sep. 30, 2024)	Change
Total assets	79,568	77,583	(1,984)
Liabilities	62,318	61,044	(1,273)
Net assets	17,250	16,539	(710)

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

&Do Holdings is making no revisions to the full-year consolidated forecasts that were announced in the Summary of Business Results for the Fiscal Year Ended June 30, 2024 dated August 14, 2024.

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

	(Millions of yen)	
	FY2024 (As of Jun. 30, 2024)	First quarter of FY2025 (As of Sep. 30, 2024)
Assets		
Current assets		
Cash and deposits	10,092	5,647
Notes and accounts receivable-trade, and contract assets	163	118
Real estate for sale	36,880	41,471
Real estate for sale in process	9,454	9,635
Costs on construction contracts in progress	356	392
Operating loans	1,853	1,832
Short-term loans receivable from subsidiaries and associates	43	44
Other	1,394	1,746
Allowance for doubtful accounts	(21)	(19)
Total current assets	60,217	60,869
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,477	3,679
Accumulated depreciation	(1,395)	(1,189)
Buildings and structures, net	4,081	2,489
Land	7,273	6,158
Other	126	138
Accumulated depreciation	(89)	(93)
Other, net	37	45
Total property, plant and equipment	11,392	8,693
Intangible assets		
Goodwill	229	202
Other	1,247	1,272
Total intangible assets	1,477	1,474
Investments and other assets		
Investment securities	4,838	4,921
Long-term prepaid expenses	373	338
Deferred tax assets	615	616
Other	665	677
Allowance for doubtful accounts	(11)	(7)
Total investments and other assets	6,481	6,546
Total non-current assets	19,350	16,714
Total assets	79,568	77,583

	(Millions of yen)	
	FY2024 (As of Jun. 30, 2024)	First quarter of FY2025 (As of Sep. 30, 2024)
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,222	1,223
Short-term borrowings	13,223	15,142
Current portion of bonds payable	1,086	1,100
Current portion of long-term borrowings	11,765	10,483
Lease liabilities	4	4
Accounts payable-other	579	646
Accrued expenses	503	406
Income taxes payable	1,168	137
Accrued consumption taxes	401	72
Contract liabilities	1,213	1,394
Provision for bonuses	167	87
Asset retirement obligations	3	1
Provision for warranties for completed construction	3	3
Other	946	910
Total current liabilities	32,288	31,613
Non-current liabilities		
Bonds payable	1,850	1,779
Long-term borrowings	26,991	26,469
Lease liabilities	4	3
Long-term guarantee deposits	814	809
Deferred tax liabilities	226	224
Asset retirement obligations	101	103
Provision for warranties for completed construction	40	40
Total non-current liabilities	30,029	29,430
Total liabilities	62,318	61,044
Net assets		
Shareholders' equity		
Share capital	3,457	3,457
Capital surplus	3,475	3,475
Retained earnings	10,264	9,551
Treasury shares	(0)	(0)
Total shareholders' equity	17,196	16,484
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	(5)
Foreign currency translation adjustment	23	30
Total accumulated other comprehensive income	23	24
Share acquisition rights	30	30
Total net assets	17,250	16,539
Total liabilities and net assets	79,568	77,583

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

	(Millions of yen)	
	First three months of FY2024 (Jul. 1, 2023 – Sep. 30, 2023)	First three months of FY2025 (Jul. 1, 2024 – Sep. 30, 2024)
Net sales	15,389	14,545
Cost of sales	11,250	10,975
Gross profit	4,138	3,570
Selling, general and administrative expenses	3,167	3,185
Operating profit	970	384
Non-operating income		
Interest and dividend income	0	1
Gain on investments in silent partnerships	18	86
Share of profit of entities accounted for using equity method	2	-
Consumption taxes refund	28	14
Other	17	49
Total non-operating income	67	151
Non-operating expenses		
Interest expenses	176	184
Commission expenses	12	49
Share of loss of entities accounted for using equity method	-	2
Other	2	6
Total non-operating expenses	191	242
Ordinary profit	847	292
Extraordinary income		
Gain on reversal of share acquisition rights	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	4	7
Total extraordinary losses	4	7
Profit before income taxes	843	285
Income taxes-deferred	285	141
Profit	558	143
Profit attributable to owners of parent	558	143

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

	(Millions of yen)	
	First three months of FY2024 (Jul. 1, 2023 – Sep. 30, 2023)	First three months of FY2025 (Jul. 1, 2024 – Sep. 30, 2024)
Profit	558	143
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(5)
Share of other comprehensive income of entities accounted for using equity method	8	7
Total other comprehensive income	10	1
Comprehensive income	569	145
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	569	145

(3) Notes to Quarterly Consolidated Financial Statements**Changes in Accounting Policies**

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022) beginning with the first quarter of the fiscal year ending June 30, 2025.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of this revised accounting standard and with Paragraph 65-2, Item 2 of Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022).

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Implementation Guidance on Accounting Standard for Tax Effect Accounting beginning with the first quarter of the current fiscal year.

This change in accounting policies has no effect on the consolidated financial statements.

Accounting Procedures Specific to Preparation of the Quarterly Consolidated Financial Statements

The tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the current fiscal year, and multiplying that rate by the quarterly profit before income taxes.

Segment Information

I First three months of FY2024 (Jul. 1, 2023 – Sep. 30, 2023)

1. Information related to net sales and profit or loss for each reportable segment

	Reportable segment							Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Franchisee	House- Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Subtotal				
Net sales											
External sales	777	6,250	111	7,343	297	608	15,388	0	15,389	-	15,389
Inter-segment sales and transfers	20	17	-	9	135	-	182	-	182	(182)	-
Total	798	6,268	111	7,352	432	608	15,571	0	15,571	(182)	15,389
Segment profit (loss)	490	775	16	763	150	52	2,249	(3)	2,246	(1,275)	970

- Notes:
1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of expenses of the Europe/US style real estate agent business and overseas business.
 2. The negative adjustment of 1,275 million yen to segment profit (loss) includes elimination for inter-segment transactions of negative 0 million yen, corporate expenses of negative 1,287 million yen that are not allocated to any of the reportable segments, and inventory adjustments of 12 million yen. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.
 3. Segment profit (loss) is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

II First three months of FY2025 (Jul. 1, 2024 – Sep. 30, 2024)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Franchisee	House- Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Subtotal				
Net sales											
External sales	775	3,100	132	9,776	246	514	14,545	-	14,545	-	14,545
Inter-segment sales and transfers	23	14	0	4	98	-	141	-	141	(141)	-
Total	799	3,114	132	9,781	344	514	14,686	-	14,686	(141)	14,545
Segment profit (loss)	497	371	40	568	102	48	1,628	(0)	1,627	(1,243)	384

- Notes: 1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of expenses of overseas business.
2. The negative adjustment of 1,243 million yen to segment profit (loss) includes elimination for inter-segment transactions of negative 0 million yen, corporate expenses of negative 1,243 million yen that are not allocated to any of the reportable segments, and inventory adjustments of negative 0 million yen. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.
3. Segment profit (loss) is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Quarterly Consolidated Balance Sheet

Guarantee liabilities

The Company guarantees the following customers' bank loans from financial institutions.

	FY2024 (As of Jun. 30, 2024)	First quarter of FY2025 (As of Sep. 30, 2024)
Customers for reverse mortgage business	20,863 million yen	22,976 million yen
Customers for business loan business	7 million yen	7 million yen
Customers for automobile loan business	1 million yen	0 million yen
Total	20,871 million yen	22,984 million yen

Note: The amount is the maximum amount of guarantee.

Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows has not been prepared for the first three months of the current fiscal year. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first three months of each fiscal year are as follows.

	First three months of FY2024 (Jul. 1, 2023 – Sep. 30, 2023)	First three months of FY2025 (Jul. 1, 2024 – Sep. 30, 2024)
Depreciation	227 million yen	223 million yen
Goodwill amortization	27 million yen	27 million yen

Additional Information

Sale of House-Leaseback Assets

(1) Summary of special purpose company (SPC) and transactions using this company

&Do Holdings sells assets of the House-Leaseback Business as one way to diversify sources of funding.

For the sale of these assets, &Do Holdings first sells House-Leaseback assets (trust beneficiary rights and other assets) to an SPC (which is structured as a godo kaisha (limited liability company)). The SPC then uses these assets as collateral for loans and other sources of funds in order to pay &Do Holdings for these assets. &Do Holdings has a tokumei kumiai (silent partnership) contract with each SPC and makes investments in accordance with this contract.

The following table presents information concerning the SPCs used for the sale of House-Leaseback assets.

&Do Holdings has made no investments with voting rights in any SPC and has not supplied any SPC with directors or other executives.

	FY2024 (As of Jun. 30, 2024)	First quarter of FY2025 (As of Sep. 30, 2024)
Number of SPC	17	17
Total assets of SPCs	54,398 million yen	53,262 million yen
Total liabilities of SPCs	49,903 million yen	48,680 million yen

(2) Transactions with SPCs

First three months of FY2024 (Jul. 1, 2023 – Sep. 30, 2023)

	Major transactions (Millions of yen)	Sales, expenses, gains	
		Items	Amount (Millions of yen)
Investments in silent partnerships	200	Partnership investment gains	18
Selling price	4,016	Net sales	4,016
Book value	3,252	Cost of sales	3,252

Notes: 1. The selling price of assets is classified as sales and the book value of assets is classified as cost of sales.

- SPCs outsource to PM Do Co., Ltd. (currently HOUSE DO Sales Management Co., Ltd.) the management of the properties purchased from &Do Holdings. Property management fees are omitted from this table because they are negligible.
- &Do Holdings and PM Do Co., Ltd. (currently HOUSE DO Sales Management Co., Ltd.) perform renovation work at properties that have been sold to an SPC. Renovations are omitted from this table because the monetary value is negligible.

First three months of FY2025 (Jul. 1, 2024 – Sep. 30, 2024)

	Major transactions (Millions of yen)	Sales, expenses, gains	
		Items	Amount (Millions of yen)
Investments in silent partnerships	-	Partnership investment gains	86
Selling price	-	Net sales	-
Book value	-	Cost of sales	-

Notes: 1. SPCs outsource to HOUSE DO Sales Management Co., Ltd. the management of the properties purchased from &Do Holdings. Property management fees are omitted from this table because they are negligible.

- &Do Holdings and HOUSE DO Sales Management Co., Ltd. perform renovation work at properties that have been sold to an SPC. Renovations are omitted from this table because the monetary value is negligible.

Material Subsequent Events

Not applicable.

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

who prefer an English translation.

Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements

November 12, 2024

Board of Directors
&Do Holdings Co., Ltd.

PricewaterhouseCoopers Japan LLC
Kyoto Office

Hiroyuki Tateishi, Representative Partner, Engagement
Partner, Certified Public Accountant
Natsumi Shizuyama, Representative Partner, Engagement
Partner, Certified Public Accountant

Auditor's conclusions

We have conducted an interim review of the quarterly consolidated financial statements of &Do Holdings Co., Ltd. (the "Company") included in the attachment of the Summary of Business Results for the first quarter (from July 1, 2024 to September 30, 2024) and the first three months (from July 1, 2024 to September 30, 2024) of the fiscal year beginning on July 1, 2024 and ending on June 30, 2025, which consisted of the quarterly consolidated balance sheets, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income and notes to the quarterly consolidated financial statements.

Based on our interim review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Basis for auditor's conclusions

We conducted the interim review in accordance with interim review standards generally accepted as fair and appropriate in Japan. Our responsibilities under those standards are further described in the auditor's responsibilities for interim review on the quarterly consolidated financial statements section of this report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and we have fulfilled other ethical responsibilities as an auditor. We believe that we obtained evidence that forms the basis for expressing our conclusions.

Responsibilities of management and the Audit & Supervisory Committee for the quarterly consolidated financial statements

The Company's management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. This includes the establishment and operation of internal control systems that are regarded as necessary by management to ensure the preparation of the quarterly consolidated financial statements without material misstatement due to fraudulence or errors.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's responsibilities for interim review on the quarterly consolidated financial statements

Our responsibility is to express conclusions on the quarterly consolidated financial statements from an independent standpoint in an interim review report, based on the interim review.

We make professional judgment in the interim review process in accordance with interim review standards generally accepted as fair and appropriate in Japan, and perform the following while maintaining professional skepticism.

- Interim review procedures mainly consist of analytical procedures and questions posed to management, persons responsible for matters pertaining to finance and accounting, and other individuals. Said procedures are conducted in limited scope compared to audits of annual financial statements conducted in accordance with auditing standards generally accepted as fair and appropriate in Japan.
- In the event that it is determined that there is a significant uncertainty regarding events or circumstances that may cast significant doubt on the premise of a going concern, we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly financial statements have not been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. If there is a significant uncertainty concerning the premise of a going concern, we are required to call attention to the notes to the quarterly consolidated financial statements in the Interim review Report, or if the notes to the quarterly consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a qualified or negative conclusions on the quarterly consolidated financial statements. While our conclusions are based on the evidence obtained up to the date of the interim review report, depending on future events or conditions, the Company may be unable to continue as a going concern.
- We evaluate whether anything has come to our attention that causes us to believe that the presentation of and notes to the quarterly financial statements have not been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- We obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express conclusions on the quarterly consolidated financial statements. We are responsible for the direction, supervision and examination of the interim review on the quarterly consolidated financial statements. We remain solely responsible for our conclusions.

We report to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned interim review, and material interim review findings.

We report to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan concerning independence as well as matters that are reasonably considered to have an impact on our independence, and where applicable, measures taken to eliminate inhibiting factors or apply safeguards to reduce them to an acceptable level.

Vested interests

Our firm or Engagement Partners have no vested interests in the Company and its consolidated subsidiaries that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

End

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- Notes: 1. The original copy of the above Interim Review Report is in the custody of the Company (the company that discloses the quarterly financial results).
2. The scope of the interim review does not include the XBRL data and HTML data.