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November 14, 2024

Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Nine Months Ended September 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 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 nine months ended September 30, 2024 (from January 1, 2024 to September 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	31,712	39.8	5,011	35.2	4,371	34.3	2,994	43.5
September 30, 2023	22,678	114.5	3,705	151.4	3,254	184.0	2,086	149.8

Note: Comprehensive income For the nine months ended September 30, 2024: ¥2,986 million [42.4%]
 For the nine months ended September 30, 2023: ¥2,096 million [134.6%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2024	481.18	473.52
September 30, 2023	352.28	345.26

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	66,686	16,392	24.3
December 31, 2023	61,209	15,212	24.6

Reference: Equity As of September 30, 2024: ¥16,230 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	-	0.00	-		
Fiscal year ending December 31, 2024 (Forecast)				240.00	240.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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	38,900	23.5	6,000	8.1	5,300	7.3	3,710	12.6	597.76

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 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 September 30, 2024	6,308,875 shares
As of December 31, 2023	6,246,775 shares

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

As of September 30, 2024	150,136 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)

Nine months ended September 30, 2024	6,222,540 shares
Nine months ended September 30, 2023	5,924,288 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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. Overview of Results of Operations, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements.”

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1. Overview of Results of Operations

(1) Results of Operations

In the first nine months of 2024, net sales increased 39.8% year on year to 31,712 million yen, operating profit increased 35.2% to 5,011 million yen, ordinary profit increased 34.3% to 4,371 million yen and profit attributable to owners of parent increased 43.5% to 2,994 million yen.

Business segment performance was as follows.

Business Segment Sales

Segments	3Q 2023 (Jan. 1, 2023 – Sep. 30, 2023)	3Q 2024 (Jan. 1, 2024 – Sep. 30, 2024)	Composition	YoY
	Thousands of yen	Thousands of yen	%	%
Real Estate Sales	21,887,508	30,916,151	97.5	41.3
[New Real Estate Sales]	[10,138,981]	[15,338,098]	48.4	51.3
[Revitalized Real Estate Sales]	[11,748,527]	[15,578,053]	49.1	32.6
Real Estate Leasing	762,879	729,079	2.3	(4.4)
Others	28,407	67,726	0.2	138.4
Total	22,678,795	31,712,957	100.0	39.8

Note: Sales exclude intersegment sales.

1) New Real Estate Sales

Sales in the first nine months of 2024 in this segment increased by 51.3% year on year to 15,338 million yen, and segment profit increased by 19.6% to 3,189 million yen. This was mainly attributable to the successful completion of five land planning and sales projects, sales of A*G Nishi-Ogikubo in Suginami Ward, Tokyo and A*G Inokashira Park in Musashino City, Tokyo, which are commercial buildings under income-producing development projects, 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 in Kyoto City, Kyoto Prefecture and un rêve GRANDIT NAHA OMOROMACHI in Naha City, Okinawa Prefecture and start of the transfer of ownership to the buyers of these condominium units.

2) Revitalized Real Estate Sales

Sales in the first nine months of 2024 in this segment increased by 32.6% year on year to 15,578 million yen, and segment profit increased by 57.2% to 2,429 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 nine months of 2024 in this segment decreased by 4.4% year on year to 729 million yen, and segment profit decreased by 2.6% to 333 million yen.

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

(2) Financial Position

Assets totaled 66,686 million yen at the end of the third quarter of 2024, an increase of 5,476 million yen from the end of 2023. This change included decreases of 915 million yen in cash and deposits and 3,540 million yen in property, plant and equipment due to transfer of some rental assets to real estate for sale, and increases of 4,192 million yen in real estate for sale and 4,568 million yen in real estate for sale in process.

Liabilities totaled 50,294 million yen at the end of the third quarter of 2024, an increase of 4,297 million yen from the end of 2023. This change included a decrease of 1,961 million yen in long-term borrowings, and an increase of 5,159 million yen in short-term borrowings due to new overdraft agreements and committed credit facilities with banks to facilitate the efficient procurement of funds for business requirements.

Net assets totaled 16,392 million yen at the end of the third quarter of 2024, an increase of 1,179 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 652 million yen in purchase of treasury shares, 83 million yen each in share capital and capital surplus due to exercise of share acquisition rights, and profit attributable to owners of parent of 2,994 million yen.

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

There are no revisions to the 2024 forecast that was announced on September 12, 2024 with results of operations for 2024. The dividend forecast announced on September 12, 2024 has been revised based on the current performance trends.

Regarding revisions to the dividend forecast, please refer to the press release titled “Notice of Revision to Dividend Forecast” (Japanese version only) that was announced today. The dividend forecast is based on information available at the time this report was prepared. Actual results may differ from these forecasts for a number of reasons.

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

	(Thousands of yen)	
	2023	3Q 2024
	(As of Dec. 31, 2023)	(As of Sep. 30, 2024)
Assets		
Current assets		
Cash and deposits	12,783,071	11,867,410
Accounts receivable-trade	1,138	677
Real estate for sale	15,693,369	19,885,804
Real estate for sale in process	20,463,812	25,031,968
Other	940,201	2,018,912
Allowance for doubtful accounts	(900)	(900)
Total current assets	49,880,693	58,803,873
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,513,983	3,327,106
Land	4,561,791	3,100,970
Other, net	115,035	221,796
Total property, plant and equipment	10,190,810	6,649,872
Intangible assets	39,013	42,642
Investments and other assets	1,094,015	1,180,955
Total non-current assets	11,323,839	7,873,471
Deferred assets	5,376	9,215
Total assets	61,209,909	66,686,559

	(Thousands of yen)	
	2023	3Q 2024
	(As of Dec. 31, 2023)	(As of Sep. 30, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	345,820	579,507
Short-term borrowings	7,649,900	12,809,095
Current portion of bonds payable	810,000	10,000
Current portion of long-term borrowings	8,861,279	9,241,501
Income taxes payable	1,047,031	1,072,917
Provision for bonuses	69,661	-
Other	1,075,761	1,839,917
Total current liabilities	19,859,454	25,552,939
Non-current liabilities		
Bonds payable	230,000	720,000
Long-term borrowings	25,208,910	23,247,223
Asset retirement obligations	113,515	113,972
Other	585,332	660,232
Total non-current liabilities	26,137,758	24,741,427
Total liabilities	45,997,213	50,294,367
Net assets		
Shareholders' equity		
Share capital	1,422,753	1,505,755
Capital surplus	1,683,651	1,766,653
Retained earnings	11,948,536	13,624,684
Treasury shares	(626)	(652,843)
Total shareholders' equity	15,054,315	16,244,250
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,062)	(11,928)
Deferred gains or losses on hedges	(5,087)	(2,093)
Total accumulated other comprehensive income	(6,149)	(14,022)
Share acquisition rights	164,530	161,964
Total net assets	15,212,696	16,392,192
Total liabilities and net assets	61,209,909	66,686,559

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

	(Thousands of yen)	
	3Q 2023 (Jan. 1, 2023 – Sep. 30, 2023)	3Q 2024 (Jan. 1, 2024 – Sep. 30, 2024)
Net sales	22,678,795	31,712,957
Cost of sales	16,806,740	24,090,854
Gross profit	5,872,054	7,622,102
Selling, general and administrative expenses	2,166,222	2,610,441
Operating profit	3,705,832	5,011,661
Non-operating income		
Interest income	673	540
Dividend income	9,439	4,647
Foreign exchange gains	25,651	-
Insurance return	116,684	9,823
Other	41,660	23,720
Total non-operating income	194,108	38,731
Non-operating expenses		
Interest expenses	405,684	469,641
Commission expenses	157,881	127,463
Share of loss of entities accounted for using equity method	-	39,897
Amortization of bond issuance expenses	3,954	3,551
Other	77,840	38,114
Total non-operating expenses	645,360	678,669
Ordinary profit	3,254,581	4,371,722
Extraordinary income		
Gain on sale of investment securities	10,303	-
Total extraordinary income	10,303	-
Extraordinary losses		
Loss on sale of investment securities	24,124	-
Loss on sale of shares of subsidiaries and associates	60,243	-
Total extraordinary losses	84,367	-
Profit before income taxes	3,180,516	4,371,722
Income taxes-current	1,049,069	1,396,081
Income taxes-deferred	44,462	(18,548)
Total income taxes	1,093,532	1,377,533
Profit	2,086,984	2,994,189
Profit attributable to owners of parent	2,086,984	2,994,189

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

	(Thousands of yen)	
	3Q 2023	3Q 2024
	(Jan. 1, 2023 – Sep. 30, 2023)	(Jan. 1, 2024 – Sep. 30, 2024)
Profit	2,086,984	2,994,189
Other comprehensive income		
Valuation difference on available-for-sale securities	26,776	(10,866)
Deferred gains or losses on hedges	1,217	2,993
Foreign currency translation adjustment	(18,148)	-
Total other comprehensive income	9,844	(7,873)
Comprehensive income	2,096,828	2,986,316
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,096,828	2,986,316
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements**(Segment and Other Information)****Segment Information**

I 3Q 2023 (Jan. 1, 2023 – Sep. 30, 2023)

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

	Reportable segment				Others (Note)	Total
	New Real Estate Sales	Revitalized Real Estate Sales	Real Estate Leasing	Sub-total		
Net sales						
Sales to customers	10,138,981	11,748,527	762,879	22,650,388	28,407	22,678,795
Inter-segment sales or transfers	-	-	-	-	265,117	265,117
Total	10,138,981	11,748,527	762,879	22,650,388	293,524	22,943,912
Segment profit	2,666,985	1,545,229	342,601	4,554,816	290,955	4,845,771

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	4,554,816
Profit classified as “Others”	290,955
Eliminations for inter-segment transactions	(265,117)
Corporate expenses (Note)	(1,326,072)
Ordinary profit on the quarterly consolidated statement of income	3,254,581

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 3Q 2024 (Jan. 1, 2024 – Sep. 30, 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	15,338,098	15,578,053	729,079	31,645,230	67,726	31,712,957
Inter-segment sales or transfers	-	-	-	-	434,446	434,446
Total	15,338,098	15,578,053	729,079	31,645,230	502,173	32,147,404
Segment profit	3,189,422	2,429,721	333,625	5,952,769	512,664	6,465,433

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	5,952,769
Profit classified as “Others”	512,664
Eliminations for inter-segment transactions	(448,117)
Corporate expenses (Note)	(1,645,593)
Ordinary profit on the quarterly consolidated statement of income	4,371,722

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.

(Significant Changes in Shareholders' Equity)

LA Holdings purchased 150,000 treasury shares pursuant to resolution of the Board of Directors meeting on May 30, 2024. As a result, treasury shares increased 652,217 thousand yen during the first nine months of 2024 to 652,843 thousand yen at the end of the third quarter.

(Going Concern Assumption)

Not applicable.

(Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows for the first nine months of 2024 has not been prepared. Depreciation (includes amortization expenses related to intangible assets) for the first nine months of each year is as follows.

	3Q 2023 (Jan. 1, 2023 – Sep. 30, 2023)	3Q 2024 (Jan. 1, 2024 – Sep. 30, 2024)
Depreciation	179,307 thousand yen	146,702 thousand yen

(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 during the first nine months of 2024.

** 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.*