

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 14, 2025

Consolidated Financial Results for the Fiscal Year Ended December 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 of annual general meeting of shareholders: March 28, 2025

Scheduled date to commence dividend payments: March 31, 2025

Scheduled date to file annual securities report: March 28, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	44,707	41.9	7,700	38.7	6,848	38.6	4,713	43.1
December 31, 2023	31,499	72.6	5,552	31.4	4,941	32.5	3,293	(2.6)

Note: Comprehensive income 2024: ¥4,712 million [42.6%] 2023: ¥3,303 million [(3.0) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	759.38	746.87	28.6	10.3	17.2
December 31, 2023	549.10	537.65	25.0	8.8	17.6

Reference: Equity in earnings of affiliates 2024: ¥ (37) million 2023: -

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	71,247	18,131	25.2	2,915.56
December 31, 2023	61,209	15,212	24.6	2,409.00

Reference: Equity As of December 31, 2024: ¥17,956 million As of December 31, 2023: ¥15,048 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	(1,755)	(708)	3,200	13,426
December 31, 2023	(3,202)	(1,403)	7,773	12,689

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	-	0.00	-	211.00	211.00	1,318	38.4	9.7
Fiscal year ended December 31, 2024	-	0.00	-	292.00	292.00	1,798	38.5	11.0
Fiscal year ending December 31, 2025 (Forecast)	-	0.00	-	330.00	330.00		39.9	

Note: The year-end dividends for the fiscal years ended December 31, 2023 and 2024 were partially paid from the capital surplus.
Please see “Breakdown of dividends paid from the capital surplus” below for more information.

3. Consolidated outlook for 2025 (from January 1, 2025 to December 31, 2025)

(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 2025	51,000	14.1	8,200	6.5	7,400	8.1	5,100	8.2	828.09

*** Notes**

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

Newly included: - Excluded: -

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of December 31, 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 December 31, 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)

Fiscal year ended December 31, 2024	6,206,506 shares
Fiscal year ended December 31, 2023	5,998,839 shares

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

* Cautionary statement with respect to forward-looking statements

Note concerning forward-looking statements

The above projections are based on 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 4, "1. Overview of Results of Operations, (4) Outlook."

Breakdown of dividends paid from the capital surplus

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

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

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

Of the dividends for 2024, breakdown of dividends paid from the capital surplus is shown below.

Record date	Year-end	Total
Dividend per share (yen)	292.00	292.00
Total dividends (millions of yen)	1,798	1,798

Note: Reduction rate in net assets due to the dividends paid from net assets: 0.325

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Outlook	4
(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years	5
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
(Going Concern Assumption)	14
(Significant Accounting Policies in the Preparation of Consolidated Financial Statements)	14
(Consolidated Balance Sheet)	18
(Consolidated Statement of Income)	19
(Consolidated Statement of Comprehensive Income)	20
(Consolidated Statement of Changes in Equity)	20
(Consolidated Statement of Cash Flows)	22
(Segment and Other Information)	23
(Per Share Information)	26
(Subsequent Events)	27

1. Overview of Results of Operations

(1) Results of Operations

The Japanese economy recovered slowly during 2024, supported by factors such as improvements in the labor market and personal income and an increase in demand created by foreign tourists due to the yen's weakness. Caution is still needed concerning the economic outlook because of the high cost of energy and raw materials worldwide, volatility of financial markets, and other reasons.

In the real estate market, the primary business domain of the LA Holdings Group, the business climate is favorable because of increasing demand among investors in Japan and other countries for income-producing real estate in Japan. In the market for existing condominiums, the number of transactions in the Tokyo area increased 3.4% year on year for the second consecutive year. In addition, the number of existing condominiums priced over 100 million yen continued to increase as these transactions were 37.3% higher than in 2023.

During 2024, the LA Holdings Group used its increasing ability to procure funds to purchase several large properties in prime urban locations in order to aim for more growth of sales and earnings.

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

In 2024, net sales increased 41.9% year on year to 44,707 million yen, operating profit increased 38.7% to 7,700 million yen, ordinary profit increased 38.6% to 6,848 million yen and profit attributable to owners of parent increased 43.1% to 4,713 million yen.

Business segment performance was as follows.

Business Segment Sales

Segments	2023 (Jan. 1, 2023 – Dec. 31, 2023)	2024 (Jan. 1, 2024 – Dec. 31, 2024)	Composition	YoY
	Thousands of yen	Thousands of yen	%	%
Real Estate Sales	30,444,046	43,654,795	97.6	43.4
[New Real Estate Sales]	[15,301,430]	[26,434,896]	59.1	72.8
[Revitalized Real Estate Sales]	[15,142,615]	[17,219,899]	38.5	13.7
Real Estate Leasing	1,014,213	983,859	2.2	(3.0)
Others	41,056	68,635	0.2	67.2
Total	31,499,316	44,707,290	100.0	41.9

Note: Sales exclude intersegment sales.

1) New Real Estate Sales

Sales in 2024 in this segment increased by 72.8% year on year to 26,434 million yen, and segment profit increased by 35.8% to 5,985 million yen. The income-producing development category is the primary source of growth in this segment. During 2024, three office buildings in THE EDGE series were sold in Meguro-ku in Tokyo, Nagoya City in Aichi prefecture and Fukuoka City in Fukuoka prefecture. Two A*G series commercial buildings were sold: A*G Nishi-Ogikubo in Suginami-ku in Tokyo, and A*G Inokashira Koen in Musashino City in Tokyo. In the land planning and sales category, six properties were sold, including properties with high prices in urban locations. In the new condominium sales category, construction was completed and the transfer of ownership to buyers has started at four buildings: L'attrait Residence KYOTO, un rêve GRANDIT AGARIHAMA Sea & Park, un rêve GRANDIT NAHA OMOROMACHI, and un rêve REALISER MIEBASHI.

2) Revitalized Real Estate Sales

Sales in 2024 in this segment increased by 13.7% year on year to 17,219 million yen, and segment profit increased by 44.5% to 2,778 million yen. This growth was primarily driven by the strong sales of the Premium Renovation series condominiums, which constitute the core business focused on selling individually revitalized condominiums. The completion of sales involving land and buildings in Shibuya-ku in Tokyo and other properties in the investment project business was another reason for this positive performance.

3) Real Estate Leasing

Sales in 2024 in this segment decreased by 3.0% year on year to 983 million yen, and segment profit increased by 3.0% to 472 million yen. This was mainly due to stable operations at healthcare facilities and other owned properties.

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

(2) Financial Position

Assets

Assets totaled 71,247 million yen at the end of 2024, an increase of 10,037 million yen or 16.4% from the end of 2023. This change included a decrease of 3,453 million yen in property, plant and equipment due to transfer of some rental assets to real estate for sale, and increases of 762 million yen in cash and deposits, 2,348 million yen in real estate for sale due to purchases of real estate for business operations and land for real estate developments, 8,854 million yen in real estate for sale in process and 850 million yen in advance payments to suppliers.

Liabilities

Liabilities totaled 53,116 million yen at the end of 2024, an increase of 7,119 million yen or 15.5% from the end of 2023. This change included increases of 3,839 million yen in short-term borrowings and 1,694 million yen in long-term borrowings due to the procurement of funds to purchase real estate for business operations and land for real estate developments.

Net assets

Net assets totaled 18,131 million yen at the end of 2024, an increase of 2,918 million yen or 19.2% from the end of 2023. This change included a decrease of 1,318 million yen in capital surplus due to dividend payments, profit attributable to owners of parent of 4,713 million yen and purchase of treasury shares of 652 million yen.

(3) Cash Flows

Cash and cash equivalents increased by 736 million yen from the end of 2023 to 13,426 million yen. Cash flows and the main reasons for changes are as follows.

Cash flows from operating activities

Net cash used in operating activities was 1,755 million yen compared with 3,202 million yen used one year earlier. Main factors include profit before income taxes of 6,830 million yen, an increase of 7,226 million yen in inventories and income taxes paid of 1,352 million yen.

Cash flows from investing activities

Net cash used in investing activities was 708 million yen compared with 1,403 million yen used one year earlier. Main factors include purchase of property, plant and equipment of 604 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 3,200 million yen compared with 7,773 million yen provided one year earlier. Main factors include a net increase in short-term borrowings of 3,839 million yen, proceeds from long-term borrowings of 22,785 million yen, and repayments of long-term borrowings of 21,118 million yen.

Reference: Cash flow indicators

	2020	2021	2022	2023	2024
Equity-to-asset ratio (%)	18.1	20.0	22.3	24.6	25.2
Market value-based equity-to-asset ratio (%)	16.4	29.8	38.3	46.3	49.4
Interest-bearing debt to cash flow ratio (%)	9.3	-	-	-	-
Interest coverage ratio (times)	7.2	-	-	-	-

Equity-to-asset ratio: Equity / Total assets

Market value-based equity-to-asset ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

Notes: 1. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued shares at the end of the period, excluding treasury shares.

2. Cash flows are calculated using the figures for operating cash flows.

3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest. Interest payments use the amount of interest expenses paid stated in the consolidated statement of cash flows.

4. Dashes are shown for negative figures and figures where calculations were not possible.

(4) Outlook

Caution is still needed concerning the outlook for the business climate in 2025 due to the high cost of energy and raw materials worldwide, financial market volatility, and other reasons. The LA Holdings Group will continue to focus on acquisitions of land and properties for revitalization where substantial value can be added in order to achieve consistent growth and the medium- to long-term growth of corporate value. All activities have the goal of supplying highly appealing products to customers.

In the new real estate sales segment, where the development of income-producing properties is the main source of growth, the goal is to add even more value by creating plans and designs that give properties a competitive edge. This includes A*G commercial buildings, THE EDGE office buildings, and THE DOORS luxury rental residences. Making brands more powerful and expanding operations to major regional cities of Japan are also goals in 2025. In the condominium business, plans include using the L'attrait RESIDENCE brand in major regional cities and the growth of the un rêve GRANDIT brand business in Okinawa. All activities are aimed at building a sound base for business operations and establishing a distinctive position in markets in order to fully benefit from the competitive strengths of the LA Holdings Group.

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

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

Based on this outlook, we forecast net sales of 51,000 million yen, operating profit of 8,200 million yen, ordinary profit of 7,400 million yen, and profit attributable to owners of parent of 5,100 million yen in 2025.

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

Returning profits to shareholders is one of the highest priorities of LA Holdings. The basic policy is to pay a dividend that reflects results of operations as well as the need to retain earnings for financial soundness and funding future business activities. The basic policy for profit distributions has been revised for the purpose of further increasing distributions to shareholders and increasing corporate value. The new guideline for a dividend payout ratio has been raised from at least 30% to 40% based on profit attributable to owners of parent.

Based on this revised policy and the strong sales and earnings in 2024, the plan for the 2024 year-end dividend is 292 yen per share, which is a payout ratio of 38.5%.

The plan for the dividend per share applicable to 2025 is 330 yen.

2. Basic Approach to the Selection of Accounting Standards

The LA Holdings Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	2023	2024
	(As of Dec. 31, 2023)	(As of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	12,783,071	13,545,096
Accounts receivable-trade	1,138	398
Real estate for sale	*1, *3 15,693,369	*1, *3 18,041,579
Real estate for sale in process	*1 20,463,812	*1 29,317,991
Advance payments to suppliers	508,078	1,358,533
Prepaid expenses	231,054	162,485
Other	201,068	715,955
Allowance for doubtful accounts	(900)	(900)
Total current assets	49,880,693	63,141,140
Non-current assets		
Property, plant and equipment		
Buildings and structures	*1, *3 6,446,538	*1, *3 4,170,814
Accumulated depreciation	(932,554)	(806,197)
Buildings and structures, net	*1, *3 5,513,983	*1, *3 3,364,616
Machinery, equipment and vehicles	29,287	29,567
Accumulated depreciation	(22,786)	(26,480)
Machinery, equipment and vehicles, net	6,501	3,086
Tools, furniture and fixtures	55,845	108,076
Accumulated depreciation	(24,031)	(27,468)
Tools, furniture and fixtures, net	31,814	80,607
Land	*1, *3 4,561,791	*1, *3 3,100,970
Construction in progress	*1 76,720	*1 187,900
Total property, plant and equipment	10,190,810	6,737,180
Intangible assets		
Leasehold interests in land	36,593	36,593
Other	2,419	4,993
Total intangible assets	39,013	41,587
Investments and other assets		
Investment securities	*2 641,506	*2 655,808
Investments in capital	10,490	11,100
Long-term loans receivable	50,792	114,651
Deferred tax assets	175,253	297,966
Other	215,972	240,076
Total investments and other assets	1,094,015	1,319,602
Total non-current assets	11,323,839	8,098,370
Deferred assets		
Bond issuance costs	5,376	8,279
Total deferred assets	5,376	8,279
Total assets	61,209,909	71,247,790

	(Thousands of yen)	
	2023	2024
	(As of Dec. 31, 2023)	(As of Dec. 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	345,820	626,045
Short-term borrowings	*1, *4 7,649,900	*1, *4 11,489,365
Current portion of bonds payable	810,000	110,000
Current portion of long-term borrowings	*1, *4 8,861,279	*1 8,833,842
Accounts payable-other	129,639	286,959
Accrued expenses	20,981	22,192
Income taxes payable	1,047,031	1,949,463
Accrued consumption taxes	230,051	24,649
Advances received	310,608	837,428
Deposits received	273,709	334,906
Unearned revenue	86,265	87,059
Provision for bonuses	69,661	130,807
Provision for bonuses for directors (and other officers)	-	50,000
Other	24,505	3,168
Total current liabilities	19,859,454	24,785,888
Non-current liabilities		
Bonds payable	230,000	620,000
Long-term borrowings	*1, *4 25,208,910	*1, *4 26,903,181
Deferred tax liabilities	49,506	49,506
Long-term leasehold and guarantee deposits received	527,459	641,437
Asset retirement obligations	113,515	114,124
Other	8,365	2,111
Total non-current liabilities	26,137,758	28,330,361
Total liabilities	45,997,213	53,116,249
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	15,343,583
Treasury shares	(626)	(652,843)
Total shareholders' equity	15,054,315	17,963,149
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,062)	(5,581)
Deferred gains or losses on hedges	(5,087)	(1,381)
Total accumulated other comprehensive income	(6,149)	(6,963)
Share acquisition rights	164,530	175,353
Total net assets	15,212,696	18,131,540
Total liabilities and net assets	61,209,909	71,247,790

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

	(Thousands of yen)	
	2023	2024
	(Jan. 1, 2023 – Dec. 31, 2023)	(Jan. 1, 2024 – Dec. 31, 2024)
Net sales	31,499,316	44,707,290
Cost of sales	22,989,967	33,316,337
Gross profit	8,509,348	11,390,953
Selling, general and administrative expenses	* 2,957,005	* 3,689,963
Operating profit	5,552,342	7,700,990
Non-operating income		
Interest income	671	559
Dividend income	6,029	5,347
Foreign exchange gains	25,654	-
Insurance return	116,841	9,845
Penalty income	2,300	7,400
Other	34,147	22,071
Total non-operating income	185,644	45,223
Non-operating expenses		
Interest expenses	546,165	634,825
Interest expenses on bonds	8,215	8,551
Commission expenses	194,425	173,109
Share of loss of entities accounted for using equity method	-	37,952
Amortization of bond issuance expenses	5,264	4,488
Other	42,623	38,837
Total non-operating expenses	796,694	897,764
Ordinary profit	4,941,292	6,848,449
Extraordinary income		
Gain on sale of non-current assets	599	-
Gain on sale of investment securities	10,303	-
Total extraordinary income	10,902	-
Extraordinary losses		
Loss on retirement of non-current assets	5,097	17,719
Loss on sale of investment securities	54,670	-
Loss on sale of shares of subsidiaries and associates	60,243	-
Total extraordinary losses	120,011	17,719
Profit before income taxes	4,832,184	6,830,730
Income taxes-current	1,603,595	2,243,668
Income taxes-deferred	(65,359)	(126,026)
Total income taxes	1,538,235	2,117,642
Profit	3,293,948	4,713,088
Profit attributable to owners of parent	3,293,948	4,713,088

(Consolidated Statement of Comprehensive Income)

	(Thousands of yen)	
	2023	2024
	(Jan. 1, 2023 – Dec. 31, 2023)	(Jan. 1, 2024 – Dec. 31, 2024)
Profit	3,293,948	4,713,088
Other comprehensive income		
Valuation difference on available-for-sale securities	26,002	(4,519)
Deferred gains or losses on hedges	1,867	3,706
Foreign currency translation adjustment	(18,148)	-
Total other comprehensive income	* 9,720	* (813)
Comprehensive income	3,303,669	4,712,274
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,303,669	4,712,274
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

2023 (Jan. 1, 2023 – Dec. 31, 2023)

(Thousands of yen)

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

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

2024 (Jan. 1, 2024 – Dec. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,422,753	1,683,651	11,948,536	(626)	15,054,315
Changes during period					
Dividends of surplus-other capital surplus		(1,318,040)			(1,318,040)
Profit attributable to owners of parent			4,713,088		4,713,088
Purchase of treasury shares				(652,217)	(652,217)
Exercise of share acquisition rights	83,001	83,001			166,003
Transfer from retained earnings to capital surplus		1,318,040	(1,318,040)		-
Net changes in items other than shareholders' equity					
Total changes during period	83,001	83,001	3,395,047	(652,217)	2,908,833
Balance at end of period	1,505,755	1,766,653	15,343,583	(652,843)	17,963,149

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	(1,062)	(5,087)	(6,149)	164,530	15,212,696
Changes during period					
Dividends of surplus-other capital surplus					(1,318,040)
Profit attributable to owners of parent					4,713,088
Purchase of treasury shares					(652,217)
Exercise of share acquisition rights					166,003
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(4,519)	3,706	(813)	10,823	10,009
Total changes during period	(4,519)	3,706	(813)	10,823	2,918,843
Balance at end of period	(5,581)	(1,381)	(6,963)	175,353	18,131,540

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	2023	2024
	(Jan. 1, 2023 – Dec. 31, 2023)	(Jan. 1, 2024 – Dec. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	4,832,184	6,830,730
Depreciation	240,155	191,616
Increase (decrease) in allowance for doubtful accounts	(607)	-
Increase (decrease) in provision for bonuses	15,011	61,145
Increase (decrease) in provision for bonuses for directors (and other officers)	(22,200)	50,000
Interest and dividend income	(6,701)	(5,906)
Interest expenses on borrowings and bonds	554,380	643,376
Commission expenses	194,425	173,109
Share of loss (profit) of entities accounted for using equity method	-	37,952
Loss (gain) on sale of investment securities	44,367	-
Gain on sale of non-current assets	(599)	-
Loss on retirement of non-current assets	5,097	17,719
Loss (gain) on sale of shares of subsidiaries and associates	60,243	-
Decrease (increase) in trade receivables	3,591	740
Decrease (increase) in advance payments to suppliers	150,810	(850,455)
Decrease (increase) in inventories	(6,398,084)	(7,226,324)
Increase (decrease) in trade payables	(202,009)	279,324
Increase (decrease) in advances received	(101,247)	526,819
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	86,405	(111,710)
Other, net	(343,789)	(237,222)
Subtotal	(888,565)	380,915
Interest and dividends received	6,701	5,906
Interest paid	(577,108)	(638,009)
Commission fee paid	(134,745)	(151,992)
Income taxes paid	(1,608,866)	(1,352,329)
Net cash provided by (used in) operating activities	(3,202,585)	(1,755,508)
Cash flows from investing activities		
Payments into time deposits	(100,604)	(32,400)
Proceeds from withdrawal of time deposits	7,200	7,200
Purchase of property, plant and equipment	(1,064,296)	(604,101)
Proceeds from sale of property, plant and equipment	818	-
Purchase of intangible assets	-	(4,503)
Purchase of investment securities	(197,447)	(76,218)
Proceeds from sale of investment securities	230,128	5,600
Purchase of shares of subsidiaries and associates	(374,300)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	23,052	-
Proceeds from collection of loans receivable	72,244	-
Payments of construction assistance fund receivables	(3,499)	(3,499)
Other, net	3,300	(610)
Net cash provided by (used in) investing activities	(1,403,405)	(708,534)

	(Thousands of yen)	
	2023	2024
	(Jan. 1, 2023 – Dec. 31, 2023)	(Jan. 1, 2024 – Dec. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,452,300	3,839,465
Proceeds from long-term borrowings	24,859,484	22,785,288
Repayments of long-term borrowings	(21,059,574)	(21,118,454)
Proceeds from issuance of bonds	117,939	492,608
Redemption of bonds	(10,000)	(810,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1,550,563	41
Proceeds from issuance of share acquisition rights	-	3,310
Purchase of treasury shares	(626)	(652,217)
Dividends paid	(1,136,085)	(1,339,173)
Other, net	(188)	-
Net cash provided by (used in) financing activities	7,773,813	3,200,867
Effect of exchange rate change on cash and cash equivalents	39,132	-
Net increase (decrease) in cash and cash equivalents	3,206,955	736,824
Cash and cash equivalents at beginning of period	9,482,711	12,689,666
Cash and cash equivalents at end of period	* 12,689,666	* 13,426,491

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 5

Names of primary consolidated subsidiaries:

L'attrait Co., Ltd.

LA Asset Co., Ltd.

L'attrait Residential Co., Ltd.

FAN STYLE Co., Ltd.

FAN STYLE RESORT Co., Ltd.

(2) Primary non-consolidated subsidiaries

FAN STYLE AGENCY Co., Ltd.

Okinawa Gojinsha Co., Ltd.

Reason for exclusion

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

2. Application of the equity method

(1) Number of non-consolidated subsidiaries and affiliates accounted for under the equity method: 1

Name of primary company: URBAN LiKE INC.

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

Non-consolidated subsidiaries:

FAN STYLE AGENCY Co., Ltd.

Okinawa Gojinsha Co., Ltd.

An affiliate: LA/BSP Vision Fund Investment Limited Partnership

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

(3) Item necessary for disclosure concerning application of the equity method

The most recent financial statements are used for the company accounted for under the equity method and included in the consolidated financial statements where the fiscal year is not the same as the fiscal year used for the consolidated financial statements. Adjustments are made to the consolidated financial statements as needed to reflect any significant transactions that occur between the fiscal year end of the equity-method affiliate and the balance sheet date for consolidated financial statements. Differences in the value of investments (equivalent to goodwill) between the affiliate and the LA Holdings are amortized over five years using the straight-line method.

3. Fiscal years of consolidated subsidiaries

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

4. Accounting policies

(1) Valuation standards and methods for principal assets

a. Marketable securities

Available-for sale securities

Securities with market quotations

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

Securities without market quotations

Stated at cost determined by the moving-average method.

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

b. Derivatives

Stated at market value.

c. Inventories

Real estate for sale

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

Real estate for sale in process

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

(2) Depreciation and amortization of principal assets

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

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

Useful lives of principle assets are as follows:

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

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

b. Intangible assets (excluding leased assets)

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

c. Long-term prepaid expenses

Long-term prepaid expenses are calculated in equal installments.

(3) Accounting for significant deferred assets

Bond issuance cost

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

Amortization period: 3 years

(4) Recognition of significant allowances

a. Allowance for doubtful accounts

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

b. Provision for bonuses

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

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

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

(5) Recognition of significant income and expenses

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

Revenue in these businesses is recognized in accordance with contracts and other agreements with customers.

There are no payments from customers that have the potential to vary significantly. In most cases, the amounts that customers have promised to pay are received within one year and there are no significant financing aspects of these payments.

a. Real Estate Sales

i. New real estate sales

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

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

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

ii. Revitalized real estate sales

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

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

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

b. Real Estate Leasing

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

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

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

c. Others

Others are a business segment not included in reportable segments and include the brokerage business and other activities.

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

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

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

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

Foreign currency-denominated monetary assets and liabilities are translated into yen at the spot exchange rate in effect on the balance sheet date. Exchange gain or loss is accounted as profit or loss.

(7) Accounting for hedges

a. Hedging method

LA Holdings applies deferred hedge accounting.

b. Hedging instruments and risks hedged

Hedging instrument: Interest rate swaps

Risk hedged: Borrowings

c. Hedging policy

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

d. Evaluation of hedge effectiveness

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

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

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

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

Accounting for consumption taxes

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

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

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

Assets pledged as collateral are as follows.

	2023 (As of Dec. 31, 2023)	2024 (As of Dec. 31, 2024)
Real estate for sale	14,490,149	15,179,357
Real estate for sale in process	20,227,985	28,384,790
Buildings and structures	5,400,797	2,999,588
Land	4,400,600	2,649,209
Construction in progress	7,420	118,600
Total	44,526,953	49,331,547

Liabilities with collateral are as follows.

	2023 (As of Dec. 31, 2023)	2024 (As of Dec. 31, 2024)
Short-term borrowings	7,344,900	10,071,365
Current portion of long-term borrowings	8,633,947	8,460,686
Long-term borrowings	24,449,769	25,497,104
Total	40,428,617	44,029,155

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

	2023 (As of Dec. 31, 2023)	2024 (As of Dec. 31, 2024)
Investment securities (stock)	390,830	352,878
Investment securities (investments in capital)	52,829	42,841

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

2023 (As of Dec. 31, 2023)

At consolidated subsidiary LA Asset Co., Ltd., 287,437 thousand yen of buildings and structures and 637,264 thousand yen of land, a total of 924,701 thousand yen, were reclassified as real estate for sale due to a change in the purpose of holding these assets. At consolidated subsidiary FAN STYLE HD Co., Ltd., 53,186 thousand yen of buildings and structures and 34,199 thousand yen of land, a total of 87,386 thousand yen, were reclassified as real estate for sale due to a change in the purpose of holding these assets.

2024 (As of Dec. 31, 2024)

At consolidated subsidiary LA Asset Co., Ltd., 2,110,965 thousand yen of buildings and structures 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.

***4. Overdraft agreements and committed credit facilities**

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

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

	(Thousands of yen)	
	2023 (As of Dec. 31, 2023)	2024 (As of Dec. 31, 2024)
Current account overdraft and committed credit facilities	13,514,000	21,724,000
Credit used	9,560,270	11,624,665
Credit available	3,953,730	10,099,335

(Consolidated Statement of Income)

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

	(Thousands of yen)	
	2023 (Jan. 1, 2023 – Dec. 31, 2023)	2024 (Jan. 1, 2024 – Dec. 31, 2024)
Sales commission	740,267	935,484
Advertising expenses	124,180	200,763
Operating expenses	119,087	196,052
Remuneration for directors (and other officers)	170,945	175,800
Provision for bonuses for directors (and other officers)	-	50,000
Payroll and allowances	590,141	695,188
Provision for bonuses	69,661	130,807
Commission expenses	235,834	205,234
Depreciation	18,286	20,098
Rent expenses	44,967	51,806
Taxes and dues	331,843	458,616

(Consolidated Statement of Comprehensive Income)

* Reclassification and tax effect items concerning other comprehensive income

(Thousands of yen)

	2023 (Jan. 1, 2023 – Dec. 31, 2023)	2024 (Jan. 1, 2024 – Dec. 31, 2024)
Valuation difference on available-for-sale securities:		
Amount incurred during the period	(26,849)	(3,166)
Reclassification adjustments	51,842	-
Before tax effect adjustments	24,993	(3,166)
Tax effect	1,008	(1,352)
Valuation difference on available-for-sale securities	26,002	(4,519)
Deferred gains or losses on hedges:		
Amount incurred during the period	120	4,164
Reclassification adjustments	2,126	1,501
Before tax effect adjustments	2,246	5,665
Tax effect	(379)	(1,959)
Deferred gains or losses on hedges	1,867	3,706
Foreign currency translation adjustment:		
Amount incurred during the period	39,132	-
Reclassification adjustments	(57,281)	-
Before tax effect adjustments	(18,148)	-
Tax effect	-	-
Foreign currency translation adjustment	(18,148)	-
Total other comprehensive income	9,720	(813)

(Consolidated Statement of Changes in Equity)

2023 (Jan. 1, 2023 – Dec. 31, 2023)

1. Type and number of outstanding shares

(Shares)

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

Outline of changes

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

2. Type and number of treasury shares

(Shares)

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

Outline of changes

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

3. Matters regarding share acquisition rights

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

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

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

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

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

4. Matters regarding dividends

(1) Amount paid as dividends

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

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

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

2024 (Jan. 1, 2024 – Dec. 31, 2024)

1. Type and number of outstanding shares

(Shares)

Type of share	As of Jan. 1, 2024	Increase	Decrease	As of Dec. 31, 2024
Common shares	6,246,775	62,100	-	6,308,875

Outline of changes

Increase due to the issuance of new shares as restricted stock compensation plan: 21,100 shares

Increase due to issuance of shares resulting from exercise of share acquisition rights: 41,000 shares

2. Type and number of treasury shares

(Shares)

Type of share	As of Jan. 1, 2024	Increase	Decrease	As of Dec. 31, 2024
Common shares	136	150,000	-	150,136

Outline of changes

Increase due to share acquisition in accordance with the Articles of Incorporation pursuant to Article 165,

Paragraph 2 of the Companies Act:

150,000 shares

3. Matters regarding share acquisition rights

Classification	Share acquisition rights (itemized)	Type of shares under share acquisition rights	Number of shares under share acquisition rights				Balance as of Dec. 31, 2024 (Thousands of yen)
			As of Jan. 1, 2024	Increase	Decrease	As of Dec. 31, 2024	
Reporting company	Share acquisition rights issued as stock options (Note 1)	-	-	-	-	-	172,043
	15th issue of share acquisition rights (Note 2)	Common shares	-	100,000	-	100,000	2,070
	16th issue of share acquisition rights (Note 2)	Common shares	-	100,000	-	100,000	1,240
Total			-	200,000	-	200,000	175,353

Notes: 1. For share acquisition rights issued as stock options, the exercise period has not yet started for 90,994 thousand yen of these rights.

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

The increases in the 15th and 16th issues of share acquisition rights are due to the issuance of rights.

4. Matters regarding dividends

(1) Amount paid as dividends

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

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

Resolution	Type of share	Source of funds	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Mar. 28, 2025	Common shares	Capital surplus	1,798	292.00	Dec. 31, 2024	Mar. 31, 2025

(Consolidated Statement of Cash Flows)

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

(Thousands of yen)		
	2023 (Jan. 1, 2023 – Dec. 31, 2023)	2024 (Jan. 1, 2024 – Dec. 31, 2024)
Cash and deposits	12,783,071	13,545,096
Time deposit with maturities over 3 months	(93,404)	(118,605)
Cash and cash equivalents	12,689,666	13,426,491

(Segment and Other Information)**Segment information****1. Outline of reportable segments**

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

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

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

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

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

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

2023 (Jan. 1, 2023 – Dec. 31, 2023)

(Thousands of yen)

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

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

2024 (Jan. 1, 2024 – Dec. 31, 2024)

(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	26,434,896	17,219,899	983,859	44,638,655	68,635	44,707,290
Inter-segment sales or transfers	-	-	-	-	444,378	444,378
Total	26,434,896	17,219,899	983,859	44,638,655	513,013	45,151,668
Segment profit	5,985,312	2,778,419	472,433	9,236,165	525,947	9,762,113
Segment assets	34,836,457	14,946,000	6,137,576	55,920,034	-	55,920,034
Segment liabilities	33,154,134	9,416,976	5,297,423	47,868,534	-	47,868,534
Other items						
Depreciation	2,910	-	172,224	175,134	-	175,134
Interest expenses	388,113	124,172	96,054	608,340	-	608,340
Increase in property, plant and equipment and intangible assets	210,487	-	369,424	579,911	-	579,911

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

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

(Thousands of yen)

Net sales	2023	2024
Total for reportable segments	31,458,259	44,638,655
Net sales classified as “Others”	407,980	513,013
Eliminations for inter-segment transactions	(366,924)	(444,378)
Net sales on the consolidated statement of income	31,499,316	44,707,290

(Thousands of yen)

Profit	2023	2024
Total for reportable segments	6,790,102	9,236,165
Profit classified as “Others”	404,224	525,947
Eliminations for inter-segment transactions	(366,924)	(461,298)
Corporate expenses (Note)	(1,886,109)	(2,452,365)
Ordinary profit on the consolidated statement of income	4,941,292	6,848,449

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

(Thousands of yen)

Assets	2023	2024
Total for reportable segments	46,899,692	55,920,034
Assets classified as “Others”	1,872	-
Corporate assets (Note)	14,308,345	15,327,755
Assets on the consolidated statement of income	61,209,909	71,247,790

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

(Thousands of yen)

Liabilities	2023	2024
Total for reportable segments	41,252,784	47,868,534
Liabilities classified as “Others”	21,463	-
Corporate liabilities (Note)	4,722,964	5,247,715
Liabilities on the consolidated statement of income	45,997,213	53,116,249

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

(Thousands of yen)

Other items	Total for reportable segments		Others		Adjustment		Amount in the consolidated financial statements	
	2023	2024	2023	2024	2023	2024	2023	2024
Depreciation	226,958	175,134	-	-	13,196	16,481	240,155	191,616
Interest expenses	524,905	608,340	-	-	21,260	26,485	546,165	634,825
Increase in property, plant and equipment and intangible assets	1,052,265	579,911	-	-	26,681	154,487	1,078,946	734,398

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

Related information

2023 (Jan. 1, 2023 – Dec. 31, 2023)

1. Information about products and services

Omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

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

(2) Property, plant and equipment

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

3. Information on specific major customer

Not applicable.

2024 (Jan. 1, 2024 – Dec. 31, 2024)

1. Information about products and services

Omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

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

(2) Property, plant and equipment

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

3. Information on specific major customer

(Thousands of yen)

Company name	Net sales	Related segments
Kasumigaseki Capital Co., Ltd.	8,000,000	New Real Estate Sales

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

Not applicable.

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

Not applicable.

Information related to gain on bargain purchase by reportable segment

Not applicable.

(Per Share Information)

(Yen)

	2023 (Jan. 1, 2023 – Dec. 31, 2023)	2024 (Jan. 1, 2024 – Dec. 31, 2024)
Net assets per share	2,409.00	2,915.56
Basic earnings per share	549.10	759.38
Diluted earnings per share	537.65	746.87

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

(Thousands of yen, unless otherwise stated)

	2023 (Jan. 1, 2023 – Dec. 31, 2023)	2024 (Jan. 1, 2024 – Dec. 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent	3,293,948	4,713,088
Amount not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	3,293,948	4,713,088
Average number of shares during the period (shares)	5,998,839	6,206,506
Diluted earnings per share		
Profit attributable to owners of parent	-	-
Increase in the number of common shares (shares)	127,722	103,937
[Share acquisition rights (shares)]	[127,722]	[103,937]
Summary of dilutive shares not included in the calculation of diluted earnings per share since there was no dilutive effect	-	Share acquisition rights issued pursuant to the Board of Directors' resolution on August 9, 2024 15th issue of share acquisition rights Number of share acquisition rights: 1,000 (100,000 common shares) 16th issue of share acquisition rights Number of share acquisition rights: 1,000 (100,000 common shares)

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

(Thousands of yen, unless otherwise stated)

	2023 (As of Dec. 31, 2023)	2024 (As of Dec. 31, 2024)
Total net assets	15,212,696	18,131,540
Deduction on total net assets	164,530	175,353
[Share acquisition rights]	[164,530]	[175,353]
Net assets applicable to common shares at end of period		
Number of common shares used in calculation of net assets per share (shares)	6,246,639	6,158,739

Subsequent Events

Reduction in Share Capital and Capital Reserve

At the meeting of Board of Directors on February 14, 2025, the directors approved a resolution to submit a proposal at 5th annual general meeting of shareholders to be held on March 28, 2025, regarding a reduction in share capital and capital reserve as described below.

1. Purpose of reduction in share capital and capital reserve

LA Holdings has decided to reduce the amount of capital and capital reserve in order to increase the flexibility and mobility of its capital policy and to secure funds to pay dividends to shareholders.

2. Outline of reduction in share capital and capital reserve

In accordance with Article 447-1 and Article 448-1 of the Companies Act, LA Holdings plans to reduce share capital and the capital reserve and transfer the entire reduction to other capital surplus.

(1) Reductions of share capital and capital reserve

Share capital:	505,755,476 yen of 1,505,755,476 yen
Capital reserve:	1,516,653,074 yen of 1,766,653,074 yen

(2) Increase in other capital surplus

Other capital surplus: 2,022,408,550 yen

3. Schedule

(1) Resolution at Board of Directors meeting	February 14, 2025
(2) Final date for stating creditor objection	March 26, 2025 (tentative)
(3) Annual general meeting of shareholders	March 28, 2025 (tentative)
(4) Effective date	March 28, 2025 (tentative)