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August 8, 2025

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2025 (Six Months Ended June 30, 2025) (Under Japanese GAAP)

Company name: LA Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange, Nagoya Stock Exchange, Fukuoka Stock Exchange
 Securities code: 2986
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 Scheduled date to file semi-annual securities report: August 8, 2025
 Scheduled date to commence dividend payments: September 30, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	17,375	24.2	3,992	153.2	3,417	193.9	2,374	199.6
June 30, 2024	13,986	(16.0)	1,576	(45.3)	1,162	(56.4)	792	(56.4)

Note: Comprehensive income For the six months ended June 30, 2025: ¥2,384 million [200.7%]
 For the six months ended June 30, 2024: ¥792 million [(57.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	371.86	367.05
June 30, 2024	126.70	124.70

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	94,416	27,428	28.9
December 31, 2024	71,247	18,131	25.2

Reference: Equity As of June 30, 2025: ¥27,301 million
 As of December 31, 2024: ¥17,956 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, 2024	-	0.00	-	292.00	292.00
Fiscal year ending December 31, 2025	-	165.00			
Fiscal year ending December 31, 2025 (Forecast)			-	165.00	330.00

Notes: 1. Revisions to the forecast of cash dividends most recently announced: None

2. The year-end dividend for the fiscal year ended December 31, 2024 and the interim dividend for the fiscal year ending December 31, 2025 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	727.30

Notes: 1. Revisions to the most recently announced consolidated outlook: None

2. Earnings per share for 2025 are calculated by using the average number of shares outstanding during the period which include 1,087,000 shares newly issued by a public offering with the payment date of June 9, 2025, and 163,000 shares newly issued by a third-party allotment in connection with the secondary offering by way of over-allotment with the payment date of June 26, 2025.

*** Notes**

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

Newly included: - Excluded: -

(2) Adoption of accounting treatment specific to the preparation of consolidated interim financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please refer to “2. Consolidated Interim Financial Statements and Notes, (4) Notes to Consolidated Interim Financial Statements (Changes in Accounting Policies)” on page 10 for further information.

(4) Number of issued shares (common shares)

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

As of June 30, 2025	7,630,075 shares
As of December 31, 2024	6,308,875 shares

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

As of June 30, 2025	277 shares
As of December 31, 2024	150,136 shares

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

Six months ended June 30, 2025	6,384,534 shares
Six months ended June 30, 2024	6,254,260 shares

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

* Cautionary statement with respect to forward-looking statements

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

Breakdown of dividends paid from the capital surplus

Of the year-end dividend 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

Of the interim dividend for 2025, breakdown of dividends paid from the capital surplus is shown below.

Record date	Second quarter-end	Total
Dividend per share (yen)	165.00	165.00
Total dividends (millions of yen)	1,258	1,258

Note: Reduction rate in net assets due to the dividends paid from net assets: 0.094

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1. Overview of Results of Operations

(1) Results of Operations

In the first half of 2025, net sales increased 24.2% year on year to 17,375 million yen, operating profit increased 153.2% to 3,992 million yen, ordinary profit increased 193.9% to 3,417 million yen and profit attributable to owners of parent increased 199.6% to 2,374 million yen.

Business segment performance was as follows.

Reportable segments have been reclassified since the first half of 2025. Accordingly, figures a year earlier were reclassified in a new segment in the following year-on-year comparison.

Business Segment Sales

Segments	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)	Composition	YoY
	Thousands of yen	Thousands of yen	%	%
DX New Real Estate	1,675,539	7,547,274	43.4	350.4
DX Revitalized Real Estate	10,293,681	5,736,478	33.0	(44.3)
DX Real Estate Value Improvement	1,492,993	3,570,207	20.6	139.1
Real Estate Leasing	467,898	510,710	2.9	9.1
Others	55,929	10,916	0.1	(80.5)
Total	13,986,042	17,375,587	100.0	24.2

Note: Sales exclude intersegment sales.

1) DX New Real Estate

Sales in the first half of 2025 in this segment increased by 350.4% year on year to 7,547 million yen, and segment profit was 3,463 million yen, compared with profit of 116 million yen one year earlier. This was primarily driven by sale of properties under the income-producing development projects of “A*G Shimokitazawa” (Setagaya, Tokyo), “A*G Asakusa” (Taito-ku, Tokyo) and “THE DOORS” (Fukuoka City, Fukuoka Prefecture).

2) DX Revitalized Real Estate

Sales in the first half of 2025 in this segment decreased by 44.3% year on year to 5,736 million yen, and segment profit decreased by 55.9% to 659 million yen. The Premium Renovation series of high-end condominiums accounted for a large share of sales and earnings.

3) DX Real Estate Value Improvement

Sales in the first half of 2025 in this segment increased by 139.1% year on year to 3,570 million yen, and segment profit decreased by 22.0% to 302 million yen. This was mainly due to the completion of a land value improvement project.

4) Real Estate Leasing

Sales in the first half of 2025 in this segment increased by 9.1% year on year to 510 million yen, and segment profit increased by 26.4% to 237 million yen. This was mainly due to the acquisition of healthcare properties and stable operations at the leased properties.

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

(2) Financial Position**1) Assets, liabilities and net assets**

Assets totaled 94,416 million yen at the end of the second quarter of 2025, an increase of 23,168 million yen from the end of 2024. This change included increases of cash and deposits of 5,990 million yen, 8,973 million yen in real estate for sale and 6,713 million yen in real estate for sale in process.

Liabilities totaled 66,987 million yen at the end of the second quarter of 2025, an increase of 13,871 million yen from the end of 2024. This change included increases of 1,997 million yen in short-term borrowings, 8,332 million yen in the current portion of long-term borrowings and 3,819 million yen in long-term borrowings.

Net assets totaled 27,428 million yen at the end of the second quarter of 2025, an increase of 9,296 million yen from the end of 2024. This change included a decrease of 1,798 million yen in capital surplus due to dividend payments, increases of 3,730 million yen each in share capital and capital surplus due to issuance of new shares by a public offering and a third-party allotment, and profit attributable to owners of parent of 2,374 million yen.

2) Cash flows

Cash and cash equivalents increased by 5,977 million yen from the end of 2024 to 19,404 million yen. Cash flows and the main reasons for changes are as follows.

a. Cash flows from operating activities

Net cash used in operating activities was 13,419 million yen compared with 4,430 million yen used one year earlier. Main factors include profit before income taxes of 3,423 million yen, an increase of 15,594 million yen in inventories and income taxes paid of 1,882 million yen.

b. Cash flows from investing activities

Net cash used in investing activities was 1,538 million yen compared with 438 million yen used one year earlier. Main factors include purchase of property, plant and equipment of 1,623 million yen.

c. Cash flows from financing activities

Net cash provided by financing activities was 20,935 million yen compared with 1,064 million yen used one year earlier. Main factors include proceeds from long-term borrowings of 21,453 million yen, repayments of long-term borrowings of 9,301 million yen, and proceeds from issuance of shares of 7,461 million yen.

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

There are no revisions to the 2025 forecast that was announced on February 14, 2025 with results of operations for 2024.

We will pay an interim dividend of 165 yen per share as announced in the latest dividend forecast. More information is in the press release dated today (August 8, 2025), titled “Notice of Dividends of Surplus (Interim Dividend)” (Japanese version only).

We plan to pay a year-end dividend of 165 yen per share, which will result in an annual dividend of 330 yen per share for 2025.

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

	(Thousands of yen)	
	2024	2Q 2025
	(As of Dec. 31, 2024)	(As of Jun. 30, 2025)
Assets		
Current assets		
Cash and deposits	13,545,096	19,535,315
Accounts receivable-trade	398	505
Real estate for sale	18,041,579	27,015,399
Real estate for sale in process	29,317,991	36,031,661
Other	2,236,974	2,292,276
Allowance for doubtful accounts	(900)	(900)
Total current assets	63,141,140	84,874,259
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,364,616	3,885,120
Land	3,100,970	3,801,530
Other, net	271,594	393,919
Total property, plant and equipment	6,737,180	8,080,571
Intangible assets	41,587	40,883
Investments and other assets	1,319,602	1,414,006
Total non-current assets	8,098,370	9,535,461
Deferred assets	8,279	6,406
Total assets	71,247,790	94,416,127

	(Thousands of yen)	
	2024	2Q 2025
	(As of Dec. 31, 2024)	(As of Jun. 30, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	626,045	1,006,357
Short-term borrowings	11,489,365	13,486,552
Current portion of bonds payable	110,000	105,000
Current portion of long-term borrowings	8,833,842	17,166,667
Income taxes payable	1,949,463	1,123,093
Provision for bonuses	130,807	-
Provision for bonuses for directors (and other officers)	50,000	-
Other	1,596,364	1,851,703
Total current liabilities	24,785,888	34,739,373
Non-current liabilities		
Bonds payable	620,000	620,000
Long-term borrowings	26,903,181	30,722,210
Asset retirement obligations	114,124	139,196
Other	693,055	767,036
Total non-current liabilities	28,330,361	32,248,444
Total liabilities	53,116,249	66,987,817
Net assets		
Shareholders' equity		
Share capital	1,505,755	4,913,931
Capital surplus	1,766,653	4,668,327
Retained earnings	15,343,583	17,717,375
Treasury shares	(652,843)	(1,345)
Total shareholders' equity	17,963,149	27,298,288
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,581)	3,053
Deferred gains or losses on hedges	(1,381)	24
Total accumulated other comprehensive income	(6,963)	3,078
Share acquisition rights	175,353	126,942
Total net assets	18,131,540	27,428,309
Total liabilities and net assets	71,247,790	94,416,127

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

	(Thousands of yen)	
	2Q 2024	2Q 2025
	(Jan. 1, 2024 – Jun. 30, 2024)	(Jan. 1, 2025 – Jun. 30, 2025)
Net sales	13,986,042	17,375,587
Cost of sales	10,826,527	11,871,911
Gross profit	3,159,515	5,503,675
Selling, general and administrative expenses	1,582,745	1,511,658
Operating profit	1,576,769	3,992,017
Non-operating income		
Interest income	294	3,991
Dividend income	2,569	51,011
Other	18,340	34,648
Total non-operating income	21,204	89,651
Non-operating expenses		
Interest expenses	304,202	441,874
Commission expenses	76,785	161,520
Share of loss of entities accounted for using equity method	18,842	22,309
Amortization of bond issuance expenses	2,620	1,872
Other	32,828	36,542
Total non-operating expenses	435,279	664,118
Ordinary profit	1,162,694	3,417,550
Extraordinary income		
Gain on sale of non-current assets	-	5,651
Total extraordinary income	-	5,651
Profit before income taxes	1,162,694	3,423,201
Income taxes-current	374,762	1,062,180
Income taxes-deferred	(4,500)	(13,138)
Total income taxes	370,261	1,049,042
Profit	792,433	2,374,159
Profit attributable to owners of parent	792,433	2,374,159

(Consolidated Interim Statement of Comprehensive Income)

(Thousands of yen)

	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)
Profit	792,433	2,374,159
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,129)	8,635
Deferred gains or losses on hedges	1,667	1,406
Total other comprehensive income	538	10,041
Comprehensive income	792,971	2,384,201
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	792,971	2,384,201
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Interim Statement of Cash Flows

(Thousands of yen)

	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	1,162,694	3,423,201
Depreciation	103,648	103,742
Increase (decrease) in provision for bonuses	(69,661)	(130,807)
Increase (decrease) in provision for bonuses for directors (and other officers)	-	(50,000)
Interest and dividend income	(2,864)	(55,003)
Interest expenses	304,202	441,874
Commission expenses	76,785	161,520
Share of loss (profit) of entities accounted for using equity method	18,842	22,309
Gain on sale of non-current assets	-	(5,651)
Decrease (increase) in trade receivables	749	(107)
Decrease (increase) in advance payments to suppliers	(571,742)	240,106
Decrease (increase) in inventories	(4,588,571)	(15,594,521)
Increase (decrease) in trade payables	1,016,950	380,311
Increase (decrease) in advances received	58,719	118,655
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(153,389)	59,387
Other, net	(412,054)	(92,285)
Subtotal	(3,055,691)	(10,977,266)
Interest and dividends received	2,864	55,003
Interest paid	(295,058)	(490,502)
Commission fee paid	(93,295)	(124,354)
Income taxes paid	(989,419)	(1,882,321)
Net cash provided by (used in) operating activities	(4,430,601)	(13,419,442)
Cash flows from investing activities		
Payments into time deposits	(19,800)	(19,802)
Proceeds from withdrawal of time deposits	7,200	7,200
Purchase of property, plant and equipment	(382,972)	(1,623,043)
Proceeds from sale of property, plant and equipment	-	111,085
Purchase of investment securities	(46,405)	(12,573)
Proceeds from sale of investment securities	5,600	-
Payments of construction assistance fund receivables	(1,749)	(1,749)
Net cash provided by (used in) investing activities	(438,128)	(1,538,884)

	(Thousands of yen)	
	2Q 2024	2Q 2025
	(Jan. 1, 2024 – Jun. 30, 2024)	(Jan. 1, 2025 – Jun. 30, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,063,500	1,997,187
Proceeds from long-term borrowings	7,456,000	21,453,233
Repayments of long-term borrowings	(9,845,141)	(9,301,378)
Redemption of bonds	(5,000)	(5,000)
Proceeds from issuance of shares	-	7,461,750
Proceeds from issuance of shares resulting from exercise of share acquisition rights	38	198,024
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	-	930,000
Purchase of treasury shares	(394,938)	(852)
Dividends paid	(1,338,820)	(1,797,020)
Net cash provided by (used in) financing activities	(1,064,362)	20,935,942
Net increase (decrease) in cash and cash equivalents	(5,933,092)	5,977,616
Cash and cash equivalents at beginning of period	12,689,666	13,426,491
Cash and cash equivalents at end of period	6,756,574	19,404,107

(4) Notes to Consolidated Interim Financial Statements**(Changes in Accounting Policies)**

The Accounting Standard for Current Income Taxes, etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) and others have been applied from the beginning of the first half of 2025. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated interim financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been applied from the beginning of the first half of 2025. This change in accounting policies was applied retrospectively. Hence, the consolidated interim financial statements and the consolidated financial statements for the previous fiscal year are after retrospective application. This change in accounting policies has no impact on the consolidated interim financial statements and the consolidated financial statements for the previous fiscal year.

(Segment and Other Information)**Segment Information**

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

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

	Reportable segment					Others (Note)	Total
	DX New Real Estate	DX Revitalized Real Estate	DX Real Estate Value Improvement	Real Estate Leasing	Sub-total		
Net sales							
Sales to customers	1,675,539	10,293,681	1,492,993	467,898	13,930,112	55,929	13,986,042
Inter-segment sales or transfers	-	-	-	-	-	295,937	295,937
Total	1,675,539	10,293,681	1,492,993	467,898	13,930,112	351,867	14,281,980
Segment profit	116,108	1,496,900	387,658	187,913	2,188,580	348,737	2,537,318

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

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

(Thousands of yen)

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

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

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

Not applicable.

II 2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)

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

(Thousands of yen)

	Reportable segment					Others (Note)	Total
	DX New Real Estate	DX Revitalized Real Estate	DX Real Estate Value Improvement	Real Estate Leasing	Sub-total		
Net sales							
Sales to customers	7,547,274	5,736,478	3,570,207	510,710	17,364,671	10,916	17,375,587
Inter-segment sales or transfers	-	-	-	-	-	220,278	220,278
Total	7,547,274	5,736,478	3,570,207	510,710	17,364,671	231,194	17,595,866
Segment profit	3,463,527	659,949	302,553	237,585	4,663,616	204,770	4,868,387

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

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

(Thousands of yen)

Profit	Amount
Total for reportable segments	4,663,616
Profit classified as “Others”	204,770
Eliminations for inter-segment transactions	(220,278)
Corporate expenses (Note)	(1,230,558)
Ordinary profit on the consolidated interim statement of income	3,417,550

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. Matters related to changes in reportable segment

Change in segment classification

In previous years, there were three reportable segments: New Real Estate, Revitalized Real Estate and Real Estate Leasing. Beginning in the first half of 2025, business operations are divided into four reportable segments: DX New Real Estate, DX Revitalized Real Estate, DX Real Estate Value Improvement and Real Estate Leasing.

The LA Group has declared 2025 the starting point of a “phase of accelerated growth” and is moving forward with initiatives aimed at further progress. The DX Real Estate Value Improvement business has been added as a new separate reportable segment because of the growing scale of business operations involving the planning and sales of land, which was previously included in the former New Real Estate segment, and investment project operations, which were previously included in the former Revitalized Real Estate segment. Other revisions were also made for the purpose of using segments that more accurately reflect business operations.

The segment information for the first half of 2024 has been restated in the reportable segments after the revisions.

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

Not applicable.

(Significant Changes in Shareholders’ Equity)**Reduction in Share Capital and Capital Reserve**

At the 5th Ordinary General Meeting of Shareholders held on March 28, 2025, the directors approved a resolution to reduce share capital and capital reserve, which came into effect on March 28, 2025. As a result, share capital and capital reserve decreased by 505,755 thousand yen and 1,516,653 thousand yen, respectively, and other capital surplus increased by 2,022,408 thousand yen.

Issuance of New Shares and Disposal of Treasury Shares from Exercise of Share Acquisition Rights

Share capital, capital reserve and other capital surplus increased by 130,696 thousand yen, 130,696 thousand yen and 280,340 thousand yen, respectively, and treasury shares decreased by 652,350 thousand yen in the first half of 2025 as a result of the issuance of new shares and disposal of treasury shares from exercise of share acquisition rights.

Issuance of New Shares by Public Offering and Third-party Allotment

Pursuant to the resolution of the Board of Directors meeting on May 23, 2025, LA Holdings issued new shares by a public offering and a third-party allotment (secondary offering by way of over-allotment) in the first half of 2025.

1,087,000 shares of common stock were newly issued by a public offering with the payment date of June 9, 2025, resulting in increases of 3,244,368 thousand yen each in share capital and capital reserve. In addition, 163,000 shares of common stock were newly issued by a third-party allotment in connection with the secondary offering by way of over-allotment with the payment date of June 26, 2025, resulting in increases of 486,506 thousand yen each in share capital and capital reserve.

As a result of the above and other factors, share capital, capital surplus and treasury shares were 4,913,931 thousand yen, 4,668,327 thousand yen and 1,345 thousand yen, respectively, at the end of the second quarter of 2025.

(Going Concern Assumption)

Not applicable.