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November 14, 2024

Consolidated Financial Results for the Fiscal Year Ended September 30, 2024 (Under Japanese GAAP)

Company name:	Open House Group Co., Ltd.
Listing:	Tokyo Stock Exchange
Securities code:	3288
URL:	https://openhouse-group.co.jp/ir/en/
Representative:	Masaaki Arai, President and CEO
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Scheduled date to file securities report:	December 25, 2024
Scheduled start date of dividend payment:	December 26, 2024
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes

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

1. Consolidated financial results for the fiscal year ended September 30, 2024 (from October 1, 2023 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2024	1,295,862	12.8	119,088	(16.3)	120,283	(12.2)	92,921	0.9
FY 2023	1,148,484	20.6	142,330	19.2	136,927	13.0	92,050	18.2

Note: Comprehensive income: For the fiscal year ended September 2024: 96,266 million yen (-5.1%)

For the fiscal year ended September 2023: 101,399 million yen (7.0%)

	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
	Yen	Yen	%	%	%
FY 2024	782.60	781.26	21.1	9.7	9.2
FY 2023	763.72	762.40	24.4	12.3	12.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended September 30, 2024 (21 million) yen
 For the fiscal year ended September 30, 2023 ¥ 69million

(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
FY 2024	1,282,090	535,919	36.2	3,982.75
FY 2023	1,198,668	480,416	34.7	3,448.66

Reference: Equity: As of September 2024: ¥ 463,947 million
 As of September 2023: ¥ 415,855 million

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2024	104,764	(22,584)	(69,253)	390,924
FY 2023	17,393	(35,575)	49,103	378,643

2. Cash dividends

	Annual dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2023	—	72.00	—	92.00	164.00	19,774	21.5	5.2
FY 2024	—	83.00	—	83.00	166.00	19,530	21.2	4.5
FY 2025 (forecast)	—	84.00	—	84.00	168.00		23.9	

3. Forecast of consolidated operating results for FY 2024 (October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q (Cumulative)	613,800	1.8	61,600	10.5	58,200	(0.2)	38,100	(26.6)	327.07
Full year	1,300,000	0.3	130,000	9.2	123,000	2.3	82,000	(11.8)	703.93

*** Notes**

(1) Significant changes in the scope of consolidation during the period:

Yes

(Changes in the scope of consolidation related to specific subsidiaries)

Newly included: 19 companies, (Company Name: Sanei Architecture Planning Co., Ltd. (changed its name to MELDIA CO., LTD on March 1, 2024) and 18 other companies).

(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 September 30, 2024	120,661,500 shares
As of September 30, 2023	120,588,100 shares

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

As of September 30, 2024	4,172,434 shares
As of September 30, 2023	3,515 shares

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

As of September 30, 2024	118,734,098 shares
As of September 30, 2023	120,528,808 shares

[Reference] Non-Consolidated Financial Results for the Fiscal Year Ended September 30, 2024

(October 1, 2023 to September 30, 2024)

(1) Non-Consolidated Operating Results (Percentage figures indicate year-on-year change)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2024	92,153	44.8	80,664	51.6	80,442	51.0	80,371	51.1
FY 2023	63,635	112.8	53,222	115.0	53,273	114.8	53,179	115.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2024	676.90	675.74
FY 2023	441.22	440.45

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2024	398,584	196,561	49.1	1,680.74
September 30, 2023	307,901	156,669	50.7	1,295.08

(Reference) Shareholders' equity: As of September 30, 2024: ¥ 195,787 million
As of September 30, 2023: ¥ 156,165 million

* Financial results reports are exempt from audits conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters.

The forward-looking statements, including performance forecasts, contained in this document are based on information currently available to the company and certain assumptions that are deemed reasonable. These statements are not intended to guarantee the achievement of such results. Actual performance may differ significantly due to various factors.

1. Qualitative Information Regarding Current Results

(1) Overview of Business Performance

During the current fiscal year, the Japanese economy has seen an improvement in business sentiment, with the Nikkei Stock average reaching a record high, despite rising prices due to prolonged yen depreciation. Improvements in employment and income conditions have led to a recovery in personal consumption and capital investment. While housing construction has remained flat and public investment has been steady, corporate earnings and business sentiment have shown an improving trend, with consumer prices rising moderately, indicating a gradual economic recovery despite some weak movements.

In the real estate industry, to which the Group belongs, land prices have risen, particularly in the three major metropolitan areas, due to the gradual economic recovery. In residential areas, housing demand in urban centers and regions with excellent living convenience has remained strong, leading to continued increases in land prices. In commercial areas, store demand has been on the rise, especially in central urban areas, and office demand has remained firm, indicating an upward trend in land prices.

Under these business conditions, the Group has been working towards achieving the management goals set forth in the three-year management policy formulated in November 2023 (for the fiscal years ending September 2024 to September 2026).

As a result, for the current consolidated fiscal year, our performance was as follows: sales were 1,295,862 million yen (an increase of 12.8% compared to the previous consolidated fiscal year), operating profit was 119,088 million yen (a decrease of 16.3%), ordinary profit was 120,283 million yen (a decrease of 12.2%), and net profit attributable to owners of the parent was 92,921 million yen (an increase of 0.9%).

Overview by segment is as follows.

From the first quarter of the consolidated accounting period, we have changed the reporting segment classifications due to the consolidation of Meldia as a subsidiary.

(Single-Family Homes Related Business)

In the single-family homes related business, as a result of inventory adjustments undertaken since the latter half of the previous consolidated fiscal year, sales remained flat, and the gross profit margin declined. However, the inventory adjustments have already been completed, and sales have recently shown a recovery trend.

As a result, sales were 589,053 million yen (decrease of 0.2% year on year), and operating profit was 49,668 million yen (decrease of 21.4%).

(Condominium Business)

In the condominium business, new development in condominiums in the central areas of the Tokyo metropolitan area, Nagoya area, and Fukuoka area. Careful considerations are made regarding land acquisition, due to the significant increase in land and material cost.

As a result, sales were 89,238 million yen (decrease of 28.4% year on year), and operating profit was 10,664 million yen (decrease of 57.6%).

(Property Resale Business)

In the property resale business, strong demand persists from corporate clients and affluent individuals investing in rental apartments, office buildings, and similar properties.

As a result, sales were 196,048 million yen (decrease of 6.1% year on year), and operating profit was 17,268 million yen (increase of 14.6%).

(Others)

In others segment, there is strong investment demand among affluent individuals in Japan for U.S. real estate as a means of asset diversification, and sales have been progressing smoothly.

As a result, sales were 105,832 million yen (increase of 21.0% year on year), and operating profit was 11,452 million yen (increase of 32.1%).

(PRESSANCE CORPORATION)

PRESSANCE CORPORATION focused on the sale of investment condominiums and condominiums for families in prime locations in its main sales areas of Kinki and Tokai-Chukyo regions.

As a result, sales were 180,850 million yen (increase of 12.1% year on year), and operating profit was 27,466 million yen (increase of 6.5%).

(Meldia)

Meldia focused on its main business of single-family homes, it continued to pursue designs tailored to the customers' lifestyles and offered products that responded to changes in the customers' needs for their homes.

As a result, sales were 134,811 million yen (This is a newly set up segment from the first quarter of the consolidated fiscal year due to the consolidation of Meldia as a subsidiary, year on year comparison is not shown), and operating profit was 3,731 million yen.

(2) Overview of Financial Condition

As of the end of the current consolidated fiscal period, total assets were 1,282,090 million yen, an increase of 83,422 million yen year on year. This is mainly due to a combined increase of 42,922 million yen in real estate for sale and real estate in progress for sale, a combined increase of 29,501 million yen in accounts receivable, contract assets, and operating loans, and an increase of 13,021 million yen in investments and other assets.

Total liabilities were 746,171 million yen, an increase of 27,919 million yen year on year. This is mainly due to a decrease of 10,005 million yen in accrued corporate taxes, offset by a combined increase of 36,634 million yen in short-term borrowings, long-term borrowings (including long-term borrowings due within one year), and bonds (including bonds due within one year).

Total net assets were 535,919 million yen, an increase of 55,502 million yen year on year. This was mainly due to a decrease of 19,878 million yen from share acquisitions, offset by an increase of 71,963 million yen in retained earnings.

(3) Overview of Cash Flows for the Current Period

At the end of the current consolidated fiscal year, cash and cash equivalents (hereinafter as funds) increased by 12,281 million yen compared to the end of the previous consolidated fiscal year, reaching 390,924 million yen.

(Cash Flows from Operating Activities)

Funds generated from operating activities amounted to 104,764 million yen (compared to 17,393 million yen year on year). This was mainly due to income before income taxes of 133,646 million yen, despite income taxes paid of 35,734 million yen.

(Cash Flow from Investing Activities)

Funds used as a result of investing activities amounted to 22,584 million yen (compared to 35,575 million yen year-on-year). This is mainly due to expenditures of 23,867 million for the acquisition of subsidiary shares involving changes in the scope of consolidation.

(Cash Flow from Financing Activities)

Funds used as a result of financing activities amounted to 69,253 million yen (compared to 49,103 million yen year-on-year). This is mainly due to net expenditures of 25,142 million yen from borrowing and repayment of loans, dividend payments of 20,955 million yen, and expenditure of 19,878 million for share acquisitions.

Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	End of FY2023 (as of September 30, 2023)	End of FY 2024 (as of September 30, 2024)
Assets		
Current assets		
Cash and deposits	401,879	409,957
Trade accounts receivable and Contract assets	4,776	19,048
Real estate for sale	147,857	198,422
Real estate for sale in process	493,398	485,757
Operating loans	49,301	64,530
Other	34,105	21,702
Allowance for doubtful accounts	(549)	(815)
Total current assets	1,130,769	1,198,602
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,012	9,785
Accumulated depreciation	(2,426)	(3,638)
Buildings and structures, net	4,585	6,147
Real estate for rent	21,975	22,354
Accumulated depreciation	(1,444)	(1,815)
Real estate for rent, net	20,530	20,538
Land	2,278	3,039
Other	2,521	3,737
Accumulated depreciation	(1,459)	(2,240)
Other, net	1,061	1,496
Total property, plant and equipment	28,456	31,221
Intangible assets	2,690	2,493
Investments and other assets		
Investment securities	20,955	33,371
Deferred tax assets	8,345	8,671
Other	7,468	8,077
Allowance for doubtful accounts	(18)	(346)
Total investments and other assets	36,751	49,773
Total non-current assets	67,898	83,488
Total assets	1,198,668	1,282,090

(Millions of yen)

	End of FY2023 (as of September 30, 2023)	End of FY2024 (as of September 30, 2024)
Liabilities		
Current liabilities		
Notes payable - trade	1,631	1,834
Trade accounts payable	34,929	42,070
Electronically recorded obligations – operating	11,860	10,021
Short-term borrowings	182,734	171,610
Current portion of bonds payable	10,242	494
Current portion of long-term borrowings	38,457	44,331
Income taxes payable	22,518	12,512
Contract liabilities	32,681	27,366
Guarantee deposits received	3,709	2,829
Provision for bonuses	4,604	4,941
Provision for warranties for completed construction	1,395	1,522
Other	28,760	29,138
Total current liabilities	373,526	348,673
Non-current liabilities		
Bonds payable	121	14,789
Long-term borrowings	343,582	380,546
Retirement benefit liability	326	817
Asset retirement obligations	230	328
Deferred tax liabilities	–	29
Other	464	986
Total non-current liabilities	344,725	397,498
Total liabilities	718,251	746,171
Net assets		
Shareholders' equity		
Share capital	20,110	20,149
Capital surplus	19,767	19,442
Retained earnings	361,583	433,547
Treasury shares	(18)	(19,896)
Total shareholders' equity	401,443	453,243
Accumulated other comprehensive profit		
Valuation difference on available-for-sale securities	42	(130)
Foreign currency translation adjustment	14,368	10,834
Total accumulated other comprehensive profit	14,411	10,704
Share acquisition rights	752	773
Non-controlling interests	63,808	71,198
Total net assets	480,416	535,919
Total liabilities and net assets	1,198,668	1,282,090

2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income

(Millions of yen)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Net sales	1,148,484	1,295,862
Cost of sales	930,127	1,088,944
Gross profit	218,356	206,917
Selling, general and administrative expenses	76,026	87,828
Operating profit	142,330	119,088
Non-operating income		
Interest income	625	1,309
Dividend income	137	1,594
Gain on sale of securities	101	3,518
Gains on investment securities	—	262
Rental income from buildings	225	216
Foreign exchange gains	471	283
Share of profit of entities accounted for using equity method	69	—
Other	809	1,966
Total non-operating income	2,441	9,152
Non-operating expenses		
Loss on valuation of investment securities	2,038	—
Interest expenses	3,965	5,512
Share of loss of entities accounted for using equity method	—	21
Commission expenses	687	1,109
Other	1,152	1,313
Total non-operating expenses	7,884	7,957
Ordinary profit	136,927	120,283
Extraordinary income		
Gain on negative goodwill	—	12,766
Gain on sale of share of subsidiaries and associates	—	956
Total extraordinary income	—	13,723
Loss on sale of shares of subsidiaries and associates		
Impairment losses	25	360
Extraordinary losses	25	360
Profit before income taxes	136,901	133,646
Income taxes – current	41,743	34,235
Income taxes – deferred	(3,216)	(568)
Income taxes	38,526	33,667
Profit	98,375	99,979
Profit (loss) attributable to non-controlling interests	6,324	7,058
Profit attributable to owners of parent	92,050	92,921

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Profit	98,375	99,979
Other comprehensive income		
Valuation difference on other securities	76	(190)
Foreign currency translation adjustment	2,931	(3,528)
Share of other comprehensive income of entities accounted for using equity method	6	5
Total other comprehensive income	3,024	(3,712)
Comprehensive income	101,399	96,266
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	95,062	89,214
Comprehensive income attributable to non- controlling interests	6,336	7,052

3) Consolidated Statement of Changes in Equity

I. FY 2023 (October 1, 2022 to September 30, 2023)

1. Information on net sales, profit or loss, and other items by reportable segments

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,070	19,882	286,286	(18)	326,221
Changes in items during period					
Issuance of new shares (Exercise of share acquisition rights)	40	40			80
Dividends of surplus			(16,753)		(16,753)
Profit attributable to owners of parent			92,050		92,050
Purchase of treasury shares				(0)	(0)
Changes in parent's ownership interest due to transactions with non-controlling interests		(155)			(155)
Net changes of items other than shareholders' equity					
Total changes in items during period	40	(114)	75,297	(0)	75,222
Balance at end of period	20,110	19,767	361,583	(18)	401,443

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(34)	11,434	11,399	474	57,606	395,702
Changes in items during period						
Issuance of new shares (Exercise of share acquisition rights)						80
Dividends of surplus						(16,753)
Profit attributable to owners of parent						92,050
Disposal of treasury shares						(0)
Capital increase of consolidated subsidiaries						(155)
Net changes of items other than shareholders' equity	77	2,934	3,011	277	6,202	9,491
Total changes in items during period	77	2,934	3,011	277	6,202	84,714
Balance at end of period	42	14,368	14,411	752	63,808	480,416

FY 2024 (October 1, 2023 to September 30, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,110	19,767	361,583	(18)	401,443
Changes in items during period					
Issuance of new shares (Exercise of share acquisition rights)	38	38			77
Dividends of surplus			(20,955)		(20,955)
Profit attributable to owners of parent			92,921		92,921
Purchase of treasury shares				(19,878)	(19,878)
Changes in parent's ownership interest due to transactions with non-controlling interests			(2)		(2)
Net changes of items other than shareholders' equity		(364)			(364)
Total changes in items during period					
Total changes in items during period	38	(325)	71,963	△19,878	51,799
Balance at end of period	20,149	19,442	433,547	△19,896	453,243

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	42	14,368	14,411	752	63,808	480,416
Changes in items during period						
Issuance of new shares (Exercise of share acquisition rights)						77
Dividends of surplus						(20,955)
Profit attributable to owners of parent						92,921
Disposal of treasury shares						(19,878)
Changes in scope of consolidation						(2)
Capital increase of consolidated subsidiaries						(364)
Net changes of items other than shareholders' equity	(172)	(3,534)	(3,707)	20	7,389	3,703
Total changes in items during period	(172)	(3,534)	(3,707)	20	7,389	55,502
Balance at end of period	(130)	10,834	10,704	773	71,198	535,919

4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	136,901	133,646
Depreciation	1,487	2,256
Share-based payment expenses	498	446
Increase (decrease) in provision for bonuses	(67)	(73)
Increase (decrease) in allowance for doubtful accounts	205	(87)
Increase (decrease) in provision for warranties for completed construction	256	82
Increase (decrease) in retirement benefit liability	7	(324)
Loss (gain) on sales of shares of subsidiaries and associates	—	(956)
Loss (gain) on valuation of investment securities	—	(3,518)
Loss (gain) on securities trading	2,038	(262)
Share of loss (profit) of entities accounted for using equity method	(69)	21
Interest and dividend income	(763)	(2,904)
Foreign exchange losses (gains)	(455)	(681)
Interest expenses	3,965	5,512
Gain on negative goodwill	—	(12,766)
Decrease (increase) in trade receivables	(2,873)	(2,853)
Decrease (increase) in inventories	(85,219)	58,206
Increase (decrease) in trade payables	7,857	(11,006)
Decrease (increase) in operating loans receivable	(6,038)	(15,229)
Increase (decrease) in contract liabilities	(3,475)	(6,192)
Increase (decrease) in guarantee deposits received	864	(1,167)
Increase (decrease) in deposits received	2,401	(7,591)
Decrease (increase) in advance payments to suppliers	(446)	1,247
Increase (decrease) in accrued consumption taxes	824	1,952
Other, net	2,884	5,194
Subtotal	60,783	142,953
Interest and dividends received	763	2,900
Dividends received from entities accounted for using equity method	19	—
Interest paid	(3,932)	(5,555)
Income taxes paid	(40,239)	(35,534)
Net cash provided by (used in) operating activities	17,393	104,764

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Cash flows from investing activities		
Payments into time deposits	(18,527)	4,651
Purchase of property, plant and equipment	(6,381)	(4,842)
Proceeds from sale of property, plant and equipment	8	1,855
Purchase of intangible assets	(340)	(503)
Loan advances	(2,953)	(1,528)
Proceeds from collection of loans receivable	2,181	2,015
Purchase of investment securities	(2,403)	(31,486)
Proceeds from sale and redemption of investment securities	2,317	35,588
Purchase of shares of subsidiaries and associates	(332)	(236)
Proceeds from sale of shares of subsidiaries and associates	40	134
Payments for investments in capital of subsidiaries and associates	(10,537)	(11,787)
Repayment from investment in capital of subsidiaries and affiliates	1,544	3,303
Proceeds from repayment of investments in capital of subsidiaries and affiliates	—	700
Payments of leasehold and guarantee deposits	(5,782)	(694)
Proceeds from refund of leasehold and guarantee deposits	5,602	1,334
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(23,867)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	2,795
Other, net	(12)	(18)
Net cash provided by (used in) investing activities	(35,575)	(22,584)
Cash flows from financing activities		
Proceeds from short-term borrowings	275,724	354,569
Repayments of short-term borrowings	(237,298)	(390,006)
Proceeds from long-term borrowings	207,404	203,346
Repayments of long-term borrowings	(179,414)	(192,728)
Proceeds from Issuance of bonds	—	12,000
Redemption of bonds	(242)	(12,324)
Proceeds from exercise of employee share options	56	53
Purchase of treasury shares	(0)	(19,878)
Repayments to non-controlling shareholders	(0)	(0)
Proceeds from share issuance to non-controlling shareholders	565	527
Dividends paid	(16,753)	(20,955)
Dividends paid to non-controlling interests	(938)	(1,094)
Payments for acquisition of subsidiaries' stock without change in scope of consolidation	—	(2,762)
Net cash provided by (used in) financing activities	49,103	(69,253)
Effect of exchange rate change on cash and cash equivalents	1,641	(744)
Net increase (decrease) in cash and cash equivalents	32,562	12,181
Cash and cash equivalents at beginning of period	346,080	378,643
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	100
Cash and cash equivalents at end of period	378,643	390,924

(Segment and Other Information)

1. Outline of reportable segments

The reportable segments of the Group comprise those business units for which separate financial information is available, and which are subject to a regular review conducted by the Company's Board of Directors in order to determine the allocation of management resources and evaluate their performance.

2. Method for calculating net sales, profit/loss, assets, liabilities, and other items for reportable segments

The accounting policies of reportable segments are generally the same as those described in "Basis of Presenting the Consolidated Financial Statements."

Segment profit is based on operating profit.

Intersegment net sales and transfers are based on market price.

3. Information on net sales, profit or loss, and other items by reportable segment

FY 2023 (From October 1, 2022 to September 30, 2023)

(Millions of yen)

	Reportable Segment						Adjustments (Note 1)	Amounts on the Consolidated Financial Statements (Note 2)
	Single-family homes related	Condominium	Property resale	Others	Pressance Corporation	Total		
Net sales								
Net sales from contracts with customers	542,995	124,689	160,699	83,223	157,538	1,069,146	16	1,069,162
Other income	47,346	—	24,011	4,235	3,727	79,321	—	79,321
Net sales from Outside Customers	590,342	124,689	184,710	87,459	161,265	1,148,467	16	1,148,484
Intersegment net sales and transfers	52	295	308	842	210	1,709	(1,709)	—
Total	590,394	124,984	185,018	88,301	161,476	115,176	(1,692)	1,148,484
Segment profit	63,178	25,139	20,222	8,667	25,791	142,998	(668)	142,330
Other items								
Depreciation	540	105	17	94	544	1,323	184	1,487
Amortization of goodwill	402	—	—	20	—	423	—	423

(Note)

1. Adjustment of ¥ 668 million for segment profit includes intersegment elimination of ¥4,083 million and corporate expenses of ¥ 4,752 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment profit has been adjusted to operating profit described in consolidated statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.

FY 2024 (From October 1, 2023 to September 30, 2024)

(Millions of yen)

	Reportable Segment							Adjustments (Note 1)	Amounts on the Consolidated Financial Statements (Note 2)
	Single-family homes related	Condominium	Property resale	Others	Pressance Corporation	Meldia	Total		
Net sales									
Net sales from contracts with customers	558,313	80,213	187,729	100,687	176,403	125,798	1,229,145	26	1,229,172
Other income	30,740	9,025	8,318	5,144	4,446	9,013	66,689	—	66,689
Net sales from Outside Customers	589,053	89,238	196,048	105,832	180,850	134,811	1,295,835	26	1,295,862
Intersegment net sales and transfers	1,116	56	507	78	—	5,707	7,466	(7,466)	—
Total	590,170	89,294	196,556	105,911	180,850	140,518	1,303,302	(7,439)	1,295,862
Segment profit	49,668	10,664	17,268	11,452	27,466	3,731	120,252	(1,164)	119,088
Other items									
Depreciation	607	111	59	174	594	502	2,049	207	2,256
Amortization of goodwill	402	—	—	20	—	218	642	—	642

(Note)

1. Adjustment of ¥-1,164 million for segment profit includes intersegment elimination of ¥3,042 million and corporate expenses of ¥-4,207 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment profit has been adjusted to operating profit described in consolidated statements of income.
3. Adjustment to depreciation and amortization represents depreciation and amortization related to corporate assets.

Non-Consolidated Financial Statements
1) Non-Consolidated Balance Sheets

(Millions of yen)

	End of FY 2023 (as of September 30, 2023)	End of FY 2024 (as of September 30, 2024)
Assets		
Current assets		
Cash and deposits	101,233	26,518
Trade accounts receivable	3,923	3,679
Prepaid expenses	366	515
Short-term loans receivable from subsidiaries and associates	78,662	210,914
Income taxes refund receivable	10,509	—
Other	978	899
Total current assets	195,674	242,527
Non-current assets		
Property, plant and equipment		
Buildings	855	836
Vehicles	19	17
Tools, furniture and fixtures	161	139
Other	2	1
Total property, plant and equipment	1,038	995
Intangible assets		
Software	141	136
Other	103	5
Total intangible assets	244	142
Investments and other assets		
Investment securities	3,805	3,659
Shares of subsidiaries and associates	101,676	145,216
Investments in capital of subsidiaries and associates	3,035	3,478
Long-term prepaid expenses	22	206
Leasehold and guarantee deposits	2,132	2,132
Deferred tax assets	248	214
Other	25	14
Allowance for doubtful accounts	(1)	(2)
Total investments and other assets	110,944	154,919
Total non-current assets	112,227	156,056
Total assets	307,901	398,584

(Millions of yen)

	End of FY 2023 (as of September 30, 2023)	End of FY 2024 (as of September 30, 2024)
Liabilities		
Current liabilities		
Short-term borrowings	5,000	10,000
Current portion of bonds payable	10,242	121
Current portion of long-term borrowings	9,206	15,234
Accounts payable - other	717	933
Accrued expenses	238	235
Deposits received	88	108
Provision for bonuses	311	333
Income taxes payable	—	63
Other	91	131
Total current liabilities	25,895	27,161
Non-current liabilities		
Bonds payable	121	12,000
Long-term borrowings	125,215	162,861
Total non-current liabilities	125,336	174,861
Total liabilities	151,232	202,022
Net assets		
Shareholders' equity		
Share capital	20,110	20,149
Capital surplus		
Legal capital surplus	19,893	19,932
Capital surplus	19,893	19,932
Retained earnings		
Legal retained earnings	35	35
Other retained earnings		
Reserve for tax purpose reduction to promote Open innovation	375	375
Retained earnings brought forward	115,755	175,171
Total retained earnings	116,166	175,581
Treasury shares	(18)	(19,896)
Total shareholders' equity	156,151	195,767
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14	20
Total valuation and translation adjustments	14	20
Share acquisition rights	503	773
Total net assets	156,669	196,561
Total liabilities and net assets	307,901	398,584

2) Non-Consolidated Statements of Income

(Millions of yen)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Operating revenue	63,635	92,153
Total selling, general and administrative expenses and operating expenses	10,412	11,488
Operating profit	53,222	80,664
Non-operating profit		
Interest income	1,142	1,817
Dividend income	77	88
Guarantee commission received	279	280
Foreign exchange gains	21	—
"Gain on sale of investment securities	101	—
Commission received	—	25
Other	189	464
Total non-operating income	1,811	2,676
Non-operating expenses		
Interest expenses	1,299	2,000
Interest on bonds	97	114
Guarantee commission	174	155
	—	1
Commission expenses	161	568
Other	28	59
Total non-operating expenses	1,761	2,898
Ordinary profit	53,273	80,442
Profit before income taxes	53,273	80,442
Income taxes – current	96	39
Income taxes – deferred	(2)	31
Total income taxes	93	71
Profit	53,179	80,371

3) Non-Consolidated Statements of Changes in Equity

FY 2023 (From October 1, 2022 to September 30, 2023)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
Balance at beginning of period	20,070	19,853	19,853	35	—	79,704	79,739
Changes during period							
Issuance of new shares (Exercise of subscription rights to shares)	40	40	40				
Dividends of surplus						(16,753)	(16,753)
Provision of reserve for tax purpose reduction to promote open innovation					375	(375)	—
Net profit						53,179	53,179
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes during period	40	40	40	—	375	36,051	36,426
Balance at end of period	20,110	19,893	19,893	35	375	115,755	116,166

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(18)	119,645	(47)	(47)	141	119,738
Changes during period						
Issuance of new shares (Exercise of subscription rights to shares)		80				80
Dividends of surplus		(16,753)				(16,753)
Provision of reserve for tax purpose reduction to promote open innovation		—				—
Net profit		53,179				53,179
Purchase of treasury shares	(0)	(0)				(0)
Net changes of items other than shareholders' equity			62	62	361	423
Total changes during period	(0)	36,506	62	62	361	36,930
Balance at end of period	(18)	156,151	14	14	503	156,669

FY 2024 (From October 1, 2023 to September 30, 2024)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
Balance at beginning of period	20,110	19,893	19,893	35	375	115,755	116,166
Changes during period							
Issuance of new shares (Exercise of subscription rights to shares)	38	38	38				
Dividends of surplus						(20,955)	(20,955)
Net profit						80,371	80,371
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes during period	38	38	38	—	—	59,415	59,415
Balance at end of period	20,149	19,932	19,932	35	375	175,171	175,581

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(18)	156,151	14	14	503	156,669
Changes during period						
Issuance of new shares (Exercise of subscription rights to shares)		77				77
Dividends of surplus		(20,955)				(20,955)
Net profit		80,371				80,371
Purchase of treasury shares	(19,878)	(19,878)				(19,878)
Net changes of items other than shareholders' equity			6	6	270	276
Total changes during period	(19,878)	39,615	6	6	270	39,891
Balance at end of period	(19,896)	195,767	20	20	773	196,561