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February 13, 2025

Consolidated Financial Results

for the Fiscal Year Ended December 31, 2024

(Under Japanese GAAP)

Company name: Columbia Works Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 146A
 URL: <https://columbiaworks.jp/>
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 Scheduled date of annual general meeting of shareholders: March 28, 2025
 Scheduled date to commence dividend payments: March 14, 2025
 Scheduled date to file annual securities report: March 31, 2025
 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 December 31, 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	%
Dec 31. 2024	20.981	45.0	3.892	43.2	3.519	47.8	2.238	47.6
Dec 31. 2023	14.469	31.4	2.718	24.1	2.382	28.5	1.516	29.1

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥2,238 million [47.6%]
 For the fiscal year ended December 31, 2023: ¥1,516 million [29.1%]

	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	%	%	%
Dec 31. 2024	691.91	690.84	23.2	8.3	18.5
Dec 31. 2023	606.54	—	23.4	8.1	18.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2024: ¥- million

For the fiscal year ended December 31, 2023: ¥- million

(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
Dec 31. 2024	52,186	12,101	23.1	3,485.84
Dec 31. 2023	32,001	7,140	22.3	2,856.22

Reference: Equity

As of December 31, 2024: ¥12,100 million

As of December 31, 2023: ¥7,140 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
Dec 31. 2024	△14,347	△1,596	17,085	4,243
Dec 31. 2023	△1,778	△1,587	3,434	3,101

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 Dec 31. 2023	—	—	—	91.00	91.00	227	15.0	3.5
Fiscal year ended Dec 31. 2024	—	—	—	115.00	115.00	399	17.8	4.1
Fiscal year ending Dec 31, 2025 (Forecast)	—	—	—	138.00	138.00		17.4	

3. Forecast of consolidated financial results for the full fiscal year ending December 31, 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full Fiscal Year 2025	39,618	88.8	4,729	21.5	4,203	19.4	2,750	22.9

	Basic earnings per share
Full Fiscal Year 2025	792.18 Yen

Note: As we manage our business performance on an annual basis, we have omitted the consolidated earnings forecast for the second quarter (cumulative). Please refer to "1. Consolidated Financial Highlights (4) Forward-Looking Statements" of this document for details.

*** Notes**

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

Newly included: 1 company (A silent partnership operated by RC No. 1 LLC)

(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	3,471,400 shares
As of December 31, 2023	2,500,000 shares

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

As of December 31, 2024	- shares
As of December 31, 2023	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	3,234,586 shares
Fiscal year ended December 31, 2023	2,500,000 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec 31, 2024	20,346	48.2	3,743	67.7	3,426	74.3	2,194	80.5
Dec 31, 2023	13,721	26.1	2,230	0.2	1,965	8.1	1,215	4.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
Dec 31, 2024	678.36	677.31
Dec 31, 2023	486.01	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Dec 31, 2024	42,894	11,810	27.5	3,402.00
Dec 31, 2023	31,305	6,893	22.0	2,757.34

Reference: Equity

As of December 31, 2024: ¥11,809 million

As of December 31, 2023: ¥6,893 million

2. Forecast of financial results for the full fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Fiscal Year	38,969	91.5	4,167	21.6	2,659	21.1	765.97

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

* Proper use of earnings forecasts, and other special matters

(Cautionary Statement with Respect to Forward-Looking Statements)

This report contains forward-looking statements that reflect our plans and expectations based on the information that we currently have and conditions that we deem reasonable. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

(How to obtain the contents of the financial results briefing)

The financial result briefing for analysts is to be held on Friday, February 14, 2025. The recorded video of this briefing will be posted on our website promptly after the meeting. The briefing and its recorded video is in Japanese language only.

Table of Contents

1. Consolidated Financial Highlights	2
(1) Consolidated Operating Results	2
(2) Consolidated Financial Position	2
(3) Consolidated Cash Flows	3
(4) Forward-Looking Statements	3
2. Basic Approach towards Selection of Accounting Standards	4
3. Consolidated Financial Statements and Key Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Consolidated Statement of Comprehensive Income	6
Consolidated Statements of Income	6
Consolidated Statements of Comprehensive Income	7
(3) Consolidated Statement of Changes in Shareholders' Equity	8
(4) Consolidated Statements of Cash Flows	9
(5) Notes to Consolidated Financial Statements	11
Going Concern Assumption	11
Significant Changes in the Scope of Consolidation	11
Segment Information, etc.	11
Per Share Information	12
Significant Subsequent Event	14

1. Consolidated Financial Highlights

(1) Consolidated Operating Results

During the fiscal year ended December 31, 2024 (hereinafter referred to as “This Period”), Japan’s economy showed signs of a moderate recovery with the improvements in the employment and income environments as well as the recovery in inbound demand. On the other hand, the economic outlook remained uncertain due to factors such as ongoing inflation, the continued depreciation of the yen, potential policy shifts in the United States, and the Bank of Japan’s interest rate hike trends.

In the real estate industry, to which our Columbia Works Inc. Group (hereinafter referred to as “Our Group”) belongs, there are concerns about rising construction costs due to soaring construction material prices and rising interest rates due to changes in the Bank of Japan’s monetary policy. However, investment demand for domestic real estate from both domestic and overseas investors is expected to remain robust, driven by increasing rents, particularly in residential properties, the weak yen, and a relatively low-interest-rate environment compared to Europe and the U.S. Under these circumstances, Our Group has focused on developing residential properties, where demand remains strong. In the current fiscal year, Our Group invested 33,757 million yen in real estate for sale, including those sold in This Period.

As a result, the operating results for This Period were as follows: net sales of 20,981 million yen (YOY*: +45.0%), operating profit of 3,892 million yen (YOY: +43.2%), ordinary profit of 3,519 million yen (YOY: +47.8%), and profit attributable to owners of the parent of 2,238 million yen (YOY: +47.6%). All of these figures exceeded the ones announced in the “Notice on the Revision of Earnings and Dividend Forecasts” on November 12, 2024.

This is mainly attributable to 280 million yen in property sales in December 2024, and 80 million yen in rental income from LUMIEC un MINAMIAZABU, owned by a silent partnership operated by RC No. 1 LLC, which was consolidated in October 2024.

Segment information is omitted as Our Group operates in the real estate development business only.

*YOY = Year-on-year changes

(2) Consolidated Financial Position

(Assets)

Total current assets at the end of This Period amounted to 40,764 million yen, an increase of 18,737 million yen compared to the end of the previous fiscal year. This was primarily attributable to an increase of 1,135 million yen in cash and deposits, an increase of 14,354 million yen in real estate for sale, and an increase of 3,075 million yen in real estate for sale in process. Total non-current assets amounted to 11,422 million yen, an increase of 1,448 million yen compared to the end of the previous fiscal year. This is mainly due to an increase of 1,087 million yen in buildings and structures, and an increase of 164 million yen in land.

Consequently, total assets amounted to 52,186 million yen, an increase of 20,185 million yen compared to the end of the previous fiscal year.

(Liabilities)

Total current liabilities at the end of This Period amounted to 9,117 million yen, an increase of 165 million yen compared to the end of the previous fiscal year. This was primarily attributable to a decrease of 995 million yen in short-term borrowings, an increase of 186 million yen in current portion of long-term borrowings, an increase of 352 million yen in account payable, and an increase of 543 million yen in income taxes payable. Total non-current liabilities amounted to 30,967 million yen, an increase of 15,059 million yen compared to the end of the previous fiscal year. This was primarily attributable to an increase of 15,219 million yen in long-term borrowings.

Consequently, total liabilities amounted to 40,085 million yen, an increase of 15,224 million yen compared to the end of the previous fiscal year.

(Net Assets)

Total net assets at the end of This Period amounted to 12,101 million yen, an increase of 4,960 million yen compared to the end of the previous fiscal year. This is due to an increase of 1,476 million yen in capital stock and 1,473 million yen in capital surplus from a public offering and a third-party allotment of new shares in the initial public offering, as well as an increase of 2,010 million yen in

retained earnings from the recording of net profit attributable to owners of the parent.

Consequently, the Equity-to-asset ratio stood at 23.1%. (22.3% at the end of the previous fiscal year)

(3) Consolidated Cash Flows

Cash and cash equivalents (hereinafter referred to as "Net Cash") at the end of This Period were 4,243 million yen, up 1,141 million yen from the end of the previous fiscal year.

The following is the cash flows during This Period and the factors contributing to them.

(Cash flows from operating activities)

Net Cash used in operating activities amounted to 14,347 million yen. This is primarily due to a profit before income taxes of 3,518 million yen, an increase of 14,478 million yen in real estate for sale from property acquisitions and completions, an increase of 3,048 million yen in real estate for sale in process, and income taxes paid of 1,188 million yen.

(Cash flows from investing activities)

Net Cash used in investing activities amounted to 1,596 million yen. This was primarily attributable to purchase of property, plant and equipment of 1,571 million yen associated with the acquisition of rental properties, based on the management policy aimed at maintaining a certain level of revenue stability.

(Cash flows from financing activities)

Net Cash provided by financing activities amounted to 17,085 million yen. This was primarily attributable to proceeds from issuance of shares of 2,929 million yen following our initial public offering on the Tokyo Stock Exchange Standard Market, proceeds of 31,394 million yen from long-term borrowings related to real estate acquisitions and construction funds during development, expenditures of 15,988 million yen from the repayment of long-term borrowings associated with real estate sales, and a net decrease of 995 million yen in short-term borrowings.

(4) Forward-Looking Statements

The outlook for the fiscal year ending December 31, 2025 anticipates that domestic consumption will remain robust due to the increase in inbound tourists and improvements in the employment environment and income levels. However, the continued depreciation of the yen and ongoing inflation are still exerting influence, leading to a projected continuation of uncertainty in the future.

Despite seeing effects such as soaring construction material costs and rising interest rates in the real estate industry, we anticipate that demand for domestic properties will continue to trend steadily, supported by the resulting increase in rental prices. Given this business environment, Our Group will continue to focus on developing residences that enhance quality of life (QOL) tailored to area characteristics, renovating existing buildings to add value-added services, promoting hotel development in anticipation of increased inbound demand, and pursuing business diversification and expansion through M&A.

For the upcoming consolidated fiscal year ending December 31, 2025, we project consolidated results as follows: net sales of 39,618 million yen (YOY: +88.8%), operating income of 4,729 million yen (YOY: +21.5%), ordinary income of 4,203 million yen (YOY: +19.4%), and net profit attributable to parent company shareholders of 2,750 million yen (YOY: +22.9%). The above earnings forecast is based on information available as of the date of this document's publication, and actual results may differ from the projected figures due to various factors in the future.

2. Basic Approach towards Selection of Accounting Standards

Our Group applies Japanese Generally Accepted Accounting Principles (J-GAAP) as our accounting standards to ensure comparability with domestic peers.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2023 (Ending December 31, 2023)	FY2024 (Ending December 31, 2024)
Assets		
Current assets		
Cash and deposits	3,158	4,293
Account receivable	39	53
Real estate for sale	1,729	16,083
Real estate for sale in process	16,204	19,280
Operating investments in capital	470	—
Advance Payments	214	545
Other	210	508
Allowance for doubtful accounts	△0	△0
Total current assets	22,027	40,764
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,442	3,529
Land	6,075	6,240
Construction in Progress	442	488
Other, net	9	75
Total property, plant and equipment	8,969	10,334
Intangible assets	90	213
Investments and other assets		
Investment Securities	20	7
Other	893	866
Investment and Other Assets	913	874
Total non-current assets	9,973	11,422
Total assets	32,001	52,186
Liabilities		
Current liabilities		
Account payable	172	524
Short-term borrowings	3,251	2,255
Current portion of long-term borrowings	4,675	4,862
Current portion of bonds	26	8
Income taxes bonds	499	1,043
Provision for bonuses	14	24
Other	312	398
Total current liabilities	8,952	9,117
Non-current liabilities		
Bonds	16	8
Long-term borrowings	15,296	30,515
Other	595	443
Total non-current liabilities	15,908	30,967
Total liabilities	24,860	40,085
Net assets		
Shareholder's equity		
Share capital	100	1,576
Capital surplus	5	1,478
Retained earnings	7,034	9,045
Total shareholders' equity	7,140	12,100
Share Acquisition Rights	—	0
Total net assets	7,140	12,101
Total liabilities and net assets	32,001	52,186

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

(Millions of yen)

	FY2023 From January 1, 2023 To December 31, 2023	FY2024 From January 1, 2024 To December 31, 2024
Net sales	14,469	20,981
Cost of sales	10,617	15,308
Gross profit	3,851	5,673
Selling, general and administrative expenses	1,132	1,780
Operating profit	2,718	3,892
Non-operating income		
Interest and dividends income	0	0
Surrender Value of Insurance Policies	—	34
Compensation for expropriation	—	15
Subsidy Income	3	2
Electricity Sales Income	4	2
Late Payment Charges	1	—
Profit from Silent Partnership Investments	—	113
Other	2	3
Total non-operating income	11	171
Non-operating expenses		
Interest expenses	291	396
Borrowing costs	37	108
Other	18	40
Non-operating expenses	348	545
Ordinary profit	2,382	3,519
Extraordinary income		
Gain on sale of non-current assets	—	7
Gain on sale of investment securities	—	1
Total extraordinary income	—	8
Extraordinary loss		
Loss on valuation of investment securities	108	9
Total extraordinary loss	108	9
Profit before income taxes	2,274	3,518
Income taxes - current	838	1,336
Income taxes - deferred	△81	△56
Total income taxes	757	1,280
Net profit	1,516	2,238
Profit attributable to owners of parent	1,516	2,238

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2023 From January 1, 2023 To December 31, 2023	FY2024 From January 1, 2024 To December 31, 2024
Net profit	1,516	2,238
Comprehensive income	1,516	2,238
(Comprehensive income attributable to)		
Owners of parent	1,516	2,238
Non-controlling interests	—	—

(3) Consolidated Statement of Changes in Shareholders' Equity
FY2023 (From January 1, 2023 To December 31, 2023)

(Millions of yen)

	Shareholder's equity				Share Acquisition Rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Total		
Beginning balance	100	5	5,692	5,798		5,798
Changes during the period						
Issuance of new shares						-
Issuance of share acquisition rights						-
Issuance of new shares (Exercise of share acquisition rights)						
Dividend distribution			△174	△174		△174
Profit attributable to owners of parent			1,516	1,516		1,516
Net changes in items other than shareholders' equity:				-		-
Total changes during the period	-	-	1,342	1,342		1,342
Ending balance	100	5	7,034	7,140		7,140

FY2024 (From January 1, 2024 To December 31, 2024)

(Millions of yen)

	Shareholder's equity				Share Acquisition Rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Total		
Beginning balance	100	5	7,034	7,140		7,140
Changes during the period						
Issuance of new shares	1,473	1,473		2,946		2,946
Issuance of share acquisition rights					0	0
Issuance of new shares (Exercise of share acquisition rights)	3			3		3
Dividend distribution			△227	△227		△227
Profit attributable to owners of parent			2,238	2,238		2,238
Net changes in items other than shareholders' equity:						-
Total changes during the period	1,476	1,473	2,010	4,960	0	4,960
Ending balance	1,576	1,478	9,045	12,100	0	12,101

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2023 From January 1, 2023 To December 31, 2023	FY2024 From January 1, 2024 To December 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,274	3,518
Loss (gain) on sale of non-current assets	—	△7
Depreciation	220	320
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	1	10
Interest and dividend income	△0	△0
Subsidy Income	△3	△2
Electricity Sales Income	△4	△2
Late Payment Charges	△1	—
Surrender Value of Insurance Policies	—	△34
Compensation for expropriation	—	△15
Interest expenses	291	396
Loss (gain) on sale of investment securities	—	△1
Loss (gain) on valuation of investment securities	108	9
Decrease (increase) in account receivable	△19	△13
Decrease (increase) in real estate for sale	△2,589	△14,478
Decrease (increase) in real estate for sale in process	△625	△3,084
Decrease (increase) in operating investments in capital	△210	470
Increase (decrease) in account payable	34	352
Decrease (increase) in advance payments	△159	△331
Other	29	59
Subtotal	△654	△12,832
Subsidies received	3	2
Proceeds from Electricity Sales Income	4	2
Proceeds from late payment charges	1	—
Interest and dividends received	0	0
Interest paid	△292	△381
Income taxes refund (paid)	△840	△1,188
Proceeds from surrender value of insurance policies	—	34
Proceeds from compensation for expropriation	—	15
Cash flows from operating activities	△1,778	△14,347
Cash flows from investing activities		
Payments into time deposits	△19	△11
Proceeds from withdrawal of time deposits	4	17
Proceeds from redemption of securities	—	4
Purchase of property, plant and equipment	△1,136	△1,571
Proceeds from sale of property, plant and equipment	—	20
Purchase of intangible assets	△1	△128
Payments for investments in capital	△197	—
Proceeds from divestments	—	64
Payments of leasehold and guarantee deposits	△220	△224
Proceeds from refund of leasehold and guarantee deposits	—	221
Other	△17	12
Cash flows from investing activities	△1,587	△1,596

(Millions of yen)

	FY2023 From January 1, 2023 To December 31, 2023	FY2024 From January 1, 2024 To December 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	620	△995
Proceeds from long-term borrowings	12,054	31,394
Repayments of long-term debt	△9,019	△15,988
Proceeds from issuance of shares	—	2,929
Redemption of bonds	△46	△26
Dividends paid	△174	△227
Proceeds from issuance of share acquisition rights	—	0
Cash flows from financing activities	3,434	17,085
Net increase (decrease) in cash and cash equivalents	68	1,141
Cash and cash equivalents at beginning of period	3,033	3,101
Ending balance of cash and cash equivalents	3,101	4,243

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Subsidiaries During the Period

During This Period, we have expanded our consolidation scope to include a silent partnership operated by RC No. 1 LLC, following our new investment.
Segment Information, etc.

[Segment Information]

I. FY2023 (From January 1, 2023 To December 31, 2023)

Segment information is omitted as Our Group operates in the real estate development business only.

II. FY2024 (From January 1, 2024 To December 31, 2024)

Segment information is omitted as Our Group operates in the real estate development business only.

Per Share Information

	FY2023 From January 1, 2023 To December 31, 2023	FY2024 From January 1, 2024 To December 31, 2024
Net Asset Value per Share (NAVPS)	2,856.22 yen	3,485.84 yen
Basic earnings per share	606.54 yen	691.91 yen
Diluted earnings per share	—	690.84 yen

Notes:

1. The diluted EPS for the preceding consolidated fiscal year is omitted since there were no outstanding dilutive potential shares.
2. As our shares were listed on the Tokyo Stock Exchange Standard Market on March 27, 2024, the diluted earnings per share for This Period is calculated by regarding the average stock price from the listing date to the end of this consolidated fiscal year as the average stock price during This Period.
3. The basis for calculating earnings per share and diluted earnings per share is as follows:

	FY2023 From January 1, 2023 To December 31, 2023	FY2024 From January 1, 2024 To December 31, 2024
Basic earnings per share		
Basis of Calculation		
Profit attributable to owners of parent (Millions of yen)	1,516	2,238
Amounts not attributable to owners of common shares (Millions of yen)	—	—
Net profit attributable to owners of common shares of the parent company (Millions of yen)	1,516	2,238
Average number of shares outstanding during This Period (shares)	2,500,000	3,234,586
Diluted earnings per share		
Basis of Calculation		
Profit attributable to owners of parent	—	—
Increase in Common Shares (shares)	—	4,997
of which, share acquisition rights (shares)	—	(4,997)
Summary of Potential Shares Not Included in the Calculation of Diluted Earnings Per Share Due to Their Anti-dilutive Effect	—	Share Acquisition Rights Number of Share Acquisition Rights: 58 rights Common stock: 5,800 shares

4. The basis for calculating net asset value per share (NAVPS) is as follows:

	FY2023 (Ending December 31, 2023)	FY2024 (Ending December 31, 2024)
Total Net Assets (Millions of yen)	7,140	12,101
Amounts to be deducted from net assets (Millions of yen)	—	0
Net assets attributable to common stock at the end of This Period (Millions of yen)	7,140	12,100
Number of common shares outstanding at the end of the period used in the calculation of net asset value per share (share)	2,500,000	3,471,400

Significant Subsequent Event

On January 21, 2025, our Board of Directors resolved to acquire all shares of ACS Holdings. inc (hereinafter referred to as "ACS") and make it a wholly owned subsidiary. On the same day, we entered into a share transfer agreement with Mr. Tetsuyoshi Kanda, the chief executive officer of ACS. As a result of this share acquisition, Thanks Okinawa Co., Ltd. (hereafter "Thanks Okinawa"), a fully owned subsidiary of ACS, will become our grandchild company.

(1) Summary of Business Combination

a. Name and Business Description of the Acquired Company Subsidiary

Name of Acquired Company: ACS Holdings. inc

Business Description: Planning, sales, and sales agency of newly built condominiums and detached houses; land, buildings, new construction, pre-owned properties, investment properties, military land, and general real estate purchasing and brokerage

(Grandchild Company)

Name of Acquired Company: Thanks Okinawa Co., Ltd.

Business Description: Planning, sales, and sales agency of newly built condominiums and detached houses; land, buildings, new construction, pre-owned properties, investment properties, military land, and general real estate purchasing and brokerage

b. Rationale for the Business Combination

ACS is a holding company with Thanks Okinawa, a real estate developer headquartered in Naha City, Okinawa Prefecture, as a wholly owned subsidiary. We will acquire all shares of ACS for the purpose of making Thanks Okinawa a wholly owned subsidiary.

Thanks Okinawa operates extensively in real estate, primarily developing and selling its branded condominiums, "Alleyre," and new homes, the "Orihana Series," alongside developing and managing rental housing for international residents, and providing real estate brokerage services.

Moreover, with 15 years of experience since its founding in 2009, Thanks Okinawa has developed significant expertise in procurement, planning, and sales, and has established robust relationships with local designers, builders, and other collaborators. Considering these factors will help us to grow our business operations in Okinawa, we decided to acquire all of ACS' s stock, making Thanks Okinawa a full subsidiary.

c. Business Combination Date

Planned Share Acquisition Date: February 28, 2025

d. Legal Form of Business Combination

Share Acquisition for Cash Consideration

e. Name of the Post-Combination Company

No change

f. Percentage of Voting Rights Acquired

100%

(2) Acquisition Cost of the Acquired Company and Breakdown by Type of Consideration

Not finalized at the moment

(3) Details and Amounts of Major Acquisition-Related Expenses

Not finalized at the moment

(4) Amount of Goodwill Arising, Reasons for Occurrence, Amortization Method, and Amortization Period

Not finalized at the moment

(5) Amounts of Assets Accepted and Liabilities Assumed on the Business Combination Date, and Their Major Breakdown
Not finalized at the moment