

Summary of Consolidated Financial Results for the Full-Term of the Fiscal Year ended June 30, 2024 (FY06/2024) [Japanese GAAP]

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 Stock exchange listing: Tokyo
 Stock code: 3300 URL: <https://www.ambition.jp/>
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Scheduled date of ordinary general meeting of shareholders: September 26, 2024
 Scheduled date to file Securities Report: September 27, 2024
 Scheduled date to commence dividend payments: September 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional/private investors and analysts)

(Amounts less than one mil. yen are rounded down)

1. Consolidated financial results of FY06/2024 (July 1, 2023 – June 30, 2024)**(1) Consolidated operating results**

(Percentages indicate year-on-year changes)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss) attributable to owners of parent	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
FY06/2024	42,065	16.1	2,726	70.0	2,507	69.1	1,638	70.4
FY06/2023	36,239	14.7	1,603	7.0	1,482	9.4	961	16.4

(Note) Comprehensive profit FY06/2024: 1,648 mil. yen [74.5%]
 FY06/2023: 944 mil. yen [207.2%]

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to total assets ratio
	yen	yen	%	%	%
FY06/2024	238.28	226.98	30.6	10.6	6.5
FY06/2023	141.22	138.86	23.1	7.9	4.4

(Reference) Share of loss of entities accounted for using equity method FY2024: 3 mil. yen
 FY2023: – mil. yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	mil. yen	mil. yen	%	yen
FY06/2024	26,892	6,150	22.8	881.93
FY06/2023	20,516	4,600	22.3	667.24

(Reference) Shareholders equity FY06/2024: 6,131 mil. yen
 FY06/2023: 4,584 mil. yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	mil. yen	mil. yen	mil. yen	mil. yen
FY06/2024	(977)	(3,399)	3,993	5,188
FY06/2023	2,282	(4,271)	2,410	5,571

2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	yen	yen	yen	yen	yen	mil. yen	%	%
FY06/2023	—	0.00	—	22.00	22.00	151	15.6	3.6
FY06/2024	—	0.00	—	37.00	37.00	257	15.5	4.8
FY06/2025 (forecasts)	—	0.00	—	105.00	105.00		31.7	

(Note) Annual dividend for FY06/2025 (forecast) consists of ordinary dividend of 55.00 yen and commemorative dividend of 50.00 yen.

3. Consolidated performance forecasts for FY06/2025 (July 1, 2024 – June 30, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss) attributable to owners of parent		Net profit (loss) per share
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%	yen
Full-term	53,294	26.7	3,526	29.4	3,101	23.7	2,279	39.1	327.86

***Notes**

- (1) Changes in significant subsidiaries during the current quarter consolidated cumulative period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- ① Changes in accounting policies due to revisions to accounting standards and other regulations: No
- ② Changes in accounting policies due to other reasons: No
- ③ Changes in accounting estimates: No
- ④ Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

- ① Total number of issued shares at the end of the period (including treasury stock)

FY06/2024:	6,952,200 shares	FY06/2023:	6,871,000 shares
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- ② Number of treasury stock at the end of the period

FY06/2024:	93 shares	FY06/2023:	93 shares
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- ③ Average number of shares during the period

FY06/2024:	6,874,875 shares	FY06/2023:	6,807,655 shares
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(Reference) Non-consolidated financial results

1. Non-consolidated financial results of FY06/2024 (July 1, 2023 – June 30, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Net profit	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
FY06/2024	30,486	25.6	1,623	154.9	1,784	64.2	1,297	49.9
FY06/2023	24,272	16.9	636	263.2	1,086	474.4	865	437.7

	Earnings per share		Diluted earnings per share	
	yen		yen	
FY06/2024	188.75		179.80	
FY06/2023	127.18		125.06	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	mil. yen		mil. yen		%		yen	
FY06/2024	13,355		4,136		31.0		594.63	
FY06/2023	11,343		2,937		25.9		427.09	

(Reference) Shareholders equity FY06/2024: 4,133 mil. yen
FY06/2023: 2,934 mil. yen

<Reasons for the differences in non-consolidated financial results between the current and previous FYs>

Major reasons for the year-on-year difference in Net sales are increase in properties under management and rise in average unit price of properties for sale/purchase. Major reasons for the difference in Operating profit include lowered cost for offering, and rise in profit rate of sales/purchase of properties. Major reasons for the differences in Ordinary profit and in Net profit are increase in Operating profit and decrease in dividend from subsidiaries.

* Summary of financial results is not included in audit by a certified public accountant or an auditing firm.

* Explanation regarding appropriate use of the earnings forecast and other special notes

1. Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered to be reasonable, and therefore actual business performance and other elements may differ substantially due to various factors. For preconditions for performance forecasts and other matters, please see the appendix, page 5, "1. Overall Operating Results, etc., (4) Forecasts for the future".

2. Briefing for institutional investors will be held on August 28, 2024 (Wed.).

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1. Overall Operating Results, etc.

(1) Overall operating results of the current period

Operating results of the current term

Business environment around the Group has presented some recovery trends in personal spending and employment situations, thus maintaining moderate upward momentum. On the other hand, we are still in unpredictable situations against the backgrounds of, for example, fluctuating financial/capital markets, energy prices remaining at high levels, and price escalation caused by steep price rise of raw materials.

In such a business environment, the Group has set its vision as “To reform real estate business through DX and become a sole real estate digital platformer which fuses digital and real world together”, and promotes its policies of “Business reform by promoting DX”, “Efforts to discrete business expansion such as promoting M&A” and “Industry reform by development/sales of novel real estate DX products”.

During the current consolidated FY, our principal Leasing DX Property Management Business segment has worked on increasing the number of houses under its management and at the same time made use of the next-generation management system named “AMBITION Cloud” that helped higher productivity in the process of receiving property management contract through to gathering information about rooms where residents thereof are going to vacate, and in addition, our leasing abilities greatly improved. All of these factors contributed to achieving record-high Net sales and Operating profit. Leasing DX Leasing Brokerage Business segment could achieve higher Net sales by taking DX measures and increasing personnel in preparation for peak season. However, investment in such as human resources and opening new shops (increase by 3 YoY) resulted in lower Operating profit. Sales/Purchase DX Investment Business segment successfully completed handing over of newly-built condominiums and made progress as assumed in its plan for the current consolidated FY. Sales/Purchase DX Investment Business segment successfully completed handing over of newly-built condominiums and made progress as assumed in its plan for the current consolidated FY. As part of our efforts for DX that is our new driver for growth, we will promote further development of the application for residents called “AMBITION Me”, which would realize improvement in both satisfaction and engagement of residents, and also realize maximization of their LTV (Life Time Value). In addition, implementation of M&A and alliance is under consideration proactively.

Consequently financial results of the current consolidated FY were as follows: Net sales: 42,065,394 thousand yen (increase by 16.1% [5,826,103 thousand yen] YoY); Operating profit: 2,726,317 thousand yen (increase by 70.0% [1,122,784 thousand yen] YoY); Ordinary profit: 2,507,688 thousand yen (increase by 69.1% [1,025,139 thousand yen] YoY); and Net profit attributable to owners of parent: 1,638,128 thousand yen (increase by 70.4% [676,785 thousand yen] YoY).

Operating results of individual business segments are as follows.

(Leasing DX Property Management Business)

This business segment is the Group’s principal one which undertakes mainly subleasing of residential real estates, and has its basic policies as to increase number of houses under its management and to maintain high occupancy rates. AMBITION Cloud” transforms every operation for real estate leasing management to a digitalized one, and realizes much higher operational efficiency and improved productivity.

During the current consolidated FY, number of houses under its management smoothly increased to 25,224 (increase by 253 YoY), as well as 14,300 subleased houses (increase by 387 YoY). Overall occupancy rate of subleased houses as of the end of the current consolidated FY was 98.5% (which had been 98.2% as of the end of the previous FY). DX measures have led to substantial increase in both Net sales and Profit rate.

These operations resulted in Net sales of 20,232,459 thousand yen (increase by 5.6% [1,075,805 thousand yen] YoY), and Segment profit (Operating profit) of 1,954,420 thousand yen (increase by 33.3% [488,408 thousand yen] YoY).

(Leasing DX Leasing Brokerage Business)

This business segment undertakes brokerage business for leased properties, mainly those managed by the Company. AMBITION AGENCY Co., Ltd. (which operates “ROOMPIA”) and AMBITION VALOR Co., Ltd. (which operates “VALOR”), both of which are subsidiaries, run 18 shops in total including 9 in Tokyo, 8 in Kanagawa Pref. and 1 in Saitama Pref. High leasing ability of this segment contributes to the high occupancy rates maintained by the principal Property Management Business segment.

During the current consolidated FY, by making use of an AIxRPA tool named “RAC·TECH”, this segment has worked on improvement in operational efficiency which would lead to increase in contracts. In addition, not only measures for attracting guests such as those via WEB by strengthened advertising strategies and remote customer services / VR preview, but also reinforcement of electronic contract package integrated with an electronic signature system called “AMBITION Sign” which utilizes blockchain (distributed ledger) technologies, have realized improvement in our customers’ satisfaction in finding rooms. These measures and increased personnel in preparation for peak season, as well as successful human resources development led to higher Net sales, but Operating profit of this segment decreased due to expenses for such as human resources and opening new shops (increase by 3 YoY).

These operations resulted in Net sales of 920,346 thousand yen (increase by 6.3% [54,946 thousand yen] YoY), and Segment profit (Operating profit) of 13,619 thousand yen (decrease by 52.8% [15,211 thousand yen] YoY).

(Sales/Purchase DX Investment Business)

This business segment is, with its strength of “Good location (Tokyo premium area) by Good design (fashionable designers)”, in collaboration with VERITAS INVESTMENT Co., Ltd., a subsidiary of the Company, which develops its business around selling self-developed studio apartments offered for investment in new building, and by means of its ability to purchase properties from diverse routes, undertaken by Investment Division of the Company which develops its business around selling renovated condominium apartments with emphasis on location. During the current consolidated FY, VERITAS and our Investment Division sold 242 properties (decrease by 36 YoY) and 109 properties (increase by 4 YoY), respectively.

These operations resulted in Net sales of 19,627,613 thousand yen (increase by 26.2% [4,069,326 thousand yen] YoY), and Segment profit (Operating profit) of 2,709,038 thousand yen (increase by 45.6% [848,903 thousand yen] YoY).

(Incubation Business)

In this business segment, investment in venture companies which carry out businesses highly compatible with those of the Group, capital tie-up, and support for invested companies and other operations, are undertaken by AMBITION VENTURES Co., Ltd. which is a subsidiary.

During the current consolidated FY, this segment has newly invested in four companies, which means cumulative investment in 31 venture companies.

These operations resulted in Net sales of 154,500 thousand yen (increase by 143.5% [91,063 thousand yen] YoY), and Segment profit (Operating profit) of 32,740 thousand yen (increase by 172.3% [20,715 thousand yen] YoY).

(Other Business)

Other Business segment consists collectively of Real Estate DX Business (including an overseas subsidiary for system development), Small Amount Short-term Insurance Business, and ZEH/Utilities Business. For the Real Estate DX Business subsegment, the next-generation leasing management system “AMBITION Cloud” has been developed by our overseas subsidiary, AMBITION VIETNAM Co., Ltd., and thus DX for our internal operations is pursued on a priority basis.

Through DX by the Leasing DX Property Management Business segment, adoption of “AMBITION Cloud” realized substantial improvement in operational efficiency and productivity of a variety of systems for real estate leasing management operations, such as contract progress management, repair management, and offering management.

Meanwhile, DX for the Leasing DX Business segment realized packaging of electronic contracts, through integration with IT-enabled explanation of important matters and “AMBITION Sign” (our unique electronic signature system utilizing blockchain technologies).

Moreover, our original DX application “AMBITION Me” for residents provides various services in connection starting from move-in, through contract renewal to eventual vacation, and further, during the current consolidated FY, online healthcare services, useful services for living, and FAQ services incorporating ChatGPT also started.

Application for finding rooms called “Room concierge”, the Group’s first BtoC matching service, has continuously acquired increasing number of registered users which is currently 49,000.

Small Amount Short-term Insurance Business has continued to obtain new contracts smoothly during the current consolidated FY, along with playing a role in facilitating DX in the Group by using the “MONOLITH” system developed by a subsidiary, in which the whole process from application through to payment can be completed on a paperless basis.

ZEH/Utilities Business is undertaken by DRAFT Inc. (a subsidiary), which manages ZEH (Net Zero Energy House) business activities for sales of electricity-generating/energy-saving facilities such as storage batteries, photovoltaics and exterior painting, as well as agency operations for opening/switching services of utilities operators and also sales of water-servers.

Synergies with the Leasing DX Business have been brought about as well, such as providing services also to residents of properties under our management and customers of our Leasing Brokerage Business.

These operations resulted in Net sales of 1,130,473 thousand yen (increase by 89.8% [534,961 thousand yen] YoY) and Segment loss (Operating loss) of 28,283 thousand yen (which was 93,245 thousand yen in the previous FY).

(2) Overall financial position of the current period*(Assets)*

Total assets at the end of the current consolidated FY was 26,892,679 thousand yen, i.e. increase by 6,376,092 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Real estate for sale by 6,473,779 thousand yen, in Buildings and structures by 295,733 thousand yen, and in Land by 290,895 thousand yen on one hand, whereas decrease in Real estate for sale in process by 665,739 thousand yen, in Cash and deposits by 383,288 thousand yen, and in Goodwill by 175,246 thousand yen on the other.

(Liabilities)

Total liabilities at the end of the current consolidated FY was 20,741,919 thousand yen i.e. increase by 4,826,276 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Long-term loans payable by 5,010,164 thousand yen, in Short-term loans payable by 837,750 thousand yen, and in Income taxes payable by 340,555 thousand yen on one hand, whereas decrease in Current portion of long-term loans payable by 1,631,413 thousand yen, in Operating accounts payable by 187,797 thousand yen, and in Current portion of bonds by 92,000 thousand yen on the other.

(Net assets)

Total net assets at the end of the current consolidated FY was , 6,150,759 thousand yen, i.e. increase by 1,549,816 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Retained earnings by 1,486,968 mil. yen.

(3) Overall cash flows of the current period

Balance of cash and cash equivalents at the end of the current consolidated FY was 5,188,341 thousand yen, i.e. decrease by 383,288 thousand yen as compared to the end of the previous consolidated FY.

Cash flow status for each activity category and main factors thereof are as follows.

(Cash flows from operating activities)

Net cash used in operating activities during the current consolidated FY was 977,432 thousand yen (whereas 2,282,925 thousand yen had been provided in the previous consolidated FY). This is mainly due to recording Net profit before income taxes and minority interests of 2,438,704 thousand yen, Proceeds from increase in real estate for sale in progress of 665,739 thousand yen, and Expense for purchasing real estate for sale of 4,385,029 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities during the current consolidated FY was 3,399,931 thousand yen (in comparison, 4,271,162 thousand yen had been used during the previous consolidated FY). This is mainly due to Purchase of property, plant and equipment of 3,160,846 thousand yen.

(Cash flows from financing activities)

Net cash provided by financing activities during the current consolidated FY was 3,993,078 thousand yen (which had been 2,410,196 thousand yen in the previous consolidated FY). This is mainly due to Proceeds from long-term loans payable of 8,402,840 thousand yen, and Repayments of long-term loans payable of 5,024,089 thousand yen.

(4) Forecasts for the future

The Group intends to promote digital transformation (DX), build up DX platform for real estate industry as a pioneer, and evolve to a leading company in this industry.

The principal Leasing DX Property Management Business segment believes it can realize exponential improvement in operational efficiency, and will capture changes in business environment after the end of the COVID-19 pandemic ahead of others and reinforce its structure for DX promotion. Leasing DX Leasing Brokerage Business segment not only promotes non-face-to-face services such as remote customer services, VR preview and electronic contract, but also supports customers far away. In addition, Sales/Purchase DX Investment Business segment will try to embrace demands while avoiding risks as much as possible by properly facilitating information screening.

At the same time, Real Estate DX Business subsegment will put its efforts to maximizing customer acquisition while continuously carrying out timely up-front investment for growing up, such as strengthening sales personnel and reinforcing advertisement.

Consolidated performance forecasts for the next term (FY06/2025) are as follows: Net sales: 53,294,458 thousand yen (increase by 26.7% YoY); Operating profit: 3,526,565 thousand yen (increase by 29.4% YoY); Ordinary profit: 3,101,172 thousand yen (increase by 23.7% YoY); and Net profit attributable to owners of parent: 2,279,319 thousand yen (increase by 39.1% YoY). Also, annual dividend per share is expected to be 105.00 yen (ordinary dividend of 55.00 yen plus commemorative dividend of 50.00 yen), i.e. increase by 68.00 yen from 37.00 yen for the previous term (FY06/2024).

2. Basic Idea for the Selection of Accounting Standards

Since many of the Group's stakeholders such as its shareholders, creditors and business partners reside in Japan and therefore there is little need for funding from overseas, the Group employs Japanese accounting standards.

3. Consolidated Financial Statements and Principal Notes**(1) Consolidated Balance Sheets**

	Previous consolidated FY (June 30, 2023)	Current consolidated FY (June 30, 2024)
(thousand yen)		
Assets		
Current assets		
Cash and deposits	5,639,629	5,256,341
Operating accounts receivable	318,538	370,521
Real estate for sale	2,817,537	9,291,316
Real estate for sale in process	5,322,704	4,656,964
Supplies	9,752	11,827
Operational investment securities	240,225	232,764
Others	582,084	882,027
Allowance for doubtful accounts	(28,375)	(47,673)
Total current assets	14,902,096	20,654,089
Non-current assets		
Property, plant and equipment		
Buildings and structures	891,079	1,186,812
Land	2,545,044	2,835,939
Construction in progress	—	5,141
Others	27,868	53,737
Total property, plant and equipment	3,463,992	4,081,631
Intangible assets		
Goodwill	908,869	733,623
Others	194,351	230,542
Total intangible assets	1,103,221	964,165
Investments and other assets		
Investment securities	97,412	18,103
Guarantee deposits	150,595	210,121
Deferred tax assets	279,694	381,535
Others	538,795	626,649
Allowance for doubtful accounts	(21,498)	(44,470)
Total investment and other assets	1,045,000	1,191,939
Total non-current assets	5,612,214	6,237,737
Deferred assets		
Bond issuance cost	2,276	852
Total deferred assets	2,276	852
Total assets	20,516,587	26,892,679

(thousand yen)

	Previous consolidated FY (June 30, 2023)	Current consolidated FY (June 30, 2024)
Liabilities		
Current liabilities		
Operating accounts payable	443,093	255,296
Short-term loans payable	2,200,250	3,038,000
Current portion of long-term loans payable	3,058,988	1,427,574
Current portion of bonds	125,400	33,400
Accounts payable - other	137,740	174,810
Accrued expenses	332,027	285,469
Income taxes payable	335,729	676,285
Consumption taxes payable	26,277	159,708
Advances received	1,476,692	1,693,424
Operating deposits received	230,239	254,033
Provision for bonuses	2,000	188,624
Others	153,314	157,794
Total current liabilities	8,521,753	8,344,421
Non-current liabilities		
Bonds payable	49,900	16,500
Long-term loans payable	6,553,908	11,564,073
Long-term guarantee deposits	719,559	742,641
Deferred tax liabilities	—	7,567
Others	70,520	66,715
Total non-current liabilities	7,393,889	12,397,497
Total liabilities	15,915,643	20,741,919
Net assets		
Shareholders' equity		
Capital stock	401,508	427,999
Capital surplus	483,957	510,448
Retained earnings	3,691,252	5,178,221
Treasury stock	(99)	(99)
Total shareholders' equity	4,576,619	6,116,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,263	13,070
Foreign currency translation adjustment	631	1,629
Total accumulated other comprehensive income	7,895	14,700
Subscription rights to shares	2,928	2,882
Non-controlling interests	13,500	16,606
Total net assets	4,600,943	6,150,759
Total liabilities and net assets	20,516,587	26,892,679

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

(Consolidated Statements of Income)

(thousand yen)

	Previous consolidated FY (Jul. 1, 2022 – Jun. 30, 2023)	Current consolidated FY (Jul. 1, 2023 – Jun. 30, 2024)
Net sales	36,239,291	42,065,394
Cost of sales	29,643,955	33,601,173
Gross profit	6,595,336	8,464,220
SG&A expenses	4,991,802	5,737,902
Operating profit (loss)	1,603,533	2,726,317
Non-operating profit (loss)		
Interest income	59	60
Dividend income	93	94
Share of profit of entities accounted for using equity method	—	3,376
Brokerage income	1	1
Gain on investments in partnership	19,147	5,596
Subsidy income	33,072	933
Miscellaneous income	7,761	12,856
Total non-operating profit	60,137	22,919
Non-operating expenses		
Interest expenses	130,036	173,377
Amortization of bond issuance cost	1,699	1,423
Foreign exchange losses	1,942	2,996
Commission fee	45,240	59,625
Miscellaneous loss	2,203	4,125
Total non-operating expenses	181,122	241,548
Ordinary profit (loss)	1,482,549	2,507,688
Extraordinary profit		
Gain on step acquisitions	—	15,223
Gain on sales of non-current assets	—	2,070
Gain on sales of investment securities	3,738	—
Total extraordinary profit	3,738	17,294
Extraordinary losses		
Loss on retirement of non-current assets	6	3,097
Impairment loss	4,739	12,048
Office transfer expenses	—	24,990
Loss on closing of stores	—	3,142
Compensation for damage	—	43,000
Total extraordinary losses	4,745	86,278
Net profit (loss) before income taxes and minority interests	1,481,542	2,438,704
Income taxes	547,940	905,749
Income taxes - deferred	(30,342)	(108,280)
Total income taxes	517,598	797,469
Net profit (loss)	963,944	1,641,234
Net profit (loss) attributable to non-controlling shareholders	2,601	3,105
Net profit (loss) attributable to owners of parent	961,343	1,638,128

(Consolidated Statements of Comprehensive Income)

(Thousand yen)

	Previous consolidated FY (Jul. 1, 2022 – Jun. 30, 2023)	Current consolidated FY (Jul. 1, 2023 – Jun. 30, 2024)
Net profit (loss)	963,944	1,641,234
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(20,147)	5,807
Foreign currency translation adjustment	731	997
Total other comprehensive income (loss)	(19,416)	6,804
Comprehensive income (loss)	944,528	1,648,039
(detail)		
Comprehensive income (loss) attributable to owners of parent	941,927	1,644,933
Comprehensive income (loss) attributable to non-controlling interests	2,601	3,105

(3) Consolidated Statements of Changes in Equity

Previous consolidated FY (July 1, 2022 – June 30, 2023)

(thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	379,780	464,229	2,859,192	(57)	3,703,143
Changes of items during the period					
Issuance of new shares	21,728	21,728			43,456
Dividends of surplus			(129,282)		(129,282)
Profit attributable to owners of parent			961,343		961,343
Purchase of treasury stock				(41)	(41)
Purchase of shares of consolidated subsidiaries		(2,000)			(2,000)
Net changes of items other than shareholders' equity					
Total changes of items during the period	21,728	19,728	832,060	(41)	873,475
Balance at the end of the period	401,508	483,957	3,691,252	(99)	4,576,619

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the period	27,410	(99)	27,311	2,961	10,899	3,744,316
Changes of items during the period						
Issuance of new shares						43,456
Dividends of surplus						(129,282)
Profit attributable to owners of parent						961,343
Purchase of treasury stock						(41)
Purchase of shares of consolidated subsidiaries						(2,000)
Net changes of items other than shareholders' equity	(20,147)	731	(19,416)	(33)	2,601	(16,848)
Total changes of items during the period	(20,147)	731	(19,416)	(33)	2,601	856,627
Balance at the end of the period	7,263	631	7,895	2,928	13,500	4,600,943

Current consolidated FY (July 1, 2023 – June 30, 2024)

(thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	401,508	483,957	3,691,252	(99)	4,576,619
Changes of items during the period					
Issuance of new shares	26,491	26,491			52,983
Dividends of surplus			(151,159)		(151,159)
Profit attributable to owners of parent			1,638,128		1,638,128
Purchase of treasury stock					—
Purchase of shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	26,491	26,491	1,486,968	—	1,539,951
Balance at the end of the period	427,999	510,448	5,178,221	(99)	6,116,571

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the period	7,263	631	7,895	2,928	13,500	4,600,943
Changes of items during the period						
Issuance of new shares						52,983
Dividends of surplus						(151,159)
Profit attributable to owners of parent						1,638,128
Purchase of treasury stock						—
Purchase of shares of consolidated subsidiaries						—
Net changes of items other than shareholders' equity	5,807	997	6,804	(46)	3,105	9,864
Total changes of items during the period	5,807	997	6,804	(46)	3,105	1,549,816
Balance at the end of the period	13,070	1,629	14,700	2,882	16,606	6,150,759

(4) Consolidated Cash Flow Statements

	(thousand yen)	
	Previous consolidated FY (Jul. 1, 2022 – Jun. 30, 2023)	Current consolidated FY (Jul. 1, 2023 – Jun. 30, 2024)
Cash flows from operating activities		
Net profit (loss) before income taxes and minority interests	1,481,542	2,438,704
Depreciation	151,904	204,938
Amortization of goodwill	146,180	198,518
Impairment loss	4,739	12,048
Loss (gain) on sales of investment securities	(3,738)	–
Loss (gain) on investments in investment partnerships	(19,147)	(5,596)
Decrease (increase) in operational investment securities	(42,312)	34,188
Share of loss (profit) of entities accounted for using equity method	–	(3,376)
Loss (gain) on step acquisitions	–	(15,223)
Increase (decrease) in allowance for doubtful accounts	12,026	42,261
Increase (decrease) in provision for bonuses	(5)	186,624
Increase (decrease) in ordinary underwriting reserve	23,667	11,093
Interest and dividends income	(153)	(155)
Compensation for damage	–	43,000
Amortization of bond issuance cost	1,699	1,423
Interest expenses	130,036	173,377
Loss (gain) on sale of non-current assets	–	(2,070)
Loss on retirement of non-current assets	6	3,097
Office transfer expenses	–	24,990
Loss on closing of stores	–	3,142
Decrease (increase) in notes and accounts receivable - trade	3,442	(70,949)
Decrease (increase) in inventories	(9,986)	(6,342)
Decrease (increase) in real estate for sale	1,316,963	(4,385,029)
Decrease (increase) in real estate for sale in progress	(42,629)	665,739
Increase (decrease) in long-term guarantee deposits	35,385	26,744
Increase (decrease) in operating deposits received	38,151	23,793
Increase (decrease) in advances received	167,630	216,727
Decrease (increase) in prepaid expenses	(35,550)	(47,059)
Increase (decrease) in notes and accounts payable - trade	(180,546)	(204,084)
Increase (decrease) in accrued expenses	12,727	(47,261)
Increase (decrease) in accrued consumption taxes	(16,747)	133,431
Others	(249,714)	160,398
Subtotal	2,925,569	(182,903)
Income taxes paid	(507,976)	(585,024)
Compensation paid for damage	–	(43,000)
Interest and dividends income received	153	155
Interest expenses paid	(134,822)	(166,658)
Net cash provided by (used in) operating activities	2,282,925	(977,432)
Cash flows from investing activities		
Payments into time deposits	(86,000)	(89,700)
Proceeds from withdrawal of time deposits	90,000	78,000
Purchase of property, plant and equipment	(3,942,663)	(3,160,846)
Purchase of intangible assets	(83,974)	(115,977)
Purchase of investment securities	(76,946)	(1,166)
Proceeds from sales of investment securities	7,662	50,192
Payments for investments in capital	(110)	(4,371)
Collection of investments in capital	118,195	5,731
Expense by payment of guarantee deposits	(15,240)	(141,459)
Proceeds from collection of guarantee deposits	64,033	4,808
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(331,741)	(29,327)
Others	(14,375)	4,186
Net cash provided by (used in) investing activities	(4,271,162)	(3,399,931)

	(thousand yen)	
	Previous consolidated FY (Jul. 1, 2022 – Jun. 30, 2023)	Current consolidated FY (Jul. 1, 2023 – Jun. 30, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,314,418	837,750
Repayments of long-term loans payable	(5,074,785)	(5,024,089)
Proceeds from long-term loans payable	6,287,000	8,402,840
Dividends paid	(129,017)	(150,959)
Proceeds from issuance of bonds	98,900	–
Expense by redemption of bonds	(127,700)	(125,400)
Proceeds from issuance of subscription rights to shares	43,423	52,936
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,000)	–
Others	(41)	–
Net cash provided by (used in) financing activities	2,410,196	3,993,078
Effect of exchange rate change on cash and cash equivalents	731	997
Net increase (decrease) in cash and cash equivalents	422,690	(383,288)
Cash and cash equivalents at beginning of period	5,148,939	5,571,629
Cash and cash equivalents at end of period	5,571,629	5,188,341

(5) Notes on Consolidated Financial Statements

(Going Concern Assumption)
Not applicable.

(Segment Information, etc.)
(Segment Information)

I Previous consolidated fiscal year (July 1, 2022 – June 30, 2023)

1. *Information on net sales and profit/loss of each reportable segment*

(thousand yen)

	Reportable segments					Other Business (see Note)	Total
	Leasing DX Property Management Business	Leasing DX Leasing Brokerage Business	Sales/Purchase DX Investment Business	Incubation Business	Subtotal		
Net sales							
Sales to external customers	19,156,654	865,399	15,558,287	63,437	35,643,778	595,512	36,239,291
Inter-segment sales or transfer	23,593	165,162	—	—	188,756	36,406	225,163
Total	19,180,248	1,030,562	15,558,287	63,437	35,832,535	631,919	36,464,454
Segment profit (loss)	1,466,011	28,831	1,860,135	12,024	3,367,003	(93,245)	3,273,758

Note: "Other Business" refers to business segment not included in the reportable segments, which includes Real Estate DX Business (including an overseas subsidiary for system development), Small Amount Short-term Insurance Business, and ZEH/Utilities Business.

2. *Difference between the total amount of profit or loss of reportable segments and the amount presented on the Quarterly Consolidated Statements of Income; and main contents of said difference (items in relation to adjustment of difference)*

(thousand yen)

Profit	Amount
Reportable segments total	3,367,003
"Other" profit	(93,245)
Corporate expenses (see Note)	(1,670,224)
Operating profit (loss) on the Quarterly Consolidated Statements of Income	1,603,533

Note: Corporate expenses comprises of SG&A expenses not attributable to reportable segments.

3. *Information on net sales and profit/loss of each reportable segment*

(Important impairment loss on non-current assets)

Impairment loss was recorded for "Other Business" segment. 4,739 thousand yen was allocated as impairment loss in the relevant consolidated cumulative period.

(Amortization of goodwill and undepreciated balance)

For the "Sales/Purchase DX Investment Business" segment, amortization of goodwill was 126,736 thousand yen and undepreciated balance was 538,631 thousand yen. Amortization of goodwill and undepreciated balance not attributable to any reportable segment were 19,443 thousand yen and 370,237 thousand yen respectively.

II Current consolidated fiscal year (July 1, 2023 – June 30, 2024)

1. Information on net sales and profit/loss of each reportable segment

(thousand yen)

	Reportable segments					Other Business (see Note)	Total
	Leasing DX Property Management Business	Leasing DX Leasing Brokerage Business	Sales/Purchase DX Investment Business	Incubation Business	Subtotal		
Net sales							
Sales to external customers	20,232,459	920,346	19,627,613	154,500	40,934,920	1,130,473	42,065,394
Inter-segment sales or transfer	64,523	165,879	—	—	230,402	64,296	294,699
Total	20,296,983	1,086,225	19,627,613	154,500	41,165,323	1,194,770	42,360,093
Segment profit (loss)	1,954,420	13,619	2,709,038	32,740	4,709,819	(28,283)	4,681,536

Note: "Other Business" refers to business segment not included in the reportable segments, which includes Real Estate DX Business (including an overseas subsidiary for system development), Small Amount Short-term Insurance Business, and ZEH/Utilities Business.

2. Difference between the total amount of profit or loss of reportable segments and the amount presented on the Quarterly Consolidated Statements of Income; and main contents of said difference (items in relation to adjustment of difference)

(thousand yen)

Profit	Amount
Reportable segments total	4,709,819
"Other" profit	(28,283)
Corporate expenses (see Note)	(1,955,218)
Operating profit (loss) on the Quarterly Consolidated Statements of Income	2,726,317

Note: Corporate expenses comprises of SG&A expenses not attributable to reportable segments.

3. Information on net sales and profit/loss of each reportable segment

(Important impairment loss on non-current assets)

Impairment loss was recorded for the "Leasing DX Leasing Brokerage Business" segment. 12,048 thousand yen was allocated as impairment loss in the relevant consolidated cumulative period.

(Amortization of goodwill and undepreciated balance)

For the "Sales/Purchase DX Investment Business" segment, amortization of goodwill was 126,736 thousand yen and undepreciated balance was 411,894 thousand yen. Amortization of goodwill and undepreciated balance not attributable to any reportable segment were 71,781 thousand yen and 321,728 thousand yen respectively.

(Per share data)

	Previous consolidated FY (July 1, 2022 – June 30, 2023)	Current consolidated FY (July 1, 2023 – June 30, 2024)
Net assets per share	667.24 yen	881.93 yen
Net profit per share	141.22 yen	238.28 yen
Diluted net profit per share	138.86 yen	226.98 yen

(Note) Calculation bases of net profit per share and diluted net profit per share are as follows.

	Previous consolidated FY (July 1, 2022 – June 30, 2023)	Current consolidated FY (July 1, 2023 – June 30, 2024)
Net profit (loss) per share		
Net profit attributable to owners of parent (thousand yen)	961,343	1,638,128
Amount not attributable to common stockholders (thousand yen)	—	—
Net profit (loss) attributable to owners of parent applicable to common shares (thousand yen)	961,343	1,638,128
Average number of common shares outstanding during the period (shares)	6,807,655	6,874,875
Diluted net profit per share		
Adjusted quarterly net profit (loss) attributable to owners of parent (thousand yen)	—	—
Increased number of shares (common stock) (shares)	115,527	342,284
(number of shares with subscription rights) (shares)	(115,527)	(342,284)
Summary of residual securities not included in calculating diluted earnings per share, because of having no dilution effect	Fourth subscription rights to shares decided by the board of directors on Nov. 16, 2017 Number: 1,400 280,000 common shares Fifth subscription rights to shares decided by the board of directors on Nov. 16, 2017 Number: 2,683 536,600 common shares	—

(Significant Post-Balance Sheet Events)

Not applicable.