

Summary of Consolidated Financial Results for the Second Quarter (1st HALF) of the Fiscal Year 2025 (FY06/2025) [Japanese standards] (Consolidated)

Company name: AMBITION DX HOLDINGS Co., Ltd.

Stock exchange listing: Tokyo

Securities code: 3300

URL: <https://am-bition.jp/>

Representative: President & Representative Director

Takeshi Shimizu

Inquiries: Executive Officer & General Manager of Corporate Management Division

Fumiyoshi Ozeki

TEL: 81-3-6632-3701

Scheduled date to file Biannual Securities Report:

February 14, 2025

Scheduled date to commence dividend payments:

N/A

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 the second quarter (1st HALF) of FY06/2025 (July 1, 2024 – December 31, 2024)

(1) Consolidated operating results (cumulative)

(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	%
1st HALF of FY06/2025	25,138	31.3	1,806	82.4	1,629	83.0	1,012	89.1
1st HALF of FY06/2024	19,144	11.3	990	24.5	890	20.3	535	26.3

(Note) Comprehensive profit 1st HALF of FY06/2025: 1,009 mil. yen [81.6%]
1st HALF of FY06/2024: 555 mil. yen [39.5%]

	Net profit (loss) per share	Diluted net profit (loss) per share
	yen	yen
1st HALF of FY06/2025	145.24	132.53
1st HALF of FY06/2024	77.87	74.56

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	mil. yen	mil. yen	%	yen
1st HALF of FY06/2025	33,243	6,930	20.8	987.98
FY06/2024	26,892	6,150	22.8	881.93

(Reference) Shareholders equity 1st HALF of FY06/2025: 6,909 mil. yen
FY06/2024: 6,131 mil. yen

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
FY06/2024	—	0.00	—	37.00	37.00
FY06/2025	—	0.00	—	—	—
FY06/2025 (forecasts)	—	—	—	105.00	105.00

(Notes) 1. Revisions to dividend forecasts published most recently: No

2. 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

(Note) Revisions to performance forecasts published most recently: No

***Notes**

- (1) Important changes in the scope of consolidation during the current 1st HALF: No
- (2) Application of special accounting methods to the preparation of biannual consolidated financial statements: No
- (3) 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: Yes
 - ② Changes in accounting policies due to other reasons: No
 - ③ Changes in accounting estimates: No
 - ④ Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

1st HALF of FY06/2025:	6,993,800 shares	FY06/2024:	6,952,200 shares
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- ② Number of treasury stock at the end of the period

1st HALF of FY06/2025:	93 shares	FY06/2024:	93 shares
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- ③ Average number of shares during the period (1st HALF)

1st HALF of FY06/2025:	6,968,415 shares	1st HALF of FY06/2024:	6,871,364 shares
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- * Summary of financial results for the second quarter (1st half) is not included in a biannual review 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 as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecasts. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of factors. For preconditions for performance forecasts and precaution statements in using such forecasts, please see the appendix, page 4, "1. Qualitative Information regarding the Financial Results of the Current 1st HALF: (3) Descriptions regarding future prospects such as consolidated performance forecasts".

2. Briefings for institutional/private investors and for analysts will be held on February 20 (Thu.) and 28 (Fri.), 2025, respectively.

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1. Qualitative Information regarding the Financial Results of the Current 1st HALF**(1) Descriptions regarding Operating Results**

During the current 1st HALF consolidated fiscal period, business environment around the Group has continued to present some recovery trends such as gradual improvement in employment situations and capital investment. 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 business environments, the Group has put its efforts to reforming real-estate business through DX and becoming a sole real estate digital platformer which fuses digital and real world together. Since getting listed in September 2014, the Group has greatly grown with Net sales about 6 times larger and Operating profit about 15 times larger. Following achievement of higher revenues & earnings in FY06/2024, the Group made significant upward revisions to its mid-term management plan and currently plans to reach Net sales of 53.2 bln. yen and Operating profit of 3.5 bln. yen in FY06/2025 and further Net sales of 64.1 bln. yen and Operating profit of 4.2 bln. yen in FY06/2026.

During the 1st HALF consolidated fiscal period, 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 further, investment in human resources greatly contributed to our greater leasing abilities which has helped maintaining occupancy rate of our subleased houses ongoingly high level at 97.1%. With respect to Sales/Purchase DX Investment Business, since sales of properties by VERITAS INVESTMENT (a subsidiary) concentrated in the 1st HALF, Investment Division of the Company put its efforts mainly to purchase of second-hand properties in preparation for selling them during the 2nd HALF. Such purchase has been in smooth progress. Real Estate DX Business that belongs to Others Business segment has mainly promoted development of its own application for residents called “AMBITION Me”, as such it would realize improvement in both satisfaction and engagement for residents, and also maximization of their LTV (Life Time Value). In addition, implementation of proactive M&A and alliance is under consideration.

Consequently financial results of the current 1st HALF consolidated fiscal period were as follows: Net sales: 25,138,293 thousand yen (increase by 31.3% [5,994,145 thousand yen] YoY); Operating profit: 1,806,230 thousand yen (increase by 82.4% [815,897 thousand yen] YoY); Ordinary profit: 1,629,175 thousand yen (increase by 83.0% [738,716 thousand yen] YoY); and Net profit attributable to owners of parent: 1,012,088 thousand yen (increase by 89.1% [477,000 thousand yen] YoY).

(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 1st HALF consolidated fiscal period, number of houses under its management smoothly increased to 26,763 (increase by 1,241 YoY), as well as 15,167 subleased houses (increase by 711 YoY). Overall occupancy rate of subleased houses as of the end of the current 1st HALF consolidated fiscal period was 97.1% (which had been 96.4% as of the end of the same period of the previous FY). Moreover, efforts have been put to controlling management cost with a variety of DX measures, resulting in substantial increase in both net sales and profit rate.

These operations resulted in Net sales of 10,312,634 thousand yen (increase by 4.5% [445,844 thousand yen] YoY), and Segment profit (Operating profit) of 1,010,909 thousand yen (increase by 21.2% [177,120 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 17 shops in total including 8 in Tokyo, 8 in Kanagawa Pref. and 1 in Saitama Pref. High leasing ability of this segment contributes to the high occupancy rate (97.1%) maintained by the principal Property Management Business segment.

During the current 1st HALF consolidated fiscal period, by making use of an AIXRPA tool named “RAC·TECH”, the Company continued to work on personnel downsizing for inputting work and increase in the number of response. In addition, various measures are taken for attracting guests, including those on the WEB by strengthened advertising strategies, as well as enhanced non-face-to-face services such as remote customer

services, VR preview, and electronic contract. Also, measures for attracting guests via WEB by strengthened advertising strategies, and enhanced non-face-to-face services such as remote customer services / VR preview and an electronic contract package integrated with our unique electronic signature system called “AMBITION Sign” which utilizes blockchain (distributed ledger) technologies, have realized improvement in our customers’ values of experiences with room searching. At the same time, concerning expenses, those for advertising and for employee training have continued to be incurred, so profit in this segment slightly improved.

These operations resulted in Net sales of 389,089 thousand yen (increase by 8.2% [29,566 thousand yen] YoY) and Segment loss (Operating loss) of 63,617 thousand yen (which was 70,487 thousand yen in the previous FY).

(Sales/Purchase DX Investment Business)

This business is carried out by Investment Division of the Company which develops its business around selling renovated condominium apartments with emphasis on location, in collaboration with VERITAS INVESTMENT Co., Ltd., a subsidiary of the Company, which develops its business around selling self-developed newly built designers’ condominiums for investment focusing on “Good location”, “Good design” and “Superior equipment specification”, supported by wide variety of procurement channels. Also, by procuring properties with high added values mainly in and around Tokyo, this segment has realized sales of high-price properties and high average gross profit per property.

During the current 1st HALF consolidated fiscal period, offer of properties developed by VERITAS on its own concentrated and led to sales of 175 of among those (increase by 36 YoY); meanwhile Investment Division of the Company focused mainly on procurement of properties taking risks steadily into account and consequently could sell 29 properties (decrease by 19 YoY). Thus, 204 properties were sold in total.

These operations resulted in Net sales of 13,785,711 thousand yen (increase by 63.6% [5,359,350 thousand yen] YoY), and Segment profit (Operating profit) of 2,013,818 thousand yen (increase by 67.7% [813,197 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.

As of the end of the current 1st HALF consolidated fiscal period, it has invested in 31 venture companies. They include 1 companies newly invested during the current 1st HALF consolidated fiscal period. No sales was carried out during the current 1st HALF consolidated fiscal period, so no sales was registered.

These operations resulted in Segment loss (Operating loss) of 36,181 thousand yen (which was 12,163 thousand yen in the previous FY).

(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., etc., and thus DX for our internal operations is pursued on a priority basis. 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, online healthcare services, useful services for living, and FAQ services incorporating Generative AI are also available. Application for searching for rooms called “Room concierge” which is the Group’s first BtoC matching service has continuously acquired increasing number of users.

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 650,858 thousand yen (increase by 33.1% [161,733 thousand yen] YoY) and Segment loss (Operating loss) of 6,461 thousand yen (which was 30,938 thousand yen in the previous FY).

(2) Descriptions regarding Financial Position

① Assets, liabilities, and net assets

Total assets at the end of the current 1st HALF consolidated fiscal period was 33,243,490 thousand yen, i.e. increase by 6,350,811 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Real estate for sale by 2,862,960 thousand yen, in Land by 1,902,748 thousand yen, and in Buildings and structures by 775,533 thousand yen on one hand, whereas decrease in Guarantee deposits by 10,554 thousand yen, in Operating accounts receivable by 6,271 thousand yen, and in Construction in progress by 5,141 thousand yen on the other.

Total liabilities was 26,313,404 thousand yen, i.e. increase by 5,571,485 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Short-term borrowings by 3,211,900 thousand yen and in Current portion of long-term borrowings by 2,113,895 thousand yen and in Long-term borrowings by 160,296 thousand yen on one hand, whereas decrease in Provision for bonuses by 120,245 thousand yen, in Income taxes payable by 58,057 thousand yen and in Advances received by 40,570 thousand yen on the other.

Total net assets was 6,930,085 thousand yen, i.e. increase by 779,325 thousand yen as compared to the end of the previous consolidated FY. This is mainly due to increase in Retained earnings by 754,860 thousand yen on one hand, whereas decrease in Valuation difference on available-for-sale securities by 3,242 thousand yen on the other.

② Cash flow status

Balance of cash and cash equivalents at the end of the current 1st HALF consolidated fiscal period was 5,451,430 thousand yen, i.e. increase by 263,089 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 1st HALF consolidated fiscal period was 1,129,570 thousand yen (as opposed to 925,541 thousand yen provided in the same period of the previous FY). Major positive factors include Net profit before income taxes and minority interests of 1,610,962 thousand yen, Decrease in notes and accounts receivable - trade by 151,789 thousand yen, and Interest expenses of 139,450 thousand yen. And major negative factors include Increase in real estate for sale by 1,955,795 thousand yen, Income taxes paid of 649,223 thousand yen and Increase in prepaid expense by 251,448 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities during the current 1st HALF consolidated fiscal period was 3,848,160 thousand yen (which was 2,218,285 thousand yen in the same period of the previous FY). Major negative factors include Purchase of property, plant and equipment of 3,649,978 thousand yen, Purchase of investments in subsidiaries resulting in change in scope of consolidation of 207,200 thousand yen, and Purchase of intangible assets of 57,061 thousand yen. And major positive factors include Proceeds from collection of guarantee deposits of 38,664 thousand yen, Collection of investments in capital of 19,307 thousand yen and Proceeds from withdrawal of time deposits of 10,000 thousand yen.

(Cash flows from financing activities)

Net cash provided by financing activities during the current 1st HALF consolidated fiscal period was 5,241,140 thousand yen (which was 1,412,211 thousand yen in the same period of the previous FY). Major positive factors include Proceeds from long-term borrowings of 5,243,900 thousand yen and Net increase in short-term borrowings by 3,211,900 thousand yen. And major negative factors include Repayments of long-term borrowings of 2,969,707 thousand yen.

(3) Descriptions regarding Future Prospects such as Consolidated Performance Forecasts

For the current 1st HALF consolidated fiscal period, consolidated performance forecasts for FY06/2025 as announced on August 13, 2024 have been unchanged at present.

In the event of any modification being deemed necessary in the future, it will be noticed promptly.

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

	(thousand yen)	
	Previous consolidated fiscal year (June 30, 2024)	Current biannual consolidated fiscal period (December 31, 2024)
Assets		
Current assets		
Cash and deposits	5,256,341	5,519,431
Operating accounts receivable	370,521	364,250
Real estate for sale	9,291,316	12,154,277
Real estate for sale in process	4,656,964	4,727,897
Supplies	11,827	9,148
Operational investment securities	232,764	249,097
Others	882,027	1,202,525
Allowance for doubtful accounts	(47,673)	(24,415)
Total current assets	20,654,089	24,202,212
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	1,186,812	1,962,346
Land	2,835,939	4,738,687
Construction in progress	5,141	—
Others (net)	53,737	74,364
Total property, plant and equipment	4,081,631	6,775,398
Intangible assets		
Goodwill	733,623	780,936
Others	230,542	246,412
Total intangible assets	964,165	1,027,349
Investments and other assets		
Investment securities	18,103	17,939
Guarantee deposits	210,121	199,566
Deferred tax assets	381,535	450,939
Others	626,649	616,331
Allowance for doubtful accounts	(44,470)	(46,733)
Total investment and other assets	1,191,939	1,238,043
Total non-current assets	6,237,737	9,040,790
Deferred assets		
Bond issuance cost	852	487
Total deferred assets	852	487
Total assets	26,892,679	33,243,490

(thousand yen)

	Previous consolidated fiscal year (June 30, 2024)	Current biannual consolidated fiscal period (December 31, 2024)
Liabilities		
Current liabilities		
Operating accounts payable	255,296	266,958
Short-term borrowings	3,038,000	6,249,900
Current portion of long-term borrowings	1,427,574	3,541,470
Current portion of bonds	33,400	33,200
Accounts payable - other	174,810	187,978
Accrued expenses	285,469	335,976
Income taxes payable	676,285	618,227
Consumption taxes payable	159,708	212,364
Advances received	1,693,424	1,652,853
Operating deposits received	254,033	277,220
Provision for bonuses	188,624	68,379
Others	157,794	173,641
Total current liabilities	8,344,421	13,618,170
Non-current liabilities		
Bonds payable	16,500	—
Long-term borrowings	11,564,073	11,724,370
Provision for directors' retirement benefits	—	16,896
Long-term guarantee deposits	742,641	770,908
Deferred tax liabilities	7,567	1,903
Others	66,715	181,156
Total non-current liabilities	12,397,497	12,695,234
Total liabilities	20,741,919	26,313,404
Net assets		
Shareholders' equity		
Capital stock	427,999	441,571
Capital surplus	510,448	524,020
Retained earnings	5,178,221	5,933,082
Treasury stock	(99)	(99)
Total shareholders' equity	6,116,571	6,898,576
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,070	9,828
Foreign currency translation adjustment	1,629	1,232
Total accumulated other comprehensive income	14,700	11,061
Subscription rights to shares	2,882	2,861
Non-controlling interests	16,606	17,586
Total net assets	6,150,759	6,930,085
Total liabilities and net assets	26,892,679	33,243,490

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

Biannual Consolidated Statements of Income

Biannual Consolidated Fiscal Period

(thousand yen)

	Previous biannual consolidated cumulative period (Jul. 1, 2023 – Dec. 31, 2023)	Current biannual consolidated cumulative period (Jul. 1, 2024 – Dec. 31, 2024)
Net sales	19,144,148	25,138,293
Cost of sales	15,396,932	20,181,654
Gross profit	3,747,215	4,956,639
SG&A expenses	2,756,882	3,150,409
Operating profit (loss)	990,332	1,806,230
Non-operating profit (loss)		
Interest income	27	543
Dividend income	58	69
Brokerage income	0	0
Foreign exchange gains	—	77
Gain on investments in partnership	2,635	5,980
Subsidy income	333	3,100
Miscellaneous income	4,484	4,890
Total non-operating profit	7,539	14,663
Non-operating expenses		
Interest expenses	77,724	139,450
Amortization of bond issuance cost	827	364
Foreign exchange losses	72	—
Commission fee	26,889	49,948
Miscellaneous loss	1,898	1,953
Total non-operating expenses	107,413	191,718
Ordinary profit (loss)	890,458	1,629,175
Extraordinary losses		
Loss on sales of non-current assets	—	13
Loss on retirement of non-current assets	—	1,542
Office transfer expenses	—	16,656
Total extraordinary losses	—	18,212
Net profit (loss) before income taxes and minority interests	890,458	1,610,962
Income taxes	385,412	611,492
Income taxes - deferred	(31,277)	(13,599)
Total income taxes	354,135	597,892
Net profit (loss)	536,323	1,013,069
Net profit (loss) attributable to non-controlling shareholders	1,235	980
Net profit (loss) attributable to owners of parent	535,088	1,012,088

Biannual Consolidated Statements of Comprehensive Income
Biannual Consolidated Fiscal Period

	(thousand yen)	
	Previous biannual consolidated cumulative period (Jul. 1, 2023 – Dec. 31, 2023)	Current biannual consolidated cumulative period (Jul. 1, 2024 – Dec. 31, 2024)
Net profit (loss)	536,323	1,013,069
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	20,613	(3,242)
Foreign currency translation adjustment	(1,196)	(396)
Total other comprehensive income (loss)	19,417	(3,639)
Comprehensive income (loss)	555,740	1,009,430
(detail)		
Comprehensive income (loss) attributable to owners of parent	554,505	1,008,449
Comprehensive income (loss) attributable to non-controlling interests	1,235	980

(3) Biannual Consolidated Cash Flow Statements

	(thousand yen)	
	Previous biannual consolidated cumulative period (Jul. 1, 2023 - Dec. 31, 2023)	Current biannual consolidated cumulative period (Jul. 1, 2024 - Dec. 31, 2024)
Cash flows from operating activities		
Net profit (loss) before income taxes and minority interests	890,458	1,610,962
Depreciation	95,357	116,167
Amortization of goodwill	87,623	92,620
Increase (decrease) in allowance for doubtful accounts	27,088	(20,995)
Increase (decrease) in reserve for bonuses	79,026	(120,245)
Provision for directors' retirement benefits	—	16,896
Increase (decrease) in ordinary underwriting reserve	(3,644)	8,323
Interest and dividends income	(85)	(613)
Amortization of bond issuance cost	827	364
Interest expenses	77,724	139,450
Loss on retirement of non-current assets	—	1,542
Gain on investments in partnership	(2,635)	(5,980)
Decrease (increase) in operational investment securities	(41,004)	(16,332)
Decrease (increase) in notes and accounts receivable - trade	(37,408)	151,789
Decrease (increase) in inventories	2,895	(13,719)
Decrease (increase) in real estate for sale	(3,625,306)	(1,955,795)
Decrease (increase) in real estate for sale in process	2,868,725	(70,932)
Increase (decrease) in long-term guarantee deposits	17,072	(14,258)
Increase (decrease) in operating deposits received	8,716	22,585
Increase (decrease) in advances received	77,725	(52,629)
Decrease (increase) in prepaid expenses	(2,574)	(251,448)
Increase (decrease) in notes and accounts payable - trade	750,967	(79,465)
Increase (decrease) in accrued expenses	(60,643)	46,958
Increase (decrease) in accrued consumption taxes	43,415	52,479
Others	69,918	3,748
Subtotal	1,324,240	(338,525)
Income taxes paid	(324,366)	(649,223)
Interest and dividends income received	85	613
Interest expenses paid	(74,417)	(142,435)
Net cash provided by (used in) operating activities	925,541	(1,129,570)
Cash flows from investing activities		
Payments into time deposits	(15,000)	(17,200)
Proceeds from withdrawal of time deposits	10,000	10,000
Purchase of property, plant and equipment	(1,996,611)	(3,649,978)
Purchase of intangible assets	(77,302)	(57,061)
Purchase of investment securities	(1,105)	(118)
Proceeds from sale of investment securities	96	96
Payments for investments in capital	(3,341)	(17,100)
Collection of investments in capital	5,671	19,307
Expense by payment of guarantee deposits	(137,842)	(2,533)
Proceeds from collection of guarantee deposits	52	38,664
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(207,200)
Others	(2,901)	34,962
Net cash provided by (used in) investing activities	(2,218,285)	(3,848,160)

	(thousand yen)	
	Previous biannual consolidated cumulative period (Jul. 1, 2023 - Dec. 31, 2023)	Current biannual consolidated cumulative period (Jul. 1, 2024 - Dec. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,513,482	3,211,900
Proceeds from long-term borrowings	2,767,300	5,243,900
Repayments of long-term borrowings	(2,654,997)	(2,969,707)
Expense by redemption of bonds	(64,200)	(16,700)
Proceeds from issuance of new shares	781	27,123
Dividends paid	(150,153)	(255,374)
Net cash provided by (used in) financing activities	1,412,211	5,241,140
Effect of exchange rate change on cash and cash equivalents	(1,150)	(319)
Net increase (decrease) in cash and cash equivalents	118,317	263,089
Cash and cash equivalents at beginning of period	5,571,629	5,188,341
Cash and cash equivalents at end of period	5,689,946	5,451,430

(4) Notes on Biannual Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Changes in Accounting Principles)

("Application of Accounting Standard for Income Taxes – Current", etc.)

The Company has applied the "Application of Accounting Standard for Income Taxes – Current" (Accounting Standards Board of Japan Guidance No. 27 of October 28, 2022), etc. since the beginning of the current 1st HALF consolidated fiscal period. But such change in accounting principles has no effect on the quarterly consolidated financial statements.

(Segment Information, etc.)

【Segment Information】**I Previous biannual consolidated cumulative period (Jul. 1, 2023 – Dec. 31, 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	9,866,789	359,523	8,426,361	2,349	18,655,023	489,124	19,144,148
Inter-segment sales or transfer	21,027	84,797	—	—	105,825	33,816	139,642
Total	9,887,816	444,321	8,426,361	2,349	18,760,848	522,941	19,283,790
Segment profit (loss)	833,788	(70,487)	1,200,621	(12,163)	1,951,758	(30,938)	1,920,819

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	1,951,758
"Other" profit	(30,938)
Corporate expenses (see Note)	(930,487)
Operating profit (loss) on the Quarterly Consolidated Statements of Income	990,332

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

II Current biannual consolidated cumulative period (Jul. 1, 2024 – Dec. 31, 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	Sales/Purchase DX Investment Business	Leasing DX Leasing Brokerage Business	Incubation Business	Subtotal		
Net sales							
Sales to external customers	10,312,634	389,089	13,785,711	—	24,487,435	650,858	25,138,293
Inter-segment sales or transfer	38,344	62,551	—	—	100,896	32,762	133,658
Total	10,350,978	451,641	13,785,711	—	24,588,332	683,620	25,271,952
Segment profit (loss)	1,010,909	(63,617)	2,013,818	(36,181)	2,924,928	(6,461)	2,918,466

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	2,924,928
“Other” profit	(6,461)
Corporate expenses (see Note)	(1,112,236)
Operating profit (loss) on the Quarterly Consolidated Statements of Income	1,806,230

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

(Significant Post-Balance Sheet Events)

Not applicable.