

# **Summary of Financial Statements**

**- For the year ended March 31, 2020 -**



**May 2020**

Disclaimer:

Forecasts or assessment figures on this document is depend and based on data available at the date of issue.

Results or actual performances may be different from those estimates because of unexpected affairs.

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- Consolidated Net sales decreased due to a decrease in sale of Construction contracts and Real estate sale.
- Consolidated Operating income, Ordinary income and Net income decreased, mainly due to a decline in Profit ratio of construction contracts.
- In March 2021 forecast, we expect lower net sales and income due to a decrease in sale of Construction contracts and a further decline in Profit ratio of construction contracts.

Billions of yen

	March 2019	March 2020	Change		March 2021 Forecast		YoY Change	
	Result < A >	Result < B >	Amount < B - A >	%	Interim	Annual < C >	Amount < C - B >	%
<b>Net sales</b>	<b>891.0</b>	<b>846.0</b>	<b>(45.0)</b>	<b>( 5.0%)</b>	<b>390.0</b>	<b>800.0</b>	<b>(46.0)</b>	<b>( 5.4%)</b>
Construction contracts	541.6	522.8	(18.8)	( 3.5%)	240.0	480.0	(42.8)	( 8.2%)
Design and supervision	11.7	12.0	0.3	2.3%	3.5	11.0	(1.0)	( 8.3%)
Leasing and management	84.9	85.2	0.3	0.3%	42.5	87.5	2.3	2.7%
Real estate sale	235.6	208.5	(27.1)	( 11.5%)	95.0	203.0	(5.5)	( 2.6%)
Others	17.1	17.6	0.4	2.6%	9.0	18.5	0.9	5.3%
<b>Gross profit</b>	<b>157.9</b>	<b>146.8</b>	<b>(11.1)</b>	<b>( 7.0%)</b>	<b>61.5</b>	<b>135.5</b>	<b>(11.3)</b>	<b>( 7.7%)</b>
Construction contracts	100.6	92.1	(8.4)	( 8.4%)	40.0	80.0	(12.1)	( 13.2%)
[Profit ratio of construction contracts]	[ 18.6%]	[ 17.6%]	[(1.0p)]		[ 16.7%]	[ 16.7%]	[(0.9p)]	
Design and supervision	6.2	6.2	0.0	0.5%	1.7	5.5	(0.7)	( 11.0%)
Leasing and management	20.0	19.7	(0.2)	( 1.2%)	9.5	20.0	0.3	1.3%
Real estate sale	28.3	25.8	(2.5)	( 8.9%)	9.3	27.5	1.7	6.8%
Others	2.9	2.9	0.1	3.0%	1.0	2.5	(0.4)	( 15.2%)
Selling, general and administrative expense	59.4	60.8	1.4	2.4%	30.0	63.0	2.2	3.6%
<b>Operating income</b>	<b>98.4</b>	<b>85.9</b>	<b>(12.5)</b>	<b>( 12.7%)</b>	<b>31.5</b>	<b>72.5</b>	<b>(13.4)</b>	<b>( 15.6%)</b>
[Operating income ratio]	[ 11.0%]	[ 10.2%]	[(0.8p)]		[ 8.1%]	[ 9.1%]	[(1.1p)]	
Interest income (expenses), net	1.2	(1.6)	(2.8)		(2.0)	(3.3)	(1.7)	
Others, net	0.7	0.9	0.2		0.5	0.8	(0.1)	
<b>Ordinary income</b>	<b>100.4</b>	<b>85.3</b>	<b>(15.1)</b>	<b>( 15.1%)</b>	<b>30.0</b>	<b>70.0</b>	<b>(15.3)</b>	<b>( 17.9%)</b>
[Ordinary income ratio]	[ 11.3%]	[ 10.1%]	[(1.2p)]		[ 7.7%]	[ 8.8%]	[(1.3p)]	
Special income (losses), net	20.9	1.9	(19.0)		-	-	(1.9)	
Income before income taxes	121.2	87.2	(34.1)	( 28.1%)	30.0	70.0	(17.2)	( 19.7%)
Current tax	35.9	23.6	(12.4)		} 9.0	21.0	(6.3)	
Deferred tax	(2.3)	3.7	6.0					
Net Income attributable to non-controlling interests	0.2	0.1	(0.1)					
<b>Net Income attributable to owners of parent</b>	<b>87.4</b>	<b>59.9</b>	<b>(27.5)</b>	<b>( 31.5%)</b>	<b>21.0</b>	<b>49.0</b>	<b>(10.9)</b>	<b>( 18.1%)</b>
Depreciation and amortization, excluding goodwill-amortization	4.6	4.8	0.2	3.7%				

- Non-consolidated Net sales decreased due to a decrease in Real estate sale. Operating income declined, mainly due to a decline in Profit ratio of construction works.
- Operating income and Ordinary income increased due to an increase in dividends received from consolidated subsidiaries. (Offset in the consolidated income statements)
- In March 2021 forecast, we expect lower net sales and income due to a decrease in sale of Construction contracts and Real estate sales and a further decline in Profit ratio of construction contracts.

Billions of yen

	March 2019	March 2020	Change		March 2021 Forecast		YoY Change	
	Result < A >	Result < B >	Amount < B - A >	%	Interim	Annual < C >	Amount < C - B >	%
<b>Net sales</b>	<b>652.3</b>	<b>614.1</b>	<b>(38.3)</b>	<b>( 5.9%)</b>	<b>280.0</b>	<b>550.0</b>	<b>(64.1)</b>	<b>( 10.4%)</b>
Construction contracts	452.7	453.4	0.7	0.2%	205.0	410.0	(43.4)	( 9.6%)
Commissioned works	7.0	6.1	(0.8)	( 11.9%)	2.5	5.5	(0.6)	( 10.3%)
Design and supervision	12.3	12.7	0.3	2.5%	3.5	11.0	(1.7)	( 13.1%)
Lease rentals of buildings	4.1	4.4	0.3	8.0%	2.2	4.5	0.1	1.9%
Real estate sale	176.3	137.5	(38.8)	( 22.0%)	66.8	119.0	(18.5)	( 13.4%)
<b>Gross profit</b>	<b>113.2</b>	<b>102.6</b>	<b>(10.6)</b>	<b>( 9.3%)</b>	<b>44.0</b>	<b>88.5</b>	<b>(14.1)</b>	<b>( 13.8%)</b>
Construction contracts	85.9	78.3	(7.6)	( 8.9%)	34.0	67.0	(11.3)	( 14.4%)
Commissioned works	4.9	4.2	(0.8)	( 15.2%)	1.5	3.5	(0.7)	( 16.4%)
[Profit ratio of construction works]	[ 19.8%]	[ 17.9%]	[(1.9p)]		[ 17.1%]	[ 17.0%]	[(0.9p)]	
Design and supervision	6.5	6.5	0.0	0.5%	1.8	5.7	(0.8)	( 12.8%)
Lease rentals of buildings	1.7	1.9	0.2	9.5%	1.0	2.0	0.1	5.8%
Real estate sale	14.1	11.7	(2.4)	( 17.0%)	5.7	10.3	(1.4)	( 12.0%)
Selling, general and administrative expense	31.7	33.9	2.2	7.0%	16.5	35.0	1.1	3.2%
<b>Operating income</b>	<b>81.5</b>	<b>68.7</b>	<b>(12.8)</b>	<b>( 15.7%)</b>	<b>27.5</b>	<b>53.5</b>	<b>(15.2)</b>	<b>( 22.1%)</b>
[Operating income ratio]	[ 12.5%]	[ 11.2%]	[(1.3p)]		[ 9.8%]	[ 9.7%]	[(1.5p)]	
Interest income (expenses), net	1.2	19.5	18.3		9.2	9.0	(10.5)	
Others, net	0.4	0.6	0.2		0.3	0.5	(0.1)	
<b>Ordinary income</b>	<b>83.1</b>	<b>88.8</b>	<b>5.8</b>	<b>6.9%</b>	<b>37.0</b>	<b>63.0</b>	<b>(25.8)</b>	<b>( 29.1%)</b>
[Ordinary income ratio]	[ 12.7%]	[ 14.5%]	[1.8p]		[ 13.2%]	[ 11.5%]	[(3.0p)]	
Special income (losses), net	(0.1)	(0.3)	(0.2)		-	-	0.3	
Income before income taxes	83.0	88.5	5.5	6.7%	37.0	63.0	(25.5)	( 28.8%)
Current tax	24.2	20.2	(4.0)		} 8.0	16.0	(5.3)	
Deferred tax	1.2	1.1	(0.1)					
<b>Net income</b>	<b>57.6</b>	<b>67.2</b>	<b>9.6</b>	<b>16.7%</b>	<b>29.0</b>	<b>47.0</b>	<b>(20.2)</b>	<b>( 30.0%)</b>
Depreciation and amortization, excluding goodwill-amortization	2.3	2.4	0.2	7.1%				

- Although Cash and bank deposits decreased, Real estate for sale and Cost and advances increased, so finally Total assets increased.
- In liabilities, Long-term debt increased. Total net assets decreased due to a payment of dividends and acquisition of treasury stock, but increased due to an increase in Retained earnings.

Billions of yen

	3/31/2019	3/31/2020	Change			3/31/2019	3/31/2020	Change	
			Amount	%				Amount	%
<b><u>Current assets:</u></b>	<b>568.3</b>	<b>572.3</b>	<b>4.0</b>	<b>0.7%</b>	<b><u>Current liabilities:</u></b>	<b>287.3</b>	<b>247.3</b>	<b>(40.0)</b>	<b>(13.9%)</b>
Cash and bank deposits	212.4	152.5	(59.9)	(28.2%)	Notes and accounts payable	86.3	83.6	(2.7)	(3.1%)
Notes and accounts receivable, trade	139.3	141.4	2.1	1.5%	Electronically recorded obligations	52.4	54.6	2.1	4.0%
Negotiable Certificates of Deposit	2.8	3.3	0.5	18.5%	Current portion of long-term debt	17.8	4.2	(13.6)	(76.5%)
Costs on uncompleted construction contracts	10.7	11.0	0.3	3.2%	Current portion of bonds	10.0	10.0	-	-%
Real estate for sale	87.2	124.9	37.6	43.2%	Advances received on uncompleted construction contracts	18.0	18.7	0.8	4.2%
Cost and advances for real estate operations	78.1	102.4	24.3	31.1%	Other current liabilities	102.8	76.3	(26.5)	(25.8%)
Real estate for development projects	24.1	23.2	(0.9)	(3.6%)	<b><u>Long-term liabilities:</u></b>	<b>117.9</b>	<b>164.3</b>	<b>46.4</b>	<b>39.4%</b>
Other current assets	13.9	13.8	(0.2)	(1.1%)	Straight bonds	20.0	20.0	-	-%
Allowance for doubtful accounts	(0.2)	(0.1)	0.0	-%	Long-term debt	72.6	118.1	45.4	62.6%
					Net defined benefit liability	1.1	1.4	0.3	29.2%
					Provision for loss on litigation	2.5	2.5	(0.1)	(2.3%)
					Other long-term liabilities	21.6	22.4	0.7	3.4%
					<b>Total liabilities</b>	<b>405.2</b>	<b>411.6</b>	<b>6.5</b>	<b>1.6%</b>
<b><u>Fixed assets:</u></b>	<b>204.9</b>	<b>227.0</b>	<b>22.1</b>	<b>10.8%</b>	<b><u>Shareholders' Equity:</u></b>	<b>373.6</b>	<b>401.2</b>	<b>27.5</b>	<b>7.4%</b>
Property and equipment, Land leasehold rights	136.6	155.3	18.7	13.7%	Capital stock	57.5	57.5	-	-%
Goodwill	3.0	2.8	(0.2)	(6.8%)	Capital surplus	7.5	7.6	0.1	1.5%
Investment securities	25.3	28.1	2.8	11.0%	Retained earnings	313.2	346.0	32.8	10.5%
Deferred tax assets	9.3	7.5	(1.9)	(20.0%)	Treasury stock	(4.6)	(10.0)	(5.4)	-%
Other fixed assets	31.5	34.1	2.6	8.4%	<b><u>Accumulated Other Comprehensive Income:</u></b>	<b>(6.6)</b>	<b>(13.5)</b>	<b>(6.9)</b>	<b>-%</b>
Allowance for doubtful accounts	(0.8)	(0.8)	0.0	-%	Net unrealized gain on other securities	5.1	(0.5)	(5.6)	(110.4%)
					Translation adjustments	(4.8)	(5.3)	(0.6)	-%
					Retirement benefits liability adjustments	(6.9)	(7.7)	(0.7)	-%
					<b><u>Non-controlling interests</u></b>	<b>1.0</b>	<b>0.0</b>	<b>(1.0)</b>	<b>(99.5%)</b>
					<b>Total net assets</b>	<b>368.1</b>	<b>387.7</b>	<b>19.6</b>	<b>5.3%</b>
<b>Total assets</b>	<b>773.2</b>	<b>799.3</b>	<b>26.1</b>	<b>3.4%</b>	<b>Total liabilities and net assets</b>	<b>773.2</b>	<b>799.3</b>	<b>26.1</b>	<b>3.4%</b>

### 《Notes and accounts receivable, trade》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
PFI projects	2.8	2.1	(0.7)	(24.9%)
Others	136.5	139.3	2.8	2.0%
Notes and accounts receivable, trade, total	139.3	141.4	2.1	1.5%

### 《Real estate balance》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
Real estate for sale	87.2	124.9	37.6	43.2%
Costs and advances for real estate operations	78.1	102.4	24.3	31.1%
Real estate for development projects	24.1	23.2	(0.9)	(3.6%)
Inventories	189.4	250.5	61.1	32.3%
Property and equipment, Land leasehold rights	136.6	155.3	18.7	13.7%
Real estate balance, total	325.9	405.7	79.8	24.5%

### 《Interest-bearing debt balance》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
Current portion of long-term debt	17.1	3.5	(13.6)	(79.4%)
Long-term debt	70.7	116.8	46.1	65.2%
Current portion of bonds	10.0	10.0	-	-%
Straight bonds	20.0	20.0	-	-%
Total	117.9	150.4	32.5	+27.6%
PFI projects finance loan	2.5	1.9	(0.6)	-25.0%
Interest-bearing debt balance, total	120.4	152.3	31.9	26.5%

### 《Equity ratio》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
Shareholders' equity	367.0	387.7	20.7	5.6%
[Equity ratio]	[47.5%]	[48.5%]	[1.0p]	

### 《Summary of Consolidated Statements of Change in Net Assets》

Billions of yen

	3/31/2019	Cash dividends	Treasury stock Purchased etc.	Profit attributable to owners of parent	other	3/31/2020
Shareholders' Equity:	373.6	(27.1)	(5.4)	59.9	0.1	401.2
Capital stock	57.5					57.5
Capital surplus	7.5		0.0		0.1	7.6
Retained earnings	313.2	(27.1)		59.9		346.0
Treasury stock	(4.6)		(5.4)			(10.0)
Accumulated other comprehensive income	(6.6)				(6.9)	(13.5)
Non-controlling interests	1.0				(1.0)	0.0
Total net assets	368.1	(27.1)	(5.4)	59.9	(7.8)	387.7

### 《Dividend》

	Mar-19	Mar-20	Mar-21 Forecast
Dividend amount (billion yen)	24.047	20.815	—
Dividend per share (yen)	80	70	70
(Interim dividend)	(10)	(20)	(35)
(Year-end dividend)	(70)	(50)	(35)

### 《Share Buybacks》

- Aggregate purchase amount; up to 30 billion yen (or up to 30 million shares)
- Purchase period; from March 2, 2020 to February 26, 2021
- Current status of share buybacks as of March 31, 2020  
Total number of share purchased: 4,524,500 shares  
Total purchased amount: 5.4 billion yen

Billions of yen

	3/31/2019	3/31/2020	Change			3/31/2019	3/31/2020	Change	
			Amount	%				Amount	%
<b>Current assets:</b>	<b>287.5</b>	<b>309.3</b>	<b>21.8</b>	<b>7.6%</b>	<b>Current liabilities:</b>	<b>202.3</b>	<b>177.3</b>	<b>(25.0)</b>	<b>(12.4%)</b>
Cash and bank deposits	84.0	72.1	(11.9)	(14.2%)	Notes and A/P, construction contracts	64.2	61.8	(2.4)	(3.8%)
Notes and A/R, construction contracts	103.3	109.0	5.8	5.6%	Electronically recorded obligations	48.2	52.0	3.7	7.7%
AR; Real estate and Lease rental of building	1.3	1.4	0.0	2.3%	Current portion of long-term debt	13.4	3.4	(10.0)	(74.4%)
Costs on uncompleted construction contracts	7.5	8.4	0.9	12.2%	Current portion of bonds	10.0	10.0	-	-%
Real estate for sale	56.6	85.7	29.0	51.3%	Advances received on uncompleted construction contracts	16.8	17.3	0.5	3.0%
Costs and advances for real estate operations	19.9	15.8	(4.1)	(20.6%)	Other current liabilities	49.6	32.8	(16.8)	(34.0%)
Other current assets	14.8	16.9	2.1	14.1%	<b>Long-term liabilities:</b>	<b>93.7</b>	<b>139.1</b>	<b>45.5</b>	<b>48.6%</b>
<b>Fixed assets:</b>	<b>311.6</b>	<b>339.7</b>	<b>28.1</b>	<b>9.0%</b>	Straight bonds	20.0	20.0	-	-%
Property and equipment, Land leasehold rights	85.1	99.5	14.4	17.0%	Long-term debt	68.7	114.9	46.2	67.2%
Investment securities	18.3	11.6	(6.8)	(36.9%)	Other long-term liabilities	4.9	4.2	(0.7)	(14.3%)
Investments in subsidiaries and affiliates	107.5	111.4	3.9	3.6%	<b>Total liabilities</b>	<b>296.0</b>	<b>316.4</b>	<b>20.5</b>	<b>6.9%</b>
Investments in other equity	1.3	1.3	0.0	0.1%	<b>Shareholders' Equity:</b>	<b>298.8</b>	<b>333.6</b>	<b>34.8</b>	<b>11.6%</b>
Long-term loans to subsidiaries and affiliates	79.0	92.9	13.8	17.5%	Capital stock	57.5	57.5	-	-%
Other fixed assets	21.0	23.7	2.7	12.7%	Capital surplus	7.5	7.5	0.0	0.0%
Allowance for doubtful accounts	(0.7)	(0.7)	(0.0)	-%	Retained earnings	238.4	278.5	40.1	16.8%
					Treasury stock	(4.6)	(10.0)	(5.4)	-%
					<b>Total valuation and translation adjustments:</b>	<b>4.3</b>	<b>(1.0)</b>	<b>(5.3)</b>	<b>(123.6%)</b>
					Net unrealized gain (loss) on other securities	4.3	(1.0)	(5.3)	(123.6%)
<b>Total assets</b>	<b>599.1</b>	<b>649.0</b>	<b>49.9</b>	<b>8.3%</b>	<b>Total net assets</b>	<b>303.1</b>	<b>332.6</b>	<b>29.5</b>	<b>9.7%</b>
					<b>Total liabilities and net assets</b>	<b>599.1</b>	<b>649.0</b>	<b>49.9</b>	<b>8.3%</b>

《Excess of work taken on》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
Costs on uncompleted construction contracts	7.5	8.4	+ 0.9	12.2%
Advances received on uncompleted construction contracts	16.8	17.3	+ 0.5	3.0%
Receipt (payment) in advance, net	9.3	8.9	- 0.4	(4.3%)
Notes and A/R, construction contracts	103.3	109.0	+ 5.8	5.6%
Notes and A/P, construction contracts	112.4	113.8	+ 1.3	1.2%
Excess (shortage) of work taken on	18.5	13.7	- 4.8	(26.1%)

《Interest-bearing debt balance》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
Current portion of long-term debt	13.4	3.4	(10.0)	(74.4%)
Long-term debt	68.7	114.9	46.2	67.2%
Current portion of bonds	10.0	10.0	-	-%
Straight bonds	20.0	20.0	-	-%
Interest-bearing debt balance, total	112.2	148.4	36.2	32.3%

《Real estate balance》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
Condominium construction and land for order	76.5	101.5	25.0	32.6%
Property and equipment, Land leasehold rights	85.1	99.5	14.4	17.0%
Total	161.6	201.0	39.4	24.4%

《Equity ratio》

Billions of yen

	3/31/2019	3/31/2020	Change	
			Amount	%
Shareholders' equity	303.1	332.6	29.5	9.7%
[Equity ratio]	[50.6%]	[51.2%]	[0.6p]	



	Billions of yen		
	March 2019 < A >	March 2020 < B >	Change < B - A >
Income before income taxes	121.2	87.2	(34.1)
Depreciation and amortization	4.6	4.8	0.2
Special income (losses)	0.5	(1.9)	(2.4)
Amortization of goodwill	2.3	0.2	(2.1)
Provision (reversal) of allowance for doubtful accounts, net	(0.1)	(0.0)	0.0
Increase (decrease) in provision for loss on litigation	(0.1)	(0.0)	0.1
Gain on transfer of business	(21.3)	-	21.3
Valuation loss on inventories	0.1	3.7	3.6
Decrease (increase) in costs on uncompleted construction contracts	(1.5)	(0.3)	1.2
Increase (decrease) in amounts received for uncompleted construction contracts	(3.0)	0.6	3.6
Decrease (increase) in notes and accounts receivable	(28.7)	(1.3)	27.5
Increase (decrease) in notes, accounts payable and accrued expenses	2.8	(1.2)	(4.1)
Decrease (increase) in inventories	(23.7)	(56.0)	(32.3)
Increase (decrease) in deposits	11.6	(4.0)	(15.6)
Others	4.8	(6.1)	(10.9)
Income taxes paid	(36.5)	(40.8)	(4.3)
<b>Net cash provided by (used in) operating activities</b>	<b>33.1</b>	<b>(15.3)</b>	<b>(48.3)</b>
Payment for purchase of securities	(1.4)	(7.1)	(5.6)
Proceeds from redemption of securities	3.7	5.8	2.0
Purchases of property, equipment and intangible assets	(30.1)	(25.1)	5.0
Proceeds from sale of property, equipment and intangible assets	0.4	0.1	(0.3)
Payment for purchase of investment securities	(6.6)	(10.3)	(3.7)
Proceeds from acquisition of subsidiaries' shares resulting in change in the scope of consolidation	-	(1.0)	(1.0)
Proceeds from transfer of business	20.4	-	(20.4)
Payments for transfer of business	(1.6)	-	1.6
Others	0.7	0.3	(0.4)
<b>Net cash provided by (used in) investing activities</b>	<b>(14.5)</b>	<b>(37.2)</b>	<b>(22.7)</b>
Increase (decrease) in short-term borrowings, net	(10.0)	(1.8)	8.2
Increase in long-term debt	30.3	50.0	19.7
Repayment of long-term debt	(26.5)	(21.6)	4.8
Proceeds from issuance of bonds	10.0	10.0	-
Payment for redemption of straight bond	-	(10.0)	(10.0)
Cash dividends paid	(15.0)	(27.1)	(12.0)
Purchase of treasury stock	(0.0)	(5.4)	(5.4)
Incidental expenses for loan	(0.6)	(1.2)	(0.5)
Others	(0.5)	(1.3)	(0.7)
<b>Net cash provided by (used in) financing activities</b>	<b>(12.4)</b>	<b>(8.4)</b>	<b>4.0</b>
Effect of exchange rate changes on cash and cash equivalents	(0.1)	(0.4)	(0.3)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6.1</b>	<b>(61.2)</b>	<b>(67.3)</b>
Cash and cash equivalents at beginning of the year	206.9	213.0	6.1
<b>Cash and cash equivalents at end of the period</b>	<b>213.0</b>	<b>151.8</b>	<b>(61.2)</b>

Operating CF decreased by about 15 billion yen due to Increase in inventories and Income tax paid

Investing CF decreased by about 37 billion yen due to Purchases of property, equipment and intangible assets and Payment for purchase of investment securities

Financing CF decreased by 8 billion yen due to Cash dividends paid and Purchase of treasury stock in spite of Increase in long-term debt.

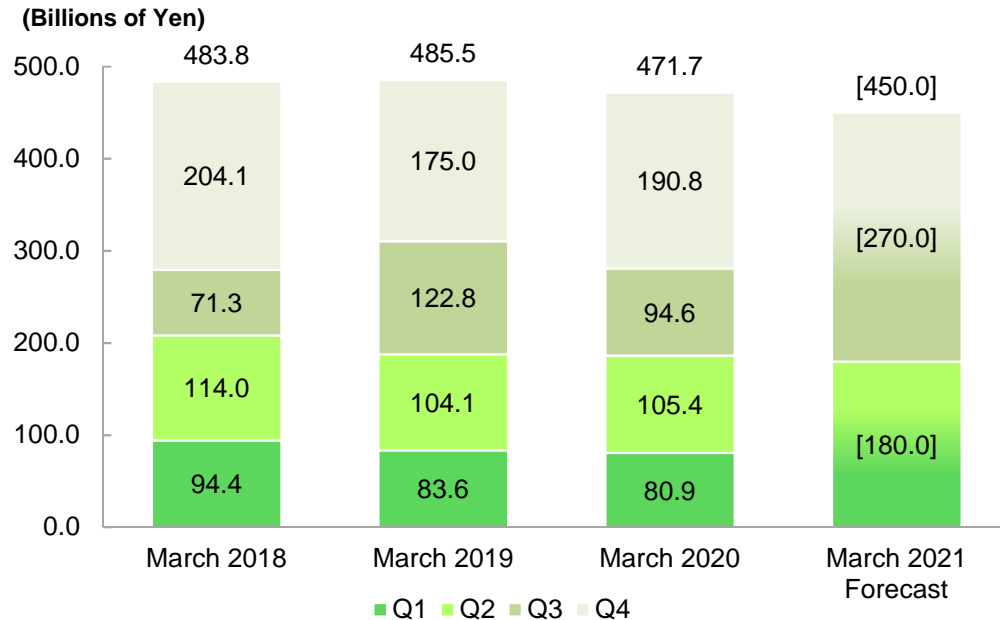
Mainly due to the above factors, Cash and cash equivalents at the end of the period decreased by about 60 billion yen from the beginning of the period.

- Orders received (non-consolidated) decreased due to factors and etc. such as a schedule delay for some of the projects scheduled in March 2020.
- Orders received in March 2021 is expected to be 450 billion yen, because we anticipate a decline in orders for Private-sector condominiums

《Orders》 Billions of yen

	March 2019	March 2020				March 2021 Forecast				
		Annual	Interim	Annual	Change		Interim	Change	Annual	Change
					%					%
<b>Orders</b>	485.5	186.3	471.7	(13.7)	( 2.8%)	180.0	(6.3)	450.0	(21.7)	( 4.6%)
<b>Construction business</b>	471.9	180.2	459.8	(12.1)	( 2.6%)	174.0	(6.2)	438.0	(21.8)	( 4.7%)
Residence	445.2	171.7	443.6	(1.6)	( 0.4%)	152.0	(19.7)	412.0	(31.6)	( 7.1%)
Private-sector condominiums	405.6	164.3	428.7	23.1	5.7%	140.0	(24.3)	400.0	(28.7)	( 6.7%)
Rental condominiums, Company housing, etc.	39.5	7.4	14.9	(24.7)	( 62.3%)	12.0	4.6	12.0	(2.9)	( 19.4%)
Non-Residence	19.2	5.8	10.6	(8.6)	( 44.9%)	20.0	14.2	20.0	9.4	89.5%
Consulting contracts	7.6	2.7	5.7	(1.9)	( 25.3%)	2.0	(0.7)	6.0	0.3	6.0%
<b>Design and supervision</b>	13.6	6.1	11.9	(1.6)	( 12.0%)	6.0	(0.1)	12.0	0.1	0.4%

《Orders received, quarterly》



《Primary Orders》

Project name	Project Owner	Location	Total Units
Solaie Gran Nagareyama Otakanomori	Tobu Railway Co., Ltd., etc.	Nagareyama-shi Chiba	794
CITY HOUSE KOGANEI KOUEN	Sumitomo Realty & Development Co., Ltd.	Kodaira-shi Tokyo	740
Park Village Minami Machida	Meitetsu Real Estate Development Co., Ltd., etc.	Machida-shi Tokyo	582
(Tentative name) Amagasaki City Nagasu Nishidori 1-chome Project	Sumitomo Corporation, etc.	Amagasaki-shi Hyogo	456
(Tentative name) Higashiyodogawa-ku Shimoshinjo 3-chome PJ Construction	Kintetsu Real Estate Co.,Ltd., etc.	Higashiyodogawa-ku Osaka-shi	393
JV Meieki Minami 2-chome Project	Meitetsu Real Estate Development Co., Ltd., etc.	Nakamura-ku Nagoya-shi	441

《Backlogs》

Billions of yen

	3/31/2019	3/31/2020	Change	
				%
Backlogs	601.3	600.8	(0.5)	( 0.1%)

### 《Order by Size (Private-sector condominiums)》

Billions of yen

	March 2019		March 2020		Change	
	Annual	Share	Annual	Share	Amount	%
Less than 200 units	161.4	41.0%	163.7	39.6%	2.3	1.4%
200 to 399 units	145.5	36.9%	141.2	34.1%	(4.4)	( 3.0%)
400 units or more	87.0	22.1%	108.6	26.3%	21.6	24.9%
Total	393.9	100.0%	413.5	100.0%	19.5	5.0%

\* Excluding construction incidental to the private-sector condominiums

### 《Order by Region》

Billions of yen

	March 2019		March 2020		Change	
	Annual	Share	Annual	Share	Amount	%
Tokyo metropolitan area	353.4	72.8%	328.7	69.7%	(24.7)	( 7.0%)
Kinki area	101.6	20.9%	97.3	20.6%	(4.3)	( 4.2%)
Tokai area	30.5	6.3%	45.7	9.7%	15.3	50.1%
Total	485.5	100.0%	471.7	100.0%	(13.7)	( 2.8%)

\*Excluding overseas orders

### 《Exclusive contract and Construction-with-design orders》

	March 2019	March 2020	Change
Exclusive contract	82.4%	91.7%	9.3p
Construction-with-design orders	91.3%	97.1%	5.8p

\*Excluding commissioned works



## 7. Segment Information (Consolidated)

P.9

Billions of yen

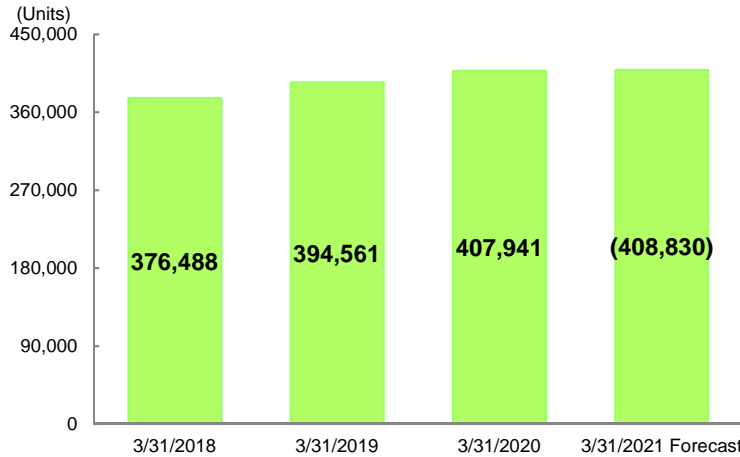
	March 2020			March 2021			Amount of assets and number of employees as of 3/31/2020		
	Results			Forecast			Total assets	Net assets	Employees
	Net sales	Ordinary income	Net income	Net sales	Ordinary income	Net income			
<b>Construction-related Business</b>									
Haseko Corporation	614.1	88.8	67.2	550.0	63.0	47.0	649.0	332.6	2,475
Fuji Kensetsu, Co., Ltd.	32.1	2.7	2.1	34.0	2.7	1.7	24.7	13.1	230
Hasec, Inc.	70.7	0.5	0.3	71.4	0.5	0.3	13.1	2.8	16
Foris Corporation	11.6	0.6	0.4	9.0	0.3	0.2	4.8	3.0	105
<b>Service related Business</b>									
Haseko Anesis Corporation	8.6	6.0	5.8	6.9	5.0	4.9	19.5	16.8	57
Haseko Reform, Inc.	35.5	0.9	0.6	33.5	0.5	0.4	10.7	4.6	454
Haseko Livenet, Inc.	35.6	3.2	2.2	39.7	3.2	2.4	20.1	10.2	452
Haseko Business Proxy, Inc.	1.9	0.0	0.0	1.9	0.1	0.0	4.3	0.5	131
Haseko Urbest, Inc.	8.6	2.0	1.4	8.8	1.8	1.2	30.0	5.2	472
Haseko Real Estate, Inc.	25.6	1.7	1.1	26.8	1.8	1.3	10.4	4.8	361
Haseko Intec, Inc.	5.6	0.5	0.3	5.3	0.3	0.2	3.2	0.8	50
Haseko Systems, Inc.	7.1	0.5	0.4	7.8	0.6	0.4	4.2	1.9	118
<b>Haseko Property Management Holdings, Inc.</b>							21.4	14.0	238
Haseko Community, Inc. *1	42.2	2.7	1.9	59.6	4.2	2.9	18.7	11.9	532
Haseko Smile Community, Co., Ltd. *1	8.4	0.7	0.4	-	-	-	6.2	5.2	138
Sohgoh Housing Service, Co., Ltd. *1	5.5	0.8	0.6	-	-	-	3.5	2.7	64
Haseko Community Kyushu, Inc.	2.0	0.0	0.0	2.8	0.1	0.1	0.7	0.4	63
Haseko Community Nishinohon, Inc.	1.0	(0.2)	(1.3)	1.0	0.0	0.0	0.6	(1.2)	17
Haseko Community Okinawa, Inc. *1	-	(0.0)	(0.0)	0.4	0.0	0.0	0.1	0.1	0
<b>Haseko Real Estate Development Holdings, Inc.</b>							37.3	36.6	48
Haseko Real Estate Development, Inc.	13.6	0.8	0.6	21.1	0.6	0.4	67.7	33.9	82
Sohgoh Real Estate, Co., Ltd.	37.2	2.2	1.9	35.0	2.6	1.9	74.2	14.9	62
Joint Property, Co., Ltd	1.9	0.1	0.1	1.8	0.1	0.1	1.5	0.7	41
<b>Hosoda Corporation *2</b>	-	-	-	14.8	0.0	0.0	12.4	4.3	214
<b>Haseko Senior Holdings, Co., Ltd.</b>							5.3	2.5	109
Century Life, Co., Ltd.	3.7	0.1	0.1	3.8	(0.2)	(0.2)	5.4	0.7	232
Seikatsu Kagaku Un-Ei, Co., Ltd.	8.2	0.2	(0.2)	8.1	(0.4)	(0.3)	23.7	2.8	368
Furusato, Co., Ltd.	2.1	0.0	(0.0)	2.2	0.1	0.0	0.9	0.7	142
<b>Overseas related Business</b>									
Haseko America, Inc.	0.4	(3.7)	(3.6)	0.7	(1.1)	(1.1)	37.5	33.9	50
<b>Consolidated</b>	<b>846.0</b>	<b>85.3</b>	<b>59.9</b>	<b>800.0</b>	<b>70.0</b>	<b>49.0</b>	<b>799.3</b>	<b>387.7</b>	<b>7,321</b>

\*1 On April 1, 2020, Haseko Smile Community's Okinawa branch's condominium management business was transferred to newly established Haseko Community Okinawa, Inc.

And then on the same day, Haseko Smile Community Co., Ltd. and Sogo Housing Service, Co. Ltd. were merged with Haseko Community, Co., Ltd. as the surviving company.

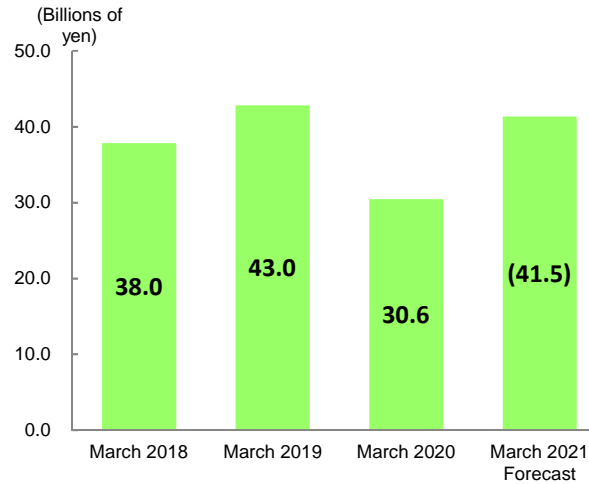
\*2 Hosoda Corporation has been newly consolidated since March 31, 2020. For the year ending March 31, 2020, only the balance sheet was consolidated.

## Condominium Building Management

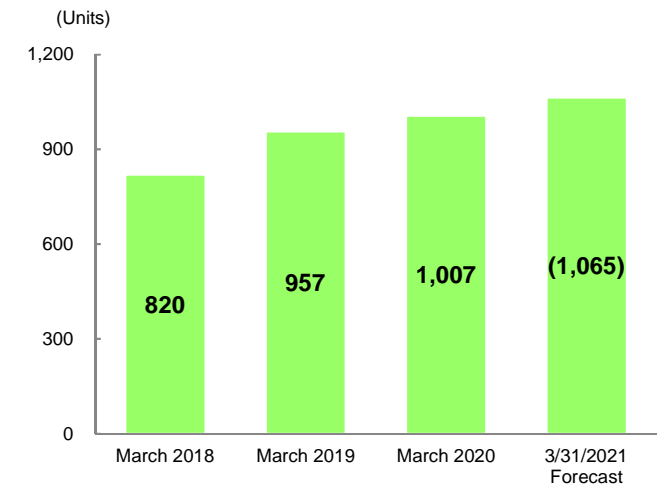


~ 3/31/2020: Total number of Haseko Community, Haseko Smile Community, Sohgo Housing Service, Haseko Community Kyushu, and Haseko Community Nishinoh.  
 3/31/2021(F): Total number of Haseko Community after reorganization, Haseko Community Kyushu, Haseko Community Nishinoh, and Haseko Community Okinawa

## Extensive Refurbishment and Interior improvement Orders

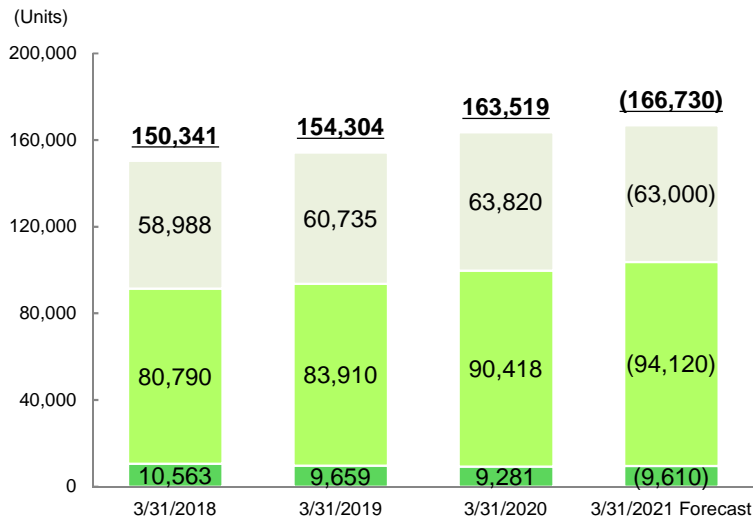


## Number of units of Condominium Sales \*after considering the companies's share



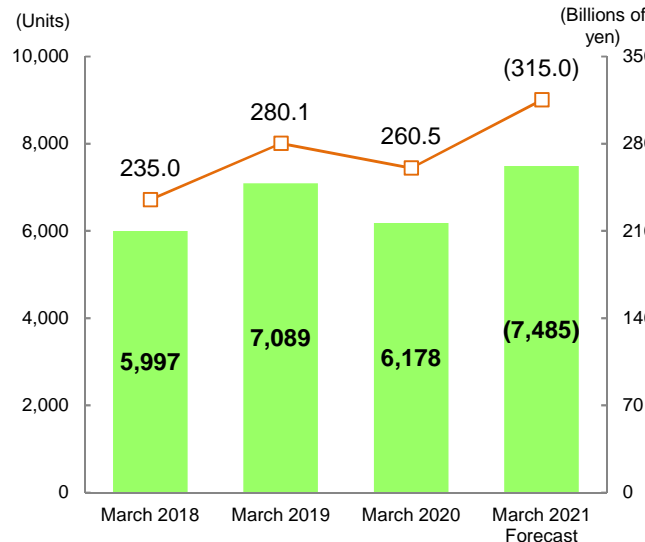
\* Total number of Haseko Corporation, Haseko Real Estate Development Holdings, Haseko Real Estate Development, and Sohgo Real Estate

## Rental Apartment Management and Operation



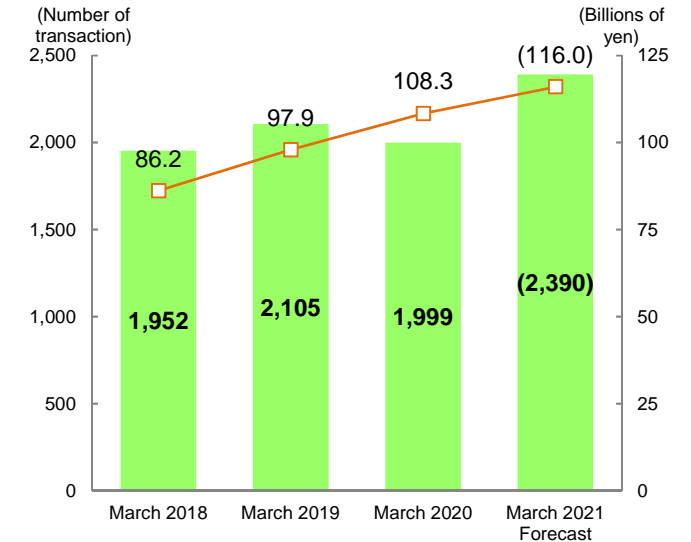
■ Sublease ■ Commissioned property management ■ Company housing management agency

## Consignment Sales



■ Unit of transactions —□— Trading amount

## Brokerage of Real Estate



■ Number of transaction —□— Trading amount

Tokyo metropolitan area															
	From 4/1/2017 to 3/31/2018					From 4/1/2018 to 3/31/2019					From 4/1/2019 to 3/31/2020				
	Supplied			Initial month sales rate		Supplied			Initial month sales rate		Supplied			Initial month sales rate	
	Total	Haseko constructed	Share	Total	Haseko constructed	Total	Haseko constructed	Share	Total	Haseko constructed	Total	Haseko constructed	Share	Total	Haseko constructed
Under 50 units	6,729	0	-	73.9%	-	5,656	0	-	71.0%	-	4,629	36	0.8%	67.7%	0
50 ~ 99 units	8,152	1,233	15.1%	69.6%	63.3%	8,119	2,236	27.5%	65.3%	68.2%	6,164	1,313	21.3%	66.3%	62.7%
100 ~ 199 units	6,829	3,095	45.3%	64.6%	61.4%	8,071	3,622	44.9%	61.6%	65.9%	5,523	2,298	41.6%	67.5%	61.1%
200 ~ 399 units	6,724	4,019	59.8%	64.5%	64.3%	6,873	4,715	68.6%	58.6%	59.5%	4,825	3,036	62.9%	49.0%	50.6%
400 units or more	8,403	4,356	51.8%	70.7%	60.2%	7,922	4,275	54.0%	55.5%	53.2%	7,422	4,125	55.6%	56.4%	54.0%
<b>Total: Fiscal year base</b>	<b>36,837</b>	<b>12,703</b>	<b>34.5%</b>	<b>68.8%</b>	<b>62.1%</b>	<b>36,641</b>	<b>14,848</b>	<b>40.5%</b>	<b>62.0%</b>	<b>60.6%</b>	<b>28,563</b>	<b>10,808</b>	<b>37.8%</b>	<b>61.3%</b>	<b>55.5%</b>

Total: Calendar year base 35,898 12,391 34.5% (Jan.17~Dec.17) 37,132 14,825 39.9% (Jan.18~Dec.18) 31,238 11,962 38.3% (Jan.19~Dec.19)

[Reference] Market Share by floor number of condominiums (Fiscal year base)

Less than 20 Floor	30,500	11,888	39.0%	30,398	14,154	46.6%	24,133	10,179	42.2%
20 Floor and above	6,337	815	12.9%	6,243	694	11.1%	4,430	629	14.2%

Kinki area (*excluding Tokai area)															
	From 4/1/2017 to 3/31/2018					From 4/1/2018 to 3/31/2019					From 4/1/2019 to 3/31/2020				
	Supplied			Initial month sales rate		Supplied			Initial month sales rate		Supplied			Initial month sales rate	
	Total	Haseko constructed	Share	Total	Haseko constructed	Total	Haseko constructed	Share	Total	Haseko constructed	Total	Haseko constructed	Share	Total	Haseko constructed
Under 50 units	2,629	0	-	69.3%	-	2,828	89	3.1%	73.8%	51.7%	2,487	21	0.8%	81.3%	38.1%
50 ~ 99 units	5,708	549	9.6%	82.0%	76.9%	5,584	608	10.9%	80.8%	71.7%	5,701	854	15.0%	76.1%	61.7%
100 ~ 199 units	5,667	1,466	25.9%	77.3%	71.4%	5,993	1,377	23.0%	78.8%	69.3%	4,698	1,126	24.0%	72.1%	68.6%
200 ~ 399 units	3,060	1,444	47.2%	73.7%	67.7%	4,363	1,706	39.1%	70.1%	68.7%	2,869	1,249	43.5%	70.4%	62.1%
400 units or more	2,785	1,779	63.9%	73.9%	77.0%	1,310	884	67.5%	41.8%	46.4%	1,697	289	17.0%	58.1%	57.8%
<b>Total: Fiscal year base</b>	<b>19,849</b>	<b>5,238</b>	<b>26.4%</b>	<b>76.6%</b>	<b>72.9%</b>	<b>20,078</b>	<b>4,664</b>	<b>23.2%</b>	<b>74.4%</b>	<b>64.7%</b>	<b>17,452</b>	<b>3,539</b>	<b>20.3%</b>	<b>73.1%</b>	<b>64.2%</b>

Total: Calendar year base 19,560 5,319 27.2% (Jan.17~Dec.17) 20,958 4,983 23.8% (Jan.18~Dec.18) 18,042 3,563 19.7% (Jan.19~Dec.19)

[Reference] Market Share by floor number of condominiums (Fiscal year base)

Less than 20 Floor	16,969	4,694	27.7%	17,690	4,333	24.5%	15,068	3,186	21.1%
20 Floor and above	2,880	544	18.9%	2,388	331	13.9%	2,384	353	14.8%

Market Share in Kinki area excluding studio apartment

Fiscal year base	15,138	5,238	34.6%	14,602	4,664	31.9%	12,388	3,539	28.6%
Calendar year base	15,107	5,319	35.2%	14,808	4,983	33.7%	12,908	3,563	27.6%

## Name of the Plan

H A S E K O N e x t S t a g e P l a n (Plan NS) ~Aiming for growth to the Next Stage~

## Period Covered by the Plan NS

The fiscal year ending March 2021 - The fiscal year ending March 2025 (5years)

## Basic Policies

1. Strengthen corporate management that builds on both the Construction-Related Business, which primarily targets the market for new housing supply, and the Service-Related Business, which is centered on the market related to existing residences, etc.
2. Deepen coordination among the Group companies and realize a corporate entity that proves to be worthy of the trust received from urban dwellers
3. Provide safe, reliable and comfortable housing and urban environment
4. Establish a stable profit base through growth strategy investment
5. Maintain a strong financial base and enhance shareholder returns
6. Challenge for new endeavors from a medium- to long-term perspective
7. Focus on establishing CSR management

## Numerical Targets

FY ending March 2025; Consolidated ordinary income **100 billion yen** Ordinary income of consolidated subsidiaries **30 billion yen** or more

FY ending March 2021 ~ FY ending March 2025; Consolidated ordinary income in aggregate for the five fiscal years **400 billion yen**

## Investment Plan

Plan to invest **240 billion yen** in 5 years

## Shareholder return policy

- Minimum annual dividend per share: **70 yen**
- Total return ratio calculated from the sum of Net income attributable to owners of parent for 5 fiscal years : **About 40%**

Billions of yen, Thousand shares

	Annual Result					
	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020
<b>Consolidated</b>						
Net Sales	642.2	787.4	772.3	813.3	891.0	846.0
Operating Income	42.7	68.8	89.0	100.8	98.4	85.9
Ordinary Income	41.9	67.3	88.8	100.5	100.4	85.3
Net income attributable to owners of parent	28.5	51.2	58.8	72.3	87.4	59.9
Total Assets *1	476.9	590.0	630.9	687.7	773.2	799.3
Inventories *2	112.6	137.0	128.9	162.7	189.4	250.5
Property and Equipment, Land leasehold rights	56.2	102.3	112.3	127.0	136.6	155.3
Real Estate Balance total	168.8	239.3	241.2	289.7	325.9	405.7
Interest-bearing debt balance	123.2	167.3	133.3	116.7	120.4	152.3
Shareholders' equity	143.8	184.9	237.8	296.0	367.0	387.7
Equity ratio	30.2%	31.3%	37.7%	43.0%	47.5%	48.5%
Net cash provided by (used in) Operating activities	40.0	65.6	109.5	56.5	33.1	(15.3)
Net cash provided by (used in) Investing activities	(4.1)	(30.8)	(19.8)	(16.4)	(14.5)	(37.2)
Net cash provided by (used in) Financing activities	(40.2)	(16.3)	(40.2)	(34.7)	(12.4)	(8.4)
Cash and cash equivalents at end of the period	133.6	152.1	201.5	206.9	213.0	151.8
Return on Equity	21.7%	31.2%	27.8%	27.1%	26.4%	15.9%
Dividend per share (yen)	10.00	15.00	30.00	50.00	80.00	70.00
Payout ratio	10.6%	8.8%	15.3%	20.7%	27.2%	34.8%
Dividend on equity ratio	2.4%	2.7%	4.3%	5.6%	7.2%	5.5%
Number of employees	5,379	6,136	6,602	6,816	6,974	7,321
<b>Non-Consolidated</b>						
Net Sales	460.2	560.9	534.9	581.3	652.3	614.1
Operating Income	34.1	66.4	76.2	84.7	81.5	68.7
Ordinary Income	34.7	65.4	76.0	84.3	83.1	88.8
Net Income	24.5	51.1	56.5	59.6	57.6	67.2
Order	464.2	483.4	502.2	483.8	485.5	471.7
Number of employees	214.6	225.3	232.5	238.9	243.6	247.5
<b>Outstanding shares</b>						
Common stock (including treasury stock)	300,794	300,794	300,794	300,794	300,794	300,794
Treasury stock	182	188	191	3,439	3,410	7,879
(Treasury stock remaining in the trust) *3	[-]	[-]	[-]	[3,242]	[3,209]	[3,150]
The average number of shares	300,615	300,608	300,604	298,737	297,380	297,225

\*1 To adapt to the "Partial Amendments to Accounting Standard for Tax Effect Accounting", the financial position as of March 31, 2018 is reclassified to reflect this change.

\*2 Real estate for sale + Costs and advances for real estate operations + Real estate for development projects

\*3 The company has introduced system of "Board Benefit Trust" and "Employee Stock Ownership Plan" since March 2018.



