



**Financial Results Online Conference**  
**for analysts and institutional investors**  
**for the first quarter ended March 31, 2025**  
**Main Q&A (Summary)**

**Date: August 8, 2024 (Thu) 17:00-18:00**

**Q : Is there any possibility that the non-consolidated net sales on completed construction contracts will exceed the full-year forecast?**

A : As we are making efforts to catch up with the decline in the gross profit margin of completed construction contracts by increasing construction volume, we expect that there is a possibility that the net sales on completed construction contracts will be slightly higher than the annual forecast.

**Q : The gross profit margin of completed construction contracts has declined compared to year-on-year, but is this as expected for the annual forecast?**

A : This progress is as expected. We think that the current construction works will be affected by rising prices and other factors for about another year, but the latest construction profitability upon receiving orders has improved, and we expect the gross profit margin of completed construction contracts to improve in the future.

**Q : When do you think the gross profit margin of completed construction contracts will recover?**

A : At this point, we believe that it will recover from the second half of the next fiscal year.

**Q : What is the situation of the latest construction profitability upon receiving orders?**

A : It is recovering because developers are becoming more understanding of the increased costs caused by rising prices and labor costs.

**Q : What is the current order situation and its competitive environment for orders?**

A : We believe there is a high possibility of achieving the annual target of 580 billion yen for non-consolidated orders. Order pipelines for the next fiscal year and beyond are also steadily increasing. The competitive environment for orders is favorable for large scale condominiums because other general contractors are not actively entering the condominium market due to difficulty securing labor.

**Q : Are negotiations with developers progressing favorably?**

A : While other general contractors are increasingly refusing new orders, developers are increasingly trusting and evaluating us, and we believe the environment is favorable for us to negotiate with them.

Disclaimer: This is an English translation of the original document in Japanese released on our website on August 9, 2024. The translation is for reference purposes only. If and when there are any discrepancies between the original announcement and the English translation, the original announcement shall prevail.

**Q : What is the outlook for the annual forecast for gross profit on real estate sales?**

A : The decrease in gross profit on real estate sales compared to the year-on-year is due to a reaction to sales to private REITs and bulk deals in the same period last year. It is not particularly behind compared to the usual year, and is progressing as expected.

**Q : Has the sales environment for the for-sale condominiums business been changing?**

A : At the moment, there has been no particular change.

**Q : Why has dividend income in the non-operating section increased so much?**

A : This is due to dividends from non-consolidated subsidiaries.

**Q : Is there a prospect of HASEKO America's deficits reduce during this fiscal year?**

A : HASEKO America got further in red due to the yen depreciation, and at this point, we do not expect any improvements during this fiscal year.

**Q : Looking at the breakdown of real estate balance by use, what is the reason for the decrease in land for orders?**

A : This is because, while we made progress in selling large lands for construction orders, we did not acquire many new lands for construction orders. Competition to acquire lands is fierce, but we are steadily increasing future order pipelines, so we are not worried about this situation.

End