

Summary of Earnings Report for the Fiscal Year Ended December 31, 2024

February 13, 2025

Name of listed company: A.D.Works Group Co., Ltd. Listed stock exchange: Tokyo Stock Exchange
 Code: 2982 URL: <https://www.adwg.co.jp/>
 Representative: Hideo Tanaka, President and CEO
 Contact: Taizo Muroya, Director, Executive Officer and General Manager of Strategic Planning Division TEL: +81-(0) 3-5251-7641
 Scheduled date for the Ordinary General Meeting of Shareholders: March 26, 2025 Scheduled date of dividend payment: March 12, 2025
 Scheduled date of filing: March 26, 2025
 Additional material of financial results: Yes
 Results meeting: Yes (For analysts and institutional investors)

(Millions of yen, rounded down)

1. Consolidated Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024–December 31, 2024)

(1) Consolidated business results (cumulative)

(%: Year-on-year comparison)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2024	49,910	20.7	3,216	31.7	2,547	23.3	1,610	13.4
Fiscal year ended December 31, 2023	41,342	48.4	2,441	77.4	2,066	126.9	1,419	169.3

(Notes) Comprehensive Income: Year ended December 31, 2024 2,057 Million yen (28.4%) Year ended December 31, 2023 1,602 Million yen (50.9%)

	Net Income per Share	Diluted Net Income per Share	Net Income on Equity	Ordinary Income on Total Assets	Operating Income Margin
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2024	33.50	33.08	9.0	4.2	6.4
Fiscal year ended December 31, 2023	29.85	29.55	8.6	3.5	5.9

(Notes) Investment gain or loss on equity method: December 31, 2024 -29 Million yen December 31, 2023 — Million yen

(2) Consolidated financial conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
Fiscal year ended December 31, 2024	59,809	18,761	31.3	389.82
Fiscal year ended December 31, 2023	58,854	17,166	29.1	356.62

(Notes) Equity: December 31, 2024 18,716 Million yen December 31, 2023 17,106 Million yen

2. Dividend Information

	Dividend per Share					Dividends (total)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1Q	Interim	3Q	Year-end	Total			
Fiscal year ended December 31, 2023	Yen —	Yen 3.50	Yen —	Yen 4.50	Yen 8.00	¥ millions 393	% 26.8	% 2.3
Fiscal year ended December 31, 2024	—	4.50	—	5.50	10.00	491	29.9	2.7
Fiscal year ending December 31, 2025 (estimate)	—	6.00	—	6.00	12.00		—	

As announced on December 12, 2024, we will determine the dividend amount so that the dividend yield (annual dividend per share / average end-of-month stock price from January to December) will be 4% or more, provided that the dividend payout ratio does not exceed 50%. For the fiscal year ending December 2024, the annual dividend per share is 10.00 yen and the average end-of-month

stock price from January to December is 226 yen (rounded to the nearest yen), so the dividend yield will be 4.4%, which is above 4%. In addition, the dividend payout ratio will be 29.9%, which is below 50%.

3. Consolidated Business Plan for Fiscal Year Ending December 31, 2025 (January 1, 2025–December 31, 2025)

A.D.Works Group announces its business targets for each consolidated fiscal year in the form of a “results plan.” A results plan consists of targets for our businesses and is different from the forecasts and predictions.

(%: Year-on-year comparison)

	Net Sales		Operating Income		Net income before income taxes		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full year	55,000	10.2	3,600	11.9	2,800	9.9	1,780	10.5

Disclaimer

This document was prepared in English for convenience purposes only. The original Japanese document shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this document.

* Notes

(1) Important changes in subsidiaries during the term (changes in specific subsidiaries resulting in changes in scope of consolidation): Yes

New: — company (name of company) —,

Excluded: 2 companies (name of company) ADW Lending LLC, Avenue Works Cochran LLC

(2) Changes in accounting policies, changes or restatement of accounting estimates

1. Changes in accounting policies due to the revision of accounting standards, etc.: None

2. Changes in accounting policies other than 1: None

3. Changes in accounting estimates: None

4. Restatement: None

(3) Number of issued shares (common shares)

1. Number of outstanding shares at end of fiscal year (including treasury stock)

As of December 31, 2024	49,670,764 shares	As of December 31, 2023	49,455,764 shares
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2. Number of treasury stock at end of fiscal year

As of December 31, 2024	1,659,810 shares	As of December 31, 2023	1,488,986 shares
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3. Average number of shares during the period

Fiscal year ended on December 31, 2024	48,075,413 shares	Fiscal year ended on December 31, 2023	47,559,604 shares
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(Note) The Company has a Director Stock Compensation Trust, and the Company shares held by the trust are included in the number of treasury stock.

* This Summary of Earnings Report is not subject to audit by a certified public accountant or audit corporation.

* Explanation about the proper use of results forecasts, and additional information

The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements included in these materials. Actual results may differ significantly from the forecasts in the document, depending on various factors.

[Attached Materials]

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1. Overview of Business Results

(1) Overview of business results for the fiscal year under review

Forward-looking statements in these materials are based on the Group's assessments as of the end of this consolidated fiscal year.

In the consolidated fiscal year under review, the Japanese economy continued to show signs of a gradual recovery amid improvement in the employment and income environment. In July 2024, the Nikkei Stock Average (Nikkei 225) reached a record high and had recovered to the 40,000–50,000 yen range by the end of the year, pointing to a recovery in economic sentiment.

In Japan's income property market, much attention was paid to the impact that the Bank of Japan's decision to end negative interest rates in March 2024 and the additional increase in the policy rate in July had on the financing environment and the property market, but market conditions remained brisk as a result of the high prices that bolster real estate prices and rents.

The market for small-lot real estate products is expanding every year. According to a survey by the Ministry of Land, Infrastructure, Transport and Tourism*, the amount of new investment in voluntary partnership-type products increased from 6.4 billion yen in 2014 to 55.8 billion yen in 2023, an increase of approximately 8.6 times. (*Ministry of Land, Infrastructure, Transport and Tourism, "Handbook for Promoting the Utilization of Real Estate Specified Joint Enterprises (July 2024)")

In Los Angeles, where our group has an office, the policy rate remains at a high level, and the deterioration of the financing environment is pushing down demand for the buying and selling of income properties.

On a global scale, there are still risks that could put downward pressure on the economy, such as volatility in financial capital markets attributable to monetary tightening and economic policies in various countries, surging raw material prices due to higher commodity prices, and sharp exchange rate fluctuations.

In this economic environment, while enhancing "human resource productivity," which is the key to achieving our results plan, and also giving due attention to maintaining "financial soundness," based on our Second Medium-Term Management Plan announced on February 8, 2024, we are committed to increasing earnings per share (EPS), the ultimate performance indicator, by 10% or more each fiscal year to meet the expectations of our shareholders and investors.

As a result, in the fiscal year under review, the Group's consolidated net sales totaled 49,910 million yen (6.2% over the full-year business plan), operating income was 3,216 million yen (7.2% over plan), net income before taxes was 2,547 million yen (10.8% over plan), and net income attributable to owners of parent totaled 1,610 million yen (2.9% over plan). In addition, EPS was 33.50 yen, up 12.2% over the previous year.

Earnings results for the consolidated fiscal year under review are shown in the table below.

(Unit: million yen)

	Fiscal year ended December 31, 2024 (Full-year plan)		Fiscal year ended December 31, 2023 (Results)		Fiscal year ended December 31, 2024 (Results)			
	Amount	Net sales ratio	Amount	Net sales ratio	Amount	Net sales ratio	YoY	Percentage of full-year plan achieved
Net sales	47,000	100.0%	41,342	100.0%	49,910	100.0%	120.7%	106.2%
(Property sales)	—	—	(35,660)	(86.3%)	(44,305)	(88.8%)	(124.2%)	—
(Stock)	—	—	(6,122)	(14.8%)	(6,158)	(12.3%)	(100.6%)	—
(Internal sales)	—	—	(-440)	(-1.1%)	(-553)	(-1.1%)	—	—
Ordinary income	3,000	6.4%	2,441	5.9%	3,216	6.4%	131.7%	107.2%
Net income before taxes	2,300	4.9%	2,066	5.0%	2,547	5.1%	123.3%	110.8%
Net income	1,565	3.3%	1,419	3.4%	1,610	3.2%	113.4%	102.9%

Note : "Property sales," "stock," "net income before taxes," and "net income" are the respective abbreviations of "income property sales business," "stock-type fee business," "net income before income taxes," and "net income attributable to owners of parent."

A summary of the segment results is as follows. Please note that the Group considers operating income to be segment income.

(Income property sales business)

Net sales were 44,305 million yen and operating income was 3,907 million yen.

Amid the brisk business conditions surrounding income property, sales of income properties were solid because the Group's competitive strengths were heightened by a positive cycle from acquisition to sales built on accurate product planning aligned with demand.

In addition, in the small-lot real estate product sales business, the total sales amount for the current period reached 1,317.9 billion yen (including tax), a significant increase of 264% compared with the previous year. The strengths of the existing income property business, such as the diversification of property types and the supply of high-quality products adapted to the expanded business area, have been highly evaluated not only by investors but also by sales alliance partners. This reputation has led to a positive cycle in which the sales network is further expanded through partnerships with financial institutions, tax accountants, and others.

The acquisition amount was 33,862 million yen. In addition to strategic purchasing activities by a purchasing organization consisting of more than 20 people, we were also able to purchase more high-quality properties than in the previous period as a result of our efforts to expand into the Kansai and Fukuoka areas.

The balance of income properties (i.e. the total balance of properties held for sale or rental revenue), which is the source of future revenue, totaled 45,465 million yen, up 667 million yen from the end of the previous fiscal year due to acquisition activities in the current fiscal year.

In the consolidated fiscal year under review, acquisitions and sales in Japan and overseas were as follows.

(Unit: million yen)

	Acquisitions		Revenue from sales	
	FY2023	FY2024	FY2023	FY2024
Japan	28,324	33,142	34,195	43,086
Overseas	1,050	719	1,453	1,193
Total	29,374	33,862	35,648	44,279

(Stock-type fee business)

Net sales were 6,158 million yen and operating income was 1,142 million yen.

The stock-type fee business's revenue consists of rental revenue from income properties held by the Group, which accounts for the majority of its revenue, as well as property management income from A.D. Partners Co., Ltd. and ADW Management USA, Inc. and construction and repair income from Sumikawa ADD Co., Ltd.

The stock-type fee business plays an important role for the Group as it ensures the stability of the Group's earnings. Increasing product value from a sales perspective will also lead to securing rental revenue from properties when held by the Group. A.D. Partners Co., Ltd.'s property management must also further increase their efficiency and ability to address changes in the customer base due to the rise in property unit prices.

(Unit: million yen)

	FY2023	FY2024	YoY
Rental revenue	1,798	1,783	99.2%
Other revenue (Property management, construction, etc.)	4,323	4,375	101.2%
Total	6,122	6,158	100.6%

Note 1: The operating income for each segment is an amount before deduction of expenses not allocated to any segment, such as corporate expenses and operating expenses from intersegment sales or transfers. Therefore, the total operating income for the segments does not match consolidated operating income.

2: In the "stock-type fee business," we position items such as rent from income properties held for the medium to long term or for short-term sales, and fee income from after-sales property management contracts for income properties as "stock-type," while fees for interior decoration work and repair work, and brokerage income derived from customer relations are classified as "flow-type."

(2) Financial position in the fiscal year under review

In the current consolidated fiscal year, we continued our vigorous efforts to acquire income properties aiming at expanding the scale of business, and also aggressively took out loans for acquisitions. This resulted in an increase in the balance of income properties (i.e. the total balance of properties held for sale or rental revenue) by 667 million yen to 45,465 million yen from the end of the previous fiscal year. Interest-bearing liabilities increased by 850 million yen to 35,661 million yen from the end of the previous fiscal year. Accordingly, total assets increased by 954 million yen from the end of the previous fiscal year to 59,809 million yen. At the same time, equity also increased by 1,609 million yen from the previous fiscal year to 18,716 million yen, due to the recording of 1,610 million yen of net income attributable to owners of parent in the current fiscal year, resulting in an equity ratio of 31.3%, the same level as in the previous fiscal year.

The details of the consolidated balance sheet for this fiscal year are as follows.

The “ratio” indicates the percentage relative to total assets (total liabilities and net assets).

(Assets)

Total assets at the end of the current fiscal year were 59,809 million yen. Of this, real estate for sale and real estate for sale in process accounted for 36,557 million yen (61.1% ratio), cash and deposits for 10,129 million yen (16.9%), and properties held for rental revenue (included in property, plant and equipment) for 8,907 million yen (14.9%).

(Liabilities)

Total liabilities at the end of the current consolidated fiscal year were 41,048 million yen. Of this, interest-bearing liabilities accounted for 35,661 million yen.

(Net assets)

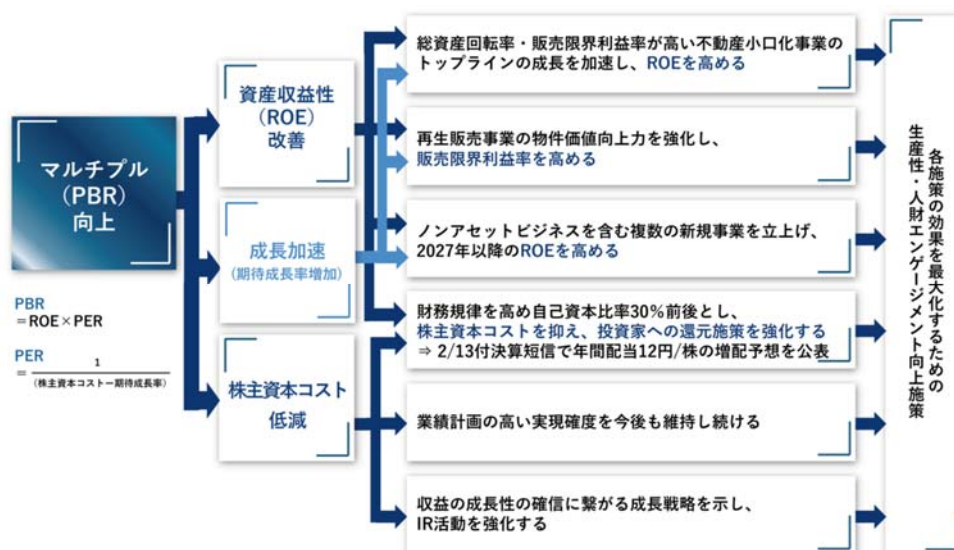
Total net assets amounted to 18,761 million yen. Of this, capital stock and capital surplus accounted for 11,652 million yen.

(3) Outlook

The Group's P/B ratio was 0.5x at the end of December 2024, less than 1x, which we continue to see as an issue.

To address this challenge, we announced Initiatives to Enhance Corporate Value on February 13, 2025, and we will work on all measures to reduce our shareholders' equity cost while improving ROE to 13–14% or more by 2027.

<Key measures to enhance corporate value>



In the Second Medium-Term Management Plan (fiscal year ended December 31, 2024 to fiscal year ending December 31, 2026), released on February 8, 2024, based on the results of the consolidated financial results for this fiscal year, the consolidated financial results plan for the next fiscal year ending December 2025, which is the second year of the Plan, is set at sales of 55,000 million yen, operating income of 3,600 million yen, and net income before tax of 2,800 million yen, which are performance plans that exceed the initial plan. From the fiscal year ending December 2026 onwards, we will continue to promote the Initiatives to Enhance Corporate Value announced on February 13, 2025, aiming to achieve results that exceed the initial plan.

< The Second Medium-Term Management Plan>

(million yen)

Consolidated	Second Medium-Term Management Plan (Fiscal year ending December 31, 2024, to December 31, 2026)					
	FY2023 (Fiscal year ended December 31, 2023)	FY2024 (Fiscal year ending December 31, 2024)		FY2025 (Fiscal year ending December 31, 2025)		FY2026 (Fiscal year ending December 31, 2026)
	Results	Plan	Results	Initial plan	Plan (released February 13, 2025)	Initial plan
Net sales	41,342	47,000	49,910	52,000	55,000	58,000
Operating Income	2,441	3,000	3,216	3,300	3,600	3,700
Net income before income taxes	2,066	2,300	2,547	2,600	2,800	3,000
Income property balance	44,798	45,000	45,465	46,000	47,000	50,000
Shareholders' equity	16,353	17,500	17,511	18,500	18,727	20,000
ROE	9.0%	9.2%	9.5%	9.6%	9.8%	10.4%
ROIC	4.0%	4.3%	4.4%	4.6%	5.0%	4.8%
Human resource productivity “PH gross profit”	31/person	33/person	36/person	34/person	38/person	35/person
Financial soundness “Equity ratio”	29.1%	Approx. 30%	31.3%	Approx. 30%	Approx. 30%	Approx. 30%
Shareholder value “EPS”	29.85 yen	32.95 yen	33.50 yen	36.35 yen	37.02 yen	41.76 yen

- Notes 1: Balance of income properties: Total balance of properties held for sale or rental revenue
 2: ROE: Net income attributable to owners of parent / average shareholders' equity (Figures may differ from net income on equity.)
 3: ROIC: (Net income attributable to owners of parent + interest expenses + borrowing fee) / (balance of average shareholders' equity + balance of average interest-bearing liabilities)
 4: PH gross profit (gross profit per head): Gross profit / average number of employees
 5: EPS (earnings per share): Net income attributable to owners of parent / average number of shares during the period

Note that figures in "Plan" in < The Second Medium-Term Management Plan > are targets for our businesses, which differ from the forecasts and predictions.

< Initial plan achievement rate >

(million yen)

Net income before income taxes or ordinary income	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Plan	450	500	600	800	900	1,000	890	400	600	800	2,000	2,300
Results	450	540	650	(835)	924	1,043	933	432	650	910	2,066	2,547
Achievement rate	100%	108%	108%	(104%)	103%	104%	105%	108%	108%	114%	103%	110%

- Note 1: The ordinary income for the period between the fiscal years ended March 31, 2014, and March 31, 2017, and the net income before taxes for the period between the fiscal years ended March 31, 2018, and December 31, 2024.
 2: In the fiscal year ended March 31, 2017, an extraordinary gain of 86 million yen was recorded from the sale of properties classified as property, plant and equipment. Ordinary income amounted to 748 million yen, but we recognized 835 million yen of net income before income taxes as actual ordinary income and presented it as actual results in the ordinary income plan of 800 million yen (net income before income taxes plan not announced in fiscal year 2016).
 3 FY2020 was an irregular accounting period of nine months between April 1, 2020, and December 31, 2020.

2. Basic Thoughts on Selecting Accounting Standards

The Group currently prepares its consolidated financial statements using Japan's standards in light of the comparability between periods as well as that between companies in the consolidated financial statements.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	9,810,667	10,129,840
Accounts receivable – trade	116,163	111,708
Real estate for sale	35,102,713	35,020,528
Real estate for sale in process	3,311,774	1,536,975
Other	1,952,800	1,905,176
Allowance for doubtful accounts	(949)	(2,423)
Total current assets	50,293,170	48,701,806
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,556,207	3,205,184
Accumulated depreciation	(57,237)	(153,126)
Buildings and structures, net	2,498,970	3,052,058
Tools, furniture and fixtures	158,458	221,062
Accumulated depreciation	(90,858)	(112,426)
Tools, furniture and fixtures, net	67,600	108,635
Machinery, equipment and vehicles	16,192	18,258
Accumulated depreciation	(10,668)	(12,946)
Machinery, equipment and vehicles, net	5,523	5,311
Land	2,927,032	3,785,638
Construction in progress	1,059,641	2,154,373
Total property, plant and equipment	6,558,768	9,106,018
Intangible assets		
Goodwill	327,320	295,643
Other	102,356	151,439
Total intangible fixed assets	429,677	447,083
Investments and other assets		
Investment securities	661,138	480,502
Deferred tax assets	477,449	618,503
Other	411,682	443,261
Total investments and other assets	1,550,270	1,542,266
Total non-current assets	8,538,716	11,095,368
Deferred assets		
Establishment costs	9,766	1,992
Bonds issuance cost	13,254	10,717
Total deferred assets	23,021	12,710
Total assets	58,854,908	59,809,884

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable – trade	1,258,379	933,510
Short-term loans payable	779,400	432,000
Current portion of bonds	390,200	514,900
Current portion of long-term loans payable	7,014,001	3,825,034
Income taxes payable	661,507	718,929
Crowd funding and other deposits received	2,257,357	957,465
Provision for bonuses	254,518	204,280
Other	2,433,065	2,549,890
Total current liabilities	15,048,430	10,136,010
Non-current liabilities		
Bonds payable	675,900	361,000
Long-term loans payable	25,951,316	30,528,596
Other	12,535	23,142
Total non-current liabilities	26,639,752	30,912,738
Total liabilities	41,688,182	41,048,749
Net assets		
Shareholders' equity		
Capital stock	6,262,735	6,283,837
Capital surplus	5,346,478	5,368,645
Retained earnings	4,980,357	6,146,730
Treasury shares	(235,687)	(288,093)
Total shareholders' equity	16,353,883	17,511,119
Accumulated other comprehensive income		
Foreign currency translation adjustments	726,319	1,165,987
Valuation difference on available-for-sale securities	26,017	38,909
Total accumulated other comprehensive income	752,336	1,204,897
Subscription rights to shares	29,206	24,765
Non-controlling interests	31,298	20,353
Total net assets	17,166,725	18,761,135
Total liabilities and net assets	58,854,908	59,809,884

(2) Consolidated profit and loss statement and consolidated comprehensive income statement

Consolidated Profit and Loss Statement

(Thousands of yen)

	Previous consolidated fiscal year (Jan. 1, 2023 – Dec. 31, 2023)	Current consolidated fiscal year (Jan. 1, 2024 – Dec. 31, 2024)
Net sales	41,342,561	49,910,901
Cost of sales	34,322,905	41,275,081
Gross profit	7,019,655	8,635,820
Selling, general and administrative expenses	4,577,825	5,419,086
Operating income	2,441,830	3,216,733
Non-operating income		
Interest and dividend income	51,046	30,234
Foreign exchange gains	103,066	—
Surrender value of insurance policies	—	15,866
Other	9,535	19,034
Total non-operating income	163,647	65,136
Non-operating expenses		
Interest expenses	514,874	591,234
Borrowing fee	55,735	95,385
Amortization of establishment costs	7,774	7,774
Other	48,398	42,261
Loss on equity method investments	—	29,658
Total non-operating expenses	626,782	766,313
Ordinary income	1,978,695	2,515,556
Extraordinary income		
Gain on sale of investment share acquisition rights	38,381	15,923
Gain on sale of investment securities	49,335	24,576
Total extraordinary income	87,716	40,500
Extraordinary loss		
Loss on disposal of fixed assets	—	1,521
Loss on change in equity	—	6,805
Total extraordinary loss	—	8,327
Net income before income taxes	2,066,412	2,547,729
Income taxes – current	817,313	1,079,121
Income tax adjustment	(171,003)	(136,560)
Total income taxes	646,310	942,560
Net income	1,420,102	1,605,168
Net income attributable to non-controlling interests	267	(5,383)
Net income attributable to owners of parent	1,419,835	1,610,551

Consolidated Comprehensive Income Statement

(Thousands of yen)

	Previous consolidated fiscal year (Jan. 1, 2023 – Dec. 31, 2023)	Current consolidated fiscal year (Jan. 1, 2024 – Dec. 31, 2024)
Net income	1,420,102	1,605,168
Other comprehensive income		
Valuation difference on available-for-sale securities	37,694	12,892
Foreign currency translation adjustments	144,570	439,668
Total other comprehensive income	182,264	452,560
Comprehensive income	1,602,366	2,057,728
(Breakdown)		
Comprehensive income attributable to owners of parent	1,602,099	2,063,112
Comprehensive income attributable to non-controlling interests	267	(5,383)

(3) Notes regarding the consolidated financial statement

(Notes on the going concern assumption)

Not applicable

(Notes on segment information, etc.)

1. Overview of Reportable Segments

The Group's reporting segments are those units of the Group for which separate financial information can be obtained, and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group has business divisions at the head office and subsidiaries that are organized by product and service, and each division devises comprehensive strategies for the products and services it handles and develops business activities.

Accordingly, the Group is composed of segments for each product and service based on the business divisions, and the two reportable segments are the "income property sales business" and the "stock-type fee business."

The income property sales business is involved in the buying and selling of income properties. The stock-type fee business is involved in property management, building management, the collection of rent from income properties owned by the Company, real estate brokerage, asset management, fund support, real estate appraisal, due diligence, research, and consulting.

2. Calculation method for net sales, profit, assets, liabilities, and other items by reportable segment

The accounting method for the reportable business segments is generally the same as that stated in "Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements."

In order to more accurately determine the profitability of each business, the method for measuring the income (or loss) of business segments is based on a method of allocating company-wide expenses that are operating expenses needed for the business to each business segment based on certain criteria.

3. Information on net sales, profit, assets, and other items for each reportable segment

I. Third Quarter of previous consolidated fiscal year (January 1, 2023, to December 31, 2023)

Information on net sales, profit or losses, assets, liabilities, and other items for each reportable segment

(Unit: Thousands of yen)

	Reportable segments			Adjustments*1	Semi-annual consolidated profit/loss posted *2
	Income property sales business	Stock-type fee business	Total		
Net sales					
Net sales to external customers	35,660,590	5,681,970	41,342,561	—	41,342,561
Intersegment sales	—	440,193	440,193	(440,193)	—
Total	35,660,590	6,122,163	41,782,754	(440,193)	41,342,561
Segment profit (Operating profit)	2,766,215	1,289,894	4,056,109	(1,614,279)	2,441,830

	Total for reportable segments	Adjustments*1	Annual consolidated profit/loss posted*2
Segment assets	47,501,697	11,353,211	58,854,908
Other items			
Depreciation	113,410	41,198	154,609
Interest expenses	577,116	(62,242)	514,874
Increase in property, plant and equipment and intangible assets	6,429,464	55,740	6,485,205

(Notes)

*1 The adjustments for segment profit are elimination of inter-segment transactions and corporate expenses that are not allocated to reportable segments.

*2 Segment profit is adjusted with operating profit on the semi-annual consolidated profit and loss statement.

II. Third Quarter of current consolidated fiscal year (January 1, 2024, to December 31, 2024)

Information on net sales, profit or losses, assets, liabilities, and other items for each reportable segment

(Unit: Thousands of yen)

	Reportable segments			Adjustments*1	Semi-annual consolidated profit/loss posted *2
	Income property sales business	Stock-type fee business	Total		
Net sales					
Net sales to external customers	44,305,645	5,605,256	49,910,901	—	49,910,901
Intersegment sales	—	553,360	553,360	(553,360)	—
Total	44,305,645	6,158,616	50,464,262	(553,360)	49,910,901
Segment profit (Operating profit)	3,907,451	1,142,640	5,050,092	(1,833,358)	3,216,733

	Total for reportable segments	Adjustments*1	Annual consolidated profit/loss posted*2
Segment assets	47,236,231	12,573,652	59,809,884
Other items			
Depreciation	146,339	50,374	196,713
Interest expenses	573,775	17,459	591,234
Increase in property, plant and equipment and intangible assets	2,669,408	42,008	2,711,416

(Notes)

*1 The adjustments for segment profit are elimination of inter-segment transactions and corporate expenses that are not allocated to reportable segments.

*2 Segment profit is adjusted with operating profit on the semi-annual consolidated profit and loss statement.

4. Information by region

I. The Fiscal Year Ended December 31, 2023 (January 1, 2023, to December 31, 2023)

1. Net sales

(Unit: Thousands of yen)

Japan	US	Total
38,246,057	3,096,503	41,342,561

Note: Net sales are classified by country based on the location of the income property.

2. Property, plant and equipment

(Unit: Thousands of yen)

Japan	US	Total
5,496,860	1,061,908	6,558,768

II. The Fiscal Year Ended December 31, 2024 (January 1, 2024, to December 31, 2024)

1. Net sales

(Unit: Thousands of yen)

Japan	US	Total
46,966,831	2,944,070	49,910,901

Note: Net sales are classified by country based on the location of the income property.

2. Property, plant and equipment

(Unit: Thousands of yen)

Japan	US	Total
7,605,113	1,504,471	9,109,585

(Important subsequent events)

None.