



Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Japanese GAAP)

February 10, 2023

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Start of cash dividend payments:—

Quarterly supplementary materials: None

Quarterly financial results conference: None

(Figures rounded down to nearest million yen)

1. Consolidated Results for the Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (Cumulative) (%: change from the same quarter of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	2,382	(85.5)	(1,690)	—	(1,715)	—	(175)	—
Nine months ended December 31, 2021	16,476	278.5	3,957	—	3,718	—	2,098	—

(Note) Comprehensive income

Nine months ended December 31, 2022: ¥175 million (—%) Nine months ended December 31, 2021: ¥2,112 million (—%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	(10.13)	—
Nine months ended December 31, 2021	123.04	—

Note: The rate of change in operating profit, ordinary profit, profit attributable to owners of parent and comprehensive income for the nine months ended December 31, 2021 compared to the same quarter of the previous year is indicated as "—" because these exceeded 1,000%. Diluted earnings per share for the nine months ended December 31, 2022 are not shown because earnings per share were negative, although there are dilutive shares.

Note: The Company performed a 1:2 split of common shares on October 1, 2022. The figures for earnings per share have been calculated based on the assumption that the split was carried out at the start of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Nine months ended December 31, 2022	41,815	11,524	27.5
FYE March 31, 2022	39,386	10,925	27.7

Reference: Equity capital

Nine months ended December 31, 2022: ¥11,518 million

FYE March 31, 2022: ¥10,925 million

2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FYE March 31, 2022	—	0.00	—	30.00	30.00
FYE March 31, 2023	—	0.00	—	—	—
FYE March 31, 2023 (projection)	—	—	—	—	—

(Note) Changes from the most recently announced dividend forecast: None

(Note) The projection dividends for FYE March 31, 2023 have not been determined at this time.

Note: The Company performed a 1:2 split of common shares on October 1, 2022. The actual dividends prior to the split are shown for FYE March 31, 2022.

3. Projected Consolidated Results for Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(%: change from the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FYE March 31, 2023	15,000	(48.3)	6,500	14.5	6,500	22.2	4,000	13.8	229.35

(Note) Changes from the most recently announced earnings forecast: None

Note: The Company performed a 1:2 split of common shares on October 1, 2022. Earnings per share in the consolidated earnings forecast for the fiscal year ending March 31, 2023 takes into account the effect of this stock split.

* Notes

(1) Significant changes in subsidiaries during the cumulative period under review (changes in specific subsidiaries associated with changes in the scope of consolidation): Yes

New companies: 1 (Silent Partnership Takasegawa) Exclusions: 2 (Sanyo Kogyo Co., Ltd. and Silent Partnership Gojo)

(2) Application of special accounting practices in the preparation of the quarterly consolidated financial statements: None

(3) Changes of accounting policies, changes of accounting estimates and retrospective restatements

(i) Changes in accounting policies resulting from changes in accounting standards, etc.: Yes

(ii) Changes in accounting policies other than those in (i): None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of shares outstanding (common shares)

(i) Number of shares outstanding at the end of the period (including treasury shares)

(ii) Number of treasury shares at end of the period

(iii) Average number of shares during the period (cumulative quarterly period)

As of December 31, 2022	17,861,200 shares	As of March 31, 2022	17,052,400 shares
As of December 31, 2022	1,218 shares	As of March 31, 2022	1,144 shares
Nine months ended December 31, 2022	17,303,219 shares	Nine months ended December 31, 2021	17,051,353 shares

Note: The Company performed a 1:2 split of common shares on October 1, 2022. The figures for the number of shares outstanding (common shares) have been calculated based on the assumption that the split was carried out at the start of the previous fiscal year.

* The quarterly summary of financial results is not subject to quarterly review by a Certified Public Accountant or audit firm.

* Explanations and other notes concerning the appropriate use of earnings projections

Forward-looking statements such as forecasted financial results contained in this document are based on information available to the Company and certain assumptions considered reasonable by the Company at the time of preparation of the document. Actual results, etc. may significantly differ from projections due to a variety of factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

During the nine months ended December 31, 2022, the outlook for the Japanese economy remained uncertain due to the Bank of Japan's raising of long-term interest rates, sharp exchange rate fluctuations, the situation in Ukraine, and soaring prices, while restrictions due to the coronavirus were eased.

In the real estate market, to which the asset management business and real estate business belong, the rapid recovery in the hotel industry both in Japan and overseas has led to a more aggressive stance by subordinated investors toward hotel assets. In terms of the financing stance to the hotel development business, more financial institutions took a positive attitude to new loans. On the other hand, the real estate market as a whole is in a situation that requires close monitoring of future market conditions due to soaring prices and the Bank of Japan's substantial increase in long-term interest rates.

The Group concluded a conditional sale and purchase agreement for the acquisition of land for hotel development in Hakuba Village, Kitaazumi gun, Nagano Prefecture (Hakuba) as a new project, and launched the Nagano Hakuba New Hotel Development Project. In addition, we formed Silent Partnership Takasegawa (bridge fund), a consolidated subsidiary, and borrowed 10,000 million yen, and transferred all of the beneficial interests in real estate trust in the Fauchon Hotel Kyoto owned by Silent Partnership Gojo, a consolidated subsidiary, to the Silent Partnership Takasegawa. Because this beneficial interests in real estate trust transfer is a transaction between consolidated subsidiaries, it has been offset and eliminated in the consolidated financial statements. In the fourth quarter of the fiscal year under review, the Company continues to actively acquire properties as described in the Notice on Conclusion of Purchase Agreement for Acquisition of Hotel Development Site in Ise-Shima, Mie Prefecture disclosed on January 19, 2023.

In the hotel industry, the number of hotel guests has been increasing significantly due to a significant increase in inbound travel and the government's travel support measures amid the easing of coronavirus restrictions.

An increase in inbound travel is an important element for the luxury hotels on which the Group focuses to improve their performance. In the Group's hotel management business, the number of foreign visitors to Japan increased significantly due to the easing of entry restrictions, and turned into operating income in the nine months ended December 31, 2022. We expect that the continued easing of immigration restrictions will improve the performance of the hotel management business in the future as well. Also, from June 17, 2022, the Group rebranded the "Dhawa Yura Kyoto" (84 Ohashi-cho, Sanjo-dori-ohashi Higashi-iru, Higashiyama-ku, Kyoto City) and the "Garrya Nijo Castle Kyoto" (180-1 Ichino-cho, Nakagyo-ku, Kyoto City), opening them for business under the Banyan Tree Group brand. The "Dhawa Yura Kyoto" is a boutique hotel combining Japanese tradition with modern design, while the "Garrya Nijo Castle Kyoto" is an exclusive luxury hotel with just 25 rooms, situated next to Nijo Castle, a World Heritage Site, and offering a view of the Ninomaru-goten Palace (a national treasure) and its Japanese garden that can be enjoyed in all four seasons.

As a result, during the nine months ended December 31, 2022, net sales were ¥2,382,505 thousand (down 85.5% year-on-year), operating loss was ¥1,690,700 thousand (compared to operating profit of ¥3,957,082 thousand in the same period of the previous fiscal year), ordinary loss was ¥1,715,816 thousand (compared to ordinary profit of ¥3,718,114 thousand in the same period of the previous fiscal year), and net loss attributable to owners of parent was ¥175,353 thousand (compared to profit attributable to owners of parent of ¥2,098,043 thousand in the same period of the previous fiscal year) due to the recording of negative ¥1,477,592 thousand in income taxes - deferred as a result of the reversal of deferred tax liabilities, etc.

Results for each segment are as follows.

As described in 2 (3) Notes to Quarterly Consolidated Financial Statements (Segment Information, etc.), the Company implemented changes in its segmentation beginning in the three months ended June 30, 2022. Comparisons and analyses with the same period for the previous fiscal year are based on post-change segmentation. The previous "real estate securitization business" and "hotel management business" have been changed to the new "asset management business," "real estate business," and "hotel management business" segments.

In the asset management business, net sales were ¥394,853 thousand (down 28.2% year-on-year), while operating loss was ¥75,433 thousand (compared to an operating profit of ¥137,513 thousand in the same period of the previous fiscal year). This was due to the fact that the planned large project had not been closed by the end of the nine months ended December 31, 2022, although the Company recorded compensation for the sale to a bridge fund.

In the real estate business, net sales were negative ¥20,714 thousand (compared to net sales of ¥15,103,246 thousand in the same period of the previous fiscal year) and operating loss was ¥1,127,252 thousand (compared to an operating profit of ¥4,951,707 thousand in the same period of the previous fiscal year). This was due to the fact that the sale to the bridge fund made during the six months ended September 30, 2022 is a transaction that will be eliminated in the consolidated financial statements, that the sale of other properties is scheduled for the fourth quarter of the fiscal year under review, and that net sales were negative due to the posting of a loss on distribution from silent partnerships.

In the hotel management business, net sales were ¥2,159,302 thousand (up 96.6% year-on-year), while operating loss was ¥251,639 thousand (compared to an operating loss of ¥646,155 thousand in the same period of the previous fiscal year). While the hotel's performance in the nine months ended December 31, 2022 improved significantly and turned to operating income due to an increase in inbound travel and travel support measures, the hotel management business posted an operating loss in the nine months ended December 31, 2022 due to its performance through the six months ended September 30, 2022 and rebranding expenses.

(2) Explanation of Financial Position

With regard to the financial position as of December 31, 2022, total assets were ¥41,815,524 thousand, liabilities were ¥30,291,482 thousand and net assets were ¥11,524,041 thousand.

Total assets increased by ¥2,429,435 thousand compared to the end of the previous fiscal year. This was mainly due to an increase in income taxes refund receivable and deferred tax assets.

Liabilities increased by ¥1,831,236 thousand compared to the end of the previous fiscal year. This was mainly due to borrowings from financial institutions in Silent Partnership Takasegawa.

Net assets increased by ¥598,198 thousand compared to the end of the previous fiscal year. This was mainly due to a decrease in retained earnings due to the recording of a net loss attributable to owners of parent and dividends paid, despite an increase in share capital and capital surplus due to issuance of shares upon exercise of share acquisition rights.

(3) Explanation of Forward-looking Information Such as Consolidated Earnings Forecasts

There is no change in the forecast of consolidated financial result for the fiscal year ending March 31, 2023 from the forecast of consolidated financial result (full year) for the fiscal year ending March 31, 2023 announced on May 11, 2022.

(Note) The above forward-looking statements are based on information and certain assumptions considered reasonable by the Company currently available. Actual results may differ from projections due to a variety of factors including the impact of COVID-19.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	5,695,427	5,061,671
Accounts receivable - trade	249,667	663,322
Real estate for sale	30,778,616	31,073,989
Income taxes refund receivable	1,607	890,150
Other	841,317	1,746,333
Total current assets	37,566,636	39,435,469
Non-current assets		
Property, plant and equipment		
Buildings	4,610	4,610
Accumulated depreciation	(768)	(1,459)
Buildings, net	3,841	3,150
Tools, furniture and fixtures	91,334	128,151
Accumulated depreciation	(50,270)	(55,498)
Tools, furniture and fixtures, net	41,063	72,653
Construction in progress	—	11,140
Total property, plant and equipment	44,905	86,944
Intangible assets		
Goodwill	628,237	534,001
Other	31,994	36,619
Total intangible assets	660,232	570,621
Investments and other assets		
Investment securities	741,476	720,644
Deferred tax assets	201,808	804,119
Other	171,030	197,725
Total investments and other assets	1,114,315	1,722,489
Total non-current assets	1,819,452	2,380,055
Total assets	39,386,089	41,815,524

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	54,756	98,709
Short-term borrowings	830,046	8,349,045
Current portion of long-term borrowings	98,909	354,757
Current portion of non-recourse long-term borrowings	80,000	80,000
Income taxes payable	668,181	4,508
Provision for bonuses	29,053	30,456
Provision for share-based remuneration	146,000	—
Provision for shareholder benefit program	26,000	9,000
Other	2,615,568	836,861
Total current liabilities	4,548,515	9,763,338
Non-current liabilities		
Long-term borrowings	4,445,000	9,311,454
Non-recourse long-term borrowings	18,293,606	10,852,350
Provision for share-based remuneration	—	60,410
Deferred tax liabilities	875,281	—
Other	297,842	303,929
Total non-current liabilities	23,911,730	20,528,144
Total liabilities	28,460,246	30,291,482
Net assets		
Shareholders' equity		
Share capital	987,243	1,499,018
Capital surplus	410,875	922,650
Retained earnings	9,528,546	9,097,423
Treasury shares	(821)	(952)
Total shareholders' equity	10,925,843	11,518,140
Share acquisition rights	—	5,901
Total net assets	10,925,843	11,524,041
Total liabilities and net assets	39,386,089	41,815,524

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Nine months ended December 31, 2022)

(Thousands of yen)

	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Net sales	16,476,529	2,382,505
Cost of sales	10,439,842	3,047,590
Gross profit (loss)	6,036,686	(665,084)
Selling, general and administrative expenses	2,079,603	1,025,616
Operating profit (loss)	3,957,082	(1,690,700)
Non-operating income		
Interest income	9	19
Share of profit of entities accounted for using equity method	—	655,991
Subsidies for employment adjustment	87,907	5,175
Subsidy income	47,104	1,795
Other	14,718	13,074
Total non-operating income	149,740	676,056
Non-operating expenses		
Interest expenses	373,116	580,234
Commission expenses	14,005	104,430
Share of loss of entities accounted for using equity method	874	—
Other	712	16,508
Total non-operating expenses	388,708	701,172
Ordinary profit (loss)	3,718,114	(1,715,816)
Extraordinary income		
Compensation income	—	77,000
Gain on step acquisitions	543,176	—
Total extraordinary income	543,176	77,000
Extraordinary losses		
Head office relocation expenses	—	10,395
Loss on retirement of non-current assets	5,104	115
Impairment losses	545,416	—
Losses related to COVID-19	246,768	—
Loss on step acquisitions	1,258	—
Total extraordinary losses	798,548	10,510
Profit (loss) before income taxes	3,462,742	(1,649,327)
Income taxes - current	1,505,134	3,618
Income taxes - deferred	(155,311)	(1,477,592)
Total income taxes	1,349,822	(1,473,973)
Net income (loss)	2,112,920	(175,353)
Profit attributable to non-controlling interests	14,876	—
Net income (loss) attributable to owners of parent	2,098,043	(175,353)

(Quarterly Consolidated Statement of Comprehensive Income)
(Nine months ended December 31, 2022)

(Thousands of yen)

	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Net income (loss)	2,112,920	(175,353)
Comprehensive income	2,112,920	(175,353)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,098,043	(175,353)
Comprehensive income attributable to non- controlling interests	14,876	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Significant Changes in Subsidiaries During the Cumulative Period Under Review)

(1) Significant changes in scope of consolidation

From the six months ended September 30, 2022, the newly established Silent Partnership Takasegawa has been included in the scope of consolidation.

During the nine months ended December 31, 2022, Sanyo Kogyo Co., Ltd., which had been a consolidated subsidiary, was excluded from the scope of consolidation due to the completion of liquidation, and Silent Partnership Gojo was excluded due to the redemption of the investment. In addition, Hotel W Management, Inc. changed its name to World Brands Collection Hotels & Resorts, Inc.

(2) Significant changes in the scope of application of the equity method

The liquidation of the equity method affiliate SUN RICHESSE SINGAPORE PTE. LTD. was completed and it was excluded from the scope of application of the equity method in the nine months ended December 31, 2022.

(Notes on Significant Changes in Shareholders' Equity)

Share capital and legal capital surplus increased by ¥48,250 thousand each due to the issuance of new shares as performance-linked restricted share remuneration to corporate officers in accordance with the resolution of the Board of Directors meeting held on April 26, 2022.

In addition, share capital and legal capital surplus increased by ¥463,524 thousand each due to the payment for a part of the 6th series of share acquisition rights issued on September 1, 2022 (share acquisition rights with a clause to revise the exercise price through third-party allotment) as a result of the issuance of new shares upon exercise of the rights.

As a result, share capital and capital surplus were ¥1,499,018 thousand and ¥922,650 thousand respectively, as of December 31, 2022.

(Changes in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; below "Implementation Guidance on Accounting Standard for Fair Value Measurement") from the beginning of the three months ended June 30, 2022, and in accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policy set forth by the Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied in the future. This has no impact on the quarterly consolidated financial statements.

(Additional Information)

(Application of Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and some of its domestic consolidated subsidiaries transitioned from a consolidated taxation system to a group tax sharing system from the three months ended June 30, 2022. The Company complies with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021; below "ASBJ PITF No. 42") with regard to accounting practices and disclosures for income taxes, local income taxes, and tax effect accounting. Additionally, based on ASBJ PITF No. 42, Paragraph 32 (1), it is deemed that there is no material effect arising from the change in accounting policy due to the adoption of PITF No. 42.

(Segment Information, etc.)

Segment Information

I. Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

1. Information on the amounts of net sales, profit or loss, and revenue breakdown for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustments (Note) 1	Amount in quarterly consolidated statement of income (Note) 2
	Asset management business	Real estate business	Hotel management business	Total			
Net sales							
Goods and services transferred at a point in time	40,000	—	1,093,164	1,133,164	1,133,164	—	1,133,164
Goods and services transferred over a fixed period of time	228,868	—	—	228,868	228,868	—	228,868
Revenue from contracts with customers	268,868	—	1,093,164	1,362,033	1,362,033	—	1,362,033
Other revenue (Note) 3	493	15,108,794	5,208	15,114,496	15,114,496	—	15,114,496
Net sales to external clients	269,362	15,108,794	1,098,372	16,476,529	16,476,529	—	16,476,529
Internal net sales and transfers between segments	280,622	(5,547)	—	275,075	275,075	(275,075)	—
Total	549,984	15,103,246	1,098,372	16,751,604	16,751,604	(275,075)	16,476,529
Segment profit or (loss)	137,513	4,951,707	(646,155)	4,443,064	4,443,064	(485,981)	3,957,082

(Notes) 1. The negative ¥485,981 thousand of segment profit or (loss) adjustments includes a net amount of negative ¥498,221 thousand of corporate revenues and expenses not allocated to each reportable segment, and ¥12,240 thousand in eliminations of transactions between segments.

2. Adjustments have been made to the operating profit shown on the Quarterly Consolidated Statement of Income for segment profit or (loss).

3. Other revenue includes lease income in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and the transfer of real estate (including beneficial interests in real estate trust) subject to the "Practical Guidelines on Accounting for Transfers Related to Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15).

2. Information on assets for each reportable segment

Assets in the real estate business segment increased by ¥7,808,841 thousand from the end of the previous fiscal year. This was mainly due to the acquisition of an additional investments in capital of Silent Partnership Ryozen, making it a consolidated subsidiary from an equity-method affiliate.

3. Information on impairment losses on non-current assets and goodwill, etc. for each reportable segment
(Significant changes in the amount of goodwill)

During the six months ended September 30, 2022, as a result of additional acquisition of investments in capital of Silent Partnership Ryozen, making it a consolidated subsidiary from an equity-method affiliate, goodwill of ¥2,353,264 thousand was recorded in the real estate business segment. However, an impairment loss of ¥534,762 thousand was recorded due to the write-down of a portion of goodwill to its recoverable amount.

Goodwill was recorded in the real estate business segment due to the additional acquisition of investment in capital of Silent Partnership Myoho. However, the entire amount was written off as the investment was redeemed and excluded from the scope of consolidation during the six months ended September 30, 2022.

As a result of the above, goodwill increased by ¥1,727,576 thousand in the real estate business segment during the nine months ended December 31, 2022.

II. Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

1. Information on the amounts of net sales, profit or loss, and revenue breakdown for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustments (Note) 1	Amount in quarterly consolidated statement of income (Note) 2
	Asset management business	Real estate business	Hotel management business	Total			
Net sales							
Goods and services transferred at a point in time	—	—	2,156,302	2,156,302	2,156,302	—	2,156,302
Goods and services transferred over a fixed period of time	244,392	—	—	244,392	244,392	—	244,392
Revenue from contracts with customers	244,392	—	2,156,302	2,400,694	2,400,694	—	2,400,694
Other revenue (Note) 3	455	(20,714)	2,070	(18,188)	(18,188)	—	(18,188)
Net sales to external clients	244,848	(20,714)	2,158,372	2,382,505	2,382,505	—	2,382,505
Internal net sales and transfers between segments	150,005	—	930	150,935	150,935	(150,935)	—
Total	394,853	(20,714)	2,159,302	2,533,441	2,533,441	(150,935)	2,382,505
Segment profit or (loss)	(75,433)	(1,127,252)	(251,639)	(1,454,325)	(1,454,325)	(236,374)	(1,690,700)

(Notes) 1. The negative ¥236,374 thousand of segment loss adjustments includes the net amount of negative ¥248,614 thousand in corporate revenues and expenses not allocated to each reportable segment, and ¥12,240 thousand in eliminations of transactions between segments.

2. Adjustments have been made to the operating loss shown on the Quarterly Consolidated Statement of Income for segment loss.
3. Other revenue includes lease income in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and the transfer of real estate (including beneficial interests in real estate trust) subject to the "Practical Guidelines on Accounting for Transfers Related to Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15).
4. Net sales to external clients in the real estate business of negative ¥20,714 thousand are due to the posting of an amount equivalent to the Company's investment ratio out of the losses posted in silent partnerships in which the Company has invested.

2. Information on changes in reportable segments, etc.

From the three months ended June 30, 2022, in accordance with a partial revision of the administrative categories for evaluating performance within the Group, the Company changed its reportable segments from the previous "real estate securitization business" and "hotel management business" to the new "asset management business," "real estate business," and "hotel management business" segments.

Segment information for the nine months ended December 31, 2021 is disclosed based on classifications after the change.