



Summary of Consolidated Financial Results for Fiscal Year Ended March 31, 2024 (Japanese GAAP)

May 10, 2024

Listed company name: Wealth Management, Inc.
Code No.: 3772
Representative: Kazutoshi Senno, President and Representative Director
Inquiries: Shintaro Muramatsu, General Manager of Planning Division
Tel.: +81-3-6229-2129
Scheduled ordinary general meeting of shareholders: June 25, 2024
Securities report to be submitted: June 26, 2024
Supplementary materials: None
Financial results conference: Not scheduled

Listed Stock Exchange: Tokyo
URL: <https://www.wealth-mngt.com/en/>

Start of cash dividend payments: June 26, 2024

(Figures rounded down to nearest million yen)

1. Consolidated Results for Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (%: change from the same period 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 | % |
| FYE March 31, 2024 | 28,625 | 93.4 | 3,028 | (20.6) | 2,638 | (32.8) | 1,824 | (51.1) |
| FYE March 31, 2023 | 14,800 | (49.0) | 3,814 | (32.8) | 3,925 | (26.2) | 3,733 | 6.2 |

(Note) Comprehensive income

FYE March 31, 2024: ¥1,824 million (-51.1%) FYE March 31, 2023: ¥3,733 million (5.8%)

| | Earnings per share | Diluted earnings per share | Return on equity | Ordinary profit/total assets | Operating profit/net sales |
|--------------------|--------------------|----------------------------|------------------|------------------------------|----------------------------|
| | Yen | Yen | % | % | % |
| FYE March 31, 2024 | 96.87 | 96.57 | 10.6 | 5.0 | 10.6 |
| FYE March 31, 2023 | 213.65 | 212.56 | 28.0 | 8.8 | 25.8 |

Reference: Share of profit/loss of entities accounted for using equity method

FYE March 31, 2024: ¥637 million FYE March 31, 2023: ¥1,291 million

Note: The Company performed a 1:2 split of common shares on October 1, 2022. The figures for earnings per share and diluted 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 | Net assets per share |
|--------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| FYE March 31, 2024 | 55,230 | 18,545 | 33.6 | 972.38 |
| FYE March 31, 2023 | 49,904 | 15,788 | 31.6 | 868.98 |

Reference: Equity capital

FYE March 31, 2024: ¥18,544 million FYE March 31, 2023: ¥15,783 million

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

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| FYE March 31, 2024 | 7,030 | (457) | (1,228) | 13,924 |
| FYE March 31, 2023 | (3,258) | (314) | 6,588 | 8,580 |

2. Dividends

| | Annual dividends per share | | | | | Total dividends (Total) | Payout ratio (Consolidated) | Dividends to net assets (Consolidated) |
|------------------------------------|----------------------------|------|-----|-----------------|-------|----------------------------|--------------------------------|--|
| | 1Q | 2Q | 3Q | Fiscal year end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| FYE March 31, 2023 | — | 0.00 | — | 17.00 | 17.00 | 308 | 8.0 | 2.3 |
| FYE March 31, 2024 | — | 0.00 | — | 19.00 | 19.00 | 362 | 19.6 | 2.1 |
| FYE March 31, 2025 (projection) | — | — | — | — | — | | — | |

(Note) The projection dividends for FYE March 31, 2025 have not been determined at this time.

3. Projected Consolidated Results for Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

We have refrained from announcing our full-year results forecast for the fiscal year ending March 31, 2025. For details, please refer to the “Notice on Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2025 (Undecided)” (Japanese only) released today.

* Notes

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

New companies: 2 (Silent Partnership Shinsatsu and Silent Partnership Hirafu Kaihatsu)

Excluded: 0

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

(i) Changes in accounting policies resulting from changes in accounting standards, etc.: None

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

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) 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

| | | | |
|--------------------|-------------------|--------------------|-------------------|
| FYE March 31, 2024 | 19,072,300 shares | FYE March 31, 2023 | 18,164,600 shares |
| FYE March 31, 2024 | 1,252 shares | FYE March 31, 2023 | 1,218 shares |
| FYE March 31, 2024 | 18,833,328 shares | FYE March 31, 2023 | 17,473,959 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.

(Reference) Overview of Non-Consolidated Financial Results

I. Non-Consolidated Results for Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results (%: change from the same period of the previous year)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|--------------------|-----------------|--------|------------------|--------|-----------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| FYE March 31, 2024 | 3,117 | (5.2) | (37) | — | 531 | (54.0) | 498 | (65.5) |
| FYE March 31, 2023 | 3,289 | (48.9) | 703 | (81.5) | 1,154 | (74.0) | 1,446 | (52.1) |

| | Earnings per share | | Diluted earnings per share | |
|--------------------|--------------------|-------|----------------------------|-------|
| | Yen | Yen | Yen | Yen |
| FYE March 31, 2024 | 26.48 | 26.40 | 26.40 | 26.40 |
| FYE March 31, 2023 | 82.76 | 82.34 | 82.34 | 82.34 |

Note: The Company performed a 1:2 split of common shares on October 1, 2022. The figures for earnings per share and diluted 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) Non-Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| FYE March 31, 2024 | 17,887 | 14,030 | 78.4 | 735.63 |
| FYE March 31, 2023 | 15,761 | 12,607 | 80.0 | 693.84 |

Reference: Equity capital

FYE March 31, 2024: ¥14,029 million

FYE March 31, 2023: ¥12,602 million

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

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

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

Forward-looking statements such as forecast 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.

Table of Contents of Attached Materials

| | |
|---|----|
| 1. Overview of Business Results, etc..... | 2 |
| (1) Overview of Business Results | 2 |
| (2) Overview of Financial Position | 3 |
| (3) Projections | 4 |
| (4) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Year | 5 |
| 2. Basic Approach on Selection of Accounting Standards | 5 |
| 3. Consolidated Financial Statements and Notes | 6 |
| (1) Consolidated Balance Sheet..... | 6 |
| (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income | 8 |
| Consolidated Statement of Income | 8 |
| Consolidated Statement of Comprehensive Income..... | 9 |
| (3) Consolidated Statement of Changes in Equity..... | 10 |
| (4) Consolidated Statement of Cash Flows | 12 |
| (5) Notes to Consolidated Financial Statements..... | 14 |
| (Notes on Going Concern Assumption)..... | 14 |
| (Significant Matters Forming the Basis for Preparation of the Consolidated Financial Statements)..... | 14 |
| (Segment Information, etc.) | 17 |
| (Per Share Information) | 20 |
| (Significant Subsequent Events) | 20 |

1. Overview of Business Results, etc.

(1) Overview of Business Results

During the fiscal year ended March 31, 2024, although there are concerns for the Japanese economy in terms of the increase in real estate and construction costs due to soaring prices and the unstable real estate market in China, the Japanese economy showed some positive signs, such as increased consumption by foreign visitors to Japan and the spread of wage increases in various industries.

In the Group, the strong performance of the hotel industry led to strong sales for operated hotels and hotel real estate, and net sales exceeded those of the previous fiscal year. However, the increase in costs including personnel expenses for operated hotels and development costs for hotels was not fully absorbed, resulting in a decrease in profit.

As a result, during the fiscal year under review, net sales were ¥28,625,382 thousand (up 93.4% year-on-year), operating profit was ¥3,028,623 thousand (down 20.6% year-on-year), ordinary profit was ¥2,638,810 thousand (down 32.8% year-on-year) and profit attributable to owners of parent was ¥1,824,465 thousand (down 51.1% year-on-year).

Business results by segment were as follows.

| Segment | | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) | Percentage change |
|---------------------------|------------------|--|---|----------------------|
| | | Amount (Thousands of yen) | Amount (Thousands of yen) | (%) |
| Hotel management business | Net sales | 3,570,041 | 6,166,824 | 72.7 |
| | Operating profit | 133,466 | 1,437,984 | 977.4 |
| Asset management business | Net sales | 655,819 | 784,868 | 19.7 |
| | Operating profit | 26,096 | 45,158 | 73.0 |
| Real estate business | Net sales | 11,062,755 | 21,897,280 | 97.9 |
| | Operating profit | 4,403,070 | 2,463,807 | (44.0) |

(Note) Transactions between segments have not been eliminated.

(Hotel management business)

In the hotel industry, in which our hotel management business operates, inbound demand has been robust, and the number of inbound tourists published by the Japan National Tourism Organization (JNTO) continues to increase. However, there are also challenges such as labor shortages and various cost increases. For the Group as well, both room occupancy rates and average room rates per day are rising, and the trend of increasing net sales continues. However, we are continuously addressing the challenge of securing profitability in light of rising costs, particularly personnel expenses.

In the area of hotel openings, operations after the opening of Six Senses Kyoto which had its grand opening on April 23, 2024, and preparations for the opening of Banyan Tree Higashiyama Kyoto (scheduled to open in summer 2024) have progressed smoothly, and we believe this will contribute to future earnings growth.

Trend in sales for operated hotels

| | | (Thousands of yen) | |
|--|--|------------------------------|--|
| | | Operated hotels net sales | Percentage change from the same period of the previous fiscal year |
| 1st quarter of the previous fiscal year | (April 1, 2022 to June 30, 2022) | 510,370 | 261.9% |
| 2nd quarter of the previous fiscal year | (July 1, 2022 to September 30, 2022) | 524,569 | 96.7% |
| 3rd quarter of the previous fiscal year | (October 1, 2022 to December 31, 2022) | 1,121,361 | 102.2% |
| 4th quarter of the previous fiscal year | (January 1, 2023 to March 31, 2023) | 1,153,695 | 188.4% |
| 1st quarter of the current fiscal year | (April 1, 2023 to June 30, 2023) | 1,499,800 | 193.9% |
| 2nd quarter of the current fiscal year | (July 1, 2023 to September 30, 2023) | 1,396,944 | 166.3% |
| 3rd quarter of the current fiscal year | (October 1, 2023 to December 31, 2023) | 1,798,723 | 60.4% |
| 4th quarter of the current fiscal year | (January 1, 2024 to March 31, 2024) | 1,464,995 | 27.0% |

(Notes) 1. Operated hotels net sales is the total amount of management accounting revenue from hotels operated by the Group, and they do not match the hotel management business net sales.

2. Transactions between segments have not been eliminated.

(Asset management business and real estate business)

In the real estate market, to which the asset management business and real estate business belong, although there is uncertainty about the future due to factors including soaring prices, the 2024 problem in the construction industry, and rising long-term interest rates, the rapid performance growth in the hotel industry has caused hotel asset investors and financial institutions to continue their aggressive stance towards investment and financing of the hotel development business.

Against this backdrop, the main activities of the Group were as follows.

- (1) The Company's consolidated subsidiary, Silent Partnership Shinsatsu, acquired Hotel Emisia Sapporo located in Sapporo City, Hokkaido, and the Company's consolidated subsidiary, Richesse Management, Inc. was entrusted with the asset management contract of this property.
- (2) In the Hakuba Hotel Development Project, after acquiring development land, the beneficial interests in trust of this development land were transferred to the development SPC as the project progressed, and Richesse Management, Inc. was entrusted with the asset management contract of this property.
- (3) The beneficial interests in real estate trust of Dhawa Yura Kyoto were transferred to an external SPC formed for the purpose of selling to individual and institutional investors through a real estate STO (a method of trading by digitizing real estate value into securities), and Richesse Management, Inc. was entrusted with the sub-asset management contract of this property.
- (4) In the Six Senses Hokkaido Niseko Project, as the project progressed, the Company's consolidated subsidiary, the Silent Partnership Hirafu Kaihatsu acquired the beneficial interests in trust of the development land, and Richesse Management, Inc. was entrusted with the asset management business.

(2) Overview of Financial Position

(i) Assets, Liabilities and Net Assets

With regard to the financial position during the current fiscal year, total assets were ¥55,230,248 thousand, liabilities were ¥36,684,453 thousand and net assets were ¥18,545,794 thousand.

Total assets increased by ¥5,325,315 thousand compared to the end of the previous fiscal year. This is mainly due to an increase in cash and deposits and real estate for sale in process, despite a decrease in real estate for sale.

Liabilities increased by ¥2,567,839 thousand compared to the end of the previous fiscal year. This is mainly due to an increase in other non-current liabilities such as investments in silent partnerships.

Net assets increased by ¥2,757,476 thousand compared to the end of the previous fiscal year. This was mainly due to an increase in share capital and capital surplus due to the recording of profit attributable to owners of parent and the issuance of shares upon exercise of share acquisition rights.

(ii) Cash Flows

Cash and cash equivalents (net cash) during the current fiscal year increased by ¥5,344,407 thousand from the end of the previous fiscal year to ¥13,924,417 thousand.

Cash flows at the end of the current fiscal year were as follows.

(Cash flows from operating activities)

Net cash provided in operating activities during the current fiscal year was ¥7,030,484 thousand (¥3,258,026 thousand used during the previous fiscal year). This was mainly due to the posting of ¥2,607,201 thousand in profit before income taxes, an increase in real estate for sale of ¥9,717,285 thousand, and a decrease in real estate for sale in process of ¥6,621,814 thousand yen.

(Cash flows from investing activities)

Net cash used by investing activities during the current fiscal year was ¥457,441 thousand (¥314,782 thousand used in the previous fiscal year). This was mainly due to ¥302,525 thousand for the purchase of property, plant and equipment and ¥228,000 thousand for the purchase of investment securities.

(Cash flows from financing activities)

Net cash used by financing activities during the current fiscal year was ¥1,228,635 thousand (¥6,588,077 thousand provided during the previous fiscal year). This is mainly due to an increase of ¥1,101,914 thousand in proceeds from issuance of shares resulting from exercise of share acquisition rights and a decrease of ¥2,000,000 thousand in deposits pledged as collateral.

(Reference) Indicators Related to Cash Flows

| | FYE March 31, 2020 | FYE March 31, 2021 | FYE March 31, 2022 | FYE March 31, 2023 | FYE March 31, 2024 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Equity ratio (%) | 34.8 | 29.5 | 27.7 | 31.6 | 33.6 |
| Equity ratio based on market price (%) | 26.4 | 45.9 | 50.7 | 46.4 | 35.4 |
| Interest bearing debt on cash flow (%) | — | — | 123.6 | — | 425.1 |
| Interest coverage ratio (multiple) | — | — | 18.7 | — | 10.0 |

Equity ratio: Equity / total assets

Equity ratio based on market price: Market capitalization / total assets

Interest bearing debt on cash flow: Interest bearing debt / cash flow

Interest coverage ratio: Cash flow / interest payments

(Notes 1) All figures have been calculated using financial figures on a consolidated basis.

(Notes 2) Market capitalization is calculated based on the number of outstanding shares excluding treasury shares.

(Notes 3) Cash flows from operating activities is used for cash flow.

(Notes 4) Interest-bearing debt includes all liabilities on which interest is paid that are included in the liabilities shown on the consolidated balance sheet.

(Notes 5) The interest bearing debt on cash flow for the fiscal year ended March 31, 2020, the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2023 is not shown because cash flows from operating activities were negative in that year.

(Notes 6) The interest coverage ratio for the fiscal year ended March 31, 2020, the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2023 is not shown despite interest payments being made because cash flows from operating activities were negative in that year.

(3) Projections

In the real estate market, to which the asset management business and real estate business belong, although there are concerns about interest rate rise risks, the 2024 problem in the construction industry, and increased costs due to inflation, we expect that real estate companies and investors will continue to actively invest in real estate. For the Group as well, the Company will establish an asset cycle business model to create a J-REIT, proceed with the hotel development projects related to the Wealth Management Group, and reinforce trust assets for asset management.

In the hotel industry, in which our hotel management business operates, despite the impact of labor shortages and cost increases in the hotel industry, we expect continued growth in inbound demand, including an increase in the number of foreign

visitors to Japan underpinned by the weak yen and increased consumption by wealthy overseas travelers. For the Group as well, we will ensure that the growing demand for hotels by inbound tourists is incorporated into our business performance. Following the grand opening of Six Senses Kyoto on April 23, 2024, we will proceed with preparations for the opening of Banyan Tree Higashiyama Kyoto (scheduled to open in summer 2024).

In addition, we will continue to promote new business approaches in the Web 3.0 field, such as real estate STOs and the sale of NFTs representing the right to apply for accommodation contracts, which started in the fiscal year ended March 31, 2024.

Also, we have refrained from announcing our full-year results forecast for the fiscal year ending March 31, 2025. For details, please refer to the “Notice on Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2025 (Undecided)” (Japanese only) released today.

(4) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Year

The Company positioned returning profit to shareholders as one of its most important issues. The Company will return profit to shareholders based on the indicator of “total shareholder returns” that includes dividends, shareholder benefit program, and capital gains on shares.

The Company’s basic policy on dividends of surplus is to pay year-end dividends once per year, and the organization determining the dividends is the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends according to the Articles of Incorporation.

During the fiscal year ended March 31, 2024, the final year of the Medium-Term Management Plan 2024, the strong performance of the hotel industry led to strong sales for operated hotels and hotel real estate, and net sales exceeded those of the previous fiscal year. However, the increase in costs including personnel expenses for operated hotels and development costs for hotels was not fully absorbed, resulting in a decrease in profit. However, after taking comprehensive consideration of the business environment, the direction of results, financial health, capital efficiency, and the retained earnings standards required to establish a management foundation that is stable into the long-term, the Company responds to many shareholder expectations and plans to increase the dividend by ¥2.00 per common share compared to the fiscal year ended March 31, 2023 to an annual dividend of ¥19.00. This increase will be proposed at the 25th Annual General Meeting of Shareholders on June 25, 2024.

The dividend projection for the fiscal year ending March 31, 2025 is yet to be determined.

2. Basic Approach on Selection of Accounting Standards

The Group’s business is currently limited to Japan and it does not have any overseas operations. Furthermore, because its shareholders are mainly domestic shareholders, Japanese generally accepted accounting principles are used as the Company’s accounting standards.

The Company will appropriately respond to the application of International Financial Reporting Standards (IFRS) based on consideration of the percentage of foreign shareholders and trends within Japan and overseas.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

| | Previous fiscal year (March 31, 2023) | Current fiscal year (March 31, 2024) |
|-------------------------------------|--|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,729,867 | 16,391,447 |
| Accounts receivable - trade | 746,478 | 728,927 |
| Real estate for sale | 26,828,621 | 17,096,462 |
| Real estate for sale in process | 8,250,412 | 14,872,226 |
| Income taxes refund receivable | 1,309,964 | 848,577 |
| Other | 1,582,497 | 1,720,862 |
| Total current assets | 47,447,842 | 51,658,504 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 206,049 | 275,866 |
| Accumulated depreciation | (3,214) | (26,151) |
| Buildings, net | 202,834 | 249,715 |
| Tools, furniture and fixtures | 257,448 | 302,236 |
| Accumulated depreciation | (40,211) | (72,478) |
| Tools, furniture and fixtures, net | 217,237 | 229,758 |
| Construction in progress | 2,662 | 6,179 |
| Total property, plant and equipment | 422,733 | 485,653 |
| Intangible assets | | |
| Goodwill | 502,590 | 376,942 |
| Other | 35,465 | 37,642 |
| Total intangible assets | 538,055 | 414,584 |
| Investments and other assets | | |
| Investment securities | 703,492 | 836,011 |
| Deferred tax assets | 350,821 | 398,629 |
| Other | 441,987 | 1,436,865 |
| Total investments and other assets | 1,496,301 | 2,671,505 |
| Total non-current assets | 2,457,090 | 3,571,743 |
| Total assets | 49,904,933 | 55,230,248 |

(Thousands of yen)

| | Previous fiscal year (March 31, 2023) | Current fiscal year (March 31, 2024) |
|--|--|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 99,559 | 61,273 |
| Short-term borrowings | 340,000 | 4,700,000 |
| Current portion of long-term borrowings | 637,969 | 2,069,747 |
| Current portion of non-recourse long-term borrowings | 80,000 | 376,000 |
| Income taxes payable | 635,804 | 799,654 |
| Provision for bonuses | 58,855 | 98,005 |
| Provision for share-based payments | 197,474 | 181,500 |
| Provision for shareholder benefit program | 48,000 | 40,000 |
| Other | 1,575,835 | 2,328,294 |
| Total current liabilities | 3,673,498 | 10,654,474 |
| Non-current liabilities | | |
| Long-term borrowings | 11,721,907 | 19,648,188 |
| Non-recourse long-term borrowings | 16,857,350 | 3,000,000 |
| Provision for share-based payments | 58,440 | 90,647 |
| Other | 1,805,417 | 3,291,143 |
| Total non-current liabilities | 30,443,115 | 26,029,979 |
| Total liabilities | 34,116,614 | 36,684,453 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,677,454 | 2,295,873 |
| Capital surplus | 1,101,086 | 1,727,783 |
| Retained earnings | 13,006,037 | 14,521,724 |
| Treasury shares | (952) | (1,006) |
| Total shareholders' equity | 15,783,624 | 18,544,374 |
| Share acquisition rights | 4,694 | 1,420 |
| Total net assets | 15,788,318 | 18,545,794 |
| Total liabilities and net assets | 49,904,933 | 55,230,248 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

| | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) |
|---|---|--|
| Net sales | 14,800,539 | 28,625,382 |
| Cost of sales | 9,266,208 | 23,335,106 |
| Gross profit | 5,534,331 | 5,290,276 |
| Selling, general and administrative expenses | 1,719,521 | 2,261,652 |
| Operating profit | 3,814,810 | 3,028,623 |
| Non-operating income | | |
| Interest income | 42 | 157 |
| Dividend income | — | 40 |
| Share of profit of entities accounted for using equity method | 1,291,591 | 637,934 |
| Other | 26,889 | 14,209 |
| Total non-operating income | 1,318,523 | 652,341 |
| Non-operating expenses | | |
| Interest expenses | 795,286 | 718,431 |
| Commission expenses | 395,861 | 283,387 |
| Other | 17,006 | 40,334 |
| Total non-operating expenses | 1,208,155 | 1,042,154 |
| Ordinary profit | 3,925,178 | 2,638,810 |
| Extraordinary income | | |
| Compensation income | 77,000 | — |
| Total extraordinary income | 77,000 | — |
| Extraordinary losses | | |
| Office relocation expenses | — | 21,308 |
| Loss on store closing | — | 10,301 |
| Head office relocation expenses | 60,981 | — |
| Loss on retirement of non-current assets | 115 | — |
| Total extraordinary losses | 61,097 | 31,609 |
| Profit before income taxes | 3,941,081 | 2,607,201 |
| Income taxes - current | 1,232,117 | 830,543 |
| Income taxes - deferred | (1,024,294) | (47,807) |
| Total income taxes | 207,822 | 782,736 |
| Profit | 3,733,259 | 1,824,465 |
| Profit attributable to owners of parent | 3,733,259 | 1,824,465 |

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

| | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) |
|--|---|--|
| Profit | 3,733,259 | 1,824,465 |
| Comprehensive income | 3,733,259 | 1,824,465 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,733,259 | 1,824,465 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (April 1, 2022 to March 31, 2023)

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 987,243 | 410,875 | 9,528,546 | (821) | 10,925,843 |
| Changes during period | | | | | |
| Issuance of new shares | 690,210 | 690,210 | | | 1,380,421 |
| Profit attributable to owners of parent | | | 3,733,259 | | 3,733,259 |
| Dividends of surplus | | | (255,768) | | (255,768) |
| Purchase of treasury shares | | | | (131) | (131) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 690,210 | 690,210 | 3,477,490 | (131) | 4,857,780 |
| Balance at end of period | 1,677,454 | 1,101,086 | 13,006,037 | (952) | 15,783,624 |

| | Share acquisition rights | Total net assets |
|--|--------------------------|------------------|
| Balance at beginning of period | — | 10,925,843 |
| Changes during period | | |
| Issuance of new shares | | 1,380,421 |
| Profit attributable to owners of parent | | 3,733,259 |
| Dividends of surplus | | (255,768) |
| Purchase of treasury shares | | (131) |
| Net changes in items other than shareholders' equity | 4,694 | 4,694 |
| Total changes during period | 4,694 | 4,862,474 |
| Balance at end of period | 4,694 | 15,788,318 |

Current fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,677,454 | 1,101,086 | 13,006,037 | (952) | 15,783,624 |
| Changes during period | | | | | |
| Issuance of new shares | 618,418 | 618,418 | | | 1,236,837 |
| Profit attributable to owners of parent | | | 1,824,465 | | 1,824,465 |
| Dividends of surplus | | | (308,777) | | (308,777) |
| Purchase of treasury shares | | | | (53) | (53) |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 8,278 | | | 8,278 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 618,418 | 626,697 | 1,515,687 | (53) | 2,760,750 |
| Balance at end of period | 2,295,873 | 1,727,783 | 14,521,724 | (1,006) | 18,544,374 |

| | Share acquisition rights | Total net assets |
|---|--------------------------|------------------|
| Balance at beginning of period | 4,694 | 15,788,318 |
| Changes during period | | |
| Issuance of new shares | | 1,236,837 |
| Profit attributable to owners of parent | | 1,824,465 |
| Dividends of surplus | | (308,777) |
| Purchase of treasury shares | | (53) |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 8,278 |
| Net changes in items other than shareholders' equity | (3,273) | (3,273) |
| Total changes during period | (3,273) | 2,757,476 |
| Balance at end of period | 1,420 | 18,545,794 |

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

| | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) |
|--|---|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,941,081 | 2,607,201 |
| Depreciation | 36,981 | 85,975 |
| Amortization of goodwill | 125,647 | 125,647 |
| Increase (decrease) in provision for bonuses | 29,801 | 39,149 |
| Increase (decrease) in provision for share-based remuneration | 109,915 | 16,231 |
| Increase (decrease) in provision for shareholder benefit program | 22,000 | (8,000) |
| Interest and dividend income | (42) | (197) |
| Interest expenses | 795,286 | 718,431 |
| Commission expenses | 395,861 | 283,387 |
| Share of loss (profit) of entities accounted for using equity method | (1,291,591) | (637,934) |
| Loss on retirement of non-current assets | 115 | — |
| Compensation income | (77,000) | — |
| Decrease (increase) in deposits in trust | (19,171) | (317,172) |
| Decrease (increase) in trade receivables | (496,811) | 17,551 |
| Decrease (increase) in real estate for sale | 3,949,995 | 9,717,285 |
| Decrease (increase) in real estate for sale in process | (8,250,412) | (6,621,814) |
| Decrease (increase) in consumption taxes refund receivable | (42,205) | 117,881 |
| Decrease (increase) in other assets | (641,415) | (1,360,721) |
| Increase (decrease) in trade payables | 44,802 | (38,285) |
| Increase (decrease) in other liabilities | 196,121 | 1,773,984 |
| Other | 1,283,837 | 1,440,519 |
| Subtotal | 112,798 | 7,959,122 |
| Interest and dividends received | 42 | 197 |
| Interest paid | (862,779) | (703,880) |
| Income taxes paid | (2,509,694) | (1,606,840) |
| Income taxes refund | 1,607 | 1,381,885 |
| Net cash provided by (used in) operating activities | (3,258,026) | 7,030,484 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (85,604) | (302,525) |
| Purchase of intangible assets | (11,807) | (12,581) |
| Proceeds from redemption of investment securities | 30,000 | 80,000 |
| Purchase of investment securities | (20,000) | (228,000) |
| Other | (227,371) | 5,666 |
| Net cash provided by (used in) investing activities | (314,782) | (457,441) |

(Thousands of yen)

| | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) |
|--|---|--|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (490,046) | 4,360,000 |
| Proceeds from long-term borrowings | 11,308,869 | 6,049,998 |
| Repayments of long-term borrowings | (3,492,902) | (2,692,754) |
| Proceeds from non-recourse borrowings | 6,025,000 | 3,376,000 |
| Repayments of non-recourse borrowings | (7,461,256) | (10,936,534) |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 1,279,858 | 1,101,914 |
| Proceeds from issuance of share acquisition rights | 8,756 | — |
| Dividends paid | (255,623) | (308,929) |
| Decrease (increase) in deposits pledged as collateral | — | (2,000,000) |
| Other | (334,577) | (178,329) |
| Net cash provided by (used in) financing activities | 6,588,077 | (1,228,635) |
| Net increase (decrease) in cash and cash equivalents | 3,015,268 | 5,344,407 |
| Cash and cash equivalents at beginning of period | 5,564,741 | 8,580,009 |
| Cash and cash equivalents at end of period | 8,580,009 | 13,924,417 |

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Significant Matters Forming the Basis for Preparation of the Consolidated Financial Statements)

1. Matters related to the scope of consolidation

Number of consolidated subsidiaries:

10

Names of consolidated subsidiaries

Richesse Management, Inc.

World Brands Collection Hotels & Resorts, Inc.

Mimatsu Co., Ltd.

Silent Partnership Yura

Dojima Hotel Operations, Inc.

Wealth Realty Management, Inc.

Silent Partnership Takasegawa

Silent Partnership Gora Kaihatsu

Silent Partnership Shinsatsu (Note)

Silent Partnership Hirafu Kaihatsu (Note)

(Note) In the current fiscal year, the Company has included the newly invested Silent Partnership Shinsatsu and Silent Partnership Hirafu Kaihatsu in the scope of consolidation. Furthermore, Godo Kaisha Nijo was excluded from the scope of consolidation due to the completion of liquidation procedures.

2. Matters related to application of the equity method

Number of affiliates to which the equity method applies:

1

Names of major companies, etc.

NISEKO INVESTMENT SINGAPORE PTE. LTD.

(Note) The liquidation of WS PACIFIC INVESTMENT PTE. LTD. was completed and it was excluded from the scope of application of the equity method during the fiscal year under review.

3. Matters related to the business years, etc. of consolidated subsidiaries

The last day of the business years of consolidated subsidiaries is the same as the consolidated balance sheet date for Richesse Management, Inc., World Brands Collection Hotels & Resorts, Inc., Mimatsu Co., Ltd., Silent Partnership Yura, Dojima Hotel Operations, Inc., Wealth Realty Management, Inc., Silent Partnership Gora Kaihatsu, Silent Partnership Shinsatsu, and Silent Partnership Hirafu Kaihatsu. However, the last day of the business year is October 31 for Silent Partnership Takasegawa.

For Silent Partnership Takasegawa, the consolidated financial statements are based on provisional financial statements prepared for Silent Partnership Takasegawa as of the date of the consolidated settlement of accounts.

4. Matters related to accounting policies

(1) Valuation standards and valuation methods for significant assets

Securities

Available-for-sale securities

Stock with no market value, etc.

Cost method based on the moving average method

Investments in silent partnerships are recorded as “investment securities” for the amount equivalent to the holding of assets based on the most recent financial statements available.

Inventories

Real estate for sale, real estate for sale in process

Cost method based on the specific identification method (values on the balance sheet are subject to the book value reduction method based on decreased profitability)

(2) Depreciation methods for significant depreciable assets

(i) Property, plant and equipment (excluding leased assets)

The straight-line method is used.

The main useful lives are as follows.

Buildings: 5-18 years

Tools, furniture and fixtures: 2-15 years

Depreciable assets of small value with an acquisition price of ¥100,000 or more and less than ¥200,000 are depreciated in a straight line over three years.

(ii) Intangible assets (excluding leased assets)

The straight-line method is used.

Depreciation of software used by the Company is based on the useful life within the Company (five years).

(iii) Leased assets

The straight line method is used with the lease period as the useful life and zero residual value.

(3) Accounting standards for significant provisions

Provision for bonuses

To provide for payment of bonuses paid to employees, a provision is made for the amount to be paid during the current fiscal year based on the amount expected to be paid.

Provision for share-based payments

In order to provide for the granting of the Company’s shares under the performance-linked share-based remuneration for Executive Directors, Executive Officers, and Group Executive Officers, a provision is made based on the amount of shares expected to be granted at the end of the current fiscal year.

Provision for shareholder benefit program

In order to provide for the shareholder benefit program, a provision is made based on the estimated future use amount at the end of the current fiscal year.

(4) Accounting standards for significant revenue and expenses

Details of significant obligations in major businesses and regular timing for recognizing profit for the Company and its consolidated subsidiaries are as follows.

(i) Revenue associated with investment advice and asset management business

In terms of revenue associated with the investment advice and asset management business, the Company recognizes the services provided by the Group related to the operation or management of assets held by the customer, or the acquisition or sale of assets, as an obligation based on the outsourcing contract entered into with the customer. If the conditions of the contract are met, such as the acquisition or sale of assets, at that point in time, the Company recognizes the revenue as its obligations have been fulfilled. If the contract obligations are deemed to be fulfilled over a period of time, such as in cases of operation or management of assets, revenue will be recognized over a set period.

(ii) Revenue associated with hotel management business

In terms of revenue associated with the hotel management business, the Company recognizes providing services to guests staying at the hotel as the obligation. This obligation is fulfilled upon the completion of providing services. The Company recognizes revenue when this obligation is fulfilled.

For sales of real estate to special purpose companies, the Company recognizes revenue in accordance with the “Practical Guidelines on Accounting for Transfers Related to Securitization of Real Estate Using Special Purpose Companies” (Accounting System Committee Report No. 15; November 4, 2014). In addition, gains on distribution from silent partnerships are recognized based on the most recent financial statements available.

(5) Method of depreciation and depreciation period of goodwill

The Company amortizes goodwill evenly over the period when the investment effect is realized.

(6) Scope of net cash in the Consolidated Statement of Cash Flows

Net cash (cash and cash equivalents) in the Consolidated Statement of Cash Flows comprise cash on hand, demand deposits, and short-term investments that are readily convertible into cash, exposed to insignificant risk of fluctuations in value and redeemable in three months or less from the acquisition date.

(7) Other significant matters for preparation of the Consolidated Financial Statements

Application of the group tax sharing system

The group tax sharing system is applied.

(Segment Information, etc.)

Segment Information

1. Overview of reportable segments

The Group's reportable segments are periodically considered based on the availability of separate financial information for constituent units of the Company to enable the Board of Directors to determine the allocation of management resources and assess performance.

An overview of each business is as follows.

- (1) Asset management business: Operation and management of real estate, etc., and investment advice and such relating to the acquisition, sale and management of real estate, etc.
- (2) Real estate business: Acquisition, development, holding, sale and leasing (master lease) of real estate, etc.
- (3) Hotel management business: Providing a variety of services related to hotel management including revenue management, hotel on-site operations, and consulting for opening and operating a hotel

2. Method of calculation of the amounts of net sales, profit or loss, assets, liabilities and other items for each reportable segment

The methods of accounting for the reportable segments are the same as those shown in the "Significant Matters Forming the Basis for Preparation of the Consolidated Financial Statements."

Operating profit is shown as the profit of reportable segments.

Internal revenues and transfers between segments are based on actual market prices.

3. Information and revenue analysis information on the amounts of net sales, profit or loss, assets, liabilities and other items for each reportable segment
Previous fiscal year (April 1, 2022 to March 31, 2023)

(Thousands of yen)

| | Reportable segment | | | | Total | Adjustments (Notes) 1 | Amount shown on consolidated financial statements (Notes) 2 |
|--|---------------------------------|-------------------------|---------------------------------|------------|------------|--------------------------|---|
| | Asset management business | Real estate business | Hotel management business | Total | | | |
| Net sales | | | | | | | |
| Goods and services transferred at a point in time | 95,000 | — | 3,309,997 | 3,404,997 | 3,404,997 | — | 3,404,997 |
| Goods and services transferred over a fixed period of time | 338,559 | — | — | 338,559 | 338,559 | — | 338,559 |
| Revenue from contracts with customers | 433,559 | — | 3,309,997 | 3,743,556 | 3,743,556 | — | 3,743,556 |
| Other revenue | 821 | 11,053,401 | 2,760 | 11,056,983 | 11,056,983 | — | 11,056,983 |
| Net sales to external clients | 434,381 | 11,053,401 | 3,312,757 | 14,800,539 | 14,800,539 | — | 14,800,539 |
| Internal net sales and transfers between segments | 221,438 | 9,353 | 257,284 | 488,076 | 488,076 | (488,076) | — |
| Total | 655,819 | 11,062,755 | 3,570,041 | 15,288,616 | 15,288,616 | (488,076) | 14,800,539 |
| Segment profit | 26,096 | 4,403,070 | 133,466 | 4,562,632 | 4,562,632 | (747,822) | 3,814,810 |
| Segment assets | 5,024,278 | 38,015,007 | 2,456,695 | 45,495,981 | 45,495,981 | 4,408,951 | 49,904,933 |
| Segment liabilities | 1,956,161 | 28,868,800 | 1,881,159 | 32,706,120 | 32,706,120 | 1,410,494 | 34,116,614 |
| Other items | | | | | | | |
| Depreciation | 370 | — | 27,937 | 28,307 | 28,307 | 8,673 | 36,981 |
| Amortization of goodwill | — | 125,647 | — | 125,647 | 125,647 | — | 125,647 |
| Share of profit of entities accounted for using equity method | — | 1,291,591 | — | 1,291,591 | 1,291,591 | — | 1,291,591 |
| Investments in entities accounted for using equity method | — | — | — | — | — | — | — |
| Increases in property, plant and equipment and intangible assets | 3,747 | — | 60,352 | 64,100 | 64,100 | 270,641 | 334,742 |

(Notes) 1. The adjustments are as follows.

- (1) The negative ¥747,822 thousand of segment profit adjustments includes a net amount of negative ¥610,717 thousand of corporate revenues and expenses not allocated to each reportable segment, and a negative ¥137,104 thousand in eliminations of transactions between segments.
- (2) The ¥4,408,951 thousand adjustment to segment assets is the cash and deposits and other assets of the Company.
- (3) The ¥1,410,494 thousand adjustment to segment liabilities is the accounts payable - other, and other liabilities of the Company.

2. Adjustments have been made to the operating profit shown on the Consolidated Statement of Income for segment profit.

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).

Current fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

| | Reportable segment | | | | Total | Adjustments (Notes) 1 | Amount shown on consolidated financial statements (Notes) 2 |
|--|---------------------------------|-------------------------|---------------------------------|------------|------------|--------------------------|---|
| | Asset management business | Real estate business | Hotel management business | Total | | | |
| Net sales | | | | | | | |
| Goods and services transferred at a point in time | 192,905 | — | 6,160,464 | 6,353,370 | 6,353,370 | — | 6,353,370 |
| Goods and services transferred over a fixed period of time | 371,103 | — | — | 371,103 | 371,103 | — | 371,103 |
| Revenue from contracts with customers | 564,008 | — | 6,160,464 | 6,724,473 | 6,724,473 | — | 6,724,473 |
| Other revenue | 855 | 21,897,280 | 2,760 | 21,900,895 | 21,900,895 | 13 | 21,900,909 |
| Net sales to external clients | 564,863 | 21,897,280 | 6,163,224 | 28,625,368 | 28,625,368 | 13 | 28,625,382 |
| Internal net sales and transfers between segments | 220,005 | — | 3,600 | 223,605 | 223,605 | (223,605) | — |
| Total | 784,868 | 21,897,280 | 6,166,824 | 28,848,973 | 28,848,973 | (223,591) | 28,625,382 |
| Segment profit | 45,158 | 2,463,807 | 1,437,984 | 3,946,950 | 3,946,950 | (918,326) | 3,028,623 |
| Segment assets | 6,740,727 | 38,302,388 | 3,997,732 | 49,040,848 | 49,040,848 | 6,189,399 | 55,230,248 |
| Segment liabilities | 1,930,859 | 28,822,934 | 3,156,485 | 33,910,279 | 33,910,279 | 2,774,174 | 36,684,453 |
| Other items | | | | | | | |
| Depreciation | 868 | — | 40,217 | 41,085 | 41,085 | 44,889 | 85,975 |
| Amortization of goodwill | — | 125,647 | — | 125,647 | 125,647 | — | 125,647 |
| Share of profit of entities accounted for using equity method | — | 637,934 | — | 637,934 | 637,934 | — | 637,934 |
| Investments in entities accounted for using equity method | — | — | — | — | — | — | — |
| Increases in property, plant and equipment and intangible assets | 1,430 | — | 128,112 | 129,542 | 129,542 | 21,529 | 151,071 |

(Notes) 1. The adjustments are as follows.

- (1) The negative ¥918,326 thousand of segment profit adjustments includes a net amount of negative ¥845,576 thousand of corporate revenues and expenses not allocated to each reportable segment, and ¥72,750 thousand in eliminations of transactions between segments.
 - (2) The ¥6,189,399 thousand adjustment to segment assets is the cash and deposits and other assets of the Company.
 - (3) The ¥2,774,174 thousand adjustment to segment liabilities is the accounts payable - other, and other liabilities of the Company.
2. Adjustments have been made to the operating profit shown on the Consolidated Statement of Income for segment profit.
 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).

(Per Share Information)

| Item | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) |
|----------------------------|---|--|
| Net assets per share | ¥868.98 | ¥972.38 |
| Earnings per share | ¥213.65 | ¥96.87 |
| Diluted earnings per share | ¥212.56 | ¥96.57 |

(Notes) 1. The Company performed a 1:2 split of common shares on October 1, 2022. The figures for net assets per share, earnings per share and diluted 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. The basis for calculation of earnings per share is as follows.

| Item | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) |
|--|---|--|
| Earnings per share | | |
| Profit attributable to owners of parent (thousands of yen) | 3,733,259 | 1,824,465 |
| Amount not attributable to common shareholders (thousands of yen) | — | — |
| Profit attributable to owners of parent pertaining to common shares (thousands of yen) | 3,733,259 | 1,824,465 |
| Average number of common shares during fiscal year | 17,473,959 | 18,833,328 |
| Diluted earnings per share | | |
| Adjusted amount of profit attributable to owners of parent (thousand yen) | — | — |
| Number of common shares increased | 89,321 | 59,135 |
| (Of which are share acquisition rights) | [89,321] | [59,135] |
| Overview of dilutive shares not included in the calculation of diluted earnings per share because there was no dilutive effect | — | — |

3. The basis for calculation of net assets per share is as follows.

| Item | Previous fiscal year (April 1, 2022 to March 31, 2023) | Current fiscal year (April 1, 2023 to March 31, 2024) |
|--|---|--|
| Total net assets (thousands of yen) | 15,788,318 | 18,545,794 |
| Amount deducted from total net assets (thousands of yen) | 4,694 | 1,420 |
| (Of which are share acquisition rights (thousands of yen)) | [4,694] | [1,420] |
| Net assets at end of fiscal year pertaining to common shares (thousands of yen) | 15,783,624 | 18,544,374 |
| Number of common shares at end of fiscal year used in calculation of net assets per share | 18,163,382 | 19,071,048 |

(Significant Subsequent Events)

Not applicable.