



Closing Announcement of Fiscal Year Ended March 31, 2020 [Japanese Standards] (Consolidated)

May 15, 2020

Name of Listed Company: Prospect Co., Ltd. Listed on the Tokyo Stock Exchange
 Code No.: 3528 URL: <http://www.prospectjapan.co.jp>
 Representative: (Title) Representative Director and President (Name) Masato Tabata
 Contact Person: (Title) Chief of General Affairs (Name) Jiro Taketani TEL: 03-3470-8411
 Scheduled Date of Holding Ordinary General Meeting of Shareholders: June 30, 2020
 Scheduled Date of Commencement of Dividend Payment: July 1, 2020
 Scheduled Date of Submitting Financial Report: June 30, 2020
 Whether supplementary explanation materials for the closing are prepared: Yes
 Whether explanation meeting is held for the closing: No

(Indicated by rounding off an amount less than 1 million yen)

1. Consolidated Results for Fiscal Year Ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results (% indicates the rate of increase or decrease from the previous year.)

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ended March 31, 2020	6,731	6.4	△1,281	-	△435	-	237	-
Fiscal Year Ended March 31, 2019	6,325	△45.9	△6,653	-	△6,780	-	△8,445	-

(Note) Fiscal Year Ended March 31, 2020: △1,241 (million yen) (-%)
 Comprehensive income: Fiscal Year Ended March 31, 2019: △8,694 (million yen) (-%)

	Net profit per share	Fully diluted net profit per share	ROE	Ordinary profit ratio of total assets	Operating profit ratio of sales
	(yen, sen)	(yen, sen)	%	%	%
Fiscal Year Ended March 31, 2020	0.54	-	1.5	△1.4	△19.0
Fiscal Year Ended March 31, 2019	△19.05	-	△40.2	△18.8	△105.2

(Reference) Equity method investment income: Fiscal Year Ended March 31, 2020: 17 (million yen)
 Fiscal Year Ended March 31, 2019: 3 (million yen)

(2) Consolidated Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(yen, sen)
Fiscal Year Ended March 31, 2020	29,764	15,369	49.9	33.40
Fiscal Year Ended March 31, 2019	31,754	16,738	50.7	36.23

(Reference) Net worth: Fiscal Year Ended March 31, 2020: 14,838 (million yen)
 Fiscal Year Ended March 31, 2019: 16,096 (million yen)

(3) Status of Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	(million yen)	(million yen)	(million yen)	(million yen)
Fiscal Year Ended March 31, 2020	△1,218	△919	2,298	5,163
Fiscal Year Ended March 31, 2019	△3,857	△3,279	1,603	5,049

2. Status of Dividend

	Annual dividend					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of period	Total			
	(yen, sen)	(yen, sen)	(yen, sen)	(yen, sen)	(yen, sen)			
Fiscal Year Ended March 31, 2019	-	-	-	-	-	-	-	-
Fiscal Year Ended March 31, 2020	-	-	-	1.00	1.00	444	185.2	2.9
Fiscal Year Ending March 31, 2019 (Forecast)	-	-	-	1.00	1.00	-	-	-

3. Expected Consolidated Results for Fiscal Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

Regarding the consolidated business forecast for the next fiscal year, it is undecided due to the difficulty to properly forecast the rapid economic changes caused by the coronavirus pandemic. The Company Group expects to provide guidance once the trajectory of the economy and consumer behaviors are better understood.

* Precautions

- (1) Changes in material subsidiaries during the year (changes in specified subsidiaries accompanying changes in scope of consolidation): No
 New: --- (Company Name:), Exclusion: --- (Company Name:)
- (2) Changes in accounting policy, changes in accounting estimate and restatement
 [1] Changes in accounting policy in connection with the amendment of accounting standards, etc.: None
 [2] Changes in accounting policy other than [1] above: None
 [3] Changes in accounting estimate: None
 [4] Restatement: None

(3) Number of outstanding shares (common stocks)

[1] Number of outstanding shares at the end of term (including treasury stocks):	Fiscal Year Ended March 31, 2020:	447,090,984 shares	Fiscal Year Ended March 31, 2019:	447,090,984 shares
[2] Number of treasury stocks at the end of term:	Fiscal Year Ended March 31, 2020:	2,780,152 shares	Fiscal Year Ended March 31, 2019:	2,780,118 shares
[3] Average number of shares during the term:	Fiscal Year Ended March 31, 2020:	444,310,845 shares	Fiscal Year Ended March 31, 2019:	443,397,949 shares

(Reference) Overview of Individual Business Results

1. Individual Results for Fiscal Year Ended March 31, 2020 (From April 1, 2017 to March 31, 2020)

(1) Individual Operating Results (% indicates the rate of increase or decrease from the previous year)

	Sales		Operating profit		Ordinary profit		Net profit	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ended March 31, 2020	4,605	15.6	△508	-	1,505	-	1,348	-
Fiscal Year Ended March 31, 2019	3,985	△21.9	△751	-	△1,522	-	△8,190	-

	Net profit per share	Fully diluted net profit per share
	(Yen, Sen)	(Yen, Sen)
Fiscal Year Ended March 31, 2020	3.04	-
Fiscal Year Ended March 31, 2019	△18.47	-

(2) Individual Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Fiscal Year Ended March 31, 2020	20,045	15,609	74.5	33.62
Fiscal Year Ended March 31, 2019	21,221	16,018	72.2	34.50

(Reference) Net worth: Fiscal Year Ended March 31, 2020: 14,936(million yen) Fiscal Year Ended March 31, 2019: 15,329(million yen)

※ Closing announcements are not subject to audit by a certified public accountant or an audit corporation.

※ Explanation about Appropriate Use of the Forecast of Business Results and other Matters to be Noted

(Matters to be Noted for Statement about the Future, etc.)

Description regarding the future such as the forecast of business results stated in this material is based on information which the Company has currently obtained and certain assumptions that the Company determines to be reasonable, and does not make assurances of the achievement thereof by the Company. Also, actual results, etc., may significantly differ from the forecast depending on various factors. (For the conditions constituting the precondition of the forecast of business results and the matters to be noted, etc., in using the forecast of business results, refer to “1. Overview of Business Results, Etc., (4) Future Outlook” on p. 4 of the attached materials.)

(How to Obtain Supplementary Explanation Material for the Closing)

The supplementary explanation material is attached at the end of the financial report.

○ Table of Contents of Attached Materials

1.	Overview of Business Results, Etc.....	2
	(1) Overview of Business Results during the Period.....	2
	(2) Overview of Financial Conditions during the Period.....	3
	(3) Overview of Cash Flow during the Period.....	4
	(4) Future Outlook.....	4
	(5) Basic Policy for Profit Distribution and Dividends for the Current and Next Periods.....	5
2.	Basic Approach to the Selection of Accounting Standards.....	6
3.	Consolidated Financial Statements and Major Notes.....	7
	(1) Consolidated Financial Statements.....	7
	(2) Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income.....	9
	Consolidated Profit and Loss Statement.....	9
	Consolidated Statement of Comprehensive Income.....	11
	(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets.....	12
	(4) Consolidated Cash Flow Statement.....	14
	(5) Notes to Consolidated Financial Statements.....	16
	(Notes to Assumptions on Going Concern).....	16
	(Changes in Accounting Policy).....	16
	(Segment Information, etc.).....	17
	(Per Share Information).....	19
	(Important Subsequent Events).....	19
	(Other).....	19

1. Overview of Business Results, Etc.

(1) Overview of Business Results during the Period

The Japanese economy during the current consolidated fiscal year is in a difficult situation as it has been significantly depressed since the fourth quarter due to the impact of the novel coronavirus outbreak. As for the outlook, the timing of the virus subsiding is unclear, and due to the impact of this infectious disease a severe situation is expected for the time being and there is concern that there will be a further downturn in domestic and overseas economies. During the same period, trends in consumer sentiment after the consumption tax rate hike also remain uncertain. In the condominium sales market in the Tokyo Metropolitan Area, while low interest rate loans and housing purchase support mechanisms are maintained, there is a possibility that the business plan for the next term may be affected by factors such as consumers refraining from buying due to uncertainty about the future and a decrease in the number of condominium gallery visitors due to requests to refrain from going out.

The Company Group has promoted the group slogan “Challenge & Ambition”, which sets out the philosophy of sharing a future vision from a long-term perspective, challenging creation and maximization of new value, and pursuit of strategies that bring benefits to all stakeholders. Based on this philosophy, in the condominium sales business, in addition to conventional individual unit sales, a single-building sales method was also implemented. In the solar power generation business, each project started operations following their development periods and contributed to cash flow. In addition, there is steady progress with the Company's largest Narita Kozaki PJ (24MWh) being completed according to the original business plan, while development profits were realized at the timing of profit maximization, etc. Regarding the biomass power generation-related business, major construction at the wood pellet manufacturing plant in Russia was completed in February 2020, and in March we signed a 12-year minimum long-term supply contract

In addition, in the current fiscal year, the Company began to dissolve and liquidate Prospect Japan Fund Limited, an overseas subsidiary that was the main cause of losses in the previous fiscal year, and withdrew from the asset management business. In addition, two of the Company's securities were properly disposed of through tender offers and sale on the market.

As a result, sales for the current consolidated fiscal year were 6,731 million yen (6,325 million yen in the previous consolidated fiscal year), operating loss was 1,281 million yen (operating loss of 6,653 million in the previous consolidated fiscal year), ordinary loss was 435 million yen (ordinary loss of 6,780 million yen in the previous consolidated fiscal year), and net profit attributable to owners of parent was 237 million yen (net loss of 8,445 million yen in the previous consolidated fiscal year).

In addition to the domestic real estate sales business, such as condominium sales, the Company Group's main business portfolio consists of renewable energy business and overseas real estate related businesses and, due to our approach to these businesses, revenue will be recorded as non-operating income or extraordinary income rather than as sales.

Business performance by segment is as follows.

Name of the Segment	Previous Consolidated Fiscal Year From April 1, 2018 to March 31, 2019		Current Consolidated Fiscal Year From April 1, 2019 to March 31, 2020	
	Amount	Composition ratio	Amount	Composition ratio
	Thousand yen	%	Thousand yen	%
Real estate sales business				
Condominium sales	3,829,005	60.5	2,602,299	38.7
Land and building	-	-	1,967,276	29.2
Custom-built homes	2,098,035	33.2	2,044,884	30.4
Asset management business	△5,885,859	△93.0	△1,010,646	△15.0
Construction business	6,226,073	98.4	-	-
Renewable energy business	569,504	9.0	1,099,475	16.3
Total	6,836,759	108.1	6,703,288	99.6
Other	45,333	0.7	19,751	0.3
Elimination of intersegment transactions	△556,527	△8.8	8,373	0.1
Total	6,325,565	100.0	6,731,412	100.0

(Real Estate Sales Business, Condominium Sales Business)

We mainly sell condominiums for general customers in the Tokyo Metropolitan Area.

In the current consolidated fiscal year, we completed construction of three (3) buildings, 70 housing units for “GRO-BEL Mansion”, including “GRO-BEL The Shakuji Koen” (total 21 housing units) (three (3) buildings, 111 housing units in the previous consolidated fiscal year).

As for sales, in the current consolidated fiscal year, we executed new contracts on 45 housing units of 2,016 million yen (103 housing units of 4,271 million yen in the previous consolidated fiscal year) and delivered 56 housing units and recorded sales of 2,602 million yen and segment profit of 20 million yen (96 housing units, sales of 3,829 million yen and segment profit of 321 million yen in the previous consolidated fiscal year).

(Real Estate Sales Business, Land and Buildings)

We focus our sales on residential land and detached homes as well as individual buildings, etc.

As for sales, in the current consolidated fiscal year, we executed 1 new contract on a renovated condominium (area: 176.58 m²) at 212 million yen (1 buildings, 37 housing units, 1,508.01 m², 1,950 million yen in the previous consolidated fiscal year), recorded sales of 1,967 million yen and segment profit of 368 million yen (no sales in the previous consolidated fiscal year).

(Real Estate Sales Business, Custom-Built Homes)

We undertake contract construction and reform construction for detached homes, etc., mainly in Yamagata Prefecture as a business area.

As for sales, in the current consolidated fiscal year, we executed new contracts on 47 houses at 1,276 million yen (78 houses of 2,104 million yen in the previous consolidated fiscal year) and delivered 65 houses and recorded sales of 2,044 million yen and segment profit of 71 million yen (58 houses, sales of 2,098 million yen and segment profit of 69 million yen in the previous consolidated fiscal year) (including reforms, etc.).

(Asset Management Business)

We conduct management business of real estate and securities, comprised of Japanese stocks.

As for sales, in the current consolidated fiscal year, we recorded sales of Δ 1,010 million yen and segment loss of 1,173 million yen (sales of Δ 5,885 million yen and segment loss of 6,156 million yen in the previous consolidated fiscal year).

The Group has withdrawn from the asset management business during the current consolidated fiscal year.

(Renewable Energy Business)

We engaged in development of and sale of electricity generated by solar power plants, and biomass power generation related businesses.

As for sales, in the current consolidated fiscal year, we recorded sales of 1,099 million yen and segment profit of 291 million yen (sales of 569 million yen and segment profit of 65 million yen in the previous consolidated fiscal year).

(Other)

For others, mainly as real estate lease business, we lease condominiums, etc., owned by the Company.

In the current consolidated fiscal year, we recorded sales of 19 million yen and segment profit of 8 million yen (sales of 45 million yen and segment profit of 16 million yen in the previous consolidated fiscal year).

(2) Overview of Financial Conditions during the Period

(Assets)

Total assets at the end of the current consolidated fiscal year were 29,764 million yen, a decrease of 1,990 million yen as compared with the end of the previous consolidated fiscal year. This was due to an increase in tangible fixed assets related to capital investment in the renewable energy business, a decrease in the sale of securities held, a decline in the market value of securities held, and the reduced inventory in the real estate sales business.

(Liabilities)

Liabilities at the end of the current consolidated fiscal year were 14,394 million yen, a decrease of 621 million yen as compared with the end of the previous consolidated fiscal year. This was due to a decrease in trade payables such as construction payments and expenses in the condominium sales business and renewable energy business, and a decrease in contract proceeds (advance payments) associated with real estate delivery in the real estate sales business.

(Net Assets)

Net assets at the end of the current consolidated fiscal year were 15,369 million yen, a decrease of 1,369 million yen as compared with the end of the previous consolidated fiscal year. Despite posting net profit attributable to owners of the parent, the decline was due to the decrease in non-controlling interests from the exclusion of consolidated subsidiaries, and other factors such as a decline in the market value of securities held.

(3) Overview of Cash Flow during the Period

“Cash and cash equivalents” (hereinafter “Funds”) on a consolidated basis at the end of the current consolidated fiscal year were 5,163 million yen.

Each cash flow situation and their causes for the current consolidated fiscal year are as follows:

(Cash Flow from Operating Activities)

Funds from operating activities decreased by 1,218 million yen (a decrease of 3,857 million yen in the previous consolidated fiscal year). Despite posting net profit before taxes, the decrease was due to the recording of gains on sales of investments in subsidiaries and a decrease in accounts payable and trade payables, et.

(Cash Flow from Investing Activities)

Funds from investing activities decreased by 919 million yen (a decrease of 3,279 million yen in the previous consolidated fiscal year). This was mainly due to the expenditure for capital investment of the solar power generation business in the renewable energy business.

(Cash Flow from Financing Activities)

Funds from financing activities increased by 2,298 million yen (an increase of 1,603 million yen in the previous consolidated fiscal year). This was due to new loans procured as business funds for the real estate sales business and renewable energy business.

(4) Future Outlook

Because a large loss was recorded in the previous consolidated fiscal year, the Company had no choice but to pay no dividends. Therefore, an urgent task for us was to recover market valuation by swiftly recovering business performance, and to realize dividend and stock price recovery in the current consolidated fiscal year. Making the most of diverse human resources, one of our strengths, and while taking on all business opportunities, we aim, through sound and steady management, to recover business performance by maintaining a financial structure that can withstand changes in the market environment. As a result, the Company returned to profitability and resumed a dividend distribution.

Based on the management philosophy of “Challenge & Ambition”, the Company will continue to strive to create new value for sustainable growth and a sustainable society with the establishment of “Strategy & Action” as the concrete medium-term management plan. At present, in a rapidly changing economic climate, the Company aims to build a business portfolio that can respond to environmental changes from a long-term perspective. However, the environment surrounding the Company is beyond expectations and continues to change at an accelerated rate. In this environment, as a future growth driver in “Strategy & Action”, and with the global “Renewable Energy Business” as the core business, the Company has clarified the aim to renew the existing Condominium Sales Business as the “Real Estate Business”, including the peripheral business areas.

On the other hand, while the domestic economy is declining due to the impact of the novel coronavirus outbreak, the timing of the virus subsiding is unclear, and this may have a significant impact on our business.

Based on this, measures to achieve the medium-term management plan are as follows.

1. Measures at the Company

a. In the conventional Tokyo Metropolitan Area condominium sales business, it remains difficult to secure profitability due to intensifying competition for land acquisition and high construction costs. In addition, due to the spread of the novel coronavirus, going forward, if an environment in which sales activities are difficult to continue, it is expected that business results will be greatly affected and, therefore, the Company will promote the creation of a sales method in which entire buildings are sold, rather than individual units.

In order to make the business structure itself a more profitable one, the Company decided to move away from condominium sales and expand the business domain as a real estate developer. Going forward, we will continue to focus on demand trends and cultivate entry into product fields that meet the demands of the times, while actively establishing new business methods and collaborating with other companies.

b. Regarding the overseas real estate business, the Company is supplying funds through an overseas subsidiary for a real estate development business in the US state of Hawaii and a detached home sales project. However, regarding the latter, we reviewed the evaluation to reflect the business environment. Going forward, the Company will continue to carry out appropriate evaluations, and at the same time further strengthen management in relevant departments against risks in collaboration with local stakeholders.

c. As for the Renewable Energy Business in Japan, the Company is promoting the solar power generation business nationwide. During the current consolidated fiscal year, there were 11 projects that began selling electricity, and the revenue from such sales increased significantly. In March 2020, 5 projects were sold at the optimal timing to earn development profit and maximize future cash flow. In addition, regarding the outlook for the solar power generation industry, it is said that business opportunities related to new projects are shrinking due to the decline in FIT prices, however the Company is focusing on new projects including profitable projects and secondary markets.

d. Regarding the Renewable Energy Business overseas, the Company is proceeding with the biomass power generation related business with partners in Russia. The wood pellet manufacturing plant, which began construction in May 2018, completed its major construction in February 2020, a long-term supply contract was signed in March of the same year, and plans are to begin supply during the current ongoing period. A plan is also being implemented to expand the manufacturing capacity of the current plant. Furthermore, the Company believes that there is significant business opportunity in renewable energy-related businesses overseas, plans to promote biomass power generation-related businesses overseas based on the policy of actively considering new projects, and has made investments. On the other hand, changes in the market environment due to the novel coronavirus are spreading around the world, and we will continue to pay close attention to the effects, as we are in Japan. Although we consider these businesses to have great potential for future growth, in addition to being new businesses, they are also overseas projects so more sophisticated risk management is required. Therefore, we will appropriately and proactively promote business development based on the knowledge of experts in fields such as legal affairs, accounting, taxation, and finance, not only at the stage of project adoption.

e. Following the dissolution of Prospect Japan Fund Limited, all securities held by Prospect Japan Fund Limited were transferred to the Company, and two of these securities have already been sold. Appropriate disposal of remaining domestic issues is under consideration.

2. Measures at Group Companies

a. In the Custom-Built Homes Business, we will strive to strengthen orders for high-airtight and high-insulation dual-family housing, which is the original strength of Sasaki House, and aim to improve profitability by developing products that make the most of the Yamagata area's characteristics.

b. As mentioned above, it was resolved that Prospect Japan Fund Limited, which was a corporate investment fund, would be dissolved in May 2019, and was liquidated in December of the same year.

c. Although Prospect Asset Management Inc.'s core business was a securities investment advisory that invested in Japanese equities, due to our withdrawal from the asset management business, its business format was changed to real estate research, investment, and management in Hawaii. Going forward, we will deepen ties with our overseas business divisions and promote new projects.

3. Measures in the Group

In the previous consolidated fiscal year, the Company Group submitted correction reports, such as securities reports, etc., for previous years. The Group takes this matter seriously and, as preventive measures against recurrence, along with appointing advisory experts in domestic and overseas tax accounting and overseas business projects, as well as allocating appropriate human resources, we are continuing to strengthen the internal management system by improving the skills of existing staff and creating an organization that can respond quickly to various problems. Furthermore, in strengthening the governance system, as a result of transitioning the institutional design to a company with an Audit and Supervisory Committee, inviting two directors with certified public accountant qualifications, and strengthening the appropriateness of accounting and tax affairs in particular, the effects are being fully demonstrated.

Going forward, along with strengthening our system, we will construct and operate a highly effective internal control system, strengthen the sustainability of management based on the newly formulated medium-term management plan, and utilize our diverse human resources to effectively improve profitability, with the entire group using its full strength and working together to achieve the plan and increase our corporate value.

The Company Group has announced that it will publish earnings forecasts for the fiscal year ending March 2021, however due to the global spread of the novel coronavirus the global economy is becoming more uncertain, trends for consumption and economic stimulus are unpredictable even in the domestic economy, and it is expected that this unpredictable situation will continue.

The Company Group's Real Estate Sales Business has seen a particularly large impact, and the impact on the Group's overall business performance is extremely high, making it difficult to forecast business performance. In such a situation, disclosure of earnings forecasts may give false impressions to investors. We will endeavor to disclose quarterly financial results and business overviews in a timely manner, and disclose the consolidated earnings forecast once the impact of this situation has subsided.

(5) Basic Policy for Profit Distribution and Dividends for the Current and Next Periods

The Company regards returning profits to our shareholders an important management issue. The basic policy is to maintain stable and consistent dividend payments taking the business performance into consideration, while retaining earnings necessary to ensure stable corporate growth in the future and respond to changes in the business environment.

We regret that no dividends were paid in the previous fiscal year, but we have decided to pay an annual dividend of 1 yen per share as a result of comprehensive consideration of business results for the current consolidated fiscal year.

Going forward, based on the newly formulated medium-term management plan, we have set a goal of a total return ratio of 50% as a shareholder return policy, which is a combination of dividend payout ratio and share buybacks.

2. Basic Approach to the Selection of Accounting Standards

The Company Group prepares its consolidated financial statements based on Japanese standards in consideration of the burden, etc., of developing a system for preparation of consolidated financial statements based on International Accounting Standards.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Financial Statements

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (March 31, 2019)	Current Consolidated Fiscal Year (March 31, 2020)
Assets		
Current Assets		
Cash and deposits	5,409,760	5,080,700
Notes and accounts receivable	130,663	174,807
Accounts receivable for completed construction projects	21,087	13,106
Accounts receivable for investment advisory fees	2,511	-
Securities	7,800,080	10,000
Real estate for sale	1,263,907	1,795,151
Real estate for sale in process	2,409,079	2,037,029
Real estate for development	442,074	260,171
Expenses for uncompleted construction projects	55,122	154,600
Raw materials and stores	4,550	4,682
Other	502,703	1,068,463
Allowance for doubtful accounts	△1,122	-
Total Current Assets	17,680,419	10,598,713
Fixed Assets		
Tangible fixed assets		
Buildings	578,539	656,519
Accumulated depreciation	△385,947	△407,285
Buildings (net)	192,591	249,234
Machinery, equipment and delivery equipment	4,270,737	9,332,256
Accumulated depreciation	△506,371	△404,228
Machinery, equipment and delivery equipment (net)	3,764,366	8,928,028
Tools, furniture and fixtures	52,251	34,531
Accumulated depreciation	△48,402	△31,735
Tools, furniture and fixtures (net)	3,849	2,796
Land	994,538	487,962
Leased assets	3,900	5,765
Accumulated depreciation	△1,040	△2,130
Leased assets (net)	2,860	3,634
Construction in progress	4,918,480	167,252
Total tangible fixed assets	9,876,685	9,838,907
Intangible fixed assets		
Goodwill	4,929	372,225
Software	2,993	9,653
Other	178,631	228,283
Total intangible fixed assets	186,554	610,162
Investments and other assets		
Investment securities	230,517	3,273,965
Investments in capital	1,368,009	2,064,612
Long-term loans	2,365,201	2,711,133
Deferred tax assets	105,450	156,359
Other	697,622	706,129
Allowance for doubtful accounts	△755,660	△195,894
Total investments and other assets	4,011,141	8,716,306
Total Fixed Assets	14,074,381	19,165,375
Total Assets	31,754,801	29,764,089

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (March 31, 2019)	Current Consolidated Fiscal Year (March 31, 2020)
Liabilities		
Current Liabilities		
Notes and accounts payable	57,720	36,932
Accrued construction payment	295,807	196,243
Short-term borrowings	272,625	1,510,900
Bonds to be redeemed within a year	74,000	24,000
Current portion of long-term borrowings	1,823,069	2,034,266
Corporate income tax, etc., payable	35,805	76,758
Amount received for uncompleted construction projects	79,208	172,572
Reserve for bonuses	34,053	44,578
Reserve for officers' bonuses	10,000	5,600
Allowance for compensation for completed construction projects	3,929	3,300
Other	1,310,871	224,598
Total Current Liabilities	3,997,090	4,329,749
Fixed Liabilities		
Bonds	48,000	24,000
Long-term borrowings	10,366,761	9,186,237
Net defined benefit liabilities	144,860	163,568
Reserve for officers' retirement benefits	138,571	35,710
Asset retirement obligations	68,820	284,910
Other	251,998	370,576
Total Fixed Liabilities	11,019,012	10,065,003
Total Liabilities	15,016,102	14,394,752
Net Assets		
Shareholders' equity		
Capital	12,086,958	12,086,958
Capital surplus	10,217,645	1,979,761
Retained earnings	△5,908,282	2,567,374
Treasury stock	△140,420	△140,420
Total shareholders' equity	16,255,901	16,493,674
Accumulated other comprehensive income		
Valuation difference on investment securities	-	△1,642,377
Foreign currency translation adjustments	△158,919	△12,601
Total accumulated other comprehensive income	△158,919	△1,654,979
New share subscription rights	547,293	530,641
Non-controlling interest	94,423	-
Total Net Assets	16,738,698	15,369,336
Total Liabilities and Net Assets	31,754,801	29,764,089

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

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (From April 1, 2018 To March 31, 2019)	Current Consolidated Fiscal Year (From April 1, 2019 To March 31, 2020)
Sales		
Sales on real estate business	5,920,102	6,611,186
Sales on construction business	5,615,871	-
Sales on other businesses	△5,335,654	97,202
Real estate lease income	125,246	23,023
Total Sales	6,325,565	6,731,412
Cost of Goods Sold		
Costs of goods sold on real estate business	4,631,305	5,228,573
Costs of goods sold on construction business	5,255,655	-
Costs of goods sold on other businesses	335,688	696,062
Costs of goods sold on real estate lease	67,102	11,841
Total Costs of Goods Sold	10,289,751	5,936,478
Gross Profit on Sales	△3,964,186	794,933
Selling, General and Administrative Expenses		
Advertisement expense	302,536	262,768
Officer compensation	223,218	171,929
Salaries and wages	454,156	398,334
Transfer to reserve for officers' bonuses	24,700	5,600
Transfer to reserve for bonuses	35,692	39,472
Expenses for retirement benefits	20,420	20,397
Transfer to reserve for officers' retirement benefits	24,131	30,381
Tax and public dues	266,630	245,628
Commissions paid	747,842	538,041
Other	590,014	363,519
Total Selling, General and Administrative Expenses	2,689,345	2,076,072
Operating Losses (△)	△6,653,531	△1,281,138
Non-operating Income		
Interest income	68,467	78,645
Dividend income	172,740	243,019
Investment gain on equity method	-	17,561
Gain on investments in capital	506,467	100,661
Gain on silent partnership	-	71,193
Clerical affairs fee received	3,550	2,200
Income from recovery of bad debts	-	135,943
Penalties income	100	-
Reversal of selling expenses	1,270	-
Foreign currency exchange profit	63,749	-
Reversal of allowance for doubtful accounts	-	560,888
Other	75,727	28,189
Total Non-operating Income	892,074	1,238,302
Non-operating Expenses		
Interest expenses	174,051	191,155
Investment loss on equity method	3,280	-
Valuation loss on securities	5,872	195
Borrowing fees	125,594	124,064
Foreign currency exchange loss	-	55,280
Transfer to allowance for doubtful accounts	665,937	-
Other	43,925	21,924
Total Non-operating Expenses	1,018,662	392,621
Ordinary Profit or Ordinary Loss (△)	△6,780,119	△435,457

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (From April 1, 2018 To March 31, 2019)	Current Consolidated Fiscal Year (From April 1, 2019 To March 31, 2020)
Extraordinary Profits		
Profit on sale of fixed assets	1,822	3,324
Profit on reversal of stock acquisition rights	8,090	16,651
Profit on sale of investment securities	-	400,332
Return of directors' bonus	-	64,098
Insurance proceeds	-	29,215
Profit on liquidation of subsidiaries	-	5,976
Profit on sale of investment in capital of subsidiaries	-	694,621
Profit on sale of investment in capital	262,231	-
Profit on sale of stocks of subsidiaries	49,193	-
Other	-	8,238
Total Extraordinary Profits	321,336	1,222,458
Extraordinary Losses		
Loss on sales of fixed assets	733	-
Loss on retirement of fixed assets	3,315	0
Loss on sale of investment securities	-	26,070
Impairment loss	729,687	-
Loss on liquidation of subsidiaries	-	434,044
Loss from disaster	-	26,491
Loss on valuation of stock acquisition rights	895,707	-
Special investigation costs	140,437	-
Loss on valuation of investment	19,106	3,331
Total Extraordinary Losses	1,788,987	489,937
Net profit before taxes, etc., before dividends distribution from silent partnership	△8,247,769	297,063
Dividends distribution from silent partnership	△30,652	5,614
Net profit before taxes, etc.	△8,217,116	291,448
Corporate income tax, resident tax and business tax payable	58,263	86,777
Adjustment of corporate income tax, etc.	181,232	△33,102
Total Corporate Income Tax, etc.	239,495	53,674
Net profit	△8,456,612	237,773
Net profit attributable to non-controlling interests or net loss attributable to non-controlling interests (△)	△10,722	-
Net profit attributable to owners of the parent	△8,445,890	237,773

(Consolidated Statement of Comprehensive Income)

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (From April 1, 2018 To March 31, 2019)	Current Consolidated Fiscal Year (From April 1, 2019 To March 31, 2020)
Net profit	△8,456,612	237,773
Other comprehensive income		
Valuation difference on investment securities	-	△1,642,377
Foreign currency translation adjustments	△238,292	188,411
Share of other comprehensive income of associates accounted for using equity method	-	△25,378
Total other comprehensive income	△238,292	△1,479,345
Comprehensive income	△8,694,905	△1,241,571
(Breakdown)		
Comprehensive income attributable to owners of the parent	△8,680,687	△1,258,287
Comprehensive income attributable to non- controlling interests	△14,218	16,715

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)

(Unit: thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of period	11,803,729	11,667,268	2,537,608	△140,389	25,868,217
Changes during the period					
Issue of new shares	283,228	283,228			566,457
Dividends of surplus		△1,732,852			△1,732,852
Net profit attributable to owners of the parent			△8,445,890		△8,445,890
Acquisition of treasure stock				△30	△30
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	283,228	△1,449,623	△8,445,890	△30	△9,612,315
Balance at the end of period	12,086,958	10,217,645	△5,908,282	△140,420	16,255,901

	Accumulated other comprehensive income		New share subscription rights	Non-controlling interest	Total net assets
	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at the beginning of period	75,878	75,878	△935,059	209,646	25,218,682
Changes during the period					
Issue of new shares					566,457
Dividends of surplus					△1,732,852
Net profit attributable to owners of the parent					△8,445,890
Acquisition of treasure stock					△30
Changes in items other than shareholders' equity during the period (net)	△234,797	△234,797	1,482,353	△115,223	1,132,332
Total changes during the period	△234,797	△234,797	1,482,353	△115,223	△8,479,983
Balance at the end of period	△158,919	△158,919	547,293	94,423	16,738,698

Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of period	12,086,958	10,217,645	△5,908,282	△140,420	16,255,901
Changes during the period					
Deficit disposition		△8,237,883	8,237,883		-
Net profit attributable to owners of the parent			237,773		237,773
Acquisition of treasure stock				△0	△0
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	-	△8,237,883	8,475,657	△0	237,773
Balance at the end of period	12,086,958	1,979,761	2,567,374	△140,420	16,493,674

	Accumulated other comprehensive income			New share subscription rights	Non-controlling interest	Total net assets
	Valuation difference on investment securities	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at the beginning of period	-	△158,919	△158,919	547,293	94,423	16,738,698
Changes during the period						
Deficit disposition						-
Net profit attributable to owners of the parent						237,773
Acquisition of treasure stock						△0
Changes in items other than shareholders' equity during the period (net)	△1,642,377	146,317	△1,496,060	△16,651	△94,423	△1,607,135
Total changes during the period	△1,642,377	146,317	△1,496,060	△16,651	△94,423	△1,369,362
Balance at the end of period	△1,642,377	△12,601	△1,654,979	530,641	-	15,369,336

(4) Consolidated Cash Flow Statement

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (From April 1, 2018 To March 31, 2019)	Current Consolidated Fiscal Year (From April 1, 2019 To March 31, 2020)
Cash flow from operating activities		
Net profit before taxes, etc.	△8,217,116	291,448
Depreciation expense	336,950	508,153
Depreciation of goodwill	116,270	4,187
Loss from disaster	-	26,491
Stock acquisition rights issuance fee	3,326	-
Impairment loss	729,687	-
Profit/loss on sale of securities (△: profit)	-	△374,261
Increase/decrease in allowance for doubtful accounts (△: decrease)	183,174	△560,888
Increase/decrease in reserve for bonuses (△: decrease)	△106,047	10,525
Increase/decrease in reserve for officers' bonuses (△: decrease)	△136,204	△4,400
Increase/decrease in allowance for compensation for completed construction projects (△: decrease)	21,431	△629
Increase/decrease in allowance for construction project losses (△: decrease)	△100	-
Increase/decrease in net defined benefit liabilities (△: decrease)	8,912	18,708
Increase/decrease in reserve for officers' retirement benefits (△: decrease)	22,700	△102,861
Interest income and dividend income	△241,208	△321,664
Profit on reversal of stock acquisition rights	△8,090	△16,651
Profit/loss on investment in silent partnership (△: profit)	△5,993	△71,193
Interest expenses	174,051	191,155
Profit/loss of investment on equity method	3,280	△17,561
Valuation profit/loss on securities (△: profit)	5,872	195
Profit/loss on investments in capital (△: profit)	△470,612	△100,661
Profit/loss on liquidation of subsidiaries (△: profit)	-	428,067
Profit/loss on sale of investment in capital of subsidiaries (△: profit)	-	△694,621
Profit/loss on sale of stocks of subsidiaries (△: profit)	△49,193	-
Profit/loss on sale of investment in capital (△: profit)	△262,231	-
Loss on valuation of stock acquisition rights	895,707	-
Foreign currency exchange profit/loss (△: profit)	△63,749	55,280
Profit/loss on sale of fixed assets (△: profit)	△1,088	△3,324
Dividends distribution from silent partnership	4,310	30,374
Increase/decrease in accounts receivable (△: increase)	△365,924	△103,017
Increase/decrease in advance received (△: decrease)	320,344	△345,996
Increase/decrease in inventory assets (△: increase)	661,019	81,444
Increase / decrease in accounts payable (△: decrease)	388,661	△592,315
Increase/decrease in trades payable (△: decrease)	43,855	△462,255
Increase/decrease in operating investment securities (△: increase)	3,060,515	1,011,607
Increase/decrease in advance payment (△: increase)	△200,825	110,094
Increase/decrease in receivables (△: increase)	△176,868	△165,262
Other	△406,012	△161,087
Subtotal	△3,731,194	△1,330,919
Interest and dividends received	366,170	264,762
Interest paid	△168,579	△201,144
Corporate income tax, etc., refund	-	128,469
Corporate income tax, etc., paid	△324,328	△79,669
Cash flow from operating activities	△3,857,932	△1,218,502

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (From April 1, 2018 To March 31, 2019)	Current Consolidated Fiscal Year (From April 1, 2019 To March 31, 2020)
Cash flow from investing activities		
Expenditure for acquisition of tangible fixed assets	△3,901,718	△2,779,474
Revenue from sale of tangible fixed assets	180,963	4,568
Expenditure from retirement of tangible fixed assets	△3,103	-
Expenditure for acquisition of intangible fixed assets	△156,966	△8,000
Expenditure for acquisition of securities	△30,001	△50,000
Revenue from sale of securities	100,836	50,000
Expenditure for acquisition of investment securities	△231,798	△676,322
Revenue from sale of investment securities	-	2,373,189
Revenue from redemption of investment securities	6,742	-
Revenue from sale of shares of a subsidiary accompanying the change in scope of consolidation	764,146	-
Expenditure for payment of investments in capital	△277,500	△637,630
Income from recovery of investment	1,844,303	36,280
Revenue from acquisition of investments in capital of a subsidiary accompanying the change in scope of consolidation	-	34,388
Revenue from sale of investments in capital of a subsidiary accompanying the change in scope of consolidation	-	1,083,811
Expenditure for loans	△1,583,114	△905,700
Revenue from collection of loans	8,124	555,630
Cash flow from investing activities	△3,279,086	△919,259
Cash flow from financing activities		
Revenue from short-term borrowings	2,432,00	2,630,900
Expenditure for repayment of short-term borrowings	△2,973,500	△1,371,400
Revenue from long-term borrowings	9,108,500	3,284,500
Expenditure for repayment of long-term borrowings	△5,717,904	△2,373,955
Expenditure for redemption of bonds	△69,700	△74,000
Revenue from issuance of shares due to exercise of new share subscription rights	546,023	-
Revenue from issuance of stock acquisition rights	4,673	-
Expenditure for acquisition of treasury stock	△30	△0
Expenditure for repayment of lease liabilities	△1,147	△1,352
Dividends paid	△1,723,052	△2,401
Dividends paid to non-controlling interests	△2,660	-
Revenue from payment by the contributors of silent partnership	-	205,760
Cash flow from financing activities	1,603,202	2,298,049
Translation differences in cash and cash equivalents	△67,742	△46,296
Increase/decrease in cash and cash equivalents (△: decrease)	△5,601,558	113,992
Cash and cash equivalents at the beginning of period	10,651,319	5,049,760
Cash and cash equivalents at the end of period	5,049,760	5,163,752

(5) Notes to Consolidated Financial Statements

(Notes to Assumptions on Going Concern)

No applicable matter.

(Changes in Accounting Policy)

No applicable matter.

(Segment Information, etc.)

1. Overview of Reportable Segments

(1) How to Determine Reported Segments

Reportable Segments of the Company Group are those for which separate financial information is available out of the composition unit of the Company Group and subject to regular review for the board of directors to determine distribution of business resources and evaluate the performance.

The Company Group implements business activities based on comprehensive strategies for each business which are planned at the head office.

Accordingly, the Company Group consists of segments based on those businesses, and determines its six segments of “Real Estate Sales Business, Condominium Sales Business”, “Real Estate Sales Business, Land and Buildings”, “Real Estate Sales Business, Custom-Built Homes”, “Asset Management Business”, and “Renewable Energy Business” as Reported Segments.

(2) Type of Business Belonging to Each Reported Segment

In the “Real Estate Sales Business, Condominium Sales Business”, we mainly sell condominiums for general customers in the Tokyo Metropolitan Area. In the “Real Estate Sales Business, Land and Buildings”, we focus our sales on residential land and detached homes as well as individual buildings, etc. In the “Real Estate Sales Business, Custom-Built Homes”, we undertake contract construction and reform construction for detached homes, etc. In the “Asset Management Business”, we conduct management business of real estate and securities, comprised of Japanese stocks. In the “Renewable Energy Business”, we focus our sales on electricity generated by photovoltaic power systems, etc.

At the Board of Directors meeting held on May 15, 2019, the Prospect Japan Fund Limited in the "Asset Management Business" was dissolved and liquidated, and the Company would directly hold the securities held by Prospect Japan Fund Limited. As a result of the resolution, the asset management business of the reporting segment will be abolished at the end of the current consolidated fiscal year.

2. Calculation method of sales, profit or loss, assets, liabilities and other item amounts by Reportable Segment

Accounting method of reported business segments is the same as described in “Material Underlying Matters for Preparation of Consolidated Financial Statements.” In addition, profits of reported segments are represented based on operating profit (before depreciation of goodwill). Internal sales and transfer amount among segments are based on the prevailing market price.

3. Information on sales, profit or loss, assets, liabilities and other item amounts by Reportable Segment

Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)

(Unit: thousand yen)

	Reportable Segment							Other (Note)	Total
	Real estate sales business Condominium sales	Real estate sales business Land and building	Real estate sales business Custom-built homes	Asset management business	Construction business	Renewable energy business	Total		
Sales									
Sales to external customers	3,829,005	-	2,098,035	△5,905,159	5,697,773	569,504	6,289,159	36,405	6,325,565
Internal sales or transfer amount among segments	-	-	-	19,299	528,300	-	547,599	8,927	556,527
Total	3,829,005	-	2,098,035	△5,885,859	6,226,073	569,504	6,836,759	45,333	6,882,092
Segment profits or losses (△)	321,163	-	69,588	△6,156,118	327,899	65,078	△5,372,388	16,944	△5,355,444
Segment assets	2,608,141	1,026,782	984,020	7,979,388	-	12,217,343	24,815,677	261,944	25,077,622
Other item									
Depreciation	1,983	-	25,734	2,691	66,650	228,306	325,366	7,907	333,274
Investments in equity method	-	-	-	-	-	231,798	231,798	-	231,798
Impairment loss	-	-	-	710,792	-	-	710,792	18,895	729,687
Increased amount of tangible fixed assets and intangible fixed assets	2,610	-	12,678	98	-	4,376,485	4,391,872	140,175	4,532,047

(Note) “Other” category is the business segment not included in the reported segments, which include real estate lease business and other incidental business.

Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Reportable Segment						Other (Note)	Total
	Real estate sales business Condominium sales	Real estate sales business Land and building	Real estate sales business Custom-built homes	Asset management business	Renewable energy business	Total		
Sales								
Sales to external customers	2,602,299	1,967,276	2,044,884	△1,002,273	1,099,475	6,711,661	19,751	6,731,412
Internal sales or transfer amount among segments	-	-	-	△8,373	-	△8,373	-	△8,373
Total	2,602,299	1,967,276	2,044,884	△1,010,646	1,099,475	6,703,288	19,751	6,723,039
Segment profits	20,328	368,859	71,410	△1,173,384	291,221	△421,564	8,753	△412,811
Segment assets	3,445,218	191,896	947,616	649,138	13,679,682	18,913,553	188,602	19,102,155
Other item								
Depreciation	-	-	28,238	1,514	473,349	503,101	3,027	506,129
Investments in equity method	-	-	-	-	100,967	100,967	-	100,967
Increased amount of tangible fixed assets and intangible fixed assets	-	-	12,210	-	3,408,565	3,420,776	69,524	3,490,300

(Note) “Other” category is the business segment not included in the reported segments, which include real estate lease business and other incidental business.

4. Difference between the total amount of reported segments and the amount recorded on the consolidated financial statements and major breakdown of the difference (matters concerning difference adjustment)

(Unit: thousand yen)

Sales	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reported segments	6,836,759	6,703,288
Sales of "Other" category	45,333	19,751
Elimination of intersegment transactions	△556,527	8,373
Sales in the consolidated financial statements	6,325,565	6,731,412

(Unit: thousand yen)

Profits	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reported segments	△5,372,388	△421,564
Profits of "Other" category	16,944	8,753
Elimination of intersegment transactions	△169,765	8,373
Depreciation of goodwill	△116,270	△4,187
Expenses of entire company (Note)	△1,012,051	△872,512
Operating loss in the consolidated financial statements	△6,653,531	△1,281,138

(Note) Expenses of the entire company are mainly general and administrative expenses, which are not attributable to reported segments.

(Unit: thousand yen)

Assets	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reported segments	24,815,677	18,913,553
Assets of "Other" category	261,944	188,602
Goodwill	4,929	372,225
Assets of entire company (Note)	6,672,250	10,289,708
Total assets in the consolidated financial statements	31,754,801	29,764,089

(Note) Assets of entire company are mainly surplus operating funds (cash and deposits), long-term investment funds and assets of the administration division of the head office, etc., which are not attributable to reported segments.

(Unit: thousand yen)

Other Item	Total of reported segments		Other		Adjustment amount (Note 1)		Amount recorded in the consolidated financial statements	
	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Depreciation	325,366	503,101	7,907	3,027	3,681	2,023	336,950	508,153
Increased amount of tangible fixed assets and intangible fixed assets	4,391,872	3,420,776	140,175	69,524	9,500	15,929	4,541,547	3,506,230

(Note 1) "Adjustment amount" for depreciation expenses is depreciation related to the head office's assets, etc.

(Per Share Information)

	Previous Consolidated Fiscal Year (From April 1, 2018 to March 31, 2019)	Current Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)
Net asset per share	36.23 yen	33.40 yen
Net profit per share	△19.05 yen	0.54 yen
Net profit per share after adjustment of residual shares	- yen	- yen

(Note) 1. Net profit per share after adjustment of residual shares for the previous consolidated fiscal year is not stated due to absence of residual shares with dilutive effects.

2. The basis of calculation of net profit per share and net profit per share after adjustment of residual shares is shown below.

Item	Previous Consolidated Fiscal Year (From April 1, 2018 to March 31, 2019)	Current Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)
Net profit per share		
Net profit attributable to owners of the parent (thousand yen)	△8,445,890	237,773
Amount not attributable to common shareholders (thousand yen)	-	-
Net profit related to common stocks attributable to owners of the parent (thousand yen)	△8,445,890	237,773
Average number of shares of common stocks during the period (shares)	443,397,949	444,310,845
Net profit per share after adjustment of residual shares		
Adjustment of net profit attributable to owners of the parent (thousand yen)	-	-
Increase in number of common stocks (shares)	-	-
(of which, new share subscription rights) (shares)	(-)	(-)
The outline of residual shares not included in the calculation of amount of net profit per share due to the absence of dilutive effects	Four types of new share subscription rights (Number of new share subscription rights: 13,204,675)	Five types of new share subscription rights (Number of new share subscription rights: 12,728,824)

(Important Subsequent Events)

No applicable matter.

(Other)

No applicable matter

Closing of Fiscal Year Ending March 31, 2020: Supplementary Explanation Material

[Closing Overview]

As for net sales, although a loss of 1,010 million yen was recorded due to a valuation loss associated with a decline in the market capitalization of securities held in the asset management business, renewable energy business increased significantly comparing to previous year, the Group as a whole recorded 6,731 million yen in total sales, an increase of 6.4% from the previous year.

Regarding net income attributable to owners of the parent, although an operating loss of 1,281 million yen for the entire group due to a large loss in the asset management business, etc., the Group recorded a profit of 237 million yen to return profitable because of operating profit on investments in overseas projects, gain on reversal of allowance for loan losses related to receivables in non-operating income, gain on sale of investment securities held, along with the extraordinary profit on development of the solar power generation business.

In addition to the domestic real estate sales business such as condominium sales, the Group's main business portfolio consists the renewable energy business and overseas real estate related businesses. Revenue will be recorded as non-operating income or extraordinary income rather than sales.

1. Consolidated Business Results

(Unit: million yen)

	Consolidated Cumulative Fiscal Year Ended March 31, 2016	Consolidated Cumulative Fiscal Year Ended March 31, 2017	Consolidated Cumulative Fiscal Year Ended March 31, 2018	Consolidated Cumulative Fiscal Year Ended March 31, 2019	Consolidated Cumulative Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)
Sales	16,724	14,143	11,688	6,325	6,731	6.4
Operating profit	386	△ 43	△ 1,543	△ 6,653	△ 1,281	-
Ordinary profit	273	516	△ 1,098	△ 6,780	△ 435	-
Net profit attributable to owners of the parent (for the year)	7	213	1,483	△ 8,445	237	-
Net profit per share (for the year)	0.05	1.25	4.46	△ 19.05	0.54	

(Individual Business Results)

	Consolidated Cumulative Fiscal Year Ended March 31, 2019	Consolidated Cumulative Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)
Sales	3,985	4,605	15.6
Operating profit	△ 751	△ 508	-
Ordinary profit	△ 1,522	1,505	-
Net profit (for the year)	△ 8,190	1,348	-
Net profit per share (for the year)	△ 18.47	3.04	

2. Business Results by Reported Segment

(1) Sales

	Consolidated Cumulative Fiscal Year Ended March 31, 2016	Consolidated Cumulative Fiscal Year Ended March 31, 2017	Consolidated Cumulative Fiscal Year Ended March 31, 2018	Consolidated Cumulative Fiscal Year Ended March 31, 2019	Consolidated Cumulative Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)
Real estate sales business						
Condominium sales	4,850	4,103	4,926	3,829	2,602	△ 32.0
Land and buildings	2,314	2,264	-	-	1,967	-
Custom-built homes	1,767	1,565	1,482	2,098	2,044	2.5
Asset management business	412	173	158	△ 5,885	△ 1,010	-
Construction business	7,302	5,722	4,615	6,226	-	△ 100.0
Renewable energy business	63	250	533	569	1,099	93.1
Total	16,710	14,080	11,716	6,836	6,703	△ 2.0
Other	58	62	50	45	19	△ 56.4
Elimination of intersegment transactions	△ 45	-	△ 78	△ 556	8	-
Total	16,724	14,143	11,688	6,325	6,731	6.4

(2) Operating profit

	Consolidated Cumulative Fiscal Year Ended March 31, 2016	Consolidated Cumulative Fiscal Year Ended March 31, 2017	Consolidated Cumulative Fiscal Year Ended March 31, 2018	Consolidated Cumulative Fiscal Year Ended March 31, 2019	Consolidated Cumulative Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)
Real estate sales business						
Condominium sales	343	313	602	321	20	△ 93.7
Land and buildings	310	218	-	-	368	-
Custom-built homes	30	29	12	69	71	2.6
Asset management business	125	△ 39	△ 162	△ 6,156	△ 1,165	-
Construction business	403	287	242	158	-	△ 100.0
Renewable energy business	△ 97	73	155	65	291	347.5
Total	1,114	881	850	△ 5,542	△ 413	-
Other	27	28	0	16	8	△ 48.3
Depreciation of negative goodwill	△ 197	△ 197	△ 182	△ 116	△ 4	-
Expenses of entire company	△ 559	△ 756	△ 2,212	△ 1,012	△ 872	-
Total	386	△ 43	△ 1,543	△ 6,653	△ 1,281	-