

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

[Closing Overview]

As for sales, along with 511 million yen being recorded in the asset management business due to valuation loss associated with a decline in the market capitalization of securities, as well as the construction business segment being excluded from the scope of consolidation as of the end of the previous fiscal year, the Group as a whole recorded 323 million yen, a decrease of 82.5% year on year.

Net income attributable to parent company shareholders was an operating loss in all segments except the renewable energy business, and the Group as a whole recorded an operating loss of 839 million yen. However, a 27 million yen profit due was recorded due to non-operating income, including investment income from overseas projects and reversal of allowance for doubtful accounts related to loan receivables.

The Company Group has resolved to withdraw from the asset management business in the Current Consolidated Cumulative 1st Quarter.

1. Consolidated Business Results

	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2016	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2017	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2018	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2019	Consolidated Cumulative 1Q of the Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)	(Reference) Full year of the Fiscal Year ended March 31, 2019
Sales	2453	1880	1648	1843	323	△82.5	6325
Operating profit	△273	△220	△303	△749	△839	-	△6,653
Ordinary profit	△272	△398	△120	△557	△18	-	△6,780
Net profit attributable to owners of the parent (for the year)	△298	△413	△249	△599	27	-	△8,445
Net profit per share (for the year)	△2.05	△2.44	△1.47	△1.36	0.06		△19.05

(Individual Business Results)

	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2019	Consolidated Cumulative 1Q of the Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)	(Reference) Full year of the Fiscal Year ended March 31, 2019
Sales	901	473	△47.5	3985
Operating profit	△272	△285	-	△751
Ordinary profit	63	499	682.6	△1,522
Net profit (for the year)	43	570	-	△8,190
Net profit per share (for the year)	0.1	1.28		△18.47

2. Business Results by Reported Segment

(1) Sales

	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2016	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2017	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2018	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2019	Consolidated Cumulative 1Q of the Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)	(Reference) Full year of the Fiscal Year ended March 31, 2019
Real estate sales business							
Condominium sales	519	179	259	864	465	46.2	3829
Land and buildings	-	125	-	-	-	-	-
Custom-built homes	210	107	129	147	152	3.6	2098
Asset management business	114	19	113	△355	△511	-	△5,885
Construction business	1622	1364	977	1030	-	-	6226
Renewable energy business	16	64	158	169	212	25.9	569
Total	2482	1861	1637	1857	319	△82.8	6836
Other	15	19	10	8	3	△51.5	45
Elimination of intersegment transactions	△45	-	-	△22	0	-	△556
Total	2453	1880	1648	1843	323	△82.5	6325

(2) Operating profit

	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2016	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2017	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2018	Consolidated Cumulative 1Q of the Fiscal Year Ended March 31, 2019	Consolidated Cumulative 1Q of the Fiscal Year Ending March 31, 2020	Rate of increase or decrease from the previous year (%)	(Reference) Full year of the Fiscal Year ended March 31, 2019
Real estate sales business							
Condominium sales	△19	△67	△61	10	△17	-	321
Land and buildings	-	12	-	-	-	-	-
Custom-built homes	△32	△54	△49	△47	△57	-	69
Asset management business	10	△35	59	△453	△569	-	△6,156
Construction business	28	74	7	△29	-	-	158
Renewable energy business	△75	39	72	42	64	53.9	65
Total	△89	△31	28	△478	△579	-	△5,542
Other	10	12	4	1	1	14.5	16
Depreciation of negative goodwill	△48	△49	△49	△38	△1	-	△116
Expenses of entire company	△144	△152	△286	△233	△260	-	△1,012
Total	△273	△220	△303	△749	△839	-	△6,653