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Consolidated Financial Report
for the Second Quarter of Fiscal 2022 Ending March 31, 2022 (Japanese GAAP)

November 8, 2021

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 Scheduled date of quarterly securities report filing: November 11, 2021
 Scheduled date of dividend payment commencement: —
 Preparation of quarterly supplementary explanatory materials: Yes
 Quarterly results briefing held: None

(Figures are rounded down to the nearest million yen unless otherwise stated.)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022
(April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Six months ended September 30, 2021	27,037	23.6	2,063	230.4	1,964	270.0	1,335	318.1
Six months ended September 30, 2020	21,881	—	624	—	530	—	319	—

Note: Comprehensive income Six months ended September 30, 2021: ¥1,327 million (304.3%)
 Six months ended September 30, 2020: ¥328 million (—%)

	Net Income per Share	Net Income per Share (Diluted)
	(¥)	(¥)
Six months ended September 30, 2021	45.56	45.16
Six months ended September 30, 2020	10.99	—

Note: As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) and other standards have been applied since the beginning of the first quarter of the fiscal year ending March 2022, financial results related to the second quarter of the fiscal year ended March 31, 2021 reflect figures calculated after the retroactive application of such standards. Accordingly, percentage changes representing the year-on-year increase (decrease) between the second quarter of the fiscal year ended March 31, 2021 and the same period of the previous fiscal year are not stated.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(¥ million)	(¥ million)	%	(¥)
September 30, 2021	57,625	23,864	41.2	805.49
March 31, 2021	58,070	23,160	39.6	786.57

Reference: Shareholders' equity September 30, 2021: ¥23,732 million
 March 31, 2021: ¥23,007 million

Note: Figures related to the fiscal year ended March 31, 2021 reflect those calculated after the retroactive application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) and other standards.

2. Dividends

	Annual Dividend per Share				
	1Q-End	2Q-End	3Q-End	Period-End	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal 2021	—	0.00	—	24.00	24.00
Fiscal 2022	—	0.00	—	—	—
Fiscal 2022 (Forecast)	—	—	—	24.00	24.00

Note: Revisions to the most recently announced forecast of cash dividends in the current quarter: None

3. Consolidated Financial Forecasts for Fiscal 2022 (April 1, 2021 to March 31, 2022)

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full Fiscal Year	52,400	11.1	3,200	39.2	3,000	43.1	2,000	15.9	68.37

Note: Revisions to the most recently announced financial forecasts in the current quarter: None

As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) and other standards have been applied since the beginning of the fiscal year ending March 2022, percentage changes representing the year-on-year increase (decrease) show comparisons with figures for the fiscal year ended March 2021 calculated after the retroactive application of such standards.

* **Notes**

(1) Significant changes to subsidiaries during the period
 (Transfers of specific subsidiaries with changes in the scope of consolidation): None
 Newly included: — Excluded: —

(2) Adoption of specific methods for preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatement of revisions

- 1) Changes in accounting policies due to revision to accounting standards, etc.: Yes
- 2) Changes in accounting policies other than 1): None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

Note: For details, please refer to "(4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" in "2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AND NOTES" on page 10 of the Attachment Materials.

(4) Number of issued shares (common stock)

- 1) Number of issued shares
(including treasury shares)
- 2) Number of treasury shares
- 3) Average number of shares during the period

September 30, 2021	30,823,200 shares	March 31, 2021	30,823,200 shares
September 30, 2021	1,359,445 shares	March 31, 2021	1,572,645 shares
Six months ended September 30, 2021	29,311,469 shares	Six months ended September 30, 2020	29,070,755 shares

* **This consolidated quarterly financial report is not subject to auditing by a certified public accountant or an audit firm.**

* **Explanation concerning the appropriate use of financial forecasts and other special instructions**

Results forecasts and other forward-looking statements contained in this report are based on assumptions, beliefs, and uncertainties in light of information available to the Company's management as of the publication date. Actual results may differ materially from forecasts due to a variety of factors. Therefore, the Company does not guarantee the accuracy of forecasts and other forward-looking statements and its ability to achieve stated targets.

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1. QUALITATIVE INFORMATION ON FINANCIAL STATEMENTS

As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) and other standards have been applied since the beginning of the first quarter of the fiscal year ending March 2022, the comparative analysis with the cumulative second quarter of the previous consolidated fiscal year, the second quarter of the previous consolidated fiscal year and the full previous consolidated fiscal year in "Explanation regarding Operating Results" and "Explanation regarding Financial Position" for the cumulative second quarter of consolidated fiscal 2022 under review is based on figures calculated after the retroactive application of such standards.

(1) Explanation regarding Operating Results

In the cumulative first six months of the consolidated fiscal year under review, the Japanese economy saw the rise of concerns over the further impact on consumer spending and corporate economic activities as the number of COVID-19 infections hit a record high in August, and the coverage of a state of emergency and COVID-19 semi-emergency measures spread nationwide.

In the housing section, although the number of new housing starts has been put on a moderate recovery path toward the pre-pandemic level mainly due to increased customer interest in detached houses and support measures taken to promote home acquisition, the market prices of wood materials remain high due to the so-called "wood shock," and there is concern over the tight supply of housing equipment, etc. mainly due to the spread of infections overseas, leaving the business outlook uncertain.

Under these circumstances, the Grandy House Group has continued to make efforts to build and expand its business foundation in line with changes in the corporate management environment through various initiatives, including reinforcement of purchases and production systems, in response to a rise in housing demand while implementing thorough infection control measures with top priority on ensuring the safety of customers and the health of employees.

With regard to new home sales, one of our core operations, we focused on purchases and sales promotion with the aim of expanding our sales area in each of Saitama Prefecture and Kanagawa Prefecture, which were the focal areas in business expansion, and started selling new homes in a large-scale housing project that was based on a new concept in Ibaraki Prefecture. In existing home sales, we endeavored to expand and reinforce our product inventory by doubling down on purchases to secure an increase in the number of homes sold.

Through these efforts, both the number of homes sold and the net sales for new homes and existing homes increased in comparison with the same period of the previous fiscal year, which had been significantly affected by the impact of the sluggish economic activity caused by the COVID-19 outbreak. Accordingly, profits recovered significantly, too.

As a result of these initiatives, the Grandy House Group's consolidated cumulative operating results for the second quarter of Fiscal 2022 under review were as follows: Net sales were ¥27,037 million, an increase of 23.6% year-on-year; operating income rose to ¥2,063 million, an increase of 230.4% year-on-year; ordinary income was ¥1,964 million, an increase of 270.0% year-on-year; and net income attributable to owners of the parent totaled ¥1,335 million, an increase of 318.1% year-on-year.

Operating results by business segment are presented as follows.

a. Real Estate Sales

In new home sales, we have continued to implement thorough infection prevention measures and expanded and strengthened our non-contact sales activities to make better use of IT. In Saitama Prefecture, we opened a new branch in Fujimi City, Saitama Prefecture in April 2021 to expand our sales area and strengthen our sales structure. In parallel, we strove to enhance the brand recognition of Grandy House through an initiative to start broadcasting new CM. In Kanagawa Prefecture, we have increased our personnel to expand our business and made efforts to reinforce the in-house construction of homes and its management structure.

In terms of products, we have continued to differentiate ourselves from our competitors by developing high added-value products, such as proposals for new homes that accommodate new lifestyles and creating a safe and secure townscape that pays special attention to child-rearing generations in response to changes in demand for the housing environment caused by the pandemic. Furthermore, in the "Sora Town Tsukuba Matsushiro," a strategic large-scale housing project (with a total of 96 lots, Tsukuba City, Ibaraki Prefecture), which was put on market in September 2021, all new homes employ the zero-net-energy house system (ZEH), which features eco-friendly building design that

utilizes natural ventilation and natural light. This is an example of new efforts that the Group has made to offer a sustainable lifestyle.

Thanks to these efforts, the number of new homes sold in the consolidated cumulative second quarter of the fiscal 2022 under review was 756, the highest for a six month period (an increase of 114 homes year-on-year).

In existing-home sales, we have continued our efforts to expand the number of homes sold by enhancing product inventory. Despite the persistent impact of the COVID-19 pandemic, the number of homes sold for the consolidated cumulative second quarter of fiscal 2022 under review was 75 (an increase of 8 homes year-on-year). This was achieved mainly by the expansion and reinforcement of online advertising, increased coordination with brokers and a focus on purchases through auctions, thereby building up both purchases and sales.

As a result, sales in the real estate sales segment in the consolidated cumulative second quarter of fiscal 2022 under review increased by 23.9% year-on-year to ¥25,302 million. We had a segment profit of ¥1,700 million, an increase of 347.5% year-on-year.

b. Construction Material Sales

In the construction material sales, while the number of new housing starts for wooden houses has been on an upward trend since April primarily due to a rise in demand for detached homes, the futures market in the US, which had triggered the "wood shock," i.e., a surge in wood material prices, slumped to a third of its peak in early August, and imports recovered gradually, resulting in a tight supply-demand situation easing in both imported and domestic wood materials. Nonetheless, the domestic prices of wooden materials remain high.

Under these circumstances, we have focused on measures aimed at adjusting our purchases and sales prices and maintaining our purchase volume, thereby increasing both net sales and profits year-on-year.

As a result of these factors, sales in the construction material sales segment in the consolidated cumulative second quarter of fiscal 2022 under review increased by 20.6% year-on-year to ¥1,598 million. We had a segment profit of ¥174 million, an increase of 184.7% year-on-year.

c. Real Estate Leasing

In the real estate leasing, more stores were opened in or relocated to the city center in the office building market in and around Utsunomiya City, which is our main market, leading to a recovery trend in the vacancy rate. In the parking market, the Grandy House Group continues to face a difficult situation although the operation rate in parking lots has started to recover.

Under these circumstances, the Group endeavored to improve the operation rate of existing assets and reduce management costs. As a result, sales in the real estate leasing segment in the consolidated cumulative second quarter of fiscal 2022 under review were ¥136 million, an increase of 3.7% year-on-year. We had a segment profit of ¥63 million, a decrease of 20.1% year-on-year, mainly due to the occurrence of expenses for renovating properties for leasing despite the sales increase brought about by the lesser impact of rent reductions and exemptions for tenants, which were carried out in the previous fiscal year, and an increase in new assets for leasing.

(2) Explanation regarding Financial Position

a. Balance Sheet

As of the end of the second quarter of consolidated fiscal 2022 under review, consolidated total assets fell to ¥57,625 million, a decrease of ¥445 million compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease in cash and deposits mainly thanks to loan repayments, although there was an increase in inventories due to various factors, such as the acquisition of housing lots to reflect the expanded area of the real estate sales business.

Liabilities stood at ¥33,760 million, a decrease of ¥1,149 million compared to the end of the previous consolidated fiscal year. This was mainly due to loan repayments.

Total net assets stood at ¥23,864 million as of September 30, 2021. This represents an increase of ¥703 million from the balance recorded as of March 31, 2021. This was due to acquiring net income attributable to owners of the parent despite the payment of dividends.

b. Cash Flows

Cash and cash equivalents (hereinafter, "cash flows") as of the end of the second quarter of consolidated fiscal 2022 under review decreased by ¥1,761 million compared to the end of the previous consolidated fiscal year to ¥11,587 million as a result of increased cash flows from operating activities and decreased cash flows from investing and financing activities.

The Company's cash flows and their factors that cause them to fluctuate during the six months ended September 30, 2021, are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥791 million (an increase of ¥612 million for the six months ended September 30, 2020). This was mainly due to an increase in net income before income taxes despite an increase in inventory resulting from the acquisition of housing lots and others.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥247 million (a decrease of ¥229 million for the six months ended September 30, 2020). This was mainly due to the construction of branch buildings, the acquisition of assets for leasing, and other items.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥2,306 million (an increase of ¥2,418 million for the six months ended September 30, 2020). This was mainly due to payments of dividends and repayments of loans payable.

(3) Explanation regarding Future Prospects including Consolidated Financial Forecasts

There have been no changes to the consolidated financial forecasts announced on August 4, 2021.

2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

(1) Quarterly Consolidated Balance Sheets

(Thousands of Yen)

	FY2021 (As of March 31, 2021)	Second Quarter of FY2022 (As of September 30, 2021)
Assets		
Current assets		
Cash and deposits	13,363,516	11,601,685
Notes and accounts receivable – trade and contract assets	496,993	764,812
Securities	201,921	200,768
Real estate for sale	7,451,307	7,444,392
Costs on uncompleted construction contracts	7,725	11,090
Real estate for sale in process	22,584,961	23,374,320
Merchandise and finished goods	237,434	314,615
Raw materials and supplies	114,678	216,002
Other	920,828	958,500
Allowance for doubtful accounts	(2,362)	(4,268)
Total current assets	45,377,005	44,881,920
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,306,457	3,261,947
Machinery, equipment and vehicles, net	29,124	28,468
Tools, furniture and fixtures, net	50,851	50,353
Land	6,021,604	6,061,045
Leased assets, net	74,390	69,577
Construction in progress	150,319	323,223
Total property, plant and equipment	9,632,747	9,794,616
Intangible assets		
Goodwill	1,165,571	1,097,008
Other	67,192	60,432
Total intangible assets	1,232,763	1,157,441
Investments and other assets		
Investment securities	145,500	138,000
Long-term loans receivable	18,993	16,809
Deferred tax assets	562,494	531,590
Other	1,067,323	1,063,725
Allowance for doubtful accounts	(4,272)	—
Total investments and other assets	1,790,038	1,750,124
Total non-current assets	12,655,549	12,702,181
Deferred assets		
Bond issuance costs	38,025	40,919
Total deferred assets	38,025	40,919
Total assets	58,070,579	57,625,021

(Thousands of Yen)

	FY2021 (As of March 31, 2021)	Second Quarter of FY2022 (As of September 30, 2021)
Liabilities		
Current liabilities		
Accounts payable for construction contracts	3,255,232	3,722,692
Short-term loans payable	20,696,600	15,977,200
Current portion of bonds	21,000	13,500
Current portion of long-term loans payable	1,014,044	1,413,824
Lease obligations	30,980	27,792
Income taxes payable	399,719	477,869
Provision for warranties for completed construction	185,503	182,244
Other	955,601	770,191
Total current liabilities	26,558,680	22,585,314
Non-current liabilities		
Bonds payable	2,303,000	2,800,000
Long-term loans payable	4,904,321	7,141,629
Lease obligations	50,559	48,699
Provision for directors' retirement benefits	218,520	235,045
Net defined benefit liability	810,289	871,169
Other	64,878	79,113
Total non-current liabilities	8,351,569	11,175,657
Total liabilities	34,910,250	33,760,971
Net assets		
Shareholders' equity		
Capital stock	2,077,500	2,077,500
Capital surplus	2,343,929	2,406,397
Retained earnings	18,836,131	19,469,533
Treasury shares	(270,372)	(233,701)
Total shareholders' equity	22,987,189	23,719,729
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,500	13,000
Total accumulated other comprehensive income	20,500	13,000
Subscription rights to shares	152,640	131,320
Total net assets	23,160,329	23,864,049
Total liabilities and net assets	58,070,579	57,625,021

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Consolidated cumulative second quarter)

(Thousands of Yen)

	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Net sales	21,881,404	27,037,381
Cost of sales	18,297,641	21,774,768
Gross profit	3,583,763	5,262,612
Selling, general and administrative expenses	2,959,008	3,198,651
Operating income	624,754	2,063,960
Non-operating income		
Interest income	914	516
Dividends income	2,903	2,861
Office work fee	13,584	16,415
Other	46,087	12,895
Total non-operating income	63,490	32,688
Non-operating expenses		
Interest expenses	145,239	118,875
Commission for syndicate loan	4,983	5,920
Other	7,112	7,395
Total non-operating expenses	157,335	132,191
Ordinary income	530,909	1,964,457
Extraordinary income		
Gain on sales of non-current assets	3,802	18,620
Total extraordinary income	3,802	18,620
Extraordinary loss		
Loss on retirement of non-current assets	7,979	6,317
Loss on cancellation of lease contracts	913	358
Total extraordinary loss	8,893	6,675
Net income before income taxes	525,817	1,976,402
Income taxes – current	228,005	610,081
Income taxes – deferred	(21,625)	30,904
Total income taxes	206,379	640,986
Net income	319,437	1,335,415
Net income attributable to owners of the parent	319,437	1,335,415

(Quarterly Consolidated Statements of Comprehensive Income)
(Consolidated cumulative second quarter)

(Thousands of Yen)

	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Net income	319,437	1,335,415
Other comprehensive income		
Valuation difference on available-for-sale securities	9,000	(7,500)
Total other comprehensive income	9,000	(7,500)
Comprehensive income	328,437	1,327,915
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	328,437	1,327,915
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of Yen)

	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Cash flows from operating activities		
Net income before income taxes	525,817	1,976,402
Depreciation and amortization	142,665	139,592
Amortization of goodwill	68,563	68,563
Increase (decrease) in provision for directors' retirement benefits	(1,458)	16,525
Increase (decrease) in provision for warranties for completed construction	10,420	(3,258)
Increase (decrease) in allowance for doubtful accounts	(5,985)	(2,367)
Increase (decrease) in net defined benefit liability	58,092	60,879
Interest and dividends income	(3,818)	(3,377)
Interest expenses	145,239	118,875
Loss (gain) on sales of non-current assets	(3,802)	(18,620)
Loss on retirement of non-current assets	7,979	6,317
Decrease (increase) in notes and accounts receivable – trade	101,566	(263,554)
Decrease (increase) in inventories	(514,751)	(964,314)
Increase (decrease) in notes and accounts payable – trade	152,450	467,459
Other	564,634	(161,345)
Subtotal	1,247,613	1,437,778
Interest and dividends income received	4,925	4,499
Interest expenses paid	(148,151)	(119,356)
Income taxes paid	(492,117)	(530,989)
Net cash provided by (used in) operating activities	612,270	791,931
Cash flows from investing activities		
Purchase of property, plant and equipment	(196,290)	(331,148)
Proceeds from sales of property, plant and equipment	4,210	101,555
Purchase of intangible assets	(29,209)	(6,330)
Collection of loans receivable	15,823	2,184
Payments for guarantee deposits	(22,000)	(300)
Other	(2,308)	(13,509)
Net cash provided by (used in) investing activities	(229,774)	(247,548)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,487,100	(4,719,400)
Proceeds from long-term loans payable	1,480,000	3,280,000
Repayment of long-term loans payable	(351,100)	(714,912)
Proceeds from issuance of bonds	500,000	500,000
Redemption of bonds	(10,500)	(10,500)
Proceeds from disposition of treasury shares due to exercise of subscription rights to shares	—	77,818
Cash dividends paid	(667,761)	(700,674)
Repayments of lease obligations	(19,089)	(18,545)
Net cash provided by (used in) financing activities	2,418,649	(2,306,213)
Net increase (decrease) in cash and cash equivalents	2,801,145	(1,761,830)
Cash and cash equivalents at beginning of the period	10,336,889	13,349,007
Cash and cash equivalents at end of the period	13,138,034	11,587,176

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard and Other Standards for Revenue Recognition)

The Grandy House Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020; hereinafter, "Revenue Recognition Accounting Standard") and other standards since the beginning of the first quarter of the fiscal year ending March 2022. Accordingly, we have decided to recognize revenue of the amount that we expect to receive in exchange for promised goods or services upon the transfer of control over such promised goods or services to the customer. With this change of accounting policies being applied retroactively in principle, the quarters of the previous fiscal year and the previous consolidated fiscal year are presented in the quarterly consolidated financial statements and the consolidated financial statements after the relevant retroactive application.

As a result, compared to the figures calculated prior to the retroactive application of such policies, net sales for the cumulative second quarter of the previous consolidated fiscal year increased by ¥61,000 thousand, cost of sales decreased by ¥102,562 thousand, selling, general and administrative expenses increased by ¥5,625 thousand, operating income increased by ¥157,937 thousand, and ordinary income and quarterly net income before income taxes decreased by ¥5,625 thousand, respectively. Furthermore, retained earnings at the beginning of the previous consolidated fiscal year decreased by ¥125,241 thousand since the cumulative financial impact was reflected in net assets at the beginning of the previous consolidated fiscal year.

Due to the application of the Revenue Recognition Accounting Standard and other standards, "Notes and accounts receivable – trade," which was presented under "Current assets" in the consolidated balance sheet for the previous fiscal year, have been included and presented under "Notes and accounts receivable – trade and contract assets" since the first quarter of fiscal year ending March 2022.

(Additional Information)

(Changes in Presentation Methods)

(Quarterly Consolidated Balance Sheets)

Housing lots for built-for-sale homes that had yet to be completed were included under "Real estate for sale" in the previous consolidated fiscal year, but they have been included and presented under "Real estate for sale in process" since the first quarter of fiscal year ending March 2022 to enhance the clarity of the consolidated balance sheet. To reflect this change in our presentation methods, a reclassification of accounts has been conducted for the consolidated balance sheet of the previous consolidated fiscal year.

As a result, the ¥9,675,070 thousand that was presented under "Real estate for sale" in the consolidated balance sheet of the previous consolidated fiscal year has been reclassified into "Real estate for sale in process."

(Accounting Estimates concerning the Impact of COVID-19)

Note that there has been no significant change to the assumptions concerning the impact of COVID-19 that we provided as additional information in our securities report for fiscal 2021.

(Segment Information)

I. The cumulative six months ended September 30, 2020 (April 1, 2020 to September 30, 2020)

1. Information relating to the amounts of net sales and profit or loss by reportable segment

(Thousands of Yen)

	Reportable Segment				Adjustments (Note 1)	Amount Recorded on Quarterly Consolidated Statements of Income (Note 2)
	Real Estate Sales	Construction Material Sales	Real Estate Leasing	Total		
Net sales						
Sales to outside customers	20,424,301	1,325,227	131,875	21,881,404	—	21,881,404
Inter-segment sales or transfers	27,840	1,255,380	40,223	1,323,444	(1,323,444)	—
Total	20,452,141	2,580,608	172,098	23,204,848	(1,323,444)	21,881,404
Segment profit	379,929	61,345	79,506	520,781	10,127	530,909

Notes: 1 The adjustments of segment profit (¥10,127 thousand) is the eliminations of inter-segment transactions.

2 Segment profit has been adjusted with ordinary income described in quarterly consolidated statements of income.

2. Information concerning the impairment loss of non-current assets and goodwill by reportable segment

Not applicable.

II. The cumulative six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

1. Information relating to the amounts of net sales and profit or loss by reportable segment

(Thousands of Yen)

	Reportable Segment				Adjustments (Note 1)	Amount Recorded on Quarterly Consolidated Statements of Income (Note 2)
	Real Estate Sales	Construction Material Sales	Real Estate Leasing	Total		
Net sales						
Sales to outside customers	25,302,141	1,598,449	136,790	27,037,381	—	27,037,381
Inter-segment sales or transfers	25,020	1,732,374	40,584	1,797,978	(1,797,978)	—
Total	25,327,161	3,330,823	177,374	28,835,359	(1,797,978)	27,037,381
Segment profit	1,700,214	174,658	63,560	1,938,433	26,023	1,964,457

Notes: 1 The adjustments of segment profit (¥26,023 thousand) is the eliminations of inter-segment transactions.

2 Segment profit has been adjusted with ordinary income described in quarterly consolidated statements of income.

2. Information concerning the impairment loss of non-current assets and goodwill by reportable segment

Not applicable.

3. Information concerning changes by reportable segment

As described in "(Changes in Accounting Policies)," the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) and other standards have been applied since the beginning of the first quarter of the fiscal year ending March 2022, and the accounting method concerning revenue recognition has been changed. Accordingly, the method used to measure income in business segments has also been changed.

Segment information for the cumulative second quarter of the previous consolidated fiscal year is created with the above-stated method.