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**Consolidated Financial Report**  
for the Second Quarter of Fiscal 2023 Ending March 31, 2023 (Japanese GAAP)

November 7, 2022

Company Name: Grandy House Corporation      Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 8999      URL: <https://www.grandy.co.jp>  
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 Scheduled date of quarterly securities report filing: November 10, 2022  
 Scheduled date of dividend payment commencement: —  
 Preparation of quarterly supplementary explanatory materials: Yes  
 Quarterly results briefing held: Yes (for analysts)

(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, 2023**  
(April 1, 2022 to September 30, 2022)

(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, 2022	27,632	2.2	1,882	(8.8)	1,785	(9.1)	1,245	(6.7)
Six months ended September 30, 2021	27,037	23.6	2,063	230.4	1,964	270.0	1,335	318.1

Note: Comprehensive income      Six months ended September 30, 2022: ¥1,258 million (-5.2%)  
 Six months ended September 30, 2021: ¥1,327 million (304.3%)

	Net Income per Share	Net Income per Share (Diluted)
	(¥)	(¥)
Six months ended September 30, 2022	42.93	42.66
Six months ended September 30, 2021	45.56	45.16

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(¥ million)	(¥ million)	%	(¥)
September 30, 2022	62,434	25,133	40.2	860.55
March 31, 2022	60,901	24,660	40.4	850.82

Reference: Shareholders' equity      September 30, 2022: ¥25,074 million  
 March 31, 2022: ¥24,592 million

**2. Dividends**

	Annual Dividend per Share				
	1Q-End	2Q-End	3Q-End	Period-End	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal 2022	—	0.00	—	30.00	30.00
Fiscal 2023	—	0.00	—	—	—
Fiscal 2023 (Forecast)	—	—	—	32.00	32.00

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

**3. Consolidated Financial Forecasts for Fiscal 2023 (April 1, 2022 to March 31, 2023)**

(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	58,000	5.7	4,070	1.2	3,820	0.3	2,600	0.6	89.95

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

\* **Notes**

(1) Significant changes to subsidiaries during the period  
(Changes in significant subsidiaries resulting in 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 restatements

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

(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, 2022	30,823,200 shares	March 31, 2022	30,823,200 shares
September 30, 2022	1,684,845 shares	March 31, 2022	1,918,845 shares
Six months ended September 30, 2022	29,010,726 shares	Six months ended September 30, 2021	29,311,469 shares

Note: The number of treasury shares at the end of the fiscal year includes shares held by "Grandy House Employee Stock Holding Partnership Exclusive Trust Account" (1,032,000 shares on September 30, 2022, 1,194,000 shares on March 31, 2022). In addition, shares held by "Grandy House Employee Stock Holding Partnership Exclusive Trust Account" are included in the treasury shares that are deducted from the calculation of the average number of shares during the period is calculated. The number of shares excluded from the average number of shares during the six-month periods ended September 30, 2022 and September 30, 2021 were 1,118,914 shares and – shares, respectively.

\* This consolidated quarterly financial report is not subject to quarterly review 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

### (1) Explanation regarding Operating Results

In the cumulative six month period ended September 30, 2022, the Japanese economy continued to recover slowly from the impact of COVID-19 infections, and social and economic activities were returning to normal. On the other hand, the outlook remained uncertain due to concerns over price rises and other issues caused primarily by the depreciation of the Japanese yen due to the policy of monetary tightening in global financial markets, and constraints on the supply side resulting from rising political and military tensions.

In the housing sector, the number of new housing (detached houses for sale) starts continued to be favorable and marked a year-on-year increase for 17 consecutive months until this September mainly due to changes in customer needs relating to housing and lifestyles under the pandemic (COVID-19) crisis and governmental policies taken to promote home acquisition as well as an ongoing low-interest rate financial policy. However, the pace of growth slowed down and we need to pay attention to the possible decline of customer motivation to purchase houses due to higher selling prices.

Under these circumstances, the Grandy House Group has upheld the basic policies of "Strengthen our business foundations and expand business areas for sustainable growth in the new home sales business," "Expand the scale of the housing stock business and maximize synergies with the new home sales business" and "Strengthening our response to sustainability (ESG) issues" in the third medium-term business plan (from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024). Accordingly, the Group has made efforts to further improve its corporate value and expand its businesses.

As a result of these initiatives, consolidated cumulative operating results for the second quarter of Fiscal 2023 were as follows: net sales were ¥27,632 million, an increase of 2.2% year-on-year; operating income was ¥1,882 million, a decrease of 8.8% year-on-year; ordinary income was ¥1,785 million, a decrease of 9.1% year-on-year; and net income attributable to owners of the parent totaled ¥1,245 million, a decrease of 6.7% year-on-year.

Operating results by business segment were as follows.

#### a. Real Estate Sales

In the real estate sales, we have continued to implement thorough infection prevention measures and focus on non-contact sales activities with the safety and security of customers and employees given top priority.

In new home sales, we aim to expand the business area in the Tokyo metropolitan area (Saitama, Chiba and Kanagawa) and increase our market share in northern Kanto (Tochigi, Ibaraki and Gunma). We engaged in running TV commercials through key television broadcasting stations in the Kanto region, renovating our corporate website and improving its functions in order to strengthen the awareness of our brand and power to attract customers.

In addition, we made efforts to expand the business area "from dots to planes." Specifically, in the Chiba Prefecture area, we expanded our business from the Tokatsu area, (the cities of Kashiwa, Matsudo, Nagareyama and Abiko), to the Keiyo area (the cities of Funabashi, Narashino and Ichikawa). In the Saitama Prefecture area, we expanded our territory from Fujimino-city, where one of our branches is located, to the surrounding areas, including the Tokyo area.

In the product side, with the involvement of Yamamoto Hori Architects, which has a wealth of knowledge and experience, we started selling homes at the "—*Omomuki* (quaint)—Kawagoe" project (a total of 20 lots), in the city of Kawagoe, a quaint town that had inherited the memories of olden days, and the "Higashimine Terrace" project (a total of 87 lots), for which the concept is sustainable housing and town, in the area east of Utsunomiya Railway Station, where redevelopment was underway in the city of Utsunomiya (Tochigi Prefecture). Additionally, in the city of Tsukuba (Ibaraki Prefecture), "Sora Town Tsukuba Matsushiro" (a total of 96 lots), an ongoing project in which all houses employed a net-zero-energy house system (ZEH), was acclaimed for its environmentally friendly houses that contribute to a decarbonized society, and recorded favorable sales.

Thanks to these efforts, the sales price per home rose in the consolidated cumulative second quarter of fiscal 2023. However, the number of new homes sold was 718 as a whole (a decrease of 38 homes year-on-year) due to the number of new homes sold struggling to grow in the Northern Kanto area.

In existing home sales, sales and purchase prices were on an upward trend as the price of new homes (detached homes and condominiums) kept increasing mainly due to the rising price of housing-related materials. Thus, the demand for existing homes increased because their selling prices are lower than for new housing, especially in the metropolitan area. Under these circumstances, in order to expand and reinforce product inventory, we strove to

secure valuable properties by closely scrutinizing those that were up for auction before the bidding commenced while we enhanced our cooperative relationships with brokers. As a result, in the consolidated cumulative second quarter of fiscal 2023, profit grew mainly due to improvement in the profit ratio. However, the number of homes sold was 66, a decrease of nine homes year-on-year, due to intense competition for inventory purchasing.

As a result, sales in the real estate sales segment in the consolidated cumulative second quarter of fiscal 2023 increased by 0.5% year-on-year to ¥25,431 million. We had a segment profit of ¥1,480 million, a decrease of 12.9% year-on-year.

#### b. Construction Material Sales

The number of new housing starts for wooden houses stayed firm although that number fell year-on-year for six consecutive months up to this September, compared to the previous year when higher demand was observed during the recovery phase from the coronavirus crisis. On the other hand, although tightness disappeared in the supply-demand situation of wood due to a slowdown in housing demand in the US, the price of wood remained high. Under these circumstances, we strove to reinforce not only the supply chain but also our salesforce to secure excellent customers with whom we can trade at fair selling prices. As a result, sales and profit increased year-on-year. Sales of the construction material sales segment in the consolidated cumulative second quarter of fiscal 2023 increased by 28.5% year-on-year to ¥2,054 million with a segment profit of ¥232 million, an increase of 33.2% year-on-year.

#### c. Real Estate Leasing

In the office leasing market in the Utsunomiya area, the occupancy ratio of middle or larger sized properties stayed low for a longer period whereas the occupancy rate of small properties (around 100 square meters) tended to recover due to the trend of relocating to smaller office spaces. In the parking market, the operational rate of pay-by-the-hour parking lots remained on a recovery trend due to the revitalization of social and economic activities.

Under these circumstances, operating results in the consolidated cumulative second quarter of fiscal 2023 showed year-on-year increases in both sales and profit due to lower office vacancies, lower renovation expenditure than the previous year and a recovery in operation rates at pay-by-the-hour parking lots in busy areas where demand had been recovered slowly. As a result, sales were ¥146 million, an increase of 7.4% year-on-year, and segment profit was ¥90 million, an increase of 42.8% year-on-year.

### (2) Explanation regarding Financial Position

#### a. Balance Sheet

As of the end of the second quarter of consolidated fiscal 2023, consolidated total assets stood at ¥62,434 million, an increase of ¥1,532 million compared to the end of the previous consolidated fiscal year. This was primarily due to an increase in inventories in real estate sales segment, which had expanded its business areas.

Liabilities stood at ¥37,301 million, an increase of ¥1,059 million compared to the end of the previous consolidated fiscal year. This was mainly due to an increase in loans payable for the acquisition of housing lots in the real estate sales segment.

Total net assets stood at ¥25,133 million. This represents an increase of ¥473 million from the balance as of March 31, 2022. 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") as of the end of the second quarter of consolidated fiscal 2023 was ¥10,167 million, a decrease of ¥915 million from the end of the previous fiscal year, as a result of decreases in cash flows from operating activities and investing activities and an increase in cash flows from financing activities.

The Company's cash flows during the six months ended September 30, 2022, are as follows:

##### (Cash Flows from Operating Activities)

Net cash used in operating activities amounted to ¥1,697 million (net cash provided by operating activities for the six months ended September 30, 2021 was ¥791 million). This was mainly due to an increase in inventories resulting from the acquisition of housing lots despite earning net income before income taxes.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥154 million (net cash used in investing activities for the six months ended September 30, 2021 was ¥247 million). This was mainly due to the acquisition of leasing properties, land for branch parking lots.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to ¥935 million (net cash used in financing activities for the six month ended September 30, 2021 was ¥2,306 million). This was mainly due to an increase in loans payable associated with an increase in inventories, despite the payment of dividends.

(3) Explanation regarding Future Prospects including Consolidated Financial Forecasts

There have been no changes from the consolidated financial forecasts announced on May 9, 2022.

## 2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

### (1) Quarterly Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal 2022 (As of March 31, 2022)	Second Quarter of Fiscal 2023 (As of September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	11,098,044	10,182,503
Notes and accounts receivable – trade and contract assets	702,666	727,454
Real estate for sale	8,129,757	9,126,715
Costs on uncompleted construction contracts	7,246	23,489
Real estate for sale in process	26,090,400	27,232,010
Merchandise and finished goods	350,922	445,821
Raw materials and supplies	279,751	222,247
Other	1,100,457	1,402,080
Allowance for doubtful accounts	(4,398)	(57)
Total current assets	47,754,848	49,362,265
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,784,259	3,730,167
Machinery, equipment and vehicles, net	26,759	23,115
Tools, furniture and fixtures, net	55,593	60,935
Land	6,063,224	6,053,811
Leased assets, net	92,419	83,115
Construction in progress	19,064	137,863
Total property, plant and equipment	10,041,319	10,089,008
Intangible assets		
Goodwill	1,028,445	959,882
Other	51,284	66,875
Total intangible assets	1,079,729	1,026,757
Investments and other assets		
Investment securities	143,000	156,000
Long-term loans receivable	14,601	9,689
Deferred tax assets	647,621	580,158
Other	1,175,569	1,171,007
Total investments and other assets	1,980,792	1,916,855
Total non-current assets	13,101,841	13,032,622
Deferred assets		
Bond issuance costs	45,286	40,043
Total deferred assets	45,286	40,043
Total assets	60,901,976	62,434,931

(Thousands of Yen)

	Fiscal 2022 (As of March 31, 2022)	Second Quarter of Fiscal 2023 (As of September 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	3,870,228	3,705,895
Short-term loans payable	13,082,700	12,770,800
Current portion of bonds	1,000,000	1,500,000
Current portion of long-term loans payable	2,604,311	3,329,780
Lease obligations	34,201	34,455
Income taxes payable	899,770	473,066
Provision for warranties for completed construction	185,469	181,903
Other	1,105,187	936,845
Total current liabilities	22,781,868	22,932,746
Non-current liabilities		
Bonds payable	2,300,000	2,100,000
Long-term loans payable	9,820,280	10,880,167
Lease obligations	67,647	57,022
Provision for directors' retirement benefits	251,695	243,262
Net defined benefit liability	904,811	953,633
Other	115,459	134,782
Total non-current liabilities	13,459,893	14,368,868
Total liabilities	36,241,762	37,301,614
Net assets		
Shareholders' equity		
Capital stock	2,077,500	2,077,500
Capital surplus	2,592,335	2,613,431
Retained earnings	20,718,007	21,060,576
Treasury shares	(813,488)	(707,630)
Total shareholders' equity	24,574,354	25,043,877
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,000	31,000
Total accumulated other comprehensive income	18,000	31,000
Subscription rights to shares	67,860	58,440
Total net assets	24,660,214	25,133,317
Total liabilities and net assets	60,901,976	62,434,931



(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, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net sales	27,037,381	27,632,926
Cost of sales	21,774,768	22,512,810
Gross profit	5,262,612	5,120,116
Selling, general and administrative expenses	3,198,651	3,237,617
Operating income	2,063,960	1,882,498
Non-operating income		
Interest income	516	84
Dividends income	2,861	2,861
Commission	16,415	16,035
Other	12,895	26,136
Total non-operating income	32,688	45,118
Non-operating expenses		
Interest expenses	118,875	124,005
Commission for syndicate loan	5,920	8,420
Other	7,395	9,995
Total non-operating expenses	132,191	142,421
Ordinary income	1,964,457	1,785,194
Extraordinary income		
Gain on sales of non-current assets	18,620	84,432
Gain on reversal of share acquisition rights	–	2,220
Total extraordinary income	18,620	86,652
Extraordinary loss		
Loss on retirement of non-current assets	6,317	5,287
Loss on cancellation of lease contracts	358	–
Total extraordinary loss	6,675	5,287
Net income before income taxes	1,976,402	1,866,560
Income taxes – current	610,081	553,577
Income taxes – deferred	30,904	67,462
Total income taxes	640,986	621,040
Net income	1,335,415	1,245,519
Net income attributable to owners of the parent	1,335,415	1,245,519

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

(Thousands of Yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net income	1,335,415	1,245,519
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,500)	13,000
Total other comprehensive income	(7,500)	13,000
Comprehensive income	1,327,915	1,258,519
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	1,327,915	1,258,519
Comprehensive income attributable to non-controlling interests	—	—

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousands of Yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
<b>Cash flows from operating activities</b>		
Net income before income taxes	1,976,402	1,866,560
Depreciation and amortization	139,592	139,046
Amortization of goodwill	68,563	68,563
Increase (decrease) in provision for directors' retirement benefits	16,525	(8,433)
Increase (decrease) in provision for warranties for completed construction	(3,258)	(3,566)
Increase (decrease) in allowance for doubtful accounts	(2,367)	(4,341)
Increase (decrease) in net defined benefit liability	60,879	48,822
Interest and dividends income	(3,377)	(2,946)
Interest expenses	118,875	124,005
Gain on reversal of share acquisition rights	–	(2,220)
Loss (gain) on sales of non-current assets	(18,620)	(84,432)
Loss on retirement of non-current assets	6,317	5,287
Decrease (increase) in notes and accounts receivable – trade	(263,554)	(24,787)
Decrease (increase) in inventories	(964,314)	(2,192,205)
Increase (decrease) in notes and accounts payable – trade	467,459	(164,333)
Other	(161,345)	(274,676)
Subtotal	1,437,778	(509,657)
Interest and dividends income received	4,499	2,949
Interest expenses paid	(119,356)	(124,206)
Income taxes paid	(530,989)	(1,066,320)
Net cash provided by (used in) operating activities	791,931	(1,697,235)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(331,148)	(337,314)
Proceeds from sales of property, plant and equipment	101,555	203,845
Purchase of intangible assets	(6,330)	(22,323)
Collection of loans receivable	2,184	1,763
Other	(13,809)	(109)
Net cash provided by (used in) investing activities	(247,548)	(154,137)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(4,719,400)	(311,900)
Proceeds from long-term loans payable	3,280,000	4,400,000
Repayment of long-term loans payable	(714,912)	(2,654,144)
Proceeds from issuance of bonds	500,000	300,000
Redemption of bonds	(10,500)	–
Proceeds from disposition of treasury shares due to exercise of subscription rights to shares	77,818	26,280
Proceeds from sale of treasury shares	–	93,474
Cash dividends paid	(700,674)	(900,508)
Repayments of lease obligations	(18,545)	(17,368)
Net cash provided by (used in) financing activities	(2,306,213)	935,832
Net increase (decrease) in cash and cash equivalents	(1,761,830)	(915,540)
Cash and cash equivalents at beginning of the period	13,349,007	11,083,535
Cash and cash equivalents at end of the period	11,587,176	10,167,994

#### (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.

(Additional Information)

(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 2022.

(Transactions for Distributing the Company's Own Stock to Employees, etc. through Trusts)

The Company has adopted the "trust-type employee stock holding incentive plan (E-Ship®)" (hereinafter referred to as "the Plan") for the purpose of providing its employees with incentives to enhance the corporate value of the Company on a medium-to long-term basis.

##### (1) Overview of transactions

The Plan is an incentive plan for all employees who are members of "the Grandy House Employee Stock Holding Partnership" (hereinafter referred to as "the Stock Partnership"). The Company has established the "Grandy House Employee Stock Holding Partnership Exclusive Trust" (hereinafter referred to as "the Trust") in a trust bank. The Trust will acquire in advance after its establishment the number of Grandy House shares to be expected to be acquired by the Stock Partnership over a six-year period. At a later date, the Trust will sell its holdings of Grandy House shares to the Stock Partnership on a continual basis. If an amount equivalent to the gains from sale of shares is accumulated at the end of the term of the Trust, the relevant amount equivalent to the gains from the sale of shares will be distributed as residue assets to those who satisfy the criteria of beneficiaries. The Company warrants the repayment of loans payable for the Trust to acquire shares of the Company. Therefore, if an amount equivalent to the loss from sale of shares accumulates due to a decline in the price of shares of the Company, causing a debt equivalent to a loss from sale of the relevant shares remains in the Trust at the end of the term of the Trust, the Company will assume the repayment of the relevant remaining borrowing.

##### (2) Grandy House's own company stock remaining in the Trust

Grandy House's own company stock remaining in the Trust is recorded as treasury shares in net assets in accordance with the book value (excluding the amount of incidental expenses) in the Trust. The book value and the number of the relevant treasury shares are ¥688,938 thousand and 1,194,000 shares for the previous consolidated fiscal year, and ¥595,464 thousand and 1,032,000 shares for the consolidated second quarter of fiscal 2023 under review.

##### (3) The book value of loans payable recorded by the application of the gross method

The previous consolidated fiscal year: ¥690,870 thousand

The consolidated second quarter of fiscal 2023 under review: ¥572,180 thousand

(Segment Information)

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

1. Information concerning 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 external 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) are 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, 2022 (April 1, 2022 to September 30, 2022)

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 external customers	25,431,837	2,054,241	146,848	27,632,926	–	27,632,926
Inter-segment sales or transfers	26,760	2,421,847	40,880	2,489,488	(2,489,488)	–
Total	25,458,597	4,476,088	187,729	30,122,415	(2,489,488)	27,632,926
Segment profit	1,480,451	232,649	90,769	1,803,870	(18,675)	1,785,194

Notes: 1 The adjustments of segment profit (¥-18,675 thousand) are 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.