



**Summary of Interim Consolidated Financial Results for the Fiscal Year Ending May 31, 2025
(Japanese Accounting Standards)**

January 10, 2024

| | | | |
|-------------------------------------|--|----------|---|
| Company name | INTELLEX Co., Ltd. | Listings | Standard Section of Tokyo Stock Exchange |
| Securities code | 8940 | URL | http://www.intellex.co.jp/ |
| Representative | President and Representative Director, Seiji Toshinari | | |
| Contact | Director and Executive Officer, Kazunari Nakaharai | | |
| Telephone | +81-3-5766-7639 | | |
| Scheduled dates: | | | |
| Submission of quarterly report | January 14, 2025 | | |
| Commencement of dividend payments | February 12, 2025 | | |
| Supplementary documents for results | Yes | | |
| Quarterly results briefing | Yes (for analysts and corporate investors only) | | |

(Amounts in millions of yen rounded down to the nearest million yen)

1. Interim consolidated financial results for the fiscal year ending May 31, 2025
(Cumulative from June 1, 2024, to November 30, 2024)

(1) Operating results (cumulative)

(Percentage figures represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------------------|-------------|------|------------------|-------|-----------------|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Interim period ending May 2025 | 22,634 | -0.2 | 1,736 | 624.6 | 1,567 | — | 1,062 | — |
| Interim period ended May 2024 | 22,670 | 26.5 | 239 | 26.8 | 104 | — | 72 | — |

(Note) Comprehensive income:

Interim period ending May 2025: 1,049 million yen (-%)

Interim period ended May 2024: 77 million yen (-%)

| | Profit per share | Diluted profit per share |
|--------------------------------|------------------|--------------------------|
| | yen | yen |
| Interim period ending May 2025 | 132.02 | — |
| Interim period ended May 2024 | 8.70 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity capital ratio |
|-------------------------|--------------|-------------|----------------------|
| | million yen | million yen | % |
| As of November 30, 2024 | 45,934 | 12,901 | 28.0 |
| As of May 31, 2024 | 40,710 | 11,872 | 29.1 |

(Reference) Shareholders' equity:

As of November 30, 2024: 12,883 million yen As of May 31, 2024: 11,854 million yen

2. Dividends

| | Dividend per share | | | | |
|---|--------------------------------|-----------------------------|--------------------------------|--------------|--------------|
| | End of 1 st quarter | End of 1 st half | End of 3 rd quarter | Year-end | Total |
| Fiscal year ended May 31, 2024 | yen — | yen 9.00 | yen — | yen 10.00 | yen 19.00 |
| Fiscal year ending May 31, 2025 | — | 17.00 | — | — | — |
| Fiscal year ending May 31, 2025 (forecast) | — | — | — | 17.00 | 34.00 |

(Notes) Revisions to the latest dividends forecast: None.

Breakdown of dividends at the end of interim period ending May 2025:

Ordinary dividend: 10.00 yen; 30th anniversary commemorative dividend: 7.00 yen

Breakdown of final dividend for the fiscal year ending May 2025:

Ordinary dividend: 10.00 yen; 30th anniversary commemorative dividend: 7.00 yen

3. Consolidated earnings forecast for the fiscal year ending May 31, 2025 (June 1, 2024, to May 31, 2025)

(Percentage figures represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Profit per share |
|-----------|-------------|-----|------------------|-------|-----------------|-------|---|-------|------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Full year | 46,365 | 8.6 | 2,063 | 121.6 | 1,691 | 178.4 | 1,231 | 197.4 | 152.56 |

(Notes) Revisions to the latest forecast: Yes

Notes:

(1) Significant changes in the scope of consolidation during the fiscal period under review: None

(2) Application of accounting procedures specific to the preparation of interim consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and restatement:

a. Changes due to revision to accounting standards, etc.: Yes

b. Changes other than those in a: None

c. Changes in accounting estimates: None

d. Restatement: None

(4) Number of issued shares (common shares):

a. Number of issued shares at the end of fiscal period (including treasury shares):

As of November 30, 2024: 8,932,100 shares

As of May 31, 2024: 8,932,100 shares

b. Number of treasury shares as of the end of fiscal period:

As of November 30, 2024: 827,909 shares

As of May 31, 2024: 917,009 shares

c. Average number of shares during the period (interim period):

Interim period ending May 2025: 8,045,001 shares

Interim period ended May 2024: 8,371,453 shares

*Quarterly financial results reports (interim period) are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts and other noteworthy events: (Notes for financial projections, etc.)

Descriptions of the above financial projections and other data are based on information currently available to the Company and certain assumptions that it considers to be reasonable. Actual financial results may differ significantly from the projections for several reasons. For the assumptions underlying the performance forecast and important notes regarding the use of the performance forecast, please refer to page 3 of the attached document, "1. Summary of results of operations and financial position (3) Explanation of consolidated earnings forecast and other forward-looking statements."

Attached materials index:

| | |
|--|----|
| 1. Summary of results of operations and financial position..... | 2 |
| (1) Explanation of operating results..... | 2 |
| (2) Explanation of financial position..... | 2 |
| (3) Explanation of consolidated earnings forecast and other forward-looking statements..... | 3 |
| 2. Consolidated quarterly financial statements and major notes..... | 4 |
| (1) Consolidated quarterly balance sheet..... | 4 |
| (2) Consolidated statement of income and consolidated statement of comprehensive income..... | 6 |
| Interim consolidated statement of income..... | 6 |
| Consolidated interim statement of comprehensive income..... | 7 |
| (3) Consolidated interim statements of cash flows..... | 8 |
| (4) Notes on interim financial report..... | 10 |
| (Notes on changes in accounting methods)..... | 10 |
| (Changes in presentation method)..... | 10 |
| (Notes on premise of going concern)..... | 10 |
| (Notes on significant changes in shareholders' equity)..... | 10 |
| (Additional information)..... | 10 |
| (Segment information)..... | 11 |
| (Important subsequent matters)..... | 11 |

1. Summary of results of operations and financial position

(1) Explanation of operating results

During the current interim consolidated fiscal period (June 1, 2024 to November 30, 2024), Japan's economy is recovering gradually, driven by domestic demand. Strong corporate profits are supporting capital investment, and improvements in employment conditions and household income levels are boosting personal consumption.

According to the East Japan Real Estate Transaction Organization (East Japan REINS), the closing prices of pre-owned condominiums in the Tokyo metropolitan area rose 6.1% in November 2024 compared to the same period last year, and the number of transactions during that period (June to November 2024) was at the same level as the previous year.

In the Renovation Business field, sales of Renovated Condominiums decreased by 17.3% year-on-year to 539 units, due a deliberate reduction in purchasing pace and inventory to strengthen financial balance. In addition, the average sales price was 28.23 million yen, down 1.2% year-on-year, and sales in this business field decreased by 12.1% year-on-year. On the other hand, in the Solution Business field, sales increased by 85.2% year-on-year due to factors such as the sale of a profitable property, the development of the fractional ownership real estate product "Asset Sharing + (Plus)", and increased sales in the hotel business, which has been maintaining high occupancy rate. As a result, consolidated sales in this interim period decreased by 0.2% year-on-year, almost the same level as the previous year.

In terms of profits, in Renovated Condominium sales, we quickly sold off properties that had been held for an extended period in the previous fiscal year and replaced them with recently acquired properties, which resulted in a significant improvement in the profit margin for this interim period, and in addition, profits in the Solution Business, including the sale of a profitable property, grew significantly, resulting in a consolidated gross profit increase of 59.7% compared to the same period last year. Furthermore, as the increase in gross profit absorbed the rise in selling, general and administrative expenses (up 7.1%), operating profit grew significantly, increasing more than sevenfold (7.2 times) compared to the same period last year.

As a result, sales for the current interim consolidated fiscal period decreased 0.2% year-on-year to 22,634 million yen, operating profit increased 7.2 times year-on-year to 1,736 million yen, ordinary profit increased 15.0 times year-on-year to 1,567 million yen, and interim net profit attributable to owners of the parent increased 14.6 times year-on-year to 1,062 million yen.

The operating results of the segments are as follows.

(Renovation Business)

Net sales of property in this business segment decreased 18.2% year-on-year to 15,235 million yen due to a decrease in the number of Renovated Condominiums sales. Net sales of rental income in this business segment increased 9.0% year-on-year to 57 million yen. Net sales of other revenues in this business segment increased 81.2% year-on-year to 2,185 million yen due to the joint purchase and resale business by our subsidiary, Saisei Jutaku Partners, Co., Ltd., and the Renovation and Decoration Business by Intellex Space Plan, Inc.

As a result, net sales in this business area decreased by 12.1% year-on-year to 17,478 million yen, but operating profit in this business segment increased by 386.9% year-on-year to 664 million yen due to a significant improvement in the profit margin on the sale of Renovated Condominiums.

(Solution Business)

Net sales of properties in this business segment increased by 113.3% year-on-year to 3,306 million yen, mainly due to the sale of profitable properties and the development of the real estate small-lot product "Asset Sharing+ (Plus)." Net sales of rental income in this business area decreased by 10.5% year-on-year to 470 million yen. Net sales of other revenues in this business area increased by 94.7% year-on-year to 1,379 million yen, thanks to the contribution of sales from the profitable property joint business by our subsidiary Saisei Jutaku Partners, Co., Ltd. and the hotel business.

As a result, net sales in this business area increased by 85.2% year-on-year to 5,156 million yen, and operating profit increased by 175.7% to 1,504 million yen

(2) Explanation of financial position

As of the end of the interim consolidated fiscal period, assets were 45,934 million yen (an increase of 5,223 million yen from the end of the previous consolidated fiscal year), liabilities were 33,033 million yen (an increase of 4,195 million yen), and net assets were 12,901 million yen (an increase of 1,028 million yen).

(Assets)

The main reasons for the increase in assets were an increase of 1,066 million yen in cash and deposits, 1,234 million yen in real estate for sale, 114 million yen in advance payments to suppliers, 2,614 million yen in property, plant and equipment, and investments and other assets by 257 million yen.

(Liabilities)

The main reasons contributing to the increase in liabilities include a decrease of 459 million yen in other current liabilities, as well as increases of 172 million yen in accounts payable, 415 million yen in income taxes payable, and 4,049

million yen in long-term borrowings.

(Net assets)

The main reasons for the increase in net assets were a decrease of 80 million yen due to dividends of surplus and a decrease of 12 million yen in the valuation difference on available-for-sale securities, while the recording of 1,062 million yen in interim profit attributable to owners of parent and the posting of 52 million yen due to the disposal of treasury shares.

(3) Explanation of consolidated earnings forecast and other forward-looking statements

In the first half of the fiscal year ending May 2025, operating profit and other profits exceeded the initial forecast due to increased earnings in both the Renovation Business and Solutions Business, driven by factors such as a steady sales performance of Renovated Condominiums.

Based on the results up to this interim period and assuming that the second half of the fiscal year will continue as planned at the beginning of the fiscal year, we revise our consolidated earnings forecast for the full year ending May 2025 as follows.

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Profit per share |
|--|-----------|------------------|-----------------|---|------------------|
| Previous Forecast (A) (Disclosed on July 12, 2024) | 45,011 | 1,619 | 1,186 | 896 | 111.90 yen |
| Revised Forecast (B) | 46,365 | 2,063 | 1,691 | 1,231 | 152.56 yen |
| Increase (Decrease) (B)-(A) | 1,354 | 443 | 505 | 334 | — |
| Ratio of Increase (Decrease) (%) | 3.0 | 27.4 | 42.6 | 37.3 | — |
| Reference: Actual Results of Fiscal Year ending 31, May 2024 | 42,702 | 931 | 607 | 414 | 50.04 yen |

2. Consolidated quarterly financial statements and major notes

(1) Consolidated quarterly balance sheet

(Thousand yen)

| | As of May 31, 2024 | As of November 30, 2024 |
|---|--------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,980,415 | 6,046,885 |
| Accounts receivable - trade | 401,532 | 364,267 |
| Real estate for sale | 20,308,884 | 21,543,108 |
| Advance payments to suppliers | 393,159 | 507,370 |
| Other | 369,900 | 413,320 |
| Allowance for doubtful accounts | -1,867 | -2,660 |
| Total current assets | 26,452,025 | 28,872,292 |
| Non-current assets | | |
| Tangible assets | | |
| Building and structures, net | 3,965,077 | 4,395,924 |
| Land | 8,031,901 | 10,222,066 |
| Lease asset, net | 58,828 | 46,929 |
| Construction in progress | 26,898 | 33,755 |
| Other, net | 15,859 | 14,363 |
| Total tangible assets | 12,098,565 | 14,713,040 |
| Intangible assets | | |
| Other | 89,690 | 20,660 |
| Total intangible assets | 89,690 | 20,660 |
| Investments and other assets | | |
| Investment securities | 921,438 | 972,488 |
| Deferred tax assets | 166,302 | 185,714 |
| Other | 987,866 | 1,176,123 |
| Allowance for doubtful accounts | -5,070 | -6,000 |
| Total investments and other assets | 2,070,536 | 2,328,325 |
| Total non-current assets | 14,258,791 | 17,062,027 |
| Total assets | 40,710,816 | 45,934,319 |

| | (Thousand yen) | |
|---|--------------------|-------------------------|
| | As of May 31, 2024 | As of November 30, 2024 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 619,664 | 791,839 |
| Short-term borrowings | 11,338,236 | 11,372,224 |
| Current portion of bonds available | 100,000 | 100,000 |
| Current portion of long-term borrowings | 2,286,969 | 2,317,593 |
| Income taxes payable | 103,032 | 518,901 |
| Contract liabilities | 179,640 | 256,793 |
| Provision for guarantee of after-sales service | 45,977 | 53,618 |
| Other | 1,680,041 | 1,221,014 |
| Total current liabilities | 16,353,562 | 16,631,983 |
| Non-current liabilities | | |
| Bonds | 400,000 | 350,000 |
| Long-term borrowings | 11,544,843 | 15,594,104 |
| Asset retirement obligations | 82,776 | 67,845 |
| Other | 456,984 | 389,234 |
| Total non-current liabilities | 12,484,604 | 16,401,183 |
| Total liabilities | 28,838,167 | 33,033,167 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,253,779 | 2,253,779 |
| Capital surplus | 2,447,492 | 2,454,223 |
| Retained earnings | | |
| Other retained earnings | | |
| Reserve for open innovation tax incentive | 22,548 | 22,548 |
| Deferred retained earnings | 7,604,498 | 8,586,417 |
| Total retained earnings | 7,627,047 | 8,608,965 |
| Treasury shares | -533,744 | -481,476 |
| Total shareholders' equity | 11,794,574 | 12,835,491 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 60,075 | 47,661 |
| Total accumulated other comprehensive income | 60,075 | 47,661 |
| Non-controlling interests | 18,000 | 18,000 |
| Total net assets | 11,872,649 | 12,901,152 |
| Total liabilities and net assets | 40,710,816 | 45,934,319 |

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Interim consolidated quarterly statement of income)

(Thousand yen)

| | Interim consolidated fiscal period of FY2023 | Interim consolidated fiscal period of FY2024 |
|--|---|---|
| Net sales | 22,670,260 | 22,634,864 |
| Cost of sales | 19,859,044 | 18,145,101 |
| Gross profit | 2,811,215 | 4,489,763 |
| Selling, general and administrative expenses | 2,571,521 | 2,753,020 |
| Operating profit | 239,694 | 1,736,742 |
| Non-operating income | | |
| Interest income | 26 | 377 |
| Dividend income | 5,523 | 6,766 |
| Deferred earnings brought forward | — | 2,006 |
| Penalty income | 22,579 | 9,762 |
| Outsourcing service income | 6,409 | 6,409 |
| Subsidy income | 46,274 | 22,698 |
| Commission income | 4,671 | 2,406 |
| Gain on investments in silent partnerships | 40,913 | 95,651 |
| Other | 6,520 | 7,176 |
| Total non-operating income | 132,917 | 153,256 |
| Non-operating expenses | | |
| Interest expenses | 193,480 | 210,281 |
| Commission expenses | 56,740 | 78,078 |
| Other | 18,083 | 33,932 |
| Total non-operating expenses | 268,304 | 322,293 |
| Ordinary profit or loss | 104,307 | 1,567,705 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 45 | — |
| Gain on reversal of asset retirement obligations | — | 15,000 |
| Total extraordinary income | 45 | 15,000 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 3,137 | 56,654 |
| Total extraordinary losses | 3,137 | 56,654 |
| Profit or loss before income taxes | 101,215 | 1,526,051 |
| Income taxes - current | 28,041 | 477,915 |
| Income taxes - deferred | 355 | -13,933 |
| Total income taxes | 28,397 | 463,981 |
| Profit or loss | 72,818 | 1,062,069 |
| Profit or loss attributable to owners of parent | 72,818 | 1,062,069 |

(Consolidated interim statement of comprehensive income)
 (Cumulative during the interim period)

(Thousand yen)

| | Interim consolidated fiscal period of FY2023 | Interim consolidated fiscal period of FY2024 |
|--|--|--|
| Profit or loss | 72,818 | 1,062,069 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,273 | -12,414 |
| Total other comprehensive income | 4,273 | -12,414 |
| Comprehensive income | 77,091 | 1,049,654 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 77,091 | 1,049,654 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Consolidated interim statements of cash flows

(Thousand yen)

| | Interim consolidated fiscal period of FY2023 | Interim consolidated fiscal period of FY2024 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit or loss before income taxes | 101,215 | 1,526,051 |
| Depreciation | 144,613 | 138,179 |
| Increase (decrease) in allowance for doubtful accounts | 1,943 | 1,723 |
| Increase (decrease) in provision for guarantee for after-sales service | 5,581 | 7,641 |
| Interest and dividend income | -5,550 | -7,143 |
| Interest expenses | 193,480 | 210,281 |
| Share-based payment expense | 21,303 | 20,245 |
| Gain on reversal of asset retirement obligations | — | -15,000 |
| Loss (gain) on valuation of investment securities | — | -2,006 |
| Loss (gain) on disposal of non-current assets | 3,091 | 56,654 |
| Decrease (increase) in trade receivables | -67,936 | 37,264 |
| Decrease (increase) in inventories | 7,969,260 | -2,678,055 |
| Decrease (increase) in advance payments to suppliers | -217,801 | -114,210 |
| Increase (decrease) in trade payables | -188,065 | 172,174 |
| Decrease (increase) in other assets | 56,467 | -189,184 |
| Increase (decrease) in other liabilities | 258,287 | -423,691 |
| Subtotal | 8,275,892 | -1,259,076 |
| Interest and dividends received | 5,550 | 7,143 |
| Interest paid | -161,060 | -219,976 |
| Income taxes refund (paid) | -9,494 | -76,162 |
| Net cash provided by (used in) operating activities | 8,110,887 | -1,548,072 |
| Cash flows from investing activities | | |
| Payments into time deposits | -64,201 | -57,511 |
| Proceeds from withdrawal of time deposits | — | 11,809 |
| Purchase of non-current assets | -913,847 | -1,303,037 |
| Proceeds from sale of non-current assets | 245 | — |
| Long-term loans advances | — | -4,664 |
| Other | 30 | 20 |
| Cash flows from investing activities | -977,773 | -1,353,383 |

| | Interim consolidated fiscal period of FY2023 | Interim consolidated fiscal period of FY2024 |
|---|---|---|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | −5,597,880 | 33,988 |
| Proceeds from long-term borrowings | 1,987,600 | 6,177,470 |
| Repayments of long-term borrowings | −2,550,601 | −2,097,585 |
| Redemption of bonds | −50,000 | −50,000 |
| Repayments of lease liabilities | −9,568 | −10,118 |
| Dividends paid | −75,564 | −80,020 |
| Net cash provided by (used in) financing activities | −6,296,014 | 3,973,733 |
| Net increase (decrease) in cash and cash equivalents | 837,100 | 1,072,277 |
| Cash and cash equivalents at beginning of fiscal period | 4,734,391 | 4,690,001 |
| Cash and cash equivalents at end of interim period | 5,571,492 | 5,762,279 |

(4) Notes on interim financial report

(Notes on changes in accounting methods)

(Application of “Accounting Standards for Corporate Tax, Resident Tax, and Business Tax, etc.”)

“Accounting Standards for Corporate Tax, Resident Tax, and Business Tax, etc.” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standards”) has been applied from the beginning of this interim consolidated accounting period.

With regards to revisions to the classification of corporate income taxes and other items (taxation on other comprehensive income), the transitional treatment stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment prescribed in the proviso of Paragraph 65-2 (2) of the “Implementation Guideline on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022). The change had no impact on the interim consolidated financial statements.

(Changes in presentation methods)

(Changes regarding consolidated interim statement of income)

“Insurance claims receivable”, which was previously listed separately as part of non-operating income in the consolidated cumulative period of the previous interim consolidated accounting period, has become less significant in terms of monetary importance. Therefore, it has been included in the “Other” category of non-operating income from the current interim consolidated accounting period. In order to reflect this change in presentation method, we have reclassified the interim consolidated financial statements for the previous interim consolidated accounting period.

As a result, the 2,827 thousand yen listed under “insurance receivables” and the 3,692 thousand yen listed as “Others” in the non-operating income of the interim consolidated profit and loss statement for the previous interim consolidated accounting period, were reclassified as “other” of 6,520 thousand yen.

(Notes on premise of going concern)

Not applicable

(Notes on significant changes in shareholders’ equity)

Not applicable

(Additional information)

(Transferring from tangible noncurrent asset to real estate for sale)

Due to change in the purpose of ownership, a part of the tangible noncurrent assets has been transferred to real estate for sale, as per below:

| | Fiscal period ended May 31, 2024 (June 1, 2023 to May 31, 2024) | Current interim consolidated cumulative period ended November 30, 2024 (June 1, to November 30, 2024) | (Thousand yen) |
|--------------------------------|--|--|----------------|
| Building and structures | 1,575,910 | 48,671 | |
| Land | 2,985,781 | 143,444 | |
| Leasehold interests in land | 464,906 | — | |
| Construction in progress | 32,881 | — | |
| Other | 1,535 | — | |
| Total | 5,061,014 | 192,115 | |

(Transferring from real estate for sale to tangible noncurrent asset)

Due to change in the purpose of ownership, part of real estate for sale has been transferred to tangible noncurrent asset, as per below:

| | Fiscal period ended May 31, 2024 (June 1, 2023 to May 31, 2024) | Current interim consolidated cumulative period ended November 30, 2024 (June 1, to November 30, 2024) | (Thousand yen) |
|-------------------------|--|---|----------------|
| Building and structures | 565,033 | 265,230 | |
| Land | 1,921,624 | 1,365,178 | |
| Other | 1,208 | — | |
| Total | 2,487,865 | 1,630,408 | |

(Segment information)

I. Previous interim consolidated accounting period (from June 1, 2023 to November 30, 2023)

1. Information regarding the amounts of net sales and profit or loss by reported segments

(Thousand yen)

| | Reported segments | | | Adjustment (Note 1) | Amount on consolidated financial statements (Note 2) |
|---------------------------------------|------------------------|----------------------|------------|------------------------|--|
| | Renovation Business | Solution Business | Total | | |
| Net sales | | | | | |
| Revenue from contracts with customers | 19,833,891 | 2,258,252 | 22,092,143 | — | 22,092,143 |
| Other revenue | 52,573 | 525,542 | 578,116 | — | 578,116 |
| Sales – outside customers | 19,886,465 | 2,783,794 | 22,670,260 | — | 22,670,260 |
| Sales and transfer - intersegment | — | — | — | — | — |
| Total | 19,886,465 | 2,783,794 | 22,670,260 | — | 22,670,260 |
| Segment profit or loss (-) | 136,486 | 545,766 | 682,253 | -442,558 | 239,694 |

(Notes) 1. The adjustment to segment profit of -442,558 thousand yen is corporate expenses that are not allocated to any reported segment. Corporate expenses are mainly general and administrative expenses that are not attributed to reported segments.

2. Segment profit was adjusted with operating profit on the interim consolidated statement of income.

II. Current interim consolidated accounting period (from June 1, 2024 to November 30, 2024)

1. Information regarding the amounts of net sales and profit or loss by reported segments

(Thousand yen)

| | Reported segments | | | Adjustment (Note 1) | Amount on consolidated financial statements (Note 2) |
|---------------------------------------|------------------------|----------------------|------------|------------------------|--|
| | Renovation Business | Solution Business | Total | | |
| Net sales | | | | | |
| Revenue from contracts with customers | 17,421,520 | 4,157,893 | 21,579,414 | — | 21,579,414 |
| Other revenue | 57,318 | 998,131 | 1,055,449 | — | 1,055,449 |
| Sales – outside customers | 17,478,839 | 5,156,025 | 22,634,864 | — | 22,634,864 |
| Sales and transfer - intersegment | — | — | — | — | — |
| Total | 17,478,839 | 5,156,025 | 22,634,864 | — | 22,634,864 |
| Segment profit | 664,558 | 1,504,878 | 2,169,437 | -432,694 | 1,736,742 |

(Notes) 1. The adjustment to segment profit of -432,694 thousand yen is corporate expenses that are not allocated to any reported segment. Corporate expenses are mainly general and administrative expenses that are not attributed to reported segments.

2. Segment profit was adjusted with operating profit on the interim consolidated quarterly statement of income.

(Important subsequent matters)

Not applicable