

January 14, 2022

To whom it may concern:

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**(Corrections / Corrections to Numerical Data)
Concerning Corrections to Parts of Consolidated Financial Statements
(Based on Japanese GAAP) for Nine-Month Period Ended August 31, 2021**

Samty Co., Ltd. (hereinafter referred to as "the Company") has made corrections to parts of the content stated in its Consolidated Financial Statements (Based on Japanese GAAP) for the Nine-Month Period Ended August 31, 2021, which were announced on September 30, 2021. The corrections are set out below.

As corrections have also been made to numerical data, the corrected numerical data is also being provided. The corrections are underlined.

1. Reasons for corrections

The Company's fiscal year-end audit was conducted by Ernst & Young ShinNihon LLC, the Company's accounting auditor (hereinafter referred to as "the Audit Corporation"). As a result of a review conducted by the Audit Corporation in December 2021, it was pointed out that it would be necessary to correct the estimation of the calculated amount of negative goodwill and the category for recording revenue in the fiscal year-end audit with regard to the accounting treatment for a business combination, carried out by the Company after prior consultation with the Audit Corporation, of the now consolidated subsidiary R&K Limited in the financial statements for the first half ended May 31, 2021. As a result of careful consideration in response to this having been pointed out, the Company stated that the amount equivalent to negative goodwill recorded under non-operating income in the Consolidated Statements of Income for the nine-month period ended August 31, 2021, was "Share of profit of entities accounted for using equity method." The Company has carried out the treatment that transferred an amount equivalent to approximately ¥2.3 billion to "Gain on negative goodwill" as extraordinary income, and revised the reduced amount by approximately ¥1.3 billion. As a result of this treatment, the Company decided to record approximately ¥3.3 billion in "Gain on negative goodwill" under extraordinary income for the fiscal year ended November 2021 and corrected the figures for the relevant items.

2. Corrections

(Summary information)

1. Consolidated Results for the Nine-Month Period of FY11/21 (December 1, 2020 to August 31, 2021)
 - (1) Consolidated Operating Results
 - (2) Consolidated Financial Condition

(Attached materials)

1. Qualitative Information on Consolidated Results for the Nine-Month Period of Fiscal 2021
 - (1) Explanation of Business Results
 - (2) Qualitative Information on the Consolidated Financial Position
 2. Consolidated Financial Statements and Main Explanatory Notes
 - (1) Consolidated Balance Sheets
 - (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)
(Consolidated Statements of Comprehensive Income)
- (Segment Information)
- II Results for the nine months of FY11/21 (from December 1, 2020 to August 31, 2021)
 1. Operating Revenues and Earnings (or Loss) by Reportable Segment

3. Corrected content

(Summary information)

1. Consolidated Results for the Nine-Month Period of FY11/21 (December 1, 2020 to August 31, 2021)

[Before correction]

(1) Consolidated Operating Results

Nine months ended August 31

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2021	55,607	17.3	<u>5,466</u>	<u>(21.6)</u>	<u>6,466</u>	<u>19.8</u>	<u>8,138</u>	<u>122.8</u>
2020	47,394	(34.0)	6,973	(53.0)	5,395	(59.0)	3,653	(60.4)

(Note) Comprehensive Income: Nine months ended August 31, 2021: ¥9,130 million, 221.6%

Nine months ended August 31, 2020: ¥2,838 million, (70.8%)

	Net income per share	Net Income per share after adjustment for residual shares
	Yen	Yen
2021	<u>202.31</u>	<u>175.09</u>
2020	89.71	78.28

[After correction]

(1) Consolidated Operating Results

Nine months ended August 31

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2021	55,607	17.3	<u>5,477</u>	<u>(21.5)</u>	<u>4,171</u>	<u>(22.7)</u>	<u>6,832</u>	<u>87.0</u>
2020	47,394	(34.0)	6,973	(53.0)	5,395	(59.0)	3,653	(60.4)

(Note) Comprehensive Income: Nine months ended August 31, 2021: ¥7,824 million, 175.6%

Nine months ended August 31, 2020: ¥2,838 million, (70.8%)

	Net income per share	Net Income per share after adjustment for residual shares
	Yen	Yen
2021	<u>169.85</u>	<u>147.00</u>
2020	89.71	78.28

[Before correction]

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
August 31, 2021	<u>332,925</u>	<u>88,923</u>	<u>24.7</u>
November 30, 2020	250,864	77,699	30.7

(Reference) Total shareholders' equity: August 31, 2021: ¥82,331 million, November 30, 2020: ¥77,028 million

[After correction]

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
August 31, 2021	<u>333,133</u>	<u>89,711</u>	<u>24.3</u>
November 30, 2020	250,864	77,699	30.7

(Reference) Total shareholders' equity: August 31, 2021: ¥81,025 million, November 30, 2020: ¥77,028 million

(Attached materials)

1. Qualitative Information on Consolidated Results for the Nine-Month Period of Fiscal 2021

[Before correction]

(1) Explanation of Business Results

During the subject third quarter cumulative period, in addition to the holding of the Tokyo Olympic and Paralympic Games, areas under the state of emergency expanded due to the spread of the Delta variant of COVID-19. Currently, socio-economic activities are returning to normal backed by the increasing vaccination rate and the decision by the government's Digital Society Promotion Council to issue "vaccine passports (vaccination certificates)" online for overseas travels.

In the real estate industry, of which the Samty Group is a part, with regard to rental apartments, occupancy rates, rent levels, and property sales prices have remained favorable, because they are not easily affected by economic trends or the effects of the COVID-19 pandemic. Furthermore, according to the Land Value LOOK Report by the Ministry of Land, Infrastructure, Transport and Tourism, a greater number of areas saw land value increase for the third consecutive quarter, indicating no significant impact of COVID-19 on land value.

Under such conditions, the Samty Group launched initiatives designed to maximize income gain, such as the selling of a rental condominium in the latter half of the fiscal year, in accordance with the strategy of the medium-term management plan announced in January 2021. With regard to the purchase of properties, favorable progress was made with purchases of sites for development and of profitable properties. In May 2021, as a hotel investment initiative we entered into a capital and business alliance agreement with Wealth Management, Inc. (hereinafter "WM"), which is listed on the Second Section of the Tokyo Stock Exchange, and made WM an equity-method affiliate in the subject third quarter period. One of the basic policies under the medium-term management plan is to continue efforts to establish a hotel REIT with an eye toward the post-COVID hotel market. We will accelerate investment in carefully selected hotels by collaborating with WM, a developer that possesses strengths in hotel revitalization and development and information routes for investment projects. We are also moving ahead with procedures to establish a hotel REIT that we have been planning.

As a result, for the subject third quarter cumulative period, net sales amounted to ¥55,607 million (up 17.3% from the same period of the previous fiscal year), with operating income of ¥5,466 million (down 21.6%), ordinary income of ¥6,466 million (up 19.8%), and profit attributable to owners of parent of ¥8,138 million (up 122.8%).

Results by Business Segment

a. Real Estate Business

The Real Estate Business comprises the planning, development, and sales of real estate properties, including the Samty brand S-RESIDENCE series, as well as the planning, development, revitalization and sales of income properties and other real estate.

During the subject third quarter cumulative period, in addition to having sold 23 properties of real estate for sale located mainly in major cities across the nation to Samty Residential Investment Corporation (total sales price of around ¥25 billion), the Company sold "Agora Kyoto Shijo" (Shimogyo-ku, Kyoto-shi) and "Agora Kyoto Karasuma" (Shimogyo-ku, Kyoto-shi) as hotel assets.

As a result, net sales in the Real Estate Business segment amounted to ¥47,306 million (up 19.5% from the same period of the previous fiscal year), with operating income of ¥8,719 million (up 4.7%).

b. Property Leasing Business

The Property Leasing Business comprises the leasing and management of rental apartments, office buildings, commercial facilities, hotels, and other properties.

Aiming to maximize income gain, the Company conducted steady property acquisition during the subject third quarter cumulative period and acquired 46 income properties totaling around ¥39.9 billion. In addition, the Company completed development of 30 buildings.

As a result, net sales in the Property Leasing Business segment amounted to ¥6,111 million (up 0.6% from the same period of the previous fiscal year), with operating income of ¥2,606 million (down 4.2%).

c. Other Business

Other Business comprises the holding and operating of hotels as well as a condominium management business and construction/renovation business.

During the subject third quarter cumulative period, the number of hotels the Company holds/operates reached 17 as a result of opening and acquiring “S-PERIA HOTEL Fukuoka Nakasu” (Hakata-ku, Fukuoka-shi) and “Aloft Osaka Dojima” (Kita-ku, Osaka-shi). Although the hotels held/operated by the Samty Group have been impacted by the declaration of a state of emergency, demand is expected to return due to the increase in the vaccination rate. Furthermore, as an initiative for hotel investment, the Company has concluded a capital and business alliance agreement with WM and made WM an equity-method affiliate to press ahead with investment in carefully selected hotels.

As a result, net sales in the Other Business segment amounted to ¥2,189 million (up 26.2% from the same period of the previous fiscal year), with an operating loss of ¥2,348 million (operating loss of ¥602 million in the same period of the previous fiscal year).

[After correction]

(1) Explanation of Business Results

During the subject third quarter cumulative period, in addition to the holding of the Tokyo Olympic and Paralympic Games, areas under the state of emergency expanded due to the spread of the Delta variant of COVID-19. Currently, socio-economic activities are returning to normal backed by the increasing vaccination rate and the decision by the government’s Digital Society Promotion Council to issue “vaccine passports (vaccination certificates)” online for overseas travels.

In the real estate industry, of which the Samty Group is a part, with regard to rental apartments, occupancy rates, rent levels, and property sales prices have remained favorable, because they are not easily affected by economic trends or the effects of the COVID-19 pandemic. Furthermore, according to the Land Value LOOK Report by the Ministry of Land, Infrastructure, Transport and Tourism, a greater number of areas saw land value increase for the third consecutive quarter, indicating no significant impact of COVID-19 on land value.

Under such conditions, the Samty Group launched initiatives designed to maximize income gain, such as the selling of a rental condominium in the latter half of the fiscal year, in accordance with the strategy of the medium-term management plan announced in January 2021. With regard to the purchase of properties, favorable progress was made with purchases of sites for development and of profitable properties. In May 2021, as a hotel investment initiative we entered into a capital and business alliance agreement with Wealth Management, Inc. (hereinafter “WM”), which is listed on the Second Section of the Tokyo Stock Exchange, and made WM an equity-method affiliate in the subject third quarter period. One of the basic policies under the medium-term management plan is to continue efforts to establish a hotel REIT with an eye toward the post-COVID hotel market. We will accelerate investment in carefully selected hotels by collaborating with WM, a developer that possesses strengths in hotel revitalization and development and information routes for investment projects. We are also moving ahead with procedures to establish a hotel REIT that we have been planning.

As a result, for the subject third quarter cumulative period, net sales amounted to ¥55,607 million (up 17.3% from the same period of the previous fiscal year), with operating income of ¥5,477 million (down 21.5%), ordinary income of ¥4,171 million (down 22.7%), and profit attributable to owners of parent of ¥6,832 million (up 87.0%).

Results by Business Segment

a. Real Estate Business

The Real Estate Business comprises the planning, development, and sales of real estate properties,

including the Samty brand S-RESIDENCE series, as well as the planning, development, revitalization and sales of income properties and other real estate.

During the subject third quarter cumulative period, in addition to having sold 23 properties of real estate for sale located mainly in major cities across the nation to Samty Residential Investment Corporation (total sales price of around ¥25 billion), the Company sold “Agora Kyoto Shijo” (Shimogyo-ku, Kyoto-shi) and “Agora Kyoto Karasuma” (Shimogyo-ku, Kyoto-shi) as hotel assets.

As a result, net sales in the Real Estate Business segment amounted to ¥47,306 million (up 19.5% from the same period of the previous fiscal year), with operating income of ¥8,719 million (up 4.7%).

b. Property Leasing Business

The Property Leasing Business comprises the leasing and management of rental apartments, office buildings, commercial facilities, hotels, and other properties.

Aiming to maximize income gain, the Company conducted steady property acquisition during the subject third quarter cumulative period and acquired 46 income properties totaling around ¥39.9 billion. In addition, the Company completed development of 30 buildings.

As a result, net sales in the Property Leasing Business segment amounted to ¥6,111 million (up 0.6% from the same period of the previous fiscal year), with operating income of ¥2,606 million (down 4.2%).

c. Other Business

Other Business comprises the holding and operating of hotels as well as a condominium management business and construction/renovation business.

During the subject third quarter cumulative period, the number of hotels the Company holds/operates reached 17 as a result of opening and acquiring “S-PERIA HOTEL Fukuoka Nakasu” (Hakata-ku, Fukuoka-shi) and “Aloft Osaka Dojima” (Kita-ku, Osaka-shi). Although the hotels held/operated by the Samty Group have been impacted by the declaration of a state of emergency, demand is expected to return due to the increase in the vaccination rate. Furthermore, as an initiative for hotel investment, the Company has concluded a capital and business alliance agreement with WM and made WM an equity-method affiliate to press ahead with investment in carefully selected hotels.

As a result, net sales in the Other Business segment amounted to ¥2,189 million (up 26.2% from the same period of the previous fiscal year), with an operating loss of ¥2,337 million (operating loss of ¥602 million in the same period of the previous fiscal year).

[Before correction]

(2) Qualitative Information on the Consolidated Financial Position

Assets, Liabilities, and Net Assets

Assets

Total assets at the end of the subject third quarter period amounted to ¥332,925 million, an increase of ¥82,061 million compared with the end of the previous fiscal year. The main factor for the increase/decrease was a decrease of ¥13,221 million in cash and deposits due to an increase of ¥100,571 million in real estate for sale, real estate for sale under construction and net property and equipment (income properties, etc.) in line with the steady progress in property acquisition.

Liabilities

Total liabilities at the end of the subject third quarter period amounted to ¥244,001 million, an increase of ¥70,837 million compared with the end of the previous fiscal year. The main factor for the increase/decrease was an increase of ¥65,460 million in borrowings accompanying the acquisition of over 90 properties (combined total of sites for development and of income properties).

Net Assets

Total net assets at the end of the subject third quarter period amounted to ¥88,923 million, an increase of ¥11,223 million compared with the end of the previous fiscal year. The main factors for the increase/decrease were increases of ¥8,138 million in retained earnings from posting of profit attributable to owners of parent; of ¥5,920 million in non-controlling interests from making S-VIN VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY (a company engaged in smart-city for-sale housing project in Hanoi City, Vietnam) and R&K Limited (a special purpose company that holds Aloft Osaka Dojima) consolidated subsidiaries, and such.

[After correction]

(2) Qualitative Information on the Consolidated Financial Position

Assets, Liabilities, and Net Assets

Assets

Total assets at the end of the subject third quarter period amounted to ¥333,133 million, an increase of ¥82,269 million compared with the end of the previous fiscal year. The main factor for the increase/decrease was a decrease of ¥13,221 million in cash and deposits due to an increase of ¥100,768 million in real estate for sale, real estate for sale under construction and net property and equipment (income properties, etc.) in line with the steady progress in property acquisition.

Liabilities

Total liabilities at the end of the subject third quarter period amounted to ¥243,421 million, an increase of ¥70,257 million compared with the end of the previous fiscal year. The main factor for the increase/decrease was an increase of ¥65,460 million in borrowings accompanying the acquisition of over 90 properties (combined total of sites for development and of income properties).

Net Assets

Total net assets at the end of the subject third quarter period amounted to ¥89,711 million, an increase of ¥12,012 million compared with the end of the previous fiscal year. The main factors for the increase/decrease were increases of ¥6,832 million in retained earnings from posting of profit attributable to owners of parent; of ¥8,014 million in non-controlling interests from making S-VIN VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY (a company engaged in smart-city for-sale housing project in Hanoi City, Vietnam) and R&K Limited (a special purpose company that holds Aloft Osaka Dojima) consolidated subsidiaries, and such.

2. Consolidated Financial Statements and Main Explanatory Notes

[Before correction]

(1) Consolidated Balance Sheets

	Millions of yen	
	November 30, 2020	August 31, 2021
ASSETS		
Current assets:		
Cash and deposits	42,511	29,290
Receivables	1,395	673
Real estate for sale	58,265	<u>120,274</u>
Real estate for sale under construction	42,512	69,799
Goods	1	0
Supplies	12	22
Other	13,915	4,989
Allowance for doubtful accounts	(5)	(4)
Total current assets	158,608	<u>225,045</u>
Non-current assets:		
Property and equipment:		
Buildings and structures net	17,835	21,761
Buildings in trust net	3,689	3,137
Land	42,482	50,535
Land in trust	3,322	2,314
Other net	4,608	5,464
Net property and equipment	71,938	83,214
Intangible assets:		
Goodwill	10	9
Other intangible assets	133	118
Total intangible assets	143	128
Investments and other assets:		
Investment securities	15,835	<u>20,609</u>
Deferred tax assets	693	232
Other	3,711	3,748
Allowance for doubtful accounts	(66)	(53)
Total Investments and other assets	20,173	<u>24,537</u>
Total non-current assets	92,255	<u>107,879</u>
Total assets	250,864	<u>332,925</u>

	Millions of yen	
	November 30, 2020	August 31, 2021
LIABILITIES		
Current liabilities:		
Notes and accounts payable	381	1,915
Short-term borrowings	16,883	11,595
Current portion of long-term debt	14,715	22,815
Accrued income taxes	4,063	557
Other	3,452	3,560
Total current liabilities	39,497	40,444
Non-current liabilities:		
Bonds payable	5,000	9,000
Bonds with share acquisition rights	10,000	10,000
Long-term debt	116,406	179,054
Liabilities for retirement benefits	212	233
Guarantee deposits	1,323	1,453
Construction assistance fund	427	386
Deferred tax liabilities	—	<u>3,132</u>
Other long-term liabilities	297	297
Total non-current liabilities	133,666	<u>203,557</u>
Total liabilities	173,164	<u>244,001</u>
NET ASSETS		
Shareholders' equity:		
Common stock	16,227	16,281
Capital surplus	17,985	18,038
Retained earnings	43,615	<u>48,395</u>
Treasury stocks at cost	(883)	(1,268)
Total shareholders' equity	76,945	<u>81,446</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	180	1,079
Foreign currency translation adjustment	(97)	(194)
Total accumulated other comprehensive income	83	885
Non-controlling interests	671	<u>6,591</u>
Total net assets	77,699	<u>88,923</u>
Total liabilities and net assets	250,864	<u>332,925</u>

[After correction]

(1) Consolidated Balance Sheets

	Millions of yen	
	November 30, 2020	August 31, 2021
ASSETS		
Current assets:		
Cash and deposits	42,511	29,290
Receivables	1,395	673
Real estate for sale	58,265	<u>120,471</u>
Real estate for sale under construction	42,512	69,799
Goods	1	0
Supplies	12	22
Other	13,915	4,989
Allowance for doubtful accounts	(5)	(4)
Total current assets	158,608	<u>225,242</u>
Non-current assets:		
Property and equipment:		
Buildings and structures net	17,835	21,761
Buildings in trust net	3,689	3,137
Land	42,482	50,535
Land in trust	3,322	2,314
Other net	4,608	5,464
Net property and equipment	71,938	83,214
Intangible assets:		
Goodwill	10	9
Other intangible assets	133	118
Total intangible assets	143	128
Investments and other assets:		
Investment securities	15,835	<u>20,619</u>
Deferred tax assets	693	232
Other	3,711	3,748
Allowance for doubtful accounts	(66)	(53)
Total Investments and other assets	20,173	<u>24,547</u>
Total non-current assets	92,255	<u>107,890</u>
Total assets	250,864	<u>333,133</u>

	Millions of yen	
	November 30, 2020	August 31, 2021
LIABILITIES		
Current liabilities:		
Notes and accounts payable	381	1,915
Short-term borrowings	16,883	11,595
Current portion of long-term debt	14,715	22,815
Accrued income taxes	4,063	557
Other	3,452	3,560
Total current liabilities	39,497	40,444
Non-current liabilities:		
Bonds payable	5,000	9,000
Bonds with share acquisition rights	10,000	10,000
Long-term debt	116,406	179,054
Liabilities for retirement benefits	212	233
Guarantee deposits	1,323	1,453
Construction assistance fund	427	386
Deferred tax liabilities	—	<u>2,551</u>
Other long-term liabilities	297	297
Total non-current liabilities	133,666	<u>202,977</u>
Total liabilities	173,164	<u>243,421</u>
NET ASSETS		
Shareholders' equity:		
Common stock	16,227	16,281
Capital surplus	17,985	18,038
Retained earnings	43,615	<u>47,089</u>
Treasury stocks at cost	(883)	(1,268)
Total shareholders' equity	76,945	<u>80,140</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	180	1,079
Foreign currency translation adjustment	(97)	(194)
Total accumulated other comprehensive income	83	885
Non-controlling interests	671	<u>8,685</u>
Total net assets	77,699	<u>89,711</u>
Total liabilities and net assets	250,864	<u>333,133</u>

[Before correction]

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

Nine months ended August 31

	Millions of yen	
	2020	2021
Net sales	47,394	55,607
Cost of sales	33,081	44,089
Gross profit	14,313	11,517
Selling, general and administrative expenses	7,339	<u>6,051</u>
Operating income	6,973	<u>5,466</u>
Non-operating income:		
Interest income	0	0
Dividends	13	11
Share of profit of entities accounted for using equity method	—	<u>2,481</u>
Foreign exchange gains	—	783
Gain on valuation of interest swaps	36	28
Other	17	109
Total non-operating income	68	<u>3,414</u>
Non-operating expenses:		
Interest expenses	1,369	1,667
Interest expenses on bonds	—	114
Commission fee	253	616
Other	23	16
Total non-operating expenses	1,646	2,415
Ordinary income	5,395	<u>6,466</u>
Extraordinary income:		
Gain on sales of non-current assets	0	—
Subsidy income	13	—
Reversal of consumption taxes for prior periods	138	—
Gain on bargain purchase	—	<u>3,317</u>
Total extraordinary income	153	<u>3,317</u>
Extraordinary loss:		
Loss on sales of non-current assets	7	—
Loss on retirement of non-current assets	0	2
Head office relocation expenses	—	191
Loss due to temporary closures	101	—
Total extraordinary losses	109	194
Income before income taxes	5,439	<u>9,589</u>
Income taxes-current	1,670	1,313
Income taxes-deferred	75	64
Total income taxes	1,745	1,378
Net income	3,694	<u>8,211</u>
Profit attributable to non-controlling interests	41	73
Profit attributable to owners of parent	3,653	<u>8,138</u>

[After correction]

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

Nine months ended August 31

	Millions of yen	
	2020	2021
Net sales	47,394	55,607
Cost of sales	33,081	44,089
Gross profit	14,313	11,517
Selling, general and administrative expenses	7,339	<u>6,040</u>
Operating income	6,973	<u>5,477</u>
Non-operating income:		
Interest income	0	0
Dividends	13	11
Share of profit of entities accounted for using equity method	—	<u>175</u>
Foreign exchange gains	—	783
Gain on valuation of interest swaps	36	28
Other	17	109
Total non-operating income	68	<u>1,108</u>
Non-operating expenses:		
Interest expenses	1,369	1,667
Interest expenses on bonds	—	114
Commission fee	253	616
Other	23	16
Total non-operating expenses	1,646	2,415
Ordinary income	5,395	<u>4,171</u>
Extraordinary income:		
Gain on sales of non-current assets	0	—
Subsidy income	13	—
Reversal of consumption taxes for prior periods	138	—
Gain on bargain purchase	—	<u>4,307</u>
Total extraordinary income	153	<u>4,307</u>
Extraordinary loss:		
Loss on sales of non-current assets	7	—
Loss on retirement of non-current assets	0	2
Head office relocation expenses	—	191
Loss due to temporary closures	101	—
Total extraordinary losses	109	194
Income before income taxes	5,439	<u>8,283</u>
Income taxes-current	1,670	1,313
Income taxes-deferred	75	64
Total income taxes	1,745	1,378
Net income	3,694	<u>6,905</u>
Profit attributable to non-controlling interests	41	73
Profit attributable to owners of parent	3,653	<u>6,832</u>

[Before correction]**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Comprehensive Income**

Nine months ended August 31

	Millions of yen	
	2020	2021
Net income	3,694	<u>8,211</u>
Other comprehensive income:		
Valuation difference on available-for-sale securities	(810)	899
Foreign currency translation adjustment	(45)	18
Total other comprehensive income	(855)	918
Comprehensive income	2,838	<u>9,130</u>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	2,797	<u>8,940</u>
Comprehensive income attributable to non-controlling interests	41	189

[After correction]**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Comprehensive Income**

Nine months ended August 31

	Millions of yen	
	2020	2021
Net income	3,694	<u>6,905</u>
Other comprehensive income:		
Valuation difference on available-for-sale securities	(810)	899
Foreign currency translation adjustment	(45)	18
Total other comprehensive income	(855)	918
Comprehensive income	2,838	<u>7,824</u>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	2,797	<u>7,634</u>
Comprehensive income attributable to non-controlling interests	41	189

(Segment Information)**II Results for the nine months of FY11/21 (from December 1, 2020 to August 31, 2021)****[Before correction]****1. Operating Revenues and Earnings (or Loss) by Reportable Segment**

Nine months ended August 31, 2021

	Millions of yen					
	Reportable Segment				Adjustment (Note 1)	Amount Recorded on Consolidated Income Statement (Note 2)
	Real Estate Business	Property Leasing Business	Other Business	Total		
Net sales:						
Net sales from third parties	47,306	6,111	2,189	55,607	—	55,607
Inter-segment net sales and transfers	12	21	258	292	(292)	—
Total	47,319	6,133	2,447	55,900	(292)	55,607
Operating income	8,719	2,606	<u>(2,348)</u>	<u>8,978</u>	(3,511)	<u>5,466</u>

Notes

1. The ¥3,511 million downward adjustment to operating income (loss) comprises a negative ¥30 million in intersegment eliminations, and a negative ¥3,480 million in corporate expenses not allocated to any reportable segment. Corporate expenses are general and administrative expenses not attributed to any reportable segment.
2. Segment operating income (loss) is adjusted to the operating income on the consolidated income statement.

[After correction]**1. Operating Revenues and Earnings (or Loss) by Reportable Segment**

Nine months ended August 31, 2021

	Millions of yen					
	Reportable Segment				Adjustment (Note 1)	Amount Recorded on Consolidated Income Statement (Note 2)
	Real Estate Business	Property Leasing Business	Other Business	Total		
Net sales:						
Net sales from third parties	47,306	6,111	2,189	55,607	—	55,607
Inter-segment net sales and transfers	12	21	258	292	(292)	—
Total	47,319	6,133	2,447	55,900	(292)	55,607
Operating income	8,719	2,606	<u>(2,337)</u>	<u>8,988</u>	(3,511)	<u>5,477</u>

Notes

1. The ¥3,511 million downward adjustment to operating income (loss) comprises a negative ¥30 million in intersegment eliminations, and a negative ¥3,480 million in corporate expenses not allocated to any reportable segment. Corporate expenses are general and administrative expenses not attributed to any reportable segment.
2. Segment operating income (loss) is adjusted to the operating income on the consolidated income statement.

END