

**Consolidated Financial Statements Summary**  
**for the First Quarter of FY2023 (February 1, 2023 through April 30, 2023)**  
**(Japanese Standard)**

June 8, 2023

Company name	: <b>Sekisui House, Ltd.</b> (URL <a href="https://www.sekisuihouse.co.jp">https://www.sekisuihouse.co.jp</a> )
Listed exchanges	: Tokyo, Nagoya
Stock code	: 1928
Representative	: Yoshihiro Nakai, Representative Director of the Board, President & Executive Officer, CEO
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Filing date of quarterly securities report	: June 13, 2023
Date of scheduled payment of dividends	: -
Quarterly earnings supplementary explanatory documents	: Yes
Quarterly earnings results briefing	: Yes (for institutional investors and analysts, in Japanese)

(Amounts are rounded down to the nearest million yen.)

**1. Consolidated Results for the Three Months Ended April 30, 2023 (February 1, 2023 through April 30, 2023)**

(1) Consolidated Financial Results (% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three months ended Apr. 30, 2023	708,280	(4.8)	55,736	(36.5)	53,096	(38.3)	41,934	(27.1)
Three months ended Apr. 30, 2022	743,671	22.2	87,769	60.5	86,120	54.8	57,485	58.9

(Note) Comprehensive income:

Three months ended Apr. 30, 2023: ¥48,093 million (-48.9%) Three months ended Apr. 30, 2022: ¥94,086 million (25.4%)

	Profit per share	Fully diluted profit per share
	¥	¥
Three months ended Apr. 30, 2023	63.33	63.31
Three months ended Apr. 30, 2022	85.40	85.36

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	¥ million	¥ million	%
As of April 30, 2023	3,046,615	1,677,036	53.9
As of January 31, 2023	3,007,537	1,667,546	54.3

(Reference) Equity capital As of April 30, 2023: ¥1,641,281 million As of January 31, 2023: ¥1,632,830 million

**2. Cash Dividends**

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	¥	¥	¥	¥	¥
Year ended Jan. 31, 2023	-	52.00	-	58.00	110.00
Year ending Jan. 31, 2024	-				
Year ending Jan. 31, 2024 (forecast)		59.00	-	59.00	118.00

(Note) Revised dividend forecast for the quarter under review: None

**3. Consolidated Results Forecast for FY2023 (February 1, 2023 through January 31, 2024)**

(% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Year ending January 31, 2024	3,080,000	5.2	265,000	1.3	259,000	0.7	193,000	4.6	295.05

(Note) Revised forecast for the quarter under review: None

**Notes**

(1) Changes in significant subsidiaries (changes in specific subsidiaries that caused a change in scope of consolidation): Not applicable

New Consolidated Companies: -

Excluded: -

(2) Application of accounting treatment specific to the preparations for consolidated quarterly financial statements: Not applicable

(3) Changes in accounting policies, accounting estimates and restatements

(a) Changes in accounting policies due to amendment of accounting standards: Applicable

(b) Changes in accounting policies due other than (a): Not applicable

(c) Changes in accounting estimates: Not applicable

(d) Restatements: Not applicable

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of each period (including treasury stock):

As of Apr. 30, 2023: 662,683,466 shares

As of Jan. 31, 2023: 684,683,466 shares

(ii) Number of treasury stock at the end of each period:

As of Apr. 30, 2023: 539,622 shares

As of Jan. 31, 2023: 22,557,150 shares

(iii) Average number of shares outstanding in each period (cumulative quarterly consolidated accounting period):

Three months ended Apr. 30, 2023: 662,132,600 shares

Three months ended Apr. 30, 2022: 673,152,410 shares

**\* This quarterly financial results report is exempt from quarterly review.****\* Notes Regarding the Appropriate Use of Results Forecasts and Other Important Matters**

Descriptions regarding forward-looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors. For the assumptions underlying the earnings forecast, please see "(3) Information Regarding Consolidated Results Forecast" in "1. Quarterly Qualitative Analysis" of the "Attached Material" on page 9.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on June 8, 2023. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

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**Appendix: Segment breakdown for the Three Months Ended April 30, 2023****Consolidated**

## (1) Net sales

(¥ million)

		Three months ended April 30, 2022	Three months ended April 30, 2023	YOY(%)
Built-to-order Business	Detached houses	114,306	105,824	(7.4)
	Rental housing and commercial buildings	124,844	125,678	0.7
	Architectural / civil engineering	63,038	57,980	(8.0)
	Subtotal	302,188	289,483	(4.2)
Supplied Housing Business	Rental housing management	154,402	161,252	4.4
	Remodeling	36,249	39,909	10.1
	Subtotal	190,652	201,161	5.5
Development Business	Real estate and brokerage	52,800	61,042	15.6
	Condominiums	41,162	15,956	(61.2)
	Urban redevelopment	18,478	47,436	156.7
	Subtotal	112,441	124,435	10.7
Overseas Business		146,300	101,814	(30.4)
Other businesses		2,304	3,562	54.6
Eliminations and back office		(10,216)	(12,176)	—
Consolidated		743,671	708,280	(4.8)

## (2) Operating income and Operating margin

(¥ million)

		Three months ended April 30, 2022	Three months ended April 30, 2023	YOY(%)
		Amount	Amount	
		Operating margin	Operating margin	
Built-to-order Business	Detached houses	9,515	6,236	(34.5)
		8.3	5.9	
	Rental housing and commercial buildings	19,865	17,805	(10.4)
		15.9	14.2	
Architectural / civil engineering		3,382	3,055	(9.7)
		5.4	5.3	
	Subtotal	32,763	27,097	(17.3)
		10.8	9.4	
Supplied Housing Business	Rental housing management	13,687	14,612	6.8
		8.9	9.1	
	Remodeling	4,158	4,787	15.1
	11.5	12.0		
Subtotal	17,846	19,399	8.7	
	9.4	9.6		
Development Business	Real estate and brokerage	4,430	7,316	65.1
		8.4	12.0	
	Condominiums	10,282	1,317	(87.2)
		25.0	8.3	
Urban redevelopment	2,642	8,184	209.7	
	14.3	17.3		
Subtotal	17,356	16,819	(3.1)	
	15.4	13.5		
Overseas Business		28,639	4,388	(84.7)
	19.6	4.3		
Other businesses		729	951	30.5
	31.6	26.7		
Eliminations and back office		(9,565)	(12,919)	—
Consolidated		87,769	55,736	(36.5)
	11.8	7.9		

## (3) Orders

(¥ million)

		Three months ended April 30, 2022	Three months ended April 30, 2023	YOY(%)
Built-to-order Business	Detached houses	116,579	112,616	(3.4)
	Rental housing and commercial buildings	117,444	122,570	4.4
	Architectural / civil engineering	66,055	52,584	(20.4)
	Subtotal	300,078	287,771	(4.1)
Supplied Housing Business	Rental housing management	154,402	161,252	4.4
	Remodeling	41,597	44,355	6.6
	Subtotal	196,000	205,607	4.9
Development Business	Real estate and brokerage	67,763	74,732	10.3
	Condominiums	21,271	25,739	21.0
	Urban redevelopment	3,678	59,686	—
	Subtotal	92,712	160,158	72.7
Overseas Business		156,286	110,209	(29.5)
Other businesses		2,304	3,500	51.8
Eliminations and back office		(10,782)	(11,008)	—
Consolidated		736,601	756,238	2.7

## (4) Order backlog

(¥ million)

		As of January 31, 2023	As of April 30, 2023	YOY (%)
Built-to-order Business	Detached houses	235,362	242,153	2.9
	Rental housing and commercial buildings	490,349	487,241	(0.6)
	Architectural / civil engineering	375,637	370,241	(1.4)
	Subtotal	1,101,349	1,099,637	(0.2)
Supplied Housing Business	Rental housing management	—	—	—
	Remodeling	36,557	41,004	12.2
	Subtotal	36,557	41,004	12.2
Development Business	Real estate and brokerage	42,400	56,090	32.3
	Condominiums	77,420	87,203	12.6
	Urban redevelopment	—	12,250	—
	Subtotal	119,820	155,544	29.8
Overseas Business		212,319	220,714	4.0
Other businesses		407	344	(15.3)
Eliminations and back office		(22,666)	(21,499)	—
Consolidated		1,447,787	1,495,745	3.3

Due to a review of reportable segments, the following reportable segments will be changed from the fiscal year ending January 2024.

## 1. Quarterly Qualitative Analysis

### (1) Information Regarding Consolidated Business Results

During the first quarter of the consolidated fiscal year under review, under ongoing tightening of monetary policy by countries to counter global inflationary pressures, the global economic situation bore close watching in terms of movements in prices and in international financial and capital markets, as well as the impacts of geopolitical risks on resource prices. Despite this, the United States economy continued its recovery trend, with steady improvements seen in employment and income.

In the housing market, new housing starts in Japan remained firm overall as rental housing continued to increase, despite a downturn in detached houses. In the United States, new housing starts remained in an adjustment phase due to factors including persistently high mortgage rates and housing prices. However, with strong potential demand for housing, signs of recovery can be seen against a backdrop of mortgage rates remaining stable from a certain time onward.

Amid this business climate, the Sekisui House Global Vision for the year 2050 aims to make home the happiest place in the world. Toward that end, the Group actively advanced a number of high added-value offerings that integrate technologies, lifestyle design, and services based on the Sixth Mid-Term Management Plan (fiscal 2023 to 2025), which makes "Stable Growth in Japan and Proactive Growth Overseas" its fundamental policy.

For the first quarter of the consolidated fiscal year under review, Sekisui House showed net sales of ¥708,280 million (down 4.8% year on year), operating income of ¥55,736 million (down 36.5% year on year), ordinary income of ¥53,096 million (down 38.3% year on year), and fiscal year profit attributable to owners of parent of ¥41,934 million (down 27.1% year on year).

Business results by segment and other information are outlined below.

From the first quarter of the consolidated fiscal year under review, the Company has changed its classification of segments. Comparisons and analyses for the first quarter are based on classifications following the changes.

#### **Built-to-Order Business**

##### **Detached houses**

For the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥105,824 million (down 7.4% year on year), and operating income of ¥6,236 million (down 34.5% year on year), due to soaring resource prices continuing from the previous fiscal year.

The business has made efforts in 2nd- and 3rd-range mid- to high-end products, along with Sekisui House noie, a 1st-range product, in order to deepen pricing range-specific strategies and strengthen our detached house brand. Orders remained strong in the Business, driven by positive reception to high-value-added proposals such as Green First ZERO for net zero energy housing (ZEH), the Family Suite with its large living room, the next-generation indoor environment control system SMART-ECS, and the PLATFORM HOUSE touch smart home service that operates in tandem with home layout.

##### **Rental housing and commercial buildings**

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥125,678 million (up 0.7% year on year), and operating income of ¥17,805 million (down 10.4% year on year), due to soaring resource prices continuing from the previous fiscal year.

To supply high-value-added properties based on our area-specific strategies and further enhance the Sha Maison brand, the business concentrated on expanding sales of three- and four-story rental houses built using an original Sekisui House construction method, and on the proliferation of Sha Maison ZEH net zero energy rental housing. Sha Maison ZEH Distributes electricity from photovoltaic power generation systems to individual residences. This has been well received as

a method for selling electricity, appealing to residents' ethical orientation and letting them experience the merits of saving on utility costs. Among orders for rental housing, ZEH housing comprised 76% of the number of orders for rental housing.

In addition to these high added-value proposals, the Company's urban area-focused price leader strategy, which achieves high residency and rent rates, has successfully led to ongoing strong orders, including in the CRE (corporate) and PRE (public entity) businesses.

### **Architectural/civil Engineering**

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥57,980 million (down 8.0% year on year), and operating income of ¥3,055 million (down 9.7% year on year).

In the Architectural Business, orders declined due to factors including the prolonging of build-to-order contract negotiations amid rising material costs, despite an increase in profitability due to factors including the capture of additional modification construction.

### **Supplied Housing Business**

#### **Rental housing management**

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥161,252 million (up 4.4% year on year), and operating income of ¥14,612 million (up 6.8% year on year).

The business steadily increased the number of housing units under management through the supply of high-quality, high-performance Sha Maison rental housing built in prime locations. The business maintained high occupancy rates and rent prices, which in turn contributed to higher earnings, by providing excellent services that include the creation of blockchain-based services for residents and the strengthening of relations and diverse solutions aimed at maximizing asset value for owners.

#### **Remodeling**

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥39,909 million (up 10.1% year on year), and operating income of ¥4,787 million (up 15.1% year on year), with favorable orders in the previous fiscal year and stable construction progress contributing to increased earnings.

To enhance the asset value of housing stock and extend its life, the business focused on proposal-based remodeling such as remodeling proposals that update how people live and environment-based remodeling that introduces the latest energy-saving, energy-creating, and energy-storing equipment. In rental housing, the business is also making efforts in remodeling proposals that enhance asset value to maintain high occupancy rates and high rental prices. Under such initiatives, orders remained favorable.

### **Development Business**

#### **Real estate and brokerage**

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥61,042 million (up 15.6% year on year), and operating income of ¥7,316 million (up 65.1% year on year), with steady progress in sales of real estate by Sekisui House Real Estate companies contributing to increased earnings.

While focusing on strengthening information routes to increase inquiries from customers, the business also actively purchased prime land in line with area-specific marketing and made efforts in activities aimed at customers who are considering purchase beginning with land acquisition, resulting in continued favorable orders.

## Condominiums

For the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥15,956 million (down 61.2% year on year), and operating income of ¥1,317 million (down 87.2% year on year).

While decreases resulted due to differences in the period in which sales were recorded, progress was made as planned, including steady progress in the delivery of GRANDE MAISON Uemachi 1-chome Tower (Chuo-ku, Osaka City), a super high-rise tower residence that meets ZEH standards while offering comfortable housing functions, and Island City Ocean & Forest Tower Residence WEST building (Higashi-ku, Fukuoka City), the highest tower residence in Kyushu.

The business also carefully selected development sites to further enhance the Grande Maison brand of high-value-added condominiums in commercial districts in Tokyo, Nagoya, Osaka, and Fukuoka, and made all units ZEH for properties sold from 2023 in order to contribute to decarbonization in the household sector. These initiatives were well-received and sales remained strong, as seen in the selling out of all units of GRANDE MAISON Mejirozaka Terrace (Bunkyo-ku, Tokyo).

## Urban redevelopment

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥47,436 million (up 156.7% year on year), and operating income of ¥8,184 million (up 209.7% year on year).

Earnings increased due to steady progress in the sales of properties as planned. The occupancy rate of Sekisui House Group properties, such as Sekisui House Prime Maison rental housing, also remained strong.

## Overseas business

For the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥101,814 million (down 30.4% year on year), and operating income of ¥4,388 million (down 84.7% year on year).

In the United States, the Master-planned Community Business and the Homebuilding Business were affected by a decrease in the order backlog associated with the rise in mortgage rates during the previous fiscal year, but orders remained on a recovery trend under strong demand for high-quality housing. In the Multifamily Business, delivery of St. Andrews (Los Angeles) was completed as planned.

In Australia, earnings decreased due to a changeover period in condominium deliveries and a decline in the number of detached houses sold, but partial delivery of the West Village (Brisbane) commercial building was completed as planned.

## Other

During the first quarter of the consolidated fiscal year under review, Other Businesses showed net sales of ¥3,562 million (up 54.6% year on year), and an operating income of ¥951 million (up 30.5% year on year).

## ESG Management

With the aim of becoming a leader in ESG management, and with "Helping resolve environmental issues through residences," "Making employees' autonomy a growth driver," and "Innovation and communication" set as fundamental policies, in the Sixth Mid-Term Management Plan, the Sekisui House Group is advancing its own form of ESG management with participation by all employees.

In terms of the environment, the ratio of ZEH detached houses against total new housing starts in fiscal 2022 hit a record high of 93%, with the cumulative number of buildings reaching 76,509 as of March 31, 2023. By advancing ZEH not only in detached houses but also in multiple-dwelling complexes including Sha Maison rental housing and Grande Maison condominiums, the Company has also reduced CO2 emitted during residence by a total of 1.09 million t-CO2 between fiscal 2013 and fiscal 2022. To contribute to the preservation of biodiversity through the housing business, the Company strengthened proposals that integrate housing and exteriors in custom detached houses and rental housing. It also further advanced the Gohon no Ki landscaping project that proposes tree planting with a focus on native tree species that have



high affinity with the local climate, birds, butterflies, and other natural features (cumulative number of trees planted: 19.003 million).

In connection to the improvement of social value, the Company put the Sekisui House Group Human Rights Policy, formulated in April 2020, into practice by releasing our Human Rights Report 2023 in February to clarify the overall picture of our Group's human rights-related initiatives, issues we face, and our progress toward those. With regard to promoting the active participation of female employees, one of our key management strategies, we continued and promoted the Sekisui House Women's College training for female managerial candidates begun in 2014, alongside the creation of role models for career development. (Number of female employees in managerial positions as of the end of January 2023: 302) Regarding our childcare leave program begun in September 2018 for male employees with children under the age of three, we maintained 100% utilization of one-month or longer leaves across the Group. (Number of eligible employees as of the end of January 2023: 1,571)

With regard to corporate governance, following the policies of the Sixth Mid-Term Management Plan that seeks to advance the efficacy of both top management and business management, we will work toward enhancement of the functions of the Board of Directors based on third-party evaluations of its effectiveness, and toward further increases in the level of our information disclosure, while extending our Group governance into the fast-growing United States business and elsewhere globally.

## **(2) Information Regarding Consolidated Financial Conditions**

Total assets increased by ¥39,078 million to ¥3,046,615 million at the end of the first quarter of the consolidated fiscal year under review, primarily owing to the increases in real estate for sale and Property, plant and equipment. Liabilities increased ¥29,588 million to ¥1,369,579 million, despite an decreases in income taxes payment, mainly due to the issue of Short-term bonds payable. Net asset, increased ¥9,490 million to ¥1,677,036 million, mainly due to posting profit attributable to owners of parent and an increase in Foreign currency translation adjustment.

## **(3) Information Regarding Consolidated Results Forecast**

The consolidated results forecast for the fiscal year ending January 31, 2024 remained unchanged from the plan announced on March 9, 2023, considering the progress in improvements in the respective business segments.

**2. Consolidated Quarterly Financial Statements and Notes****(1) Consolidated Quarterly Balance Sheet**

(¥ million)

	As of January 31, 2023	As of April 30, 2023
Assets		
Current assets		
Cash and deposits	332,903	303,270
Notes receivable, accounts receivable from completed construction contracts and other	157,123	155,583
Costs on uncompleted construction contracts	17,202	21,525
Buildings for sale	534,391	563,792
Land for sale in lots	723,941	732,055
Undeveloped land for sale	177,095	209,425
Other inventories	12,160	12,797
Other	140,200	135,981
Less allowance for doubtful accounts	(1,136)	(1,134)
Total current assets	2,093,883	2,133,297
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	207,469	214,331
Machinery, equipment and vehicles	10,887	11,027
Land	277,568	279,583
Construction in progress	32,080	30,596
Other, net	26,555	26,213
Total property, plant and equipment	554,562	561,752
Intangible assets		
Goodwill	31,406	20,212
Other	19,710	21,741
Total intangible assets	51,117	41,954
Investments and other assets		
Investment in securities	191,500	195,140
Long-term loans receivable	5,636	5,811
Asset for retirement benefits	32,501	32,932
Deferred tax assets	18,219	15,623
Other	62,321	62,376
Less allowance for doubtful accounts	(2,206)	(2,272)
Total investments and other assets	307,973	309,611
Total noncurrent assets	913,653	913,318
Total assets	3,007,537	3,046,615

(¥ million)

	As of January 31, 2023	As of April 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts	124,420	125,888
Electronically recorded obligations-operating	102,416	87,668
Short-term bonds payable	—	90,000
Short-term loans	305,503	328,143
Current portion of bonds payable	30,000	30,000
Current portion of long-term loans payable	71,664	36,565
Accrued income taxes	34,641	10,393
Advances received on construction contracts in progress	192,236	203,725
Accrued employees' bonuses	36,497	26,605
Accrued directors' and corporate auditors' bonuses	1,019	243
Provision for warranties for completed construction	4,906	5,071
Other	141,337	134,664
<b>Total current liabilities</b>	<b>1,044,643</b>	<b>1,078,971</b>
<b>Long-term liabilities</b>		
Bonds payable	20,000	20,000
Long-term loans payable	157,372	149,727
Guarantee deposits received	59,535	59,651
Deferred income taxes	933	4,038
Accrued retirement benefits for directors and corporate auditors	692	574
Liabilities for retirement benefits	29,286	29,440
Other	27,525	27,174
<b>Total long-term liabilities</b>	<b>295,347</b>	<b>290,607</b>
<b>Total liabilities</b>	<b>1,339,990</b>	<b>1,369,579</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	202,591	202,591
Capital surplus	259,864	259,864
Retained earnings	1,056,475	1,010,355
Treasury shares	(50,656)	(997)
<b>Total shareholders' equity</b>	<b>1,468,274</b>	<b>1,471,813</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gain on securities	40,449	42,904
Deferred (loss) gain on hedges	623	—
Translation adjustments	99,689	103,003
Retirement benefits liability adjustments	23,793	23,560
<b>Total accumulated other comprehensive income</b>	<b>164,556</b>	<b>169,468</b>
Stock subscription rights	134	112
Non-controlling interests	34,581	35,642
<b>Total net assets</b>	<b>1,667,546</b>	<b>1,677,036</b>
<b>Total liabilities and net assets</b>	<b>3,007,537</b>	<b>3,046,615</b>

**(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income**  
**(Consolidated Quarterly Statement of Income)**  
**For the three months ended April 30, 2022 and 2023**

	(¥ million)	
	Feb. 1, 2022– Apr. 30, 2022	Feb. 1, 2023 – Apr. 30, 2023
Net sales	743,671	708,280
Cost of sales	580,495	570,229
Gross profit	163,176	138,051
Selling, general and administrative expenses	75,407	82,314
Operating income	87,769	55,736
Non-operating income		
Interest income	388	414
Dividends income	104	61
Foreign exchange gains	311	651
Other	1,462	606
Total non-operating income	2,266	1,733
Non-operating expenses		
Interest expenses	806	2,527
Equity in losses of affiliates	1,784	581
Other	1,323	1,264
Total non-operating expenses	3,915	4,373
Ordinary income	86,120	53,096
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	8,232
Gain on sale of investment securities	—	670
Total extraordinary income	—	8,902
Extraordinary loss		
Loss on sales or disposal of fixed assets	500	248
Loss on impairment of fixed assets	141	142
Provision of allowance for doubtful accounts	1,888	—
Total extraordinary losses	2,530	391
Profit before income taxes	83,589	61,608
Income taxes-current	17,610	13,695
Income taxes-deferred	4,716	4,756
Total income taxes	22,326	18,452
Profit	61,262	43,156
Profit attributable to non-controlling interests	3,777	1,221
Profit attributable to owners of parent	57,485	41,934

**(Consolidated Quarterly Statement of Comprehensive Income)****For the three months ended April 30, 2022 and 2023**

	Feb. 1, 2022 – Apr. 30, 2022	Feb. 1, 2023 – Apr. 30, 2023
Profit	61,262	43,156
Other comprehensive income		
Net unrealized holding gain (loss) on securities	(5,676)	2,481
Translation adjustments	34,499	3,648
Retirement benefits liability adjustments	588	(234)
Share of other comprehensive gain (loss) of affiliates accounted for by the equity method	3,412	(958)
Total other comprehensive income	32,823	4,936
Comprehensive income	94,086	48,093
Comprehensive income attributable to		
Owners of the parent	90,206	46,846
Non-controlling shareholders' interests	3,880	1,246

**(3) Notes to Consolidated Quarterly Financial Statements****(Notes Regarding Assumption of a Going Concern)**

Not applicable

**(Notes on significant changes in the amount of shareholders' equity)**

Not applicable

**(Changes in accounting policies)****(The adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)**

Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) has been applied from the beginning of the first quarter. As a result, pursuant to transitional measures set forth in Paragraph 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement, new accounting policies stipulated by Implementation Guidance on Accounting Standard for Fair Value Measurement are applied prospectively. There is no impact on the quarterly consolidated financial statements.

**(Significant Subsequent Event)**

(Issuance of unsecured bonds)

The Company decided comprehensively to issue unsecured bonds at a Board of Directors' meeting held on April 25, 2023. Based on that decision, it determined terms and conditions for the issuance of the 22nd series of unsecured bonds (with inter-bond pari passu clause) on June 1, 2023 and issued the bonds on June 7, 2023.

The 22nd series of unsecured bonds (with inter-bond pari passu clause)

- |                              |  |
|------------------------------|--|
| (1) Total amount of bonds    | 30,000 million yen                     |
| (2) Issue price              | 100 yen per the face value of 100 yen. |
| (3) Coupon rate              | 0.360% per annum                       |
| (4) Redemption maturity date | June 7, 2028.                          |
| (5) Redemption method        | A one-time redemption at maturity      |
| (6) Use of proceeds          | Redemption of bonds                    |