

May 13, 2022

## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending September 30, 2022 <under J-GAAP>

Company name: **Pressance Corporation Co., Ltd.**  
 Listing: Standard Market of the Tokyo Stock Exchange  
 Section code: 3254  
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Scheduled date of filing of quarterly securities report: May 13, 2022  
 Scheduled date of start of dividend payment: June 2, 2022  
 Preparation of supplementary quarterly materials for financial results: Yes  
 Holding of quarterly financial results presentation meeting: No

(Amounts less than one million yen have been omitted.)

### 1. Consolidated operating results for the first six months of the fiscal year ending September 30, 2022 (from October 1, 2021 to March 31, 2022)

#### (1) Consolidated operating results

(Percentages indicate year on year changes compared with the same period of the previous FY)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of the fiscal year ending September 30, 2022	71,785	—	10,988	—	11,178	—	6,907	—
First six months of the fiscal period ended September 30, 2021	—	—	—	—	—	—	—	—

Note: Comprehensive income First six months of the fiscal year ending September 30, 2022: 7,899 million yen [(-)%]  
 First six months of the fiscal period ended September 30, 2021: - million yen [(-)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First six months of the fiscal year ending September 30, 2022	101.33	100.94
First six months of the fiscal period ended September 30, 2021	—	—

Note: Effective the fiscal period ended September 30, 2021, we have changed the fiscal year-end from March 31 to September 30. We did not have a fiscal year that includes the six-month period from October 1, 2020 to March 31, 2021 as the first half of the fiscal year; thus, consolidated operating results for the first six months of the fiscal period ended September 30, 2021 and year-on-year changes are not provided.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	252,585	154,272	60.9
As of September 30, 2021	256,024	148,256	57.6

Reference: Equity

As of March 31, 2022 153,909 million yen  
 As of September 30, 2021 147,400 million yen

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Fiscal period ended September 30, 2021	—	—	—	16.00	16.00
Fiscal year ending September 30, 2022	—	16.00			
Fiscal year ending September 30, 2022 (Forecast)			—	16.00	32.00

Note: Revisions to the dividend forecasts most recently announced: None

Note that the fiscal period ended September 30, 2021 covers six months from April 1, 2021 to September 30, 2021 due to the change to the fiscal year-end.

## 3. Forecasts of consolidated operating results for the fiscal year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

(Percentages indicate year on year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	142,500	—	18,000	—	17,800	—	11,700	—	171.40

Note: Revisions to the results forecasts most recently announced: Yes

The fiscal period ended September 30, 2021 covers six months from April 1, 2021 to September 30, 2021 due to the change to the fiscal year-end. For this reason, year on year changes are not stated.

For details of the revision to earnings forecasts, please refer to "Revisions to Full-year Earnings Forecasts for the Fiscal Year Ending September 30, 2022" released on May 13, 2022. (Japanese version only.)

### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None
- (2) Adoption of specific accounting policies for quarterly consolidated financial statements: Yes  
(Corporate Income Tax Calculation Standards)  
Regarding taxes, a reasonable estimate of the effective tax rate for the projected full-year pretax income for the current fiscal year, including the actual income figure for the first six months of the fiscal year, has been arrived at using the tax-effect accounting method.
- (3) Changes in accounting policies, changes in accounting estimates and restatement after error corrections
  - a. Changes in accounting policies due to amendments to accounting standards and other regulations: None
  - b. Changes in accounting policies due to reasons other than a. above: None
  - c. Changes in accounting estimates: None
  - d. Restatement after error corrections: None

(4) Number of issued shares (common stock)

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

As of March 31, 2022	69,203,516 shares
As of September 30, 2021	68,858,316 shares

b. Number of treasury shares at the end of period

As of March 31, 2022	848,721 shares
As of September 30, 2021	867,061 shares

c. Average number of shares during the period

First six months of the fiscal year ending September 30, 2022	68,170,823 shares
First six months of the fiscal period ended September 30, 2021	- shares

Note:

Due to the introduction of the share-based payment-type employee stock ownership plan (ESOP), a certain number of shares of the Company held in the trust account is included in the “Number of treasury shares at the end of period” (309,320 shares as of March 31, 2022 and 309,860 shares as of September 30, 2021). And, a certain number of shares held in the trust account is included in the treasury shares that were deducted in calculating the “Average number of shares during the period” (309,373 shares for the first six months of the fiscal year ending September 30, 2022).

\*Review of quarterly financial result reports by public accountants or auditing firms is not required.

\*Explanations about the proper use of financial forecasts and other important notes

(Caution Concerning Forward-Looking Statements)

Forward-looking statements in this document, including the results forecasts, are based on the information available to the Company at the time of disclosure and on certain assumptions deemed to be practicable by the Company. These statements do not purport that the Company pledges or ensures it will achieve such statements Actual business results and other results may differ substantially due to various factors. Actual business results and other results may differ substantially due to various factors. For preconditions to the assumptions and other important notes concerning the financial forecasts, please refer to “(3) Explanation of the Forecast of Consolidated Financial Results for the Fiscal Year Ending September 30, 2022” in “1. Quarterly Qualitative Information” on page 2 of the attachment.

(Method of Obtaining Supplementary Materials for Quarterly Financial Results)

Supplementary materials for quarterly financial results are available on TDnet and the Company’s website on the release date of this document. (Japanese version only.)

## 1. Quarterly Qualitative Information

### (1) Business Results

Effective the fiscal period ended September 30, 2021, we have changed the fiscal year-end from March 31 to September 30. Year-on-year changes in amount and percentage are not provided as the period that the first six months of this fiscal year covers (October 1, 2021 to March 31, 2022) is different from the first six months of the fiscal period ended September 30, 2021 (April 1, 2021 to September 30, 2021).

As the severe impact of the COVID-19 pandemic has been easing, the Japanese economy showed signs of picking up during the first six months of the fiscal year ending September 30, 2022. On the other hand, it is necessary to pay close attention to downside risks to the economy due to supply constraints as well as price hikes of raw materials, the impact of the COVID-19 pandemic and other factors. Fluctuations in the financial and capital markets should also be watched carefully.

In the real estate industry to which the Group belongs, in addition to the risk of a resurgence in the COVID-19 pandemic, an increase in land costs in cities and construction costs and the like are causes for concern, the interest rates on housing loans remain low while the Japanese government's ongoing measures to help homebuyers, such as a mortgage tax breaks, are still on track, contributing to a solid economy. The demand for condominiums in the center of cities, which is our main supply area, was solid as some areas saw an increase in the number of households who are moving seeking the convenience of urban living and the like.

In these business circumstances, Pressance Corporation Co., Ltd. (the "Company") has focused on supplying condominiums in selected places in the central part of major cities in the Kinki, Tokai/Chukyo, and Tokyo metropolitan areas, and other core regions including Okinawa, which are its major sales areas.

Under such business conditions, the Company posted the following consolidated performance for the first six months of the fiscal year ending September 30, 2022. Net sales amounted to 71,785 million yen, operating profit was 10,988 million yen, ordinary profit came to 11,178 million yen and profit attributable to owners of parent posted 6,907 million yen.

An overview of operating results by business segment is as follows:

#### **Real Estate Sales Business**

In the real estate sales business, Pressance Loger Miyakojima Residence (128 units), a family-type condominium in the Pressance Loger series, and Pressance Sakaisuji Hommachi Destiny (196 units), a Pressance series studio condominium, have performed favorably.

In addition, although this is in line with our plan, sales of studio condominiums and family-type condominiums have decreased significantly due to the smaller number of completed properties compared with the same period of the previous year (October 1, 2020 to March 31, 2021).

The sales of studio condominiums amounted to 27,243 million yen (1,588 units), sales of family-type condominiums were 29,315 million yen (702 units), sales of detached houses amounted to 2,276 million yen (55 units), sales of used condominiums 2,765 million yen (193 units), sales of other real estate totaled 6,135 million yen, and business accompanying real estate sales came to 470 million yen. Total sales of the real estate sales business posted 68,207 million yen and segment profit amounted to 10,456 million yen.

Since sales from the condominium business, our main business, are recorded on a delivery basis that is later than completion, there may be fluctuation in the quarterly sales results depending on the timing of land acquisition, development plans and/or construction schedules.

#### **Other Business**

With a decrease in rent revenue related to rent guarantees, the sales of the Other business amounted to 3,577 million yen, and segment profit was 1,028 million yen.

### (2) Financial Position

#### **Current Assets**

Total current assets as of the end of the first six months of this fiscal year amounted to 233,561 million yen (down 1.6%), which represents a decrease of 3,814 million yen compared with the end of the previous fiscal period. This was due mainly to a decrease in inventory of 4,111 million yen and a fall in short-term loans receivable from subsidiaries and associates following collection of these loans of 3,960 million yen, which offset an increase in cash and deposits of 4,030 million yen.

### **Non-current Assets**

Total non-current assets as of the end of the first six months of the fiscal year came to 19,023 million yen (up 2.0%), which represents an increase of 375 million yen compared with the end of the previous fiscal period. This was due mainly to an increase in real estate for rent of 253 million yen because of the acquisition of self-owned real estate.

### **Liabilities**

Total liabilities as of the end of the first six months of the fiscal year amounted to 98,312 million yen (down 8.8%), which represents a decrease of 9,455 million yen compared with the end of the previous fiscal period. This was mainly due to an 8,560 million yen decrease in loans payable to financial institutions and a 437 million yen drop in income taxes payable due to the payment of income taxes.

### **Net Assets**

Total net assets as of the end of the first six months of the fiscal year amounted to 154,272 million yen (up 4.1%), which represents an increase of 6,016 million yen compared with the end of the previous fiscal period. This was principally due to the increase in retained earnings of 5,814 million yen because of the posting of profit attributable to owners of parent of 6,907 million yen, which offset the cash dividends paid of 1,092 million yen.

### **Analysis of Cash Flows**

Cash and cash equivalents as of the end of the first six months of the fiscal year ending September 30, 2022 totaled 103,953 million yen, which represents an increase of 4,030 million yen compared with the end of the previous fiscal period.

The status and factors in each cash flow for the first six months of the fiscal year ending September 30, 2022 are as follows:

#### **Cash flows from operating activities**

Net cash provided by operating activities came to 11,514 million yen.

This was mainly due to cash inflow resulting from the posting of 11,058 million yen in profit before income taxes and a decrease in inventories of 4,672 million yen following the delivery of condominiums, while there was a cash outflow as a result of paying income tax of 3,589 million yen.

#### **Cash flows from investing activities**

Net cash provided by investing activities came to 2,993 million yen.

This was principally due to a cash inflow resulting from a decrease in short-term loans receivable of 4,303 million yen due to the collection of short-term loans receivable from subsidiaries and associates, while there were cash outflows resulting from the acquisition of non-current assets of 1,116 million yen and loans to subsidiaries and associates of 205 million yen.

#### **Cash flows from financing activities**

Net cash used in financing activities came to 10,479 million yen.

This was due mainly to cash outflows resulting from the net decrease in loans payable to financial institutions of 8,560 million yen, repayments of investments to non-controlling shareholders of 1,177 million yen, and the dividend payment of 1,092 million yen.

### **(3) Explanation of the Forecast of Consolidated Financial Results for the Fiscal Year Ending September 30, 2022**

With regard to the consolidated earnings forecast for the fiscal year ending September 30, 2022, based on the operating results for the first six months of this fiscal year, the Company has revised the earnings forecasts announced on November 12, 2021.

For details, please refer to "Revisions to Full-year Earnings Forecasts for the Fiscal Year Ending September 30, 2022" released on May 13, 2022. (Japanese version only.)

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	103,138	107,168
Accounts receivable - trade	89	108
Real estate for sale	23,491	14,269
Real estate for sale in process	102,347	107,443
Raw materials and supplies	143	157
Other	8,290	4,548
Allowance for doubtful accounts	(124)	(134)
Total current assets	237,376	233,561
Non-current assets		
Property, plant and equipment		
Real estate for rent, net	14,592	14,846
Other, net	469	493
Total property, plant and equipment	15,062	15,339
Intangible assets	101	120
Investments and other assets	3,484	3,563
Total non-current assets	18,648	19,023
Total assets	256,024	252,585
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	367	197
Electronically recorded obligations - operating	1,704	3,186
Short-term loans payable	920	1,085
Current portion of long-term loans payable	38,228	20,491
Income taxes payable	3,730	3,292
Advances received	5,024	4,809
Provision for bonuses	226	213
Other	3,929	2,634
Total current liabilities	54,131	35,910
Non-current liabilities		
Long-term loans payable	52,798	61,809
Provision for share-based payment	257	284
Other	581	308
Total non-current liabilities	53,637	62,402
Total liabilities	107,768	98,312
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,890	7,211
Capital surplus	7,892	8,230
Retained earnings	133,489	139,304
Treasury shares	(883)	(865)
Total shareholders' equity	147,388	153,880
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	10
Foreign currency translation adjustment	1	18
Total accumulated other comprehensive income	11	28
Subscription rights to shares	439	351
Non-controlling interests	416	12
Total net assets	148,256	154,272
Total liabilities and net assets	256,024	252,585

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

(Millions of yen)

	First six months of the fiscal year ending September 30, 2022 (October 1, 2021 to March 31, 2022)
Net sales	71,785
Cost of sales	53,012
Gross profit	18,772
Selling, general and administrative expenses	7,783
Operating profit	10,988
Non-operating income	
Interest income	60
Dividend income	1
Share of profit of entities accounted for using equity method	340
Foreign exchange gains	132
Commission fee	20
Penalty income	21
Other	59
Total non-operating income	636
Non-operating expenses	
Interest expenses	325
Provision of allowance for doubtful accounts	9
Commission fee	107
Other	2
Total non-operating expenses	445
Ordinary profit	11,178
Extraordinary losses	
Loss on sale of shares of subsidiaries and associates	119
Total extraordinary losses	119
Profit before income taxes	11,058
Income taxes	3,175
Net income	7,883
Profit attributable to non-controlling interests	975
Profit attributable to owners of parent	6,907

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	First six months of the fiscal year ending September 30, 2022 (October 1, 2021 to March 31, 2022)
Net income	7,883
Other comprehensive income	
Valuation difference on available-for-sale securities	0
Foreign currency translation adjustment	2
Share of other comprehensive income of entities accounted for using equity method	13
Total other comprehensive income	16
Comprehensive income	7,899
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	6,924
Comprehensive income attributable to non-controlling interests	975



**(3) Quarterly Consolidated Statements of Cash Flows**

(Millions of yen)

	First six months of the fiscal year ending September 30, 2022 (October 1, 2021 to March 31, 2022)
<b>Cash flows from operating activities</b>	
Profit before income taxes	11,058
Depreciation	236
Amortization of goodwill	9
Increase (decrease) in allowance for doubtful accounts	9
Interest and dividend income	(61)
Interest expenses	325
Foreign exchange losses (gains)	(132)
Share of (profit) loss of entities accounted for using equity method	(340)
Decrease (increase) in inventories	4,672
Increase (decrease) in notes and accounts payable - trade	1,124
Share-based remuneration expenses	18
Increase (decrease) in provision for bonuses	(13)
Increase (decrease) in provision for share-based payment	27
Loss (gain) on sale of shares of subsidiaries and associates	119
Increase (decrease) in advances received	(217)
Decrease (increase) in consumption taxes refund receivable	(188)
Increase (decrease) in accrued consumption taxes	(879)
Other	(602)
Subtotal	15,167
Interest and dividend income received	268
Interest expenses paid	(332)
Income taxes paid	(3,589)
Net cash provided by operating activities	11,514
<b>Cash flows from investing activities</b>	
Payments into time deposits	(0)
Purchase of non-current assets	(1,116)
Proceeds from sales of non-current assets	1
Purchase of investment securities	(5)
Proceeds from sale of shares of subsidiaries and associates	16
Payments of loans receivable from subsidiaries and associates	(205)
Decrease (increase) in short-term loans receivable	4,303
Net cash provided by investing activities	2,993
<b>Cash Flows from Financing Activities</b>	
Proceeds from long-term loans payable	26,275
Repayments of long-term loans payable	(35,000)
Proceeds from issuance of shares	553
Purchase of treasury shares	(0)
Cash dividends paid	(1,092)
Dividends paid to non-controlling interests	(202)
Net increase (decrease) in short-term loans payable	165
Repayments to non-controlling shareholders	(1,177)
Net cash used in financing activities	(10,479)
Effect of exchange rate change on cash and cash equivalents	2
Net increase (decrease) in cash and cash equivalents	4,030
Cash and cash equivalents at beginning of period	99,922
Cash and cash equivalents at end of period	103,953

### 3. Others

Actual orders and sales

Effective the fiscal period ended September 30, 2021, the fiscal year-end has been changed from March 31 to September 30. For ease of comparison, the results for the same period a year ago (October 1, 2020 to March 31, 2021) are provided.

#### (1) Actual orders

The same period a year ago (October 1, 2020 to March 31, 2021)

Name of segment	Category	Total amount of contracts				Outstanding balance of contracts			
		Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)	Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)
Real estate sales business	Studio condominiums	3,025	153.1	47,166	123.8	3,000	86.4	46,226	76.3
	Family-type condominiums	847	95.7	35,067	104.3	1,052	51.2	44,418	58.7
	Sale of hotel property	12	7.1	313	8.2	180	31.6	4,250	30.7
	Detached houses	65	185.7	2,250	174.1	58	200.0	2,018	192.8
	Used condominiums	187	168.5	2,701	164.0	38	271.4	561	306.7
	Sale of other real estate	—	—	1,875	15.4	—	—	400	8.0
Total amount of reportable segments		4,136	130.2	89,374	98.6	4,328	70.5	97,875	62.6

First six months of the fiscal year ending September 30, 2022 (from October 1, 2021 to March 31, 2022)

Name of segment	Category	Total amount of contracts				Outstanding balance of contracts			
		Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)	Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)
Real estate sales business	Studio condominiums	1,663	55.0	28,850	61.2	2,028	67.6	31,062	67.2
	Family-type condominiums	820	96.8	34,046	97.1	1,196	113.7	51,905	116.9
	Sale of hotel property	—	—	—	—	—	—	—	—
	Detached houses	73	112.3	3,012	133.8	60	103.4	2,594	128.5
	Used condominiums	230	123.0	3,246	120.2	80	210.5	1,125	200.5
	Sale of other real estate	—	—	309	16.5	—	—	499	124.8
Total amount of reportable segments		2,786	67.4	69,464	77.7	3,364	77.7	87,186	89.1

Notes:

- In the table above, "total amount of orders" has been replaced with "total amount of contracts."
- Amounts of additional constructions are included in the above amounts.
- Number of units in total amount of contracts and the outstanding balance of contracts may fluctuate due to changes in business plans and others.
- Until the last fiscal period ended September 30, 2021, sales of houses other than newly built condominiums, including the used condominiums and detached houses, were presented under the category of "sale of other type of housing." Starting from the first three months of this fiscal year, however, they are now presented under "detached houses" and "used condominiums" respectively. In order to reflect the change in category, "sale of other type of housing" in the same period of the previous year has been reclassified under the current presentation.
- Sale of other real estate refers to the sale of real estate other than housing, including commercial facilities, commercial stores, and land for development.
- The total amount of contracts and outstanding balance of contracts for sale of other real estate in the same period of the previous year refer to land for development.  
The total amount of contracts and outstanding balance of contracts for sale of other real estate in the first six months of the fiscal year ending September 30, 2022 refer to commercial stores and land for development.

- \* The total amount of contracts and the outstanding balance of contracts for studio condominiums in the first six months of the fiscal year ending September 30, 2022 have decreased significantly compared with the same period of the previous year. This is mainly due to the non-recurrence of large contracts of 14,495 million yen with two non-Group companies for 14 buildings (1,044 units) in the same period of the previous year.

## (2) Actual sales

Name of segment	Category	The same period a year ago (October 1, 2020 to March 31, 2021)				First six months of the fiscal year ending September 30, 2022 (October 1, 2021 to March 31, 2022)			
		Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)	Number of units	Year on year (%)	Amount (Millions of yen)	Year on year (%)
Real estate sales business	Studio condominiums	3,214	147.6	52,026	126.5	1,588	49.4	27,243	52.4
	Family-type condominiums	939	132.8	36,601	141.7	702	74.8	29,315	80.1
	Sale of hotel property	289	43.5	6,240	38.4	—	—	—	—
	Detached houses	69	176.9	2,299	176.4	55	79.7	2,276	99.0
	Used condominiums	172	159.3	2,479	154.4	193	112.2	2,765	111.5
	Sale of other real estate	—	—	4,160	50.8	1	—	6,135	147.5
	Business accompanying real estate sale	—	—	649	147.8	—	—	470	72.5
Total amount of reportable segments		4,683	126.7	104,457	110.3	2,539	54.2	68,207	65.3
Other		—	—	3,944	101.2	—	—	3,577	90.7
Total		4,683	126.7	108,402	109.9	2,539	54.2	71,785	66.2

### Notes:

1. Amounts of additional constructions are included in the above amounts.
2. Until the last fiscal period ended September 30, 2021, sales of houses other than newly built condominiums, including the used condominiums and detached houses, were presented under the category of "sale of other type of housing." Starting from the first three months of this fiscal year, however, they are now presented under "detached houses" and "used condominiums" respectively." In order to reflect the change in category, "sale of other type of housing" in the same period of the previous year has been reclassified under the current presentation.
3. Sale of other real estate refers to the sale of real estate other than housing, including commercial facilities, commercial stores, and land for development.
4. Business accompanying real estate sale includes income from post-delivery optional construction work such as floor coating and income from intermediation fees from real estate sales.
5. Sale of other real estate in the same period of the previous year refers to land for development.  
Sale of other real estate in the first six months of the fiscal year ending September 30, 2022 refers to commercial facilities, commercial stores, and land for development.