

May 14, 2021

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 <under J-GAAP>

Company name: **Pressance Corporation Co., Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 Section code: 3254
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Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date of start of dividend payment: June 28, 2021
 Scheduled date of filing of annual securities report: June 28, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: None

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

1. Consolidated operating results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2021	243,813	8.8	29,762	(8.7)	29,079	(9.1)	20,533	(6.2)
Fiscal year ended March 31, 2020	224,011	39.5	32,609	20.2	31,985	20.6	21,892	19.7

Notes: Comprehensive income Fiscal year ended March 31, 2021 19,825 million yen [(9.1)%]
 Fiscal year ended March 31, 2020 21,801 million yen [19.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	315.32	315.29	16.1	10.0	12.2
Fiscal year ended March 31, 2020	347.45	340.18	21.1	10.4	14.6

Reference: Share of profit (loss) of entities accounted for using equity method
 Fiscal year ended March 31, 2021 (373) million yen
 Fiscal year ended March 31, 2020 (0) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2021	268,762	140,132	51.8	2,049.96
Fiscal year ended March 31, 2020	310,779	116,690	37.1	1,791.63

Reference: Equity
 Fiscal year ended March 31, 2021 139,353 million yen
 Fiscal year ended March 31, 2020 115,253 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2021	98,278	(141)	(52,112)	87,709
Fiscal year ended March 31, 2020	23,180	(1,837)	(19,059)	41,684

2. Dividends

	Annual dividends per share					Total cash dividends (Full-year) (Millions of yen)	Payout ratio (Consolidated) (%)	Ratio of dividends to net assets (Consolidated) (%)
	1st quarter-end (Yen)	2nd quarter-end (Yen)	3rd quarter-end (Yen)	Year-end (Yen)	Annual total (Yen)			
Fiscal year ended March 31, 2020	—	26.00	—	13.00	39.00	2,465	11.2	2.4
Fiscal year ended March 31, 2021	—	13.00	—	16.00	29.00	1,934	9.2	1.5
Fiscal year ending September 30, 2021 (Forecast)	—	—	—	16.00	16.00		14.0	

(Note) As stated in the “Notice Regarding Changes in Fiscal Year (Fiscal year-end)” disclosed on the release date of this document, subject to approval at the Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2021, we are planning to change the fiscal year-end from March 31 to September 30.

3. Consolidated results forecasts for the fiscal year ending September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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	95,203	—	11,883	—	11,415	—	7,791	—	114.62

(Note) As stated in the “Notice Regarding Changes in Fiscal Year (Fiscal year-end)” disclosed on the release date of this document, subject to approval at the Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2021, we are planning to change the fiscal year-end from March 31 to September 30. For this reason, year-on-year change (percentage) is not stated.

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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 other reasons than a. above: None
 - c. Changes in accounting estimates: None
 - d. Restatement after error corrections: None

(3) Number of issued shares (common stock)

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

Fiscal year ended March 31, 2021	68,845,511 shares
Fiscal year ended March 31, 2020	65,198,961 shares

- b. Number of treasury shares at end of period

Fiscal year ended March 31, 2021	866,984 shares
Fiscal year ended March 31, 2020	870,054 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2021	65,118,736 shares
Fiscal year ended March 31, 2020	63,008,052 shares

***Notes**

Due to the introduction of the share-based payment type ESOP, a certain number of shares of the Company held in the trust account are included in the “Number of treasury shares at the end of period” (309,860 shares for the fiscal year ended March 31, 2021 and 313,320 shares for the fiscal year ended March 31, 2020). Also, a certain number of shares held in the trust account are included in the treasury shares that were deducted in the calculation of the “Average number of outstanding shares during the period” (310,865 shares for the fiscal year ended March 31, 2021 and 313,706 shares for the fiscal year ended March 31, 2020).

* Financial results reports do not require auditing.

* 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 to achieve such statements. Actual business 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 “1. Business Results and Financial Position (4) Future Outlook” on page 2 of the attachment.

(Method of Obtaining Supplementary Materials for Quarterly Financial Results)

Supplementary materials on financial results are posted on TDnet on the release date of this document (Japanese version only).

1. Business Results and Financial Position

(1) Business Results

During the consolidated fiscal year ended March 31, 2021, the Japanese economy and the business environment remained challenging due to the impact of the COVID-19 pandemic. Although there are some signs of a pickup, we must pay close attention to the impact of infection trends on the economy in and outside Japan and fluctuations in the financial and capital markets, etc.

In the real estate industry to which the Group belongs, in addition to the impact of the COVID-19 pandemic, land costs rose in cities and construction costs remain elevated. Although this and other factors remain 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 stable economy. The demand for condominiums in the center of cities, which is our main supply area, was solid as more people or households tended to move seeking the convenience of urban living.

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 our major sales areas.

Under such business conditions, the Company posted the following consolidated performance for the fiscal year ended March 31, 2021. Net sales amounted to 243,813 million yen (up 8.8% year on year), operating profit amounted to 29,762 million yen (down 8.7% year on year), ordinary profits amounted to 29,079 million yen (down 9.1% year on year) and profit attributable to owners of parent amounted to 20,533 million yen (down 6.2% year on year).

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

Real Estate Sale Business

In the real estate sales business, Pressance Loger Kashihara-Jingumae (114 units), a family-type condominium in the Pressance Loger series, and Pressance Shin-OSAKA J's (220 units), a Pressance series studio condominium, have performed favorably. With the result of business operation above, the sales of studio condominiums amounted to 99,860 million yen (5,948 units), sales of family-type condominiums amounted to 99,681 million yen (2,695 units), sales of hotel properties amounted to 11,620 million yen (439 units), sales of other types of housing amounted to 6,904 million yen (348 units), sales of other real estate amounted to 16,030 million yen, and business accompanying real estate sales amounted to 1,516 million yen. Total sales of the real estate sales business posted 235,614 million yen (up 8.7% year on year) and operating profit amounted to 28,730 million yen (down 12.4% year on year). Starting from the fiscal year ended March 31, 2021, "sales of condominium buildings" is included in "sales of studio condominiums."

Other Business

The rent revenue with a high occupancy rate of the owned real estate for rent has remained high. The sales in other business amounted to 8,199 million yen (up 11.9% year on year) and operating profit came to 2,321 million yen (up 59.4% year on year).

As we announced in "Notice Regarding Outcome of the Tender Offer for Our Share Certificates by Open House Co., Ltd. and Changes in Our Parent Company and Other Affiliated Companies" released on January 15, 2021, and "Notice Regarding Completion of Payment for the Capital Increase through Third-Party Allotment" released on January 19, 2021, the tender offer for the Company's common stock conducted by Open House Co., Ltd. and the issuance of new shares of common stock through the third-party allotment to Open House have completed. As of January 20, 2021, Open House had acquired 44,011,372 shares of the Company's common stock and newly became the Company's parent company. Going forward, we will deepen our cooperation with the parent company and strive to create synergy.

(2) Analysis on Financial Position

Current Assets

Total current assets as of the end of this consolidated reporting fiscal year decreased by 47,026 million yen and amounted to 249,040 million yen (down 15.9% year on year). This was mainly due to a decrease in inventory of 94,498 million yen, while there was an increase in cash and deposits of 46,025 million yen.

Non-current assets

Total non-current assets as of the end of this consolidated reporting fiscal year amounted to 19,722 million yen (up 34.0% year on year), increased by 5,009 million yen. This was due mainly to an increase in real estate for rent by 6,745 million yen following the transfer of real estate for sale to self-owned real estate, which offset a 2,431 million yen decrease in long-term loans receivable from subsidiaries and associates as they are now due within one year.

Liabilities

Total liabilities as of the end of this consolidated reporting fiscal year amounted to 128,629 million yen (down 33.7% year on year), decreased by 65,458 million yen. This was mainly due to a 55,538 million yen decrease in loans payable to financial institutions, a 5,166 million yen decrease in advances received due to the delivery of condominiums, and a 2,281 million yen decrease in electronically recorded obligations-operating due to the arrival of the payment due date.

Net Assets

Total net assets as of the end of this consolidated reporting fiscal year amounted to 140,132 million yen (up 20.1% year on year), increased by 23,441 million yen. This was principally due to the increase in capital stock and legal capital surplus by 2,589 million yen each following the capital increase through third-party allotment as well as the increase in retained earnings by 18,850 million yen because of the posting of profit attributable to owners of parent.

(3) Analysis on Cash Flows

Cash and cash equivalents as of the end of the fiscal year ended March 31, 2021 totaled 87,709 million yen (up 110.4% year on year), increased by 46,025 million yen.

The state of and factors in each cash flow of the fiscal year are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities came to 98,278 million yen (Compared with 23,180 million yen provided in the previous fiscal year).

This was mainly due to cash inflow resulting from a decrease in inventories by 86,909 million yen following the delivery of condominiums and the posting of 29,344 million yen in profit before income taxes, while there were cash outflows as a result of a payment of income tax of 11,076 million yen, a decrease in advances received by 5,043 million yen following the delivery of condominiums, and a decrease in notes and accounts payable-trade by 2,593 million yen reflecting an increase in the settlement of electronically recorded obligations-operating, and other factors.

Cash Flows from Investment Activities

Net cash used in investment activities came to 141 million yen (Compared with 1,837 million yen used in the previous fiscal year).

This was principally due to the cash outflows resulting from loans to subsidiaries and associates of 865 million yen and acquisition of non-current assets of 163 million yen, while there were inflows that resulted from sales of non-current assets of 889 million yen.

Cash Flows from Financing Activities

Net cash used in financing activities came to 52,112 million yen (Compared with 19,059 million yen used in the same period of the previous fiscal year).

The main reason for this was cash outflow resulting from net decrease in loans payable to bank by 55,538 million yen.

(4) Future Outlook

Although it is necessary to pay attention to the impacts of the COVID-19 pandemic, we expect the market to remain firm in the real estate industry, which we belong to, supported by the stable housing demand and other factors that stimulate willingness to buy, including the Japanese government's ongoing measures to support homebuyers. In the condominium market, we expect that the population or the number of households in city centers will increase and that the demand in our main supply area will remain firm.

In such a business environment, the Group will continue providing condominiums in convenient city-center locations that meet the needs of customers at an appropriate price level. In addition, we will further strengthen our sales force by providing guidance and education to sales employees and pursue the creation of new added value to meet diverse needs, aiming for further business growth. As we announced in “Notice Regarding Conclusion of Capital and Business Alliance Agreement between Open House Co., Ltd. and Pressance Corporation Co., Ltd.” released on April 6, 2020, by combining the management resources and business know-how of both companies, we will create business synergy, such as mutually complementary geographical coverage and expansion of merchandise lineups, which will lead to further strengthening and expansion of our business.

As stated in the “Notice Regarding Changes in Fiscal Year (Fiscal year-end)” disclosed on the release date of this document, subject to the approval of “Partial Amendment of the Articles of Incorporation” at the 24th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2021, we are planning to change the fiscal year-end from March 31 to September 30. For this reason, the 25th fiscal period, which is the transitional period for changing the fiscal year, is scheduled to cover 6 months from April 1, 2021 to September 30, 2021.

The consolidated financial results for the 6-months from April 1, 2021 to September 30, 2021 are planned as follows.

Real Estate Sale Business

Sales of studio condominiums is expected to be 44,728 million yen; sales of family-type condominiums, 32,403 million yen; sales of hotel properties, 8,000 million yen; sales of other types of housing, 5,548 million yen; sales of other real estate, 33 million yen; and sales of business accompanying real estate sale, 527 million yen. We plan to achieve total sales of 91,240 million yen in the real estate sales business.

Other Business

Sales in other business is expected to be 3,962 million yen from the rent revenue of the owned real estate for rent and income of the rental management business, among others.

Expenses

We anticipate an increase in land acquisition costs and construction costs in cost of sales. With respect to selling, general and administrative expenses, an increase in expenses, including personnel expenses, is expected due to the planned increase in personnel.

As a result, in the fiscal year ending September 30, 2021, the Group plans to achieve net sales of 95,203 million yen, operating profit of 11,883 million yen, ordinary profit of 11,415 million yen, and profit attributable to owners of parent of 7,791 million yen.

(5) Basic Policy on Profit Distribution, Dividend for the Current and Next Fiscal Years

The Company has always considered returning profits to shareholders to be a top priority. Setting a stable and continuous dividend payment as a basic policy, the Company is committed to increase shareholder value by securing profits mainly as internal reserves and utilizing them for investment to strengthen the business foundation and growth, taking into consideration future business development and business characteristics.

The Articles of Incorporation stipulates that the Company will pay dividends of surplus by a resolution of the Board of Directors, and basically pay dividends twice a year at the interim and end of the fiscal year.

For the year ended March 31, 2021, the Company plans to pay out a year-end dividend of 16 yen per share, the annual total of which to be 29 yen per share for the full year, adding an interim dividend per share.

As the next fiscal year covers six months from April 1, 2021 to September 30, 2021, we plan to pay out a year-end dividend of 16 yen per share.

2. Basic Approach to the Selection of Accounting Standards

The Group prepares consolidated financial statements with Japanese accounting standards. The Group intends to continue examining the application of international accounting standards with consideration for the situations both in Japan and abroad.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	44,774	90,799
Accounts receivable - trade	142	112
Real estate for sale	27,074	8,538
Real estate for sale in process	217,964	142,143
Raw materials and supplies	293	152
Other	5,817	7,389
Allowance for doubtful accounts	—	(95)
Total current assets	296,066	249,040
Non-current assets		
Property, plant and equipment		
Buildings and structures	437	424
Accumulated depreciation	(192)	(226)
Buildings and structures, net	245	197
Real estate for rent	7,596	14,770
Accumulated depreciation	(603)	(1,031)
Real estate for rent, net	6,993	13,738
Land	271	243
Construction in progress	—	0
Other	344	317
Accumulated depreciation	(214)	(240)
Other, net	129	77
Total property, plant and equipment	7,640	14,257
Intangible assets	254	149
Investments and other assets		
Investment securities	71	51
Long-term loans receivable	51	38
Long-term loans receivable from subsidiaries and associates	3,193	762
Deferred tax assets	2,472	3,709
Other	1,027	754
Total investments and other assets	6,817	5,315
Total non-current assets	14,712	19,722
Total assets	310,779	268,762

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	324	280
Electronically recorded obligations - operating	8,923	6,641
Short-term loans payable	1,904	4,662
Current portion of long-term loans payable	71,180	52,318
Income taxes payable	7,428	6,670
Advances received	10,788	5,621
Provision for bonuses	254	212
Other	6,514	4,937
Total current liabilities	107,318	81,344
Non-current liabilities		
Long-term loans payable	85,903	46,469
Provision for share-based payment	196	231
Deferred tax liabilities	—	3
Other	669	580
Total non-current liabilities	86,770	47,284
Total liabilities	194,088	128,629
Net assets		
Shareholders' equity		
Capital stock	4,290	6,880
Capital surplus	5,292	7,882
Retained earnings	106,609	125,460
Treasury shares	(887)	(883)
Total shareholders' equity	115,306	139,340
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1)	1
Foreign currency translation adjustment	(50)	11
Total accumulated other comprehensive income	(52)	13
Subscription rights to shares	264	381
Non-controlling interests	1,172	398
Total net assets	116,690	140,132
Total liabilities and net assets	310,779	268,762

(2) Consolidated statements of income and comprehensive income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	224,011	243,813
Cost of sales	170,886	196,541
Gross profit	53,124	47,271
Selling, general and administrative expenses		
Sales commission	8,579	7,917
Advertising expenses	619	311
Directors' compensations	598	373
Salaries and allowances	4,871	3,850
Bonuses	323	235
Provision for bonuses	211	125
Retirement benefit expenses	61	56
Provision for directors' retirement benefits	13	—
Provision for share-based payment	51	37
Depreciation	98	102
Other	5,086	4,498
Total selling, general and administrative expenses	20,515	17,509
Operating profit	32,609	29,762
Non-operating income		
Interest income	15	4
Dividend income	1	1
Purchase discounts	0	2
Foreign exchange gains	2	55
Commission fee	43	63
Penalty income	153	586
Real estate acquisition tax refund	38	48
Other	77	163
Total non-operating income	333	927
Non-operating expenses		
Interest expenses	941	756
Share of loss of entities accounted for using equity method	0	373
Provision of allowance for doubtful accounts	—	95
Commission fee	6	257
Other	8	127
Total non-operating expenses	957	1,610
Ordinary profit	31,985	29,079
Extraordinary income		
Gain on sales of non-current assets	—	210
Gain on reversal of share acquisition rights	—	54
Total extraordinary income	—	264
Income before income taxes	31,985	29,344
Income taxes - current	11,003	10,819
Income taxes - deferred	(887)	(1,234)
Total income taxes	10,115	9,585
Net income	21,869	19,759
Profit (Loss) attributable to non-controlling interests	(23)	(773)
Profit attributable to owners of parent	21,892	20,533

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net income	21,869	19,759
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	3
Foreign currency translation adjustment	(48)	46
Share of other comprehensive income of entities accounted for using equity method	(17)	15
Total other comprehensive income	(68)	65
Comprehensive income	21,801	19,825
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,824	20,598
Comprehensive income attributable to non-controlling interests	(23)	(773)

(3) Consolidated statements of changes in equity**Fiscal year ended March 31, 2020**

(Millions of yen)

	Shareholders' equity				
	Capital stock:	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,404	3,406	87,777	(887)	92,699
Changes of items during period					
Issuance of new shares	1,886	1,886			3,773
Dividends of surplus			(3,059)		(3,059)
Profit attributable to owners of parent			21,892		21,892
Disposal of treasury shares				0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	1,886	1,886	18,832	0	22,606
Balance at end of current period	4,290	5,292	106,609	(887)	115,306

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	0	15	15	123	1,779	94,618
Changes of items during period						
Issuance of new shares						3,773
Dividends of surplus						(3,059)
Profit attributable to owners of parent						21,892
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	(2)	(66)	(68)	140	(607)	(534)
Total changes of items during period	(2)	(66)	(68)	140	(607)	22,071
Balance at end of current period	(1)	(50)	(52)	264	1,172	116,690

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock:	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,290	5,292	106,609	(887)	115,306
Changes of items during period					
Issuance of new shares	2,589	2,589			5,179
Dividends of surplus			(1,682)		(1,682)
Profit attributable to owners of parent			20,533		20,533
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Net changes of items other than shareholders' equity					
Total changes of items during period	2,589	2,589	18,850	3	24,033
Balance at end of current period	6,880	7,882	125,460	(883)	139,340

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	(1)	(50)	(52)	264	1,172	116,690
Changes of items during period						
Issuance of new shares						5,179
Dividends of surplus						(1,682)
Profit attributable to owners of parent						20,533
Purchase of treasury shares						(0)
Disposal of treasury shares						3
Net changes of items other than shareholders' equity	3	62	65	116	(773)	(591)
Total changes of items during period	3	62	65	116	(773)	23,441
Balance at end of current period	1	11	13	381	398	140,132

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Income before income taxes	31,985	29,344
Depreciation	471	314
Amortization of goodwill	100	100
Increase (decrease) in allowance for doubtful accounts	—	95
Interest and dividend income	(16)	(6)
Interest expenses	941	756
Foreign exchange losses (gains)	(2)	(55)
Share of (profit) loss of entities accounted for using equity method	0	373
Decrease (increase) in inventories	(2,515)	86,909
Increase (decrease) in notes and accounts payable - trade	2,392	(2,593)
Share-based remuneration expenses	215	243
Increase (decrease) in provision for bonuses	36	(41)
Increase (decrease) in provision for directors' retirement benefits	(623)	—
Increase (decrease) in provision for share-based payment	50	37
Loss (gain) on sales of non-current assets	—	(210)
Gain on reversal of share acquisition rights	—	(54)
Increase (decrease) in advances received	(718)	(5,043)
Decrease (increase) in consumption taxes refund receivable	(238)	75
Increase (decrease) in accrued consumption taxes	(465)	1,410
Other	2,052	(1,560)
Subtotal	33,665	110,095
Interest and dividend income received	16	6
Interest expenses paid	(909)	(746)
Income taxes paid	(9,592)	(11,076)
Cash flows from operating activities	23,180	98,278
Cash flows from investing activities		
Purchase of non-current assets	(187)	(163)
Proceeds from sales of non-current assets	225	889
Purchase of investment securities	(2)	(2)
Proceeds from sales of investment securities	0	—
Payments of loans receivable from subsidiaries and associates	(1,372)	(865)
Payments into time deposits	(684)	—
Proceeds from withdrawal of time deposit	184	—
Cash flows from investing activities	(1,837)	(141)
Cash Flows from Financing Activities		
Proceeds from long-term loans payable	47,743	27,645
Repayments of long-term loans payable	(55,325)	(85,941)
Proceeds from issuance of common shares	182	5,116
Cash dividends paid	(3,058)	(1,681)
Net increase (decrease) in short-term loans payable	(8,016)	2,758
Repayments to non-controlling shareholders	(584)	—
Other	—	(8)
Cash Flows from Financing Activities	(19,059)	(52,112)
Effect of exchange rate change on cash and cash equivalents	(0)	1
Net increase (decrease) in cash and cash equivalents	2,283	46,025
Cash and cash equivalents at beginning of period	39,400	41,684
Cash and cash equivalents at end of period	41,684	87,709

5. Other

(1) Corporate Officer Changes

a. Change of President

Not applicable

b. Other officer changes (scheduled for June 25, 2021)

- Candidate for new External Director (full-time Audit and Supervisory Committee member)
External Director (full-time Audit and Supervisory Committee member): Toshiyuki Yukami
- Retiring External Director (full-time Audit and Supervisory Committee member)
External Director (full-time Audit and Supervisory Committee member): Hakaru Nakabayashi

(2) Orders and sales

a. Actual orders

Fiscal year ended March 31, 2020

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 sale business	Studio condominiums	4,340	91.5	81,541	95.8	3,471	83.8	60,557	82.3
	Family-type condominiums	2,043	99.3	76,714	102.9	2,057	96.9	75,715	97.6
	Sale of hotel property	309	25.8	7,440	27.3	570	54.1	13,856	53.9
	Sale of other type of housing	272	249.5	5,498	299.0	43	226.3	1,229	269.0
	Sale of other real estate	—	—	14,137	133.0	—	—	4,973	54.1
Total amount of reportable segments		6,964	85.9	185,332	92.9	6,141	83.7	156,331	83.8

Fiscal year ended 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 sale business	Studio condominiums	5,477	126.2	85,529	104.9	3,000	86.4	46,226	76.3
	Family-type condominiums	1,691	82.8	68,384	89.1	1,052	51.2	44,418	58.7
	Sale of hotel property	49	15.9	2,014	27.1	180	31.6	4,250	30.7
	Sale of other type of housing	401	147.4	8,254	150.1	96	223.3	2,580	209.8
	Sale of other real estate	—	—	11,457	81.0	—	—	400	8.0
Total amount of reportable segments		7,618	109.4	175,641	94.8	4,328	70.5	97,875	62.6

*Notes

1. In the table above, “total amount of orders” has been replaced with “total amount of contracts.
2. Consumption taxes are not included in the above amounts.
3. Amounts of additional constructions are included in the above amounts.
4. Number of rooms in total amount of contracts and the outstanding balance of contracts may fluctuate due to change of business plan.
5. The sale of other type of housing refers to the sale of houses, including used houses and detached houses, other than newly built condominiums.

6. The sale of other real estate refers to the sale of real estate, including commercial stores and lands for development, other than housing
7. Starting from the fiscal year ended March 31, 2021, “sale of condominium building” is included in “studio condominiums.” For ease of comparison, the figures for the fiscal year ended March 31, 2020, have been recast to conform to the current presentation.
8. Total amount of contracts and outstanding balance of contracts of sale of other real estate in the fiscal years ended March 31, 2020 and 2021 refer to lands for development.
9. Business segments which are not included in the reportable segments are not applicable.

b. Actual sales

Name of segment	Category	Fiscal year ended March 31, 2020				Fiscal year ended March 31, 2021			
		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 sale business	Studio condominiums	5,011	154.5	94,555	170.5	5,948	118.7	99,860	105.6
	Family-type condominiums	2,109	101.5	78,587	101.6	2,695	127.8	99,681	126.8
	Sale of hotel property	793	80.9	19,292	109.5	439	55.4	11,620	60.2
	Sale of other type of housing	248	253.1	4,726	313.2	348	140.3	6,904	146.1
	Sale of other real estate	—	—	18,364	1,284.4	—	—	16,030	87.3
	Business accompanying real estate sale	—	—	1,158	70.9	—	—	1,516	130.9
Total amount of reportable segments		8,161	127.5	216,684	139.8	9,430	115.5	235,614	108.7
Other		—	—	7,327	132.4	—	—	8,199	111.9
Total		8,161	127.5	224,011	139.5	9,430	115.5	243,813	108.8

***Notes**

1. Consumption taxes are not included in the above amounts.
2. Amounts of additional constructions are included in the above amounts.
3. The sale of other type of housing refers to the sale of houses, including used houses and detached houses, other than newly built condominiums.
4. The sale of other real estate refers to the sale of real estate, including commercial stores and lands for development, other than housing
5. Business accompanying real estate sale includes income from intermediation fees from real estate sales and income from post-delivery optional construction work such as floor coating.
6. Starting from the fiscal year ended March 31, 2021, “sale of condominium building” is included in “studio condominiums.” For ease of comparison, the figures for the fiscal year ended March 31, 2020, have been recast to conform to the current presentation.
7. The net sales for sale of other real estate in the fiscal years ended March 31, 2020 and 2021 refers to lands for development.