Consolidated Financial Statements Summary for the First Quarter of FY2024 (February 1, 2024 through April 30, 2024) (Japanese Standard)

June 6, 2024

Company name	: **Sekisui House, Ltd.** (URL https://www.sekisuihouse.co.jp/english/)
Listed exchanges	: Tokyo, Nagoya
Stock code	: 1928
Representative	: Yoshihiro Nakai, Representative Director of the Board, President, Executive Officer, CEO
Inquiries	: Hiroyuki Kawabata, Operating Officer, Head of Investor Relations Department Tel +81 6 6440 3111
Filing date of quarterly securities report	: June 13, 2024
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, 2024 (February 1, 2024 through April 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three months ended Apr. 30, 2024	777,052	9.7	71,714	28.7	70,995	33.7	50,427	20.3
Three months ended Apr. 30, 2023	708,280	(4.8)	55,736	(36.5)	53,096	(38.3)	41,934	(27.1)

(Note) Comprehensive income:
Three months ended Apr. 30, 2024: ¥87,351 million (81.6%), Three months ended Apr. 30, 2023: ¥48,093 million (-48.9%)

	Profit per share	Fully diluted profit per share
	¥	¥
Three months ended Apr. 30, 2024	77.83	77.80
Three months ended Apr. 30, 2023	63.33	63.31

(2)Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	¥ million	¥ million	%
As of April 30, 2024	4,463,376	1,843,130	40.3
As of January 31, 2024	3,352,798	1,794,052	52.3

(Reference) Equity capital As of April 30, 2024: ¥1,799,311 million As of January 31, 2024: ¥1,754,585 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, 2024	—	59.00	—	64.00	123.00
Year ending Jan. 31, 2025	—				
Year ending Jan. 31, 2025 (forecast)		64.00	—	65.00	129.00

(Note) Revisions to the forecast of cash dividends per share announced most recently: Yes

3. Consolidated Results Forecast for FY2024 (February 1, 2024 through January 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Year ending January 31, 2025	3,875,000	24.7	300,000	10.7	273,000	1.8	209,000	3.3	322.56

(Note) Revisions to the forecast of consolidated results announced most recently: Yes

Notes

(1)Changes in significant subsidiaries (changes in specific subsidiaries that caused a change in scope of consolidation): Applicable

New Consolidated Companies: 1 (SH SERVICES, LLC) 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: Not 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, 2024: 662,862,666 shares As of Jan. 31, 2024: 662,862,666 shares

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

As of Apr. 30, 2024: 14,909,141 shares As of Jan. 31, 2024: 14,911,673 shares

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

Three months ended Apr. 30, 2024: 647,953,176 shares Three months ended Apr. 30, 2023: 662,132,600 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 10.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on June 6, 2024. 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, 2024

Consolidated

(1) Net sales

(¥ million)

		Three months ended April 30, 2023	Three months ended April 30, 2024	YOY(%)
Built-to-order Business	Detached houses	105,824	100,896	(4.7)
	Rental housing and commercial buildings	125,678	128,680	2.4
	Architectural / civil engineering	57,980	74,652	28.8
	Subtotal	289,483	304,228	5.1
Supplied Housing Business	Rental housing management	161,252	171,942	6.6
	Remodeling	39,909	40,180	0.7
	Subtotal	201,161	212,122	5.4
Development Business	Real estate and brokerage	61,042	67,116	10.0
	Condominiums	15,956	24,796	55.4
	Urban redevelopment	48,159	56,131	16.6
	Subtotal	125,158	148,044	18.3
Overseas Business		101,814	117,848	15.7
Other businesses		2,839	3,696	30.2
Eliminations and back office		(12,176)	(8,887)	—
Consolidated		708,280	777,052	9.7

(2) Operating profit and Operating profit margin

(¥ million)

		Three months ended April 30, 2023 Amount Operating margin	Three months ended April 30, 2024 Amount Operating margin	YOY(%)
Built-to-order Business	Detached houses	6,236 5.9	4,657 4.6	(25.3)
	Rental housing and commercial buildings	17,805 14.2	18,073 14.0	1.5
	Architectural / civil engineering	3,055 5.3	2,665 3.6	(12.8)
	Subtotal	27,097 9.4	25,396 8.3	(6.3)
Supplied Housing Business	Rental housing management	14,612 9.1	15,690 9.1	7.4
	Remodeling	4,787 12.0	4,977 12.4	4.0
	Subtotal	19,399 9.6	20,667 9.7	6.5
Development Business	Real estate and brokerage	7,316 12.0	5,797 8.6	(20.8)
	Condominiums	1,317 8.3	2,962 11.9	124.8
	Urban redevelopment	8,655 18.0	15,028 26.8	73.6
	Subtotal	17,289 13.8	23,789 16.1	37.6
Overseas Business		4,388 4.3	10,795 9.2	146.0
Other businesses		480 16.9	743 20.1	54.6
Eliminations and back office		(12,919)	(9,678)	—
Consolidated		55,736 7.9	71,714 9.2	28.7

(3) Orders

(¥ million)

		Three months ended April 30, 2023	Three months ended April 30, 2024	YOY(%)
Built-to-order Business	Detached houses	112,616	119,119	5.8
	Rental housing and commercial buildings	122,570	142,344	16.1
	Architectural / civil engineering	52,584	136,646	159.9
	Subtotal	287,771	398,110	38.3
Supplied Housing Business	Rental housing management	161,252	171,942	6.6
	Remodeling	44,355	44,161	(0.4)
	Subtotal	205,607	216,103	5.1
Development Business	Real estate and brokerage	74,732	92,652	24.0
	Condominiums	25,739	32,672	26.9
	Urban redevelopment	60,409	74,572	23.4
	Subtotal	160,881	199,897	24.3
Overseas Business		110,209	180,803	64.1
Other businesses		2,776	3,531	27.2
Eliminations and back office		(11,008)	(7,985)	—
Consolidated		756,238	990,459	31.0

(4) Order backlog

(¥ million)

		As of January 31, 2024	As of April 30, 2024	YOY (%)
Built-to-order Business	Detached houses	229,996	248,220	7.9
	Rental housing and commercial buildings	516,450	530,114	2.6
	Architectural / civil engineering	401,297	463,290	15.4
	Subtotal	1,147,744	1,241,625	8.2
Supplied Housing Business	Rental housing management	—	—	—
	Remodeling	34,605	38,586	11.5
	Subtotal	34,605	38,586	11.5
Development Business	Real estate and brokerage	60,819	86,354	42.0
	Condominiums	88,989	96,866	8.9
	Urban redevelopment	2,550	20,990	723.2
	Subtotal	152,358	204,211	34.0
Overseas Business		236,143	498,598	111.1
Other businesses		579	932	60.8
Eliminations and back office		(19,408)	(18,506)	—
Consolidated		1,552,023	1,965,448	26.6

* Because some of the segments of consolidated subsidiaries that had been recorded as “Other businesses” were recategorized into the Urban redevelopment businesses following a partial revision of the Group’s business management segments, the figures in the same periods of previous years have been updated to reflect the changes.

* Order backlog of M.D.C. Holdings, Inc., which was made a consolidated subsidiary during the consolidated fiscal year under review, and its subsidiaries are included in the results of “Overseas business”.

* Each result of Ohtori consultants Co., Ltd., which was made a consolidated subsidiary during the consolidated fiscal year under review, is included in the results of “Other business”.

1. Quarterly Qualitative Analysis

(1) Information Regarding Consolidated Business Results

The consolidated first quarter of the fiscal year under review saw implications of central banks in major countries reducing interest rates, but tight monetary policies in various countries remained due to the impact of the continued global inflation. In addition to geopolitical risks, the impact of trends in price conditions and the international capital market continued to require close observation. Under these circumstances, economic conditions were strong in the United States and some countries due to individual consumption and other factors supported by the favorable employment and income environment.

There is an ongoing weakening of domestic new housing starts due to higher construction costs. In the United States, new housing starts continue to be in an adjustment phase and the stock of second-hand houses continues to be in decline due to continued high mortgage rates caused by rising long-term interest rates. There is also strong latent demand for housing on the back of chronic shortages of housing supply with respect to the increasing population, leading to signs of recovery against the backdrop of favorable labor market and high share prices.

In this business climate, with the aim of achieving the Global Vision for 2050 of making the home the happiest place in the world, the Group has actively promoted various high-added-value proposals that integrate technologies, lifestyle design and services based on the fundamental policy of stable growth in Japan and proactive growth overseas as stipulated in the Sixth Mid-Term Management Plan (FY 2023 to 2025).

As a result, for the first quarter of the consolidated fiscal year under review, the Company showed net sales of ¥777,052 million (up 9.7% year on year), operating profit of ¥71,714 million (up 28,7% year on year), ordinary profit of ¥70,995 million (up 33.7% year on year), and quarterly profit attributable to owners of parent of ¥50,427 million (up 20.3% year on year).

The Company has completed the acquisition process of M.D.C. Holdings, Inc. (“MDC”), which is engaged in the homebuilding business headquartered in Colorado, United States in April 2024, making the company a wholly owned subsidiary. With this acquisition, the coverage area of the homebuilding business in the United States has expanded from 8 to 16 states and 34 cities. Going forward, the Company will accelerate the proactive growth of overseas businesses to realize its Global Vision by capitalizing on the solid platform of MDC’s sophisticated operational process and system to offer high-quality detached houses and transplanting Sekisui House technologies.

Results and other achievements by the business model are outlined below.

From the first quarter of the current consolidated fiscal year, the segments classification of some consolidated subsidiaries that had been recorded as “Other businesses” were recategorized into the “Urban Redevelopment Business” and comparison and analysis for the first quarter of the current fiscal year is based on the changed business segment.

Built-to-Order Business

Detached houses

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥100,896 million (down 4.7% year on year) and operating profit of ¥4,657 million (down 25.3% year on year), impacted from order backlog that declined at the end of the previous fiscal year.

In addition to the “life knit design,” a new design proposal system that offers housing design closely aligned with the sensibilities of the residents, introduced in the previous fiscal year, we focused on expanding the sales of 2nd- and 3rd-range mid- to high-end products by promoting the branding of detached houses led by the DESIGN OFFICE Team consisting from experts in each field. Orders remained stable in the Detached houses Business, driven by high-value-added proposals such as the Green First ZERO for net zero energy housing (ZEH), Family Suite large living room, SMART-ECS Next-Generation Indoor Environment System, and PLATFORM HOUSE touch smart home service that operates in tandem with home layout.

Furthermore, the joint construction business “SI* Business,” which was launched in the previous fiscal year to contribute to the enhancement of 1st range products and the formation of high-quality housing stocks in Japan,

network building in cooperation with excellent partner companies is progressing steadily in each region. By the Sekisui House Construction Group companies undertaking the construction of the foundations and structural frames of wooden houses that partner companies build, more and more customers will be to experience the safe, secure earthquake resistance technology that Sekisui House has cultivated since its founding.
*SI: "S" refers to the "skeleton" or structural frame of a building, while "I" refers to "infill" or exterior and interior design.

Rental housing and commercial buildings

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥128,680 million (up 2.4% year on year), and operating profit of ¥18,073 million (up 1.5% year on year).

The Company has worked to further increase the value of the Sha Maison brand by focusing on expanding the sales of three- and four-story rental houses built using an original Sekisui House construction method and proliferating Sha Maison ZEH net zero energy rental housing through expanding the business in urban areas (S and A areas) that have potential of long-term demand for rental housing based on our unique area marketing. With photovoltaic panels connected to each residence, Sha Maison ZEH has been well received as a method for selling electricity, appealing to residents' ethical mindset and letting them experience the merits of saving on utilities costs. Among orders for rental housing, ZEH housing comprised 81% 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 enables high occupancy and rent rates, such as promoting the installation of EV charging facilities connected exclusively to individual residences, has successfully led to ongoing strong orders.

Orders in the corporate real estate (CRE) and public real estate (PRE) businesses remained strong through greater land purchases for increasing income-producing real estate and strengthening proposals for ESG solutions. The Company is promoting the enhancement of non-residential proposals such as Green First Offices for office spaces, which are net zero energy buildings (ZEB) that capitalize on the know-how cultivated in the Detached Houses Business.

Architectural/civil Engineering

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥74,652 million (up 28.8% year on year), and operating profit of ¥2,665 million (down 12.8% year on year).

Despite the construction costs being on a rising trend, architectural and civil engineering businesses saw a steady increase in contracted work backlog against the backdrop of robust construction demand from the previous fiscal year as well as favorable progress of constructions of large construction orders received during the previous fiscal year to this first quarter contributed to the increased earnings. Furthermore, orders received trended favorably owing to our strategic efforts such as strengthening proposal capabilities concerning competitive projects.

Supplied Housing Business

Rental housing management

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥171,942 million (up 6.6% year on year), and operating profit of ¥15,690 million (up 7.4% year on year).

The business steadily increased the number of housing units under management through continuously receiving orders to supply high-quality, high-performance Sha Maison rental housing built in prime locations mainly in S and A areas as well as strengthening communication with owners. In terms of existing properties under our management, we intend to conduct strategic leasing aimed at increasing the rent at the time of tenant change and shortening the duration of vacancies. With the aim of a resident first approach, we enabled the move-in process and inquiries after the move-in to be conducted online through an app as well as move-in and move-out processes one-stop using blockchain to expand services that meet the needs of the residents by promoting DX, contributing to the increase in earnings.

Remodeling

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥40,180 million (up 0.7% year on year), and operating profit of ¥4,977 million (up 4.0% year on year).

To enhance the asset value of housing stock and extend its life, for detached houses, the business focused on proposal-based remodeling such as lifestyle proposals that meet the changes in family structures or lifestyles as well as energy efficient remodeling such as introducing the latest saving, generating and storing energy equipment, etc. For energy efficient remodeling specifically, we enhanced proposals to further upgrade the insulation capability of properties with next-generation energy-saving standard specifications established in 1999, focusing on *Idocoro Dan-netsu* location-based heating for living spaces and renovation of thermal insulation around openings. For rental housing, the Company is focusing on strengthening communication with owners and remodeling proposals based on market analysis that captures the needs of residents. Under such initiatives, orders remained strong during the period under review.

Development Business

Real estate and brokerage

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥67,116 million (up 10.0% year on year), and operating profit of ¥5,797 million (down 20.8% year on year), with steady progress in sales of real estate centered on residential land by Sekisui House Real Estate companies contributing to increased earnings.

In addition, continuously expanding inquiry routes from business entities and financial institutions that intend to purchases of high-quality real estate for sale while also focusing on increasing the variation of exit strategy for real estate for sale, have resulted in higher prices of handled properties and an increase in handled residential land, and orders to trend favorably.

The brokerage business remains steady through the use of our Group's nationwide network and diverse sales routes.

Condominiums

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥24,796 million (up 55.4% year on year), and operating profit of ¥2,962 million (up 124.8% year on year).

The steady progress with the delivery of Grande Maison Otemon The Residence (Chuo-ku, Fukuoka City) and Grande Maison Ohori Koen THE CLASS (Chuo-ku, Fukuoka City), among others, contributed to higher income owing to the scheduled progress of deliveries.

In regards to Grande Maison high-value-added condominiums that are offered mainly in the central areas of Tokyo, Nagoya, Osaka, and Fukuoka as strategic areas, we worked to further enhance the brand value by carefully selecting development sites, pursuing design based on the concept of lifelong home, and actively introducing advanced technologies that are environmentally friendly by making all units ZEH to contribute to the decarbonization of the household sector. These initiatives were well-received, with all units of the Grande Maison Kitahorie Residence (Nishi-ku, Osaka City) being sold and sales of Grande Maison Musashikosugi no Mori (Nakahara-ku, Kawasaki City) and other properties remaining strong.

Urban redevelopment

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥56,131 million (up 16.6% year on year), and operating profit of ¥15,028 million (up 73.6% year on year).

In addition to sales of properties including Prime Maison Yushima (Bunkyo-ku, Tokyo) and seven Prime Maison urban rental condominium properties to Sekisui House Reit, Inc., the sale of equity in W OSAKA (Chuo-ku, Osaka City) progressed on course, thereby increasing earnings. The occupancy rate of properties the Company continues to own, such as Prime Maison also remained strong. In addition, the operation of owned hotels has shown a recovery trend mainly with urban-type hotels against the backdrop of an increase in the number of foreign travelers and other factors.

Overseas business

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥117,848 million (up 15.7% year on year), and operating profit of ¥10,795 million (up 146.0% year on year).

In the United States, the Multifamily Business saw a decrease in earnings due to a reaction to the sales of properties in the previous fiscal year. The Homebuilding Business saw favorable trends in orders and deliveries owing to the increase in new housing needs caused by a shortage of second-hand housing stocks due to the impact of continued high mortgage rates. The Master-Planned Community Business also saw a favorable trend, increasing earnings overall.

In Australia, despite orders for homebuilding business being on a recovering trend, net sales decreased due to being in the off-season for deliveries of condominiums.

Other

During the first quarter of the consolidated fiscal year under review, the business showed net sales of ¥3,696 million (up 30.2% year on year), and operating profit of ¥743 million (up 54.6% year on year).

ESG Management

To become a leading company 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, we are advancing ESG management that involves all employees, an approach unique to the Sekisui House Group.

In terms of the environment, the cumulative number of housings that pass the ZEH standards sold since the launch of Green First ZERO detached housing has exceeded 80,000 units and the ratio of housings starts that are ZEH in fiscal 2023 hit a new record high of 95%, while also promoting ZEH in housing complexes including Sha Maison rental housing and Grande Maison condominiums and ZEB in non-residential buildings. With these multifaceted initiatives, we achieved a reduction of CO2 emissions (Scope 3 Category 11) from new housings, etc. provided by the Sekisui House Group, including the overseas businesses, by 38% compared to fiscal 2013 in fiscal 2023, making steady progress toward achieving the target of 55% reduction compared to fiscal 2013 by fiscal 2030.

In connection to the improvement of social value, we maintained and promoted the Sekisui House Women’s College training for female managerial candidates that we started in 2014, alongside the creation of role models for career development (number of female employees in managerial positions as of the end of January 2024: 342) to promote the active participation of female employees, one of our key management strategies. Regarding our childcare leave program that we started in 2018 for male employees with children under the age of three, we maintained 100% utilization of one-month or longer leaves across the Group and is contributing to the improvement of satisfaction of their spouses and the happiness of their families. The Company and the Sekisui House Innovation & Communication, Ltd. established in February of this year have established a corporate venture capital fund Sekisui House Investment Business Limited Liability Partnership, a partnership for further promoting open innovations to solve social issues through housing and living, in April 2024 and commenced operations.

In regards to governance, based on the policy of promoting governance of both top management and business management as stipulated in the Sixth Mid-Term Management Plan, the Company has introduced effectiveness evaluation of the Audit & Supervisory Board and the activities of its Auditors by a third party from fiscal 2023 in addition to the effectiveness evaluation of the Board of Directors that had already been in place to determine issues that need to be addressed by the Audit & Supervisory Board and improve the quality of the audit and operation of the Audit & Supervisory Board. The Company is also implementing group governance globally such as strengthening of governance in the United States where its importance increased due to the acquisition of MDC.

(2) Information Regarding Consolidated Financial Conditions

Total assets increased by ¥1,110,578 million to ¥4,463,376 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 along with the acquisition of M.D.C. Holdings, Inc. Liabilities increased ¥1,061,500 million to ¥2,620,245 million mainly due to an increase in Short-term borrowings. Net asset increased ¥49,078 million to ¥1,843,130 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

(i) Consolidated financial results forecast

The Company has revised the consolidated financial results forecast for FY2024 released on March 7, 2024 to the following based on the analysis of the impact that the acquisition of MDC which was completed in April 2024 will have on its consolidated financial results and the revision of estimated exchange rate in the business in United States.

This revision reflects the changes of business forecast in the United States and no other changes are made.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	EPS
	¥ million	¥ million	¥ million	¥ million	¥
Previous forecast (a)	3,342,000	280,000	262,000	203,000	313.30
Revised forecast (b)	3,875,000	300,000	273,000	209,000	322.56
Amount of changed (b-a)	533,000	20,000	11,000	6,000	—
Change (%)	15.9%	7.1%	4.2%	3.0%	—
(Reference) FY2023 Results	3,107,242	270,956	268,248	202,325	309.29

(ii) Dividend forecast

The Company recognizes that maximizing value for shareholders is a top priority and aim to achieve medium-term average dividend payout ratio of 40% or more as its basic dividend policy as well as an annual dividend of more than 110 yen per share. With said basic policy and the above revised consolidated financial results forecast, we will revise the annual dividend upwards by 4 yen to 129 yen per share for fiscal 2025.

	Cash dividend per share		
	End of second quarter	Year-end	Annual
	¥	¥	¥
Previous forecast	62.00	63.00	125.00
Revised forecast	64.00	65.00	129.00
(Reference) FY2023 Results	59.00	64.00	123.00

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheet

(¥ million)

	As of January 31, 2024	As of April 30, 2024
Assets		
Current assets		
Cash and deposits	293,152	387,974
Notes receivable, accounts receivable from completed construction contracts and other	176,466	173,128
Securities	−	12,294
Costs on construction contracts in progress	17,351	22,013
Buildings for sale	774,297	1,197,697
Land for sale in lots	856,404	1,065,755
Undeveloped land for sale	233,197	338,097
Other inventories	12,474	13,424
Other	134,627	183,923
Allowance for doubtful accounts	(1,026)	(1,027)
Total current assets	2,496,947	3,393,282
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	155,480	161,962
Machinery, equipment and vehicles, net	9,664	9,712
Land	252,548	260,680
Construction in progress	52,173	58,141
Other, net	26,386	37,300
Total property, plant and equipment	496,253	527,797
Intangible assets		
Goodwill	17,808	145,040
Other	22,579	74,215
Total intangible assets	40,388	219,255
Investments and other assets		
Investment securities	198,437	208,568
Long-term loans receivable	3,971	4,602
Retirement benefit asset	35,440	36,256
Deferred tax assets	20,242	8,437
Other	62,989	67,105
Allowance for doubtful accounts	(1,872)	(1,929)
Total investments and other assets	319,208	323,041
Total non-current assets	855,851	1,070,094
Total assets	3,352,798	4,463,376

(¥ million)

	As of January 31, 2024	As of April 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	134,026	138,337
Electronically recorded obligations - operating	103,266	88,145
Short-term bonds payable	—	65,000
Short-term borrowings	440,075	1,120,849
Current portion of bonds payable	16	16
Current portion of long-term borrowings	21,611	73,932
Income taxes payable	39,777	15,007
Advances received on construction contracts in progress	210,030	230,754
Provision for bonuses	36,699	27,563
Provision for bonuses for directors (and other officers)	2,553	932
Provision for warranties for completed construction	6,152	12,973
Other	143,827	182,079
Total current liabilities	1,138,038	1,955,592
Non-current liabilities		
Bonds payable	50,008	260,178
Long-term borrowings	239,089	233,068
Long-term leasehold and guarantee deposits received	58,659	58,753
Deferred tax liabilities	6,111	24,480
Provision for retirement benefits for directors (and other officers)	707	730
Retirement benefit liability	30,716	30,775
Other	35,415	56,665
Total non-current liabilities	420,707	664,653
Total liabilities	1,558,745	2,620,245
Net assets		
Shareholders' equity		
Share capital	202,854	202,854
Capital surplus	260,126	260,057
Retained earnings	1,132,275	1,141,215
Treasury shares	(40,979)	(40,973)
Total shareholders' equity	1,554,276	1,563,154
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44,597	46,398
Foreign currency translation adjustment	132,895	168,281
Remeasurements of defined benefit plans	22,816	21,476
Total accumulated other comprehensive income	200,309	236,156
Share acquisition rights	100	95
Non-controlling interests	39,366	43,723
Total net assets	1,794,052	1,843,130
Total liabilities and net assets	3,352,798	4,463,376

(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, 2023 and 2024

(¥ million)

	Feb. 1, 2023– Apr. 30, 2023	Feb. 1, 2024 – Apr. 30, 2024
Net sales	708,280	777,052
Cost of sales	570,229	616,007
Gross profit	138,051	161,045
Selling, general and administrative expenses	82,314	89,330
Operating profit	55,736	71,714
Non-operating income		
Interest income	414	526
Dividends income	61	31
Foreign exchange gains	651	3,334
Other	606	1,394
Total non-operating income	1,733	5,286
Non-operating expenses		
Interest expenses	2,527	4,757
Share of loss of entities accounted for using equity method	581	23
Other	1,264	1,224
Total non-operating expenses	4,373	6,005
Ordinary profit	53,096	70,995
Extraordinary income		
Gain on sale of investment securities	670	116
Gain on sale of shares of subsidiaries and associates	8,232	—
Total extraordinary income	8,902	116
Extraordinary losses		
Loss on sale and retirement of non-current assets	248	236
Impairment losses	142	12
Total extraordinary losses	391	249
Profit before income taxes	61,608	70,863
Income taxes-current	13,695	14,058
Income taxes-deferred	4,756	5,401
Total income taxes	18,452	19,460
Profit	43,156	51,402
Profit attributable to non-controlling interests	1,221	975
Profit attributable to owners of parent	41,934	50,427

(Consolidated Quarterly Statement of Comprehensive Income)

For the three months ended April 30, 2023 and 2024

	Feb. 1, 2023 – Apr. 30, 2023	Feb. 1, 2024 – Apr. 30, 2024
Profit	43,156	51,402
Other comprehensive income		
Valuation difference on available-for-sale securities	2,481	1,895
Foreign currency translation adjustment	3,648	33,023
Remeasurements of defined benefit plans, net of tax	(234)	(1,343)
Share of other comprehensive income of entities accounted for using equity method	(958)	2,373
Total other comprehensive income	4,936	35,948
Comprehensive income	48,093	87,351
Comprehensive income attributable to		
Owners of the parent	46,846	86,274
Non-controlling interests	1,246	1,077

(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