

* Notes

(1) No significant changes in the scope of consolidation during this interim period

New - (Company name), Excluded - (Company name)

(2) No application of accounting treatments specific to the preparation of interim consolidated financial statements

(3) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies due to revision of accounting standards: Yes
- ② Changes in accounting policies other than ①: No
- ③ Change in accounting estimate: No
- ④ Restatement: No

(4) Number of shares issued (common stock)

- ① Total number of issued shares at the end of the period
(including treasury shares)
- ② Number of treasury shares at the end of the period
- ③ Average number of shares during the period (interim)

As of the Second Quarter of the Fiscal Year Ending March 2025	30,360,000shares	As of the Fiscal Year Ending March 2024	30,360,000shares
As of the Second Quarter of the Fiscal Year Ending March 2025	405,713shares	As of the Fiscal Year Ending March 2024	105,663shares
As of the Second Quarter of the Fiscal Year Ending March 2025	30,063,758shares	For the Second Quarter of the Fiscal Year Ending March 2024	30,205,366shares

* The financial results for the second quarter (interim period) are not subject to review by certified public accountants or audit corporations

* Explanations and other special notes concerning the appropriate use of business performance forecasts

Forecasts regarding the Company's plans and strategies contained in this publication were prepared based on information available at the time the forecasts were prepared. The Company's actual performance may differ from the forecasted figures to a range of factors.

○Table of Contents for Accompanying Materials

1. Overview of Operating Results and Financial Position	2
(1) Overview of Operating Results for the Current Interim Period	2
(2) Overview of Financial Position for the Current Interim Period	3
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information	3
2. Interim Consolidated Financial Statements and Significant Notes	4
(1) Interim Consolidated Balance Sheet	4
(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive income	6
Interim Consolidated Statements of Income	6
Interim Consolidated Statements of Comprehensive income	7
(3) Interim Consolidated Statement of Cash Flows	8
(4) Notes to the Interim Consolidated Financial Statements	9
(Notes on Segment Information)	10
(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity) (Notes on Going Concern Assumptions)	11
(Notes on Going Concern Assumptions)	11

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Interim Period

During this interim consolidated fiscal period, the Japanese economy experienced some stagnation, such as rising consumer prices and a slowdown in autumn and winter goods due to record hot days, but overall continued a gradual recovery due to improvements in employment and income environments. Furthermore, the lifting of the Bank of Japan's zero interest rate policy, the establishment of a lower yen level in the foreign exchange market, and the impact of conflicts in Eastern Europe and the Middle East continued to create an uncertain outlook due to risks such as rising prices of energy resources including crude oil.

In this context, our group has vigorously pursued various measures based on the new medium-term management plan 'Jumping over the 130th – Towards a Future of Growth' that started this fiscal year.

In the Commercial Property Business, at 'SUN TO MOON Kakitagawa', one of the leading commercial facilities in Shizuoka Prefecture, we worked to enhance the appeal of the facility by holding events such as the joint sweepstakes 'Thanks! Summer Days' and 'Premium Sale', and the facility's handling volume increased against the backdrop of higher sales unit prices due to economic recovery and price increases. In the Health Care Business, we were able to secure large orders, such as for electric potential blankets, due to the strong promotion of orders at our group's strategic manufacturing base, which is registered for the manufacture and sale of medical devices. In the Textile Business, strengthening uniform-related sales led to an increase in orders from government demand related to defense.

As a result, the performance for this interim consolidated fiscal period was an increase in revenue to 2 billion yen (up 6.2% from the same period of the previous year), and operating profit was 171 million yen (up 20.4% from the same period of the previous year), despite the impact of increased retirement benefit expenses due to the revision of the retirement benefit system, and a decrease in the burden of depreciation expenses, with ordinary profit of 73 million yen (up 27.5% from the same period of the previous year) and interim net income before taxes etc. of 73 million yen (up 27.5% from the same period of the previous year). However, due to the expected expiration of the carryforward period for tax loss carryforwards, resulting in an increase in corporate taxes etc. due to the reversal of deferred tax assets, interim net income attributable to the parent company shareholders was 38 million yen (down 21.0% from the same period of the previous year).

Furthermore, due to a partial calculation error in inventory at the end of the first quarter, it was discovered that the profit and loss for the first quarter consolidated cumulative period worsened by about 11 million yen, and a correction was announced on October 28, 2024, regarding a part of the 'First Quarter Financial Results for the Fiscal Year Ending March 2025 [Japanese Standards] (Consolidated)'. However, the performance for this interim consolidated fiscal period landed almost as initially announced for the second quarter (cumulative) performance forecast, due to the smooth progress of the Commercial Property Business segment, among other factors. (Second Quarter (Cumulative) Performance Forecast: Net Sales of 2.1 billion yen, Operating Profit of 180 million yen, Ordinary Profit of 70 million yen, Interim Net Income Attributable to Parent Company Shareholders of 40 million yen)

The operating results by segment are as follows.

(Commercial Property Business)

Regarding the Commercial Property Business, at 'SUN TO MOON Kakitagawa', one of the leading commercial facilities in Shizuoka Prefecture, the performance progressed smoothly from the summer vacation through September due to the prolonged heatwave, and profitability improved as a result of increased sales unit prices against the backdrop of economic recovery and price increases, leading to a smooth performance.

As a result, sales in the Commercial Property Business reached 1.18 billion yen (a 2.1% increase from the same period last year), and operating profit was 458 million yen (a 10.0% increase from the same period last year), marking an increase in both sales and profit compared to the same period last year.

(Health Care Business)

In the health business division, sales of products such as electric potential blankets and camel products treated with E-wool exceeded the same period last year. In the general bedding division, poor sales of blanket products in early spring resulted in sales falling below the same period last year.

As a result, sales in the Health Care Business were 538 million yen (a 1.4% increase from the same period last year), resulting in an increase in sales compared to the same period last year and an improvement in profitability, with the operating loss reduced to 8 million yen (compared to an operating loss of 14 million yen in the same period last year).

(Textile Business)

In the apparel division, sales fell below the same period last year mainly due to the absence of sales from a Chinese subsidiary that was liquidated in the previous term and delays in the initial movement of autumn and winter items due to record hot days. In the uniforms division, the government demand uniforms performed well, and sales exceeded the same period last year.

As a result, sales in the Textile Business business were 353 million yen (a 32.4% increase from the same period last year), and operating profit was 23 million yen (a 451.1% increase from the same period last year), marking an increase in both sales and profit compared to the same period last year.

(2) Overview of the Financial Position for the Mid-Term

(Conditions of Assets, Liabilities, and Net Assets)

The total assets at the end of this mid-term consolidated accounting period were 19.978 billion yen, a decrease of 371 million yen from the end of the previous term. The main reasons for this were a decrease of 167 million yen in cash and deposits due to payments of accounts payable, and a decrease of 152 million yen in tangible fixed assets due to new acquisitions of 79 million yen and depreciation expenses of 243 million yen.

The total liabilities were 15.059 billion yen, a decrease of 355 million yen from the end of the previous term. The main reasons for this were a decrease of 122 million yen in notes and accounts payable due to payments of accounts payable, a decrease of 64 million yen in other current liabilities due to a decrease in tenant deposits, and a decrease of 79 million yen in loans due to new borrowing of 200 million yen and scheduled repayments of 279 million yen.

The total net assets were 4.919 billion yen, a decrease of 15 million yen compared to the end of the previous term. The main reasons for this were a decrease of 52 million yen in shareholders' equity due to the increase in treasury shares from market purchases and dividend payments, a decrease of 21 million yen in valuation difference on available-for-sale securities due to a decline in the stock prices of held shares, and an increase of 56 million yen in deferred gains or losses on hedges due to the market valuation of interest rate swaps.

(Cash Flow Situation)

The situation and factors of each cash flow during this mid-term consolidated accounting period are as follows:

(Cash Flows from Operating Activities)

Cash flows from operating activities were a positive 91 million yen (a 75.6% decrease from the same period last year). This was mainly due to a pre-tax interim net profit of 73 million yen, depreciation expenses of 243 million yen, a decrease in trade receivables of 81 million yen, a decrease in accounts payable of 122 million yen, and other decreases of 96 million yen due to long-term prepaid expenses and payments of deposits.

(Cash Flows from Investing Activities)

Cash flows from investing activities were a negative 79 million yen (compared to a negative 12 million yen in the same period last year). This was due to expenditures of 79 million yen for the acquisition of tangible and intangible fixed assets.

(Cash Flows from Financing Activities)

Net cash used in financing activities was 1.8 billion yen, compared with 3.24 billion yen a year earlier. This was mainly due to 2 billion yen in proceeds from long-term debt, 2.79 billion yen in repayments of long-term debt, 600 million yen in dividend payments, and an increase in treasury shares of 300 million yen.

As a result of these activities, the balance of cash and cash equivalents at the end of the interim consolidated accounting period was 9.2 billion yen, an 11.8% decrease from the same period last year, and a decrease of 1.67 billion yen from the end of the previous period.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information.

Regarding earnings forecasts, there are no changes to the full-year consolidated earnings forecast figures announced on May 9, 2024. Furthermore, the earnings forecast is based on information available as of the date of this document's publication, and actual performance may vary from the forecasted figures due to various factors.

2. Interim Consolidated Financial Statements and Significant Notes

(1) Interim Consolidated Balance Sheet

(Unit: Thousands of Yen)

	Previous Fiscal Year (March 31, 2024)	Current Interim Accounting Period (September 30, 2024)
Assets		
Current Assets		
Cash and Deposits	1,097,756	930,324
Notes and Accounts Receivable	625,125	540,539
Inventories	766,701	813,150
Others	37,493	31,367
Allowance for Doubtful Accounts	△1,380	△1,330
Total Current Assets	2,525,696	2,314,052
Non-current Assets		
Property, Plant and Equipment		
Buildings and Structures, net	7,727,648	7,571,119
Land	9,265,726	9,265,726
Other, net	162,534	166,993
Total Property, Plant and Equipment	17,155,909	17,003,839
Intangible Assets		
Goodwill	128,073	120,869
Others	12,375	9,052
Total Intangible Assets	140,448	129,921
Investments and Other Assets		
Investment Securities	414,889	383,568
Bankruptcy Reorganization Claim, etc.	83,256	83,256
Deferred Tax Assets	65,736	44,373
Others	44,088	99,973
Allowance for Doubtful Accounts	△80,228	△80,228
Total Investments and Other Assets	527,743	530,943
Total Non-current Assets	17,824,100	17,664,704
Total Assets	20,349,797	19,978,757

(Unit: Thousands of Yen)

	Previous Fiscal Year (March 31, 2024)	Current Interim Accounting Period (September 30, 2024)
Liabilities		
Current Liabilities		
Notes and Accounts Payable - Trade	458,986	336,032
Short-term Loans	546,370	581,328
Accrued Income Taxes	1,011	6,666
Provision for Bonuses	37,943	39,368
Provision for Shareholder Benefit Program	29,000	-
Others	659,593	595,348
Total Current Liabilities	1,732,905	1,558,744
Non-current Liabilities		
Long-term Loans	9,372,269	9,258,274
Long-term Deposits Received	1,325,950	1,296,609
Deferred Tax Liabilities on Land Revaluation	2,476,495	2,476,495
Retirement Benefit Obligation	285,911	306,119
Asset Retirement Obligations	71,886	68,884
Others	149,261	94,365
Total Non-current Liabilities	13,681,774	13,500,747
Total Liabilities	15,414,680	15,059,492
Net Assets		
Shareholders' Equity		
Capital	100,000	100,000
Capital Surplus	30,979	30,979
Retained Earnings	138,161	115,952
Treasury Shares	△9,791	△40,384
Total Shareholders' Equity	259,349	206,546
Accumulated Other Comprehensive Income		
Valuation Difference on Available-for-Sale Securities	50,825	29,603
Deferred Gains or Losses on Hedges	△49,092	7,377
Land Revaluation Difference	4,664,864	4,664,864
Total Accumulated Other Comprehensive Income	4,666,596	4,701,845
Share Options	9,171	10,872
Total Net Assets	4,935,117	4,919,264
Total Liabilities and Net Assets	20,349,797	19,978,757

(2) Interim Consolidated Profit and Loss Statement and Interim Consolidated Statement of Comprehensive Income

(Interim Consolidated Profit and Loss Statement)

(Unit: Thousands of Yen)

	Previous Interim Consolidated Fiscal Period (From April 1, 2023 To September 30, 2023)	Current Interim Consolidated Fiscal Period (From April 1, 2024 To September 30, 2024)
Net Sales	1,883,600	2,000,641
Cost of Sales	1,282,251	1,334,305
Gross Profit	601,348	666,336
Selling, General and Administrative Expenses	458,585	494,404
Operating Profit	142,762	171,932
Non-Operating Incomes		
Interest income	225	3
Dividend income	3,737	4,844
Equity Gains of Affiliated Companies	14	1,121
Gain on sale of Fixed Assets	10,035	-
Others	3,186	204
total non-operating Incomes	17,198	6,173
Non-Operating Expenses		
Interest expenses	99,787	102,385
Others	2,328	1,996
total non-operating expenses	102,116	104,381
Ordinary profit	57,845	73,723
Interim Net Income before Income Taxes and Adjustments	57,845	73,723
Income Taxes, Current	575	6,666
Income Taxes-Deferred	8,718	28,683
Total income taxes, etc.	9,294	35,350
Interim Net Profit	48,550	38,373
Interim Net Profit Attributable to Owners of Parent	48,550	38,373

(Interim Consolidated Statement of Comprehensive Income)

(Unit: Thousands of Yen)

	Previous interim consolidated accounting period (From April 1, 2023 to September 30, 2023)	Current interim consolidated accounting period (From April 1, 2024 to September 30, 2024)
Interim net Profit	48,550	38,373
Other comprehensive Profit		
Valuation difference on available-for-sale securities	28,187	-21,221
Deferred gains or losses on hedges	12,556	56,469
Foreign currency translation adjustment	64	-
Total other comprehensive Profit	40,808	35,248
Interim comprehensive Profit	89,359	73,622
(Breakdown)		
Interim comprehensive profit attributable to owners of the parent	89,359	73,622
Interim comprehensive profit attributable to non-controlling interests	-	-

(3) Interim Consolidated Cash Flow Statement

(Unit: Thousands of Yen)

	Previous Interim Consolidated Fiscal Period (From April 1, 2023 To September 30, 2023)	Current Interim Consolidated Fiscal Period (From April 1, 2024 To September 30, 2024)
Cash Flows from Operating Activities		
Profit before taxes and other adjustments	57,845	73,723
Depreciation expense	261,018	243,430
Change in allowance for doubtful accounts (Δ indicates a decrease)	Δ 140	Δ 50
Change in provision for bonuses (Δ indicates a decrease)	353	1,424
Change in provision for shareholder benefit program (Δ indicates a decrease)	Δ 28,000	Δ 29,000
Change in retirement benefit obligation (Δ indicates a decrease)	2,886	20,207
Interest and dividend incomes received	Δ 3,963	Δ 4,847
Interest expenses	99,787	102,385
Investment loss (gain) under equity method (Δ indicates gain)	Δ 14	Δ 1,121
Change in accounts receivable (Δ indicates an increase)	123,420	81,008
Change in inventories (Δ indicates an increase)	Δ 93,237	Δ 46,449
Change in accounts payable (Δ indicates a decrease)	136,795	Δ 122,954
Change in security deposits received (Δ indicates a decrease)	Δ 14,263	Δ 29,340
Others	Δ 67,202	Δ 96,306
Subtotal	475,284	192,110
Interest and dividends income received	3,963	4,847
Interest payment	Δ 98,996	Δ 104,063
Payment of corporate taxes, etc.	Δ 4,250	Δ 1,011
Cash Flows from Operating Activities	376,001	91,882
Cash Flows from Investment Activities		
Expenditures for acquisition of tangible and intangible fixed assets	Δ 12,901	Δ 79,182
Cash Flows from Investment Activities	Δ 12,901	Δ 79,182
Cash Flows from Financing Activities		
Proceeds from long-term borrowings	-	200,000
Repayment of long-term loans payable	Δ 277,329	Δ 279,037
Repayments of lease obligations	Δ 12,704	Δ 8,072
Payment of cash dividends	Δ 30,242	Δ 60,582
Others	Δ 4,406	Δ 32,439
Cash Flows from Financing Activities	Δ 324,683	Δ 180,131
Translation adjustments on cash and cash equivalents	3,907	-
Increase (decrease) in cash and cash equivalents (Δ indicates a decrease)	42,324	Δ 167,431
The beginning balances of cash and cash equivalents	1,000,958	1,087,570
The ending balances of cash and cash equivalents at the end of the interim period	1,043,283	920,138

(4) Notes to the Interim Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of 'Accounting Standard for Income Taxes, etc.')

'Accounting Standard for Income Taxes, etc.' (Corporate Accounting Standard No. 27, October 28, 2022, hereinafter referred to as '2022 Revised Accounting Standard') has been applied from the beginning of the current interim consolidated accounting period.

Regarding the revision related to the classification of income taxes (taxation on other comprehensive income), it is in accordance with the transitional provisions set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional provisions set forth in the proviso of paragraph 65-2(2) of 'Implementation Guidance on Accounting for Income Taxes' (Corporate Accounting Standard Implementation Guidance No. 28, October 28, 2022, hereinafter referred to as '2022 Revised Implementation Guidance'). Furthermore, this change in accounting policy has no impact on the interim consolidated financial statements.

Also, regarding the revision related to the review of the treatment in the consolidated financial statements when deferring tax on gains and losses arising from the sale of subsidiary shares, etc., among consolidated companies, the 2022 Revised Implementation Guidance has been applied from the beginning of the current interim consolidated accounting period. This change in accounting policy has been retrospectively applied, and the interim consolidated financial statements and consolidated financial statements for the previous interim accounting period and the previous fiscal year have been restated accordingly. Moreover, this change in accounting policy has no impact on the interim consolidated financial statements for the previous interim accounting period and the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information)

SEGMENT REPORTING

I For the previous interim consolidated accounting period (From April 1, 2023 to September 30, 2023)

1. Information on net sales and profits or losses by reported segment and breakdown of revenues

(Unit: Thousands of Yen)

	Reportable Segments				Adjustment amount (Note 1)	Interim Consolidated Income Statement Reported amount (Note 2)
	Commercial Property Business	Health Care Business	Textile Business	Total		
Net Sales						
Revenues from contracts with customers	157,971	531,067	267,453	956,491	-	956,491
Other Profits	927,108	-	-	927,108	-	927,108
Sales to customers	1,085,079	531,067	267,453	1,883,600	-	1,883,600
Intersegment sales and transfers	228	-	-	228	△228	-
Total	1,085,307	531,067	267,453	1,883,828	△228	1,883,600
Segment profit or loss (△)	416,874	△14,452	4,225	406,647	△263,885	142,762

(Note 1) The adjustment amount of △263,885 thousand yen for segment profit (loss) (△) represents corporate expenses not allocated to any reporting segments.

Corporate expenses are general administrative expenses not attributed to any reporting segments.

2. Segment profit or loss (△) is reconciled with operating profit in the interim consolidated income statement.

2. Information on impairment loss on noncurrent assets and goodwill by reportable segment

None.

II For the current interim consolidated accounting period (From April 1, 2024 to September 30, 2024)

1. Information on net sales and profits or losses by reported segment and breakdown of revenues

(Unit: Thousands of Yen)

	Reportable Segments				Adjustment value (Note 1)	Interim Consolidated Income Statement Reported amount (Note 2)
	Retail facility Business	Health Care Business	Textile Business	Total		
Net Sales						
Revenues from contracts with customers	165,538	538,594	353,998	1,058,131	-	1,058,131
Other Profits	942,510	-	-	942,510	-	942,510
Sales to customers	1,108,048	538,594	353,998	2,000,641	-	2,000,641
Intersegment sales and transfers	228	-	101	329	△329	-
Total	1,108,276	538,594	354,099	2,000,970	△329	2,000,641
Segment profit or loss (△)	458,653	△8,794	23,286	473,145	△301,212	171,932

(Note 1) The adjustment amount of △301,212 thousand yen for segment profit (loss) (△) represents corporate expenses not allocated to any reporting segments.

Corporate expenses are general administrative expenses not attributed to any reporting segments.

2. Segment profit or loss (△) is reconciled with operating profit in the interim consolidated income statement.

2. Information on impairment loss on noncurrent assets and goodwill by reportable segment

None.

(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)

Based on a resolution at a Board of Directors' meeting held on May 9, 2024, the Company purchased 300,000 treasury shares. As a result, treasury stock increased by 30,588 thousand yen during the interim consolidated cumulative period, reaching 40,384 thousand yen at the end of the interim consolidated accounting period.

(Notes on Going Concern Assumptions)

There are no relevant items.