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Consolidated Financial Results
for the First Nine Months of the Fiscal Year Ending November 30, 2022
<IFRS>

October 5, 2022

Company name: TOSEI CORPORATION Stock listing: TSE / SGX
 Securities code number: 8923 / S2D
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 Submission of Quarterly Securities Report (Shihanki-Houkokusho): October 7, 2022 (scheduled)
 Commencement of dividend payments: —
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Nine Months Ended August 31, 2022
(December 1, 2021 – August 31, 2022)

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Nine months ended August 31, 2022	54,933	5.0	11,155	1.7	10,516	0.3	7,175	1.4
Nine months ended August 31, 2021	52,311	(7.1)	10,965	136.1	10,489	152.3	7,079	186.8

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share (¥)	Diluted earnings per share (¥)
	(¥ million)	(%)	(¥ million)	(%)		
Nine months ended August 31, 2022	7,175	1.4	7,537	(3.3)	151.28	151.07
Nine months ended August 31, 2021	7,076	186.7	7,795	313.4	150.71	150.50

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	(¥ million)	(¥ million)	(¥ million)	(%)
As of August 31, 2022	205,227	71,049	71,049	34.6
As of November 30, 2021	195,010	65,958	65,958	33.8

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended November 30, 2021	(¥) —	(¥) 0.00	(¥) —	(¥) 38.00	(¥) 38.00
Fiscal year ending November 30, 2022	—	0.00	—	—	—
Fiscal year ending November 30, 2022 (Forecast)				47.00	47.00

Note: Revision to the most recently released dividend forecasts: No

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2022 (December 1, 2021 – November 30, 2022)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal year ending November 30, 2022	80,000	29.6	12,762	16.4	12,000	16.5	7,954	18.3	166.47

Note: Revision to the most recently released earnings forecasts: No

* Notes

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in changes in the scope of consolidation): No
Newly added: – Excluded: –

- (2) Changes in accounting policies and changes in accounting estimates
(a) Changes in accounting policies required by IFRS: No
(b) Changes in accounting policies due to other reasons: No
(c) Changes in accounting estimates: No

- (3) Number of issued shares (ordinary shares)

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

As of August 31, 2022	48,683,800 shares
As of November 30, 2021	48,683,800 shares

- (b) Number of treasury shares at the end of the period

As of August 31, 2022	1,459,522 shares
As of November 30, 2021	900,022 shares

- (c) Average number of outstanding shares during the period (cumulative)

Nine months ended August 31, 2022	47,431,318 shares
Nine months ended August 31, 2021	46,958,245 shares

* These consolidated Financial Results are not subject to quarterly review procedures by a certified public accountant or an audit corporation.

* Proper use of earnings forecasts and other notes

The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ substantially from these statements due to various factors. For the assumptions on which the earnings forecasts are based and cautions concerning the use thereof, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Qualitative Information Regarding Consolidated Earnings Forecasts” on page 5 of the attached materials.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Operating Results

1) Recognition, analysis and contents for discussion of business environment and business performance

During the nine months ended August 31, 2022, the Japanese economy showed signs of recovery as economic activities went back to normal with the lifting of movement restrictions and other developments. Meanwhile, it is necessary to monitor the downturn of the overseas economies on the back of global credit tightening, surging prices caused by the soaring prices of natural resources and the depreciating yen, and their effects on Japanese corporate earnings and personal consumption.

In the real estate industry where Tosei Group operates, domestic real estate investments for the six months from January to June 2022 amounted to ¥1.4 trillion, decreasing 23% year on year. Although the investment amount has undergone a slight decrease, interest in the Japanese real estate market by overseas investors remains high thanks to Japan's continuing monetary easing policies and depreciating yen, and investment demand in office buildings, logistics facilities, and residential properties is expected to increase (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of newly built units from January to July 2022 decreased 1.6% year on year to 14,984 units. The average contract rate for the first month has, in certain months, fallen below the 70% threshold from which market conditions are viewed as favorable, but it remains strong due to such factors as the increase in systematic sales after completion. In addition, in the Tokyo metropolitan area pre-owned condominium market, while the number of units contracted from January to July 2022 declined 11.9% year on year to 21,389 units, the market is booming, as evidenced by the continuing trend of rising contract prices. In the build-for-sale detached house market, housing starts for the six months from January to June 2022 came to 29,000 units (up 5.8% year on year) (according to a survey by a private research institute).

Regarding construction costs for the seven months from January to July 2022, average costs per tsubo for steel reinforced concrete structure were ¥1,514 thousand (1 tsubo = 3.30 square meters) (an increase of 29.3% year on year), and average costs per tsubo for wooden structure were ¥577 thousand (an increase of 1.8% year on year). The prices of building materials continue to soar, fueled by the military conflict between Russia and Ukraine, both major steel-exporting countries, and the depreciating yen, and construction costs continue to rise (according to a survey by the Ministry of Land, Infrastructure, Transportation and Tourism).

In the office leasing market of Tokyo's five business wards, the average vacancy rate as of July 2022 was 6.4% (an increase of 0.1 percentage points year on year), and the average asking rent was ¥20,262 per tsubo (a decrease of ¥783 year on year), demonstrating a downward trend, although the rate of decline has slowed down. A massive supply of new office buildings is expected in 2023 and it remains necessary to continue monitoring the trends in supply and demand (according to a survey by a private research institute).

Meanwhile, the condominium leasing market remained robust and the average asking rent of apartments in the Tokyo metropolitan area as of July 2022 was ¥11,018 per tsubo (an increase of 1.1% year on year) and the average occupancy rate at condominiums held by J-REIT in the Tokyo Area as of April 30, 2022 was 96.3% (unchanged from the same month of the previous year). As for the rent of apartments for singles in the 23 wards of Tokyo, the falling trend of the previous year has eased and rent remains more or less on the same level as the previous year (according to a survey by a private research institute).

In the Tokyo metropolitan area's logistics facility leasing market, leasable stock in July 2022 amounted to 7.91 million tsubo (an increase of 15.2% year on year). The vacancy rate was 3.1%. Although this was an increase of 1.8 percentage points from the same period of the previous year, rent continues to gradually increase. Despite the continuing strong demand, there have been cases in which certain leasing projects are taking more time due to increased supply resulting from new development (according to a survey by a private research institute).

In the real estate fund market, the market scale continues to expand. J-REIT assets under management in July 2022 totaled ¥21.5 trillion (an increase of ¥0.6 trillion year on year) and assets under management in private placement funds totaled ¥24.1 trillion (as of December 31, 2021, an increase of ¥1.6 trillion year on year). Combining the two, the real estate securitization market scale grew to ¥45.6 trillion (according to a survey by a private research institute).

In the Tokyo business hotel market, in the five months from January to May 2022, the average guest room occupancy rate was 50.9% (34.3% in the same period of the previous fiscal year), and the total number of hotel guests in Tokyo encompassing all types of accommodation amounted to 19.79 million (an

increase of 64.3% year on year). The hotel business exhibited signs of recovery thanks to the increase in domestic guests following the easing of the restrictions on going out, and a further boost to recovery is expected as inbound demand grows, in line with the lifting of the border entry restrictions going forward (according to a survey by the Japan Tourism Agency).

Amid this operating environment, in the Fund and Consulting Business, the Group increased its balance of assets under management, while in the Revitalization Business and the Development Business, the Group proceeded with property sales and the acquisition of income-generating properties and various types of land for development as future sources of income.

As a result, consolidated revenue for the nine months ended August 31, 2022 totaled ¥54,933 million (up 5.0% year on year), operating profit was ¥11,155 million (up 1.7%), profit before tax was ¥10,516 million (up 0.3%), and profit attributable to owners of the parent was ¥7,175 million (up 1.4%).

Performance by business segment is shown below.

From the three months ended February 28, 2022, the Company changed the name of its “Real Estate Securitization Business” (in Japanese. In English, the segment has been known as the “Revitalization Business” and remains the same) to the “Revitalization Business.” As this is merely a change of the segment name, there will be no impact on segment information.

Revitalization Business

During the nine months ended August 31, 2022, the segment sold 34 properties it had renovated and 101 pre-owned condominium units, including Central Minami-Otsuka No.1 Building (Toshima-ku, Tokyo), NAC Building (Tachikawa-shi, Tokyo), Kazo Warehouse (Kazo-shi, Saitama).

During the nine months ended August 31, 2022, it also acquired a total of 28 income-generating office buildings, and apartments, four land lots and 99 pre-owned condominium units.

In addition, the Group reviewed the valuation of its income-generating properties, recording a reversal of Inventories valuation loss of ¥532 million .

As a result, revenue in this segment was ¥33,897 million (up 12.8% year on year) and the segment profit was ¥6,569 million (down 9.2%).

Development Business

During the nine months ended August 31, 2022, the segment sold T’S BRIGHTIA Minami-Aoyama EAST (Minato-ku, Tokyo). In addition, the segment focused on the sale of detached houses, for which there was firm demand. The segment sold 67 detached houses at such properties as THE Palms Court Setagaya Hachimanyama (Setagaya-ku, Tokyo) and THE Palms Court Mitaka Rumie (Mitaka-shi, Tokyo).

During the nine months ended August 31, 2022, it also acquired two land lots for rental apartment projects, two land lots for rental wooden apartment projects, two land lots for income-generating office buildings and land lots for 92 detached houses.

In addition, the Group reviewed the valuation of its income-generating properties, recording a reversal of Inventories valuation loss of ¥213 million .

As a result, revenue in this segment was ¥6,524 million (down 37.8% year on year) and the segment profit was ¥1,013 million (down 20.9% year on year).

Rental Business

During the nine months ended August 31, 2022, while the segment sold 24 buildings of its inventory assets held for leasing purposes, it newly acquired 22 properties including income-generating office buildings and apartments. In addition, the segment made efforts to lease vacancies out following acquisitions and also focused on leasing activities for its holding non-current assets and inventory assets.

As a result, revenue in this segment was ¥4,490 million (up 12.5% year on year) and the segment profit was ¥2,286 million (up 13.4%).

Fund and Consulting Business

During the nine months ended August 31, 2022, while ¥408,256 million was added due to new asset management contracts, ¥110,364 million was subtracted due mainly to property dispositions by funds, from the balance of assets under management (Note) ¥1,420,867 million for the end of the previous fiscal

year. The balance of assets under management as of August 31, 2022, was ¥1,718,759 million.

As a result, revenue in this segment was ¥3,949 million (up 9.0% year on year) and the segment profit was ¥2,415 million (down 1.7%).

Note: The balance of assets under management includes the balance of assets that were subject to consulting contracts, etc.

Property Management Business

During the nine months ended August 31, 2022, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 796 as of August 31, 2022, an increase of 88 from August 31, 2021, with the total comprising 475 office buildings, hotels, logistic facilities and other such properties, and 321 condominiums and apartments.

As a result, revenue in this segment was ¥4,732 million (up 23.5% year on year) and segment profit was ¥811 million (up 31.7%).

Hotel Business

While the impact of COVID-19 still persisted in the nine months ended August 31, 2022, the Company strived to improve the occupancy rates at existing hotels, resulting in improvements in revenue and segment loss from the same period of the previous fiscal year.

As a result, revenue in this segment was ¥1,338 million (up 325.1% year on year) and segment loss was ¥316 million (in comparison with segment loss of ¥622 million in the same period of the previous fiscal year).

2) Analysis and contents for discussion of Operating Results

In the domestic real estate investment market, which is the Group's mainstay market, there were no major changes in the proactive investment stance of real estate investors both in Japan and abroad and robust transactions continued. Under such an operating environment, for the nine months ended August 31, 2022, the Group's business performed well, achieving 68.7% of the full-year forecast based on revenue and 87.6% based on profit before tax. In the mainstay Revitalization Business, sales of office buildings, income-generating apartments, condominium units, etc., progressed as planned, resulting in a slight upward swing in the profit margin that was higher than projected at the beginning of the fiscal year. Meanwhile, in the Development Business, given that the completion and delivery of condominiums are expected in the fourth quarter of the fiscal year under review, performance was more or less according to the internal plan, despite operating profit falling below 50% of the full-year forecast.

In addition, in the Stock and Fee Business, the Company's stable source of income, profits for each business including the Hotel Business, which is still on the road to recovery, were mostly according to plan. In particular, the Fund and Consulting Business, which has continued to grow in recent years by supporting the market growth of real estate funds, increased its balance of assets under management to over ¥1.7 trillion (a year-on-year increase of ¥297.8 billion). In the third quarter, the Tosei Real Estate Crowd (TREC) Funding scheme, an investment product targeting individual investors, completed the offering of its fourth fund and commenced operation in September. Going forward, the Company will continue to aim for business growth by offering high-quality services to real estate investors both in Japan and abroad and individual investors.

Recently, our nation's economy has been witnessing rising uncertainty over the business environment due to the tightening of monetary policies in Europe and the U.S., the soaring prices of natural resources, and concerns over the slowdown of the global economy. Nevertheless, the domestic real estate investment market is attracting even greater attention from overseas investors thanks to the continuing low interest-rate environment and the current weakening of the yen. The Company will closely monitor the trends in the real estate market and continue to proactively promote its purchasing and sales activities.

(2) Qualitative Information Regarding Consolidated Financial Positions

1) Analysis of Financial Positions

As of August 31, 2022, total assets were ¥205,227 million, an increase of ¥10,216 million compared with November 30, 2021, while total liabilities were ¥134,177 million, an increase of ¥5,125 million.

Increase in total assets were due to an increase in inventories and other financial assets despite a decrease in cash and cash equivalents. Increase in total liabilities were due to an increase in trade and

other payables and Interest-bearing liabilities and a decrease in current income tax liabilities.

Total equity increased by ¥5,090 million to ¥71,049 million, mainly due to an increase in retained earnings, payment of cash dividends and purchase of treasury shares.

2) Analysis of Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of August 31, 2022 totaled ¥30,859 million, down ¥2,701 million compared with November 30, 2021.

The cash flows for the nine months ended August 31, 2022 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥1,823 million (down 56.3% year on year). This is mainly due to profit before tax of ¥10,516 million, an increase in inventories of ¥4,728 million, income taxes paid of ¥5,099 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥8,476 million (down 35.2% year on year). This is mainly due to purchase of investment properties of ¥3,095 million, other financial assets of ¥2,910 million, payments for acquisition of subsidiaries of ¥2,308 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥3,944 million (down 6.7% year on year). This mainly reflects ¥30,115 million in proceeds from non-current borrowings, despite ¥23,908 million in the repayments of non-current borrowings and ¥1,814 million in cash dividends paid.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

The business results during the nine months ended August 31, 2022 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on January 12, 2022.

The forward-looking statements contained in these materials, including forecasts of the future performance, are based on the information available to the Company as of the date of announcement and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ from these forecasts due to various factors.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

No item to report.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

No item to report.

(3) Additional information

Effect of the Spread of COVID-19 on Accounting Estimates

In determining accounting estimates regarding the valuation of inventory assets, impairment accounting for non-current assets, the recoverability of deferred tax assets, and other items, the Group has assumed that the spread of COVID-19 will exert a degree of impact on future income.

The Group considers that real estate markets other than hotels and commercial facilities are already recovering as of August 31, 2022. It predicts that the impact of COVID-19 on hotels and commercial facilities will persist for the time being, and that it will be next fiscal year or later before a recovery takes place.

3. Condensed Quarterly Consolidated Financial Statements and notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2021	As of August 31, 2022
Assets		
Current assets		
Cash and cash equivalents	33,560,679	30,859,441
Trade and other receivables	4,139,380	5,538,364
Inventories	85,210,849	94,690,791
Other current assets	46,903	18,333
Total current assets	122,957,812	131,106,930
Non-current assets		
Property, plant and equipment	23,860,236	23,193,853
Investment properties	39,812,070	39,938,120
Goodwill	1,401,740	1,401,740
Intangible assets	191,758	214,414
Trade and other receivables	1,509,310	1,400,220
Other financial assets	4,511,800	7,519,371
Deferred tax assets	752,916	439,434
Other non-current assets	13,254	13,254
Total non-current assets	72,053,087	74,120,410
Total assets	195,010,899	205,227,341
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,976,342	6,112,913
Interest-bearing liabilities	11,432,641	10,404,832
Current income tax liabilities	2,625,593	713,337
Provisions	788,366	419,594
Total current liabilities	19,822,944	17,650,678
Non-current liabilities		
Trade and other payables	4,373,252	4,032,050
Interest-bearing liabilities	103,521,924	110,561,086
Retirement benefits obligations	646,515	682,692
Provisions	15,284	15,408
Deferred tax liabilities	672,238	1,235,862
Total non-current liabilities	109,229,215	116,527,101
Total Liabilities	129,052,159	134,177,779
Equity		
Share capital	6,624,890	6,624,890
Capital reserves	6,790,172	6,785,094
Retained earnings	53,250,370	58,601,468
Treasury shares	(911,662)	(1,537,669)
Other components of equity	204,969	575,778
Total equity attributable to owners of the parent	65,958,740	71,049,562
Total equity	65,958,740	71,049,562
Total liabilities and equity	195,010,899	205,227,341

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(¥ thousand)

	Nine months ended August 31, 2021	Nine months ended August 31, 2022
Revenue	52,311,732	54,933,123
Cost of revenue	34,634,605	35,567,135
Gross profit	17,677,127	19,365,988
Selling, general and administrative expenses	6,781,521	8,553,861
Other income	137,135	349,233
Other expenses	67,319	5,415
Operating profit	10,965,422	11,155,944
Finance income	139,928	190,762
Finance costs	616,031	830,684
Profit before tax	10,489,319	10,516,022
Income tax expense	3,409,986	3,340,595
Profit for the period	7,079,332	7,175,426
Other comprehensive income		
Other comprehensive income items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair values through other comprehensive income	709,231	319,371
Remeasurements of defined benefit pension plans	—	(8,544)
Subtotal	709,231	310,826
Other comprehensive income items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	10,314	36,076
Net change in fair values of cash flow hedges	(3,139)	15,361
Subtotal	7,175	51,437
Other comprehensive income for the period, net of tax	716,406	362,264
Total comprehensive income for the period	7,795,738	7,537,690
Profit attributable to:		
Owners of the parent	7,076,939	7,175,426
Non-controlling interests	2,393	—
Profit for the period	7,079,332	7,175,426
Total comprehensive income attributable to:		
Owners of the parent	7,793,345	7,537,690
Non-controlling interests	2,393	—
Total comprehensive income for the period	7,795,738	7,537,690
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	150.71	151.28
Diluted earnings per share (¥)	150.50	151.07

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended August 31, 2021 (December 1, 2020 – August 31, 2021)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at December 1, 2020	6,624,890	6,627,004	47,442,372	(1,500,055)	(224,688)	58,969,524	—	58,969,524
Profit for the period			7,076,939			7,076,939	2,393	7,079,332
Other comprehensive income					716,406	716,406		716,406
Total comprehensive income for the period	—	—	7,076,939	—	716,406	7,793,345	2,393	7,795,738
Amount of transactions with owners								
Purchase of treasury shares		(5,295)		(500,049)		(505,345)		(505,345)
Disposal of treasury shares		(101)		18,310		18,208		18,208
Dividends of surplus			(896,333)			(896,333)		(896,333)
Dividends to non-controlling interests						—	(2,771)	(2,771)
Change from newly consolidated subsidiary						—	117,600	117,600
Change in scope of consolidation			(378)			(378)	(117,221)	(117,600)
Transfer from other components of equity to retained earnings			(86)		86	—		—
Share-based payment		12,189				12,189		12,189
Balance at August 31, 2021	6,624,890	6,633,797	53,622,513	(1,981,795)	491,805	65,391,211	—	65,391,211

Nine months ended August 31, 2022 (December 1, 2021 – August 31, 2022)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of the parent	Total equity
Balance at December 1, 2021	6,624,890	6,790,172	53,250,370	(911,662)	204,969	65,958,740	65,958,740
Profit for the period			7,175,426			7,175,426	7,175,426
Other comprehensive income					362,264	362,264	362,264
Total comprehensive income for the period	—	—	7,175,426	—	362,264	7,537,690	7,537,690
Amount of transactions with owners							
Purchase of treasury shares		(1,730)		(731,388)		(733,118)	(733,118)
Disposal of treasury shares		(3,347)		105,380		102,032	102,032
Dividends of surplus			(1,815,783)			(1,815,783)	(1,815,783)
Transfer from other components of equity to retained earnings			(8,544)		8,544	—	—
Balance at August 31, 2022	6,624,890	6,785,094	58,601,468	(1,537,669)	575,778	71,049,562	71,049,562

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(¥ thousand)

	Nine months ended August 31, 2021	Nine months ended August 31, 2022
Cash flows from operating activities		
Profit before tax	10,489,319	10,516,022
Depreciation expense	1,114,930	1,180,538
Increase (decrease) in provisions and retirement benefits obligations	(245,896)	(332,505)
Interest and dividend income	(139,928)	(190,762)
Interest expenses	616,031	830,684
Decrease (increase) in trade and other receivables	(232,537)	(578,508)
Decrease (increase) in inventories	(4,802,588)	(4,728,096)
Increase (decrease) in trade and other payables	(736,606)	175,495
Other, net	7,811	(251,287)
Subtotal	6,070,534	6,621,580
Interest and dividend income received	249,685	301,138
Income taxes paid	(2,499,952)	(5,099,283)
Income taxes refund	356,873	—
Net cash from (used in) operating activities	4,177,140	1,823,434
Cash flows from investing activities		
Purchase of property, plant and equipment	(924,658)	(63,107)
Purchase of investment properties	(12,176,366)	(3,095,073)
Purchase of intangible assets	(19,585)	(65,022)
Payments of loans receivable	—	(434,300)
Collection of loans receivable	63	4,733
Purchase of other financial assets	(62,053)	(2,910,715)
Collection of other financial assets	104,224	363,622
Payments for acquisition of subsidiaries	—	(2,308,474)
Other, net	4,330	31,406
Net cash from (used in) investing activities	(13,074,046)	(8,476,931)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	1,519,800	1,516,150
Proceeds from non-current borrowings	37,248,700	30,115,348
Repayments of non-current borrowings	(32,107,429)	(23,908,744)
Redemption of bonds	—	(55,678)
Repayments of lease obligations	(172,998)	(318,453)
Repayments to non-controlling shareholders	(117,600)	—
Capital contribution from non-controlling interests	117,600	—
Cash dividends paid	(896,180)	(1,814,234)
Dividends paid to non-controlling interests	(2,771)	—
Purchase of treasury shares	(500,049)	(731,388)
Proceeds from disposal of treasury shares	18,208	102,410
Interest expenses paid	(878,116)	(960,676)
Net cash from (used in) financing activities	4,229,163	3,944,733
Net increase (decrease) in cash and cash equivalents	(4,667,741)	(2,708,762)
Cash and cash equivalents at beginning of period	37,039,600	33,560,679
Effect of exchange rate change on cash and cash equivalents	850	7,524
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(31)	—
Cash and cash equivalents at end of period	32,372,677	30,859,441

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes on Condensed Quarterly Consolidated Financial Statements

1. Segment Information

The Group's reportable segments are components of the Group about which separate financial information is available that the Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the performance.

The Group draws up comprehensive strategies for each of the following six business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business" and "Hotel Business". In the Revitalization Business, the Group acquires the properties whose asset values have declined, renovates, and resells them. In the Development Business, the Group sells condominium units and detached houses to individual customers as well as apartment and office buildings to investors. In the Rental Business, the Group rents office buildings and apartments. The Fund and Consulting Business mainly provides asset management services for the properties placed in real estate funds. The Property Management Business provides comprehensive property management services. The Hotel Business provides mainly hotel operating services.

From the three months ended February 28, 2022, the Company changed the name of its "Real Estate Securitization Business" (in Japanese. In English, the segment has been known as the "Revitalization Business" and remains the same) to the "Revitalization Business." As this is merely a change of the segment name, there will be no impact on segment information. Segment information for the nine months ended August 31, 2021 is also provided based on the changed segment name.

The Group's revenue and profit/loss by reportable segment are as follows:

Nine months ended August 31, 2021

(December 1, 2020 – August 31, 2021)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	30,060,354	10,487,389	3,992,484	3,624,737	3,831,874	314,892	—	52,311,732
Intersegment revenue	—	—	62,853	11,657	1,005,368	50	(1,079,929)	—
Total	30,060,354	10,487,389	4,055,337	3,636,395	4,837,243	314,942	(1,079,929)	52,311,732
Segment profit or loss	7,239,344	1,280,888	2,016,707	2,456,841	616,062	(622,704)	(2,021,717)	10,965,422
Finance income/costs, net								(476,103)
Profit before tax								10,489,319

Nine months ended August 31, 2022
(December 1, 2021 – August 31, 2022)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	33,897,185	6,524,440	4,490,810	3,949,920	4,732,203	1,338,563	—	54,933,123
Intersegment revenue	—	—	112,757	9,642	1,024,955	6,017	(1,153,372)	—
Total	33,897,185	6,524,440	4,603,568	3,959,563	5,757,158	1,344,580	(1,153,372)	54,933,123
Segment profit or loss	6,569,951	1,013,589	2,286,109	2,415,634	811,386	(316,374)	(1,624,352)	11,155,944
Finance income/costs, net								(639,922)
Profit before tax								10,516,022

2. Dividends

Dividends paid in the nine months ended August 31, 2021 and August 31, 2022 are as follows:

Nine months ended August 31, 2021				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 25, 2021	19	896,333	November 30, 2020	February 26, 2021

Nine months ended August 31, 2022				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 25, 2022	38	1,815,783	November 30, 2021	February 28, 2022

3. Earnings per Share

	Nine months ended August 31, 2021	Nine months ended August 31, 2022
Profit attributable to owners of the parent (¥ thousand)	7,076,939	7,175,426
Net income used to figure diluted net income per share (¥ thousand)	7,076,939	7,175,426
Weighted average number of outstanding ordinary shares (shares)	46,958,245	47,431,318
The number of increased ordinary shares used to figure diluted earnings per share (shares)	63,523	64,904
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	47,021,768	47,496,222
Basic earnings per share (¥)	150.71	151.28
Diluted net income per share (¥)	150.50	151.07

Notes: Basic earnings per share is calculated by quarterly profit attributable to owners of the parent, by the weighted average number of outstanding ordinary shares during the reporting period.

(7) Notes on Significant Subsequent Events

No item to report.