



Summary of Financial Results (Unaudited)
for the Fiscal Year Ended March 31, 2021 [Consolidated]
(From April 1, 2020 to March 31, 2021)
[Japanese GAAP]

May 14, 2021

Name of Listed Company: Daiwa House Industry Co., Ltd.
Code No.: 1925
URL: <https://www.daiwahouse.com/English/>
Listed Exchanges: First section of the Tokyo Stock Exchange
Representative: Keiichi Yoshii, President and CEO
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Scheduled Date of Ordinary General Meeting of Shareholders: June 29, 2021
Scheduled Date of Filing Securities Report: June 29, 2021
Scheduled Date of Commencement of Dividend Payment: June 30, 2021
Supplemental documents for the financial results provided: Yes
Results briefing for the term under review provided: Yes (for institutional investors and securities analysts)

(Amounts below one million yen are omitted)

1. Consolidated Results of Operation for the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Consolidated Earnings Results

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2021	4,126,769	-5.8	357,121	-6.3	337,830	-8.1	195,076	-16.5
Fiscal year ended March 31, 2020	4,380,209	5.7	381,114	2.4	367,669	2.3	233,603	-1.6

(Note) Comprehensive income

Fiscal year ended March 31, 2021: 213,702 million yen (-1.5%); Fiscal year ended March 31, 2020: 216,940 million yen (6.6%)

	Basic net income per share	Diluted net income per share	Return on equity (ROE)	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	297.18	—	11.0	7.0	8.7
Fiscal year ended March 31, 2020	351.84	351.76	14.1	8.2	8.7

(Reference) Equity in earnings of affiliates

Fiscal year ended March 31, 2021: -11,553 million yen; Fiscal year ended March 31, 2020: -6,972 million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	5,053,052	1,893,504	36.3	2,805.09
March 31, 2020	4,627,388	1,773,388	37.3	2,600.82

(Reference) Net assets ratio = (Net assets – Non-controlling interests)/Total assets×100

(Net assets – Non-controlling interests) is as follows. March 31, 2021: 1,835,196 million yen; March 31, 2020: 1,726,995 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, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2021	430,314	(389,980)	102,731	416,321
Fiscal year ended March 31, 2020	149,651	(317,273)	169,128	276,068

2. Dividends

	Dividend per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	End of 1 st quarter (June 30)	End of 2 nd quarter (Sept. 30)	End of 3 rd quarter (Dec. 31)	Fiscal year-end (Mar. 31)	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	—	55.00	—	60.00	115.00	76,375	32.7	4.6
Fiscal year ended March 31, 2021	—	50.00	—	66.00	116.00	75,892	39.0	4.3
Fiscal year ending March 31, 2022 (forecasts)	—	55.00	—	71.00	126.00		38.3	

(Note) Breakdown of annual dividend forecast for the fiscal year ending March 2022

Ordinary dividend: 116 yen

Commemorative dividend: 10 yen (A commemorative dividend for the 100th anniversary of the birth of Nobuo Ishibashi, our founder)

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	4,300,000	4.2	320,000	-10.4	316,000	-6.5	215,000	10.2	328.63

(Note) Effective from the beginning of the fiscal year ending March 2022, the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc., have been applied, and therefore the consolidated financial results forecasts above are an amount after the adoption of the said accounting standards, etc.

Notes:

(1) Changes in Significant Subsidiaries for the Fiscal Year under Review (This refers to changes in specified subsidiaries associated with changes in the scope of consolidation): Yes

Addition: 1 Company name: Jiuxin (Changzhou) Real Estate Development Co., Ltd.

Exclusion: —

(2) Changes in Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement

1) Changes in accounting policies applied due to amendment of accounting standards: None

2) Changes in accounting policies due to reasons other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Number of Issued and Outstanding Shares (Common Stock)

1) Number of shares at the end of the fiscal year (including treasury stock)

As of March 31, 2021	666,238,205 shares	As of March 31, 2020	666,238,205 shares
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2) Number of treasury stock at the end of the fiscal year

As of March 31, 2021	12,000,589 shares	As of March 31, 2020	2,218,771 shares
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3) Average number of shares for the fiscal year

Fiscal year ended March 31, 2021	656,427,606 shares	Fiscal year ended March 31, 2020	663,949,008 shares
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(Note) For the number of shares used as the basis of calculating basic net income per share (consolidated), please refer to "3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements, Per Share Information" on page 24 of the attached material.

(Reference) Summary of Non-Consolidated Results of Operation

Non-Consolidated Results of Operation for the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Non-Consolidated Business Results

(% figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2021	1,863,934	-5.6	226,478	-9.4	288,332	4.6	182,546	-7.1
Fiscal year ended March 31, 2020	1,975,150	2.6	250,053	3.9	275,581	2.7	196,484	7.6

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2021	278.09	—
Fiscal year ended March 31, 2020	295.93	295.86

(2) Non-Consolidated Financial Conditions

	Total assets	Net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	3,320,005	1,466,459	44.2	2,241.34
March 31, 2020	3,087,824	1,360,805	44.1	2,049.19

(Reference) Net assets: March 31, 2021: 1,466,368 million yen; March 31, 2020: 1,360,704 million yen

* This financial results report is not required to be audited by certified public accountants or audit corporations

* Remarks on appropriate use of forecasted results of operation and other special matters

(Notes regarding earnings forecasts)

Consolidated earnings forecasts are based on assumptions in light of the information available as of the date of announcement of this material and the factors of uncertainty that may possibly impact the future results of operation. These statements do not mean that the Company pledges to realize such statements. Actual results may differ significantly from those presented herein as a consequence of numerous factors such as the financial market, economic conditions, competitor situations and fluctuations in land prices.

For the suppositions that form the assumptions for earnings forecasts, please refer to the section of "1. Qualitative Information Regarding Consolidated Results for the Fiscal Year under Review and others (4) Future Outlook" on page 9 of the attached material.

(Obtaining supplementary explanatory materials)

The Company plans to hold a briefing for institutional investors and securities analysts on May 14, 2021. Relevant financial statements to be handed out at the briefing will be posted on our official website at the same time.

Contents of the Attached Material

1. Qualitative Information Regarding Consolidated Results for the Fiscal Year under Review	4
(1) Earnings Results	4
(2) Financial Conditions	7
(3) Cash Flow Position	7
(4) Future Outlook	9
2. Basic Approach to Selection of Accounting Standards	10
3. Consolidated Financial Statements and Main Notes	11
(1) Consolidated Balance Sheets	11
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	13
Consolidated Statements of Income	13
Consolidated Statements of Comprehensive Income	15
(3) Consolidated Statements of Changes in Net Assets	16
(4) Consolidated Statements of Cash Flows	18
(5) Notes to Consolidated Financial Statements	20
Notes on Premise of Going Concern	20
Changes in Representation	20
Segment Information	20
Per Share Information	24
Significant Subsequent Events	24

<Reference Material> Key Performance Indicators

1. Performance Indicators

Fiscal years	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Forecasts for the fiscal year ending March 31, 2022
Net sales (millions of yen)	3,795,992	4,143,505	4,380,209	4,126,769	4,300,000
Cost of sales (millions of yen)	3,002,160	3,300,738	3,510,002	3,299,886	—
Selling, general and administrative expenses (millions of yen)	446,690	470,571	489,091	469,761	—
Operating income (millions of yen)	347,141	372,195	381,114	357,121	320,000
Ordinary income (millions of yen)	344,593	359,462	367,669	337,830	316,000
Net income attributable to owners of the parent (millions of yen)	236,357	237,439	233,603	195,076	215,000
Basic net income per share (yen)	355.87	357.29	351.84	297.18	328.63
Return on equity (ROE) (%)	17.0	15.5	14.1	11.0	—
Ordinary income to total assets ratio (%)	9.1	8.6	8.2	7.0	—
Dividend per share (yen) (of which interim dividend per share)	107 (45)	114 (50)	115 (55)	116 (50)	126 (55)
Total annual dividends (millions of yen)	71,280	75,799	76,375	75,892	—
Dividend payout ratio (%)	30.1	31.9	32.7	39.0	38.3
Dividends to net assets ratio (%)	5.1	4.9	4.6	4.3	—
Total assets (millions of yen)	4,035,059	4,334,037	4,627,388	5,053,052	—
Net assets (millions of yen)	1,513,585	1,643,717	1,773,388	1,893,504	—
Net assets ratio (%)	36.5	36.8	37.3	36.3	—
Net assets per share (yen)	2,218.17	2,404.32	2,600.82	2,805.09	—
Depreciation (millions of yen)	64,163	71,020	75,207	78,403	88,000
Net increase in property, plant and equipment and intangible assets (millions of yen)	284,590	293,151	373,851	372,904	440,000
Cash flows from operating activities (millions of yen)	382,365	355,599	149,651	430,314	—
Cash flows from investing activities (millions of yen)	(313,664)	(313,989)	(313,273)	(389,980)	—
Cash flows from financing activities (millions of yen)	41,804	(86,979)	169,128	102,731	—
Cash and cash equivalents, end of year (millions of yen)	326,130	276,298	276,068	416,321	—

2. Sales and Operating Income by Segment

(Millions of yen)

Fiscal years		Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Forecasts for the fiscal year ending March 31, 2022
Net sales		3,795,992	4,143,505	4,380,209	4,126,769	4,300,000
Sales by segment	Single-Family Houses	385,369	503,571	497,880	516,109	600,000
	Rental Housing	1,030,834	1,054,789	1,005,902	982,785	1,020,000
	Condominiums	285,051	343,553	372,731	339,790	380,000
	Existing Homes	112,148	131,786	145,619	124,718	135,000
	Commercial Facilities	620,869	730,529	806,784	808,395	780,000
	Logistics, Business & Corporate Facilities	850,214	1,026,308	1,152,347	989,984	1,070,000
	Other Businesses	637,123	483,050	530,079	507,359	490,000
	Adjustments	(125,617)	(130,083)	(131,136)	(142,376)	(175,000)
Operating income		347,141	372,195	381,114	357,121	320,000
Operating income by segment	Single-Family Houses	21,566	23,899	18,080	21,818	30,000
	Rental Housing	106,683	104,663	98,587	90,832	89,000
	Condominiums	13,328	20,723	15,883	5,397	6,000
	Existing Homes	13,228	13,702	16,723	10,438	11,000
	Commercial Facilities	114,178	142,577	140,632	122,898	117,000
	Logistics, Business & Corporate Facilities	88,915	100,326	120,636	115,910	100,000
	Other Businesses	23,010	13,540	19,285	10,771	15,000
	Adjustments	(33,770)	(47,237)	(48,714)	(20,946)	(48,000)

1. Qualitative Information Regarding Consolidated Results for the Fiscal Year under Review

(1) Earnings Results

In the term under review, while the impact of the COVID-19 pandemic remained unpredictable, the economic and social activities repeated stagnation and resumption, with no way out yet in sight.

In Japan, the government and administrative agencies continued with various supportive measures to companies and individuals while issuing the state of emergency declaration. However, there are concerns that the impact on the economy may be take longer due to the emergence of mutant strains of COVID-19 and other factors.

In the housing market, the number of new housing starts declined year on year for built-for-sale houses, owner-occupied houses, rental housing, and condominiums. In the general construction market, while the number of construction starts increased for warehousing, mining, quarrying, gravel mining, and construction industries, other uses decreased, and the overall decrease was compared with the previous year.

Amid this operating environment, the Group reviewed its business strategies while keeping with the Group's Six Medium-Term Management Plan, a three-year plan launched in the previous fiscal year. In order to balance vigorous growth and stability at a high level, the Group promoted development of communities and products that responded to changes in society and lifestyles, and steadily implemented measures to enhance the rebuilding of the Group governance.

Due to the impact of COVID-19, the Daiwa House Group recorded consolidated net sales of 4,126,769 million yen (-5.8% year on year) for the fiscal year ended March 2021. Operating income came to 357,121 million yen (-6.3% year on year), ordinary income came to 337,830 million yen (-8.1% year on year), while net income attributable to owners of the parent amounted to 195,076 million yen (-16.5% year on year).

Results by business segment were as follows.

Single-Family Houses Business

In the Single-Family Houses Business segment, we earnestly addressed our role as a home builder to build our customers' homes and pursued community-based business projects to expand sales.

In the domestic business, we aimed to meet customer needs with a varied product lineup. This includes the launch of new product 3-storied "skye3," a housing product with larger open interior spaces and wider wall openings, along with the enhanced ability to fit on various sites. We promoted the sale of our "Lifegenic" product which offers a fun and easy home designing experience online, despite the COVID-19 situation.

Meanwhile, we also launched the sale of as a series of home environment proposals to match the "new normal," which allow owners to work from home comfortably, as well as our unique telework style "Comfortable workplace," and "Connecting work pit." They were followed by "Antivirus fresh air package plan" in which we combined "Adsorptive photocatalyst coating," and "ef-excellent fresh," and also "Nekolet" bath unit dedicated for cats as the first such product in the industry to facilitate owners in comfort with their pets as they spend more time at home. In these ways, we have been proactively working to resolve our customers' issues by capturing changes in society and lifestyles.

In our overseas operations, the sales of the Box Hill project, which is currently progressing in the suburbs of Sydney in Australia, both the number of visitors and contracts increased from the beginning of autumn owing to the government's success in containing COVID-19 and a subsidy program for home purchase. In the United States, Stanley-Martin Holdings, LLC which operates mainly in the East Coast area, exceeded its initial plan and continued to expand from the fiscal year 2019, driven by growing demand for housing in suburban areas in line with changes in lifestyles caused by COVID-19.

As a result, net sales for this segment amounted to 516,109 million yen (+3.7% year on year), while operating income came to 21,818 million yen (+20.7% year on year).

Rental Housing Business

In the Rental Housing Business segment, we propose to land owners high-quality rental housing products with marketability and catering to customer needs in order to provide homes of choice for residents where they may want to continue living in for a long time. By doing so, we support the safe, secure, and comfortable living of residents and the long-term stable management by the land owners.

In Japan, we have actively promoted "GRACA," a 3-storied housing product for urban areas and city centers in July 2020. Furthermore, in an environment where face-to-face sales activities and holding events are difficult due to the impact of COVID-19, we hold regular online seminars targeted at the land owners considering an effective use of the land which they own, and the owners of rental housing constructed by the Company. We have been building continuous relationships with customers, by providing useful information in a timely manner that they would like to know, such as trends in the rental market and tenant needs amid the spread of COVID-19.

Daiwa Living Management Co., Ltd. announced in April 2020 that it would allow tenants to defer rent payment for residents who were economically affected by impact of COVID-19. Providing the information on administrative grants and benefits, the company worked to protect the livelihoods of tenants living in its properties. In addition, our subsidiary Daiwa Living Care Co., Ltd. opened a serviced house for the elderly "D-Festa Kodaira" (Tokyo) in November 2020.

However, as a result of decreasing orders for construction due to the impact of COVID-19, net sales for this segment amounted to 982,785 million yen (-2.3% year on year), while operating income came to 90,832 million yen (-7.9% year on year).

Condominiums Business

In the Condominiums Business segment, we have provided high value-added condominiums that are not only comfortable for customers to live in, but also reduce environmental impact. We also strove to improve our condominium building management enhancement service by our Group, in which we leverage to enable a safe residential experience for condominium customer, with peace of mind.

In Japan, our "PREMIST Bunkyo Sengoku" (Tokyo), a condominium rebuilt under the new quakeproof standard, won favorable recognition and was sold out in a short time for its accessibility to central Tokyo and its surrounding historic streetscape. In addition, our "PREMIST TOWER Utsubohonmachi" (Osaka) was selected as a "ZEH-M Ready" building by the Ministry of Economy, Trade and Industry, in recognition of its improved basic performance with the use of double sashes and high-performance heat insulation materials, as well as the high-efficiency built-in systems such as Eco-Jozu, Eco-Farm, and underfloor heating, all of which were aimed at reducing environmental impact. The sales are steadily progressing as its comfortable living space adopting IoT and the view from the tower have been well appreciated, in addition to its favorable location just a one-minute walk from both Hommachi Station, and Utsubo Park, an oasis in the city center.

However, due to the impact of COVID-19 and the delay in the sales schedule for some new property, net sales for this segment amounted to 339,790 million yen (-8.8% year on year), while operating income came to 5,397 million yen (-66.0% year on year).

Existing Homes Business

In Daiwa House Reform Co., Ltd. we worked to strengthen the relationship with owners of single-family houses and rental housing constructed by the Company through building inspections. We also strengthened our efforts to propose renovations required for extended warranty. At the same time, to our corporate customers, we focused on proposing maintenance of their business assets and sought to increase orders.

Also, in our Livness business, we worked to inject greater vitality into the market for good-quality previously-owned homes. Specifically, we organized campaign for owners of single-family houses and condominiums, and also held online seminars as a new form of marketing under the COVID-19 pandemic. We expanded our Livness business premises to 60 locations nationwide to meet the concerns of a wide range of customers, particularly owners.

However, as orders for renovation work decreased due to the impact of COVID-19, net sales for this segment amounted to 124,718 million yen (-14.4% year on year), while operating income came to 10,438 million yen (-37.6% year on year).

Commercial Facilities Business

In our Commercial Facilities Business segment, we designed and proposed store-opening plans that matched tenant corporations' strategic needs and also took into account the impact of the COVID-19 pandemic. We offered various plans to make the best of the particular characteristics of each region and meet a wide range of needs.

In particular, we strengthened our efforts in the field of large-scale projects such as complex commercial facility and office buildings. Also, for customers looking for options in the purchase of real estate for investment purposes, we took steps to expand our services by strengthening strategies to encompass land acquisition, construction, and leasing-out to tenants.

In addition, we started "Kasugai Commercial Project (tentative name), " a development plan of a large-scale shopping mall with 70 tenants in Kasugai City, Aichi Prefecture in August 2020, and a large-scale renewal of the shopping center "ALPARK" (planned to be fully renovated and reopened in the spring of 2023, with 160 stores) operated by our group company, Daiwa Information Service Co., Ltd. In these ways, we combine and utilize our management assets to develop multipurpose facilities that meet our customers' needs.

Daiwa Royal Co., Ltd. opened the "Daiwa Roynet Hotel Fukuyamaekimae" (located in front of Fukuyama station, Hiroshima Prefecture) and other facilities to promote development that takes into account regional characteristics and location conditions.

Daiwa Lease Co., Ltd. opened "Sennan Rinku Park (nicknamed SENNNAN LONG PARK)" in Sennan City, Osaka in July 2020 as a project to construct, maintain, manage, and operate an urban park. This project undertaken by the Company is a partial development of the Osaka prefectural park to create an urban park where people can enjoy sports, food, and leisure.

However, as orders for capital investment in some industries decreased due to the impact of COVID-19, net sales for this segment amounted to 808,395 million yen (+0.2% year on year), while operating income came to 122,898 million yen (-12.6% year on year).

Logistics, Business and Corporate Facilities Business

In the Logistics, Business and Corporate Facilities Business segment, we worked to enhance the Group's business scope by constructing a variety of facilities to suit the differing business needs of our corporate customers, and by providing total support services that enable customers to utilize their assets most effectively.

In Japan, in order for us to nurture another mainstay next to logistics facilities, we are planning to develop a data center park, which will be the largest in Japan, in Chiba New Town in Inzai City, Chiba Prefecture. The construction of the first data center building has already started.

In the field of logistics facilities, we began construction of 39 facilities nationwide, leveraging our extensive experience and know-how to provide the essential back-up to our customers' logistics strategies. Particularly notable among these newly commenced projects is the "DPL Okinawa Tomigusuku" in Tomigusuku City, Okinawa, which is the largest multi-tenant logistics facility in Okinawa Prefecture*1. Moreover, in our overseas operations, we started a project which is the second multi-tenant logistics facility "D Project Malaysia II" near Kuala Lumpur, Malaysia.

In the field of medical and nursing care facilities, we targeted hospitals whose existing facilities are showing signs of aging and which do not meet current earthquake resistance standards, making proposals for reconstruction or relocation. We also strengthened our lineup of solutions to meet the management needs of healthcare corporations, such as those operating homes for senior citizens or multipurpose nursing care facilities.

In the field of support for offices, manufacturing plants, and so on, we have strengthened our efforts to attract companies to industrial parks developed by Daiwa House. In the "Hofu No.2 Techno-Town" in Hofu City, Yamaguchi Prefecture, which is currently under development, we succeeded in attracting companies for the first time.

For food factories, we held seminars for manufacturers and processors on making HACCP*2 compulsory, while also enhancing our proposals for the building of facilities adapted to safety certification.

However, as for postponement or cancellation of capital investment plans by some companies due to the impact of COVID-19, net sales for this segment amounted to 989,984 million yen (-14.1% year on year), while operating income came to 115,910 million yen (-3.9% year on year).

*¹ The largest total floor area including "DPL Okinawa Tomigusuku" and "DPL Okinawa Tomigusuku II" in Okinawa Prefecture

*² Hazard analysis and critical control points (HACCP) is a systematic preventive approach to food safety in production and preparation processes, in which the dangers posed by contamination by microorganisms at each stage of the process are analyzed and managed.

Other Businesses

In the home center business, Royal Home Center Co., Ltd., has developed stores that are useful in the lives of various customers, including the opening of "Royal Home Center Toda Park" (Saitama Prefecture) and "Royal Home Center Fujisawa Namikidai" (Kanagawa Prefecture), as for watching demand among consumers choosing to stay at home due to the impact of COVID-19.

In the logistics business, Daiwa Logistics Co., Ltd. opened four new locations, including "Kyoto Distribution Center" (Kyoto Prefecture), and has been developing the most suitable logistics base for each customer.

In the fitness club business, Sports Club NAS Co., Ltd. opened "Sports Club NAS Kosaka" (Osaka Prefecture). However, because resort hotel business and fitness club business were heavily affected by COVID-19, net sales for this segment amounted to 507,359 million yen (-4.3% year on year), while operating income came to 10,771 million yen (-44.1% year on year).

(2) Financial Conditions

Total assets as of the end of the consolidated reporting fiscal year amounted to 5,053,052 million yen, an increase of 425,663 million yen compared with 4,627,388 million yen at the end of the previous consolidated fiscal year. This was mainly due to an increase in property, plant and equipment accompanying the acquisition of real estate for investment and an increase in inventory assets from the purchase of real estate for sale.

Total liabilities as of the end of the consolidated reporting fiscal year amounted to 3,159,548 million yen, an increase of 305,548 million yen compared with 2,853,999 million yen at the end of the previous consolidated fiscal year. This was principally due to bank borrowings, as well as the issuance of bonds, to raise funds for the acquisition of inventory assets and real estate for investment and other purposes, despite the decrease in accounts payable for construction contracts decreased.

Total net assets as of the end of the consolidated reporting fiscal year amounted to 1,893,504 million yen, an increase of 120,115 million yen compared with 1,773,388 million yen at the end of the previous consolidated fiscal year. This was mainly due to the posting of net income for the period attributable to owners of the parent in the amount of 195,076 million yen, despite the payment of dividends to shareholders for the previous fiscal year and the acquisition of treasury stock. At the end of the term under review, these results were 1,274,886 million yen in interest-bearing liabilities excluding lease obligations among others, and a debt-equity ratio of 0.69 times. After taking the hybrid financing into account, the debt-equity ratio came to 0.59 times*. The net assets ratio as of the end of the fiscal year under review stood at 36.3%, showing little change from the 37.3% at the previous fiscal year end.

* The debt-equity ratio was calculated by taking into account the equity credit of 50 percent employed in establishing the Company's credit rating for the 150 billion yen of publicly offered hybrid bonds (subordinated bonds) issued in September 2019 and 100 billion yen of hybrid loans (subordinated loans) procured in October 2020.

(3) Cash Flow Position

Cash and cash equivalents for the reporting fiscal year amounted to 416,321 million yen, for an increase of 140,253 million yen. Net cash provided by operating activities stood at 430,314 million yen, net cash used in investing activities came to 389,980 million yen, and net cash provided by financing activities came to 102,731 million yen.

Cash flows from operating activities

During the reporting fiscal year, net cash provided by operating activities came to 430,314 million yen (+187.5% year on year). This was mainly due to the posting of 311,210 million yen in income before income taxes and non-controlling shareholders' interests, despite the payment of income taxes and the decrease in accounts payable for construction contracts.

Cash flows from investing activities

During the reporting fiscal year, net cash used in investing activities came to 389,980 million yen (compared with 317,273 million yen used in the previous fiscal year). This was primarily the result of the acquisition of property, plant and equipment, including large-scale logistics facilities and commercial facilities, among other factors.

Cash flows from financing activities

During the reporting fiscal year, net cash provided by financing activities came to 102,731 million yen (-39.3% year on year). This was principally due to bank borrowings, as well as the issuance of bonds, to raise funds for the acquisition of inventory assets and real estate for investment and other purposes, despite the payment of dividends.

(Reference) Cash Flow Indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets ratio	36.8%	37.3%	36.3%
Net assets ratio on market-value basis	53.9%	38.4%	42.0%
Repayment years of interest-bearing debt	2.2 years	7.0 years	3.0 years
Interest coverage ratio	64.6	19.7	51.3

* The standards for the indicators are as follows. All have been computed based on consolidated financial figures.

Net assets ratio: $(\text{Net assets} - \text{Non-controlling shareholders' interests}) / \text{Total assets}$

Net assets ratio on market-value basis: $\text{Total market capitalization} / \text{Total assets}$

Repayment years of interest-bearing debt: $\text{Interest-bearing liabilities} / \text{Operating cash flows}$

Interest coverage ratio: $\text{Operating cash flows} / \text{Interest expenses}$

Total market capitalization: $\text{Closing stock price at the fiscal year-end} \times \text{Number of shares issued at the fiscal year-end (after deduction of treasury stock)}$

Operating cash flows: Net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows

Interest expenses: Interest expenses paid on the Consolidated Statements of Cash Flows

(4) Future Outlook

The global economy is recovering from the serious downturn phase owing to China, which is said to have escaped the impact of COVID-19 early, and favorable effects of economic measures implemented by the United States and other major countries. Nonetheless, the future outlook remains unclear due to the lingering impact. While economies of emerging countries are growing, the world is facing increased uncertainty due to unprecedented variable factors, such as a trend to redefine globalization as represented by the U.S.-China relationship, and the acceleration in the shift toward a decarbonized society. In Japan, now that multiple cases of highly infectious mutated COVID-19 strains were confirmed, the government has declared the state of emergency for the third time. Given such a situation, economic recovery in Japan may delay despite its effort to distribute the vaccines at full scale.

Amid this operating environment, the Group has adopted a Business Division-based System in April 2021 and has been improving its management foundation. The group companies that make up value chains of various businesses are positioned within the purview of the relevant business divisions in principle, and each business division is more involved in management to ensure consistency in business strategies. We will aim for further growth through speedy decision-making and flexible responses to social issues under this business-division based system.

Particularly, in the value chain strategy of the Housing Business Division, we have redefined the value we provide to customers as "Transforming home from a place to return to a place to live" in order to provide ways of living that will change in the future. The Group designs not only house but also lifestyles of the people living therein, inclusive of shapes of their future. We consider and imagine the future of our customers in their shoes not only when building a house, but over a longer period after the construction, and strive to offer a place that would support their continued happiness, while weathering their changing lifestyles and life stages.

As a new growth field, we plan to further promote the development of logistics facilities, as well as work on development of data centers which see promising demand in the future, and redevelopment of public wholesale markets as social infrastructures. The Group will apply the know-how it has gained in the development of logistics facilities into a variety of fields.

We have also been actively working on the SDGs. In particular, in the environmental and social categories we focus on, we will fulfill our "responsibility to build" and "responsibility to have built", and further accelerate our efforts to address sustainability issues through urban development. In Neopolis, developed by our company in 61 locations nationwide, we will work on redevelopment as the Liveness Town Project, and promote the creation of attractive communities where residents can live with peace of mind for many years. In addition, the "Funabashi Grand Oasis" which was completed on March 31, 2021, is Japan's first urban development project to use electric power generated entirely from renewable sources, right from the start of construction up to post-completion residence.

In view of the foregoing, we forecast net sales for the fiscal year ending March 31, 2022 in the amount of 4 trillion 300 billion yen, with operating income of 320 billion yen, ordinary income of 316 billion yen, and net income attributable to owners of the parent of 215 billion yen. And we expect capital investments of 440 billion yen and depreciation of 88 billion yen.

In addition, our group will celebrate the 100th anniversary of the birth of its founder, Nobuo Ishibashi, in September 2021. Since our founding in 1955, we have striven to carry out our business following our founder's guiding principle of "doing things because they will be of service to society", and will commemorate the 100th anniversary of his birth. We would like to express our sincere gratitude to our shareholders and other stakeholders for their support.

Accordingly, we are planning on an annual dividend of 126 yen for the fiscal year ending March 2022, consisting of ordinary dividend of 116 yen and a commemorative dividend of 10 yen for the 100th anniversary of his birth. We are planning on an interim dividend of 55 yen and a year-end dividend of 71 yen.

2. Basic Approach to Selection of Accounting Standards

The Daiwa House Group applies Japanese accounting standards as its selected accounting standards to maintain the comparability of consolidated financial statements between accounting periods and the comparability of performance between companies.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	Previous fiscal year (as of March 31, 2020)	Reporting fiscal year (as of March 31, 2021)
Assets		
Current assets		
Cash and deposits	281,434	425,980
Notes and accounts receivable from completed construction contracts and other	433,053	401,314
Lease receivables and investment assets	35,021	45,411
Mortgage notes receivable held for sale	18,579	29,088
Short-term investment securities	814	550
Costs on uncompleted construction contracts	47,861	46,866
Real estate for sale	795,396	852,678
Real estate for sale in process	212,850	237,659
Land for development	4,443	3,421
Merchandise and finished goods	18,569	17,356
Work in process	6,738	8,073
Raw materials and supplies	8,984	7,557
Other	249,133	292,088
Allowance for doubtful accounts	-9,016	-13,682
Total current assets	2,103,866	2,354,364
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,044,914	1,164,230
Accumulated depreciation	-474,828	-510,841
Buildings and structures, net	570,086	653,389
Machinery, equipment and vehicles	155,029	159,424
Accumulated depreciation	-87,716	-94,202
Machinery, equipment and vehicles, net	67,312	65,222
Tools, furniture and fixtures	69,917	75,280
Accumulated depreciation	-51,080	-56,057
Tools, furniture and fixtures, net	18,836	19,223
Land	857,587	870,822
Lease assets	78,190	93,235
Accumulated depreciation	-13,911	-17,934
Lease assets, net	64,278	75,300
Construction in progress	134,361	166,588
Other	10,239	9,641
Accumulated depreciation	-986	-1,340
Other, net	9,253	8,300
Total property, plant and equipment	1,721,717	1,858,847
Intangible assets		
Goodwill	63,457	74,046
Other	54,715	61,578
Total intangible assets	118,172	135,625
Investments and other assets		
Investment securities	207,219	231,490
Long-term loans receivable	4,053	5,284
Lease and guarantee deposits	241,030	251,358
Deferred tax assets	170,274	161,458
Other	63,370	56,447
Allowance for doubtful accounts	-2,315	-1,825
Total investments and other assets	683,632	704,214
Total noncurrent assets	2,523,522	2,698,687
Total assets	4,627,388	5,053,052

(Millions of yen)

	Previous fiscal year (as of March 31, 2020)	Reporting fiscal year (as of March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable for construction contracts and other	360,338	296,165
Short-term loans payable	110,519	124,584
Current portion of bonds payable	65,000	40,000
Current portion of long-term loans payable	65,669	46,700
Commercial papers	49,000	—
Lease obligations	6,083	7,576
Accounts payable-other	135,690	129,089
Income taxes payable	58,980	57,093
Advances received	77,071	175,978
Advances received on uncompleted construction contracts	130,633	113,186
Provision for bonuses	57,288	53,276
Provision for warranties for completed construction	7,484	7,230
Asset retirement obligations	2,159	2,568
Other	171,334	225,407
Total current liabilities	1,297,254	1,278,858
Noncurrent liabilities		
Bonds payable	277,000	383,000
Long-term loans payable	473,689	677,700
Lease obligations	79,770	93,780
Deposits received from members	1,621	1,419
Long-term lease and guarantee deposits	284,323	284,946
Deferred tax liabilities for land revaluation	20,037	19,634
Net defined benefit liability	267,062	246,059
Asset retirement obligations	49,881	53,784
Other	103,360	120,363
Total noncurrent liabilities	1,556,745	1,880,689
Total liabilities	2,853,999	3,159,548
Net assets		
Shareholders' equity		
Capital stock	161,699	161,699
Capital surplus	307,154	304,595
Retained earnings	1,217,407	1,339,558
Treasury stock	-7,588	-33,019
Total shareholders' equity	1,678,671	1,772,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,996	59,404
Deferred gains or losses on hedges	-10	10
Revaluation reserve for land	10,251	10,624
Foreign currency translation adjustment	1,087	-7,677
Total accumulated other comprehensive income	48,323	62,361
Subscription rights to shares	101	91
Non-controlling interests	46,292	58,216
Total net assets	1,773,388	1,893,504
Total liabilities and net assets	4,627,388	5,053,052

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

	(Millions of yen)	
	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Net sales	4,380,209	4,126,769
Cost of sales	3,510,002	3,299,886
Gross profit	870,206	826,883
Selling, general and administrative expenses		
Sales commission	19,864	19,439
Advertising expenses	32,733	28,507
Promotion expenses	7,037	6,250
Provision of allowance for doubtful accounts	1,541	1,176
Directors' compensations	4,192	3,972
Employees' salaries and allowances	172,478	176,823
Provision for bonuses	35,213	32,575
Retirement benefit expenses	22,626	7,861
Legal welfare expenses	27,122	27,309
Stationery expenses	14,686	15,494
Correspondence and transportation expenses	21,977	15,943
Rents	21,157	22,019
Depreciation	10,808	10,595
Tax and dues	31,777	33,878
Other	65,873	67,912
Total selling, general and administrative expenses	489,091	469,761
Operating income	381,114	357,121
Non-operating income		
Interest income	3,046	2,638
Dividends income	4,540	4,616
Insurance income	2,871	2,888
Subsidies income	697	3,521
Miscellaneous income	5,573	6,717
Total non-operating income	16,730	20,381
Non-operating expenses		
Interest expenses	8,982	10,013
Tax and dues	1,662	1,537
Provision of allowance for doubtful accounts	—	4,509
Equity in losses of affiliates	6,972	11,553
Miscellaneous expenses	12,558	12,058
Total non-operating expenses	30,175	39,672
Ordinary income	367,669	337,830
Extraordinary income		
Gain on sales of noncurrent assets	1,285	805
Gain on sales of investment securities	454	449
Gain on liquidation of subsidiaries and affiliates	1,512	—
Gain on sales of investments in capital of subsidiaries and associates	—	1,115
Gain on change in equity	32	428
Subsidy income related to COVID-19	—	1,871
Other	0	—
Total extraordinary income	3,285	4,671

	(Millions of yen)	
	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Extraordinary losses		
Loss on sales of noncurrent assets	164	215
Loss on retirement of noncurrent assets	2,408	1,372
Impairment loss	17,062	21,065
Loss on sales of investment securities	3	0
Loss on valuation of investment securities	1,630	656
Loss on sales of stocks of subsidiaries and affiliates	—	418
Loss on COVID-19	—	7,561
Other	1	0
Total extraordinary losses	21,271	31,290
Income before income taxes and non-controlling interests	349,683	311,210
Income taxes-current	119,516	109,300
Income taxes-deferred	-7,189	573
Total income taxes	112,327	109,873
Net income	237,356	201,336
Net income attributable to non-controlling interests	3,753	6,260
Net income attributable to owners of the parent	233,603	195,076

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Net income	237,356	201,336
Other comprehensive income		
Valuation difference on available-for-sale securities	-14,039	22,455
Deferred gains or losses on hedges	10	19
Revaluation reserve for land	0	5
Foreign currency translation adjustment	-5,220	-9,770
Share of other comprehensive income of associates accounted for using equity method	-1,166	-344
Total other comprehensive income	-20,415	12,365
Comprehensive income	216,940	213,702
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	213,106	208,745
Comprehensive income attributable to non- controlling interests	3,834	4,956

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at beginning of the period	161,699	310,879	1,066,705	(8,316)	1,530,968
Changes of items during the period					
Dividends from surplus	—	—	(79,016)	—	(79,016)
Net income attributable to owners of the parent	—	—	233,603	—	233,603
Change of scope of equity method	—	(3,725)	—	—	(3,725)
Reversal of revaluation reserve for land	—	—	(3,796)	—	(3,796)
Purchase of treasury stock	—	—	—	(244)	(244)
Disposal of treasury stock	—	—	(88)	972	883
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	(3,725)	150,701	727	147,703
Balance at end of the period	161,699	307,154	1,217,407	(7,588)	1,678,671

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling shareholders' interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of the period	51,016	(21)	6,453	7,574	65,023	114	47,610	1,643,717
Changes of items during the period								
Dividends from surplus	—	—	—	—	—	—	—	(79,016)
Net income attributable to owners of the parent	—	—	—	—	—	—	—	233,603
Change of scope of equity method	—	—	—	—	—	—	—	(3,725)
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	(3,796)
Purchase of treasury stock	—	—	—	—	—	—	—	(244)
Disposal of treasury stock	—	—	—	—	—	—	—	883
Net changes of items other than shareholders' equity	(14,019)	10	3,797	(6,487)	(16,699)	(13)	(1,318)	(18,031)
Total changes of items during the period	(14,019)	10	3,797	(6,487)	(16,699)	(13)	(1,318)	129,671
Balance at end of the period	36,996	(10)	10,251	1,087	48,323	101	46,292	1,773,388

Reporting fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	161,699	307,154	1,217,407	(7,588)	1,678,671
Changes of items during the period					
Dividends from surplus	—	—	(72,556)	—	(72,556)
Net income attributable to owners of the parent	—	—	195,076	—	195,076
Change of scope of equity method	—	(2,614)	—	—	(2,614)
Reversal of revaluation reserve for land	—	—	(367)	—	(367)
Purchase of treasury stock	—	—	—	(26,054)	(26,054)
Disposal of treasury stock	—	56	—	624	681
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	(2,558)	122,151	(25,430)	94,163
Balance at end of the period	161,699	304,595	1,339,558	(33,019)	1,772,834

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling shareholders' interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of the period	36,996	(10)	10,251	1,087	48,323	101	46,292	1,773,388
Changes of items during the period								
Dividends from surplus	—	—	—	—	—	—	—	(72,556)
Net income attributable to owners of the parent	—	—	—	—	—	—	—	195,076
Change of scope of equity method	—	—	—	—	—	—	—	(2,614)
Reversal of revaluation reserve	—	—	—	—	—	—	—	(367)
Purchase of treasury stock	—	—	—	—	—	—	—	(26,054)
Disposal of treasury stock	—	—	—	—	—	—	—	681
Net changes of items other than shareholders'	22,407	21	373	(8,764)	14,037	(9)	11,924	25,952
Total changes of items during the period	22,407	21	373	(8,764)	14,037	(9)	11,924	120,115
Balance at end of the period	59,404	10	10,624	(7,677)	62,361	91	58,216	1,893,504

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes and non-controlling interests	349,683	311,210
Depreciation and amortization	75,207	78,403
Increase (decrease) in net defined benefit liability	4,043	-21,052
Interest and dividends income	-7,587	-7,254
Interest expenses	8,982	10,013
Equity in (earnings) losses of affiliates	6,972	11,553
Loss (gain) on sales and retirement of noncurrent assets	1,287	782
Impairment loss	17,062	21,065
Loss (gain) on valuation of investment securities	1,630	656
Decrease (increase) in notes and accounts receivable-trade	-42,234	33,762
Decrease (increase) in inventories	-37,157	-419
Increase (decrease) in advances received	21,389	98,846
Increase (decrease) in advances received on uncompleted construction contracts	-34,427	-17,929
Increase (decrease) in notes and accounts payable-trade	-188,431	-72,335
Other, net	105,262	93,601
Subtotal	281,683	540,904
Interest and dividends income received	6,218	8,964
Interest expenses paid	-7,608	-8,388
Income taxes paid	-130,641	-111,165
Net cash provided by (used in) operating activities	149,651	430,314
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	-291,468	-334,698
Proceeds from sales of property, plant and equipment	12,059	6,454
Purchase of investment securities	-19,059	-5,759
Proceeds from sales and redemption of investment securities	7,649	10,442
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-4,731	-20,935
Purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	-563	-4,428
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	—	-285
Proceeds from sales of investments in capital of subsidiaries resulting in change in scope of consolidation	—	1,231
Payments for transfer of business	-348	-22,991
Payments for acquisition of business	-9,618	-6,971
Other, net	-11,192	-12,037
Net cash provided by (used in) investing activities	-317,273	-389,980

(Millions of yen)

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	13,656	20,625
Net increase (decrease) in commercial papers	49,000	-49,000
Proceeds from long-term loans payable	275,988	260,299
Repayment of long-term loans payable	-129,617	-98,555
Proceeds from issuance of bonds	150,000	146,000
Redemption of bonds	-95,000	-65,000
Repayments of finance lease obligations	-6,493	-9,850
Proceeds from share issuance to non-controlling shareholders	3,767	4,899
Repayments to non-controlling shareholders	-1,686	-419
Purchase of treasury stock	-244	-26,054
Proceeds from sales of treasury stock	870	671
Cash dividends paid	-79,016	-72,556
Dividends paid to non-controlling interests	-2,342	-3,221
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-964	-4
Purchase of investments in capital of subsidiaries without change in scope of consolidation	-9,096	-6,573
Net increase (decrease) in payables under fluidity receivables	—	300
Other, net	307	1,170
Net cash provided by (used in) financing activities	169,128	102,731
Effect of exchange rate change on cash and cash equivalents	-1,737	-2,811
Net increase (decrease) in cash and cash equivalents	-230	140,253
Cash and cash equivalents at the beginning of the period	276,298	276,068
Cash and cash equivalents at the end of the period	276,068	416,321

(5) Notes to Consolidated Financial Statements

Notes on Premise of Going Concern

No items to report.

Changes in Representation

Consolidated Statements of Income

In the previous fiscal year, "Subsidies income" included in "Miscellaneous income" under "Non-operating income" has been reclassified and presented as a separate line item from the current fiscal year due to its increased financial importance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 6,271 million yen presented in "Miscellaneous income" of "Non-operating income" in the consolidated statements of income for the previous fiscal year has been reclassified to 697 million yen in "Subsidies income" and 5,573 million yen in "Miscellaneous income".

Segment Information

a. Segment Information

1. Outline of reportable business segments

The reportable business segments of the Group consist of those for which separate financial information is available within the Group's structural units. Segments are also subject to regular reviews as the management determines the allocation of management resources and assesses the business performance.

The Daiwa House Group engages in a comprehensive business across a broad range of fields, including the construction of residential housing and commercial buildings. The Group established seven business segments, set up a comprehensive strategy for each business segment and operates to enhance competitiveness with prompt decision-making and sophisticated expertise, integrating its value chain and sharing its customer base.

Accordingly, our business segments consist of different products and services, based on their business domains. Excluding the Other Businesses segment, there are six reportable business segments as core business domains: Single-Family Houses Business, Rental Housing Business, Condominiums Business, Existing Homes Business, Commercial Facilities Business, and Logistics, Business and Corporate Facilities Business.

In the Single-Family Houses Business segment, we engage in construction by order of single-family houses and the sale of a package of new house and land. In the Rental Housing Business segment, the Group conducts rental housing development, construction, management, operation, and real estate agency services. In the Condominium Business segment, we develop, sell, and manage condominiums. In the Existing Homes Business segment, the Group engages in renovation and real estate agency services. The Commercial Facilities Business segment develops, builds, manages, and operates commercial facilities. The Logistics, Business and Corporate Facilities Business segment develops and builds logistics, manufacturing, and medical and nursing-care facilities, and builds, manages, and operates temporary facilities.

2. Method of calculating sales and operating income, assets and others by reportable business segment

The accounting method applied to business segments reported herein, and the monetary amounts shown, are based on the accounting standard used for the preparation of consolidated financial statements.

The reported segment income figures at the operating income stage.

Inter-segment income and transfers are based on the prevailing market price.

3. Sales and operating income, assets and others by reportable business segment

Previous fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable Business Segments						Total
	Single-Family Houses	Rental Housing	Condominiums	Existing Homes	Commercial Facilities	Logistics, Business & Corporate Facilities	
Sales							
(1) Sales to customers	495,415	1,004,781	364,017	142,193	799,232	1,143,301	3,948,942
(2) Inter-segment sales or transfers	2,464	1,121	8,714	3,425	7,551	9,046	32,323
Total	497,880	1,005,902	372,731	145,619	806,784	1,152,347	3,981,266
Operating income	18,080	98,587	15,883	16,723	140,632	120,636	410,544
Assets	378,685	329,309	607,998	31,762	922,884	1,582,230	3,852,871
Others							
Depreciation	5,671	9,609	2,012	188	29,035	14,047	60,565
Net increase in property, plant and equipment, and intangible assets	5,835	30,585	15,469	642	113,440	173,765	339,739

	Other Businesses (Note: 1)	Subtotal	Adjustment (Note: 2)	Amounts on the consolidated financial statements
Sales				
(1) Sales to customers	431,267	4,380,209	—	4,380,209
(2) Inter-segment sales or transfers	98,812	131,136	(131,136)	—
Total	530,079	4,511,345	(131,136)	4,380,209
Operating income	19,285	429,829	(48,714)	381,114
Assets	645,438	4,498,310	129,078	4,627,388
Others				
Depreciation	13,532	74,098	1,109	75,207
Net increase in property, plant and equipment, and intangible assets	34,121	373,861	(9)	373,851

- Notes:
- Other Businesses include construction-support related, resort hotels and sports life business and others.
 - Adjustment:
 - 48,714 million yen in adjustments to operating income by business segment includes -658 million yen in elimination within business segments, 699 million yen in amortization of goodwill, and -48,756 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
 - 129,078 million yen in adjustments to assets by business segment includes -165,040 million yen in elimination within business segments, and 294,118 million yen in the Group assets. Group assets mainly consist of the Company's surplus funds (cash and deposits), the Company's long-term investment funds (investment securities), and the assets associated with Administration Headquarters of the Company.
 - 1,109 million yen in adjustments to depreciation by business segment includes -665 million yen in elimination within business segments, and 1,775 million yen in the depreciation attributable to Group assets.
 - 9 million yen in adjustments to net increase in property, plant and equipment, and intangible assets by business segment includes -3,546 million yen in elimination within business segments, and 3,537 million yen in Headquarters' capital investment of the Company, such as properties and equipment.
 - Operating income by business segment is adjusted to correspond to operating income in the consolidated statements of income.

Reporting fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable Business Segments						
	Single-Family Houses	Rental Housing	Condominiums	Existing Homes	Commercial Facilities	Logistics, Business & Corporate Facilities	Total
Sales							
(1) Sales to customers	513,665	980,718	332,497	121,557	796,470	979,889	3,724,799
(2) Inter-segment sales or transfers	2,444	2,067	7,293	3,160	11,924	10,095	36,986
Total	516,109	982,785	339,790	124,718	808,395	989,984	3,761,785
Operating income	21,818	90,832	5,397	10,438	122,898	115,910	367,295
Assets	418,194	344,713	695,615	29,980	1,005,569	1,689,501	4,183,574
Others							
Depreciation	4,576	9,158	2,575	216	31,936	14,393	62,856
Net increase in property, plant and equipment, and intangible assets	4,895	30,258	12,852	229	56,871	234,821	339,929

	Other Businesses (Note: 1)	Subtotal	Adjustment (Note: 2)	Amounts on the consolidated financial statements
Sales				
(1) Sales to customers	401,970	4,126,769	—	4,126,769
(2) Inter-segment sales or transfers	105,389	142,376	(142,376)	—
Total	507,359	4,269,145	(142,376)	4,126,769
Operating income	10,771	378,067	(20,946)	357,121
Assets	633,339	4,816,913	236,138	5,053,052
Others				
Depreciation	14,551	77,408	995	78,403
Net increase in property, plant and equipment, and intangible assets	29,957	369,887	3,016	372,904

Notes: 1. Other Businesses include construction-support related, resort hotels and sports life business and others.

2. Adjustment:

- (1) -20,946 million yen in adjustments to operating income by business segment includes 1,440 million yen in elimination within business segments, 803 million yen in amortization of goodwill, and -23,189 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
 - (2) 236,138 million yen in adjustments to assets by business segment includes -176,757 million yen in elimination within business segments, and 412,896 million yen in the Group assets. Group assets mainly consist of the Company's surplus funds (cash and deposits), the Company's long-term investment funds (investment securities), and the assets associated with Administration Headquarters of the Company.
 - (3) 995 million yen in adjustments to depreciation by business segment includes -652 million yen in elimination within business segments, and 1,647 million yen in the depreciation attributable to Group assets.
 - (4) 3,016 million yen in adjustments to net increase in property, plant and equipment, and intangible assets by business segment includes -4,267 million yen in elimination within business segments, and 7,283 million yen in Headquarters' capital investment of the Company, such as properties and equipment.
3. Operating income by business segment is adjusted to correspond to operating income in the consolidated statements of income.

b. Information regarding impairment loss on noncurrent assets, by reportable business segment

Previous fiscal year (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Existing Homes	Commercial Facilities	Logistics, Business & Corporate Facilities	Other Businesses (*)	Eliminations/Corporate	Total
Impairment loss	9,920	3,128	157	9	2,381	279	1,186	—	17,062

(*) Amounts are construction support business and resort hotels and sports life business, among others.

Reporting fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Existing Homes	Commercial Facilities	Logistics, Business & Corporate Facilities	Other Businesses (*1)	Eliminations/Corporate (*2)	Total
Impairment loss	3,941	3,915	424	369	3,594	4,001	4,607	211	21,065

(*1) Amounts are construction support business and resort hotels and sports life business, among others.

(*2) Amounts are group assets that are not attributable to reportable business segments.

c. Information regarding amortization of goodwill, and unamortized balances of goodwill, by reportable business segment

Previous fiscal year (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Existing Homes	Commercial Facilities	Logistics, Business & Corporate Facilities	Other Businesses (*)	Eliminations/Corporate	Total
Amortization of goodwill	1,095	542	1,051	(8)	444	2,086	332	—	5,545
Fiscal year-end unamortized balance of goodwill	9,780	1,018	11,193	(61)	2,677	28,118	10,731	—	63,457

(*) Amounts are construction support business, among others.

Reporting fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Existing Homes	Commercial Facilities	Logistics, Business & Corporate Facilities	Other Businesses (*)	Eliminations/Corporate	Total
Amortization of goodwill	727	61	1,791	(8)	422	2,274	257	—	5,526
Fiscal year-end unamortized balance of goodwill	9,284	987	10,180	(53)	2,254	40,919	10,473	—	74,046

(*) Amounts are construction support business, among others.

d. Information regarding gain on negative goodwill, by reportable business segment

Previous fiscal year (from April 1, 2019 to March 31, 2020)

No items to report.

Reporting fiscal year (from April 1, 2020 to March 31, 2021)

No items to report.

Per Share Information

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Net assets per share	2,600.82 yen	2,805.09 yen
Basic net income per share	351.84 yen	297.18 yen
Diluted net income per share	351.76 yen	— yen

(Note) 1. Diluted net income per share for the current fiscal year is not presented because there are no dilutive potential shares.
2. The basis of calculating for basic net income per share and diluted net income per share is as follows:

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Basic net income per share		
Net income attributable to the parent (millions of yen)	233,603	195,076
Amount not belonging to general shareholders (millions of yen)	—	—
Basic net income attributable to owners of the parent related to common stock (millions of yen)	233,603	195,076
Average amount of common stock during the year (thousands of shares)	663,949	656,427
Diluted net income per share		
Net income attributable to owners of the parent (millions of yen)	—	—
Net increase of number of shares of common stock (thousands of shares)	157	—
(in which, subscription rights to shares (thousands of shares))	157	—
Number of shares not dilutive as the Company does not include in the computation of net income per share after full dilution (thousands of shares)	—	1,599 thousand common stock acquisition rights approved by resolution of the Board of Directors on May 13, 2016

(Note) In calculating net assets per share, the shares held by the Directors Stock Delivery Trust (re-trustee Custody Bank of Japan, Ltd.) are included in treasury stock, which is excluded from the total number of shares at the end of the period (131 thousand shares for the previous fiscal year, 83 thousand shares for the fiscal year in question).

Additionally, in calculating basic net income per share and diluted net income per share, the shares held by the Directors Stock Delivery Trust are included in treasury stock, which is excluded from the average number of shares during the term (95 thousand shares for the previous fiscal year, 98 thousand shares for the fiscal year in question).

Significant Subsequent Events

No items to report.

Disclaimer:

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