

**3Q of FY ending March 31, 2022**  
**Q&A Summary on disclosure of settlement of accounts**

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**About orders received**

**Q1. Will the spread of the COVID-19 nationwide affect your sales activities?**

A1. Since late January, we have implemented behavioral restrictions such as reducing the attendance rate to 50% or less, but we are continuing sales activities with prevention of infection and inside-sales method, and there is no major influence.

**Q2. Please tell us about the current trend of orders and the outlook for achieving the full-year order plan of ¥480bn.**

A2. Although the current trend of orders has been affected by the re-expansion of the COVID-19 infection, we believe that the investment sentiment of our customers has gradually recovered compared to the beginning of the outbreak of the COVID-19, and it is possible to increase orders. We will strive to win orders of ¥480bn.

**Q3. The number of sales representatives is decreasing, but can you keep the same productivity in the future? Please tell us the status of recruitment. (Presentation slide P15)**

A3. We will continue to strive to increase the number of sales representatives by investing recruitment costs and shortening the period until hiring. We believe that productivity can be increased by creating the time available for visits and interviews by the introduction of IT and reducing restrictions on sales activities caused by the COVID-19 infection.

**Q4. Please tell us about the impact on orders after price increases for building products.**

A4. Considering the situation of past price increases, the impact is expected to converge in about a month or two.

**About the gross profit margin on completed construction work**

**Q5. Are there any impact on the progress of construction work due to the re-expansion of the COVID-19 infection?**

A5. At present, the construction site has not been closed or admission has not been restricted, and the COVID-19 infection will not affect the progress of construction work.

**Q6. Please tell us forecasts of the gross profit margin on completed construction work for this FY and next FY.**

A6. The gross profit margin on completed construction work for the current FY is expected to decline to around 25% due to the effects of soaring timber prices and other factors. In next FY, we would like to secure the profit margin higher than the current FY, although it depends on the price trends of imported materials.

**About real estate business**

**Q7. The occupancy rate is favorable nationwide. Please tell us about the background of favorable occupancy rate and future profit outlook for the real estate business. (Presentation slide P46)**

A7. Due to the influence of the COVID-19, the number of leaving continues to be small, so we maintain a high occupancy rate nationwide. Given that the number of leaving will be at the previous level as the COVID-19 converges, we predict that the growth rate of gross profit in the real estate business will slow down.

**Others**

**Q8. Do you have any plans to review the medium-term management plan “New Five-year Plan”?**

A8. We will make a revision according to the COVID-19 situation and make an announcement at the appropriate time according to the progress.

**Q9. While reluctant to growth investment including M&A, your equity ratio is on the rise. Are you considering revision of your shareholder return policy?**

A9. We will continue to make capital investments and growth investments such as M&A, and there is no change in our shareholder return policy.

End