

**2Q of FY ending March 31, 2024**  
**Q&A Summary on disclosure of settlement of accounts**

**About orders received**

**Q1. Please tell us about the background behind the increase in the percentage of orders from repeat customers. (Presentation slide P20)**

A1. We recognize that the increased opportunities to visit customers to strengthen our grip on them has led to increase in the percentage of orders received from repeat customers.

**Q2. The ratio of mid-rise properties is declining, please tell us about the forecast for the future. (Presentation slide P18)**

A2. The ratio of low-rise properties is increasing due to the promotion of low-rise ZEH rental housing products. We are currently expanding our lineup of mid-rise products and expect the ratio of mid-rise properties to rise in the future.

**Q3. Please tell us about the trends in financing. (Presentation slide P53)**

A3. The rise in interest rates has not had a major impact, and an increasing number of financial institutions are becoming more aggressive in providing apartment loans.

**About the net sales and the gross profit on completed construction work**

**Q4. The gross profit margin on completed construction work in the 1st half was 22.6% (+0.9% for plan), showing an improving trend. Please tell us about the forecast for the 2nd half. (Presentation slide P8)**

A4. In the 1st half, the gross profit margin improved slightly due to the accelerated completion of 2×4 properties, which have relatively high profit margins, by leveling off the periods of construction, and the effect of price revisions. In the 2nd half, due to factors such as a decrease in the percentage of 2x4 properties completed, we expect the gross profit margin on completed construction for the full year to be 22.8%.

**Q5. Please tell us about the forecast of the gross profit margin on completed construction work for the next fiscal year.**

A5. We expect the gross profit margin of the construction business for the next fiscal year to be around 25% due to price revisions and leveling off of construction periods.

**Q6. Please tell us the status of forward exchange contracts for the next fiscal year.**

A6. About 80% of the amount scheduled to be settled in the next fiscal year is booked at approximately 130 yen to the dollar.

### About rental housing starts

**Q7. Please tell us about the forecast of the number of rental housing starts for this fiscal year. (Presentation slide P47)**

A7. We expect nationwide rental housing starts this fiscal year to be about 350,000 units, about the same as the previous year, and the Company's rental housing starts to be about 40,000 units.

### About real estate business

**Q8. The occupancy rates for residential properties are declining. Please tell us about the forecast for the future. (Presentation slide P22)**

A8. From the perspective of securing the number of tenancy recruitment, we consider a certain amount of vacancy is necessary. We will continue to monitor trends and take various measures to curb vacancies.

### Others

**Q9. Please tell us about your measures to achieve ROE of 20% this fiscal year.**

A9. In addition to the acquisition of 50 billion yen worth of own shares announced on October 30, we recorded an extraordinary profit of 2.1 billion yen by the sale of holding shares. In the future, we will consider selling real estate in order to achieve ROE of 20%.

**Q10. Please tell us if you are aiming for ROE of 20% from next fiscal year onwards.**

A10. We are currently considering our goals for next fiscal year and beyond, but at the moment we would like to continue aiming for ROE of 20%.

**Q11. Please tell us about the balance between growth investment and shareholder returns from next fiscal year onward.**

A11. In our next medium-term plan, which is scheduled to be announced next fiscal year, we would like to inform you about growth investments and shareholder returns as part of our capital policy.

**Q12. Please tell us if you are considering moving operating leases on-balance sheet.**

A12. As of now, no specific details or timing of application have been announced, so we will continue to pay attention to the progress.

**Q13. Please tell us about the synergies you expect from SHIMA CO., LTD., which has become a subsidiary. (Presentation slide P32)**

A13. SHIMA has a rich achievement of constructing RC properties, and we are looking forward to various synergies such as constructing properties contracted to us, non-residential buildings, and securing engineers.

End