

2. Dividends

| | Dividend per share | | | | |
|---|--------------------|--------------------|--------------------|----------|--------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended May 31, 2021 | - | 0.00 | - | 100.00 | 100.00 |
| Fiscal year ending May 31, 2022 | - | 0.00 | - | | |
| Fiscal year ending May 31, 2022 (Forecast) | | | | 120.00 | 120.00 |

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending May 31, 2022 :

| | |
|------------------------|-------|
| Commemorative dividend | - yen |
| Special dividend | - yen |

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2022(June 01, 2021 to May 31, 2022)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|-----|------------------|-----|-----------------|-----|--|-----|-----------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 235,000 | 7.8 | 12,000 | 9.1 | 12,000 | 8.2 | 7,600 | 6.0 | 258.96 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended February 28, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

February 28, 2022: 29,455,800 shares

May 31, 2021: 29,455,800 shares

2) Total number of treasury shares at the end of the period:

February 28, 2022: 151,501 shares

May 31, 2021: 1 shares

3) Average number of shares during the period:

Nine months ended February 28, 2022: 29,363,400 shares

Nine months ended February 28, 2021: 29,455,799 shares

Quarterly Qualitative Information

<Earnings Results>

During the third quarter of the current consolidated cumulative period, the Japanese economy experienced a sharp increase in the number of people infected by the Delta strain of the COVID-19 in the summer, followed by the re-spread of infection by the Omicron strain, known as the sixth wave. Even after the pandemic was resolved, the outlook for the timing of economic normalization remained uncertain. In addition, the recovery in global demand, particularly in the United States and China, has had a widespread impact on the international supply network, causing instability in the supply of some materials. In February, the geopolitical risk, such as Russia's invasion of Ukraine, became apparent, causing resource prices to soar further. As a result, our company's business environment is becoming increasingly uncertain.

While the housing industry, to which the Tamahome Group belongs, is supported by firm demand, such as a review of the living environment due to the growing need for people to stay at home, it is also exposed to unprecedented upward pressure on costs, such as the rapid increase in lumber prices since last spring, the impact of the so-called wood shock, due to the recovery of the world economy from the coronavirus disaster, and the rise in international commodity markets because of the destabilization of Russia's invasion of Ukraine.

While the business environment remains uncertain, the Tamahome Group continues to purchase lumber stably to start construction and deliver houses quickly, backed by the high domestic timber usage rate. Our unique distribution system, "Tama Structure," directly links us with forest cooperatives and forestry companies. In sales, we formulated and implemented sales strategies tailored to regional characteristics and flexibly responded to changing customer values and behavioral patterns to strengthen further the revenue base of our core custom-built housing business and improve profitability in each business.

The outline of each business is as follows:

(Housing Business)

In the housing business, the custom-built housing business opened three new branches (of which one was relocated), bringing the total number of sales branches to 246. In addition, model houses and showrooms were renovated in 31 locations. In the COVID-19 pandemic, which has been ongoing since the previous year, the value of detached houses has been once again recognized, orders of our strategic products such as "regionally limited products" and "limited-time products" were favorable. In addition, the leveling of construction starts, which we have been working on since the past fiscal year, continued to make steady progress, and the profit level for the third quarter of the current consolidated cumulative period improved significantly.

In the renovation business, we continued to carry out activities to win orders for renovation. We are offering warranty extension work to customers who have lived in their homes for at least ten years and continuous warranty extension work to customers who have lived in their homes for a minimum of 15 years, capturing demand for replacement of housing equipment due to age deterioration. At the same time, we made efforts to offer solutions that respond to changes in lifestyles, including remote work, and as a result, sales and profits increased. In the future, we will continue to offer and sell the most suitable renovation plans according to the buildings' age and the customers' needs while deepening our relationships with customers based on our abundant supplied housing information on more than 140,000 buildings in total.

As a result of the above, in this segment, net sales were 136,100 million yen (up 16.7% year-on-year), and operating profit was 3,106 million yen (up 22.1% year-on-year).

(Real Estate Business)

In the real estate business, we focused on purchasing and selling small lots of less than ten in the detached house sales business, emphasizing capital turnover. As a result of continued efforts to increase the capability of specialized organizations that collect and carefully select land information and strengthen procurement, both the orders received and deliveries were favorable. The number of detached houses delivered increased 10.7% year-over-year to 715. In the future, we will continue to monitor demand trends for detached houses closely and further strengthen the supply of high-quality houses and land purchases in response to market needs to expand the detached house sales business steadily.

In the condominium business, during the third quarter of the current consolidated cumulative period, one of the three new condominium projects was sold out, and sales activities for the remaining two projects are progressing smoothly. In addition to these new condominium projects, we also actively promoted renovation sales of existing condominiums.

In the sublease business, although we continued to focus on acquiring properties under management located in the 23 wards of Tokyo and improving occupancy rates, sales fell due to a decrease in occupied floor space caused by the termination of some lease contracts and the absence of large-scale construction work associated with move-ins and move-outs.

In the office unit ownership sales business, while the demand trend for office buildings has been weak since last spring, we proceeded with the steady sale of our stock and made efforts to purchase properties in the five major wards of Tokyo* where steady office demand is expected.

As a result of the above, in this segment, net sales were 25,062 million yen (up 9.0% year-on-year), and operating profit was 2,795 million yen (up 21.5% year-on-year).

*The five major wards of Tokyo are Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shibuya-ku.

(Financial Services)

In the financial services segment, we continued our efforts to sell insurance to customers who purchase houses from us, promote Flat 35, and provide bridge loans. In addition to the steady growth in the number of our houses delivered, the insurance and Flat 35 sales remained strong, with the fire insurance coverage and Flat 35 utilization ratios remaining at high levels, respectively.

As a result of the above, in this segment, net sales were 1,092 million yen (down 1.1% year-on-year), and operating profit was 451 million yen (down 3.0% year-on-year).

(Energy Business)

In the energy business, electricity sales from the mega solar power generation facility operated commercially in Moutai City, Fukuoka Prefecture, remained weak due to inclement weather such as torrential rains in August and the curtailment of output in October and January following instructions from the power company.

As a result, in this segment, net sales were 624 million yen (down 1.7% year-on-year), and operating profit was 204 million yen (down 6.1% year-on-year).

(Other Businesses)

In other businesses, sales and profits increased, mainly in the housing-related business due to the steady growth in the number of houses delivered in our company.

As a result of the above, in this segment, net sales were 4,599 million yen (up 11.3% year-on-year), and operating profit was 734 million yen (up 52.3% year-on-year).

As a result, our consolidated operating results showed net sales of 167,480 million yen (up 15.1% year-on-year), operating profit 7,348 million yen (up 21.2% year-on-year), ordinary profit 7,614 million yen (up 25.5% year-on-year), and profit attributable to the owners of the parent 4,928 million yen (up 13.4% year-on-year).

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

| | As of May 31,2021 | As of February 28,2022 |
|--|-------------------|------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 32,681 | 30,076 |
| Notes receivable, accounts receivable from completed construction contracts and other | 1,294 | 1,488 |
| Operating loans | 7,200 | 4,600 |
| Real estate for sale | 9,234 | 9,362 |
| Costs on construction contracts in progress | 12,054 | 17,841 |
| Real estate for sale in process | 10,225 | 15,759 |
| Other inventories | 599 | 631 |
| Other | 1,321 | 1,428 |
| Allowance for doubtful accounts | (8) | (8) |
| Total current assets | 74,603 | 81,180 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 8,926 | 8,988 |
| Machinery, equipment and vehicles, net | 3,029 | 3,066 |
| Land | 6,587 | 6,655 |
| Other, net | 188 | 264 |
| Total property, plant and equipment | 18,732 | 18,975 |
| Intangible assets | 953 | 1,095 |
| Investments and other assets | | |
| Investments and other assets | 6,439 | 5,693 |
| Allowance for doubtful accounts | (513) | (510) |
| Total investments and other assets | 5,926 | 5,182 |
| Total non-current assets | 25,612 | 25,253 |
| Total assets | 100,216 | 106,433 |

(Million yen)

| | As of May 31,2021 | As of February 28,2022 |
|--|-------------------|------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 15,301 | 16,571 |
| Short-term borrowings | 12,588 | 13,109 |
| Current portion of long-term borrowings | 356 | 482 |
| Income taxes payable | 2,858 | 223 |
| Advances received on construction contracts in progress | 25,880 | 33,964 |
| Provision for warranties for completed construction | 1,341 | 1,460 |
| Provision for bonuses | 244 | 946 |
| Other | 9,792 | 4,549 |
| Total current liabilities | 68,363 | 71,308 |
| Non-current liabilities | | |
| Long-term borrowings | 2,140 | 3,870 |
| Asset retirement obligations | 1,816 | 1,809 |
| Other | 1,681 | 1,753 |
| Total non-current liabilities | 5,638 | 7,434 |
| Total liabilities | 74,001 | 78,743 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,310 | 4,310 |
| Capital surplus | 4,280 | 4,280 |
| Retained earnings | 17,334 | 19,318 |
| Treasury shares | (0) | (450) |
| Total shareholders' equity | 25,924 | 27,457 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19 | 16 |
| Deferred gains or losses on hedges | 3 | 0 |
| Foreign currency translation adjustment | 193 | 175 |
| Total accumulated other comprehensive income | 216 | 192 |
| Non-controlling interests | 73 | 40 |
| Total net assets | 26,214 | 27,690 |
| Total liabilities and net assets | 100,216 | 106,433 |

Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

| | For the nine months ended February 28,2021 | For the nine months ended February 28,2022 |
|---|---|---|
| Net sales | 145,495 | 167,480 |
| Cost of sales | 110,360 | 128,869 |
| Gross profit | 35,135 | 38,611 |
| Selling, general and administrative expenses | 29,070 | 31,262 |
| Operating profit | 6,064 | 7,348 |
| Non-operating income | | |
| Interest income | 1 | 1 |
| Dividend income | 0 | 0 |
| Purchase discounts | 50 | 53 |
| Foreign exchange gains | 38 | 47 |
| Penalty income | 71 | 81 |
| Settlement received | - | 150 |
| Share of profit of entities accounted for using equity method | 8 | - |
| Other | 120 | 126 |
| Total non-operating income | 291 | 459 |
| Non-operating expenses | | |
| Interest expenses | 171 | 106 |
| Commission for syndicated loans | 4 | - |
| Share of loss of entities accounted for using equity method | - | 19 |
| Other | 113 | 68 |
| Total non-operating expenses | 289 | 194 |
| Ordinary profit | 6,067 | 7,614 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 46 | - |
| Gain on sale of investment securities | 0 | - |
| Foreign currency translation adjustments reversal gains | 31 | - |
| Total extraordinary income | 79 | - |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 57 | 58 |
| Loss on cancellation of leases | 11 | 5 |
| Impairment losses | - | 63 |
| Total extraordinary losses | 69 | 126 |
| Profit before income taxes | 6,077 | 7,488 |
| Income taxes - current | 979 | 1,808 |
| Income taxes - deferred | 730 | 727 |
| Total income taxes | 1,709 | 2,536 |
| Profit | 4,367 | 4,952 |
| Profit attributable to non-controlling interests | 20 | 23 |
| Profit attributable to owners of parent | 4,347 | 4,928 |

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

| | For the nine months ended February 28,2021 | For the nine months ended February 28,2022 |
|--|---|---|
| Profit | 4,367 | 4,952 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (7) | (3) |
| Deferred gains or losses on hedges | 1 | (3) |
| Foreign currency translation adjustment | (112) | (17) |
| Share of other comprehensive income of entities accounted for using equity method | (3) | 1 |
| Total other comprehensive income | (122) | (22) |
| Comprehensive income | 4,245 | 4,929 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 4,226 | 4,904 |
| Comprehensive income attributable to non-controlling interests | 18 | 24 |