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May 12, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: NIPPON KANZAI Holdings Co.,Ltd.  
 Listing: Tokyo Stock Exchange, Prime Market  
 Securities code: 9347  
 URL: <https://www.nkanzaihd.co.jp/en/>  
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 Scheduled date of annual general meeting of shareholders: June 24, 2026  
 Scheduled date to commence dividend payments: June 25, 2026  
 Scheduled date to file annual securities report: June 23, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated business results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	150,258	7.4	8,686	0.1	10,507	15.5	7,119	22.1
March 31, 2025	139,868	14.0	8,678	4.9	9,094	10.6	5,829	2.6

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 8,349 million [ 15.2%]  
 For the fiscal year ended March 31, 2025: ¥ 7,244 million [ 21.6%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	196.03	—	10.1	10.1	5.8
March 31, 2025	157.62	—	8.6	9.4	6.2

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ (190) million  
 For the fiscal year ended March 31, 2025: ¥ (955) million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	106,987	75,863	69.9	2,059.94
March 31, 2025	100,803	70,038	66.2	1,836.01

Reference: Equity As of March 31, 2026: ¥ 74,819 million  
 As of March 31, 2025: ¥ 66,685 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	10,103	(2,375)	(4,462)	36,299
March 31, 2025	1,700	1,805	(2,113)	32,970

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	27.00	—	27.00	54.00	2,005	34.3	3.0
Fiscal year ended March 31, 2026	—	27.00	—	30.00	57.00	2,070	29.1	2.9
Fiscal year ending March 31, 2027 (Forecast)	—	30.00	—	30.00	60.00		29.9	

## 3. Consolidated business forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	75,500	5.5	4,200	(9.6)	5,100	(11.0)	3,500	(5.5)	96.36
Full year	158,000	5.2	9,000	3.6	10,800	2.8	7,300	2.5	200.99

### \* Notes

#### (1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 2 companies( A silent partnership operated by Godo Gaisha Moegi )  
( Hawaiiana Holdings Incorporated )

#### (2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

#### (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	41,180,306 shares
As of March 31, 2025	41,180,306 shares

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

As of March 31, 2026	4,859,359 shares
As of March 31, 2025	4,859,190 shares

- (iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	36,320,992 shares
Fiscal Year ended March 31, 2025	36,986,297 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

### \* Proper use of earnings forecasts, and other special matters

(Notes to forward-looking statements)

The business forecasts reported herein were prepared based on information NIPPON KANZAI Holdings Co., Ltd (hereinafter the “Company”) had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. Actual results may differ significantly from forecasts due to various factors. Please refer to the disclaimers provided under “1. Overview of business results, etc.; (4) Future outlook” on page 4 of the Attached Document of this financial report regarding assumptions upon which forecasts are based and the use of forecasts.

(How to obtain supplementary materials on financial results)

The Company plans to hold a financial results briefing for institutional investors and analysts on Tuesday, May 19, 2026. The presentation materials for the financial results briefing will be posted on the Company’s website after the briefing is over.

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## 1. Overview of business results, etc.

### (1) Overview of business results for the period

During the fiscal year ended March 31, 2026, the Japanese economy continued to be on a moderate recovery trend with the improving corporate earnings and employment and income situations. However, the outlook still remained uncertain due to the concerns over the impact of the U.S. trade policy and unstable international situations on the global economy, in addition to high raw materials prices and foreign exchange fluctuation risks.

In the real estate services industry, while gradual decline in vacancy rates for offices and retail buildings is observed primarily in urban areas, high prices of raw material and increase in personnel expenses have stimulated cost-cutting awareness among our clients. Consequently, we anticipate that the business environment will remain challenging.

In such a business environment, the Nippon Kanzai Group (hereinafter the “Group”) has continued to provide quality service that meets customer needs by pursuing optimal building management utilizing advanced technologies and responsiveness to enhance the asset value of properties.

The Group also continued to strengthen and improve building management operations, its core business, while further expanding operations in other fields such as Private Finance Initiatives (PFI) and public facility management projects.

In the fiscal year ended March 31, 2026, steady renewal of existing management contracts and the provision of services related to Expo 2025 Osaka, Kansai resulted in net sales increasing by 7.4% year on year to 150,258 million yen.

In terms of profit, despite increased labor costs, efforts to secure profits including revising fees and reviewing operational efficiency resulted in operating profit increasing by 0.1% year on year to 8,686 million yen, ordinary income increasing by 15.5% year on year to 10,507 million yen, and profit attributable to owners of parent increasing by 22.1% year on year to 7,119 million yen.

The following are business results by segment.

Segment income has been adjusted to operating income described in the consolidated statement of income.

#### **Building Management and Operations**

With regard to Building Management and Operations, the Group’s core business that focuses on building management and security services, steady renewal of existing management contracts and the provision of services related to Expo 2025 Osaka, Kansai resulted in net sales increasing by 10.6% year on year to 94,668 million yen for the current fiscal year.

In terms of profit, despite increased personnel expenses, efforts to secure profits, such as revising fees and reviewing operational efficiency, resulted in segment income increasing by 12.9% year on year to 8,929 million yen.

#### **Residential Management and Operations**

With regard to Residential Management and Operations, which mainly consists of managing condominiums and public housing, an increase in new management contracts resulted in net sales increasing by 7.1% year on year to 34,464 million yen for the current fiscal year.

In terms of profit, despite efforts to reduce costs, increases in personnel and other expenses resulted in segment income decreasing by 2.5% year on year to 1,360 million yen.

#### **Environmental Facilities Management**

With regard to Environmental Facilities Management, which mainly consists of managing water treatment, sewage disposal, and other public facilities related to the overall living environment, renewal of existing management contracts progressed positively and resulted in net sales increasing by 4.4% year on year to 15,473 million yen.

In terms of profit, efforts to improve the gross profit ratio by revising fees as well as costs and expenses reduction resulted in segment income increasing by 9.7% year on year to 2,246 million yen.

### **Real Estate Fund Management**

With regard to Real Estate Fund Management, which mainly consists of asset management (i.e., arrangement and asset management of real estate funds) and handling of investments in silent partnerships, a decrease in revenue from the sale of assets under management and sublease contracts resulted in net sales decreasing by 37.4% year on year to 3,131 million yen for the current fiscal year.

In terms of profit, despite efforts to improve the cost ratio and reduce costs, the sale of assets under management resulted in segment income decreasing by 63.6% year on year to 512 million yen.

### **Other Businesses**

In Other Businesses, which mainly consist of event planning and management, design, and payroll accounting services, the provision of payroll accounting services progressed positively, resulting in net sales increasing by 13.0% year on year to 2,898 million yen for the current fiscal year.

In terms of profit, despite efforts to reduce costs, increases in personnel and other expenses resulted in segment income decreasing by 2.3% year on year to 201 million yen.

## **(2) Overview of financial position for the period**

Total assets at the end of the current fiscal year increased by 6,183 million yen, or 6.1%, from the end of the previous fiscal year to 106,987 million yen.

Current assets increased by 4,547 million yen, or 7.0%, from the end of the previous fiscal year to 69,463 million yen, while non-current assets increased by 1,635 million yen, or 4.6%, from the end of the previous fiscal year to 37,523 million yen.

The increase was mainly due to an increase in cash and deposits (increase of 3,997 million yen from the end of the previous fiscal year) and an increase in investment securities (increase of 998 million yen from the end of the previous fiscal year).

Liabilities at the end of the current fiscal year increased by 357 million yen, or 1.2%, from the end of the previous fiscal year to 31,123 million yen.

Current liabilities increased by 1,342 million yen, or 6.7%, from the end of the previous fiscal year to 21,379 million yen, while non-current liabilities decreased by 984 million yen, or 9.2%, from the end of the previous fiscal year to 9,744 million yen.

The increase was mainly due to an increase in notes and accounts payable -trade (increase of 1,176 million yen from the end of the previous fiscal year).

Net assets at the end of the current fiscal year increased by 5,825 million yen, or 8.3%, from the end of the previous fiscal year to 75,863 million yen.

The increase was mainly due to an increase in retained earnings due to the recording of profit attributable to owners of parent (increase of 5,158 million yen from the end of the previous fiscal year).

As a result, the equity ratio at the end of the current fiscal year increased by 3.7 percentage points from 66.2% at the end of the previous fiscal year to 69.9%.

The Group's financial policy is to secure the liquidity necessary for management and to maintain a sound balance sheet.

### **(3) Overview of cash flows for the period**

The balance of cash and cash equivalents (hereinafter “cash”) at the end of the current fiscal year increased by 3,328 million yen, or 10.1%, from the end of the previous fiscal year to 36,299 million yen.

The status and main factors of cash flows for the current fiscal year were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities for the current fiscal year was 10,103 million yen, an increase of 842 million yen from the previous fiscal year.

This was mainly due to a decrease in inventory assets (cash inflow of 4,573 million yen from the end of the previous fiscal year).

(Cash flows from investing activities)

Net cash used in investing activities for the current fiscal year was 2,375 million yen, a decrease of 4,180 million yen from the previous fiscal year.

This was mainly due to a decrease in proceeds from the sale of investment securities (cash outflow of 1,732 million yen from the end of the previous fiscal year) and an increase in purchases of investment securities (cash outflow of 1,289 million yen from the end of the previous fiscal year).

(Cash flows from financing activities)

Net cash used in financing activities for the current fiscal year was 4,462 million yen, a decrease of 2,349 million yen from the previous fiscal year.

This was mainly due to a decrease in proceeds from long-term non-recourse loans payable (cash outflow of 3,515 million yen from the end of the previous fiscal year).

### **(4) Future outlook**

The outlook is expected to remain uncertain due to concerns over the impact of the U.S. trade policy and unstable international situations on the global economy, in addition to high raw materials prices and foreign exchange fluctuation risks.

The Group will endeavor to enhance customer satisfaction and profitability by continuously improving its service quality as well as proactively making proposals that offer high added value. In addition, the Group will set project proposal capabilities as the main focus, and will further expand business operations such as PFI and public facility management as well as proactively pursue domestic and international M&A projects. Furthermore, the Group will focus on developing a comfortable working environment while striving to raise wages in order to eliminate the shortage of human resources.

The business forecasts for the next fiscal year (April 1, 2026 to March 31, 2027) are as follows: consolidated net sales increasing by 5.2% year on year to 158,000 million yen, consolidated operating income increasing by 3.6% year on year to 9,000 million yen; consolidated ordinary income increasing by 2.8% year on year to 10,800 million yen; and profit attributable to owners of parent increasing by 2.5% year on year to 7,300 million yen.

## **2. Basic policy regarding selection of accounting standard**

The Group has a policy to prepare financial statements based on Japanese GAAP for the time being, considering the comparability of consolidated financial statements over time and between Japanese companies.

As for International Financial Reporting Standards, the Group will appropriately consider them based on the overall situation in Japan and overseas in the future.

**3. Consolidated financial statements and primary notes****(1) Consolidated balance sheet**

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	33,395	37,393
Notes and accounts receivable - trade, and contract assets	19,869	20,140
Operating investments in silent partnership	144	34
Real estate for sale	5,805	5,598
Supplies	340	373
Income taxes refund receivable	83	171
Other	5,301	5,770
Allowance for doubtful accounts	(23)	(18)
<b>Total current assets</b>	<b>64,916</b>	<b>69,463</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,447	8,742
Accumulated depreciation	(4,579)	(4,808)
Buildings and structures, net	3,868	3,933
Machinery, equipment and vehicles	157	269
Accumulated depreciation	(112)	(132)
Machinery, equipment and vehicles, net	44	137
Tools, furniture and fixtures	2,633	2,767
Accumulated depreciation	(1,804)	(1,925)
Tools, furniture and fixtures, net	829	842
Land	1,211	1,211
Leased assets	3,810	4,275
Accumulated depreciation	(1,874)	(2,228)
Leased assets, net	1,935	2,046
Construction in progress	9	49
<b>Total property, plant and equipment</b>	<b>7,899</b>	<b>8,219</b>
Intangible assets		
Software	240	410
Goodwill	5,885	6,056
Trademark right	339	318
Customer-related intangible assets	2,521	2,132
Software in progress	255	21
Other	65	66
<b>Total intangible assets</b>	<b>9,306</b>	<b>9,005</b>

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Investments and other assets</b>		
Investment securities	11,951	12,949
Long-term loans receivable	965	1,044
Deferred tax assets	394	455
Long-term prepaid expenses	15	42
Retirement benefit asset	942	1,252
Leasehold and guarantee deposits	3,887	4,048
Membership	328	300
Other	411	414
Allowance for doubtful accounts	(213)	(208)
<b>Total investments and other assets</b>	<b>18,681</b>	<b>20,298</b>
<b>Total non-current assets</b>	<b>35,887</b>	<b>37,523</b>
<b>Total assets</b>	<b>100,803</b>	<b>106,987</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,924	9,101
Current portion of long-term nonrecourse loans payable	21	41
Lease liabilities	408	431
Accrued expenses	2,563	2,582
Income taxes payable	2,537	1,742
Accrued consumption taxes	1,284	1,503
Contract liabilities	1,691	2,086
Deposits received	353	315
Provision for bonuses	973	1,123
Asset retirement obligations	2	2
Other	2,275	2,448
<b>Total current liabilities</b>	<b>20,036</b>	<b>21,379</b>
<b>Non-current liabilities</b>		
Long-term nonrecourse loans payable	4,064	2,922
Lease liabilities	1,617	1,753
Deferred tax liabilities	652	879
Provision for retirement benefits for directors (and other officers)	10	19
Retirement benefit liability	177	159
Long-term guarantee deposits	2,600	2,741
Asset retirement obligations	486	524
Liabilities from application of equity method	69	63
Other	1,049	680
<b>Total non-current liabilities</b>	<b>10,728</b>	<b>9,744</b>
<b>Total liabilities</b>	<b>30,765</b>	<b>31,123</b>

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,000	3,000
Capital surplus	9,482	11,339
Retained earnings	66,219	71,378
Treasury shares	(13,057)	(13,057)
Total shareholders' equity	65,644	72,660
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,215	1,581
Foreign currency translation adjustment	49	602
Remeasurements of defined benefit plans	(223)	(25)
Total accumulated other comprehensive income	1,041	2,158
Non-controlling interests	3,352	1,044
Total net assets	70,038	75,863
Total liabilities and net assets	100,803	106,987

**(2) Consolidated statements of income and comprehensive income****Consolidated statement of income**

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	139,868	150,258
Cost of sales	100,278	106,832
Gross profit	39,589	43,426
Selling, general and administrative expenses		
Selling expenses	888	988
Personnel expenses	18,113	20,420
Provision for bonuses	454	489
Provision for retirement benefits for directors (and other officers)	6	8
Retirement benefit expenses	482	505
Travel, transportation and communication expenses	1,719	1,840
Supplies expenses	1,576	1,907
Rent expenses	1,831	1,971
Insurance expenses	861	1,008
Depreciation	635	640
Taxes and dues	926	1,075
Enterprise tax	420	413
Provision of allowance for doubtful accounts	142	(0)
Amortization of goodwill	529	603
Other	2,320	2,865
Total selling, general and administrative expenses	30,911	34,739
Operating profit	8,678	8,686
Non-operating income		
Interest income	82	209
Dividend income	170	156
Rental income	60	59
Commission income	1,044	1,149
Dividend income of insurance	37	37
Foreign exchange gains	19	146
Subsidy income	51	512
Other	123	216
Total non-operating income	1,589	2,488
Non-operating expenses		
Interest expenses	52	89
Rental expenses	45	49
Share of loss of entities accounted for using equity method	955	190
Commission expenses	—	106
Loss on sale and retirement of non-current assets	21	26
Loss on valuation of membership	4	13
Other	93	191
Total non-operating expenses	1,173	667
Ordinary profit	9,094	10,507

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	1,945	60
Total extraordinary income	1,945	60
Extraordinary losses		
Loss on litigation	1,405	—
Total extraordinary losses	1,405	—
Profit before income taxes	9,634	10,567
Income taxes - current	3,248	3,188
Income taxes - deferred	37	(110)
Total income taxes	3,286	3,077
Profit	6,348	7,490
Profit attributable to non-controlling interests	519	370
Profit attributable to owners of parent	5,829	7,119

**Consolidated statement of comprehensive income**

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	6,348	7,490
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,304)	382
Foreign currency translation adjustment	2,135	40
Remeasurements of defined benefit plans, net of tax	(56)	201
Share of other comprehensive income of entities accounted for using equity method	120	234
Total other comprehensive income	895	858
Comprehensive income	7,244	8,349
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,425	8,237
Comprehensive income attributable to non-controlling interests	819	111

**(3) Consolidated statement of changes in equity**

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000	11,339	62,382	(10,328)	66,393
Changes during period					
Dividends of surplus			(1,009)		(1,009)
Interim dividends from surplus			(996)		(996)
Profit attributable to owners of parent			5,829		5,829
Purchase of treasury shares				(2,728)	(2,728)
Change in scope of consolidation		(1,126)	13		(1,113)
Change in scope of consolidation - foreign currency translation adjustment					—
Capital increase of consolidated subsidiaries		(730)			(730)
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,857)	3,837	(2,728)	(748)
Balance at end of period	3,000	9,482	66,219	(13,057)	65,644

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,511	(606)	(166)	1,738	1,020	69,152
Changes during period						
Dividends of surplus						(1,009)
Interim dividends from surplus						(996)
Profit attributable to owners of parent						5,829
Purchase of treasury shares						(2,728)
Change in scope of consolidation					1,246	132
Change in scope of consolidation - foreign currency translation adjustment		(1,293)		(1,293)		(1,293)
Capital increase of consolidated subsidiaries					730	—
Net changes in items other than shareholders' equity	(1,296)	1,949	(56)	595	355	950
Total changes during period	(1,296)	655	(56)	(697)	2,331	885
Balance at end of period	1,215	49	(223)	1,041	3,352	70,038

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000	9,482	66,219	(13,057)	65,644
Changes during period					
Dividends of surplus			(980)		(980)
Interim dividends from surplus			(980)		(980)
Profit attributable to owners of parent			7,119		7,119
Purchase of treasury shares				(0)	(0)
Correction of change in ownership interest of parent due to transactions with non-controlling interests		1,857			1,857
Net changes in items other than shareholders' equity					
Total changes during period	—	1,857	5,158	(0)	7,015
Balance at end of period	3,000	11,339	71,378	(13,057)	72,660

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,215	49	(223)	1,041	3,352	70,038
Changes during period						
Dividends of surplus						(980)
Interim dividends from surplus						(980)
Profit attributable to owners of parent						7,119
Purchase of treasury shares						(0)
Correction of change in ownership interest of parent due to transactions with non-controlling interests		276		276	(2,134)	—
Net changes in items other than shareholders' equity	366	276	197	840	(173)	667
Total changes during period	366	553	197	1,117	(2,307)	5,825
Balance at end of period	1,581	602	(25)	2,158	1,044	75,863

**(4) Consolidated statement of cash flows**

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,634	10,567
Depreciation	1,189	1,296
Amortization of goodwill	529	603
Increase (decrease) in provision for bonuses	80	150
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6	8
Increase(decrease) for retirement benefits asset liability	(105)	(31)
Increase (decrease) in allowance for doubtful accounts	147	(10)
Share of loss (profit) of entities accounted for using equity method	955	190
Interest and dividend income	(253)	(366)
Interest expenses	52	89
Subsidy income	(51)	(512)
Foreign exchange losses (gains)	5	(123)
Loss (gain) on sale and retirement of non-current assets	21	28
Loss on valuation of membership	4	13
Loss (gain) on sale of investment securities	(1,945)	(60)
Loss on litigation	1,405	—
Decrease (increase) in trade receivables	(722)	119
Decrease (increase) in operating investments in silent partnership	9	110
Decrease (increase) in inventories	(4,400)	173
Decrease (increase) in other assets	(758)	(549)
Increase (decrease) in trade payables	(179)	1,143
Increase (decrease) in accrued consumption taxes	31	299
Increase (decrease) in other liabilities	(1,288)	(39)
Other, net	11	40
Subtotal	4,380	13,144
Interest and dividends received	399	595
Interest paid	(53)	(89)
Compensation paid for damage	(1,405)	—
Subsidies received	51	512
Income taxes paid	(1,672)	(4,058)
Net cash provided by (used in) operating activities	1,700	10,103

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from investing activities</b>		
Payments into time deposits	(540)	(944)
Proceeds from withdrawal of time deposits	490	275
Purchase of property, plant and equipment and intangible assets	(1,943)	(1,560)
Proceeds from sale of property, plant and equipment and intangible assets	1	—
Purchase of investment securities	(277)	(1,567)
Proceeds from sale of investment securities	2,759	1,026
Proceeds from redemption of investment securities	128	794
Loan advances	(314)	(442)
Proceeds from collection of loans receivable	50	18
Payments of leasehold and guarantee deposits	(1,104)	(440)
Proceeds from refund of leasehold and guarantee deposits	295	278
Guarantee deposits received	1,043	337
Refund of guarantee deposits received	(237)	(195)
Other, net	1,454	46
Net cash provided by (used in) investing activities	1,805	(2,375)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	11,650	11,550
Repayments of short-term borrowings	(11,650)	(11,550)
Proceeds from long-term non-recourse loan payable	3,800	284
Decrease in long-term nonrecourse loans payable	(227)	(1,406)
Repayments of lease liabilities	(499)	(541)
Purchase of treasury shares	(2,728)	(0)
Repayments of investments to non-controlling shareholders	(77)	(178)
Dividends paid	(2,006)	(1,961)
Dividends paid to non-controlling interests	(375)	(383)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(275)
Net cash provided by (used in) financing activities	(2,113)	(4,462)
Effect of exchange rate change on cash and cash equivalents	280	63
Net increase (decrease) in cash and cash equivalents	1,673	3,328
Cash and cash equivalents at beginning of period	30,864	32,970
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	432	—
Cash and cash equivalents at end of period	32,970	36,299

## **(5) Notes to consolidated financial statements**

### **(Notes on the going concern assumption)**

Not applicable.

### **(Segment information, etc.)**

[Segment information]

#### **1. Overview of reportable segments**

The Company's reportable segments are organizational units for which separate financial statements can be gathered. These reportable segments are subject to periodical review by the Board of Directors to decide business resource allocation and to evaluate performance.

The Company has five reportable segments that are classified by the characteristics and similarity in services provided by the Group companies: Building Management and Operations, Residential Management and Operations, Environmental Facilities Management, Real Estate Fund Management, and Other Businesses.

Building Management and Operations focuses on building management and security services. Residential Management and Operations mainly comprises management of apartment buildings and condominiums to own and public housing. Environmental Facilities Management mainly comprises the management of water treatment, sewage disposal, and other public facilities that support the living environment in general. Real Estate Fund Management mainly comprises asset management (i.e., arrangement and asset management of real estate funds) and handling investments in silent partnership. Other Businesses include mainly event planning and management, printing, and design.

#### **2. Calculation methods of net sales, income or losses, assets, liabilities, and other items for each reportable segment**

The accounting methods used for reportable segments are basically the same as those used for consolidated financial statements.

## 3. Information on net sales, income or losses, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable segments						Adjustments (Note)	Amount recorded on consolidated financial statements
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real estate Fund Management Business	Other Businesses	Total		
Net sales								
Net sales to external customers	85,600	32,182	14,819	5,003	2,263	139,868	—	139,868
Inter-segment net sales and transfer	—	—	—	—	300	300	(300)	—
Total	85,600	32,182	14,819	5,003	2,564	140,169	(300)	139,868
Segment income	7,907	1,395	2,049	1,407	205	12,965	(4,286)	8,678
Segment assets	49,224	23,495	5,349	11,687	1,618	91,375	9,428	100,803
Other items								
Depreciation	174	395	48	198	25	842	346	1,189
Investments in entities accounted for using equity method	2,298	3,824	53	121	—	6,297	—	6,297
Increase in property, plant and equipment and intangible assets	151	2,807	92	464	31	3,547	423	3,970

(Note) 1. Adjustments are as follows:

- (1) The segment income adjustment of -4,286 million yen represents elimination of inter-segment transactions and unallocated general and administrative expenses.
  - (2) Adjustments of 9,428 million yen for segment assets are corporate assets that are not allocated to any of the reportable segments. They are mainly cash, time deposits, investment securities, and the assets of the administration departments of the Company.
  - (3) Adjustments of 423 million yen for increase in property, plant and equipment and intangible assets are due to system upgrade and the establishment of corporate museum and training facilities.
2. Segment income has been adjusted to operating income described in the consolidated statement of income.

Fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)

(Millions of yen)

	Reportable segments						Adjustments (Note)	Amount recorded on consolidated financial statements
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real estate Fund Management Business	Other Businesses	Total		
Net sales								
Net sales to external customers	94,668	34,464	15,473	3,131	2,520	150,258	—	150,258
Inter-segment net sales and transfer	—	—	—	—	377	377	(377)	—
Total	94,668	34,464	15,473	3,131	2,898	150,636	(377)	150,258
Segment income	8,929	1,360	2,246	512	201	13,250	(4,563)	8,686
Segment assets	52,398	24,131	5,911	11,496	1,921	95,859	11,128	106,987
Other items								
Depreciation	164	453	49	254	24	946	350	1,296
Investments in entities accounted for using equity method	2,534	4,038	57	20	—	6,651	—	6,651
Increase in property, plant and equipment and intangible assets	486	1,232	14	174	8	1,916	402	2,319

(Note) 1. Adjustments are as follows:

- (1) The segment income adjustment of -4,563 million yen represents elimination of inter-segment transactions and unallocated general and administrative expenses.
  - (2) Adjustments of 11,128 million yen for segment assets are corporate assets that are not allocated to any of the reportable segments. They are mainly cash, time deposits, investment securities, and the assets of the administration departments of the Company.
  - (3) Adjustments of 402 million yen for increase in property, plant and equipment and intangible assets are due to system upgrade and purchase of fixtures, etc.
2. Segment income has been adjusted to operating income described in the consolidated statement of income.

[Related information]

Fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

1. Information related to product and service

Please refer to “Segment information.”

2. Information related to geographic region

(1) Net sales

The information is omitted because net sales to external customers in Japan account for more than 90% of net sales reported in the consolidated statements of income.

(2) Property, plant and equipment

Japan (million yen)	US (million yen)	Total (million yen)
6,728	1,170	7,899

3. Information related to major customer

There is nothing to report because there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

Fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)

1. Information related to product and service

Please refer to “Segment information.”

2. Information related to geographic region

(1) Net sales

The information is omitted because net sales to external customers in Japan account for more than 90% of net sales reported in the consolidated statements of income.

(2) Property, plant and equipment

Japan (million yen)	US (million yen)	Total (million yen)
6,801	1,417	8,219

3. Information related to major customer

There is nothing to report because there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

[Information on impairment loss on non-current assets by reportable segment]

Fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

Not applicable.

Fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)

Not applicable.

[Information on amortization of goodwill and unamortized balance of goodwill by reportable segment]

Fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable segments						Elimination or corporate	Total
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real estate Fund Management Business	Other Businesses	Total		
Amortization for the period	16	441	28	—	43	529	—	529
Balance at end of period	24	5,475	105	—	280	5,885	—	5,885

Fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)

(Millions of yen)

	Reportable segments						Elimination or corporate	Total
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real estate Fund Management Business	Other Businesses	Total		
Amortization for the period	16	515	28	—	43	603	—	603
Balance at end of period	8	5,733	77	—	237	6,056	—	6,056

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

Not applicable.

Fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)

Not applicable.

**(Per share information)**

	Fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)
Net assets per share	1,836.01 yen	2,059.94 yen
Basic earnings per share	157.62 yen	196.03 yen

(Note) 1. No diluted profit per share is presented as there were no potentially dilutive securities.

2. The basis of calculations of profit per share is as follows:

	Fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)
Profit attributable to owners of parent (million yen)	5,829	7,119
Amount not attributable to owners of common stock (million yen)	—	—
Profit attributable to owners of parent associated with common stock (million yen)	5,829	7,119
Average number of shares of common stock during period (shares)	36,986,297	36,320,992

3. The basis of calculations of net assets per share is as follows:

	As of March 31, 2025	As of March 31, 2026
Total net assets (million yen)	70,038	75,863
Amount deducted from total net assets (million yen)	3,352	1,044
[Of which, non-controlling interests (million yen)]	(3,352)	(1,044)
Net assets associated with common stock at end of period (million yen)	66,685	74,819
Number of shares of common stock issued and outstanding (shares)	41,180,306	41,180,306
Number of shares of common stock as treasury stock (shares)	4,859,190	4,859,359
Number of shares of common stock at end of period used in the calculation of net assets per share	36,321,116	36,320,947

**(Significant subsequent events)**

Not applicable.