August 12, 2026

Consolidated Financial Results for the Three Months Ended June 30, 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/
Representative: Shintaro Fukuda, President and Representative Director
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated business results (year to date) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	38,392	9.3	3,134	14.8	3,226	5.3	2,339	20.4
June 30, 2025	35,135	11.7	2,729	32.4	3,063	34.2	1,943	352.4

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 3,048 million [99.9%]
For the three months ended June 30, 2025: ¥ 1,524 million [(31.9)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	64.42	—
June 30, 2025	53.52	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	104,744	77,727	73.2
March 31, 2026	106,987	75,863	69.9

Reference: Equity As of June 30, 2026: ¥ 76,625 million
As of March 31, 2026: ¥ 74,819 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	27.00	—	30.00	57.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		30.00	—	30.00	60.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2026	41,180,306 shares
As of March 31, 2026	41,180,306 shares

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

As of June 30, 2026	4,859,359 shares
As of March 31, 2026	4,859,359 shares

(iii) Average number of shares outstanding during the period (year to date)

Three months ended June 30, 2026	36,320,947 shares
Three months ended June 30, 2025	36,321,093 shares

*** Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:** Yes (voluntary)

*** 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.; (3) Explanation regarding information on future forecasts including consolidated business forecasts, etc." on page 3 of the Attached Document of this quarterly financial report regarding assumptions upon which forecasts are based and the use of forecasts.

Table of Contents for the Attached Document

1. Overview of business results, etc.

(1) Overview of business results for the period

During the first three months of the fiscal year ending March 31, 2027, the Japanese economy continued to be on a moderate recovery trend, supported by solid corporate earnings and capital investments, as well as improvements in the employment and income situations. However, the outlook has remained uncertain due to concerns about factors such as rising commodity prices and uncertainty in the global economy resulting from the intensifying Middle East situation.

In the real estate-related services industry, gradual declines in vacancy rates for offices and commercial buildings were observed primarily in urban areas, and demand for public facility management and condominium management was also firm.

On the other hand, high raw material prices and increases 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, to continuously provide high-quality services that meet customer needs, the Nippon Kanzai Group (hereinafter the “Group”) has continued to adapt to changing times and environments by pursuing optimal building management utilizing our advanced technologies and responsiveness.

Furthermore, the Group has strengthened building management operations, its core business, and driven business expansion into peripheral fields such as Private Finance Initiatives (PFI) and public facility management projects, while working to improve operational efficiency and service quality through the use of digital transformation (DX).

In the first three months of the fiscal year ending March 31, 2027, renewal of existing management contracts and orders for construction-related services progressed steadily, resulting in net sales increasing by 9.3% year on year to 38,392 million yen.

In terms of profit, despite increased personnel expenses, efforts to secure profits, including revising fees and reviewing operational efficiency, resulted in operating profit increasing by 14.8% year on year to 3,134 million yen, ordinary profit increasing by 5.3% year on year to 3,226 million yen, and profit attributable to owners of parent increasing by 20.4% year on year to 2,339 million yen.

The following are business results by segment.

Note that segment income has been adjusted to operating profit on the quarterly consolidated statements 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, renewal of existing management contracts and orders for construction-related services progressed steadily, resulting in net sales increasing by 8.7% year on year to 24,127 million yen for the three months ended June 30, 2026.

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 10.2% year on year to 2,547 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 13.3% year on year to 8,894 million yen for the three months ended June 30, 2026.

In terms of profit, efforts to improve the gross profit ratio by revising fees resulted in segment income increasing by 48.6% year on year to 756 million yen.

Environmental Facilities Management

With regard to Environmental Facilities Management, which mainly consists of managing public facilities related to the overall living environment such as water treatment and sewage disposal facilities, steady renewal of existing management contracts resulted in net sales increasing by 5.0% year on year to 3,925 million yen for the three months ended June 30, 2026.

In terms of profit, despite efforts to reduce costs, increases in personnel and other expenses resulted in segment income decreasing by 7.4% year on year to 746 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, the facilities management and operations business progressed steadily, resulting in net sales increasing by 7.1% year on year to 814 million yen for the three months ended June 30, 2026.

In terms of profit, efforts to improve the gross profit ratio and reduce costs resulted in segment income increasing by 21.3% year on year to 177 million yen.

Other Businesses

In Other Businesses, which mainly consist of event planning and management, design, and payroll accounting services, a decline in contract volume for event services resulted in net sales decreasing by 5.7% year on year to 705 million yen for the three months ended June 30, 2026.

In terms of profit, increases in personnel and other expenses resulted in segment income decreasing by 82.3% year on year to 14 million yen.

(2) Overview of financial position for the period

Total assets as of June 30, 2026, decreased by 2,243 million yen, or 2.1%, from the end of the previous fiscal year to 104,744 million yen.

Current assets decreased by 2,382 million yen, or 3.4%, from the end of the previous fiscal year to 67,081 million yen, while non-current assets increased by 139 million yen, or 0.4%, from the end of the previous fiscal year to 37,662 million yen.

The decrease was mainly due to a decrease in notes and accounts receivable - trade, and contract assets (decrease of 1,895 million yen from the end of the previous fiscal year).

Liabilities as of June 30, 2026, decreased by 4,107 million yen, or 13.2%, from the end of the previous fiscal year to 27,016 million yen.

Current liabilities decreased by 4,084 million yen, or 19.1%, from the end of the previous fiscal year to 17,295 million yen, while non-current liabilities decreased by 22 million yen, or 0.2%, from the end of the previous fiscal year to 9,721 million yen.

The decrease was mainly due to a decrease in notes and accounts payable - trade (decrease of 3,062 million yen from the end of the previous fiscal year) and a decrease in income taxes payable (decrease of 997 million yen from the end of the previous fiscal year).

Net assets as of June 30, 2026, increased by 1,863 million yen, or 2.5%, from the end of the previous fiscal year to 77,727 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 1,250 million yen from the end of the previous fiscal year).

As a result, the equity-to-asset ratio as of June 30, 2026, increased by 3.3 percentage points from 69.9% at the end of the previous fiscal year to 73.2%.

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

(3) Explanation regarding information on future forecasts including consolidated business forecasts, etc.

The Group remains cautious of the future business environment, which continues to be unpredictable.

The Group’s business performance has been generally in line with the forecasts announced on May 12, 2026, and there are no changes to the full-year business forecasts.

2. Quarterly consolidated financial statements and primary notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	37,393	35,601
Notes and accounts receivable - trade, and contract assets	20,140	18,245
Operating investments in silent partnership	34	29
Real estate for sale	5,598	5,587
Supplies	373	373
Income taxes refund receivable	171	175
Other	5,770	7,087
Allowance for doubtful accounts	(18)	(18)
Total current assets	69,463	67,081
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,933	3,897
Machinery, equipment and vehicles, net	137	130
Tools, furniture and fixtures, net	842	825
Land	1,211	1,211
Leased assets, net	2,046	2,029
Construction in progress	49	158
Total property, plant and equipment	8,219	8,252
Intangible assets		
Software	410	378
Goodwill	6,056	6,004
Trademark right	318	320
Customer-related intangible assets	2,132	2,128
Software in progress	21	21
Other	66	64
Total intangible assets	9,005	8,917
Investments and other assets		
Investment securities	12,949	13,406
Long-term loans receivable	1,044	925
Deferred tax assets	455	355
Long-term prepaid expenses	42	39
Retirement benefit asset	1,252	1,288
Leasehold and guarantee deposits	4,048	3,992
Membership	300	300
Other	414	395
Allowance for doubtful accounts	(208)	(210)
Total investments and other assets	20,298	20,492
Total non-current assets	37,523	37,662
Total assets	106,987	104,744

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,101	6,039
Current portion of long-term nonrecourse loans payable	41	41
Lease liabilities	431	499
Accrued expenses	2,582	3,075
Income taxes payable	1,742	744
Accrued consumption taxes	1,503	1,751
Contract liabilities	2,086	2,169
Deposits received	315	848
Provision for bonuses	1,123	112
Asset retirement obligations	2	—
Other	2,448	2,013
Total current liabilities	21,379	17,295
Non-current liabilities		
Long-term nonrecourse loans payable	2,922	2,912
Lease liabilities	1,753	1,676
Deferred tax liabilities	879	1,042
Provision for retirement benefits for directors (and other officers)	19	15
Retirement benefit liability	159	160
Long-term guarantee deposits	2,741	2,682
Asset retirement obligations	524	524
Liabilities from application of equity method	63	66
Other	680	641
Total non-current liabilities	9,744	9,721
Total liabilities	31,123	27,016
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Capital surplus	11,339	11,339
Retained earnings	71,378	72,628
Treasury shares	(13,057)	(13,057)
Total shareholders' equity	72,660	73,910
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,581	1,745
Foreign currency translation adjustment	602	990
Remeasurements of defined benefit plans	(25)	(20)
Total accumulated other comprehensive income	2,158	2,714
Non-controlling interests	1,044	1,102
Total net assets	75,863	77,727
Total liabilities and net assets	106,987	104,744

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

For the three-month period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	35,135	38,392
Cost of sales	24,405	26,146
Gross profit	10,730	12,245
Selling, general and administrative expenses		
Selling expenses	220	156
Personnel expenses	4,797	5,638
Provision for bonuses	57	65
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit expenses	120	135
Travel, transportation and communication expenses	423	449
Supplies expenses	383	496
Rent expenses	458	521
Insurance expenses	218	125
Depreciation	146	205
Taxes and dues	312	344
Enterprise tax	103	110
Provision of allowance for doubtful accounts	0	2
Amortization of goodwill	137	156
Other	617	700
Total selling, general and administrative expenses	8,000	9,111
Operating profit	2,729	3,134
Non-operating income		
Interest and dividend income	72	96
Rental income	15	15
Commission income	254	35
Share of profit of entities accounted for using equity method	18	—
Foreign exchange gains	—	3
Other	48	30
Total non-operating income	407	182
Non-operating expenses		
Interest expenses	15	30
Rental expenses	17	16
Share of loss of entities accounted for using equity method	—	18
Loss on sale and retirement of non-current assets	4	3
Foreign exchange losses	1	—
Other	34	20
Total non-operating expenses	73	90
Ordinary profit	3,063	3,226

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Extraordinary income		
Gain on sale of investment securities	—	42
Total extraordinary income	—	42
Profit before income taxes	3,063	3,269
Income taxes - current	576	603
Income taxes - deferred	390	179
Total income taxes	966	782
Profit	2,097	2,486
Profit attributable to non-controlling interests	153	146
Profit attributable to owners of parent	1,943	2,339

Quarterly consolidated statement of comprehensive income

For the three-month period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	2,097	2,486
Other comprehensive income		
Valuation difference on available-for-sale securities	63	166
Foreign currency translation adjustment	(476)	200
Remeasurements of defined benefit plans, net of tax	18	5
Share of other comprehensive income of entities accounted for using equity method	(177)	190
Total other comprehensive income	(572)	562
Comprehensive income	1,524	3,048
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,655	2,895
Comprehensive income attributable to non-controlling interests	(130)	152

(3) Notes to quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the three months ended June 30, 2026 has not been prepared.

The figures for depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2026 were as follows:

	Three months ended June 30, 2025 (April 1, 2025, to June 30, 2025)	Three months ended June 30, 2026 (April 1, 2026, to June 30, 2026)
Depreciation	290 million yen	366 million yen
Amortization of goodwill	137 million yen	156 million yen

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on segment information, etc.)

I. Three months ended June 30, 2025 (April 1, 2025, to June 30, 2025)

Information on net sales, and income or losses for each reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded on quarterly consolidated statement of income (Note 2)
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real Estate Fund Management	Other Businesses	Total		
Net sales								
Net sales to external customers	22,189	7,851	3,737	761	596	35,135	—	35,135
Inter-segment net sales and transfer	—	—	—	—	152	152	(152)	—
Total	22,189	7,851	3,737	761	748	35,288	(152)	35,135
Segment income	2,312	509	806	146	83	3,857	(1,128)	2,729

(Notes) 1. The segment income adjustment of -1,128 million yen represents elimination of inter-segment transactions and unallocated general and administrative expenses.

2. Segment income has been adjusted to operating profit on the quarterly consolidated statement of income.

II. Three months ended June 30, 2026 (April 1, 2026, to June 30, 2026)

Information on net sales, and income or losses for each reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded on quarterly consolidated statement of income (Note 2)
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real Estate Fund Management	Other Businesses	Total		
Net sales								
Net sales to external customers	24,127	8,894	3,925	814	630	38,392	—	38,392
Inter-segment net sales and transfer	—	—	—	—	75	75	(75)	—
Total	24,127	8,894	3,925	814	705	38,467	(75)	38,392
Segment income	2,547	756	746	177	14	4,242	(1,108)	3,134

(Notes) 1. The segment income adjustment of -1,108 million yen represents elimination of inter-segment transactions and unallocated general and administrative expenses.

2. Segment income has been adjusted to operating profit on the quarterly consolidated statement of income.