Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2027

August 6, 2026

Company name:	Sun Frontier Fudousan Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	8934
URL:	https://www.sunfrt.co.jp/en/
Representative:	Seiichi Saito, President and CEO
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Scheduled date for dividend payment:	None
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (from April 01, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2027/3 1Q	29,937	9.6	6,425	6.7	5,895	1.9	3,943	-0.9
FY2026/3 1Q	27,319	74.2	6,021	112.4	5,783	111.1	3,978	111.8

(Note) Comprehensive income for FY2027/3 1Q: 4,270million yen (18.7%)
for FY2026/3 1Q: 3,598 million yen (58.2%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2027/3 1Q	68.96	65.16
FY2026/3 1Q	81.97	72.32

(2) Consolidated financial position

	Total assets	Equity	Equity to total assets ratio
	Million yen	Million yen	%
FY2027/3 1Q	292,078	136,095	46.4
FY2026/3	264,463	120,384	45.3

(Reference) Shareholders' equity as of FY2027/3 1Q : 135,460 million yen
as of FY2026/3 : 119,740 million yen

2. Cash dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2026/3	-	38.00		38.00	76.00
FY2027/3					
FY2027/3 (Forecast)		40.00		40.00	80.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for FY2027/3 (from April 01, 2026 to March 31, 2027)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	130,000	12.0	28,150	11.0	26,000	11.6	17,400	8.8	304.28

(Note) Correction of financial forecast from the most recent financial forecast : None

※ Notes

(1) Significant changes in the scope of consolidation during the period: Yes
New companies: -
Excluded companies: -Three companies. Nihon Toshi Hotel Kaihatsu Co. Ltd., and two other companies

(2) Application of specific accounting for the consolidated quarterly financial statements: None

(3) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies based on revisions of accounting standard : None

(ii) Changes in accounting policies other than those in (i) : None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(4) Number of issued shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock):	FY2027/3 1Q	57,407,314 shares	FY2026/3	51,907,314 shares
2) Number of shares of treasury stock at the end of the period:	FY2027/3 1Q	223,308 shares	FY2026/3	222,620 shares
3) Average number of shares for the period (April 1, 2026 to June 30, 2026):	FY2027/3 1Q	57,183,883 shares	FY2026/3 1Q	48,532,193 shares

(Note)

The increase in the number of issued shares outstanding at the end of the period was attributable to the issuance of 5,500,000 shares through a third-party allotment. The number of treasury shares at the end of the period includes 128,300 shares held by the trust account of the Stock Benefit Trust (J-ESOP).

The principal changes in treasury shares during the period consisted of a decrease of 1,600 shares resulting from the exercise of stock options and an increase of 2,287 shares, among others, acquired without consideration following the forfeiture of rights by recipients of restricted stock compensation..

※Consolidated Financial Results is not eligible for review by Certified Public Accountants or auditors.

※Explanation for appropriate use of forecast and other special matters

Earnings per share in the forecast of consolidated financial results for the fiscal year ending March 31, 2027 are calculated based on the average number of shares for the period, 57,183,883 shares.

Forward-looking statements, such as forecasts of consolidated financial performance, stated in this document are based on information currently possessed by the Company as well as certain assumptions deemed rational. It does not mean that the Company assures that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance may be significantly different from such expectations due to various factors. For further information on assumptions used in forecasts and notes regarding the use of forecasts, please see Page 9, "1. (3) Explanation regarding forward-looking statements such as consolidated forecasts."

○Contents of Attached Materials

1. Qualitative Information on Current Quarterly Financial Results

(1) Explanation of operating results

Matters concerning the future in the text are those judged by the Group as of the end of the current quarterly consolidated accounting period.

During the current first-quarter consolidated cumulative period (April 1, 2026 ~ June 30, 2026, hereinafter referred to as the "current period"), the Japanese economy continued on a moderate recovery trend, supported by a favorable employment environment and strong corporate capital investment appetite. The Bank of Japan has been gradually advancing the normalization of monetary policy, and the policy interest rate reached 1.00%, the highest level in 31 years since 1995. As the normalization of monetary policy continues going forward, it will be necessary to closely monitor the impact of interest rate and price trends on the domestic economy.

In the global economy, against the backdrop of heightened tensions in the Middle East since the end of February, energy prices, including crude oil, surged temporarily, with crude oil prices rising sharply. Although prices temporarily regained stability following the ceasefire in mid-June, geopolitical tensions have continued to smolder thereafter, and the crude oil supply system has not yet returned to normal. Caution is required regarding the outlook, as there are concerns about a resurgence of inflation and impacts on supply chains. Under these circumstances, in office revitalization and new construction projects, although there is a possibility that construction periods and costs may be affected due to supply constraints for certain materials and labor shortages in the construction industry, our group is striving to ensure the steady progress and profitability of projects through the early securing of materials, flexible selection of substitute products, strengthened collaboration with major suppliers, and agile schedule management.

In the office market of Tokyo’s 5 central wards, which is the core area of our Group’s office building business, market conditions remained firm, with the vacancy rate in June falling below 2% and the upward trend in average asking rents rising markedly. Although a certain level of new supply is expected in 2026, positive relocation and expansion demand aimed at securing talented human resources remained solid, and supply-demand conditions continued to be tight.

In the real estate investment market, investment appetite among domestic and overseas institutional investors remained firm against the backdrop of rising rents and the continuing weak yen trend. Meanwhile, the tendency for property profitability to be given greater weight in investment decisions continued, accelerating the selection of properties based on the advantages of location, building specifications, and operational capabilities. While investment demand for prime properties remained solid, a cautious stance was also seen toward properties with inferior competitiveness, and market polarization is progressing.

In the hotel and tourism market, although growth in inbound demand from China to Japan slowed, the number of visitors to Japan from Asia, mainly South Korea and Taiwan, as well as from Europe, the United States, and Australia, remained steady, and occupancy rates and average room rates at accommodation facilities maintained high levels.

Under this business environment, our Group’s office building business has continued to focus on office buildings that accommodate diverse operating styles and on merchandising properties whose environmental performance and asset value have been enhanced through renovations from the "client perspective." During the current period, both net sales and profits increased due to an increase in the number of properties sold compared with the same period of the previous year. Regarding property acquisitions, the acquisition of high-quality properties with an eye to future business growth has progressed steadily through measures including strengthening the acquisition framework integrated across the office division. In the Hotel and Tourism business, in addition to an increase in the number of rooms associated with new hotel openings, performance expanded through the continued strengthening of hospitality and marketing under the theme of "heartwarming and enjoyable hotels." In addition, construction work for new openings in the current period and from the next period onward is also progressing steadily.

As a result, net sales for the current period increased year on year, and both operating profit and ordinary profit increased, with progress generally proceeding as planned against the full-year forecasts.

(million yen)

	Results for FY2026/3 1Q	**Results for FY2027/3 1Q**	YoY change	Full-year forecast	Progress rate
Net sales	27,319	**29,937**	+9.6%	130,000	23.0%
Gross profit	9,134	**9,783**	+7.1%	42,839	22.8%
Operating profit	6,021	**6,425**	+6.7%	28,150	22.8%
Ordinary profit	5,783	**5,895**	+1.9%	26,000	22.7%
Profit attributable to owners of parent	3,978	**3,943**	-0.9 %	17,400	22.7%

The results of each segment are as follows.

(Real Estate Revitalization Business)

In the Real Estate Revitalization Business, we operate (i) the Replanning Business and (ii) the Rental Building Business.

(i) In the Replanning Business, we are engaged in initiatives to add value to office buildings with low occupancy rates due to aging deterioration and other factors, and that require repairs and improvements in design, transforming them into highly occupied, high-value-added buildings by renovating them with a commitment to a "client-oriented perspective." Leveraging such know-how, in the Real Estate Specified Joint Enterprise Business, based on the Real Estate Specified Joint Enterprise Act, we subdivide high-quality real estate mainly in Tokyo and Kansai and provide it to a wide range of investors as real estate investment merchandise that can be started with small amounts. In addition, in the development of newly built buildings, we have accumulated a track record of 9 projects to date, and will continue to identify regional characteristics and develop highly value-added buildings. In our domestic residential business as well, we have handled 7 newly built projects and 2 revitalization projects. Furthermore, in real estate revitalization projects in New York, we contribute to realizing affluent lives for local residents while providing investors in Japan with opportunities to invest in overseas real estate. In the current period, the number of properties sold was 5 (including 2 newly built buildings, etc.), an increase of 1 compared with the same period of the previous year, and both net sales and profits increased. Contracted property sales planned for this period are also steadily accumulating, and progress is generally proceeding as planned against the full-year forecast.

(ii) The Rental Building Business aims to build a stable earnings base as a stock business, and seeks to increase rental income by leveraging the expertise accumulated in the real estate service business even during the merchandise conversion period of properties in the Replanning Business. In the current period, net sales increased year on year due to an increase in the number of buildings held resulting from favorable acquisitions and an improvement in the vacancy rate through active leasing activities, but profit decreased due to an increase in cost of lease revenue and other factors.

<Results of the Real Estate Revitalization Business>

(million yen)

	Results for FY2026/3 1Q	**Results for FY2027/3 1Q**	YoY change	Full-year forecast	Progress rate
Net sales	**17,857**	**18,656**	**+4.5%**	**85,300**	**21.9%**
Replanning Business	17,045	17,487	+2.6%	81,100	21.6%
Rental Building Business	812	1,168	+43.9%	4,200	27.8%
Gross profit	**5,459**	**5,758**	**+5.5%**	**27,450**	**21.0%**
Replanning Business	5,226	5,540	+6.0%	26,350	21.0%
Rental Building Business	232	218	-6.3 %	1,100	19.8%
Segment profit	**4,695**	**5,088**	**+8.4%**	**-**	**-**
Replanning Business	4,462	4,870	+9.2%	-	-
Rental Building Business	232	218	-6.3 %	-	-

(Real Estate Service Business)

In the Real Estate Services Business, we engage in (i) the Property Management Business, (ii) the Building Maintenance Business, (iii) the Sales Brokerage Business, (iv) the Leasing Brokerage Business, (v) the Rental Conference Room Business, and (vi) the Rent Guarantee Business, etc.

(i) In the property management business, through building management that accurately captures tenants' needs, we strive to improve the profitability of properties owned by owners and maximize real estate value, thereby supporting highly occupied and highly profitable building management. In the current period, the total number of contracted buildings increased by 4 from the end of the previous period to 563, and the occupancy rate also rose to 95.63% compared with the previous period, resulting in increases in both net sales and profit year on year. By the end of this period, we have set a target of achieving 600 contracted buildings and are proceeding with business expansion. Going forward, by continuing to provide prompt and high-quality services, we will enhance customer satisfaction and strive to cultivate enthusiastic fans.

(ii) In the Building Maintenance Business, under the slogan "Make Tokyo the most beautiful city in the world," we conduct businesses such as inspections, cleaning, renewal work, and surveys to maintain and manage Buildings. During the current period, although management revenue remained firm due to an increase in newly contracted properties, construction sales decreased due to the rebound from large-scale construction projects in the same period of the previous year, resulting in decreases in both net sales and profit compared with the same period of the previous year.

(iii) The Real Estate Sales Brokerage Business, as part of real estate consulting, provides services that swiftly resolve issues such as property purchases and sales raised by customers of each division, including the Property Management Business and the Leasing Brokerage Business. During the current period, although the number of transactions handled increased compared with the same period of the previous year, the handling of large-scale projects decreased compared with the same period of the previous year, resulting in decreases in both net sales and profit compared with the same period of the previous year.

(iv) The Leasing Brokerage Business has established a service network of 13 locations in major central urban areas, and provides services that support tenants in opening new locations and relocating, while resolving all manner of issues related to building management in line with the needs of building owners. During the current period, although the number of applications for office leasing properties remained firm and the average contract unit price also increased, the number of contracts struggled to grow due to factors such as a decrease in the number of available spaces against the backdrop of a buoyant office leasing market, and both net sales and profit fell below the same period of the previous year. Even under these circumstances, the number of tenant leasing transactions for Replanning properties held by the Company exceeded the level recorded in the same period of the previous year. Going forward, we will continue to pursue business expansion through strengthening our service structure and strive to enhance the value we provide to building owners and tenants.

(v) The Rental Conference Room Business operates 19 locations in central Tokyo and Yokohama, with a total managed floor area of 10,803 tsubo (as of the end of the current period), and provides spaces that meet diverse customer needs for training, seminars, exhibitions, examination venues, parties, and more. During the current period, operating floor area increased compared with the same period of the previous year due to expansion of floor space at some existing locations and the opening of "Vision Center Ichigaya Ekimae." In addition, continued orders for large-scale projects, including training for new graduate employees, and steady use of training sessions and seminars by repeat customers resulted in growth in both net sales and profit year on year. Under the continuing policy of "not selling rooms, but making events successful," we will enhance the profitability of the business as a whole while promoting business expansion through new openings and expansion of existing locations, aiming for a scale of 16,000 tsubo set forth in the Medium-term Management Plan 2028.

(vi) The Rent Guarantee Business provides "TRI-WINS," a rental guarantee service that broadly covers tenant investigation, screening, delinquency guarantees, building surrender litigation, and move-out procedures for offices and stores, and strives to resolve the risks and issues faced by both owners and tenants, thereby contributing to economic growth and social stability. During the current period, both net sales and profits increased year on year due to increases in both the number of new contracts for credit guarantees, the core business, and reinsurance contracts.

<Results of the Real Estate Services Business>

(million yen)

	Results for FY2026/3 1Q	**Results for FY2027/3 1Q**	YoY change	Full-year forecast	Progress rate
Net sales	**4,289**	**4,261**	**-0.6 %**	**17,270**	**24.7%**
PM/BM/Brokerage Business, etc.	2,699	2,408	-10.8 %	11,250	21.4%
Rental Conference Room Business	1,590	1,853	+16.6%	6,020	30.8%
Gross profit	**2,310**	**2,266**	**-1.9 %**	**9,060**	**25.0%**
PM/BM/Brokerage Business, etc.	1,641	1,406	-14.4 %	7,540	18.7%
Rental Conference Room Business	668	859	+28.6%	1,520	56.6%
Segment profit	**2,306**	**2,261**	**-2.0%**	-	-
PM/BM/Brokerage Business, etc.	1,641	1,406	-14.4 %	-	-
Rental Conference Room Business	664	855	+28.7%	-	-

(Hotel and Tourism Business)

The Hotel and Tourism Business engages in (i) the Hotel Development Business and (ii) the Hotel Operation Business, etc.

(i) The Hotel Development Business promotes the development and revitalization of hotels with rich appeal that contribute to the revitalization of cities and society. During the current period, as in the same period of the previous year, there were no results from property sales, and profits decreased YoY due to factors such as an increase in expenses toward the opening of new hotels. In addition, during the fiscal year ending March 2027, the opening of the following five hotels with 934 rooms is scheduled.

Hotel name	Number of rooms	Scheduled opening
Tabino Hotel Utsunomiya Yui no Mori	201	August 2026
Tabino Hotel Aomori Rokkasho Village	210	October 2026
Tabino Hotel lit Toyokawa	112	November 2026
Tabino Hotel lit Sakata	178	January 2027
Tabino Hotel lit Akita Ekimae	233	January 2027

(ii) The Hotel Operation Business values the culture and history of local communities and operates hotels that develop together with their communities, while providing natural and friendly services under the theme of "heartwarming and enjoyable hotel." At the end of the current period, the number of hotel rooms operated was 4,227 rooms across 39 hotels, an increase compared with the same period of the previous year (29 hotels, 3,166 rooms). As a result, net sales and profit for the current period increased compared with the same period of the previous year. During the current period, we opened four hotels: "Hiyori Hotel Matsuyama," "Tabino Hotel Aso Kumamoto Airport," and "Tabino Hotel Sado Annex" in April, and "Tabino Hotel Base Takayama Ekimae" in June. In particular, "Tabino Hotel Aso Kumamoto Airport" is a regional revitalization hotel that was approved by Kumamoto Prefecture as a regional economy-driving project, while "Tabino Hotel Sado Annex" promotes development that leverages regional resources, including the revitalization of a dormitory for a nursing vocational school. In addition, we commenced operations through the business transfer (April) of the hot spring facility "Katsuyama Onsen Center Mizubasho" (currently: Dinosaur Inn SPA, a day-use natural hot spring) in Katsuyama City, Fukui Prefecture, and through its appointment in April as the designated manager of the accommodation facility "Sunrise Jogahama (currently: Sado Seaside Resort & Spa)" in Sado City, Niigata Prefecture. Furthermore, in May, we entered into a "Basic Agreement Concerning Accommodation Facility Development Project" with the Town of Okuma, Fukushima Prefecture, and have continued to steadily expand our business with the aim of achieving 10,000 operating guest rooms by 2033. Regarding the 2026 Kumamoto Earthquake that occurred on July 28, 2026, "Tabino Hotel Aso Kumamoto Airport" has confirmed the safety of its guests and employees, and is welcoming guests as usual, with no impact on its facilities.

<Results of Hotel and Tourism Business>

(million yen)

	Results for FY2026/3 1Q	**Results for FY2027/3 1Q**	YoY change	Full-year forecast	Progress rate
Net sales	**4,598**	**5,480**	**+19.2%**	**21,950**	**25.0%**
Hotel Development Business	0	3	-	0	-
Hotel Operation Business, etc.	4,598	5,477	+19.1%	21,950	25.0%
Gross profit	**1,234**	**1,330**	**+7.7%**	**5,040**	**26.4%**
Hotel Development Business	-0	2	-	0	-
Hotel Operation Business, etc.	1,235	1,327	+7.5%	5,040	26.3%
Segment profit	**1,108**	**1,171**	**+5.6%**	**-**	**-**
Hotel Development Business	-43	-74	-	-	-
Hotel Operation Business, etc.	1,152	1,245	+8.1%	-	-

(Other Business)

In addition, we engage in (i) the Construction Business and (ii) the Overseas Development Business, etc.

(i) The Construction Business mainly engages in renewal planning for office spaces and exteriors/entrances, as well as interior construction work for offices and residences, and office telecommunications network construction work. In the current period, in addition to an increase in the number of orders received and the receipt of large-scale projects, the results of the Otake Kenso Group, which joined through M&A in October 2025, contributed from the beginning of the period, resulting in increases in Net sales and profit compared with the same period of the previous year.

(ii) In the Overseas Development Business, we have expanded into Da Nang, the largest city in central Vietnam where growth is expected, and are conducting integrated operations ranging from the development and sale of high-rise condominiums to rental brokerage and property management services. During the current period, we continued sales of Project No. 2, "HIYORI Aqua Tower." As this property is scheduled for completion in the first half of fiscal 2027, the recording of results will occur from the next fiscal year onward. As a result, results for the current period, including net sales and profit, were at the same level as in the corresponding period of the previous fiscal year.

<Other Business operating results>

(million yen)

	Results for FY2026/3 1Q	**Results for FY2027/3 1Q**	YoY change	Full-year forecast	Progress rate
Net sales	**756**	**1,828**	**+141.6%**	**7,480**	**24.4%**
Gross profit	**208**	**576**	**+176.9%**	**1,989**	**29.0%**
Segment profit	**193**	**466**	**+141.8%**	**-**	**-**

In July 2026, we acquired 100% of the issued shares of Aeras Co., Ltd. (including its nine group companies), which operates a residential leasing brokerage business through 67 locations in the Tokyo metropolitan area, and made Aeras Co., Ltd. and its group companies consolidated subsidiaries. Going forward, while pursuing further growth in the leasing brokerage business developed by the Aeras Group, we will also leverage its leasing capabilities and customer base and collaborate with our Group's Office Business to develop a property regeneration business in addition to the new construction business within the Residential Business, which our Group is promoting as one of its growth strategies, thereby further expanding our business foundation.

Initiatives toward sustainability in the current period

In our group, in order to further promote initiatives in human capital management, we formulated and announced the "Basic Policy on Human Resource Strategy" and the "Human Resource Strategy and Promotion Policy" in the current fiscal year. In addition, we formulated the "Policy for Determining Employee Salaries, etc.," which sets out our approach to evaluation and compensation, and clarified the concept of our treatment and compensation system based on a comprehensive evaluation that takes into account both the practice of our philosophy and business performance. Through these efforts, we will work to establish a human resource foundation that supports the sustainable growth of our group and to enhance corporate value over the medium to long term.

Going forward, our group will continue to promote sustainability management toward the realization of a sustainable society.

◇Human Capital Management https://www.sunfrt.co.jp/en/company/bring_comp/

◇Sustainability website https://www.sunfrt.co.jp/sustainability/en/

(2) Explanation of financial positions

Total assets at the end of the current first-quarter consolidated accounting period were 292,078 million yen (up 10.4% from the end of the previous consolidated fiscal year), liabilities were 155,983 million yen (up 8.3% from the end of the previous consolidated fiscal year), and net assets were 136,095 million yen (up 13.1% from the end of the previous consolidated fiscal year).

The main factors for the increase in total assets were an increase in cash and deposits of 4,438 million yen and an increase in real estate for sale of 21,379 million yen, despite a decrease in deferred tax assets of 741 million yen.

The main factors for the increase in liabilities were increases in short-term borrowings of 1,615 million yen and long-term borrowings of 10,150 million yen, despite a decrease in income taxes payable of 2,564 million yen.

The main factors behind the increase in net assets were an increase in share capital of 6,704 million yen, an increase in capital surplus of 6,702 million yen, and the recording of profit attributable to owners of parent of 3,943 million yen, despite the payment of year-end dividends of 1,968 million yen.

In addition, equity to total assets ratio was 46.4% (up 1.1 percentage points from the end of the Previous consolidated fiscal year).

(3) Explanation of future forecast information such as consolidated forecasts

There is no change to the forecast for the fiscal year ending March 2027 announced on May 11, 2026.

2. Quarterly Consolidated Financial Statements and major notes

(1) Quarterly consolidated Balance sheet

(Unit: Million yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	39,274	43,712
Notes and accounts receivable - trade, and contract assets	3,791	3,687
Real estate for sale	17,949	39,328
Real estate for sale in process	160,392	161,604
Construction in progress	71	106
Supplies	127	138
Other	4,121	4,375
Allowance for doubtful accounts	-22	-25
Total current assets	225,705	252,927
Non-current assets		
Property, plant, and equipment		
Buildings, net	13,347	13,257
Land	9,387	9,491
Other (net)	3,511	4,660
Total property, plant and equipment, net	26,246	27,409
Intangible assets		
Goodwill	1,851	1,702
Other	1,490	1,470
Total intangible assets	3,342	3,173
Investments and other assets		
Guarantee deposits	4,944	5,092
Long-term loans receivable	667	656
Deferred tax assets	2,687	1,946
Other	967	970
Allowance for doubtful accounts	-97	-97
Investments and Other assets total	9,170	8,568
Total non-current assets	38,758	39,151
Total assets	264,463	292,078

(Unit: Million yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,329	6,274
Short-term borrowings	1,310	2,925
Current portion of long-term borrowings	9,063	9,931
Income taxes payable	4,358	1,793
Provision for bonuses	419	264
Provision for directors’ bonuses	88	23
Performance of guarantees	20	33
Other	10,113	11,513
Total current liabilities	30,703	32,758
Non-current liabilities		
Bonds payable	5,102	5,102
Long-term borrowings	102,556	112,707
Directors' retirement benefit provisions	359	359
Liabilities for retirement benefits	32	32
Provision for share awards	129	134
Other	5,196	4,888
Total non-current liabilities	113,375	123,224
Total liabilities	144,078	155,983
Net assets		
Shareholders' equity		
Share capital	14,414	21,118
Capital surplus	8,901	15,604
Retained earnings	95,252	97,227
Treasury shares	-324	-321
Total shareholders' equity	118,243	133,628
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	7
Foreign currency translation adjustment	1,489	1,824
Total accumulated other comprehensive income	1,497	1,831
Share acquisition rights	23	21
Non-controlling interests	620	613
Total net assets	120,384	136,095
Total liabilities and net assets	264,463	292,078

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Current first-quarter consolidated cumulative period

(Unit: Million yen)

	For the First Quarter ended June 30, 2025	For the First Quarter ended June 30, 2026
Net sales	27,319	29,937
Cost of sales	18,184	20,154
Gross profit	9,134	9,783
Selling, general and administrative expenses	3,113	3,357
Operating profit	6,021	6,425
Non-operating income		
Interest and dividend income	19	25
Compensation received for vacating premises	40	-
Other	31	24
Total non-operating income	90	49
Non-operating expenses		
Interest expense	299	538
Foreign exchange losses	8	16
Other	21	24
Total non-operating expenses	329	579
Ordinary profit	5,783	5,895
Extraordinary losses		
Loss on retirement of fixed assets	18	-
Total extraordinary losses	18	-
Income before income taxes	5,764	5,895
Income taxes - current	1,479	1,595
Income taxes - deferred	312	374
Total income taxes	1,792	1,969
Net income	3,971	3,925
Quarterly net loss attributable to non-controlling shareholders (-)	-6	-17
Profit attributable to owners of parent	3,978	3,943

Quarterly Consolidated Statement of Comprehensive Income

Current first-quarter consolidated cumulative period

(Unit: Million yen)

	For the First Quarter ended June 30, 2025	For the First Quarter ended June 30, 2026
Net income	3,971	3,925
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	0	-0
Foreign currency translation adjustment	-373	344
Other comprehensive income, net of tax	-373	344
Comprehensive income	3,598	4,270
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	3,638	4,277
Quarterly comprehensive income attributable to non-controlling shareholders	-39	-7

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.

(Notes when there have been significant changes in the amount of shareholders' equity)

I For the First Quarter ended June 30, 2025

1.Dividends paid

Resolution	Type of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors Meeting held on May 20, 2025	Common stock	1,607	33.00	March 31, 2025	June 25, 2025	Retained earnings

(Note) The total amount of dividends resolved by the Board of Directors on May 20, 2025 includes dividend amount of 4 million yen on the Company's shares held by the trust account of the Stock Benefit Trust (J-ESOP).

2. Of dividends for which the record date falls within the current first-quarter consolidated cumulative period, those for which the effective date of dividend falls after the end of the current first-quarter consolidated accounting period

Not applicable.

II For the First Quarter ended June 30, 2026

1.Dividends paid

Resolution	Type of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors Meeting on May 19, 2026	Common stock	1,968	38.00	March 31, 2026	June 24, 2026	Retained earnings

(Note) The total amount of dividends resolved by the Board of Directors on May 19, 2026 includes dividends of 4 million yen on the Company's shares held by the trust account of the stock benefit trust (J-ESOP).

2. Of dividends for which the record date falls within the current first-quarter consolidated cumulative period, those for which the effective date of dividend falls after the end of the current first-quarter consolidated accounting period

Not applicable.

(Segment information, etc.)
[Segment Information]
I For the First Quarter ended June 30, 2025

1. Information on net sales and amounts of profit or loss by reportable segment, as well as disaggregated revenue information

(Unit: Million yen)

	Reportable segment				Other (Note) 1	Total
	Real estate revitalization	Real Estate Services	Hotels and Tourism	Total		
Net sales						
Net sales from contracts with customers	17,051	3,662	4,409	25,123	728	25,851
Other income (Note) 2	806	497	163	1,467	-	1,467
Net sales to external customers	17,857	4,160	4,573	26,590	728	27,319
Intersegment internal Net sales or transfer amount	0	128	25	154	28	183
Total	17,857	4,289	4,598	26,745	756	27,502
Segment profit	4,695	2,306	1,108	8,110	193	8,303

(Note) 1 The "Other" segment is a business segment not included in the reportable segments, and includes overseas development business, construction business, etc.
2 Other income includes Lease revenue, etc. based on Accounting Standard No. 13 "Accounting Standard for Lease Transactions".

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated Statement of income, and the main details of such difference (Matters concerning difference adjustments)

(Unit: Million yen)

Profit	Amount
Reportable segments	8,110
Profit in the "Other" segment	193
Elimination of intersegment transactions	-5
Company-wide expenses (Note)	-2,515
Quarterly consolidated Statement of income Ordinary profit	5,783

(Note) Corporate expenses are mainly General and administrative expenses not attributable to reportable segments.

3. Information on Impairment losses on Non-current assets or Goodwill, etc. by reportable segment
Not applicable.

II For the First Quarter ended June 30, 2026

1. Information on net sales and amounts of profit or loss by reportable segment, as well as disaggregated revenue information

(Unit: Million yen)

	Reportable segment				Other (Note) 1	Total
	Real estate revitalization	Real Estate Services	Hotels and Tourism	Total		
Net sales						
Net sales from contracts with customers	17,504	3,498	5,262	26,265	1,674	27,939
Other income (Note) 2	1,151	651	181	1,985	12	1,997
Net sales to external customers	18,656	4,150	5,444	28,250	1,687	29,937
Intersegment internal Net sales or transfer amount	-	111	35	147	141	289
Total	18,656	4,261	5,480	28,398	1,828	30,227
Segment profit	5,088	2,261	1,171	8,521	466	8,988

(Note) 1 The "Other" segment is a business segment not included in the reportable segments, and includes overseas development business, construction business, etc.

2 Other income includes Lease revenue, etc. based on Accounting Standard No. 13 "Accounting Standard for Lease Transactions".

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated Statement of income, and the main details of such difference (Matters concerning difference adjustments)

(Unit: Million yen)

Profit	Amount
Reportable segments	8,521
Profit in the "Other" segment	466
Elimination of intersegment transactions	-7
Corporate expenses (Note)	-3,085
Ordinary profit in the quarterly consolidated statement of income	5,895

(Note) Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

3. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

Not applicable.

(Notes on statement of cash flows)

A quarterly consolidated Statement of cash flows for the current first-quarter consolidated cumulative period has not been prepared. In addition, Depreciation for the current first-quarter consolidated cumulative period (including depreciation related to Inventories held for lease and amortization related to Intangible assets excluding Goodwill) and the amortization amount of Goodwill are as follows.

	For the First Quarter ended June 30, 2025	For the First Quarter ended June 30, 2026
Depreciation	715Million yen	1,056Million yen
Amortization of goodwill	73Million yen	148Million yen