

**Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending March 31, 2026**  
**(Three Months Ended June 30, 2025)**

[Japanese GAAP]

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Listing: Tokyo Stock Exchange  
 URL: <https://ki-group.co.jp>

Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the First Three Months (April 1, 2025 – June 30, 2025) of the Fiscal Year Ending March 31, 2026**

## (1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2025	84,574	25.2	4,506	71.0	3,937	76.7	2,399	86.2
Three months ended Jun. 30, 2024	67,568	10.6	2,635	5.3	2,228	(7.6)	1,288	(38.0)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2025: 2,652 (up 70.4%)  
 Three months ended Jun. 30, 2024: 1,556 (down 29.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2025	154.96	154.91
Three months ended Jun. 30, 2024	82.07	82.05

Note: KI-STAR REAL ESTATE Co., Ltd. ("the Company") has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2025	300,411	69,552	20.4
As of Mar. 31, 2025	294,552	68,801	20.4

Reference: Shareholders' equity (million yen) As of Jun. 30, 2025: 61,203 As of Mar. 31, 2025: 60,127

Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	-	65.00	-	86.00	151.00
Fiscal year ending Mar. 31, 2026	-				
Fiscal year ending Mar. 31, 2026 (forecasts)		100.0	-	100.00	200.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	370,000	8.0	23,000	33.3	20,000	32.2	12,000	35.4	775.09

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

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

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Jun. 30, 2025:	15,866,400 shares	As of Mar. 31, 2025:	15,863,800 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2025:	381,644 shares	As of Mar. 31, 2025:	381,644 shares
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3) Average number of shares during the period

Three months ended Jun. 30, 2025:	15,482,846 shares	Three months ended Jun. 30, 2024:	15,699,964 shares
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Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are included in treasury shares for calculating the number of treasury shares at the end of the period and the average number of shares during the period.

\* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

\* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors.

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## 1. Overview of Results of Operations, Etc.

### (1) Results of Operations

The Japanese economy recovered slowly during the first quarter as the labor market and personal income improved and numerous government measures supported the economy. The outlook for the economy continues to be unclear because of prolonged sources of geopolitical risk, the impact of U.S. tariffs on the global economy and other reasons.

In Japan's housing sector, where the KI-STAR Group operates, the cost of building materials and labor is increasing. However, demand remains strong as the balance between the supply and demand for houses improved due to a decline in the number of housing starts and other reasons.

Based on the KI-STAR Group's philosophy of "creating lives that are fulfilling, enjoyable and pleasant" and a commitment to accomplishing the vision of "house ownership for everyone," activities are continuing for achieving the goals of the Medium-term Plan 2028. To increase profitability, the homebuilding and sales business is opening new sales offices in untapped areas of Japan and restructuring existing sales offices. In addition, many activities are under way for optimization of the business portfolio. Examples include integration of management with the management of subsidiaries in the custom-built housing business, expanding the pre-owned home renovation business to more areas of Japan, growth of the apartment buildings/income-producing real estate business and business operations outside Japan. Japan's Building Standards Act was amended in April 2025 for the achievement of carbon neutrality, more use of wood building materials and other purposes. All new residential structures in Japan are now required to comply with energy conservation standards. We are continuing to use many activities for making all newly constructed houses compliant with net zero energy house (ZEH) standards, increasing the use of lumber produced in Japan, and accomplishing other goals.

Sales increased 25.2% from the same period of the previous fiscal year to a record-high 84,574 million yen. Operating profit increased 71.0% to 4,506 million yen despite rising costs of building materials and labor. Ordinary profit increased 76.7% to 3,937 million yen and Profit attributable to owners of parent was up 86.2% to 2,399 million yen.

Results by business segment are as follows:

KI-STAR changed the classification of its reportable segments in the previous fiscal year. The following year-on-year comparisons are based on the figures for the same period of the previous fiscal year after reclassifications for consistency with the new segments. More information about the change in reportable segments is in "2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Segment and Other Information."

#### i) Homebuilding and sales business

This business is continuing to take actions with the goal of increasing its market share by expanding to more areas of Japan and strengthening its position in areas where the KI-STAR Group currently operates. Operations are based on the commitment to supplying design houses with outstanding quality at low prices.

During the first quarter, 2,076 houses (including land) were sold. Sales increased 24.4% to 79,957 million yen and segment profit increased 62.7% to 5,198 million yen.

#### ii) Custom-built housing business

This custom-built housing business is concentrating on increasing the number of orders for the single-story IKI custom-built houses and IKI semi custom-built houses. This business is integrating its management with the management of subsidiaries that were acquired during the previous fiscal year.

During the first quarter, 44 houses were sold. Sales increased 10.0% to 1,577 million yen and segment profit decreased 48.1% to 72 million yen.

## **(2) Financial Position**

### **Assets**

Total assets increased by 5,858 million yen from the end of the previous fiscal year to 300,411 million yen at the end of the first quarter of the current fiscal year. This was mainly due to an increase of 20,451 million yen in inventories and a decrease of 15,505 million yen in cash and deposits.

### **Liabilities**

Total liabilities increased by 5,107 million yen to 230,858 million yen. The increase was mainly due to a 7,297 million yen increase in borrowings.

### **Net assets**

Total net assets increased by 750 million yen to 69,552 million yen. The main reasons include profit attributable to owners of parent of 2,399 million yen, while there were dividends of surplus of 1,352 million yen.

## **(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

There are no revisions to the consolidated forecast for the fiscal year ending March 31, 2026 that was announced on May 15, 2025. Sales and earnings are both performing well, but the outlook for the costs of building materials and labor, and interest rates on mortgages and other loans remains uncertain. An announcement will be made promptly if a revision is needed.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	First quarter of FY3/26 (As of Jun. 30, 2025)
Assets		
Current assets		
Cash and deposits	71,906	56,400
Accounts receivable from completed construction contracts	149	312
Real estate for sale	102,518	118,162
Real estate for sale in process	91,455	96,360
Costs on uncompleted construction contracts	2,087	1,990
Advance payments to suppliers	3,988	4,165
Other	4,337	6,174
Allowance for doubtful accounts	(7)	(20)
Total current assets	276,435	283,544
Non-current assets		
Property, plant and equipment	5,192	5,213
Intangible assets		
Goodwill	260	233
Other	217	213
Total intangible assets	478	447
Investments and other assets	12,445	11,205
Total non-current assets	18,117	16,866
Total assets	294,552	300,411

	(Millions of yen)	
	FY3/25	First quarter of FY3/26
	(As of Mar. 31, 2025)	(As of Jun. 30, 2025)
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	3,881	4,148
Accounts payable for construction contracts	20,916	21,882
Short-term borrowings	98,376	103,085
Current portion of bonds payable	3,564	3,564
Current portion of long-term borrowings	13,601	13,953
Lease obligations	16	38
Income taxes payable	4,146	1,528
Provision for bonuses	764	1,507
Other	11,040	9,337
Total current liabilities	156,309	159,047
Non-current liabilities		
Bonds payable	3,136	3,116
Long-term borrowings	65,252	67,489
Lease obligations	51	20
Asset retirement obligations	178	207
Other	822	977
Total non-current liabilities	69,440	71,811
Total liabilities	225,750	230,858
Net assets		
Shareholders' equity		
Share capital	4,818	4,821
Capital surplus	5,780	5,808
Retained earnings	51,189	52,236
Treasury shares	(1,422)	(1,422)
Total shareholders' equity	60,365	61,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(89)	(113)
Foreign currency translation adjustment	(148)	(127)
Total accumulated other comprehensive income	(238)	(240)
Share acquisition rights	15	14
Non-controlling interests	8,658	8,334
Total net assets	68,801	69,552
Total liabilities and net assets	294,552	300,411

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

	(Millions of yen)	
	First three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)
Net sales	67,568	84,574
Cost of sales	59,270	73,387
Gross profit	8,298	11,186
Selling, general and administrative expenses	5,663	6,679
Operating profit	2,635	4,506
Non-operating income		
Interest income	84	144
Refund of real estate acquisition tax	134	184
Share of profit of entities accounted for using equity method	-	15
Foreign exchange gains	133	38
Other	255	179
Total non-operating income	608	562
Non-operating expenses		
Interest expenses	494	784
Commission expenses	491	326
Share of loss of entities accounted for using equity method	6	-
Other	22	21
Total non-operating expenses	1,015	1,132
Ordinary profit	2,228	3,937
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on bargain purchase	125	-
Total extraordinary income	125	1
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	0	14
Total extraordinary losses	0	14
Profit before income taxes	2,353	3,924
Income taxes-current	971	1,461
Income taxes-deferred	(148)	(191)
Total income taxes	823	1,269
Profit	1,529	2,654
Profit attributable to non-controlling interests	240	255
Profit attributable to owners of parent	1,288	2,399



**Quarterly Consolidated Statement of Comprehensive Income**

(Millions of yen)

	First three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)
Profit	1,529	2,654
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(23)
Foreign currency translation adjustment	(5)	21
Share of other comprehensive income of entities accounted for using equity method	0	-
Total other comprehensive income	26	(2)
Comprehensive income	1,556	2,652
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,315	2,397
Comprehensive income attributable to non-controlling interests	240	255

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Quarterly Consolidated Balance Sheet****1 Financial covenants**

There are financial covenants on some loans from financial institutions. The five primary requirements, which apply to consolidated and non-consolidated financial statements are for net assets, ordinary profit, loan to value (LTV), monthly inventory turnover, and the debt-equity ratio. If there is a violation of one or more of these requirements or there is a continuous violation, the financial institutions may demand the immediate repayment of all applicable loans.

Borrowings subject to these financial covenants were as follows at the end of FY3/25 and the end of the first quarter of FY3/26.

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	First quarter of FY3/26 (As of Jun. 30, 2025)
Short-term borrowings	65,338	66,511
Long-term borrowings (including current portion of long-term borrowings)	56,358	57,505

**2 Other current liabilities include the following contract liabilities.**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	First quarter of FY3/26 (As of Jun. 30, 2025)
Contract liabilities	2,432	2,310

**Quarterly Consolidated Statement of Income****Seasonal changes in sales**

The KI-STAR Group's housing business delivers more houses to customers in the fourth quarter. As a result, there are seasonal changes in sales and sales are usually higher in the fourth quarter.

**Quarterly Consolidated Statement of Cash Flows**

A quarterly consolidated statement of cash flows pertaining to the first three months of FY3/26 has not been prepared. Depreciation (includes amortization expenses related to intangible assets minus goodwill) and amortization of goodwill pertaining to the first three months of each year is as follows.

	(Millions of yen)	
	First three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)
Depreciation	104	134
Amortization of goodwill	27	27

**Segment and Other Information**

First three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)

## 1. Information related to net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the quarterly consolidated statement of income (Note 3)
	Homebuilding and sales	Custom-built housing	Total			
Net sales						
Sales to external customers	64,279	1,434	65,713	1,855	-	67,568
Inter-segment sales and transfers	-	-	-	29	(29)	-
Total	64,279	1,434	65,713	1,885	(29)	67,568
Segment profit	3,195	140	3,335	220	(920)	2,635

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of pre-owned home renovation, apartment buildings/income-producing real estate, real estate leasing and brokerage businesses.

2. The -920 million yen adjustment to segment profit includes elimination for inter-segment transactions of 18 million yen and -938 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

## 2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

## Significant gain on bargain purchase

In the Custom-built housing segment, a gain on bargain purchase was reported as a result of the acquisition of shares of Shinyamagata Hometech. The amount of the gain on bargain purchase resulting from this acquisition was 125 million yen in the first three months of FY3/25.

Gain on bargain purchase is not included in the above segment profit because it is an extraordinary gain.

First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)

## 1. Information related to net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the quarterly consolidated statement of income (Note 3)
	Homebuilding and sales	Custom-built housing	Total			
Net sales						
Sales to external customers	79,957	1,577	81,535	3,039	-	84,574
Inter-segment sales and transfers	-	-	-	148	(148)	-
Total	79,957	1,577	81,535	3,187	(148)	84,574
Segment profit	5,198	72	5,271	447	(1,211)	4,506

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of pre-owned home renovation, apartment buildings/income-producing real estate, real estate leasing and brokerage businesses.

2. The -1,211 million yen adjustment to segment profit includes elimination for inter-segment transactions of 17 million yen and -1,229 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

## 2. Information related to revisions for reportable segments

In formulating the Medium-term Plan 2028 that was announced in November 2024, the apartment buildings/income-producing real estate business, which was previously included in the homebuilding and sales segment, is now categorized as others.

The segment information for the first three months of FY3/25 is reported based on the reportable segment classification after the revision.

**Additional Information**

The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for this plan held by the trust are recorded as treasury shares in the consolidated balance sheet. The number of shares of the Company's stock held by the trust as of March 31, 2025 and June 30, 2025 was 239,044 shares with a book value of 934 million yen.

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*