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Summary of Financial Results for the fiscal year ended May 31, 2026 < Japanese GAAP> (consolidated)

July 15, 2026

Listed company: First-corporation Inc. Listed at: Tokyo Stock Exchange
Code number: 1430 (URL: https://www.1st-corp.com)
Representative: Toshiaki Nakamura, President & Chief Executive Officer
Contact: Yoshimi Endo, Managing Executive Officer / Head of Corporate Planning Office Tel: +81-3-5347-9103
Scheduled date of Annual Meeting of Shareholders: August 25, 2026
Scheduled date of dividends payments: August 26, 2026
Scheduled date of submission of the Securities Report: August 24, 2026
Supplementary documents for this summary of financial results: Yes
Presence or absence of holding of financial results briefing: Yes

(In millions of yen, with fractional amounts discharged)

1. Consolidated financial results for the fiscal year ended May 31, 2026 (June 1, 2025 to May 31, 2026)

(1) Consolidated operating results (Percentage indicates year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
For the fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	36,417	(15.7)	2,896	12.3	2,689	8.5	1,882	12.8
May 31, 2025	43,194	51.6	2,579	77.5	2,478	74.3	1,669	76.7

(Note) Comprehensive income: May 31, 2026: 1,882 mil of yen (12.8%) May 31, 2025: 1,669 mil of yen (76.7%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
For the fiscal year ended	Yen	Yen	%	%	%
May 31, 2026	157.18	157.11	18.0	9.4	8.0
May 31, 2025	139.74	139.69	18.3	10.2	6.0

(Reference) Equity method investment gain or loss: the fiscal year ended May 31, 2026: Nil the fiscal year ended May 31, 2025: Nil

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2026	32,284	11,145	34.5	929.21
As of May 31, 2025	24,889	9,760	39.2	816.73

(Reference) Shareholders' equity: as of May 31, 2026: 11,141 mil of yen as of May 31, 2025: 9,757 mil of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents (ending)
For the fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2026	(9,905)	(27)	7,158	2,624
May 31, 2025	2,094	(49)	(762)	5,400

2. Dividends

	Dividends per share					Dividends total (Annual)	Dividends payout ratio	Dividends per net assets
	1Q End	2Q End	3Q End	Year-end	Annual			
For the fiscal year ended	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
May 31, 2025	---	0.00	---	42.00	42.00	533	30.1	5.5
May 31, 2026	---	0.00	---	48.00	48.00	609	30.5	5.5
May 31, 2027 (forecast)	---	0.00	---	51.00	51.00		30.0	

3. Forecast of consolidated financial results for the fiscal year ending May 31, 2027 (from June 1, 2026 to May 31, 2027)

(Percentage indicates year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	44,000	20.8	3,500	20.9	3,000	11.5	2,070	10.0	169.84

4. Notes

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

(2) Changes in accounting policies and estimates, and retrospective restatements

(i) Changes in accounting policies in accordance with revision of accounting standards: None

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

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(3) Number of issued shares (common shares)

(i) Number of shares outstanding at end of period (including treasury stock)

As of May 31, 2026	13,363,540 shares	As of May 31, 2025	13,363,540 shares

(ii) Number of treasury stock at end of period

As of May 31, 2026	1,372,878 shares	As of May 31, 2025	1,416,432 shares

(iii) Average number of shares during period

Fiscal year ended May 31, 2026	11,976,707 shares	Fiscal year ended May 31, 2025	11,947,079 shares

(Note) The number of treasury stock includes the Company’s shares held by Custody Bank of Japan, Ltd. (Trust E account) (755,900 shares as of May 31, 2025 and 712,300 shares as of May 31, 2026). Also, the treasury stock deducted in calculating the average number of shares during period includes the Company’s shares held by Custody Bank of Japan, Ltd. (Trust E account) (403,538 shares for the previous fiscal year ended May 31, 2025 and 726,264 shares for the current fiscal year ended May 31, 2026).

<Reference> Outline of non-consolidated business results

1. Non-consolidated financial results for the fiscal year ended May 31, 2026 (June 1, 2025 to May 31, 2026)

(1) Non-consolidated operating results (Percentage indicates year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
For the fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	35,890	(16.7)	2,937	10.1	2,750	6.5	1,876	21.8
May 31, 2025	43,094	54.9	2,668	86.8	2,582	83.8	1,540	58.4

	Net income per share	Diluted net income per share
For the fiscal year ended	Yen	Yen
May 31, 2026	156.71	156.64
May 31, 2025	128.95	128.89

(2) Non-consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2026	31,984	11,162	34.9	930.67
As of May 31, 2025	24,595	9,784	39.8	818.67

(Reference) Shareholders’ equity: as of May 31, 2026: 11,159 mil of yen as of May 31, 2025: 9,780 mil of yen

* The summary of financial results is not subject to audits by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other special matters

The above forecasts of financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and are subject to uncertainties. Consequently, actual business and other results may differ substantially due to various factors. For the basis of the above forecasts of operating results and the notes on its use, refer to “1. Overview of Operating Results, etc., (4) Future outlook” in the Attachments.

The Company is due to hold a financial results briefing on July 23 (Thursday), 2026. Materials from the results briefing will be posted to the Company’s website at a later date.

Contents of Attachments

1. Overview of Operating Results, etc.

(1) Overview of operating results for the current fiscal year

During the consolidated fiscal year under review, the Japanese economy maintained its moderate recovery trend amid such factors as continuing strong demand for inbound tourism, solid corporate earnings, and wage hikes gaining traction. However, the outlook remains highly uncertain, reflecting persistently high energy prices and raw material prices as well as concern over ongoing domestic price increases, in addition to geopolitical risks, including growing tensions in the Middle East.

In the construction market, where the Group operates, under circumstances in which active construction investments are expected to continue, the business environment has continued to be difficult, largely due to a persistent rising trend in labor costs and material prices, and increasingly serious labor shortages.

Under these conditions, the number of condominium construction starts in 2025 (calendar year) in the Tokyo area (Tokyo, Kanagawa, Saitama, and Chiba), where the Group's business is concentrated, came to 40,305 units (down 21.0% year on year). Supply of condominiums in 2025 (calendar year) was 21,962 units (down 4.5% year on year), marking the fourth straight year of declines.

Looking at trends in 2026 (calendar year), the number of condominium construction starts is expected to be lackluster compared to 2025 (calendar year), while the number of units supplied is expected to be approximately 23,000 (up 4.7% year on year) and the number of the inventory of units for sale is also projected to be on a par with 2025 (calendar year). In addition, in consideration of the still large number of inquiries and sufficient room for growth in the Group's share in the Tokyo area market, which is approximately 3%, the Group believes that it will continue receiving orders and securing properties for construction for the time being.

(The sources of all data include Construction Starts by Prefecture published by the Ministry of Land, Infrastructure, Transport and Tourism and Condominium Market Trends of Tokyo Metropolitan Area and Outlook for Condominium Market of Tokyo Metropolitan Area: Forecasts for Supply in 2026 published by Real Estate Economic Institute Co., Ltd.).

The Group established "to contribute to enrichment of the living environment through the supply of higher quality homes" as its company creed and conducts business activities with the aim of fulfilling its social responsibility to supply higher quality housing. Under the management philosophy of prioritizing safety and quality in everything, the Group ensures safety through measures such as the implementation of safety patrols. In quality initiatives, the Group implements stage-by-stage quality inspections, ensures compliance with our own manuals and regularly holds study meetings to seek to ensure quality is maintained. Moreover, with respect to the quality of the important components that maintain the robustness of buildings (a frame, the piles, bar arrangement, and ready mixed concrete), the Group has introduced third party-based inspections to ensure quality of buildings. These inspections have also been newly adopted for interior substrates, with the Group winning trust through the pursuit of safety and quality.

The Group has formulated its medium-term management plan "First VISION 2031," with an eye to its 20th anniversary, and announced plans to strive for net sales of 50 billion yen in Phase 1 through to the fiscal year ending May 31, 2028 and 100 billion yen in Phase 2 through to the fiscal year ending May 31, 2031 (announced January 14, 2026). The priority measure in the plan is improving return on capital, with business promotion and growth investments set as strategies. Investments in human capital are a key element. In Phase 1, the Group will focus on "recruitment," "human resource development," and "measures to address construction's 'new 4Ks.'" It will work to achieve numerical targets as well as build a foundation.

Performance by segment is indicated below.

(Construction business)

In construction business, net sales increased 20.2% year on year to 27,224,836 thousand yen and segment income increased 74.4% year on year to 3,036,483 thousand yen, respectively.

In the consolidated fiscal year under review, the business remained steady with five orders received amounting to 20,138,633 thousand yen and an order backlog of 28,360,975 thousand yen. The sharp year-on-year net sales growth reflected steady progress with construction underway, and consequently, the order backlog declined year on year. Meanwhile, the next medium-term management plan projects orders of 35 billion yen.

(Real estate business)

In real estate business, net sales and segment income amounted to 8,817,082 thousand yen (down 56.5% year on year) and 1,106,587 thousand yen (down 49.4% year on year), respectively.

In the consolidated fiscal year under review, the profit margin from the sale of land for businesses far exceeded initial expectations. In this way, the business was strong. Joint projects are one of the specific strategies given for the priority measure of improving return on capital in “First VISION 2031.” In the consolidated fiscal year under review, progress was made with new projects under joint-venture partnerships and real estate for the medium and long term has been secured. Moreover, proactive investments in real estate for sales from the next fiscal year onward is also steady.

As a result, in the consolidated fiscal year under review, the Group achieved net sales of 36,417,480 thousand yen, down 15.7% year on year, operating income of 2,896,009 thousand yen, up 12.3% year on year, ordinary income of 2,689,983 thousand yen, up 8.5% year on year, and profit attributable to owners of parent of 1,882,465 thousand yen, up 12.8% year on year on a consolidated basis.

(2) Overview of financial position for the current fiscal year

[1] Assets

Total assets at the end of the current consolidated fiscal year were 32,284,194 thousand yen, the increase of 7,394,428 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to the decrease of cash and deposits of 2,775,407 thousand yen, the decrease of real estate for sale of 792,612 thousand yen, the increase of real estate for sale in process of 9,500,435 thousand yen, the increase of accounts receivable from completed construction contracts of 978,008 thousand yen and the increase of deferred tax assets of 296,432 thousand yen.

[2] Liabilities

Total liabilities at the end of the current consolidated fiscal year were 21,139,074 thousand yen, the increase of 6,010,212 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to the decrease of notes payable - trade and accounts payable for construction contracts of 1,755,818 thousand yen, the decrease of electronically recorded obligations of 1,210,773 thousand yen, the increase of long-term loans payable of 4,927,536 thousand yen, the increase of short-term loans payable of 1,574,000 thousand yen and the increase of current portion of long-term loans payable of 1,221,680 thousand yen.

[3] Net assets

Net assets at the end of the current consolidated fiscal year were 11,145,120 thousand yen, the increase of 1,384,216 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to the increase in retained earnings resulting from the net income of 1,882,465 thousand yen and the decrease in retained earnings by dividends payment of 533,526 thousand yen.

(3) Overview of cash flows for the current fiscal year

Cash and cash equivalents (hereafter “net cash”) at the end of the current consolidated fiscal year totaled 2,624,627 thousand yen, the decrease of 2,775,407 thousand yen, or 51.4%, from the end of the previous consolidated fiscal year.

Status of cash flows and these factors from each activity during the current consolidated fiscal year are as follows:

[1] Cash flows from operating activities

Net cash used in operating activities was 9,905,853 thousand yen (2,094,972 thousand yen was provided in the previous period). This was mainly due to income before income taxes of 2,689,983 thousand yen, the increase in inventories of 8,747,573 thousand yen, the decrease in accounts payable for construction contracts of 1,540,079 thousand yen and the decrease in notes and accounts payable - trade of 1,426,512 thousand yen.

[2] Cash flows from investing activities

Net cash used in investing activities was 27,936 thousand yen (49,980 thousand yen was used in the previous period). This was mainly due to purchase of golf club membership of 18,000 thousand yen and purchase of intangible assets of 2,480 thousand yen.

[3] Cash flows from financing activities

Net cash provided by financing activities was 7,158,383 thousand yen (762,561 thousand yen was used in the previous period). This was mainly due to repayments of long-term borrowings of 1,362,783 thousand yen, cash dividends paid of 534,342 thousand yen, proceeds from long-term borrowings of 7,484,123 thousand yen, and the net increase in short-term borrowings of 1,574,000 thousand yen.

<Cash flow index trends is as follows>

	For the fiscal year ended May 31, 2022	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025	For the fiscal year ended May 31, 2026
Equity ratio	---	36.9%	35.7%	39.2%	34.5%
Equity ratio by market price basis	---	49.5%	42.9%	47.7%	39.2%
Ratio of cash flows to interest-bearing debts (year)	---	---	---	2.3	---
Interest coverage ratio (times)	---	---	---	19.2	---

(Notes)
1. Total market value of listed shares is calculated based on total issued shares.
2. Cash flows from operating activities use the figures in consolidated statements of cash flows.
3. Interest-bearing debts include all debts which paid interest out of debts stated on the consolidated balance sheets, and interest payment uses the figures in consolidated statements of cash flows.
4. Ratio of cash flows to interest-bearing debts and interest coverage ratio for the fiscal year ended May 31, 2023, the fiscal year ended May 31, 2024, and the fiscal year ended May 31, 2026 were not stated because cash flows from operating activities was negative.
5. As consolidated financial statements have been prepared since the fiscal year ended May 31, 2023, no actual figures before the previous fiscal year are available.

(4) Future outlook

With respect to the future outlook, the Group expects to remain on a path toward a moderate recovery on the back of improved corporate earnings and a recovery in consumer spending, despite uncertainty due to U.S.-China tensions and escalating conflict in the Middle East.

In the condominium market that is the Group's business domain, demand for real estate is solid and expected to remain stable due to the expansion and extension of the government's support measures for tax benefits, as well as the continuation of low mortgage rates, despite a rise in sales prices due to the impact of persistently high construction material and energy prices and rising labor rates.

In this business environment, the Group will continue to strengthen its human capital foundation and push ahead with various measures for growth as it seeks to achieve its medium- to long-term vision "First VISION 2031."

Under such circumstances, for fiscal 2026, the Group forecasts consolidated net sales of 44,000 million yen, up 20.8% year on year, operating income of 3,500 million yen, up 20.9%, ordinary income of 3,000 million yen, up 11.5%, and profit attributable to owners of parent of 2,070 million yen, up 10.0%.

(a) Net sales

Net sales of completed construction contracts are expected to amount to 20,500 million yen. Real estate net sales, such as the sale of land for projects, and joint project revenue from the sale of condominiums, are expected to amount to 23,150 million yen. The net sales forecast also factors in other net sales of 350 million yen.

(b) Gross profit

Gross profit on completed construction contracts is expected to amount to 2,500 million yen. Our efforts for fair price pass-through have been effective and setting fair contract fees is becoming accepted at an industry-wide level. The gross profit margin on completed construction works is also expected to rise to 12%. Meanwhile, total real estate gross profit is expected to be 2,900 million yen and total gross profit including other is projected at 5,500 million yen, up 809 million yen, or 17.2%, from the previous consolidated fiscal year.

(c) Selling, general and administrative expenses, and non-operating expenses

The Group plans to actively invest in human capital, which is a priority measure in our medium- to long-term vision. As such, selling, general and administrative expenses are expected to be 2,000 million yen, up 11.3% from the previous fiscal year, because of increased personnel expenses due to recruitment and wage raises. Non-operating expenses are expected to increase to cover anticipated interest rate hikes, and active investments in real estate in the future.

(Note) The forecasts are based on information currently available and actual results may differ from these forecasts due to a variety of factors.

2. Basic Policies concerning Selection of Accounting Standards

Many of our stakeholders are domestic shareholders, creditors, business partners, etc., and there is little need to raise funds from overseas. Therefore, the Group’s accounting standards apply Japanese standards.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated balance sheets

(Thousands of yen)

	Previous consolidated fiscal year (As of May 31, 2025)	Current consolidated fiscal year (As of May 31, 2026)
ASSETS		
Current Assets		
Cash and deposits	5,400,034	2,624,627
Accounts receivable from completed construction contracts	7,013,111	7,991,119
Electronically recorded monetary claims	191,950	---
Real estate for sale	3,473,498	2,680,886
Real estate for sale in process	7,565,928	17,066,363
Costs on uncompleted construction contracts	9,568	49,319
Other	553,974	837,005
Total Current Assets	24,208,066	31,249,322
Non-Current Assets		
Property, plant and equipment		
Buildings and structures, net	123,516	119,020
Machinery, equipment and vehicles, net	0	0
Land	14,782	14,798
Other	21,540	17,347
Total property, plant and equipment	159,839	151,166
Intangible assets		
Other	15,340	13,281
Total intangible assets	15,340	13,281
Investments and other assets		
Investment securities	32,033	32,033
Deferred tax assets	223,822	520,254
Other	250,664	318,137
Total investments and other assets	506,519	870,424
Total Non-Current Assets	681,699	1,034,872
Total Assets	24,889,765	32,284,194

		(Thousands of yen)
	Previous consolidated fiscal year (As of May 31, 2025)	Current consolidated fiscal year (As of May 31, 2026)
LIABILITIES		
Current Liabilities		
Notes payable – trade and accounts payable for construction contracts	4,096,353	2,340,535
Electronically recorded obligations	3,504,311	2,293,537
Short-term loans payable	270,000	1,844,000
Current portion of long-term loans payable	1,251,663	2,473,344
Income taxes payable	458,383	809,793
Advances received on uncompleted construction contracts	547,549	926,415
Provision for bonuses	15,700	46,600
Provision for warranties for completed construction	91,993	302,038
Provision for after costs	14,338	9,104
Other	1,345,829	1,536,017
Total Current Liabilities	11,596,123	12,581,385
Non-Current Liabilities		
Long-term loans payable	3,192,780	8,120,316
Liabilities for retirement benefit	136,026	327,445
Provision for stocks payment	118,013	---
Provision for share-based remuneration for directors	51,868	53,187
Other	34,050	56,738
Total Non-Current Liabilities	3,532,738	8,557,688
Total Liabilities	15,128,861	21,139,074
NET ASSETS		
Shareholders' equity		
Capital stock	730,429	730,429
Capital surplus	726,777	726,777
Retained earnings	9,329,428	10,678,367
Treasury stock	(1,029,041)	(993,764)
Total Shareholders' equity	9,757,593	11,141,810
Stock acquisition rights	3,310	3,310
Total Net Assets	9,760,903	11,145,120
Total Liabilities and Net Assets	24,889,765	32,284,194

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(Thousands of yen)

	Previous consolidated fiscal year (From June 1, 2024 to May 31, 2025)	Current consolidated fiscal year (From June 1, 2025 to May 31, 2026)
Net sales	43,194,307	36,417,480
Cost of sales	38,996,735	31,725,022
Gross profit	4,197,572	4,692,457
Selling, general and administrative expenses	1,617,992	1,796,448
Operating income	2,579,579	2,896,009
Non-operating income		
Interest income	1,101	8,189
Insurance benefits received	8,734	10,219
Commission received	303	98
Income from sales of goods	1,639	2,207
Other	1,809	1,094
Total non-operating income	13,588	21,808
Non-operating expenses		
Interest expenses	110,122	193,212
Commission fee	2,293	26,807
Other	2,312	7,815
Total non-operating expenses	114,728	227,834
Ordinary income	2,478,439	2,689,983
Extraordinary losses		
Loss on disposal of fixed assets	16,476	---
Total extraordinary losses	16,476	---
Income before income taxes	2,461,963	2,689,983
Income taxes - current	680,160	1,103,950
Income taxes - deferred	112,265	(296,432)
Total income taxes	792,425	807,518
Net income	1,669,537	1,882,465
Profit attributable to non-controlling interests	---	---
Profit attributable to owners of parent	1,669,537	1,882,465

(Consolidated statements of comprehensive income)

(Thousands of yen)

	Previous consolidated fiscal year (From June 1, 2024 to May 31, 2025)	Current consolidated fiscal year (From June 1, 2025 to May 31, 2026)
Net income	1,669,537	1,882,465
Comprehensive income	1,669,537	1,882,465
Comprehensive income attributable to		
Profit attributable to owners of parent	1,669,537	1,882,465
Profit attributable to non-controlling interests	---	---

(3) Consolidated statements of changes in shareholders' equity

Previous consolidated fiscal year (from June 1, 2024 to May 31, 2025)

(Thousands of yen)

	Shareholders' equity					Stock acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity		
Balance at beginning of current period	730,429	690,781	8,037,300	(993,744)	8,464,766	3,310	8,468,076
Changes of items during period							
Dividends from surplus			(377,409)		(377,409)		(377,409)
Net income			1,669,537		1,669,537		1,669,537
Purchase of treasury stock				(442,550)	(442,550)		(442,550)
Disposal of treasury stock		36,001		407,253	443,255		443,255
Additional purchase of shares of consolidated subsidiaries		(6)			(6)		(6)
Net changes of items other than shareholders' equity						---	---
Total changes of items during period	---	35,995	1,292,127	(35,296)	1,292,826	---	1,292,826
Balance at end of current period	730,429	726,777	9,329,428	(1,029,041)	9,757,593	3,310	9,760,903

Current consolidated fiscal year (from June 1, 2025 to May 31, 2026)

(Thousands of yen)

	Shareholders' equity					Stock acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity		
Balance at beginning of current period	730,429	726,777	9,329,428	(1,029,041)	9,757,593	3,310	9,760,903
Changes of items during period							
Dividends from surplus			(533,526)		(533,526)		(533,526)
Net income			1,882,465		1,882,465		1,882,465
Purchase of treasury stock				(42)	(42)		(42)
Disposal of treasury stock				35,319	35,319		35,319
Net changes of items other than shareholders' equity						---	---
Total changes of items during period	---	---	1,348,939	35,277	1,384,216	---	1,384,216
Balance at end of current period	730,429	726,777	10,678,367	(993,764)	11,141,810	3,310	11,145,120

(4) Consolidated statements of cash flows

(Thousands of yen)

	Previous consolidated fiscal year (From June 1, 2024 to May 31, 2025)	Current consolidated fiscal year (From June 1, 2025 to May 31, 2026)
Cash flows from operating activities		
Income before income taxes	2,461,963	2,689,983
Depreciation	12,024	13,841
Stock compensation expenses	2,706	2,678
Increase (decrease) in allowance for doubtful accounts	(3,950)	---
Increase (decrease) in provision for bonuses	(4,040)	30,900
Increase (decrease) in provision for stocks payment	22,195	(117,670)
Increase (decrease) in provision for warranties for completed construction	51,016	210,044
Increase (decrease) in provision for after costs	(67,961)	(5,234)
Increase (decrease) in liabilities for retirement benefits	30,500	191,419
Increase (decrease) in provision for share-based remuneration for directors	45,619	36,296
Interest expenses	110,122	193,212
Loss on disposal of fixed assets	16,476	---
Decrease (increase) in notes and accounts receivable - trade	1,419,965	205,808
Decrease (increase) in accounts receivable from completed construction contracts	(1,556,431)	(991,866)
Decrease (increase) in inventories	76,172	(8,747,573)
Increase (decrease) in notes and accounts payable - trade	(10,259)	(1,426,512)
Increase (decrease) in accounts payable for construction contracts	(206,532)	(1,540,079)
Increase (decrease) in advances received on uncompleted construction contracts	221,895	378,866
Other	(1,474)	(72,960)
Sub-total	2,620,010	(8,948,846)
Interest and dividends received	1,101	8,189
Interest expenses paid	(108,921)	(199,621)
Income taxes paid	(417,217)	(765,574)
Cash flows from operating activities	2,094,972	(9,905,853)
Cash flows from investing activities		
Purchase of property, plant and equipment	(39,718)	(979)
Purchase of intangible assets	(5,295)	(2,480)
Purchase of golf club membership	---	(18,000)
Other	(4,965)	(6,477)
Cash flows from investing activities	(49,980)	(27,936)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,230,000)	1,574,000
Proceeds from long-term borrowings	4,120,961	7,484,123
Repayments of long-term borrowings	(3,276,000)	(1,362,783)
Proceeds from disposal of treasury stock	442,550	---
Purchase of treasury stock	(442,550)	(42)
Repayments of finance lease obligations	(1,592)	(2,570)
Cash dividends paid	(375,925)	(534,342)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(6)	---
Cash flows from financing activities	(762,561)	7,158,383
Net increase (decrease) in cash and cash equivalents	1,282,429	(2,775,407)
Cash and cash equivalents at beginning of the period	4,117,604	5,400,034
Cash and cash equivalents at ending of the period	5,400,034	2,624,627

(5) Notes related to consolidated financial statements

(Event or situation that raises critical doubt on going concern)

There is no applicable matter.

(Notes when there are significant changes in amounts of shareholders' equity)

I. Previous consolidated fiscal year (from June 1, 2024 to May 31, 2025)

The Company disposed of 530,000 shares of treasury stock by means of third-party allotment associated with additional contribution to Board Benefit Trust-Restricted Stock (BBT-RS) and Japanese version of Employee Stock Ownership Plan (J-ESOP), in accordance with a resolution of a Board of Directors meeting held on January 14, 2025. Company shares remaining in the trusts are recorded as treasury stock.

Due to granting from J-ESOP, 800 shares were reduced from treasury stock.

As a result, capital surplus and treasury stock increased by 35,995 thousand yen and 35,296 thousand yen, respectively for the previous consolidated fiscal year.

II. Current consolidated fiscal year (from June 1, 2025 to May 31, 2026)

There is no applicable matter.

(Changes in the reporting method)

[Balance sheets statements]

"Notes receivable - trade and accounts receivable from completed construction contracts" which were previously presented under "Current assets" up to the previous consolidated fiscal year, are presented as " Accounts receivable from completed construction contracts" starting from the current consolidated fiscal year, as there is no outstanding balance of notes receivable.

(Notes to segment information, etc.)

[Segment information]

1. Description of reportable segments

(1) Determination of reportable segments

Reportable segments of the Group are individual units for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

The Group has integrated business segments which have similar types of markets and customers and service content to make two reportable segments: the construction business and the real estate business.

(2) Product and service types belonging to each reportable segment

In the construction business, the Group receives orders for and implements construction work.

In the real estate business, the Group is engaged in the selling, buying and brokering of real estate and also acts as a sales agent for new condominiums.

2. Methods for calculating net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting method for reportable segments is generally the same as the accounting policies adopted for preparation of the consolidated financial statements.

Reportable segment profit (loss) is presented based on operating income (loss). Inter-segment sales and transfers are based on third-party transaction prices.

3. Information on the monetary amount of sales, income (loss), assets, liabilities and other items by reportable segment

Previous consolidated fiscal year (from June 1, 2024 to May 31, 2025) (Thousands of yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	Construction business	Real estate business	Total				
Net sales Outside Intersegment	 22,641,242 ---	 20,274,663 ---	 42,915,906 ---	 278,401 ---	 43,194,307 ---	 --- ---	 43,194,307 ---
Total net sales	22,641,242	20,274,663	42,915,906	278,401	43,194,307	---	43,194,307
Segment profits (losses)	1,740,950	2,187,394	3,928,344	(234,508)	3,693,836	(1,114,256)	2,579,579
Segment assets	7,224,553	11,467,876	18,692,429	217,335	18,909,765	5,979,999	24,889,765
Others Depreciation Increase in property, plant and equipment and intangible assets	 270 3,250	 341 ---	 612 3,250	 2,297 234	 2,909 3,484	 9,115 49,218	 12,024 52,703

(Notes)1. The category of "Others" refers to the business segments not included in the reportable segments, such as design and construction management and real estate rental, condominium management and operation.
2. Adjustment of the segment loss of 1,114,256 thousand yen is corporate expenses that is not allocated to each reportable segment.
3. Segment profits (losses) are adjusted to the operating income figure on the consolidated statements of income.

Current consolidated fiscal year (from June 1, 2025 to May 31, 2026) (Thousands of yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	Construction business	Real estate business	Total				
Net sales Outside Intersegment	 27,224,836 ---	 8,817,082 ---	 36,041,918 ---	 375,562 ---	 36,417,480 ---	 --- ---	 36,417,480 ---
Total net sales	27,224,836	8,817,082	36,041,918	375,562	36,417,480	---	36,417,480
Segment profits (losses)	3,036,483	1,106,587	4,143,070	(23,200)	4,119,870	(1,223,861)	2,896,009
Segment assets	8,096,162	20,309,004	28,405,167	229,851	28,635,019	3,649,175	32,284,194
Others Depreciation Increase in property, plant and equipment and intangible assets	 775 245	 359 ---	 1,134 245	 2,371 802	 3,506 1,047	 10,334 2,411	 13,841 3,459

(Notes)1. The category of "Others" refers to the business segments not included in the reportable segments, such as design and construction management and real estate rental, condominium management and operation.
2. Adjustment of the segment loss of 1,223,861 thousand yen is corporate expenses that is not allocated to each reportable segment.

3. Segment profits (losses) are adjusted to the operating income figure on the consolidated statements of income.

[Information regarding impairment of fixed assets by reportable segment]

Previous consolidated fiscal year (from June 1, 2024 to May 31, 2025)

There is no applicable matter.

Current consolidated fiscal year (from June 1, 2025 to May 31, 2026)

There is no applicable matter.

(Per share information)

	Previous consolidated fiscal year (from June 1, 2024 to May 31, 2025)	Current consolidated fiscal year (from June 1, 2025 to May 31, 2026)
Net assets per share	816.73 yen	929.21 yen
Net income per share	139.74 yen	157.18 yen
Diluted net income per share	139.69 yen	157.11 yen

(Note) 1. Basis for calculation for the net income per share and diluted net income per share for the year are as follows:

Items	Previous consolidated fiscal year (from June 1, 2024 to May 31, 2025)	Current consolidated fiscal year (from June 1, 2025 to May 31, 2026)
Net income per share		
Profit attributable to owners of parent (thousands of yen)	1,669,537	1,882,465
Amount not attributed to common shareholders (thousands of yen)	---	---
Profit attributable to owners of parent caused to common shares (thousands of yen)	1,669,537	1,882,465
Average number of common shares during the year (shares)	11,947,079	11,976,707
Diluted net income per share		
Adjustments to profit attributable to owners of parent (thousands of yen)	---	---
Increase in the number of common shares (shares)	4,994	4,995
(of which, subscription rights to shares) (shares)	(4,994)	(4,995)
Residual securities that are not dilutive and not included in the calculation for diluted net income per share	---	---

2. Basis for calculation for the net assets per share for the year is as follows:

Items	Previous fiscal year ended (as of May 31, 2025)	Current fiscal year ended (as of May 31, 2026)
Total net assets (thousands of yen)	9,760,903	11,145,120
Amount to be deducted from total net assets (thousands of yen)	3,310	3,310
(of which stock acquisition rights)	(3,310)	(3,310)
Closing net assets relating to common shares (thousands of yen)	9,757,593	11,141,810
Number of common shares as of end of the fiscal term used in the calculation of net assets per share (shares)	11,947,108	11,990,662

3. For calculation for the net income per share and diluted net income per share for the year, treasury stock is deducted in calculating the average number of common shares during the year and includes the Company's shares held as trust assets under the Japanese version of Employee Stock Ownership Plan (J-ESOP) and Board Benefit Trust-Restricted Stock (BBT-RS) managed by Custody Bank of Japan, Ltd. (Trust E account). These shares are also included as treasury stock deducted from the total number of issued shares at the end of the period for calculation for the net assets per share.
In addition, for calculation of the net income per share and diluted net income per share for the year, the average number of shares of the Company's shares during the period held by the aforementioned stock benefit trusts was 403,538 shares in the previous consolidated fiscal year and 726,264 shares in the current consolidated fiscal year. For calculation of the net assets per share, the number of treasury stock deducted from the total number of issued shares at the end of the period was 755,900 shares in the previous consolidated fiscal year and 712,300 shares in the current consolidated fiscal year.

(Significant subsequent events)

There is no applicable matter.