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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 7, 2025

Company name: HASEKO Corporation
Code number: 1808

Stock exchange listing: Tokyo Stock Exchange, Prime section
URL: <https://www.haseko.co.jp/hc/english/>

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 01, 2025 to June 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	285,906	0.4	20,453	54.2	19,163	23.7	12,633	16.5
June 30, 2024	284,774	7.9	13,262	(41.2)	15,493	(31.8)	10,843	(27.7)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 8,166 million [(46.0)%]
Three months ended June 30, 2024: ¥ 15,110 million [(17.9)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	46.34	-
June 30, 2024	39.73	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2025	1,340,929	526,600	39.2
March 31, 2025	1,365,203	532,033	39.0

(Reference) Equity: As of June 30, 2025: ¥ 525,467 Million
As of March 31, 2025: ¥ 532,033 Million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	40.00	-	45.00	85.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		45.00	-	45.00	90.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2025	570,000	2.0	32,000	(9.7)	30,000	(17.3)	20,000	3.2	73.59
Full year	1,230,000	4.5	92,000	8.6	85,000	1.9	55,000	59.7	202.37

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

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

Newly included: 5 (Company name: Wood Friends Co., Ltd. and its 4 subsidiaries)

Excluded: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2025: 300,794,397 Shares

March 31, 2025: 300,794,397 Shares

2) Total number of treasury shares at the end of the period:

June 30, 2025: 29,015,633 shares

March 31, 2025: 28,041,754 shares

3) Average number of shares during the period:

Three months ended June 30, 2025: 272,641,364 shares

Three months ended June 30, 2024: 272,924,723 Shares

(Note) The number of treasury stocks above includes shares held as the trust assets for the Board Benefit Trust (BBT) and the Employee Stock Ownership Plan (ESOP).

Shares of the Company's own stock held in BBT and ESOP trust accounts are included in treasury stock subtracted from the calculation of the average number of shares during the period.

* **Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No**

Explanation regarding appropriate use of forecasts, and other specific comments

The forecasts contained herein are based on information available as of the date of this announcement, and the actual results may differ materially from forecasts due to various factors. For details of assumptions for financial forecasts and other related matters, please refer to "1. Overview of Financial Results, etc. (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking information" on page 3 of the Attachment.

Supplementary materials for this report and results briefing materials can be found on the Company's website.

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1. Overview of Financial Results, etc.

(1) Overview of Financial Results for this period

For the three months ended on June 30, 2025, net sales were 285.9 billion yen, up by 0.4% compared with the same period of the previous fiscal year, due to the improvement in the gross profit margin of completed construction contracts and the presence of highly profitable real estate sales transactions, operating profit was 20.5 billion yen, up by 54.2% compared with the same period of the previous fiscal year, ordinary profit was 19.2 billion yen, up by 23.7% compared with the same period of the previous fiscal year, and profit attributable to owners of parents was 12.6 billion yen, up by 16.5% compared with the same period of the previous fiscal year.

From the first quarter of the current consolidated fiscal year, we have changed the classification of our reportable segments. Accordingly, the figures for the first quarter of the previous consolidated fiscal year are presented based on the new segment classification for comparison purposes. For details, please refer to 2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes on Segment Information) 3. Matters Related to Changes in Reportable Segments.

Operating results by reportable segment are as follow:

	Billions of yen							
	Construction-related business		Real estate-related business		Condominium management and operation business		Overseas business	
Net Sales	226.7	(+4.1)	50.4	(+0.2)	37.7	(+4.3)	1.4	(+1.0)
Segment profit	15.4	(+3.8)	6.2	(+1.6)	1.8	(+0.9)	-0.1	(+1.6)

Figures in parentheses show the amount of increase or decrease from the same period of the previous fiscal year

(Construction-related business)

For construction works, projects owners have had high regard for the Company's ability in gathering land information as well as product planning, its attitude regarding construction quality and maintaining construction schedules, efficient production system, and such. Under these circumstances, the gross profit margin of completed construction contracts rose due to improved construction profitability upon receiving orders.

In terms of orders for new construction of for-sale condominiums, the Company won orders for 13 projects in total throughout Japan consisting of 9 in the Tokyo metropolitan area including 5 large projects of at least 200 units and 4 projects in the Kinki and Tokai areas including 2 large projects of at least 200 units.

As for construction completion, the Company completed construction of 19 projects including 3 projects for rental apartments, etc.

The segment posted sales of 226.7 billion yen, up by 1.8% compared with the same period of the previous fiscal year, and operating profit was 15.4 billion yen, up by 33.4% compared with the same period of the previous fiscal year.

(Real estate-related Business)

The segment posted sales of 50.4 billion yen, up by 0.5 compared with the same period of the previous fiscal year, and operating profit of 6.2 billion yen, up by 34.0% compared with the same period of the previous fiscal year, while income property sales decreased, some transactions achieved high profitability.

(Condominium management and operation Business)

Due to the increase in the number of units under condominium and rental apartment management operation, as well as the development and sale of properties intended for rental management operations, the segment posted sales of 37.7 billion yen, up by 12.9% compared with the same period of the previous fiscal year, and operating profit of 1.8 billion yen, up by 94.5% compared with the same period of the previous fiscal year.

(Overseas business)

The subsidiaries have been operating a commercial facility and developing new projects of for-sale detached housing business in Oahu, Hawaii.

The segment posted sales of 1.4 billion yen (the sales of 0.4 billion yen in the same period of the previous fiscal year) and operating loss of 0.1 billion yen (the operating loss of 1.7 billion yen in the same period of the previous fiscal year).

(2) Overview of Financial Position for this period

Total assets as of June 30, 2025, a decreased of 24.3 billion yen from the end of the previous fiscal year to 1,340.9 billion yen. This is mainly due to a decrease in cash and deposits accompany with a decrease of deposits received.

Total liabilities were 814.3 billion yen, a decrease of 18.8 billion yen from the end of the previous fiscal year. This is mainly due to a decrease in deposits received.

Net assets were 526.6 billion yen, a decreased of 5.4 billion yen from the end of the previous fiscal year. This is mainly due to a decrease in foreign currency translation adjustment.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward- Looking Information

There is no change in the forecast announced on May 14, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	235,976	203,674
Notes receivable, accounts receivable from completed construction contracts and other	148,607	133,413
Securities	3,305	6,596
Costs on construction contracts in progress	13,578	17,201
Real estate for sale	312,779	302,914
Costs on real estate business	281,933	292,964
Real estate for development	36,912	35,609
Other	20,232	27,852
Allowance for doubtful accounts	(121)	(129)
Total current assets	1,053,200	1,020,094
Non-current assets		
Property, plant and equipment		
Buildings and structures	77,922	85,275
Machinery, vehicles, tools, furniture and fixtures	12,898	17,562
Land	79,421	81,722
Leased assets	1,250	2,420
Construction in progress	8,649	11,375
Other	183	1,289
Accumulated depreciation	(36,439)	(43,760)
Total property, plant and equipment	143,883	155,882
Intangible assets		
Leasehold interests in land	1,948	1,948
Goodwill	1,778	1,727
Other	8,679	9,286
Total intangible assets	12,404	12,961
Investments and other assets		
Investment securities	102,774	99,901
Long-term loans receivable	4,483	4,790
Retirement benefit asset	28,471	28,904
Deferred tax assets	6,794	4,746
Other	14,134	14,611
Allowance for doubtful accounts	(941)	(959)
Total investments and other assets	155,716	151,992
Total non-current assets	312,003	320,835
Total assets	1,365,203	1,340,929

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	105,413	99,095
Electronically recorded obligations - operating	42,537	42,896
Short-term borrowings	15,000	4,625
Current portion of long-term borrowings	20,000	21,308
Current portion of bonds payable	40,000	40,758
Income taxes payable	14,820	4,088
Advances received on construction contracts in progress	44,843	49,549
Deposits received - real estate business	38,771	54,802
Deposits received	77,499	34,669
Provision for warranties for completed construction	5,169	5,212
Provision for loss on construction contracts	521	387
Provision for bonuses	6,877	3,483
Provision for bonuses for directors (and other officers)	151	-
Other	31,224	26,634
Total current liabilities	442,824	387,504
Non-current liabilities		
Bonds payable	80,000	80,219
Long-term borrowings	265,000	300,331
Provision for loss on litigation	6,419	6,104
Provision for share awards	4,824	4,737
Provision for share awards for directors (and other officers)	459	460
Retirement benefit liability	1,946	2,004
Deferred tax liabilities	11	11
Other	31,687	32,958
Total non-current liabilities	390,347	426,824
Total liabilities	833,170	814,328
Net assets		
Shareholders' equity		
Share capital	57,500	57,500
Capital surplus	7,373	7,373
Retained earnings	472,561	472,715
Treasury shares	(37,398)	(39,651)
Total shareholders' equity	500,036	497,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,215	10,062
Foreign currency translation adjustment	22,938	18,500
Remeasurements of defined benefit plans	(1,155)	(1,032)
Total accumulated other comprehensive income	31,997	27,530
Non-controlling interests	-	1,133
Total net assets	532,033	526,600
Total liabilities and net assets	1,365,203	1,340,929

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales		
Net sales of completed construction contracts	139,658	153,762
Net sales of design and supervision	1,913	931
Net sales of leasing and management	23,154	23,005
Real estate sales	115,033	102,774
Other operating revenue	5,016	5,433
Total net sales	284,774	285,906
Cost of sales		
Cost of sales of completed construction contracts	122,378	133,501
Cost of design and supervision	945	511
Cost of leasing and management	17,930	18,114
Cost of sales - real estate	106,694	87,829
Other business expenses	4,094	4,293
Total cost of sales	252,040	244,248
Gross profit		
Gross profit on completed construction contracts	17,280	20,261
Gross profit-design and supervision	968	421
Gross profit-leasing and management	5,224	4,891
Gross profit - real estate sales	8,339	14,946
Gross profit - other business	922	1,140
Total gross profit	32,733	41,659
Selling, general and administrative expenses	19,471	21,206
Operating profit	13,262	20,453
Non-operating income		
Interest income	64	83
Dividend income	2,563	296
Other	625	237
Total non-operating income	3,252	616
Non-operating expenses		
Interest expenses	850	1,116
Share of loss of entities accounted for using equity method	109	563
Other	62	227
Total non-operating expenses	1,021	1,906
Ordinary profit	15,493	19,163

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Extraordinary income		
Gain on sale of non-current assets	11	3
National subsidies	7	-
Other	0	-
Total extraordinary income	18	3
Extraordinary losses		
Loss on disposal of non-current assets	5	91
Impairment losses	3	-
Loss on tax purpose reduction entry of non-current assets	7	-
Total extraordinary losses	14	91
Profit before income taxes	15,497	19,074
Income taxes - current	2,860	4,155
Income taxes - deferred	1,794	2,286
Total income taxes	4,654	6,441
Profit	10,843	12,633
Profit attributable to owners of parent	10,843	12,633

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	10,843	12,633
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,875)	(153)
Foreign currency translation adjustment	7,066	(4,437)
Remeasurements of defined benefit plans, net of tax	76	123
Total other comprehensive income	4,268	(4,467)
Comprehensive income	15,110	8,166
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,110	8,166

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholder's Equity)

Not applicable.

(Notes on Segment information)

1. Reportable segment information (net sales and profit (loss))

For the three months ended June 30,2024

(Millions of Yen)

	Reportable Segments				Total	Adjustments and eliminations (Note 1)	Consolidated (Note 2)
	Construction-related business	Real estate-related business	Condominium management and operation business	Overseas business			
Net sales							
Sales to third parties	202,623	49,927	31,821	403	284,774	—	284,774
Inter-segment sales and transfer	19,950	296	1,551	—	21,797	(21,797)	—
Total	222,573	50,223	33,372	403	306,571	(21,797)	284,774
Segment profit(loss)	11,528	4,590	931	(1,738)	15,312	(2,050)	13,262

Note 1 : Adjustment and eliminations for segment profit include (994) million yen of elimination of inter-segment transactions and (1,055) million yen of corporate expenses, which are not allocable to the reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

Note 2 : Segment profit(loss) has been adjusted with operating profit in the consolidated statement of income.

For the three months ended June 30,2025

(Millions of Yen)

	Reportable Segments				Total	Adjustments and eliminations (Note 1)	Consolidated (Note 2)
	Construction-related business	Real estate-related business	Condominium management and operation business	Overseas business			
Net sales							
Sales to third parties	199,221	49,375	35,940	1,370	285,906	—	285,906
Inter-segment sales and transfer	27,433	1,074	1,734	—	30,242	(30,242)	—
Total	226,655	50,450	37,674	1,370	316,149	(30,242)	285,906
Segment profit(loss)	15,375	6,152	1,811	(143)	23,196	(2,743)	20,453

Note 1 : Adjustment and eliminations for segment profit include (1,568) million yen of elimination of inter-segment transactions and (1,175) million yen of corporate expenses, which are not allocable to the reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

Note 2 : Segment profit(loss) has been adjusted with operating profit in the consolidated statement of income.

2. Information on Assets by Reportable Segment

(Significant changes due to subsidiary acquisition)

For the three months ended on June 30, 2025, the segment assets of the "Construction-related Business" increased by 17,749 million yen and the segment assets of the "Condominium management and operation Business" increased by 2,325 million yen compared to the end of the previous consolidated fiscal year, due to Wood Friends Co., Ltd. and its four subsidiaries becoming a consolidated subsidiary.

3. Matters Related to Changes in Reportable Segments

In conjunction with the formulation of a new medium-term business plan starting from the fiscal year ending March 2026, the names of the reportable segments have been revised from the first quarter of the current consolidated accounting period. Specifically, the segment previously referred to as "Service-related Business" has been renamed to "Condominium management and operation Business," and "Overseas-related Business" has been renamed to "Overseas Business."

As part of this revision, the composition of subsidiaries within each segment has also been partially adjusted.

Furthermore, the segment information for the cumulative first quarter of the previous consolidated accounting period has been presented based on the revised classification of reportable segments.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the current quarterly consolidated accounting period have not been prepared.

Depreciation expenses (including amortization expenses pertaining to intangible assets excluding goodwill) and amortization expenses of goodwill pertaining to the quarterly consolidated period under review are as follows.

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	1,963 million yen	1,907 million yen
Amortization of goodwill	51 million yen	339 million yen

(Matters Related to Business Combinations, etc.)

(Business Combination through Acquisition)

1. Overview of business combination

(1) Acquired company's name and its business description

Name: Wood Friends Co., Ltd. and its four subsidiaries

Business description: Planning and design of buildings, construction and sales, other businesses related to living environments

(2) Main reason for the business combination

As a measure to simultaneously work towards creating a sustainable society and improve the quality of living spaces, we believe that "promoting the use of wood in construction and using wood materials not only has an environmental benefit of reducing CO2 emissions, but also contributes greatly to the physical and mental health and happiness of residents", We are therefore working to create wooden common areas for condominiums and our own unique hybrid timber homes that combine reinforced concrete and wood construction. On the other hand, Wood Friends Co., Ltd. aims to realize a consistent manufacturing and retail business from forestry to construction and sales, and to provide a stable supply of domestic timber at fair prices. Wood Friends Co., Ltd. is also focusing on realizing a "wood resource cascade business" that aims to properly circulate local forestry and use up wood resources without waste. We believe that by adding Wood Friends Group to our group, we will be able to further accelerate our efforts, and have therefore decided to carry out the business combination.

- (3) Date of business combination
Date of Share Acquisition: June 3, 2025
Deemed Acquisition Date: May 31, 2025
- (4) Legal forms of business combination
Acquisition of shares for cash consideration
- (5) Name of the combined entity
Not change
- (6) Acquired voting interest
90.38%
- (7) Key reasons for determining the acquiring entity
This is attributable to the Company's acquisition of shares for cash consideration.
2. Period of performance of the acquired company included in the consolidated financial statements
As the deemed acquisition date is May 31, 2025, only the balance sheet is reflected in the consolidated financial statements, and its operating results are not included.
3. Purchase price of the acquired entity and the breakdown of consideration by type
- | | |
|--|-------------------|
| Consideration transferred: Cash and cash equivalents | 2,267 million yen |
| Purchase price | 2,267 million yen |
4. Details and amounts of major acquisition-related costs
Advisory fees and other acquisition-related costs 162 million yen
5. Amount of goodwill recognized, reasons for its recognition, amortization method, and amortization period
- (1) Amount of goodwill recognized
288 million yen
- (2) Cause of Goodwill Recognition
Goodwill was recognized as it arose from the expected future excess earnings generated by the Company's ongoing business activities.
- (3) Amortization method and amortization period
Due to the immateriality of the amount, goodwill is fully amortized at the time of recognition.
6. Amounts and major components of assets acquired and liabilities assumed on the date of business combination
- | | |
|-------------------------|--------------------|
| Current assets | 10,227 million yen |
| Non-current assets | 8,831 million yen |
| Total of assets | 19,057 million yen |
| Current liabilities | 9,003 million yen |
| Non-current liabilities | 6,942 million yen |
| Total of liabilities | 15,945 million yen |

3. Non-consolidated Orders received

(1) Non-consolidated Orders received

	Orders	
	Millions of Yen	%
For the three months ended June 30, 2025	128,336	7.5
For the three months ended June 30, 2024	119,423	7.4

* % indicates changes from the previous corresponding period.

Breakdown of orders Received

[Millions of Yen]

		For the three months ended June 30, 2024		For the three months ended June 30, 2025		Increase (decrease)	
		Amount	%	Amount	%	Amount	%
Private-sector condominiums		105,357	(91.6%)	119,685	(97.0%)	14,328	13.6%
Rental condominiums, Company housing, etc.		6,820	(5.9%)	313	(0.3%)	(6,507)	(95.4%)
Residence Total		112,177	(97.5%)	119,998	(97.3%)	7,821	7.0%
Non-Residence		11	(0.0%)	123	(0.1%)	112	— %
Others		2,864	(2.5%)	3,248	(2.6%)	384	13.4%
Construction Total		115,051	96.3%	123,368	96.1%	8,317	7.2%
Consulting Contracts		1,403	1.2%	1,367	1.1%	(37)	(2.6%)
Construction business		116,455	97.5%	124,735	97.2%	8,280	7.1%
Design and Supervision		2,968	2.5%	3,601	2.8%	633	21.3%
Orders Total		119,423	100.0%	128,336	100.0%	8,913	7.5%

* The figures in parentheses refer to the proportion of Construction Total.

(2) Non-consolidated Orders received forecast

	Interim		Annual	
	Millions of Yen	%	Millions of Yen	%
March 2026 forecast	270,000	(12.1)	620,000	5.7
March 2025 result	307,084	50.8	586,632	9.3

* % indicates changes from the previous corresponding period.

Qualitative information of Orders Received result and forecast

Construction total were 123.4 billion yen, increased by 8.3 billion yen y/y and Orders received were 128.3 billion yen, increased by 8.9 billion yen y/y. A progress rate against the interim forecast of 270 billion yen was 47.5% and the progress was as expected.

We haven't revised the interim and annual forecast.