July 30, 2026

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Listing: Tokyo Stock Exchange
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Notice Concerning Recording of Extraordinary Income from Transfer of Non-current Assets and Extraordinary Loss from Retirement of Non-current Assets, and Revision to Earnings Forecasts

NIHON HOUSE HOLDINGS Co., Ltd. (the "Company") hereby announces that, at a meeting of its Board of Directors held on July 30, 2026, it resolved to transfer certain non-current assets and retire other certain non-current assets owned by the Company, as described below.
In connection with the above, the Company expects to record extraordinary income and an extraordinary loss in the second quarter of the fiscal year ending April 30, 2027. Accordingly, the Company has revised its consolidated and non-consolidated earnings forecasts for the second quarter and the full fiscal year ending April 30, 2027, announced on June 12, 2026, as described below.

I. Transfer of Non-current Assets

1. Reason for the transfer

The Group has been working to optimize its hotel portfolio by comprehensively reviewing the profitability, future prospects, and investment efficiency of each hotel it owns, with the aim of improving the profitability of its hotel business. The hotels subject to the transfer described below have continuously recorded operating losses in recent years, and a considerable period of time is expected to be required to improve their profitability. The Company has therefore determined that transferring these properties will contribute to enhancing the overall earning capacity of its hotel business.
The funds obtained through the transfer of the non-current assets are expected to be used for growth investments in the housing business, capital investments in the hotels that the Company will continue to own, and the repayment of borrowings related to the properties subject to the transfer.
The purpose of the transfer is to enhance the corporate value of the Group as a whole by strengthening its earnings base through restructuring of the hotel portfolio, and using the proceeds from the transfer for growth investments and financial improvements.

2. Details of the assets to be transferred

Location (*1)	Gain on transfer (*2), (*3)	Current use
1179-2 Takakuhei, Nasu-machi, Nasu-gun, Tochigi Prefecture	-	Hotel Mori no Kaze Nasu
1179-2 Takakuhei, Nasu-machi, Nasu-gun, Tochigi Prefecture	-	Hotel Shiki no Yakata Nasu
103-241 Oshiba, Motohakone, Hakone-machi, Ashigarashimo-gun, Kanagawa Prefecture	-	Hotel Shiki no Yakata Hakone Ashinoko
817-444 Sengokuhara, Hakone-machi, Ashigarashimo-gun, Kanagawa Prefecture	-	Hotel Mori no Kaze Hakone Sengokuhara
Total gain on transfer	Approx. ¥4.5 billion	

*1 For each of the non-current assets listed above, the Company plans to establish a trust and transfer the trust beneficiary rights created under the trust arrangement.

*2 The Company has refrained from disclosing the transfer price, book value, and settlement method due to confidentiality obligations owed to the transferee.

*3 The assets will be transferred at a fair and appropriate price determined with reference to real estate valuations conducted by reputable real estate appraisal organizations and prevailing market prices.

3. Overview of the transferee

The transferee is a domestic business corporation. At the request of the transferee, the Company has refrained from disclosing further details.

There are no capital, personnel, or business relationships between the transferee and the Company, and the transferee does not constitute a related party of the Company. The Company has also confirmed that the transferee has no relationship with antisocial forces.

4. Schedule of the transfer

（1）	Date of resolution by the Board of Directors	July 30, 2026
（2）	Date of execution of the agreement	July 30, 2026
（3）	Scheduled date of handover of the properties	October 1, 2026

*The date of handover stated above is the scheduled date of transfer of the trust beneficiary rights relating to the relevant non-current assets.

II. Recording of Extraordinary Loss from Retirement of Non-current Assets

Reason for and details of the retirement

With respect to a portion of the non-current assets relating to Hotel Mori no Kaze Oushuku, operated by the Company in Shizukuishi-cho, Iwate-gun, Iwate Prefecture, the Company has decided to partially demolish the hotel building for the purpose of improving the profitability of its hotel business and streamlining the operation of the facility.

As a result, the Company expects to record a loss on retirement of non-current assets of ¥0.8 billion as an extraordinary loss in the fiscal year ending April 30, 2027.

III. Revision to Earnings Forecasts

In connection with the transfer of non-current assets described in Section I and the retirement of non-current assets described in Section II above, the Company expects to record a gain on sale of non-current assets of ¥4.5 billion as extraordinary income and a loss on retirement of non-current assets of ¥0.8 billion as an extraordinary loss in its consolidated and non-consolidated financial results for the fiscal year ending April 30, 2027.

As a result of recording the extraordinary income and extraordinary loss, profit attributable to owners of the parent on a consolidated basis and profit on a non-consolidated basis are expected to exceed the forecasts previously announced on June 12, 2026. Accordingly, the Company has revised its consolidated and non-consolidated earnings forecasts for the second quarter and the full fiscal year ending April 30, 2027, as follows.

The Company has also revised its previous net sales forecasts because, in the housing business, prolonged tensions in the Middle East may lead to a decline in orders received during the current fiscal year, and because net sales following the transfer of the hotels will decrease. In line with the anticipated decrease in net sales in the housing business, the Company has also revised its previous forecasts for operating profit and ordinary profit.

(1) Revisions to Consolidated Financial Forecasts for the second quarter (Semi-Annual) of the fiscal year ending April 30, 2027
(from May 1, 2026 to October 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Earnings per share
Previously announced forecasts (A)	(Millions of yen) 15,360	(Millions of yen) 500	(Millions of yen) 340	(Millions of yen) 160	(Yen) 4.00
Revised forecasts (B)	14,880	320	630	2,900	72.50
Change (B-A)	△ 480	△ 180	290	2,740	
Change (%)	△3.1%	△36.0%	85.3%	1,712.5%	
(Reference) Actual results for the previous fiscal year (2nd quarter of fiscal year ended April 2026)	14,408	515	461	248	6.21

(2) Revisions to Full-Year Consolidated Financial Results Forecasts for the Fiscal Year Ended April 30, 2027
(from May 1, 2026 to April 30, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Earnings per share
Previously announced forecasts (A)	(Millions of yen) 34,940	(Millions of yen) 2,640	(Millions of yen) 2,330	(Millions of yen) 1,370	(Yen) 34.25
Revised forecasts (B)	32,520	1,910	2,110	3,610	90.25
Change (B-A)	△ 2,420	△ 730	△ 220	2,240	
Change (%)	△6.9%	△27.7%	△9.4%	163.5%	
(Reference) Actual results for the previous fiscal year (Fiscal year ended April 2026)	29,618	2,380	2,152	1,340	33.51

(3) Revisions to Non-Consolidated Financial Forecasts for the second quarter (Semi-Annual) of the fiscal year ending April 30, 2027
(from May 1, 2026 to October 31, 2026)

	Net sales	Ordinary profit	Net income	Earnings per share
Previously announced forecasts (A)	(Millions of yen) 12,940	(Millions of yen) 300	(Millions of yen) 140	(Yen) 3.50
Revised forecasts (B)	12,520	580	2,910	72.75
Change (B-A)	△ 420	280	2,770	
Change (%)	△3.2%	93.3%	1,978.6%	
(Reference) Actual results for the previous fiscal year (2nd quarter of fiscal year ended April 2026)	12,161	630	443	11.08

(4) Revisions to Full-Year Non-Consolidated Financial Results Forecasts for the Fiscal Year Ended April 30, 2027 (from May 1, 2026 to April 30, 2027)

	Net sales	Ordinary profit	Net income	Earnings per share
Previously announced forecasts (A)	(Millions of yen) 30,030	(Millions of yen) 2,260	(Millions of yen) 1,360	(Yen) 34.00
Revised forecasts (B)	28,570	2,040	3,620	90.50
Change (B-A)	△ 1,460	△ 220	2,260	
Change (%)	△4.9%	△9.7%	166.2%	
(Reference) Actual results for the previous fiscal year (Fiscal year ended April 2026)	25,186	2,295	1,530	38.27

The earnings forecasts above are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ from these forecasts due to various factors.