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

June 5, 2025

Company name: Sekisui House, Ltd.
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 1928
URL: https://www.sekisuihouse.co.jp/english/
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes －for institutional investors and analysts, in Japanese

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 30, 2025	894,044	15.1	60,287	(15.9)	46,811	(34.1)	33,373	(33.8)
April 30, 2024	777,052	9.7	71,714	28.7	70,995	33.7	50,427	20.3

(Note) Comprehensive income: Three months ended April 30, 2025: ¥ (30,707) million [-%]
Three months ended April 30, 2024: ¥ 87,351 million [81.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
April 30, 2025	51.49	51.48
April 30, 2024	77.83	77.80

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
April 30, 2025	4,726,489	1,926,622	39.9
January 31, 2025	4,808,848	2,018,599	40.8

(Reference) Equity: As of April 30, 2025: ¥ 1,883,694 million
As of January 31, 2025: ¥ 1,962,199 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 January 31, 2025	-	64.00	-	71.00	135.00
Fiscal year ending January 31, 2026	-				
Fiscal year ending January 31, 2026 (Forecast)		72.00	-	72.00	144.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,500,000	10.9	362,000	9.2	339,000	12.4	232,000	6.6	357.97

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

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

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

April 30, 2025:	662,996,866 shares
January 31, 2025:	662,996,866 shares

2) Number of treasury shares at the end of the period:

April 30, 2025:	14,883,086 shares
January 31, 2025:	14,902,212 shares

3) Average number of shares outstanding during the period:

Three months ended April 30, 2025:	648,100,650 shares
Three months ended April 30, 2024:	647,953,176 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Descriptions regarding forward looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors. Please refer to “1. Overview of Consolidated Business Results, etc., (3) Information Regarding Consolidated Results Forecast” on page 7 of the Attached Materials for information on the conditions underlying the earnings forecasts.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on June 5, 2025. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

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Appendix: Segment breakdown for the Three Months Ended April 30, 2025

Consolidated

(1) Net sales (Millions of Yen)

		Three months ended April 30, 2024	Three months ended April 30, 2025	YOY(%)
Built-to-order Business	Detached houses	100,896	105,004	4.1
	Rental housing and commercial buildings	128,680	123,596	(4.0)
	Architectural / civil engineering	74,652	77,217	3.4
	Subtotal	304,228	305,818	0.5
Supplied Housing Business	Rental housing management	171,942	179,548	4.4
	Remodeling	40,180	39,422	(1.9)
	Subtotal	212,122	218,971	3.2
Development Business	Real estate and brokerage	67,116	79,836	19.0
	Condominiums	24,796	20,365	(17.9)
	Urban redevelopment	56,131	19,465	(65.3)
	Subtotal	148,044	119,668	(19.2)
Overseas Business		117,848	257,616	118.6
Other		3,696	3,756	1.6
Eliminations and back office		(8,887)	(11,787)	―
Consolidated		777,052	894,044	15.1

(2) Operating profit and Operating profit margin (Millions of Yen)

		Three months ended April 30, 2024	Three months ended April 30, 2025	YOY(%)
Built-to-order Business	Detached houses	4,657 4.6%	6,124 5.8%	31.5
	Rental housing and commercial buildings	18,073 14.0%	14,891 12.0%	(17.6)
	Architectural / civil engineering	2,665 3.6%	5,526 7.2%	107.4
	Subtotal	25,396 8.3%	26,542 8.7%	4.5
Supplied Housing Business	Rental housing management	15,690 9.1%	19,743 11.0%	25.8
	Remodeling	4,977 12.4%	4,705 11.9%	(5.5)
	Subtotal	20,667 9.7%	24,448 11.2%	18.3
Development Business	Real estate and brokerage	5,797 8.6%	7,225 9.1%	24.6
	Condominiums	2,962 11.9%	2,680 13.2%	(9.5)
	Urban redevelopment	15,028 26.8%	3,751 19.3%	(75.0)
	Subtotal	23,789 16.1%	13,657 11.4%	(42.6)
Overseas Business		10,795 9.2%	4,991 1.9%	(53.8)
Other		743 20.1%	758 20.2%	2.1
Eliminations and back office		(9,678)	(10,111)	―
Consolidated		71,714 9.2%	60,287 6.7%	(15.9)

The bottom row indicates the operating profit margin.

(3) Orders (Millions of Yen)

		Three months ended April 30, 2024	Three months ended April 30, 2025	YOY(%)
Built-to-order Business	Detached houses	119,119	116,064	(2.6)
	Rental housing and commercial buildings	142,344	141,220	(0.8)
	Architectural / civil engineering	136,646	93,181	(31.8)
	Subtotal	398,110	350,466	(12.0)
Supplied Housing Business	Rental housing management	171,942	179,548	4.4
	Remodeling	44,161	45,800	3.7
	Subtotal	216,103	225,349	4.3
Development Business	Real estate and brokerage	92,652	90,286	(2.6)
	Condominiums	32,672	32,864	0.6
	Urban redevelopment	74,572	8,915	(88.0)
	Subtotal	199,897	132,067	(33.9)
Overseas Business		180,803	376,440	108.2
Other		3,531	3,622	2.6
Eliminations and back office		(7,985)	(9,236)	—
Consolidated		990,459	1,078,709	8.9

(4) Order backlog (Millions of Yen)

		As of January 31, 2025	As of April 30, 2025	YOY (%)
Built-to-order Business	Detached houses	230,018	241,078	4.8
	Rental housing and commercial buildings	563,887	581,510	3.1
	Architectural / civil engineering	401,005	416,970	4.0
	Subtotal	1,194,911	1,239,559	3.7
Supplied Housing Business	Rental housing management	—	—	—
	Remodeling	36,749	43,127	17.4
	Subtotal	36,749	43,127	17.4
Development Business	Real estate and brokerage	72,376	82,827	14.4
	Condominiums	122,570	135,069	10.2
	Urban redevelopment	12,000	1,450	(87.9)
	Subtotal	206,947	219,346	6.0
Overseas Business		338,070	456,894	35.1
Other		1,037	902	(12.9)
Eliminations and back office		(23,138)	(20,588)	—
Consolidated		1,754,577	1,939,242	10.5

1. Overview of Consolidated Business Results, etc.

(1) Overview of Consolidated Business Results for the Three Months Under Review

During the first quarter of the consolidated fiscal year under review, the outlook for the global economy rapidly became more uncertain on the back of the announcement of new tariff policies by the United States. It is necessary to closely monitor the price situation, as influenced by the monetary and trade policies of various countries, as well as fluctuations in international financial and capital markets, while taking into consideration the impact of geopolitical risks. Amid such conditions, in the United States, personal consumption has shown signs of deceleration, making it difficult to gauge economic trends. The Japanese economy has shown signs of a pickup in personal consumption, supported by ongoing improvements in the employment and income environment. However, consumer confidence remains weak, primarily due to the impact of the United States' tariff policies.

The housing market in Japan remains weak partly due to the impact of stubbornly high construction costs, but the number of new housing starts of owner-occupied houses and rental houses show signs of strength. On the other hand, in the United States, although there is strong latent demand for new housing against the backdrop of a chronic shortage of housing supply, construction companies have taken a more cautious stance amid mortgage rates remaining at high level, and the recovery in the number of new housing starts has stagnated.

In such a business environment, to achieve the Group's Global Vision for 2050 "Make Home the Happiest Place in the World," we have actively promoted various high-value-added proposals and other initiatives that integrate technologies, lifestyle design and service, based on the Sixth Mid-Term Management Plan (FY2023 to FY2025), which sets "Stable Growth in Japan and Proactive Growth Overseas" as its fundamental policy.

As a result, for the first quarter of the consolidated fiscal year under review, net sales were ¥894,044 million (up 15.1% year on year), operating profit was ¥60,287 million (down 15.9% year on year), ordinary profit was ¥46,811 million (down 34.1% year on year), and profit attributable to owners of parent was ¥33,373 million (down 33.8% year on year).

Results by business segment are as follows.

Built-to-Order Business

(Detached houses)

During the first quarter of the consolidated fiscal year under review, net sales were ¥105,004 million (up 4.1% year on year) and operating profit was ¥6,124 million (up 31.5% year on year).

We worked on initiatives such as utilizing "life knit design," a system for proposing designs that reflect each customer's sense of beauty in housing, enhancing proposal capabilities through Group cooperation, and strengthening our production system on a house-by-house basis that extends from production to shipment. As a result, orders remained steady.

As part of our strategy by price range, we focused on expanding the sale of mid- to high-end products, including integrated proposals combining land and 2nd-range products, as well as branding initiatives for 3rd-range products led by our DESIGN OFFICE team. In 1st-range products, we have contributed to the creation of high-quality housing stock in Japan by actively promoting the SI*[1] Business, a joint construction business where the Group companies undertake the construction of the foundations and structural frame-work of wooden houses built by partner companies.

Proposals for high-value-added houses and services such as "Green First ZERO" net zero energy houses (ZEH), which achieved a record-high 96% ratio of detached ZEH homes*[2] in FY2024, the Family Suite large living room, "PLATFORM HOUSE touch" smart home service linked to floor plans, and furniture and interior design continued to be well received, and we have been enhancing the detached housing brand by deepening our price range strategy.

*[1] SI: "S" refers to skeleton or structural frame-work and "I" refers to infill or exterior and interior.

*[2] Ratio of detached homes ZEH: This indicator shows the portion of detached houses (excluding contracted and for-sale housing in Hokkaido) that the Company built during the fiscal year that were ZEH (Net Zero Energy House). Period is from April 1, 2024 to March 31, 2025.

(Rental housing and commercial buildings)

During the first quarter of the consolidated fiscal year under review, net sales were ¥123,596 million (down 4.0% year on year) and operating profit was ¥14,891 million (down 17.6% year on year).

We promoted business expansion in strategically chosen urban areas (S and A areas) where occupancy demand is expected to increase over the long term, and within these areas, especially in highly convenient areas proximate to stations (S areas), we focused on expanding the sale of three- to four-story rental housing builds created using our original construction method and adoption of net zero energy rental housing Sha Maison ZEH. In addition to these area marketing initiatives, our price leader strategies to realize high occupancy rates and rental rate levels have been successful, leading to strong orders for rental housing. In particular, in Sha Maison ZEH, residents appreciate being able to realize the benefits of savings in utility costs thanks to the system of selling excess electricity by residents, which is enabled by photovoltaic panels connected to each residential unit. As a result, the proportion of orders for ZEH residential units across all of our rental housing orders reached 78%.

Orders in corporate and public real estate (CRE and PRE) businesses also remained strong due to the enhancement of proposals for ESG solutions and strengthened efforts to address corporate business succession needs. We are promoting the enhancement of proposals in non-residential construction such as “Green First Office” zero energy building (ZEB), which leverages our expertise and technologies developed in the detached houses business for office spaces, etc.

(Architectural/civil engineering)

During the first quarter of the consolidated fiscal year under review, net sales were ¥77,217 million (up 3.4% year on year), and operating profit was ¥5,526 million (up 107.4% year on year).

Both architectural and civil engineering businesses contributed to increased revenue through the solid progress in large-scale construction projects and the acquisition of additional and modified projects, etc., with improved profitability. Orders remained strong and progressed largely as planned, despite a pullback from the large-scale construction project orders received in the same period of the previous year.

Supplied Housing Business

(Rental housing management)

During the first quarter of the consolidated fiscal year under review, net sales were ¥179,548 million (up 4.4% year on year), and operating profit was ¥19,743 million (up 25.8% year on year).

The number of housing units under management increased due to continued orders for Sha Maison rental housing supplied in prime locations, mainly in the S and A areas, and enhanced communication between owners and Sekisui House Sha Maison PM companies, which began offering its services this fiscal year as group companies specializing in the rental business. For existing managed properties, we are maintaining a high occupancy rate through strategic leasing activities aimed at shortening the duration of vacancies, such as the time required for restoration work after move-outs and the period between new applications and actual move-ins. At the same time, we are focusing on increasing the rent by implementing value-enhancing renovations and other measures at the time of tenant change. We are also working to enhance customer satisfaction and the “Sha Maison” brand value by promoting DX, including one-stop handling of move-in and move-out procedures using apps and blockchain technology, as well as expanding post-move-in troubleshooting services, etc.

(Remodeling)

During the first quarter of the consolidated fiscal year under review, net sales were ¥39,422 million (down 1.9% year on year), and operating profit was ¥4,705 million (down 5.5% year on year).

In the detached houses business, Sekisui House Support Plus, Ltd., which is responsible for the Group’s after-sale service business, began offering its services this fiscal year. This has further strengthened collaboration within the Group and improved communication with owners. In particular, we strengthened our large-scale renovation proposals incorporating the “life knit design” concept in lifestyle proposal remodeling that meets changes in family structure and lifestyles. We also strengthened our proposals for energy efficient remodels, such as insulation renovations and the introduction of the latest energy-saving, energy-generating, and energy-storing equipment, by utilizing government and other subsidies. These efforts focused on Idocoro Dan-netsu thermal insulation upgrades, which target the areas of the home where customers spend the most time, as well as insulation improvements around doors and windows. For rental housing, we focus on conducting market analysis by area, layout, and building age, and on providing proposals such as optimal renovations that contribute to enhancing owners' asset value, as well as common-area improvements that respond to changing resident needs. As a result of these efforts, overall orders in our remodeling business remained strong.

Development Business

(Real estate and brokerage)

During the first quarter of the consolidated fiscal year under review, net sales were ¥79,836 million (up 19.0% year on year), and operating profit was ¥7,225 million (up 24.6% year on year).

In particular, at Sekisui House Real Estate, Ltd., which began offering its services this fiscal year as a group company specializing in the real estate and brokerage business, the integration of the business, which had been divided among six companies until the previous fiscal year, into a single entity led to the development of an enhanced organizational structure that enabled faster sharing of information and issues necessary to strengthen the purchase of high-quality real estate for sale and the development of sales channels. As a result of efforts to expand and deepen channels for inquiries from business corporations, financial institutions, and other organizations, the sale of real estate for sale, particularly land for housing, progressed solidly.

The brokerage business also remained steady through the use of the Group's nationwide network and diverse sales channel.

(Condominiums)

During the first quarter of the consolidated fiscal year under review, net sales were ¥20,365 million (down 17.9% year on year), and operating profit was ¥2,680 million (down 9.5% year on year). However, the delivery of properties sold progressed as planned, with the completion of delivery of Grande Maison Motoazabu (Minato-ku, Tokyo) and a smooth progress in the delivery of Grande Maison The Yamate 253 Garden (Naka-ku, Yokohama City).

For the Grande Maison condominiums, which are intensively developed in the central areas of Tokyo, Nagoya, Osaka, and Fukuoka as strategic areas, we adopted ZEH specifications for all units to contribute to the decarbonization of the residential sector. In addition, we have steadily accumulated achievements in obtaining "Long-Life Quality Housing" certifications, as part of our efforts to prolong the longevity of buildings. We are also formulating plans that make the most of the attractiveness of each rental housing property, and sequentially opening GM BASE as information hubs rooted in each strategic area. Through these efforts, the presence of Grande Maison has been steadily advancing. These efforts proved effective, and the sale of Grande Maison Fukuoka Kourokanmae (Chuo-ku, Fukuoka City) and Grande Maison Musashikosugi no Mori (Nakahara-ku, Kawasaki City), among others, remained strong.

(Urban redevelopment)

During the first quarter of the consolidated fiscal year under review, net sales were ¥19,465 million (down 65.3% year on year), and operating profit was ¥3,751 million (down 75.0% year on year).

Although earnings fell compared to the same period of the previous year in which we aggressively proceeded with the sale of large-scale properties, our projects progressed as planned. As for the properties we continue to own, occupancy rate of Prime Maison and other properties remained steady.

Furthermore, in March 2025, a special purpose company in which we have a partial equity interest entered into a sale and purchase agreement for real estate holdings, from which we expect to record a share of profit of entities accounted for using equity method.

As for GRAND GREEN OSAKA (Kita-ku, Osaka City), a large-scale mixed-use development project adjacent to JR Osaka Station that has been promoted by nine JV companies, after its preliminary opening in September 2024, the South Building held its grand opening in March 2025, featuring shops, hotels, and office spaces along with a variety of functions such as a wellness center and a MICE facility and purchase of lands for development with the aim of expanding our future project pipeline also progressed solidly.

Overseas Business

(Overseas business)

During the first quarter of the consolidated fiscal year under review, net sales were ¥257,616 million (up 118.6% year on year), and operating profit was ¥4,991 million (down 53.8% year on year).

In our U.S. homebuilding business, orders and deliveries increased with the performance of M.D.C. Holdings, Inc., which we acquired in April 2024, contributing from the beginning of the current fiscal year. However, as mortgage rates remained elevated and uncertainty over the outlook for the U.S. economy increased, more customers took a wait-and-see attitude. In response, we increased incentives, and together with the recording of amortization of goodwill, etc., our, operating profit margin decreased. On the other hand, sales for our U.S. master-planned community business remained steady, despite a decrease in revenue compared to the favorable performance in the same period of the previous year. In our U.S. multifamily business, we decided to additionally sell “City Ridge” (Washington D.C.) to SPCs that had been organized by Sekisui House Reit, Inc. as was also the case the previous fiscal year, and concluded purchase agreements with them in March 2025 with a settlement date of June 2025.

Other

During the first quarter of the consolidated fiscal year under review, net sales were ¥3,756 million (up 1.6% year on year), and operating profit was ¥758 million (up 2.1% year on year).

(2) Overview of Consolidated Financial Conditions for the Three Months Under Review

Total assets decreased by ¥82,359 million to ¥4,726,489 million at the end of the first quarter of the consolidated fiscal year under review, mainly owing to the decreases in cash and deposits due to payments for trade payables and corporate income taxes. Liabilities increased by ¥9,617 million to ¥2,799,867 million mainly due to the issuance of bonds. Net assets decreased by ¥91,977 million to ¥1,926,622 million, due to dividend payments and a decrease in foreign currency translation adjustments, despite recording of quarterly net income attributable to owners of the parent.

(3) Information Regarding Consolidated Results Forecast

The consolidated results forecast for the fiscal year ending January 31, 2026 remained unchanged from the plan announced on March 6, 2025, in light of the progress in each business.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of Yen)

	As of January 31, 2025	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	390,559	309,614
Notes receivable, accounts receivable from completed construction contracts and other	211,114	191,176
Costs on construction contracts in progress	14,127	19,996
Buildings for sale	1,068,926	1,070,253
Land for sale in lots	1,374,237	1,366,147
Undeveloped land for sale	396,123	422,553
Other inventories	12,164	12,618
Other	245,867	244,541
Allowance for doubtful accounts	(1,013)	(996)
Total current assets	3,712,106	3,635,903
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	176,209	209,596
Machinery, equipment and vehicles, net	11,757	12,983
Land	258,559	269,858
Construction in progress	45,976	14,984
Other, net	41,736	42,494
Total property, plant and equipment	534,240	549,918
Intangible assets		
Goodwill	134,217	122,572
Other	87,656	89,948
Total intangible assets	221,873	212,520
Investments and other assets		
Investment securities	205,632	194,034
Long-term loans receivable	13,656	14,686
Retirement benefit asset	46,749	47,397
Deferred tax assets	10,643	7,819
Other	64,994	65,245
Allowance for doubtful accounts	(1,047)	(1,035)
Total investments and other assets	340,628	328,146
Total non-current assets	1,096,742	1,090,585
Total assets	4,808,848	4,726,489

(Millions of Yen)

	As of January 31, 2025	As of April 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	195,028	184,355
Electronically recorded obligations - operating	79,360	57,751
Short-term bonds payable	40,000	105,000
Short-term borrowings	477,840	418,181
Current portion of bonds payable	8	-
Current portion of long-term borrowings	252,793	283,421
Income taxes payable	44,652	12,434
Advances received on construction contracts in progress	220,645	240,598
Provision for bonuses	39,706	28,996
Provision for bonuses for directors (and other officers)	6,675	1,765
Provision for warranties for completed construction	14,073	13,410
Other	184,863	183,578
Total current liabilities	1,555,648	1,529,494
Non-current liabilities		
Bonds payable	620,121	736,849
Long-term borrowings	456,321	379,213
Long-term leasehold and guarantee deposits received	52,626	52,771
Deferred tax liabilities	13,443	11,987
Provision for retirement benefits for directors (and other officers)	862	677
Retirement benefit liability	31,632	31,366
Other	59,593	57,506
Total non-current liabilities	1,234,601	1,270,373
Total liabilities	2,790,249	2,799,867
Net assets		
Shareholders' equity		
Share capital	203,094	203,094
Capital surplus	260,297	259,389
Retained earnings	1,266,985	1,255,133
Treasury shares	(40,957)	(40,905)
Total shareholders' equity	1,689,420	1,676,712
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,610	30,038
Deferred gains or losses on hedges	(123)	(252)
Foreign currency translation adjustment	215,217	157,011
Remeasurements of defined benefit plans	22,075	20,184
Total accumulated other comprehensive income	272,779	206,981
Share acquisition rights	87	64
Non-controlling interests	56,311	42,863
Total net assets	2,018,599	1,926,622
Total liabilities and net assets	4,808,848	4,726,489

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the three months ended April 30, 2024 and 2025)

(Millions of Yen)

	For the three months ended April 30, 2024	For the three months ended April 30, 2025
Net sales	777,052	894,044
Cost of sales	616,007	714,416
Gross profit	161,045	179,628
Selling, general and administrative expenses	89,330	119,340
Operating profit	71,714	60,287
Non-operating income		
Interest income	526	1,767
Dividend income	31	33
Foreign exchange gains	3,334	-
Share of profit of entities accounted for using equity method	-	829
Other	1,394	653
Total non-operating income	5,286	3,283
Non-operating expenses		
Interest expenses	4,757	9,130
Foreign exchange losses	-	4,643
Share of loss of entities accounted for using equity method	23	-
Other	1,224	2,985
Total non-operating expenses	6,005	16,759
Ordinary profit	70,995	46,811
Extraordinary income		
Gain on sale of investment securities	116	2,453
Total extraordinary income	116	2,453
Extraordinary losses		
Loss on sale and retirement of non-current assets	236	119
Impairment losses	12	-
Total extraordinary losses	249	119
Profit before income taxes	70,863	49,145
Income taxes - current	14,058	10,239
Income taxes - deferred	5,401	4,753
Total income taxes	19,460	14,993
Profit	51,402	34,152
Profit attributable to non-controlling interests	975	779
Profit attributable to owners of parent	50,427	33,373

Quarterly Consolidated Statement of Comprehensive Income

(For the three months ended April 30, 2024 and 2025)

(Millions of Yen)

	For the three months ended April 30, 2024	For the three months ended April 30, 2025
Profit	51,402	34,152
Other comprehensive income		
Valuation difference on available-for-sale securities	1,895	(4,633)
Foreign currency translation adjustment	33,023	(54,304)
Remeasurements of defined benefit plans, net of tax	(1,343)	(1,894)
Share of other comprehensive income of entities accounted for using equity method	2,373	(4,028)
Total other comprehensive income	35,948	(64,860)
Comprehensive income	87,351	(30,707)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	86,274	(31,505)
Comprehensive income attributable to non-controlling interests	1,077	797

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in accounting policies)

(Adoption of the “Accounting Standard for Current Income Taxes” and other standards)

The Company has adopted the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “Accounting Standard Revised in 2022”) and other standards from the beginning of the first quarter of the consolidated fiscal year under review.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter “Guidance Revised in 2022.” During the first quarter of the consolidated fiscal year under review, the impact on the quarterly consolidated financial statements is immaterial.

With regard to the revision associated with the review of treatment in the consolidated financial statements in case that gain or loss on sale of shares of a subsidiary, etc. among consolidated companies is deferred for tax purpose, the Guidance Revised in 2022 has been applied from the beginning of the first quarter of the consolidated fiscal year under review. This change has not been retroactively applied because the impact is immaterial.

(Related to Quarterly Consolidated Balance Sheet)

Changes in holding purpose

Investment properties of ¥955 million that were recorded under “buildings and structures” and “land” at the end of the previous consolidated fiscal year have been transferred to be recorded under “buildings for sale” and “land for sale in lots.”

(Note to Segment Information, etc.)

Segment Information

I. Previous first quarter consolidated fiscal year (February 1, 2024 to April 30, 2024)

1. Information about net sales, profit or loss for each reportable segment

(Millions of Yen)

	Reportable Segments					
	Detached houses	Rental housing and commercial buildings	Architectural/ civil engineering	Rental housing management	Remodeling	Development
Net sales						
(1) Sales to external customers	100,866	126,800	73,792	170,430	39,915	144,504
(2) Intersegment sales or transfers	30	1,879	859	1,512	264	3,539
Total	100,896	128,680	74,652	171,942	40,180	148,044
Segment profit	4,657	18,073	2,665	15,690	4,977	23,789

	Reportable Segments		Other (Note 1)	Total	Adjustments (Note 2)	Amounts on the consolidated financial statements (Note 3)
	Overseas Business	Total				
Net sales						
(1) Sales to external customers	117,848	774,157	1,671	775,829	1,223	777,052
(2) Intersegment sales or transfers	–	8,085	2,025	10,111	(10,111)	–
Total	117,848	782,243	3,696	785,940	(8,887)	777,052
Segment profit	10,795	80,649	743	81,392	(9,678)	71,714

Notes 1. The “Other” category is a business segment that is not included in the reporting segments.

2. An adjustment of ¥(9,678) million for segment profit includes an elimination of intersegment transactions of ¥321 million and corporate expenses of ¥(10,000) million that have not been allocated to each segment. Corporate expenses mainly include selling, general and administration expenses and experiment and research expenses that do not belong to any reportable segments.

3. Segment profit is adjusted to correspond to operating profit in the consolidated quarterly statement of income.

2. Information about impairment losses on non-current assets or goodwill, etc. for each reportable segment

(Significant change in the amount of goodwill)

We made M.D.C. Holdings, Inc. and 33 other companies consolidated subsidiaries in Overseas Business. The increase in goodwill from the event during the first quarter of the consolidated fiscal year under review was ¥126,551 million.

Provisional accounting treatment based on reasonable available information was adopted since the allocation of acquisition costs was not finalized at the end of the first quarter of the consolidated fiscal year under review.

3. Information on Assets by Reportable Segments

(Significant Increase in Assets due to Acquisition of Subsidiaries)

Segment assets of the Overseas Business increased compared to the end of the previous consolidated fiscal year due to making M.D.C. Holdings, Inc. and 33 other companies consolidated subsidiaries in “Overseas Business”.

II. Current first quarter consolidated fiscal year (February 1, 2025 to April 30, 2025)

Information about net sales, profit or loss for each reportable segment

(Millions of Yen)

	Reportable Segments					
	Detached houses	Rental housing and commercial buildings	Architectural/ civil engineering	Rental housing management	Remodeling	Development
Net Sales						
(1) Sales to external customers	104,948	120,462	76,301	177,119	39,182	115,565
(2) Intersegment sales or transfers	56	3,134	915	2,429	240	4,102
Total	105,004	123,596	77,217	179,548	39,422	119,668
Segment profit	6,124	14,891	5,526	19,743	4,705	13,657

	Reportable Segments		Other (Note 1)	Total	Adjustments (Note 2)	Amounts on the consolidated financial statements (Note 3)
	Overseas Business	Total				
Net Sales						
(1) Sales to external customers	257,616	891,196	2,298	893,494	550	894,044
(2) Intersegment sales or transfers	–	10,878	1,458	12,337	(12,337)	–
Total	257,616	902,075	3,756	905,831	(11,787)	894,044
Segment profit	4,991	69,640	758	70,398	(10,111)	60,287

Notes 1. The “Other” category is a business segment that is not included in the reporting segments.

2. An adjustment of ¥(10,111) million for segment profit includes an elimination of intersegment transactions of ¥(204) million and corporate expenses of ¥(9,906) million that have not been allocated to each segment. Corporate expenses mainly include selling, general and administration expenses and experiment and research expenses that do not belong to any reportable segments.

3. Segment profit is adjusted to correspond to operating profit in the consolidated quarterly statement of income.

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

None

(Notes Regarding Assumption of a Going Concern)

None

(Notes to Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the consolidated fiscal year under review have not been prepared. Depreciation (including amortization for intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the consolidated fiscal year under review are as follows.

(Millions of Yen)

	For the three months ended April 30, 2024	For the three months ended April 30, 2025
Depreciation	6,354	9,793
Amortization of goodwill	1,304	4,466