

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

November 12, 2025

Company **JP-HOLDINGS, INC.**
 Stock Code 2749
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 Preparation of supplementary financial document: Yes
 Results briefing: Yes (for media members, institutional investors, analysts)

Listed on the TSE Prime
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Expected starting date of dividend payment: -

(Rounded down to million yen)

1. Consolidated business results for the six months ended September 2025 (April 1, 2025 through September 30, 2025)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sept. 2025	20,763	7.9	2,715	-0.2	2,755	0.8	1,773	-8.6
Six months ended Sept. 2024	19,251	6.6	2,720	34.6	2,735	39.2	1,940	51.7

(Note) Comprehensive income

Six months ended September 2025: 1,817 million yen (-8.9%)

Six months ended September 2024: 1,993 million yen (56.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sept. 2025	20.73	-
Six months ended Sept. 2024	22.73	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Sept. 30, 2025	35,790	20,325	56.8
As of Mar. 31, 2025	37,622	19,508	51.9

(Reference) Shareholders' equity

As of September 30, 2025: 20,320 million yen

As of March 31, 2025: 19,508 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 2025	-	0.00	-	12.00	12.00
Year ending Mar. 2026	-	0.00			
Year ending Mar. 2026 (forecast)			-	12.00	12.00

(Notes) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the fiscal year ending March 2026 (April 1, 2025 through March 31, 2026)

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Mar. 2026	42,226	2.6	5,998	3.3	6,070	3.6	3,921	0.0	45.82

(Notes) Revisions to business forecast for the current quarter: Yes

***Notes**

(1) Changes in significant subsidiaries during the period: Yes

New: One (Company name: JP-Holdings Kyushu, Inc.)

Excluded: – (Company name: –)

(2) Application of accounting procedures specific to preparation of the consolidated semi-annual financial statements: None

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

① Changes in accounting policies associated with revision of accounting standards: : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of September 30, 2025 87,849,400 shares

As of March 31, 2025 87,849,400 shares

② Treasury stock at the end of period

As of September 30, 2025 2,270,278 shares

As of March 31, 2025 2,308,482 shares

③ Average number of stock during period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025 85,557,291 shares

Six months ended September 30, 2024 85,374,821 shares

*** Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.**

*** Explanation regarding appropriate use of business forecasts and other special instructions**

- Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. For information regarding the assumptions that form the basis for the business results forecasts and notes about using business forecasts, etc., please refer to “1. Summary of Operating Results (3) Consolidated Earnings Forecasts” (Page 5).
- On Friday, November 14, 2025, the Company plans to hold results briefing for media members, institutional investors and analysts via a webcast.

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1. Summary of Operating Results

(1) Summary of Operating Results for the Semi-annual Period

During the six months of the current fiscal year (April 1 to September 30, 2025), the Japanese economy has continued to recover gradually mainly due to improvements in employment and income conditions and increases in demand for inbound tourism. However, the outlook still remains uncertain mainly due to concerns about an economic slowdown caused by the impact of U.S. trade policies, growing international uncertainties, and rising raw material and energy prices.

The environment surrounding the childcare support business, of which our Group is a part, continues to be severely affected by the accelerating decline in the birthrate as the number of births in the preliminary figures (January to June 2025) of vital statistics published by the Ministry of Health, Labour and Welfare decreased by 3.1% year on year to 339,280.

Under these circumstances, the government enacted the “Basic Act on Children’s Policy” in April 2023 and, in December of the same year, announced the “Children’s Future Strategy” to address declining birthrates and population decline based on the “General Principles for Child-Related Measures,” which aims to comprehensively promote children’s policies. The strategy outlines a three-year acceleration plan from fiscal 2024 to the end of fiscal 2026 as unprecedented measures against declining birthrate. Specifically, based on the “Children’s Future Strategy Policy,” the government sets the following goals and promotes measures for them: (i) Strengthening economic support for child-rearing across all life stages and initiatives to improve income for younger generations (including expanding child allowances, reducing the financial burden of childbirth, alleviating medical expenses, etc. through support for local government initiatives, reducing the burden of higher education costs by enhancing scholarship programs, providing direct support for individuals’ proactive reskilling, and strengthening housing support for households raising children), (ii) Expanding support for all children and all households raising children (including expanding seamless support from pregnancy, improving the quality of early childhood education and childcare, and establishing a system called “Universal Childcare System”), and (iii) Promoting dual-career families and shared parenting (including promoting the use of paternity leave, promoting flexible working arrangements throughout the child-rearing period, and supporting the balance between diverse work styles and child-rearing). While various measures against the declining birthrate have been promoted, the problem of children waiting for childcare places has been significantly reduced through the expansion of childcare facilities. In light of this, the Children and Families Agency announced “New Directions for Childcare Policy” in December 2024, which outlined measures to shift the focus from “expanding the quantity of childcare” to “ensuring and enhancing the quality of childcare.” We believe that the size of the childcare support market will continue to expand in the future, as childcare facilities are required to further improve their quality and various measures are being promoted and strengthened to address the declining birthrate.

As a measure specific to a local government, the Tokyo Metropolitan Government eliminated childcare fees for first-born children aged 0 to 2 on September 1, 2025. As Tokyo’s unique measure against the declining birthrate, this covers all households using a licensed nursery school, etc. in Tokyo regardless of their income. Childcare fees for first-born children aged 3 to 5 are already eliminated by the national government’s system, and this new system makes childcare fees free for first-born children aged 0 to 2 as well, which means that childcare fees for children in Tokyo will be in effect zero. In addition, the number of children on waiting lists at school clubs is still in an increasing trend, and the development of a childcare environment is becoming an issue. The Tokyo Metropolitan Government is taking steps to open new “Tokyo-certified school club,” and government and local governments are promoting the creation of an environment conducive to childcare. As such, the social role of childcare support services is expected to become increasingly important.

As described above, while the government and local governments are promoting various measures to improve childcare environments and eliminate waiting lists for children in school clubs as part of measures to cope with the declining birthrate, competition to acquire more children is intensifying in regions where the birthrate is declining at an accelerated pace. Under these circumstances, we believe it is necessary to implement structural reforms and develop new businesses and generate earnings as quickly as possible to achieve sustainable growth and further revenue expansion.

In view of the progress of various measures and changes in the external environment, our Group has reviewed the medium-term management plan using a rolling method. With regard to priority targets, we have continued to strengthen our efforts to attain the targets, “Achieve growth and establish a competitive advantage,” “Reform our profit structure,” and “Reform our management base” to gain a greater competitive advantage and reform and improve our management base. In particular, we position the fiscal year ending March 31, 2026 as a year to solidify our foothold for the medium-term management plan (for the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028), and we are actively promoting new measures for our childcare support business, early development

of new businesses, and M&As.

Specifically, regarding “Achieve growth and establish a competitive advantage,” we are working on a medium- to long-term growth strategy, focusing on development of new businesses in collaboration with municipalities, expansion and promotion of overseas businesses, and new English-focused businesses such as ALT (Assistant Language Teacher), and international schools (unlicensed nursery schools). In addition, through a dominant strategy in collaboration with nursery schools and school clubs and children’s houses to establish an integrated childcare support system for infants, early childhood, and child-rearing, we are striving to increase new contracts and establish Tokyo-certified school clubs to double the current number of school clubs and children’s houses to 200 facilities. Through these initiatives, we are working to expand our existing businesses and business domains, actively promote M&As, enhance our learning programs as a competitive advantage, establish new business formats, implement various differentiated strategies to address the concerns of parents, and promote measures to resolve social issues surrounding childcare support.

In addition, we are implementing various support activities aimed at regional revitalization, such as concluding agreements with local governments in each region to improve childcare environments and donations utilizing the corporate version of the hometown tax payment system. As part of strengthening our regional coverage, we have established a joint venture company, JP Holdings Kyushu, Inc., in June 2025, in collaboration with TV Kumamoto Co., Ltd., its group company TKU HUMAN Corporation, and its affiliates in the Kyushu region for the purpose of contributing to society through childcare support business and promoting regional revitalization efforts. We combine the know-how of the two companies and promote an ALT (Assistant Language Teacher) program and English-specialized childcare facilities. In collaboration with local governments, we are working to contribute to the community and revitalize the region by improving the childcare environment.

Regarding “Reform our profit structure,” we are reassessing our business structure and are working to improve profitability by addressing redundant tasks and streamlining operations through ICT. We are also committed to promote further improvements in our operations through business process reforms and system implementations.

As for the “Reform our management base,” the key to our Group’s business is people. Therefore, we are enhancing our personnel education and training structure. At the same time, we are securing and developing talented human resources and improving employee engagement to lead to a change in awareness. In this way, we are strengthening our human resource strategy and Group governance in order to support sustainable growth and superiority.

As part of our Group’s strategy for further growth, we intend to develop new businesses early on to achieve profitability, promote “creating facilities that would continue to be selected by customers” aimed at expanding existing businesses, and actively pursue M&As to further expand the scale of our business. In this way, we will strive to achieve sustainable growth and realize our Group management philosophy of “Through childcare support, we will contribute to creating smiles for everyone.”

Regarding the opening and contracts of new facilities, we, during the six months of the current fiscal year, established 2 childcare centers that were converted from certified nursery schools and 25 school clubs and children’s houses. And we have newly contracted a total of 25 facilities, excluding those that were converted to childcare centers. As part of our initiative to establish distinctive childcare centers, we have transitioned 5 facilities from licensed nursery schools to bilingual nursery schools, and 2 facilities from licensed nursery schools to sports nursery schools.

(Childcare Center)(*1)

Asc Kokuba Childcare Center	(April 1, 2025)
Asc Maezato Childcare Center	(April 1, 2025)

(School Club/Children’s House)

Ichi-sho School Club C	(April 1, 2025)
Mitaka Municipal Ichi-sho Smile Club	(April 1, 2025)
Chofu Municipal Takizaka School Club No. 1	(April 1, 2025)
Chofu Municipal Takizaka School Club No. 2	(April 1, 2025)
Matsubara Children’s Club No. 2 B	(April 1, 2025)
Taito Ikuei Elementary School After School Kids’ Club	(April 1, 2025)
Sakura School Club No. 1	(April 1, 2025)
Juntoku School Club	(April 1, 2025)
Yumegaoka-sho School Club	(April 1, 2025)
Nagayato Elementary School After School Club	(April 1, 2025)

Sarugaku Elementary School After School Club	(April 1, 2025)
Nerima Municipal Hashido-sho Nerikko Hiroba	(April 1, 2025)
Nerima Municipal Hashido-sho Nerikko School Club	(April 1, 2025)
Teramae Elementary School Student Club	(April 1, 2025)
Daiichi Elementary School Student Club	(April 1, 2025)
Koganei Municipal Maehara School Club No. 1	(April 1, 2025)
Koganei Municipal Maehara School Club No. 2	(April 1, 2025)
Koganei Municipal Maehara Provisional School Club No. 3	(April 1, 2025)
Toyoake Municipal Seibu Children's Club	(April 1, 2025)
Toyoake Municipal Yakata Elementary School After School Kids' Club	(April 1, 2025)
Toyoake Municipal Nanbu Children's Club	(April 1, 2025)
Toyoake Municipal Toyoake Elementary School After School Kids' Club	(April 1, 2025)
Toyoake Municipal Himawari Children's House	(April 1, 2025)
Toyoake Municipal Seibu Children's House	(April 1, 2025)
Toyoake Municipal Nanbu Children's House	(April 1, 2025)

(Bilingual Nursery School)

The Company changed licensed nursery schools to bilingual nursery schools, which are staffed by native English-speaking teachers.

Asc Bilingual Nursery School Toyosu (formerly Asc Toyosu Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Kamimeguro (formerly Asc Kamimeguro Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Kitashinjuku (formerly Asc Kitashinjuku Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Yakuoji (formerly Asc Yakuoji Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Yumemirai (formerly Asc Yumemirai Nursery School)	(April 1, 2025)

(Sports Nursery School)

The Company changed licensed nursery schools to sports nursery schools to provide children with opportunities for physical activities, “while playing and having fun” to develop core strength, balance, and flexibility.

Asc Sports Nursery School Kobuuchi (formerly Asc Kobuuchi Nursery School)	(April 1, 2025)
Asc Sports Nursery School Kajigaya (formerly Asc Kajigaya Nursery School)	(April 1, 2025)

*1: On April 1, 2025, licensed nursery schools, “Asc Kokuba Nursery School” and “Asc Maezato Nursery School,” were transitioned to certified childcare centers.

As a result, the Group came to have 203 nursery schools, 6 childcare centers, 118 school clubs, 16 children's houses, and 2 community centers, making a total of 345 childcare facilities as of September 30, 2025.

As a result, the Group's consolidated net sales were 20,763 million yen (up 7.9% year on year), operating profit was 2,715 million yen (down 0.2%), ordinary profit was 2,755 million yen (up 0.8%), and profit attributable to owners of parent was 1,773 million yen (down 8.6%).

Net sales increased 7.9% year on year, hitting a record high. This was due to various factors including the operation of distinct nursery schools such as bilingual nursery schools, Montessori-method education nursery schools, and sports nursery schools, an increase in the number of enrolled children (infants) as a result of efforts to “create facilities that would continue to be selected by customers” by expanding the early childhood learning program, the contracts with new facilities, measures to maximize subsidies, and an increase in subsidies associated with improvements in the treatment of childcare workers, etc.

Operating profit decreased marginally by 0.2% year on year. This was due to the fact that expenses of the semi-annual (September, March) shareholder benefit program introduced at the end of the previous fiscal year were recorded, and that corporate hometown tax donations, which were implemented in the fourth quarter of the previous fiscal year, were decided to be implemented throughout the year during the current fiscal year, etc., despite an increase in profit resulting from an increase in the number of enrolled children as a result of efforts to “create facilities that would continue to be selected by customers,” as well as measures to maximize subsidies. Ordinary profit increased by 0.8% year on year, hitting a record high mainly due to an increase in non-operating income.

Profit attributable to owners of parent decreased by 8.6% year on year. This was mainly due to the fact that the

compensation of 201 million yen related to the transfer of the head office in line with the redevelopment of the area where the head office is located was recorded as an extraordinary income in the previous fiscal year, despite an increase in profit mainly due to the contracts with new facilities and an increase in the number of enrolled children (infants) as mentioned above.

Profit was higher than planned at the beginning of the current fiscal year owing to an increase in the number of enrolled children (infants) compared to the previous fiscal year and measures to maximize subsidies.

(2) Summary of Financial Condition in the Semi-annual Period

As for the financial position at the end of the semi-annual period of the current fiscal year, the total assets amounted to 35,790 million yen (down 1,831 million yen from the end of the previous fiscal year).

Current assets totaled 24,983 million yen (down 1,878 million yen). This was mainly due to a decrease of 1,852 million yen in accounts receivable - other.

Non-current assets totaled 10,807 million yen (up 47 million yen). This was mainly due to increases of 317 million yen in deferred tax assets and 55 million yen in land, while there were decreases of 218 million yen in buildings and structures and 106 million yen in long-term loans receivable.

Total liabilities amounted to 15,465 million yen (down 2,648 million yen).

Current liabilities amounted to 9,932 million yen (down 1,243 million yen). This was mainly due to decreases of 777 million yen in accounts payable - other, 338 million yen in current portion of long-term borrowings, and 194 million yen in other.

Non-current liabilities totaled 5,533 million yen (down 1,404 million yen). This was mainly due to a decrease of 1,432 million yen in long-term borrowings.

Total net assets at the end of the semi-annual period of the current fiscal year totaled 20,325 million yen (up 816 million yen). This was mainly due to an increase of 746 million yen in retained earnings.

(3) Consolidated Earnings Forecasts

As for the full-year consolidated earnings forecasts announced on May 13, 2025, we have revised upward our full-year consolidated earnings forecasts as described below to reflect business results for the six months ended September 30, 2025. For details, please see the “Notice Regarding Revision of Full-year Earnings Forecast (Upward Revision),” released on November 12, 2025.

As for our full-year earnings forecasts for the fiscal year ending March 31, 2026, net sales are expected to be 0.8% higher than the earnings forecast at the beginning of the current fiscal year mainly owing to operation of distinct nursery schools such as bilingual nursery schools, Montessori-method education nursery schools, and sports nursery schools, an increase in the number of enrolled children (infants) as a result of efforts to “create facilities that would continue to be selected by customers” by expanding the early childhood learning program, measures to maximize subsidies, and contracts with new facilities.

Operating profit and ordinary profit are expected to increase by 6.1% and 6.4%, respectively, compared to the initial earnings forecasts owing to increases in net sales, mainly resulting from contracts with new facilities, an increase in the number of enrolled children (infants) and measures to maximize subsidies as mentioned above, and an efficient operation and management system, such as revising ordering systems to respond to higher raw material prices and cutting costs by a unique recruitment activity, despite an increase in expenses resulting from the introduction of a shareholder benefit program.

Profit attributable to owners of parent is expected to increase by 4.7% compared to the initial earnings forecast as a result of establishing efficient operation systems and maximizing the acquisition of subsidies, as mentioned above, although a compensation of 201 million yen related to the transfer of the head office in line with the redevelopment of the area where the head office is located was recorded as an extraordinary income for the previous fiscal year.

The various efforts mentioned above are intended to improve profitability and increase the number of children to accept for not only the current fiscal year but also the next fiscal year, and have produced favorable results as efforts of “creating facilities that would continue to be selected by customers” in each region. Therefore, we believe that they will contribute to the expansion of business results for the next fiscal year and beyond.

Operating profit, which was set as a three-year plan extending through the fiscal year ending March 31, 2028 after reviewing the medium-term management plan using a rolling method at the beginning of the current fiscal year, is expected to achieve the medium-term management plan, one year ahead of schedule (operating profit plan for the fiscal year ending March 31, 2027). This is mainly due to an increase in the number of children (infants) and further profitability improvement of existing facilities as a result of “creating facilities that would continue to be selected by customers,” although there are increases in expenses to arrange international schools (unlicensed nursery schools),

the Tokyo-certified school club, and ALT (Assistant Language Teacher) business, as new business development for the next fiscal year onwards. We will announce the medium-term management plan by mid-May 2026 after carrying out the rolling method we have practiced for every fiscal year.

As a leading company for the childcare support business, our Group will produce continued growth through further expansion of the childcare support business, global business development without being limited to Japan, efforts to solve various problems surrounding children, and expansion of adjacent business areas.

As for the dividend forecast for the fiscal year ending March 31, 2026, the dividend forecast announced on the beginning of the current fiscal year remains unchanged at this stage, and we will continue to carefully observe operational performance from now on.

However, actual results may differ from forecasts due to changes in business conditions and other factors.

We will disclose any changes appropriately as they occur.

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheet

(Thousand yen)

	Previous Fiscal Year (March 31, 2025)	Current Semi-annual Period (September 30, 2025)
Assets		
Current assets		
Cash and deposits	20,743,470	20,733,869
Notes and accounts receivable - trade	114,950	94,821
Inventories	45,627	48,104
Accounts receivable - other	5,204,206	3,352,044
Other	754,410	755,129
Allowance for doubtful accounts	-244	-253
Total current assets	26,862,421	24,983,717
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,195,727	12,217,304
Accumulated depreciation and impairment	-8,577,487	-8,817,782
Buildings and structures, net	3,618,240	3,399,521
Machinery, equipment and vehicles	203	203
Accumulated depreciation	-203	-203
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	1,590,858	1,641,594
Accumulated depreciation and impairment	-1,130,334	-1,204,932
Tools, furniture and fixtures, net	460,523	436,662
Land	129,529	184,621
Total property, plant and equipment	4,208,293	4,020,805
Intangible assets		
Goodwill	45,578	30,385
Other	21,868	17,676
Total intangible assets	67,447	48,062
Investments and other assets		
Investment securities	546,995	643,572
Long-term loans receivable	2,364,840	2,258,431
Guarantee deposits	1,804,979	1,784,059
Deferred tax assets	1,425,923	1,743,526
Other	345,306	312,121
Allowance for doubtful accounts	-3,689	-3,307
Total investments and other assets	6,484,356	6,738,404
Total non-current assets	10,760,097	10,807,272
Total assets	37,622,519	35,790,989

(Thousand yen)

	Previous Fiscal Year (March 31, 2025)	Current Semi-annual Period (September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	197,866	160,679
Current portion of long-term borrowings	3,460,864	3,122,164
Accounts payable - other	3,069,000	2,291,614
Income taxes payable	1,319,207	1,337,207
Accrued consumption taxes	75,418	84,038
Provision for bonuses	938,381	1,015,786
Other	2,115,178	1,920,628
Total current liabilities	11,175,916	9,932,120
Non-current liabilities		
Long-term borrowings	5,300,153	3,867,457
Deferred tax liabilities	2,688	—
Retirement benefit liability	1,031,437	1,060,863
Asset retirement obligations	603,809	605,224
Total non-current liabilities	6,938,088	5,533,545
Total liabilities	18,114,004	15,465,665
Net assets		
Shareholders' equity		
Share capital	1,603,955	1,603,955
Capital surplus	1,542,826	1,552,733
Retained earnings	17,078,574	17,825,545
Treasury shares	-671,017	-659,912
Total shareholders' equity	19,554,338	20,322,321
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-73,726	-22,605
Deferred gains or losses on hedges	2,129	974
Remeasurements of defined benefit plans	25,772	19,857
Total accumulated other comprehensive income	-45,823	-1,772
Non-controlling interests	—	4,775
Total net assets	19,508,514	20,325,323
Total liabilities and net assets	37,622,519	35,790,989

(2) Semi-annual Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousand yen)

	Previous Semi-annual Period (Apr. 1, 2024 - Sept. 30, 2024)	Current Semi-annual Period (Apr. 1, 2025 - Sept. 30, 2025)
Net sales	19,251,338	20,763,385
Cost of sales	15,235,879	16,542,957
Gross profit	4,015,459	4,220,428
Selling, general and administrative expenses	1,294,964	1,504,930
Operating profit	2,720,494	2,715,497
Non-operating income		
Interest income	39,097	50,345
Other	8,546	15,108
Total non-operating income	47,644	65,454
Non-operating expenses		
Interest expenses	27,864	19,927
Commission expenses	4,734	4,734
Other	372	479
Total non-operating expenses	32,971	25,141
Ordinary profit	2,735,167	2,755,810
Extraordinary income		
Compensation for head office transfer	201,630	—
Total extraordinary income	201,630	—
Extraordinary losses		
Loss on sale of non-current assets	91	—
Loss on retirement of non-current assets	4,304	23
Total extraordinary losses	4,396	23
Profit before income taxes	2,932,401	2,755,787
Income taxes - current	1,024,927	1,322,687
Income taxes - deferred	-32,998	-340,138
Total income taxes	991,929	982,549
Profit	1,940,472	1,773,237
Loss attributable to non-controlling interests	—	-224
Profit attributable to owners of parent	1,940,472	1,773,462

Semi-annual Consolidated Statement of Comprehensive Income

(Thousand yen)

	Previous Semi-annual Period (Apr. 1, 2024 - Sept. 30, 2024)	Current Semi-annual Period (Apr. 1, 2025 - Sept. 30, 2025)
Profit	1,940,472	1,773,237
Other comprehensive income		
Valuation difference on available-for-sale securities	50,162	51,121
Deferred gains or losses on hedges	268	-1,155
Remeasurements of defined benefit plans, net of tax	2,937	-5,915
Total other comprehensive income	53,367	44,051
Comprehensive income	1,993,840	1,817,288
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,993,840	1,817,513
Comprehensive income attributable to non-controlling interests	—	-224

(3) Semi-annual Consolidated Statement of Cash Flows

(Thousand yen)

	Previous Semi-annual Period (Apr. 1, 2024 - Sept. 30, 2024)	Current Semi-annual Period (Apr. 1, 2025 - Sept. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	2,932,401	2,755,787
Depreciation	339,762	320,996
Amortization of goodwill	15,192	15,192
Share-based payment expenses	12,070	7,034
Increase (decrease) in allowance for doubtful accounts	-2,908	-373
Increase (decrease) in provision for bonuses	102,323	77,405
Increase (decrease) in retirement benefit liability	37,765	20,381
Interest and dividend income	-39,097	-50,345
Interest expenses	27,864	19,927
Loss on retirement of non-current assets	4,304	23
Loss (gain) on sale of non-current assets	91	—
Compensation for head office transfer	-201,630	—
Decrease (increase) in trade receivables	13,735	20,128
Decrease (increase) in inventories	12,523	-2,476
Decrease (increase) in accounts receivable - other	370,577	1,838,574
Increase (decrease) in trade payables	-56,174	-37,186
Increase (decrease) in accounts payable - other, and accrued expenses	-1,334,552	-922,035
Increase (decrease) in accrued consumption taxes	7,003	8,620
Increase (decrease) in advances received	90,175	209,542
Other, net	-124,084	-214,468
Subtotal	2,207,345	4,066,730
Interest and dividends received	1,351	14,499
Interest paid	-28,444	-19,358
Income taxes refund (paid)	-1,078,814	-1,300,631
Proceeds from compensation for head office transfer	201,630	—
Net cash provided by (used in) operating activities	1,303,068	2,761,239
Cash flows from investing activities		
Purchase of property, plant and equipment	-301,650	-149,843
Purchase of intangible assets	-1,945	-1,000
Payments of guarantee deposits	-16,636	-2,544
Proceeds from refund of guarantee deposits	12,742	16,331
Proceeds from collection of long-term loans receivable	138,740	127,905
Purchase of insurance funds	-1,200	—
Proceeds from cancellation of insurance funds	—	8,000
Proceeds from sale of businesses	—	17,430
Other, net	-6,590	—
Net cash provided by (used in) investing activities	-176,538	16,280

(Thousand yen)

	Previous Semi-annual Period (Apr. 1, 2024 - Sept. 30, 2024)	Current Semi-annual Period (Apr. 1, 2025 - Sept. 30, 2025)
Cash flows from financing activities		
Repayments of long-term borrowings	-1,865,434	-1,771,396
Dividends paid	-677,990	-1,020,724
Proceeds from share issuance to non-controlling shareholders	—	5,000
Net cash provided by (used in) financing activities	-2,543,424	-2,787,120
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	-1,416,894	-9,601
Cash and cash equivalents at beginning of period	20,944,481	20,743,470
Cash and cash equivalents at end of period	19,527,587	20,733,869

(4) Notes on the Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

None applicable.

(Notes if there is a significant change in the amount of shareholders' equity)

None applicable.

(Notes on segment information)

Segment information

The Group's principal business is the nursery service. Information on other business segments is omitted as they are considered immaterial.