

Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2026
(Six Months Ended September 30, 2025)

[Japanese GAAP]

Company name: KI-STAR REAL ESTATE Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 3465

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Scheduled date of filing of Semi-annual Report:

November 14, 2025

Scheduled date of payment of dividend:

December 8, 2025

Preparation of supplementary materials for financial results:

Yes

Holding of financial results meeting:

Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Six Months (April 1, 2025 – September 30, 2025) of the Fiscal Year Ending March 31, 2026

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2025	181,190	20.0	11,246	60.8	10,379	71.6	6,340	73.9
Six months ended Sep. 30, 2024	150,935	20.3	6,992	50.6	6,047	52.8	3,645	20.8

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2025: 7,094 (up 67.9%)

Six months ended Sep. 30, 2024: 4,224 (up 26.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2025	409.28	409.27
Six months ended Sep. 30, 2024	233.81	233.76

Note: KI-STAR REAL ESTATE Co., Ltd. ("the Company") has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2025	313,737	74,122	20.9
As of Mar. 31, 2025	294,552	68,801	20.4

Reference: Shareholders' equity (million yen) As of Sep. 30, 2025: 65,417 As of Mar. 31, 2025: 60,127

Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	-	65.00	-	86.00	151.00
Fiscal year ending Mar. 31, 2026	-	100.00			
Fiscal year ending Mar. 31, 2026 (forecasts)			-	100.00	200.00

Note: Revisions to the most recently announced dividend forecast: None

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

(Percentages represent year-on-year changes)

	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
Full year	370,000	8.0	23,000	33.3	20,000	32.2	12,000	35.4	775.09

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

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

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting interim consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Sep. 30, 2025:	15,866,400 shares	As of Mar. 31, 2025:	15,863,800 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2025:	345,870 shares	As of Mar. 31, 2025:	381,644 shares
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3) Average number of shares during the period

Six months ended Sep. 30, 2025:	15,492,007 shares	Six months ended Sep. 30, 2024:	15,590,068 shares
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Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are included in treasury shares for calculating the number of treasury shares at the end of the period and the average number of shares during the period.

* The current financial report is not subject to review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors.

Contents of Attachments

1. Overview of Results of Operations, Etc.	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Interim Consolidated Financial Statements and Notes	4
(1) Interim Consolidated Balance Sheet	4
(2) Interim Consolidated Statements of Income and Comprehensive Income	6
Interim Consolidated Statement of Income	6
Interim Consolidated Statement of Comprehensive Income	7
(3) Interim Consolidated Statement of Cash Flows	8
(4) Notes to Interim Consolidated Financial Statements	10
Interim Consolidated Balance Sheet	10
Interim Consolidated Statement of Income	10
Segment and Other Information	11
Significant Changes in Shareholders' Equity	12
Going Concern Assumption	12
Additional Information	12

1. Overview of Results of Operations, Etc.

(1) Results of Operations

The Japanese economy continued to recover slowly during the first half, supported by improvements in the labor market and personal income as well as the effects of various government measures. However, the outlook remains uncertain due to changes in international trade policies and rising geopolitical risks in the Middle East and Asia.

In the housing sector, where the KI-STAR Group operates, demand has remained firm as the balance between supply and demand has improved due to factors such as a decline in housing starts. However, there are concerns that elevated housing prices, driven by rising building material costs and other factors, and higher mortgage interest rates may dampen customer purchasing sentiment.

Based on the KI-STAR Group's philosophy of "creating lives that are enriching, enjoyable and pleasant" and a commitment to accomplishing the vision of "house ownership for everyone," activities are continuing for achieving the goals of the Medium-term Plan 2028. To increase profitability, the homebuilding and sales business is opening sales offices in new areas of Japan and reorganizing existing offices. In addition, many activities are under way for optimization of the business portfolio. Examples include integration of management with the management of subsidiaries in the custom-built housing business, growth of the apartment buildings/income-producing real estate business and business operations outside Japan, and expanding the pre-owned home renovation business to more areas of Japan. In accordance with the revision of the Japan's Building Standards Act, all new residential structures in Japan are now required to comply with energy conservation standards. We are continuing to use many activities for making all newly constructed houses compliant with net zero energy house (ZEH) standards, increasing the use of lumber produced in Japan, and accomplishing other goals.

Sales increased 20.0% from the same period of the previous fiscal year to a record-high 181,190 million yen. Despite increases in personnel and other costs, profitability continued to improve as demand remained strong, particularly in central urban areas. Consequently, operating profit increased 60.8% to 11,246 million yen, ordinary profit grew 71.6% to 10,379 million yen, and profit attributable to owners of parent rose 73.9% to 6,340 million yen.

Results by business segment are as follows:

i) Homebuilding and sales business

This business focused on improving profitability by increasing our market share in major metropolitan areas where housing demand remains strong, while streamlining operations in suburban areas through integration with our pre-owned home renovation business.

During the first half, 4,354 houses (including land) were sold. Sales increased 18.7% to 169,852 million yen and segment profit increased 53.1% to 12,616 million yen.

ii) Custom-built housing business

In this business, improvements in gross profit margins and reductions in selling, general and administrative expenses were achieved through management integration with subsidiaries and other initiatives.

During the first half, 123 houses were sold. Sales decreased 12.2% to 2,854 million yen and segment profit was 70 million yen (compared with segment loss of 47 million yen for the same period of the previous fiscal year).

(2) Financial Position

Assets

Total assets increased by 19,184 million yen from the end of the previous fiscal year to 313,737 million yen at the end of the second quarter of the current fiscal year. This was mainly due to an increase of 30,054 million yen in inventories and a decrease of 11,903 million yen in cash and deposits.

Liabilities

Total liabilities increased by 13,864 million yen to 239,615 million yen. The increase was mainly due to a 16,171 million yen increase in borrowings.

Net assets

Total net assets increased by 5,320 million yen to 74,122 million yen. The main reasons include profit attributable to owners of parent of 6,340 million yen, while there were dividends of surplus of 1,352 million yen and an increase in non-controlling interests of 33 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the consolidated forecast for the fiscal year ending March 31, 2026 that was announced on May 15, 2025. Sales and earnings are both performing well, but the outlook for the costs of building materials and labor, and interest rates on mortgages and other loans remains uncertain. An announcement will be made promptly if a revision is needed.

2. Interim Consolidated Financial Statements and Notes**(1) Interim Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	Second quarter of FY3/26 (As of Sep. 30, 2025)
Assets		
Current assets		
Cash and deposits	71,906	60,002
Accounts receivable from completed construction contracts	149	367
Real estate for sale	102,518	114,593
Real estate for sale in process	91,455	109,158
Costs on uncompleted construction contracts	2,087	2,363
Advance payments to suppliers	3,988	4,298
Other	4,337	5,072
Allowance for doubtful accounts	(7)	(20)
Total current assets	276,435	295,836
Non-current assets		
Property, plant and equipment	5,192	5,255
Intangible assets		
Goodwill	260	206
Other	217	198
Total intangible assets	478	404
Investments and other assets	12,445	12,241
Total non-current assets	18,117	17,901
Total assets	294,552	313,737
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	3,881	3,922
Accounts payable for construction contracts	20,916	20,110
Short-term borrowings	98,376	111,902
Current portion of bonds payable	3,564	3,452
Current portion of long-term borrowings	13,601	17,654
Lease liabilities	16	37
Income taxes payable	4,146	3,968
Provision for bonuses	764	1,563
Other	11,040	8,741
Total current liabilities	156,309	171,354
Non-current liabilities		
Bonds payable	3,136	3,346
Long-term borrowings	65,252	63,844
Lease obligations	51	18
Asset retirement obligations	178	204
Other	822	845
Total non-current liabilities	69,440	68,260
Total liabilities	225,750	239,615

	(Millions of yen)	
	FY3/25	Second quarter of FY3/26
	(As of Mar. 31, 2025)	(As of Sep. 30, 2025)
Net assets		
Shareholders' equity		
Share capital	4,818	4,821
Capital surplus	5,780	5,808
Retained earnings	51,189	56,178
Treasury shares	(1,422)	(1,293)
Total shareholders' equity	60,365	65,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(89)	(58)
Foreign currency translation adjustment	(148)	(38)
Total accumulated other comprehensive income	(238)	(97)
Share acquisition rights	15	12
Non-controlling interests	8,658	8,692
Total net assets	68,801	74,122
Total liabilities and net assets	294,552	313,737

(2) Interim Consolidated Statements of Income and Comprehensive Income**Interim Consolidated Statement of Income**

	(Millions of yen)	
	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)
Net sales	150,935	181,190
Cost of sales	131,927	156,197
Gross profit	19,008	24,992
Selling, general and administrative expenses	12,016	13,746
Operating profit	6,992	11,246
Non-operating income		
Interest income	117	359
Refund of real estate acquisition tax	278	384
Share of profit of entities accounted for using equity method	-	100
Other	493	436
Total non-operating income	889	1,281
Non-operating expenses		
Interest expenses	1,092	1,643
Commission expenses	660	457
Share of loss of entities accounted for using equity method	14	-
Other	65	47
Total non-operating expenses	1,833	2,148
Ordinary profit	6,047	10,379
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on sale of shares of subsidiaries	41	-
Gain on bargain purchase	160	-
Total extraordinary income	204	2
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	36	37
Total extraordinary losses	36	37
Profit before income taxes	6,215	10,344
Income taxes-current	2,503	3,807
Income taxes-deferred	(546)	(415)
Total income taxes	1,957	3,391
Profit	4,258	6,953
Profit attributable to non-controlling interests	612	612
Profit attributable to owners of parent	3,645	6,340

Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)
Profit	4,258	6,953
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	30
Foreign currency translation adjustment	(6)	110
Share of other comprehensive income of entities accounted for using equity method	(0)	-
Total other comprehensive income	(33)	141
Comprehensive income	4,224	7,094
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,611	6,480
Comprehensive income attributable to non-controlling interests	612	613

(3) Interim Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	6,215	10,344
Depreciation	208	248
Amortization of goodwill	56	54
Gain on bargain purchase	(160)	-
Increase (decrease) in provision for bonuses	65	798
Interest and dividend income	(121)	(361)
Share of loss (profit) of entities accounted for using equity method	14	(100)
Commission expenses	660	457
Interest expenses	1,092	1,643
Decrease (increase) in inventories	(29,661)	(30,057)
Increase (decrease) in trade payables	(1,128)	(765)
Other, net	1,958	(1,800)
Subtotal	(20,800)	(19,537)
Interest and dividends received	121	323
Interest paid	(1,753)	(2,152)
Income taxes refund (paid)	43	(4,001)
Net cash provided by (used in) operating activities	(22,389)	(25,368)
Cash flows from investing activities		
Purchase of property, plant and equipment	(208)	(284)
Proceeds from sale of property, plant and equipment	3	2
Purchase of intangible assets	(14)	(47)
Proceeds from withdrawal of time deposits	90	112
Payments into time deposits	(521)	(832)
Purchase of investment securities	-	(14)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	520	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(54)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	39	-
Loan advances	(2,128)	(1,242)
Proceeds from collection of loans receivable	-	927
Payments of guarantee deposits	(28)	(19)
Proceeds from refund of guarantee deposits	32	9
Other, net	(85)	(21)
Net cash provided by (used in) investing activities	(2,354)	(1,410)

	(Millions of yen)	
	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,634)	13,526
Proceeds from long-term borrowings	35,653	14,155
Repayments of long-term borrowings	(14,204)	(11,694)
Proceeds from issuance of bonds	200	280
Redemption of bonds	(400)	(182)
Repayments of lease liabilities	(26)	(12)
Purchase of treasury shares	(1,000)	(0)
Dividends paid	(983)	(1,352)
Dividends paid to non-controlling interests	(94)	(496)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(57)
Other, net	0	4
Net cash provided by (used in) financing activities	14,509	14,169
Effect of exchange rate change on cash and cash equivalents	0	26
Net increase (decrease) in cash and cash equivalents	(10,234)	(12,582)
Cash and cash equivalents at beginning of period	53,156	67,204
Cash and cash equivalents at end of period	42,922	54,622

(4) Notes to Interim Consolidated Financial Statements**Interim Consolidated Balance Sheet***** 1. Financial covenants**

There are financial covenants on some loans from financial institutions. The five primary requirements, which apply to consolidated and non-consolidated financial statements are for net assets, ordinary profit, loan to value (LTV), monthly inventory turnover, and the debt-equity ratio. If there is a violation of one or more of these requirements or there is a continuous violation, the financial institutions may demand the immediate repayment of all applicable loans.

Borrowings subject to these financial covenants were as follows at the end of FY3/25 and the end of the second quarter of FY3/26.

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	Second quarter of FY3/26 (As of Sep. 30, 2025)
Short-term borrowings	65,338	71,690
Long-term borrowings (including current portion of long-term borrowings)	56,358	56,214

*** 2. Other current liabilities include the following contract liabilities.**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	Second quarter of FY3/26 (As of Sep. 30, 2025)
Contract liabilities	2,432	2,624

Interim Consolidated Statement of Income*** 1. Major items of selling, general and administrative expenses are as follows.**

	(Millions of yen)	
	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)
Sales commission	3,469	4,361
Salaries and allowances	2,687	2,783
Provision for bonuses	259	654

2. Seasonal changes in sales

First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024) and first six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)

The KI-STAR Group recognizes real estate sales mainly based on the delivery method, which results in a bias in sales depending on the timing of deliveries. In general, a higher percentage of homes are delivered in the second half of the fiscal year (third to fourth quarter) than in the first half (first to second quarter), and sales are generally higher in the second half than in the first half.

Segment and Other Information

First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the interim consolidated statement of income (Note 3)
	Homebuilding and sales	Custom-built housing	Total			
Net sales						
Sales to external customers	143,120	3,249	146,370	4,565	-	150,935
Inter-segment sales and transfers	-	-	-	98	(98)	-
Total	143,120	3,249	146,370	4,663	(98)	150,935
Segment profit (loss)	8,241	(47)	8,193	652	(1,853)	6,992

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of pre-owned home renovation, apartment buildings/income-producing real estate, real estate leasing and brokerage businesses.

2. The -1,853 million yen adjustment to segment profit includes elimination for inter-segment transactions of 38 million yen and -1,891 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the interim consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Significant gain on bargain purchase

In the custom-built housing segment, a gain on bargain purchase was reported as a result of the acquisition of shares of Shinyamagata Hometech Co., Ltd. and TAKASUGI Co., Ltd. to make these companies consolidated subsidiaries. The amount of the gain on bargain purchase resulting from this acquisition was 160 million yen in the first six months of FY3/25.

Gain on bargain purchase is not included in the above segment profit because it is an extraordinary income

First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)

1. Information related to net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the interim consolidated statement of income (Note 3)
	Homebuilding and sales	Custom-built housing	Total			
Net sales						
Sales to external customers	169,852	2,854	172,706	8,483	-	181,190
Inter-segment sales and transfers	-	-	-	115	(115)	-
Total	169,852	2,854	172,706	8,598	(115)	181,190
Segment profit	12,616	70	12,686	743	(2,184)	11,246

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of pre-owned home renovation, apartment buildings/income-producing real estate, real estate leasing and brokerage businesses.

2. The -2,184 million yen adjustment to segment profit includes elimination for inter-segment transactions of 43 million yen and -2,228 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the interim consolidated statement of income.

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Additional Information

The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for this plan held by the trust are recorded as treasury shares in the consolidated balance sheet. The number of shares of the Company's stock held by the trust as of March 31, 2025 was 239,044 shares with a book value of 934 million yen, and the number of these shares as of September 30, 2025 was 203,222 shares with a book value of 805 million yen.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.