

May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Innovation Holding CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 3484
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Scheduled date of annual general meeting of shareholders: June 17, 2025
 Scheduled date to commence dividend payments: June 18, 2025
 Scheduled date to file annual securities report: June 18, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	16,659	16.8	1,381	41.8	1,431	41.5	1,029	54.5
March 31, 2024	14,263	9.1	974	(19.6)	1,011	(20.1)	666	(24.8)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥1,028 million [54.4%]
 For the fiscal year ended March 31, 2024: ¥666 million [(24.8)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	61.35	-	28.1	9.8	8.3
March 31, 2024	39.62	-	20.5	7.6	6.8

Note: Net income per share after adjustment for potential shares is not included because there are potential shares but they do not have a dilution effect.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	15,652	4,016	25.6	239.08
March 31, 2024	13,697	3,324	24.2	197.73

Reference: Equity
 As of March 31, 2025: ¥4,010 million
 As of March 31, 2024: ¥3,316 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	1,019	177	(244)	4,283
March 31, 2024	455	(87)	(537)	3,331

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	0.00	-	20.00	20.00	335	50.5	10.4
March 31, 2025	-	0.00	-	28.00	28.00	469	45.6	12.8
March 31, 2026 (Forecast)		0.00		30.00	30.00		48.8	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 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
Six months ending September 30, 2025	9,092	9.7	778	13.7	769	10.2	501	6.8	29.90
Fiscal year ending March 31, 2026	18,872	13.3	1,604	16.1	1,578	10.3	1,030	0.1	61.43

*Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	17,674,400 shares
As of March 31, 2024	17,674,400 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	900,658 shares
As of March 31, 2024	900,608 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	16,773,790 shares
Fiscal year ended March 31, 2024	16,809,320 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	8,658	(39.1)	657	(28.4)	721	(26.6)	531	(17.9)
March 31, 2024	14,207	9.1	918	(21.4)	983	(20.6)	647	(25.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	31.70	-
March 31, 2024	38.53	-

Note: Net income per share after adjustment for potential shares is not included because there are potential shares but they do not have a dilution effect.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	3,932	3,478	88.4	207.24
March 31, 2024	13,651	3,282	24.0	195.54

Reference: Equity

As of March 31, 2025: ¥3,476 million

As of March 31, 2024: ¥3,279 million

<Reasons for Differences from the Previous Year's Results in Individual Results>

The Company transitioned to a holding company structure on October 1, 2024, and after the transition, its main business content will be the outsourcing of management operations for subsidiaries. As a result, there is a discrepancy between the actual figures for the previous fiscal year and the current fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 3 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	3,331,233	4,283,926
Accounts receivable - trade	9,444	11,516
Real estate for sale	823,765	895,861
Prepaid expenses	1,195,477	1,313,930
Other	119,836	536,546
Total current assets	5,479,757	7,041,781
Non-current assets		
Property, plant and equipment		
Buildings,net	634,164	396,157
Other	42,596	16,337
Total property, plant and equipment	676,760	412,494
Intangible assets	31,165	36,187
Investments and other assets		
Deferred tax assets	351,715	505,817
Guarantee deposits	6,841,860	7,412,403
Other	316,052	243,742
Total investments and other assets	7,509,628	8,161,962
Total non-current assets	8,217,554	8,610,645
Total assets	13,697,311	15,652,426
Liabilities		
Current liabilities		
Income taxes payable	162,074	441,978
Provision for bonuses	39,453	62,278
Unearned revenue	1,515,682	1,649,981
Other	674,587	887,377
Total current liabilities	2,391,797	3,041,615
Non-current liabilities		
Long-term borrowings	-	103,000
Asset retirement obligations	48,824	49,041
Retirement benefit liability	37,000	52,500
Guarantee deposits received	7,506,961	7,885,972
Other	388,685	503,678
Total non-current liabilities	7,981,471	8,594,192
Total liabilities	10,373,269	11,635,808
Net assets		
Shareholders' equity		
Share capital	308,394	308,394
Capital surplus	539,930	539,930
Retained earnings	3,547,222	4,240,873
Treasury shares	(1,078,830)	(1,078,880)
Total shareholders' equity	3,316,717	4,010,317
Share acquisition rights	2,358	2,358
Non-controlling interests	4,967	3,942
Total net assets	3,324,042	4,016,617
Total liabilities and net assets	13,697,311	15,652,426

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	14,263,842	16,659,432
Cost of sales	11,689,916	13,421,648
Gross profit	2,573,925	3,237,783
Selling, general and administrative expenses	1,599,626	1,856,171
Operating profit	974,299	1,381,611
Non-operating income		
Penalty income	30,405	43,111
Compensation income	50,902	5,799
Surrender value of insurance policies	-	44,434
Other	6,859	5,710
Total non-operating income	88,168	99,055
Non-operating expenses		
Compensation expenses	28,272	11,589
Nonrecoverable consumption taxes	14,394	25,144
Commission expenses	-	11,550
Other	8,386	914
Total non-operating expenses	51,053	49,198
Ordinary profit	1,011,413	1,431,468
Extraordinary income		
Gain on sale of non-current assets	-	57,877
Total extraordinary income	-	57,877
Extraordinary losses		
Loss on retirement of non-current assets	19,217	-
Total extraordinary losses	19,217	-
Profit before income taxes	992,196	1,489,345
Income taxes - current	361,646	615,346
Income taxes - deferred	(35,495)	(154,102)
Total income taxes	326,151	461,244
Profit	666,044	1,028,101
Loss attributable to non-controlling interests	(32)	(1,025)
Profit attributable to owners of parent	666,077	1,029,126

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	666,044	1,028,101
Comprehensive income	666,044	1,028,101
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	666,077	1,029,126
Comprehensive income attributable to non-controlling interests	(32)	(1,025)

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	308,394	539,930	3,153,526	(806,554)	3,195,296	-	-	3,195,296
Dividends of surplus			(272,380)		(272,380)			(272,380)
Profit attributable to owners of parent			666,077		666,077			666,077
Purchase of treasury shares				(272,275)	(272,275)			(272,275)
Net changes in items other than shareholders' equity						2,358	4,967	7,325
Total changes during period	-	-	393,696	(272,275)	121,421	2,358	4,967	128,746
Balance at end of period	308,394	539,930	3,547,222	(1,078,830)	3,316,717	2,358	4,967	3,324,042

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	308,394	539,930	3,547,222	(1,078,830)	3,316,717	2,358	4,967	3,324,042
Dividends of surplus			(335,475)		(335,475)			(335,475)
Profit attributable to owners of parent			1,029,126		1,029,126			1,029,126
Purchase of treasury shares				(50)	(50)			(50)
Net changes in items other than shareholders' equity							(1,025)	(1,025)
Total changes during period	-	-	693,650	(50)	693,600	-	(1,025)	692,575
Balance at end of period	308,394	539,930	4,240,873	(1,078,880)	4,010,317	2,358	3,942	4,016,617

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	992,196	1,489,345
Depreciation	50,012	54,869
Increase (decrease) in provision for bonuses	(7,419)	22,824
Increase (decrease) in retirement benefit liability	15,500	15,500
Surrender value of insurance policies	-	(44,434)
Gain on sale of non-current assets	-	(57,877)
Loss on retirement of non-current assets	19,217	-
Decrease (increase) in prepaid expenses	(91,736)	(118,453)
Decrease (increase) in guarantee deposits	(413,350)	(560,849)
Increase (decrease) in unearned revenue	158,924	134,298
Increase (decrease) in guarantee deposits received	537,192	379,011
Decrease (increase) in real estate for sale	(486,369)	(72,095)
Other, net	144,024	104,279
Subtotal	918,191	1,346,420
Income taxes paid	(462,972)	(328,093)
Other, net	6	1,267
Net cash provided by (used in) operating activities	455,224	1,019,594
Cash flows from investing activities		
Purchase of property, plant and equipment	(50,183)	(6,127)
Proceeds from sale of property, plant and equipment	-	67,991
Purchase of intangible assets	(22,621)	(7,854)
Payments of leasehold deposits	(5,304)	(9,693)
Proceeds from cancellation of insurance funds	-	132,905
Other, net	(9,830)	-
Net cash provided by (used in) investing activities	(87,938)	177,222
Cash flows from financing activities		
Proceeds from long-term borrowings	-	103,000
Proceeds from issuance of share acquisition rights	2,358	-
Purchase of treasury shares	(272,275)	(50)
Dividends paid	(272,380)	(335,475)
Proceeds from share issuance to non-controlling shareholders	5,000	-
Other, net	-	(11,550)
Net cash provided by (used in) financing activities	(537,298)	(244,075)
Effect of exchange rate change on cash and cash equivalents	-	(47)
Net increase (decrease) in cash and cash equivalents	(170,012)	952,692
Cash and cash equivalents at beginning of period	3,501,245	3,331,233
Cash and cash equivalents at end of period	3,331,233	4,283,926

(Notes on segment information, etc.)

1. Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group's main business is the "store subleasing business" specializing in the subleasing of store properties for restaurants, and in order to promote it, we operate the "real estate sales business" that purchases and sells store real estate with the aim of strengthening relationships with real estate agents.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare the consolidated financial statements.

Profit in the reporting segment is a figure based on operating income.

(Change in the Method of Measuring Profits or Losses for Reporting Segments)

From the current fiscal year, in accordance with the transition to a holding company structure, the method of allocating company-wide expenses has been changed.

Segment information for the previous fiscal year is based on the measurement method before the change, as it is difficult to create it using the measurement method after the change. As a result of these changes, segment profit in the "Store Subleasing Business" increased by 16,273 thousand yen and segment profit in the "Real Estate Trading Business" decreased by 16,273 thousand yen compared to the previous method.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (April 1, 2023 to March 31, 2024)

(Unit: 1 thousand yen)

	Reporting Segments		Total	Reconciling items	Per consolidated financial statements
	Store sublease business	Real estate trading business			
Sales					
Revenues from external customers	13,553,637	710,205	14,263,842	-	14,263,842
Transactions with other segments	-	-	-	-	-
Total	13,553,637	710,205	14,263,842	-	14,263,842
Segment Profit	809,829	164,469	974,299	-	974,299
Segment Assets	12,873,546	823,765	13,697,311	-	13,697,311
Other items					
Depreciation	50,012	-	50,012	-	50,012
Increase in property, plant and equipment and intangible assets	69,583	-	69,583	-	69,583

The current fiscal year (April 1, 2024 to March 31, 2025)

(Unit: 1 thousand yen)

	Reporting Segments		Total	Reconciling items	Per consolidated financial statements
	Store sublease business	Real estate trading business			
Sales					
Revenues from external customers	15,162,389	1,497,042	16,659,432	-	16,659,432
Transactions with other segments	620	5,803	6,423	(6,423)	-
Total	15,163,009	1,502,846	16,665,856	(6,423)	16,659,432
Segment Profit	1,238,244	143,367	1,381,611	-	1,381,611
Segment Assets	14,197,784	1,454,642	15,652,426	-	15,652,426
Other items					
Depreciation	51,570	3,299	54,869	-	54,869
Increase in property, plant and equipment and intangible assets	10,936	4,448	15,385	-	15,385