

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 2, 2025

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

Company name: Kasumigaseki Capital Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3498
URL: <https://kasumigaseki.co.jp/en/>
Representative: Koshiro Komoto, President & CEO
Inquiries: Kazunari Hirose, Managing Director
Telephone: +81-3-5510-7653
Scheduled date of annual general meeting of shareholders: November 27, 2025
Scheduled date to commence dividend payments: November 28, 2025
Scheduled date to file annual securities report: November 26, 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 August 31, 2025 (from September 1, 2024 to August 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	%
August 31, 2025	96,501	46.9	18,933	121.8	17,134	118.0	10,250	104.2
August 31, 2024	65,685	76.2	8,537	92.2	7,860	90.8	5,020	144.8

Note: Comprehensive income For the fiscal year ended August 31, 2025: ¥11,594 million [111.8%]
For the fiscal year ended August 31, 2024: ¥5,474 million [123.4%]

	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	%	%	%
August 31, 2025	520.37	512.32	32.5	17.2	19.6
August 31, 2024	270.84	265.98	26.5	13.0	13.0

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended August 31, 2025: ¥— million
For the fiscal year ended August 31, 2024: ¥— million

Note: The Company conducted a 2-for-1 share split of its common shares on September 1, 2025. “Basic earnings per share” and “diluted earnings per share” are calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended August 31, 2024.

(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
August 31, 2025	121,688	38,193	29.7	1,830.18
August 31, 2024	77,549	27,739	34.6	1,364.58

Reference: Equity

As of August 31, 2025: ¥36,171 million

As of August 31, 2024: ¥26,851 million

Note: The Company conducted a 2-for-1 share split of its common shares on September 1, 2025. “Net assets per share” is calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended August 31, 2024.

(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
August 31, 2025	6,893	(18,557)	24,698	24,012
August 31, 2024	(8,446)	(4,809)	18,413	11,056

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended August 31, 2024	—	0.00	—	170.00	170.00	1,672	31.4	8.3
Fiscal year ended August 31, 2025	—	0.00	—	240.00	240.00	2,371	23.1	7.5
Fiscal year ending August 31, 2026 (Forecast)	—	0.00	—	165.00	165.00		19.8	

Note: The Company conducted a 2-for-1 share split of its common shares on September 1, 2025. The amounts shown for the dividends for the fiscal year ended August 31, 2024 and fiscal year ended August 31, 2025 are the dividend amounts based on the number of shares before the share split.

3. Consolidated earnings forecasts for the fiscal year ending August 31, 2026 (from September 1, 2025 to August 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
Fiscal year ending August 31, 2026	150,000	55.4	26,500	40.0	24,000	40.1	16,500	61.0	834.86

Note: As the Group manages business performance on an annual basis, only full year results are disclosed.

*** Notes**

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

Newly included: – companies

Excluded: – companies

(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: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “(5) Notes to consolidated financial statements, Notes on changes in accounting policies” under “3. Consolidated financial statements and significant notes” on page 13 of the attached material.

(3) Number of issued shares (common shares)

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

As of August 31, 2025	19,811,258 shares
As of August 31, 2024	19,719,894 shares

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

As of August 31, 2025	47,482 shares
As of August 31, 2024	42,582 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2025	19,697,880 shares
Fiscal year ended August 31, 2024	18,535,101 shares

Note: The Company conducted a 2-for-1 share split of its common shares on September 1, 2025. Total number of issued shares (common shares) is calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended August 31, 2024.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended August 31, 2025 (from September 1, 2024 to August 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2025	58,474	39.1	6,837	76.4	6,047	50.3	3,491	0.1
August 31, 2024	42,049	26.9	3,875	44.3	4,024	80.1	3,487	221.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
August 31, 2025	177.27	174.53
August 31, 2024	188.18	184.80

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2025	95,426	27,272	28.1	1,357.56
August 31, 2024	60,731	24,613	40.2	1,241.72

Reference: Equity

As of August 31, 2025: ¥26,830 million

As of August 31, 2024: ¥24,433 million

* 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

Caution concerning forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company as of the announcement date and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

Change in presentation unit

The amounts of account items and other information presented in the consolidated financial statements of the Company were previously presented in a unit of thousand yen. However, commencing from the fiscal year ended August 31, 2025, this unit has been changed to million yen. To facilitate comparison with prior periods, the amounts for the fiscal year ended August 31, 2024 are also presented in a unit of million yen.

Attached Material

Index

1. Overview of operating results and others	2
(1) Overview of operating results for the fiscal year under review.....	2
(2) Overview of financial position for the fiscal year under review	3
(3) Overview of cash flows for the fiscal year under review	3
(4) Future outlook	4
2. Basic policy regarding selection of accounting standards	4
3. Consolidated financial statements and significant notes.....	5
(1) Consolidated balance sheet	5
(2) Consolidated statement of income and consolidated statement of comprehensive income	7
Consolidated statement of income.....	7
Consolidated statement of comprehensive income	8
(3) Consolidated statement of changes in equity	9
(4) Consolidated statement of cash flows	11
(5) Notes to consolidated financial statements.....	13
Notes on premise of going concern	13
Notes on changes in accounting policies.....	13
Additional information	13
Notes on segment information, etc.	13
Notes on per share information	14
Notes on significant subsequent events	15

1. Overview of operating results and others

(1) Overview of operating results for the fiscal year under review

During the fiscal year ended August 31, 2025, the Japanese economy has been on the path to a gradual recovery, against the backdrop of the expansion of inbound demand driven by the weaker yen and improvements in the employment and income environments due to factors including wage rises, with signs of moves towards passing through increases in personnel expenses and raw materials costs to prices. However, the economic outlook remains uncertain due to geopolitical risks and trends in domestic and international financial conditions.

In the real estate market, the primary business domain of the Group, despite remaining concerns about rising interest rates, market conditions are currently firm against the backdrop of a robust real estate market and income-focused investment demand.

In the hotel business, the Group is engaged in developing hotels for large numbers of people with the aim of making Japan a top tourism destination and contributing to regional revitalization. As Group brands, we are expanding “fav,” “FAV LUX,” “edit x seven,” “seven x seven,” and culture business hotel “BASE LAYER HOTEL” nationwide. Through this brand diversification, we are realizing the acquisition and sale of a wide range of land and existing hotels. Additionally, in August, a total of 15 hotels, for which the Company conducted development planning, were sold to Kasumigaseki Hotel REIT Investment Corporation, for which Kasumigaseki Reit Advisors Co., Ltd., a consolidated subsidiary of the Company, is entrusted with the asset management. This achievement marks the completion of our business model. In addition, we are actively advancing land preparations, which allows us to make steady progress on projects.

In the logistics business, the Group is progressing the development of our automated frozen warehouse which adds the element of automation to refrigeration and freezing. In frozen & chilled warehouses, in addition to high demand for new frozen & chilled warehouses due to continued high demand for frozen goods, there is an expectation that there will be an increase in demand for the reconstruction of frozen & chilled warehouses using natural refrigerants. This is due to the fact that many of the frozen & chilled warehouses currently operating were constructed 30 or more years ago and use controlled HCFCs and alternative HCFCs, as well as the regulations on controlled HCFCs and the magnitude of the greenhouse effects of alternative HCFCs. In addition to the favorable supply-demand environment, we are actively working on the development of our automated frozen warehouse as a solution in response to issues such as labor shortages due to “the 2024 problem” (curbing of trucker overtime in Japan) and the harsh working conditions inside frozen & chilled warehouses. In addition, we have been progressing developments in locations suitable for relay transport, which is one of the measures that the Ministry of Land, Infrastructure, Transport and Tourism expects to solve “the 2024 problem,” such as in the Nagoya region. We have established a long-term operational fund specializing in frozen & chilled warehouses, which incorporated a total of 8 properties in May, thereby steadily advancing our business.

In the healthcare business, the Group strongly expects an increase in demand for end-of-life care, home nursing, and home care in Japan, which is a super aging society. We believe that the hospice housing that the Company is developing will play an important role as a place for those approaching the end of life, and, by executing consistently on not only facility development but also operations, we are working diligently to differentiate our offering from existing services. During the current fiscal year, the Company opened the “CLASWELL Kotake-Mukaihara,” “CLASWELL Shinanomachi,” and “CLASWELL Shimo-Shakujii,” and a total of 6 hospice housing properties, for which the Company conducted development planning, entered management phase in July. The Company is steadily developing its business.

In the overseas business, currently, we are focused on the United Arab Emirates (Dubai). In the “Dubai 2040 Urban Master Plan,” announced by the Dubai Government in March 2021, the population of Dubai is planned to increase from 3.3 million to 5.8 million people by 2040. Due to the high rate of population increase and the stable political situation, we are expecting demand for real estate in Dubai to increase over the long term. The Group has established local subsidiaries, and is participating in the Dubai real estate market. Through the acquisitions and sales of residential properties, we are creating opportunities to generate capital gains as well as cultivating our knowhow, network, and track record with the goal of creating an environment enabling Japanese investors to invest in Dubai.

As a result, net sales were ¥96,501 million (up 46.9% year on year), operating profit was ¥18,933 million (up 121.8% year on year), ordinary profit was ¥17,134 million (up 118.0% year on year), and profit attributable to owners of parent was ¥10,250 million (up 104.2% year on year) for the fiscal year under review.

Information by segment is omitted because the Group has only one segment, namely the real estate consulting business.

(2) Overview of financial position for the fiscal year under review

Assets

Total assets as of August 31, 2025 increased by ¥44,139 million from the end of the previous fiscal year to ¥121,688 million.

Current assets increased by ¥20,273 million from the end of the previous fiscal year to ¥87,339 million. This was mainly attributable to increases of ¥12,951 million in cash and deposits, ¥3,340 million in real estate for sale, and ¥1,310 million in costs on development business and other.

Non-current assets increased by ¥23,766 million from the end of the previous fiscal year to ¥34,241 million. This was mainly attributable to increases of ¥8,426 million in property, plant and equipment mainly due to increases in buildings and structures and in leased assets, and ¥15,320 million in investments and other assets mainly due to an increase in investment securities.

Liabilities

Total liabilities as of August 31, 2025 increased by ¥33,684 million from the end of the previous fiscal year to ¥83,494 million.

Current liabilities increased by ¥17,874 million from the end of the previous fiscal year to ¥40,005 million. This was mainly attributable to increases of ¥2,832 million in short-term borrowings, ¥8,338 million in current portion of long-term borrowings, ¥3,495 million in income taxes payable, and ¥1,306 million in accounts payable - other.

Non-current liabilities increased by ¥15,809 million from the end of the previous fiscal year to ¥43,488 million. This was mainly attributable to an increase of ¥22,000 million in convertible-bond-type bonds with share acquisition rights, partially offset by a decrease of ¥9,264 million in long-term borrowings.

Net assets

Total net assets as of August 31, 2025 increased by ¥10,454 million from the end of the previous fiscal year to ¥38,193 million. This was mainly attributable to increases of ¥236 million in share capital, ¥272 million in capital surplus, and ¥8,577 million in retained earnings.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents as of August 31, 2025 increased by ¥12,955 million from the end of the previous fiscal year to ¥24,012 million.

Cash flow positions for the fiscal year ended August 31, 2025 and the factors thereof are as follows.

Cash flows from operating activities

Net cash provided by operating activities was ¥6,893 million for the fiscal year ended August 31, 2025, compared with net cash used in operating activities of ¥8,446 million in the previous fiscal year. This mainly reflected factors such as profit before income taxes of ¥17,159 million, despite loss (gain) on investments in silent partnerships of ¥8,243 million.

Cash flows from investing activities

Net cash used in investing activities was ¥18,557 million for the fiscal year ended August 31, 2025, compared with net cash used in investing activities of ¥4,809 million in the previous fiscal year. This mainly reflected factors such as purchase of property, plant and equipment of ¥6,497 million, purchase of investment securities of ¥5,526 million, and loan advances of ¥5,457 million.

Cash flows from financing activities

Net cash provided by financing activities was ¥24,698 million for the fiscal year ended August 31, 2025, compared with net cash provided by financing activities of ¥18,413 million in the previous fiscal year. This mainly reflected factors such as proceeds from issuance of convertible-bond-type bonds with share acquisition rights of ¥21,888 million.

(4) Future outlook

In preparing our future outlook, we have set the further recovery of economic activities as the basic scenario. On the other hand, as geopolitical problems, high raw material costs associated with the weak yen, and other such risks are concentrated, we have made a forecast for construction period and costs from a conservative stance that takes downside risk into account.

In the hotel market, domestic travel and demand from inbound tourism are assumed to expand further due to firm domestic travel needs and the depreciation of the yen.

In the logistics market, demand for the Company's business domain of frozen & chilled warehouses is high, and these trends are expected to continue over the medium term. Additionally, it is assumed that initiatives for automated frozen warehouses will be effective as measures for labor shortages and "the 2024 problem."

In the healthcare market, demand is expected to continue increasing not only over the short to medium term but also the long term due to demographic changes and the difficulty of home nursing.

In the overseas market, real estate demand is expected to increase due to an influx of population and an incorporation of economic growth in the Dubai market on which the Group is currently focused, and we assume that the market will remain steady over the medium to long term.

Accordingly, with regard to the consolidated earnings forecasts for the fiscal year ending August 31, 2026, the Group is forecasting net sales of ¥150,000 million (up 55.4% year on year), operating profit of ¥26,500 million (up 40.0% year on year), ordinary profit of ¥24,000 million (up 40.1% year on year), and profit attributable to owners of parent of ¥16,500 million (up 61.0% year on year). While it is very difficult to forecast geopolitical risks, fluctuations in financial and capital markets, etc. and the Company's business results may be impacted depending on their timing and details, if any matters that require disclosure arise going forward, they will be announced promptly.

The above earnings forecasts are formulated based on information available as of the date of publication of this document. Actual business and other results may differ from forecast figures due to various factors.

2. Basic policy regarding selection of accounting standards

The Group has applied Japanese GAAP in preparing its financial statements considering that they will be used in the calculation of distributable amount under the Companies Act and calculation of taxable profit under the Corporation Tax Act and taking into account the comparability of consolidated financial statements between companies.

3. Consolidated financial statements and significant notes

(1) Consolidated balance sheet

(Millions of yen)

	As of August 31, 2024	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	11,064	24,016
Accounts receivable - trade	1,203	1,417
Contract assets	506	844
Costs on development business and other	15,630	16,940
Real estate for sale	33,040	36,381
Advance payments	2,408	3,199
Other	3,230	4,566
Allowance for doubtful accounts	(16)	(26)
Total current assets	67,066	87,339
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,158	7,111
Accumulated depreciation	(619)	(745)
Buildings and structures, net	1,539	6,365
Machinery, equipment and vehicles	1,396	2,451
Accumulated depreciation	(412)	(760)
Machinery, equipment and vehicles, net	983	1,690
Tools, furniture and fixtures	657	1,287
Accumulated depreciation	(195)	(304)
Tools, furniture and fixtures, net	461	983
Land	856	607
Leased assets	556	3,328
Accumulated depreciation	(321)	(425)
Leased assets, net	234	2,902
Construction in progress	412	363
Total property, plant and equipment	4,488	12,914
Intangible assets	778	798
Investments and other assets		
Investment securities	2,196	10,658
Deferred tax assets	548	1,430
Other	2,462	8,439
Total investments and other assets	5,207	20,528
Total non-current assets	10,474	34,241
Deferred assets		
Bond issuance costs	7	106
Total deferred assets	7	106
Total assets	77,549	121,688

Kasumigaseki Capital Co., Ltd. (3498)
Consolidated Financial Results for the Fiscal Year Ended August 31, 2025

(Millions of yen)

	As of August 31, 2024	As of August 31, 2025
Liabilities		
Current liabilities		
Short-term borrowings	10,780	13,612
Current portion of bonds payable	145	292
Current portion of long-term borrowings	5,256	13,594
Lease liabilities	44	132
Accounts payable - other	1,853	3,159
Income taxes payable	2,167	5,663
Provision for bonuses	379	518
Provision for shareholder benefit program	106	145
Provision for contingent loss	115	-
Other	1,281	2,885
Total current liabilities	22,130	40,005
Non-current liabilities		
Bonds payable	136	392
Convertible-bond-type bonds with share acquisition rights	-	22,000
Long-term borrowings	25,458	16,193
Lease liabilities	66	2,653
Deferred tax liabilities	1,177	436
Asset retirement obligations	242	450
Other	598	1,361
Total non-current liabilities	27,678	43,488
Total liabilities	49,809	83,494
Net assets		
Shareholders' equity		
Share capital	9,287	9,523
Capital surplus	9,206	9,478
Retained earnings	8,673	17,251
Treasury shares	(42)	(42)
Total shareholders' equity	27,125	36,210
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	106
Foreign currency translation adjustment	(274)	(145)
Total accumulated other comprehensive income	(274)	(39)
Share acquisition rights	180	442
Non-controlling interests	708	1,580
Total net assets	27,739	38,193
Total liabilities and net assets	77,549	121,688

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Net sales	65,685	96,501
Cost of sales	47,125	60,065
Gross profit	18,559	36,436
Selling, general and administrative expenses	10,022	17,502
Operating profit	8,537	18,933
Non-operating income		
Interest income	5	150
Dividend income	0	0
Foreign exchange gains	307	–
Other	35	87
Total non-operating income	347	237
Non-operating expenses		
Interest expenses	667	1,314
Arrangement fees	62	40
Foreign exchange losses	–	167
Commission expenses	288	433
Other	5	81
Total non-operating expenses	1,025	2,036
Ordinary profit	7,860	17,134
Extraordinary income		
Gain on sale of non-current assets	23	6
Proceeds from guarantee deposits of cancellation	236	–
Gain on bargain purchase	234	72
Gain on reversal of provision for contingent loss	–	16
Gain on liquidation of subsidiaries	4	–
Total extraordinary income	498	94
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	33
Loss on subsidy repayment	–	20
Loss on disaster	–	15
Impairment losses	197	–
Provision for contingent loss	115	–
Total extraordinary losses	312	69
Profit before income taxes	8,045	17,159
Income taxes - current	3,046	7,503
Income taxes - deferred	(418)	(1,702)
Total income taxes	2,627	5,800
Profit	5,417	11,359
Profit attributable to non-controlling interests	397	1,109
Profit attributable to owners of parent	5,020	10,250

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Profit	5,417	11,359
Other comprehensive income		
Valuation difference on available-for-sale securities	–	106
Foreign currency translation adjustment	56	128
Total other comprehensive income	56	234
Comprehensive income	5,474	11,594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,802	10,484
Comprehensive income attributable to non-controlling interests	671	1,109

(3) Consolidated statement of changes in equity

Fiscal year ended August 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,549	3,453	4,145	(42)	11,106
Changes during period					
Issuance of new shares	5,737	5,737			11,475
Dividends of surplus			(490)		(490)
Profit attributable to owners of parent			5,020		5,020
Decrease in surplus resulting from change in scope of consolidation			(1)		(1)
Change in ownership interest of parent due to transactions with non-controlling interests		15			15
Net changes in items other than shareholders' equity					
Total changes during period	5,737	5,753	4,528	—	16,018
Balance at end of period	9,287	9,206	8,673	(42)	27,125

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(56)	(56)	134	496	11,681
Changes during period					
Issuance of new shares					11,475
Dividends of surplus					(490)
Profit attributable to owners of parent					5,020
Decrease in surplus resulting from change in scope of consolidation					(1)
Change in ownership interest of parent due to transactions with non-controlling interests					15
Net changes in items other than shareholders' equity	(217)	(217)	45	211	39
Total changes during period	(217)	(217)	45	211	16,058
Balance at end of period	(274)	(274)	180	708	27,739

Kasumigaseki Capital Co., Ltd. (3498)
Consolidated Financial Results for the Fiscal Year Ended August 31, 2025

Fiscal year ended August 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,287	9,206	8,673	(42)	27,125
Changes during period					
Issuance of new shares	236	236			472
Dividends of surplus			(1,672)		(1,672)
Profit attributable to owners of parent			10,250		10,250
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		36			36
Net changes in items other than shareholders' equity					
Total changes during period	236	272	8,577	(0)	9,085
Balance at end of period	9,523	9,478	17,251	(42)	36,210

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	—	(274)	(274)	180	708	27,739
Changes during period						
Issuance of new shares						472
Dividends of surplus						(1,672)
Profit attributable to owners of parent						10,250
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						36
Net changes in items other than shareholders' equity	106	128	234	262	872	1,369
Total changes during period	106	128	234	262	872	10,454
Balance at end of period	106	(145)	(39)	442	1,580	38,193

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	8,045	17,159
Depreciation	536	979
Amortization of goodwill	47	58
Share-based payment expenses	218	557
Increase (decrease) in allowance for doubtful accounts	(1)	9
Increase (decrease) in provision for bonuses	105	139
Increase (decrease) in provision for loss on disaster	(23)	–
Increase (decrease) in provision for shareholder benefit program	27	38
Increase (decrease) in provision for contingent loss	115	(115)
Loss (gain) on investments in silent partnerships	(673)	(8,243)
Interest income	(5)	(150)
Interest expenses	667	1,314
Arrangement fees	62	40
Commission expenses	288	433
Foreign exchange losses (gains)	(307)	167
Loss (gain) on sale and retirement of non-current assets	(23)	27
Proceeds from guarantee deposits of cancellation	(236)	–
Loss (gain) on liquidation of subsidiaries	(4)	–
Gain on bargain purchase	(234)	(72)
Impairment losses	197	–
Amortization of bond issuance costs	3	23
Decrease (increase) in trade receivables	(636)	(196)
Decrease (increase) in contract assets	(320)	(337)
Decrease (increase) in inventories	(10,014)	(2,641)
Decrease (increase) in advance prepayments	(4,558)	(5,266)
Decrease (increase) in deposits paid	(783)	7
Increase (decrease) in deposits received	257	486
Increase (decrease) in accounts payable - other	545	1,301
Distributions of profit or loss on silent partnerships	1,132	6,113
Other, net	(159)	315
Subtotal	(5,731)	12,149
Interest received	5	26
Interest paid	(661)	(1,151)
Guarantee deposits of cancellation received	236	–
Income taxes paid	(2,295)	(4,131)
Net cash provided by (used in) operating activities	(8,446)	6,893

Kasumigaseki Capital Co., Ltd. (3498)
Consolidated Financial Results for the Fiscal Year Ended August 31, 2025

(Millions of yen)

	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,899)	(6,497)
Proceeds from sale of property, plant and equipment	54	511
Purchase of intangible assets	(249)	(151)
Purchase of investment securities	(2,419)	(5,526)
Proceeds from sale of investment securities	386	9
Proceeds from withdrawal of investments in silent partnerships	866	307
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	93	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,624)	(644)
Payments of leasehold and guarantee deposits	(110)	(1,299)
Proceeds from refund of leasehold and guarantee deposits	5	125
Loan advances	(374)	(5,457)
Proceeds from collection of loans receivable	462	84
Other, net	–	(17)
Net cash provided by (used in) investing activities	(4,809)	(18,557)
Cash flows from financing activities		
Proceeds from issuance of bonds	–	589
Redemption of bonds	(165)	(196)
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	–	21,888
Net increase (decrease) in short-term borrowings	4,367	2,832
Proceeds from long-term borrowings	23,460	23,787
Repayments of long-term borrowings	(19,158)	(24,713)
Proceeds from exercise of employee share options	87	71
Repayments of lease liabilities	(71)	(88)
Proceeds from sale and leaseback transactions	–	2,763
Proceeds from issuance of shares	10,894	–
Dividends paid	(489)	(1,671)
Dividends paid to non-controlling interests	(187)	(170)
Payments of arrangement fees	(12)	(5)
Payments of commission expenses	(313)	(389)
Other, net	2	–
Net cash provided by (used in) financing activities	18,413	24,698
Effect of exchange rate change on cash and cash equivalents	4	(78)
Net increase (decrease) in cash and cash equivalents	5,163	12,955
Cash and cash equivalents at beginning of period	5,893	11,056
Cash and cash equivalents at end of period	11,056	24,012

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes,” etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the fiscal year ended August 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year ended August 31, 2025. This change in accounting policies has been applied retrospectively, and is reflected in the consolidated financial statements for the previous fiscal year. There is no impact on the consolidated financial statements for the previous fiscal year as a result of this change in accounting policies.

Additional information

Change in the purpose of holding assets

Following the decision in the current fiscal year to change the purpose of holding for BASE LAYER HOTEL NAGOYA NISHIKI held by the Group, the ¥2,763 million for said real estate for sale has been transferred to property, plant and equipment (buildings and structures (net), etc.). Furthermore, a sale-and-leaseback transaction for this asset has been conducted and recorded in property, plant and equipment (leased assets) during the current fiscal year.

Notes on segment information, etc.

Segment information

I Fiscal year ended August 31, 2024

Segment information is omitted because the Group has only one segment, real estate consulting business.

II Fiscal year ended August 31, 2025

Segment information is omitted because the Group has only one segment, real estate consulting business.

Notes on per share information

(Yen)

	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Net assets per share	1,364.58	1,830.18
Basic earnings per share	270.84	520.37
Diluted earnings per share	265.98	512.32

(Notes) 1. The Company conducted a 2-for-1 share split of its common shares on September 1, 2025. “Net assets per share,” “Basic earnings per share” and “Diluted earnings per share” are calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended August 31, 2024.

2. The basis for calculation of net assets per share is as follows:

	As of August 31, 2024	As of August 31, 2025
Total net assets (Million yen)	27,739	38,193
Amounts deducted from total net assets (Million yen)	888	2,022
[Of which, share acquisition rights]	[180]	[442]
[Of which, non-controlling interests]	[708]	[1,580]
Net assets related to common shares at the end of the period (Million yen)	26,851	36,171
Number of common shares at the end of the period used to calculate net assets per share (Shares)	19,677,312	19,763,776

3. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	5,020	10,250
Amounts not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent related to common shares (Million yen)	5,020	10,250
Average number of common shares outstanding during the period (Shares)	18,535,101	19,697,880
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Million yen)	—	—
Increase in the number of common shares (Shares)	338,846	309,340
[Of which, share acquisition rights] (Shares)	[338,846]	[309,340]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	—	Two types of share acquisition rights Number of share acquisition rights: 473,734 units (Common shares: 473,734 shares)

Notes on significant subsequent events

Share split and amendment to the Articles of Incorporation in conjunction with the share split

The Company resolved to implement a share split and to amend its Articles of Incorporation at a Board of Directors meeting held on July 3, 2025, and carried out them on September 1, 2025.

1. Purpose of share split

The purpose of the share split is to create a more accessible investment environment for investors, including individual investors, improve the liquidity of the Company's stock, and to expand the investor base by reducing the price per unit of investment for the Company's common shares.

2. Overview of the share split

(1) Method of the share split

The Company conducted a 2-for-1 share split of common shares held by the shareholders entered or recorded in the final shareholder register as of the record date of Sunday, August 31, 2025 (effectively Friday, August 29, 2025 because the record date is a non-business day for the shareholder register administrator).

(2) Increase in the number of shares due to the share split

(i) Total number of issued shares before the share split	9,905,629 shares
(ii) Number of the shares to be increased due to this split	9,905,629 shares
(iii) Total number of issued shares following the share split	19,811,258 shares
(iv) Total number of authorized shares after the share split	38,400,000 shares

(3) Schedule of the share split

(i) Public notice of record date	Friday, August 15, 2025
(ii) Record date	Sunday, August 31, 2025 *Effectively Friday, August 29, 2025
(iii) Effective date	Monday, September 1, 2025

3. Adjustment of exercise price for share acquisition rights

In accordance with this share split, the exercise prices per share for share acquisition rights exercised on or after September 1, 2025 were adjusted as follows.

(Yen)

	Exercise price before adjustment	Exercise price after adjustment
3rd share acquisition rights	538	269
4th share acquisition rights	625	313
6th share acquisition rights	2,144	1,072
7th share acquisition rights	5,080	2,540
8th share acquisition rights	5,092	2,546
9th share acquisition rights	5,092	2,546
10th share acquisition rights	5,092	2,546
11th share acquisition rights	15,010	7,505
12th share acquisition rights	15,010	7,505

4. Adjustment of conversion price of the convertible-bond-type bonds with share acquisition rights

In accordance with this share split, the conversion price on or after September 1, 2025 was adjusted as follows.

(Yen)

Issues	Conversion price before adjustment	Conversion price after adjustment
Euro-Yen denominated convertible-bond-type bonds with share acquisition rights maturing in 2029	17,710	8,855

5. Amendment to the Articles of Incorporation

(1) Reason for amendment

In accordance with this share split, Article 6 of the Company's Articles of Incorporation (total number of authorized shares) was amended as of Monday, September 1, 2025, pursuant to Article 184, Paragraph 2 of the Companies Act.

(2) Details of the amendment

Details of the amendment are as follows. (Underlined parts are amended.)

Before amendment	After amendment
Article 6. (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>19,200,000</u> .	Article 6. (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>38,400,000</u> .

(3) Schedule

Effective date of the Articles of Incorporation amendment: Monday, September 1, 2025