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



August 5, 2025

Name of Listed Company	ZENKOKU HOSHO Co., Ltd.	Listed Stock Exchange	Tokyo
Code Number	7164	URL	https://www.zenkoku.co.jp/
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Expected Date of Dividend Payment: —

Preparation of Analyst Meeting Supplemental Data: Yes

Analyst Meeting Held: None

(Figures less than one million yen omitted)

1. Business Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages represent changes from the previous corresponding period.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	11,481	6.7	7,712	5.0	8,652	6.2	5,999	6.0
June 30, 2024	10,761	2.1	7,346	△6.0	8,150	△2.6	5,660	△9.7

(Note) Comprehensive income Three months ended June 30, 2025: 6,296 million yen (10.4%)

Three months ended June 30, 2024: 5,703 million yen (△11.6%)

	Profit per share	Profit per share after full dilution
	Yen	Yen
Three months ended June 30, 2025	44.53	—
June 30, 2024	41.29	—

(Note) The Company has conducted a two-for-one share split, effective April 1, 2025. Profit per share has been calculated assuming that this share split occurred at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2025	476,613	228,009	47.8
As of March 31, 2025	492,398	238,678	48.5

(Reference) Shareholders' equity As of June 30, 2025: 228,009 million yen; As of March 31, 2025: 238,678 million yen

2. Dividend Payments

	Annual dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2024	—	0.00	—	212.00	212.00
FY2025	—	—	—	—	—
FY2025 (forecast)	—	45.00	—	70.00	115.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. The Company has conducted a two-for-one share split, effective April 1, 2025. For FY2024, the actual amount of dividends paid before the share split is stated. For FY2025 (forecast), the amounts considering the effect of the share split are stated.

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

(Percentages represent changes from the previous corresponding period.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	59,200	3.9	41,600	△0.9	45,100	1.3	31,200	△2.8	232.29

(Note) Revisions to the consolidated financial forecast announced most recently: None

* Notes

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

Added: None

Excluded: None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: No

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

(i) Changes in accounting policies due to the revision of accounting standards : No

(ii) Changes of accounting policies other than (i) above : No

(iii) Changes in accounting estimates : No

(iv) Retrospective restatement : No

(4) Number of shares issued (Common stock)

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

As of June 30, 2025	137,743,580 shares	As of March 31, 2025	137,743,580 shares
As of June 30, 2025	3,565,564 shares	As of March 31, 2025	2,742,758 shares
Three Months Ended June 30, 2025	134,738,376 shares	Three Months Ended June 30, 2024	137,093,257 shares

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

(iii) Average number of shares during the period

(Notes) 1. The Company's shares held by the Employee Stock Ownership Plan (J-ESOP) of 84,760 shares as of June 30, 2025, and 87,500 shares as of March 31, 2025, and held by the Board Benefit Trust of 218,800 shares as of June 30, 2025 and 218,800 shares as of March 31, 2025, are included in treasury stocks.

2. The Company has conducted a two-for-one share split, effective April 1, 2025. Number of shares issued (Common stock) has been calculated assuming that this share split occurred at the beginning of the previous consolidated fiscal year.

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

* Explanation on appropriate use of forecasts of performance and other special items

The forward-looking statements in this document concerning forecasting of performance and etc. are based on currently available information and assumptions considered by the Company to be reasonable. The actual performance may be significantly different from the forecast due to various factors.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Three Months Ended June 30, 2025

During the three months ended June 30, 2025, the Japanese economy showed some signs of improvement in employment and income conditions, as well as consumer spending and corporate earnings, and continued its gradual recovery trend. Meanwhile, the outlook remains uncertain due to the risk of a downturn in overseas economies against the backdrop of U.S. trade policies and unstable international situation.

In the housing market, despite ongoing government policies to support housing acquisitions, the number of new housing starts declined year-on-year as high housing prices due to soaring materials and labor costs led to a decline in consumer willingness to purchase houses. On the other hand, the number of used home sales transactions increased year-on-year, particularly in urban areas. The housing loan market was steady due partly to an increase in the amount of borrowings in conjunction with the effects of rising housing prices.

In such a business environment, the Group has been implementing various measures based on the “expansion of core businesses,” “entry into related businesses,” and “enhancement of corporate value,” the basic policies of our medium-term management plan “Next Phase ～Growth and Value Creation～.”

In the expansion of core businesses, we worked to expand our guarantee business in the new housing loan market (organic growth) and to acquire outstanding guarantee exposure from the existing housing loan market (inorganic growth). With regard to the expansion of our guarantee business in the new housing loan market (organic growth), we sought to differentiate ourselves from other companies through means such as revising our product standards. With respect to the acquisition of outstanding guarantee exposure from the existing housing loan market (inorganic growth), we increased our outstanding guarantee exposure through means of ABLs.

In entry into related businesses, we continued measures to utilize Group companies to expand the guarantee area and expand earnings sources in credit management and collection areas. In addition, through corporate venture capital (CVC), we carried out initiatives aimed at creating new value with startup companies that are expected to generate synergies in the housing life field.

For the enhancement of corporate value, we steadily carried out our capital policy and made progress in initiatives to resolve important issues, including investments in human capital.

As a result of such efforts, we recorded operating revenue of ¥11,481 million (up 6.7% year-on year), operating profit of ¥7,712 million (up 5.0% year-on year), ordinary profit of ¥8,652 million (up 6.2% year-on year), and profit attributable to owners of parent of ¥5,999 million (up 6.0% year-on year).

As the Group’s only reportable segment is “credit guarantee business,” and other businesses are immaterial, segment information is omitted.

(2) Overview of Financial Position for the Three Months Ended June 30, 2025

At the end of the first quarter under review, total assets decreased 3.2% from the end of the previous consolidated fiscal year to ¥476,613 million.

Current assets decreased 16.7% from the end of the previous consolidated fiscal year to ¥133,688 million. This was mainly due to a decrease in cash and deposits.

Non-current assets increased 3.3% from the end of the previous consolidated fiscal year to ¥342,925 million. This was mainly due to an increase in long-term time deposits and investment securities.

Total liabilities decreased 2.0% from the end of the previous consolidated fiscal year to ¥248,604 million.

Current liabilities decreased 11.9% from the end of the previous consolidated fiscal year to ¥34,804 million. This was mainly due to a decrease in income taxes payable.

Non-current liabilities decreased 0.2% from the end of the previous consolidated fiscal year to ¥213,799 million. This was mainly due to a decrease in long-term unearned revenue.

Total net assets decreased 4.5% from the end of the previous consolidated fiscal year to ¥228,009 million. This was mainly due to a decrease in retained earnings and an increase in treasury shares as a result of purchase of treasury shares.

2. Consolidated Quarterly Financial Statements and Significant Notes

(1) Consolidated Quarterly Balance Sheets

(Amount: million yen)

	FY2024 As of March 31, 2025	FY2025 As of June 30, 2025
Assets		
Current assets		
Cash and deposits	137,577	99,245
Right to reimbursement	17,268	18,291
Securities	9,532	18,116
Other	4,357	7,336
Allowance for doubtful accounts	△8,339	△9,301
Total current assets	160,396	133,688
Non-current assets		
Property, plant and equipment	656	607
Intangible assets	2,757	2,654
Investments and other assets		
Investment securities	285,124	289,655
Long-term loans receivable	14,515	16,430
Long-term time deposits	23,000	28,000
Deferred tax assets	4,846	4,495
Other	1,101	1,081
Total investments and other assets	328,588	339,662
Total non-current assets	332,001	342,925
Total assets	492,398	476,613

(Amount: million yen)

	FY2024 As of March 31, 2025	FY2025 As of June 30, 2025
Liabilities		
Current liabilities		
Unearned revenue	18,892	18,878
Income taxes payable	7,908	2,513
Provision for loss on guarantees	8,528	8,566
Other provisions	1,108	495
Other	3,060	4,350
Total current liabilities	39,498	34,804
Non-current liabilities		
Long-term borrowings	30,000	30,000
Long-term unearned revenue	183,552	183,111
Other provisions	573	591
Retirement benefit liability	82	84
Other	13	12
Total non-current liabilities	214,221	213,799
Total liabilities	253,719	248,604
Net assets		
Shareholders' equity		
Share capital	10,703	10,703
Capital surplus	637	637
Retained earnings	233,963	225,620
Treasury shares	△7,691	△10,314
Total shareholders' equity	237,613	226,647
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,014	1,313
Remeasurements of defined benefit plans	51	48
Total accumulated other comprehensive income	1,065	1,361
Total net assets	238,678	228,009
Total liabilities and net assets	492,398	476,613

(2) Consolidated Quarterly Statements of Income and Comprehensive Income
Consolidated Quarterly Statements of Income

	(Amount: million yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Operating revenue	10,761	11,481
Operating expenses		
Provision for loss on guarantees	1,074	1,056
Provision of allowance for doubtful accounts	△157	△56
Salaries, allowances and bonuses	568	583
Other	1,929	2,184
Total operating expenses	3,415	3,768
Operating profit	7,346	7,712
Non-operating income		
Interest income	939	1,066
Dividend income	61	82
Other	13	18
Total non-operating income	1,015	1,166
Non-operating expenses		
Interest expenses	205	194
Other	5	32
Total non-operating expenses	210	227
Ordinary profit	8,150	8,652
Extraordinary income		
Gain on sale of investment securities	—	0
Total extraordinary income	—	0
Profit before income taxes	8,150	8,653
Income taxes - current	2,363	2,438
Income taxes - deferred	127	215
Total income taxes	2,490	2,654
Profit	5,660	5,999
Profit attributable to owners of parent	5,660	5,999

Consolidated Quarterly Statements of Comprehensive Income

	(Amount: million yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	5,660	5,999
Other comprehensive income		
Valuation difference on available-for-sale securities	43	299
Remeasurements of defined benefit plans, net of tax	—	△2
Total other comprehensive income	43	296
Comprehensive income	5,703	6,296
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,703	6,296

(3) Notes to Consolidated Quarterly Financial Statements
(Notes on Segment Information)

As the Group's only reportable segment is "credit guarantee business," and other businesses are immaterial, segment information is omitted.

(Notes in Event of Significant Change in Shareholders' Equity)

The Company resolved at a meeting of its Board of Directors held on May 8, 2025, regarding the acquisition of treasury shares, pursuant to the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act. It has since conducted acquisitions of treasury shares with the total number of shares to be acquired set at 3,500,000 shares, the total amount of share acquisition costs up to ¥7,000 million, and the acquisition period from May 9, 2025, to September 30, 2025.

Treasury shares acquired during the three months ended June 30, 2025, were as follows.

(i) Class of shares acquired	Common stock
(ii) Total number of acquired shares	825,400 shares
(iii) Total amount of share acquisition costs	¥2,626,386,400
(iv) Acquisition period	May 9, 2025 to June 30, 2025
(v) Acquisition method	Market purchase on the Tokyo Stock Exchange

Treasury shares increased by ¥2,626 million during the three months ended June 30, 2025, as a result of the above acquisition of treasury shares and the purchase of shares less than one unit. However, treasury shares also decreased by ¥3 million due to the delivery of treasury shares to employees through the Employee Stock Ownership Plan (J-ESOP). On balance, treasury shares amounted to ¥10,314 million as of June 30, 2025.

(Notes on Going Concern Assumption)

There is no relevant information.

(Notes on the Statements of Cash Flows)

The Company does not prepare quarterly consolidated statements of cash flows for the three months ended June 30, 2025. Depreciation (including amortization of intangible assets) for the three months ended June 30, 2025 is as follows.

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	¥169 million	¥247 million