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November 10, 2025

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

Company name: Starts Corporation Inc.
Listing: Tokyo Stock Exchange
Securities code: 8850
URL: https://www.starts.co.jp/
Representative: Toyotaka Muraishi, President
Inquiries: Hisayuki Muramatsu, Director
Telephone: +81-3-6202-0111
Scheduled date to file semi-annual securities report: November 14, 2025
Scheduled date to commence dividend payments: December 1, 2025
Preparation of supplementary material on semi-annual financial results: Yes
Holding of semi-annual 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 six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	118,584	8.9	16,019	6.3	16,549	11.4	10,836	(9.9)
September 30, 2024	108,851	3.7	15,071	19.0	14,857	1.9	12,027	26.4

Note: Comprehensive income For the six months ended September 30, 2025: ¥10,846 million [(11.5%)]
For the six months ended September 30, 2024: ¥12,262 million [24.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	224.96	-
September 30, 2024	242.14	-

(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
September 30, 2025	335,881	185,911	54.3	3,783.90
March 31, 2025	333,647	178,239	52.4	3,627.61

Reference: Equity
As of September 30,2025: ¥182,278 million
As of March 31, 2025: ¥174,749 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	55.00	-	65.00	120.00
Fiscal year ending March 31, 2026	-	65.00			
Fiscal year ending March 31, 2026 (Forecast)			-	65.00	130.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Earnings 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
Full year	250,000	7.3	35,000	7.3	34,500	3.3	23,500	(3.2)	487.83

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2025	53,998,205 shares
As of March 31, 2025	53,998,205 shares

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

As of September 30, 2025	5,826,129 shares
As of March 31, 2025	5,826,051 shares

(iii) Average number of shares during the period

Six months ended September 30, 2025	48,172,101 shares
Six months ended September 30, 2024	49,672,124 shares

* This semi-annual financial results report is exempt from a review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements in this document are based on information available to the Company and on certain assumptions deemed reasonable by the Company. Actual results may differ significantly from these forecasts due to various factors.

Consolidated Financial Statements and Principal Notes

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	99,085	93,413
Notes and accounts receivable - trade, and contract assets	14,930	17,737
Real estate for sale	8,464	7,351
Real estate for sale in process	20,770	23,876
Costs on construction contracts in progress	2,319	2,977
Other	12,351	10,558
Allowance for doubtful accounts	(484)	(512)
Total current assets	157,435	155,402
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	56,279	60,019
Land	73,831	73,811
Other, net	7,634	5,531
Total property, plant and equipment	137,745	139,363
Intangible assets		
Software	2,767	2,849
Software in progress	2,324	2,881
Goodwill	393	263
Other	65	65
Total intangible assets	5,551	6,059
Investments and other assets		
Investment securities	13,920	17,085
Deferred tax assets	2,591	1,936
Other	16,738	16,349
Allowance for doubtful accounts	(192)	(171)
Allowance for investment loss	(143)	(143)
Total investments and other assets	32,915	35,056
Total non-current assets	176,211	180,479
Total assets	333,647	335,881

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable-trade and accounts payable for construction contracts	20,731	18,681
Short-term borrowings	7,194	6,194
Current portion of long-term borrowings	16,226	15,850
Income taxes payable	6,820	5,760
Contract liabilities	14,523	14,726
Provision for bonuses	3,204	3,212
Other	26,814	27,392
Total current liabilities	95,514	91,817
Non-current liabilities		
Long-term borrowings	46,226	44,399
Provision for retirement benefits for directors (and other officers)	1,174	1,219
Provision for warranties for completed construction	700	676
Provision for loss on lease business	300	301
Deferred tax liabilities for land revaluation	589	589
Retirement benefit liability	276	280
Asset retirement obligations	3,405	3,606
Other	7,220	7,077
Total non-current liabilities	59,893	58,152
Total liabilities	155,408	149,969
Net assets		
Shareholders' equity		
Share capital	11,039	11,039
Capital surplus	6,564	6,564
Retained earnings	163,688	171,398
Treasury shares	(13,081)	(13,082)
Total shareholders' equity	168,210	175,920
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,045	2,978
Revaluation reserve for land	1,237	1,237
Foreign currency translation adjustment	884	138
Remeasurements of defined benefit plans	2,371	2,003
Total accumulated other comprehensive income	6,538	6,357
Non-controlling interests	3,489	3,633
Total net assets	178,239	185,911
Total liabilities and net assets	333,647	335,881

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (cumulative)

Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	108,851	118,584
Cost of sales	72,210	79,827
Gross profit	36,641	38,757
Selling, general and administrative expenses	21,569	22,738
Operating profit	15,071	16,019
Non-operating income		
Interest income	211	253
Dividend income	241	253
Foreign exchange gains	—	53
Surrender value of insurance policies	8	225
Other	408	200
Total non-operating income	871	985
Non-operating expenses		
Interest expenses	173	302
Foreign exchange losses	837	—
Other	74	153
Total non-operating expenses	1,085	455
Ordinary profit	14,857	16,549
Extraordinary income		
Gain on sale of non-current assets	2,999	78
Gain on sale of investment securities	91	325
Total extraordinary income	3,090	403
Extraordinary losses		
Loss on retirement of non-current assets	125	44
Other	3	37
Total extraordinary losses	128	81
Profit before income taxes	17,819	16,871
Income taxes - current	4,925	5,463
Income taxes - deferred	500	364
Total income taxes	5,426	5,827
Profit	12,393	11,043
Profit attributable to non-controlling interests	365	206
Profit attributable to owners of parent	12,027	10,836

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	12,393	11,043
Other comprehensive income		
Valuation difference on available-for-sale securities	(727)	920
Foreign currency translation adjustment	940	(745)
Remeasurements of defined benefit plans, net of tax	(343)	(372)
Total other comprehensive income	(131)	(197)
Comprehensive income	12,262	10,846
Comprehensive income attributable to		
Owners of parent	11,894	10,655
Non-controlling interests	367	190

Consolidated Statements of Cash Flows (cumulative)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	17,819	16,871
Depreciation	3,251	3,366
Loss (gain) on sale and retirement of property, plant and equipment	(2,874)	(18)
Increase (decrease) in allowance for doubtful accounts	94	6
Increase (decrease) in provision for bonuses	18	8
Increase (decrease) in net defined benefit asset and liability	(155)	(35)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	18	44
Interest and dividend income	(453)	(506)
Interest expenses	173	302
Foreign exchange losses (gains)	837	(53)
Decrease (increase) in trade receivables	6,489	(2,806)
Decrease (increase) in inventories	(5,447)	(2,719)
Increase (decrease) in trade payables	(5,746)	(1,708)
Increase (decrease) in contract liabilities	(1,484)	197
Decrease (increase) in other current assets	7,130	1,810
Increase (decrease) in other current liabilities	(1,447)	622
Other, net	85	(456)
Subtotal	18,310	14,924
Interest and dividends received	370	556
Interest paid	(177)	(302)
Income taxes paid	(5,791)	(6,435)
Net cash provided by (used in) operating activities	12,712	8,743
Cash flows from investing activities		
Payments into time deposits	(3,384)	(3,419)
Proceeds from withdrawal of time deposits	338	4,375
Purchase of property, plant and equipment	(4,321)	(5,111)
Proceeds from sale of property, plant and equipment	3,866	119
Purchase of intangible assets	(843)	(1,103)
Purchase of investment securities	(669)	(2,663)
Proceeds from sale of investment securities	712	981
Loan advances	(19)	(90)
Proceeds from collection of loans receivable	0	0
Other, net	(170)	466
Net cash provided by (used in) investing activities	(4,491)	(6,444)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,000)	(1,000)
Proceeds from long-term borrowings	5,278	5,256
Repayments of long-term borrowings	(8,587)	(7,458)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,726)	(3,123)
Dividends paid to non-controlling interests	(93)	(109)
Other, net	112	(0)
Net cash provided by (used in) financing activities	(8,018)	(6,436)
Effect of exchange rate change on cash and cash equivalents	(167)	(380)
Net increase (decrease) in cash and cash equivalents	34	(4,517)
Cash and cash equivalents at beginning of period	86,878	88,782
Cash and cash equivalents at end of period	86,913	84,265