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August 7, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (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 commence dividend payments: -
Preparation of supplementary material on quarterly financial results: None
Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	62,214	4.7	7,995	(4.2)	8,465	3.3	5,556	8.4
June 30, 2025	59,415	9.9	8,345	15.3	8,192	(2.9)	5,126	(35.2)

Note: Comprehensive income For the three months ended June 30, 2026: ¥5,572 million [17.2%]
For the three months ended June 30, 2025: ¥4,755 million [(37.8)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	117.33	-
June 30, 2025	106.42	-

(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
June 30, 2026	351,821	196,015	54.2	4,025.86
March 31, 2026	352,746	192,571	53.5	3,986.78

Reference: Equity
As of June 30, 2026: ¥190,839 million
As of March 31, 2026: ¥188,750 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, 2026	-	65.00	-	75.00	140.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		75.00	-	75.00	150.00

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, 2027 (from April 1, 2026 to March 31, 2027)

(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
First half	128,000	7.9	16,700	4.3	16,500	(0.3)	11,000	1.5	232.25
Full year	290,000	15.1	40,000	10.3	39,000	2.0	26,000	2.7	548.95

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 quarterly 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 June 30, 2026	53,998,205 shares
As of March 31, 2026	53,998,205 shares

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

As of June 30, 2026	6,594,860 shares
As of March 31, 2026	6,654,029 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2026	47,362,848 shares
Three months ended June 30, 2025	48,172,127 shares

Notes: The Company has introduced an Employee Shareholding Incentive Plan (E-Ship).
The number of treasury shares at the end of the period includes shares of the Company held by the trust account established with a trust bank under the relevant plan specifically for the Starts Employee Stock Ownership Association.
As of June 30, 2026: 768,700 shares
Treasury shares deducted from issued shares in calculating the average number of shares outstanding during the period include the Company’s shares held by the trust account.
As of June 30, 2026: 809,216 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or an audit firm: Yes (optional).

* 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.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	84,509	86,938
Notes and accounts receivable - trade, and contract assets	22,392	20,218
Real estate for sale	16,076	22,898
Real estate for sale in process	25,080	19,977
Costs on construction contracts in progress	2,424	2,913
Other	13,023	10,056
Allowance for doubtful accounts	(515)	(514)
Total current assets	162,992	162,488
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	59,655	59,071
Land	74,755	74,791
Other, net	12,040	12,633
Total property, plant and equipment	146,451	146,496
Intangible assets		
Software	4,185	4,313
Software in progress	2,035	2,182
Goodwill	137	76
Other	65	65
Total intangible assets	6,423	6,637
Investments and other assets		
Investment securities	18,562	18,608
Deferred tax assets	2,878	2,011
Other	15,733	15,849
Allowance for doubtful accounts	(223)	(228)
Allowance for investment loss	(71)	(41)
Total investments and other assets	36,879	36,198
Total non-current assets	189,754	189,333
Total assets	352,746	351,821

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable-trade and accounts payable for construction contracts	21,457	18,479
Short-term borrowings	6,904	11,694
Current portion of long-term borrowings	16,235	15,730
Income taxes payable	7,113	2,038
Contract liabilities	15,937	14,958
Provision for bonuses	3,167	1,805
Other	30,783	32,247
Total current liabilities	101,599	96,954
Non-current liabilities		
Long-term borrowings	44,550	44,917
Provision for retirement benefits for directors (and other officers)	1,223	1,265
Provision for warranties for completed construction	699	701
Provision for loss on lease business	255	250
Deferred tax liabilities for land revaluation	589	589
Retirement benefit liability	292	295
Asset retirement obligations	3,594	3,611
Other	7,369	7,219
Total non-current liabilities	58,575	58,851
Total liabilities	160,174	155,805
Net assets		
Shareholders' equity		
Share capital	11,039	11,039
Capital surplus	6,583	6,510
Retained earnings	182,746	184,695
Treasury shares	(17,095)	(16,809)
Total shareholders' equity	183,273	185,435
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,779	2,779
Revaluation reserve for land	1,237	1,237
Foreign currency translation adjustment	500	577
Remeasurements of defined benefit plans	960	809
Total accumulated other comprehensive income	5,477	5,403
Non-controlling interests	3,820	5,176
Total net assets	192,571	196,015
Total liabilities and net assets	352,746	351,821

Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	59,415	62,214
Cost of sales	39,549	41,608
Gross profit	19,865	20,606
Selling, general and administrative expenses	11,520	12,610
Operating profit	8,345	7,995
Non-operating income		
Interest income	84	114
Dividend income	31	40
Foreign exchange gains	—	303
Other	336	229
Total non-operating income	452	687
Non-operating expenses		
Interest expenses	150	195
Foreign exchange losses	414	—
Provision of allowance for doubtful accounts	5	1
Other	36	20
Total non-operating expenses	605	217
Ordinary profit	8,192	8,465
Extraordinary income		
Gain on sale of non-current assets	55	20
Gain on sale of investment securities	0	3
Reversal of allowance for investment loss	—	30
Other	—	15
Total extraordinary income	56	69
Extraordinary losses		
Loss on retirement of non-current assets	14	76
Other	6	0
Total extraordinary losses	20	77
Profit before income taxes	8,227	8,457
Income taxes - current	1,916	1,892
Income taxes - deferred	1,065	920
Total income taxes	2,982	2,813
Profit	5,245	5,644
Profit attributable to non-controlling interests	118	87
Profit attributable to owners of parent	5,126	5,556

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	5,245	5,644
Other comprehensive income		
Valuation difference on available-for-sale securities	167	4
Foreign currency translation adjustment	(471)	76
Remeasurements of defined benefit plans, net of tax	(186)	(153)
Total other comprehensive income	(489)	(71)
Comprehensive income	4,755	5,572
Comprehensive income attributable to		
Owners of parent	4,647	5,482
Non-controlling interests	108	89

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	8,227	8,457
Depreciation	1,656	1,813
Loss (gain) on sale and retirement of property, plant and equipment	(41)	56
Increase (decrease) in allowance for doubtful accounts	12	5
Increase (decrease) in provision for bonuses	(1,430)	(1,362)
Increase (decrease) in net defined benefit asset and liability	(18)	(15)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	41	42
Interest and dividend income	(115)	(154)
Interest expenses	150	195
Foreign exchange losses (gains)	414	(303)
Decrease (increase) in trade receivables	(140)	2,174
Decrease (increase) in inventories	27	(2,255)
Increase (decrease) in trade payables	(2,809)	(2,991)
Increase (decrease) in contract liabilities	53	(971)
Decrease (increase) in other current assets	2,258	3,028
Increase (decrease) in other current liabilities	1,380	1,459
Other, net	(546)	(539)
Subtotal	9,120	8,639
Interest and dividends received	151	146
Interest paid	(150)	(202)
Income taxes paid	(6,355)	(6,748)
Net cash provided by (used in) operating activities	2,766	1,836
Cash flows from investing activities		
Payments into time deposits	(3,123)	(711)
Proceeds from withdrawal of time deposits	2,911	127
Purchase of property, plant and equipment	(2,044)	(1,387)
Proceeds from sale of property, plant and equipment	65	51
Purchase of intangible assets	(538)	(595)
Purchase of investment securities	(416)	(1,257)
Proceeds from sale of investment securities	206	1,221
Loan advances	(50)	—
Proceeds from collection of loans receivable	0	—
Other, net	302	(75)
Net cash provided by (used in) investing activities	(2,685)	(2,625)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,250	4,790
Proceeds from long-term borrowings	4,129	3,365
Repayments of long-term borrowings	(3,781)	(3,502)
Dividends paid	(3,035)	(3,515)
Purchase of treasury shares	(0)	(0)
Dividends paid to non-controlling interests	(104)	(130)
Proceeds from capital contributions by investment partnership members	–	1,350
Other, net	(0)	77
Net cash provided by (used in) financing activities	2,456	2,433
Effect of exchange rate change on cash and cash equivalents	(402)	133
Net increase (decrease) in cash and cash equivalents	2,134	1,777
Cash and cash equivalents at beginning of period	88,782	74,904
Cash and cash equivalents at end of period	90,917	76,682