Consolidated Financial Results for the First Three Months of the Fiscal Year Ending November 30, 2025 <IFRS>

April 7, 2025

Company name: TOSEI CORPORATION Stock listing: TSE / SGX
Securities code number: 8923 / S2D
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Scheduled date to commence dividend payments: —
Preparation of supplementary materials for financial results: Yes
Holding of financial results briefing: No

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Three Months Ended February 28, 2025 (December 1, 2024 – February 28, 2025)

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Three months ended February 28, 2025	46,066	32.1	12,322	28.5	11,830	28.7	8,183	27.1
Three months ended February 29, 2024	34,868	12.3	9,585	41.4	9,191	41.7	6,439	45.8

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Three months ended February 28, 2025	8,176	27.1	8,478	29.7	168.72	168.64
Three months ended February 29, 2024	6,435	45.7	6,534	49.5	132.98	132.81

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	(¥ million)	(¥ million)	(¥ million)	(%)
As of February 28, 2025	272,616	95,565	95,193	34.9
As of November 30, 2024	276,815	90,866	90,500	32.7

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended November 30, 2024	–	0.00	–	79.00	79.00
Fiscal year ending November 30, 2025	–				
Fiscal year ending November 30, 2025 (Forecast)		0.00	–	89.00	89.00

Note: Revision to the most recently released dividend forecasts: No

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2025 (December 1, 2024– November 30, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal year ending November 30, 2025	102,078	24.2	20,639	11.6	18,800	8.3	12,806	6.9	264.27

Note: Revision to the most recently released earnings forecasts: No

*** Notes**

(1) Significant changes in the scope of consolidation during the period: No
Newly added: – Excluded: –

(2) Changes in accounting policies and changes in accounting estimates
(a) Changes in accounting policies required by IFRS: No
(b) Changes in accounting policies due to other reasons: No
(c) Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)
(a) Number of issued shares at the end of the period (including treasury shares)

As of February 28, 2025	48,683,800 shares
As of November 30, 2024	48,683,800 shares

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

As of February 28, 2025	222,798 shares
As of November 30, 2024	222,798 shares

(c) Average number of outstanding shares during the period (cumulative)

Three months ended February 28, 2025	48,461,002 shares
Three months ended February 29, 2024	48,394,160 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Proper use of earnings forecasts and other matters

The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ substantially from these statements due to various factors. For the assumptions on which the earnings forecasts are based and cautions concerning the use thereof, please refer to “1. Overview of Operating Results, etc (3) Explanation of Consolidated Earnings Forecasts” on page 5 of the attached materials.

Contents of Attached Materials

1. Overview of Operating Results, etc

(1) Overview of Consolidated Operating Results

1) Recognition, analysis and contents for discussion of business environment and business performance

During the three months ended February 28, 2025, the Japanese economy showed a gradual recovery, although personal consumption stalled somewhat in certain sectors. Meanwhile, the downturn in the global economy brought on by such factors as the continuing high interest rate levels in Europe and the U.S. and the slowdown in the Chinese real estate market has been posing downward risks to the domestic economy, and therefore it remains necessary to monitor these developments together with the trends of interest rate hikes by the Bank of Japan and political trends including U.S. trade policies.

In the real estate industry where Tosei Group operates, thanks to an increase in large-scale transactions and the return of overseas investors, domestic real estate investments for the whole of 2024 increased by 63% year on year to approximately ¥5,487.5 billion, topping the ¥5 trillion mark for the first time in nine years. As for real estate investments by city, Tokyo ranked second in the world (ranked fifth for the full year of 2023) behind New York City. Despite the continuing rise in interest rates, the lending stance of financial institutions seemed to hold steady and investment demand remained firm against the backdrop of a favorable investment environment including a stable rental market and high liquidity (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of newly built units for the whole of 2024 hit an all-time low at 23,003 units (down 14.4% year on year) due to such factors as developers reconsidering the timing of sales as a result of the manpower shortage on the construction sites and soaring construction costs. The average price per unit remained high at ¥78.20 million (compared to ¥81.01 million in 2023) due to the shifting of construction costs onto condominium prices and other factors. Although the number of units to be supplied in 2025 is expected to increase compared to 2024, the rise in construction costs is expected to continue for the time being, and consequently, the average price per unit will also remain high. In the Tokyo metropolitan area pre-owned condominium market, the number of units contracted for the whole of 2024 increased to 37,222 units (up 3.4% year on year) and the average contract price per unit as of January 2025 was ¥51.84 million (up 10.9% year on year). In the Tokyo metropolitan area build-for-sale detached house market, housing starts for the whole of 2024 were 53,343 units (down 10.2% year on year) (according to a survey by a private research institute).

The average costs per tsubo in terms of construction costs for the whole of 2024 were ¥1,879 thousand per tsubo (1 tsubo = 3.30 square meters) (an increase of 55.1% year on year) for steel reinforced concrete structures and ¥729 thousand per tsubo (an increase of 8.1% year on year) for wooden structures. Although the prices of steel and timber have currently settled down, prices for materials remain high overall, and together with rising transport and labor costs, construction costs continue to rise (according to a survey by the Ministry of Land, Infrastructure, Transport and Tourism).

In the office leasing market of Tokyo's five business wards, robust demand for offices continues, and as of January 2025, both the vacancy rate and rent remained firm with the average vacancy rate at 3.8% (a decrease of 2.0 percentage points year on year) and the average asking rent at ¥20,368 per tsubo (an increase of 3.2% year on year). While a massive supply of office buildings on the scale of 1.19 million m^2 is expected in 2025, companies are proactively relocating their offices and tenants are unofficially filling up the new supply of properties ahead of their completion. Therefore, the market downturn due to the massive supply of office buildings is expected to be limited (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium leasing market, the demand for rental properties increased due to the soaring prices of new and pre-owned condominiums and the average occupancy rate of condominiums held by J-REIT in the Tokyo area remained high at 96.9% (a decrease of 0.5 percentage points year on year) as of October 31, 2024. Additionally, the average asking rent of apartments as of January 2025 maintained high levels at ¥11,831 per tsubo (an increase of 0.3% year on year), indicating the current trend of shifting the increase in property management fees and other fees resulting from high commodity prices to rent (according to a survey by a private research institute).

In the Tokyo metropolitan area's logistics facility leasing market, leasable stock as of January 2025 was 10.81 million tsubo (an increase of 10.1% year on year), while the vacancy rate was 9.0% (an increase of 1.4 percentage points year on year) and the asking rent was ¥4,700 per tsubo (an increase of 1.7% year on year). There were large discrepancies in market conditions by area. Although the coastal areas maintained stable rent and vacancy rates, inland areas surrounding the Ken-o Expressway struggled due to prolonged leasing periods and other factors (according to a survey by a private research institute).

In the real estate fund market, J-REIT assets under management as of January 31, 2025 totaled ¥23.5 trillion (an increase of ¥0.8 trillion year on year) and assets under management in private placement funds totaled ¥40.8 trillion (as of December 31, 2024, an increase of 5.8 trillion year on year). Combining the two, the real estate securitization market scale grew to ¥64.3 trillion (according to a survey by a private research institute).

In the Tokyo business hotel market, thanks to robust inbound demand reflecting the weak yen and eased visa requirements, the average guest room occupancy rate for the whole of 2024 was 83.0% (an increase of 3.0 percentage points year on year), indicating a recovery of pre-COVID-19 levels and the total number of hotel guests in Tokyo encompassing all types of accommodation hit an all-time high at 110.97 million (an increase of 14.0% year on year). In January 2025, the number of inbound visitors reached a record high for a single month and inbound demand is expected to continue driving the hotel market (according to a survey by the Japan Tourism Agency).

Amid this operating environment, in the Revitalization Business and the Development Business, the Group proceeded with property sales and the acquisition of income-generating properties and various types of land for development as future sources of income. In the Hotel Business, the Group endeavored to capture inbound demand, while in the Fund and consulting Business, it strove to increase its balance of assets under management.

As a result, consolidated revenue for the three months ended February 28, 2025 totaled ¥46,066 million (up 32.1% year on year), operating profit was ¥12,322 million (up 28.5%), profit before tax was ¥11,830 million (up 28.7%), and profit attributable to owners of the parent was ¥8,176 million (up 27.1%).

Performance by business segment is shown below.

Revitalization Business

During the three months ended February 28, 2025, the segment sold 18 properties it had renovated and 35 pre-owned condominium units, including T’s garden Toyo-cho (Koto-ku, Tokyo), T’s garden Konan Chuo (Yokohama-shi, Kanagawa), T’s eco Kawasaki (Kawasaki-shi, Kanagawa).

During the three months ended February 28, 2025, it also acquired a total of 11 income-generating office buildings and apartments, 43 pre-owned condominium units.

As a result, revenue in this segment was ¥21,182 million (up 36.8% year on year) and the segment profit was ¥4,670 million (up 49.7%).

Development Business

During the three months ended February 28, 2025, for whole buildings, the segment sold eight properties including T’s Logi Sano (Sano-shi, Tochigi) which is a logistic facility, THE PALMS Chiba Chuo (Chiba-shi, Chiba), THE PALMS Kashiwa (Kashiwa-shi, Chiba) which is rental apartment and sold six detached houses at such property as THE Palms Court Hikawadai Ⅱ (Nerima-ku, Tokyo).

During the three months ended February 28, 2025, it also acquired a land lot for rental apartment project, three land lots for rental wooden apartment projects and land lots for 30 detached houses.

As a result, revenue in this segment was ¥17,671 million (up 35.6% year on year) and the segment profit was ¥5,489 million (up 16.0%).

Rental Business

During the three months ended February 28, 2025, the Company focused on leasing out its rental properties.

As of February 28, 2025, the number of rental properties decreased by 14 from 123 at the end of the previous fiscal year to 109, as the segment acquired seven properties, and begin offering for rental of two properties, and sold 23 properties.

As a result, revenue in this segment was ¥2,119 million (up 18.9% year on year) and the segment profit was ¥1,168 million (up 41.2%).

Fund and Consulting Business

During the three months ended February 28, 2025, while ¥37,138 million was subtracted due mainly to property dispositions by funds, ¥121,224 million added due to new asset management contracts, from the balance of assets under management (Note) ¥2,443,808 million for the end of the previous fiscal year. The balance of assets under management as of February 28, 2025, was ¥2,527,894 million.

As a result, revenue in this segment was ¥1,676 million (up 7.6% year on year) and the segment profit was ¥997 million (up 7.7%).

Note: The balance of assets under management includes the balance of assets that were subject to consulting contracts, etc.

Property Management Business

During the three months ended February 28, 2025, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 969 as of February 28, 2025, an increase of 102 from February 29, 2024, with the total comprising 573 office buildings, hotels, logistic facilities and other such properties, and 396 condominiums and apartments.

As a result, revenue in this segment was ¥1,734 million (up 5.5% year on year) and segment profit was ¥314 million (up 8.8%).

Hotel Business

During the three months ended February 28, 2025, thanks to recovering domestic demand and by capturing inbound demand, guest room occupancy rates and guest room rates improved, and both revenue and segment profit significantly exceeded that of the same period of the previous fiscal year.

As a result, revenue in this segment was ¥1,682 million (up 23.5% year on year) and segment profit was ¥648 million (up 56.5%).

2) Analysis and contents for discussion of Operating Results

In the domestic real estate investment market, which is the Group's mainstay market, the proactive investment stance of both domestic and overseas real estate investors continued, engaging in active real estate transactions. Additionally, despite mounting expectations of higher domestic interest rates ahead, demand remained strong amid growing anticipation for greater profitability in each asset type, due to factors such as strong corporate performance driving up the need to expand office space, rising hotel guest room rates backed by the increase in inbound guests, and rising rents in line with rising inflation.

Amid this operating environment, for the first three months ended February 28, 2025, the Group's financial results were off to an extremely good start backed by strong performances in each of the Group's businesses including real estate sales, with consolidated revenue of ¥46.0 billion (up 32.1% year on year), operating profit of ¥12.3 billion (up 28.5% year on year), and profit before tax of ¥11.8 billion (up 28.7% year on year), achieving 45.1% of the full-year forecast based on revenue and 62.9% based on profit before tax.

As for the operating segments, the Revitalization Business achieved sales at high profit margins by selling whole buildings and condominium units, while the Development Business sold eight development property buildings including the major logistics facility, "T's Logi Sano," and the new rental apartment series, "THE PALMS," to domestic and overseas investors. Amid the favorable real estate market, the Company has put in a robust performance and achieved more than sixty percent (on a gross profit basis) of its full-year sales plan which combines the Revitalization Business and the Development Business.

Furthermore, in the stock and fee businesses, the Company's stable source of income, the Fund and Consulting Business captured management contracts relating to large-scale investment projects of existing customers, among others, and assets under management (AUM) increased by ¥84.0 billion from the end of the previous fiscal year to surpass ¥2.5 trillion. The Company has recently captured a major management contract from a new customer, a U.S. investor, which will commence in April, and the Company is on track to achieve this year's goal for AUM of ¥2.65 trillion. Additionally, in the Hotel Business, both guest room occupancy rates and average guest room rates have exceeded the plan, driven by strong inbound demand.

In terms of the outlook of the business environment, at the Monetary Policy Meeting held in January 2025, the Bank of Japan decided to raise Japan's policy interest rate (uncollateralized overnight call rate) to about 0.5%. Furthermore, long-term interest rates reached 1.5% for the first time in 16 years, in response to the clear indication that interest rate hikes will continue if the economic and price outlooks become a reality and the increasing pressure by the U.S. administration to correct the weakening yen. Even amidst rising interest rates, domestic real estate maintains high liquidity while sufficient yield spread vis-à-vis other countries is assured. Therefore, the Company believes that the superiority of domestic real estate investment will continue going forward. Meanwhile, rising construction costs resulting from soaring steel prices, changes in workstyles, and other factors, and extended construction periods are also expected to continue for the time being. Accordingly, the Company will promote business activities by being selective in the purchase of properties and carefully considering development plans.

(2) Overview of Consolidated Financial Positions

1) Analysis of Financial Positions

As of February 28, 2025, total assets were ¥272,616 million, a decrease of ¥4,198 million compared with November 30, 2024, while total liabilities were ¥177,051 million, a decrease of ¥8,897 million.

Decrease of total assets were due to a decrease in Inventories despite an increase in Cash and cash equivalents. Decrease in total liabilities were due to a decrease in Interest-bearing liabilities.

Total equity increased by ¥4,698 million to ¥95,565 million, mainly due to an increase in retained earnings and payment of cash dividends.

2) Analysis of Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of February 28, 2025 totaled ¥38,574 million, up ¥3,700 million compared with November 30, 2024.

The cash flows for the three months ended February 28, 2025 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥15,899 million (down 1.2% year on year). This is mainly attributed to the profit before tax of ¥11,830 million, a decrease in inventories of ¥8,260 million, and income taxes paid of ¥3,634 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥1,062 million (down 88.5% year on year). This is mainly due to payments of loans receivable of ¥2,269 million and collection of loans receivable of ¥1,233 million.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥11,134 million (up 66.4% year on year). This mainly reflects ¥22,800 million in the repayments of non-current borrowings and ¥3,778 million in cash dividends paid, despite ¥19,132 million in proceeds from non-current borrowings.

(3) Explanation of Consolidated Earnings Forecasts

The business results during the three months ended February 28, 2025 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on January 10, 2025.

The forward-looking statements contained in these materials, including forecasts of the future performance, are based on the information available to the Company as of the date of announcement and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ from these forecasts due to various factors.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

No item to report.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

No item to report.

3. Condensed Quarterly Consolidated Financial Statements and notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and cash equivalents	34,874,164	38,574,704
Trade and other receivables	8,606,489	9,003,561
Inventories	146,817,328	138,601,140
Other current assets	32,307	29,923
Total current assets	190,330,290	186,209,330
Non-current assets		
Property, plant and equipment	32,094,169	31,567,307
Investment properties	40,945,876	41,075,197
Goodwill	1,401,740	1,401,740
Intangible assets	117,737	103,782
Trade and other receivables	1,595,084	1,747,761
Other financial assets	9,034,356	9,421,945
Deferred tax assets	1,268,119	1,057,648
Other non-current assets	28,010	31,963
Total non-current assets	86,485,095	86,407,347
Total assets	276,815,386	272,616,677
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	8,610,460	7,424,766
Interest-bearing liabilities	20,786,314	16,900,573
Current income tax liabilities	3,723,178	3,663,768
Provisions	1,528,380	526,195
Total current liabilities	34,648,333	28,515,304
Non-current liabilities		
Trade and other payables	4,762,512	4,884,765
Interest-bearing liabilities	145,114,493	142,220,216
Retirement benefits obligations	791,045	801,075
Provisions	85,948	86,156
Deferred tax liabilities	546,316	543,876
Total non-current liabilities	151,300,315	148,536,090
Total Liabilities	185,948,649	177,051,394
Equity		
Share capital	6,624,890	6,624,890
Capital reserves	7,288,479	7,338,502
Retained earnings	76,914,414	81,262,532
Treasury shares	(243,716)	(243,716)
Other components of equity	(83,780)	211,034
Total equity attributable to owners of parent	90,500,287	95,193,243
Non-controlling interests	366,448	372,039
Total equity	90,866,736	95,565,282
Total liabilities and equity	276,815,386	272,616,677

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(¥ thousand)

	Three months ended February 29, 2024	Three months ended February 28, 2025
Revenue	34,868,582	46,066,847
Cost of revenue	21,100,858	29,483,787
Gross profit	13,767,724	16,583,060
Selling, general and administrative expenses	3,633,759	4,290,376
Other income	10,767	68,504
Other expenses	559,128	39,106
Operating profit	9,585,604	12,322,080
Finance income	12,279	39,974
Finance costs	405,919	531,711
Profit before tax	9,191,963	11,830,343
Income tax expense	2,752,803	3,646,981
Profit for the period	6,439,159	8,183,362
Other comprehensive income		
Other comprehensive income Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair values through other comprehensive income	126,916	286,700
Remeasurements of defined benefit pension plans	(18,872)	—
Subtotal of Other comprehensive income Items that will not be reclassified to profit or loss	108,044	286,700
Other comprehensive income Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,953	(2,280)
Net change in fair values of cash flow hedges	(15,887)	10,394
Subtotal of other comprehensive income Items that may be reclassified to profit or loss	(12,933)	8,113
Other comprehensive income for the period, net of tax	95,110	294,814
Total comprehensive income for the period	6,534,270	8,478,176
Profit attributable to:		
Owners of parent	6,435,471	8,176,537
Non-controlling interests	3,687	6,825
Profit for the period	6,439,159	8,183,362
Total comprehensive income attributable to:		
Owners of parent	6,530,582	8,471,351
Non-controlling interests	3,687	6,825
Total comprehensive income for the period	6,534,270	8,478,176
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	132.98	168.72
Diluted earnings per share (¥)	132.81	168.64

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended February 29, 2024 (December 1, 2023 – February 29, 2024)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at December 1, 2023	6,624,890	7,200,518	68,139,668	(335,327)	416,935	82,046,685	272,596	82,319,282
Profit for the period			6,435,471			6,435,471	3,687	6,439,159
Other comprehensive income					95,110	95,110		95,110
Total comprehensive income for the period	—	—	6,435,471	—	95,110	6,530,582	3,687	6,534,270
Amount of transactions with owners								
Disposal of treasury shares		(3,979)		48,638		44,658		44,658
Dividends of surplus			(3,192,884)			(3,192,884)		(3,192,884)
Transfer from other components of equity to retained earnings			(18,872)		18,872	—		—
Balance at February 29, 2024	6,624,890	7,196,538	71,363,384	(286,688)	530,918	85,429,042	276,284	85,705,327

Three months ended February 28, 2025 (December 1, 2024 – February 28, 2025)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at December 1, 2024	6,624,890	7,288,479	76,914,414	(243,716)	(83,780)	90,500,287	366,448	90,866,736
Profit for the period			8,176,537			8,176,537	6,825	8,183,362
Other comprehensive income					294,814	294,814		294,814
Total comprehensive income for the period	—	—	8,176,537	—	294,814	8,471,351	6,825	8,478,176
Amount of transactions with owners								
Dividends of surplus			(3,828,419)			(3,828,419)		(3,828,419)
Dividends to non-controlling interests						—	(1,234)	(1,234)
Share-based payment transactions		50,023				50,023		50,023
Balance at February 28, 2025	6,624,890	7,338,502	81,262,532	(243,716)	211,034	95,193,243	372,039	95,565,282

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(¥ thousand)

	Three months ended February 29, 2024	Three months ended February 28, 2025
Cash flows from operating activities		
Profit before tax	9,191,963	11,830,343
Depreciation expense	391,591	400,091
Increase (decrease) in provisions and retirement benefits obligations	(841,143)	(977,363)
Interest and dividend income	(12,279)	(39,974)
Interest expenses	405,919	531,711
Decrease (increase) in trade and other receivables	96,705	1,125,190
Decrease (increase) in inventories	9,419,105	8,260,425
Increase (decrease) in trade and other payables	451,058	(1,942,745)
Other, net	(31,588)	64,032
Subtotal	19,071,333	19,251,712
Interest and dividend income received	210,522	281,019
Income taxes paid	(3,188,847)	(3,634,791)
Income taxes refund	5,722	1,954
Net cash from (used in) operating activities	16,098,731	15,899,895
Cash flows from investing activities		
Purchase of property, plant and equipment	(41,584)	(6,323)
Purchase of investment properties	(19,975)	(34,486)
Purchase of intangible assets	(10,235)	(7,480)
Payments of loans receivable	(7,418,621)	(2,269,000)
Collection of loans receivable	1,778	1,233,610
Purchase of other financial assets	(1,730,647)	(21,142)
Collection of other financial assets	1,153	31,858
Payments for acquisition of subsidiaries	(46,190)	—
Other, net	1,642	10,905
Net cash from (used in) investing activities	(9,262,678)	(1,062,059)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	536,450	(3,008,400)
Proceeds from non-current borrowings	14,490,575	19,132,679
Repayments of non-current borrowings	(17,927,212)	(22,800,865)
Redemption of bonds	(10,000)	—
Repayments of lease obligations	(269,944)	(103,432)
Cash dividends paid	(3,141,911)	(3,778,851)
Purchase of treasury shares	—	(1,234)
Proceeds from disposal of treasury shares	44,767	—
Interest expenses paid	(415,367)	(574,190)
Net cash from (used in) financing activities	(6,692,644)	(11,134,295)
Net increase (decrease) in cash and cash equivalents	143,408	3,703,540
Cash and cash equivalents at beginning of period	39,197,843	34,874,164
Effect of exchange rate change on cash and cash equivalents	849	(3,001)
Cash and cash equivalents at end of period	39,342,101	38,574,704

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes on Condensed Quarterly Consolidated Financial Statements

1. Segment Information

The Group's reportable segments are components of the Group about which separate financial information is available that the Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the performance. The Group draws up comprehensive strategies for each of the following six business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business" and "Hotel Business". In the Revitalization Business, the Group acquires the properties whose asset values have declined, renovates, and resells them. In the Development Business, the Group sells condominium units and detached houses to individual customers as well as apartment and office buildings to investors. In the Rental Business, the Group rents office buildings and apartments. The Fund and Consulting Business mainly provides asset management services for the properties placed in real estate funds. The Property Management Business provides comprehensive property management services. The Hotel Business provides mainly hotel operating services.

The Group's revenue and profit/loss by reportable segment are as follows:

<u>Three months ended February 29, 2024</u>

(December 1, 2023 – February 29, 2024)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	15,487,893	13,034,132	1,782,705	1,557,735	1,643,930	1,362,184	—	34,868,582
Intersegment revenue	—	—	27,795	20,850	349,586	7,095	(405,327)	—
Total	15,487,893	13,034,132	1,810,501	1,578,585	1,993,517	1,369,280	(405,327)	34,868,582
Segment profit	3,119,371	4,731,952	827,444	925,733	289,207	414,360	(722,465)	9,585,604
Finance income/costs, net								(393,640)
Profit before tax								9,191,963

Three months ended February 28, 2025

(December 1, 2024 – February 28, 2025)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	21,182,784	17,671,274	2,119,354	1,676,050	1,734,715	1,682,667	—	46,066,847
Intersegment revenue	—	—	27,370	3,953	366,995	10,592	(408,911)	—
Total	21,182,784	17,671,274	2,146,725	1,680,003	2,101,711	1,693,259	(408,911)	46,066,847
Segment profit	4,670,629	5,489,462	1,168,499	997,398	314,705	648,548	(967,163)	12,322,080
Finance income/costs, net								(491,736)
Profit before tax								11,830,343

2. Dividends

Dividends paid in the three months ended February 29, 2024 and February 28, 2025 are as follows:

Three months ended February 29, 2024				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 27, 2024	66	3,192,884	November 30, 2023	February 28, 2024

Three months ended February 28, 2025				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 26, 2025	79	3,828,419	November 30, 2024	February 27, 2025

3. Earnings per Share

	Three months ended February 29, 2024	Three months ended February 28, 2025
Profit attributable to owners of parent (¥ thousand)	6,435,471	8,176,537
Net income used to figure diluted net income per share (¥ thousand)	6,435,471	8,176,537
Weighted average number of outstanding ordinary shares (shares)	48,394,160	48,461,002
The number of increased ordinary shares used to figure diluted earnings per share (shares)		
Subscription rights to shares relating to stock options (shares)	62,345	—
Common stock relating to PSU (shares)	—	23,775
Common stock relating to RSU (shares)	—	414
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	48,456,505	48,485,191
Basic earnings per share (¥)	132.98	168.72
Diluted net income per share (¥)	132.81	168.64

Notes: Basic earnings per share is calculated by dividing profit attributable to owners of the parent, by the weighted average number of outstanding ordinary shares during the reporting period.

(7) Notes on Significant Subsequent Events

Repurchase of the treasury shares

The Company resolved to repurchase its own shares pursuant to Article 156 of the Companies Act which is applicable in lieu of Article 165, Paragraph 3 of this act, at the board of directors' meeting held on April 7, 2025.

1. Reason for the repurchase of treasury shares

Stock will be repurchased to raise the level of shareholder return and improve capital efficiency, enabling the Company to flexibly execute capital policies that responds to changes in the business environment.

2. Details of repurchase

(1) Class of shares to be repurchased	Common share of Tosei Corporation
(2) Total number of shares to be repurchased	Up to 700,000 shares (1.4% of issued shares (excluding treasury shares))
(3) Total value of shares to be repurchased	Up to 1.0 billion yen
(4) Period for repurchase	From April 11, 2025 to November 30, 2025
(5) Method of repurchase	Discretionary investment by a securities company