Consolidated Financial Results for the Six Months Ended May 31, 2025 <Under IFRS>

July 7, 2025

Company name: TOSEI CORPORATION Stock listing: TSE / SGX
Securities code number: 8923 / S2D
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Scheduled date to file semi-annual securities report : July 10, 2025
Scheduled date to commence dividend payments : —
Preparation of supplementary materials for financial results: Yes
Holding of financial results briefing : Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended May 31, 2025 (December 1, 2024 – May 31, 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)	(%)
Six months ended May 31, 2025	66,058	14.6	17,600	18.1	16,804	16.9	12,234	21.6
Six months ended May 31, 2024	57,618	9.0	14,901	19.1	14,372	19.0	10,062	23.3

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Six months ended May 31, 2025	12,226	21.6	12,492	23.8	252.24	252.20
Six months ended May 31, 2024	10,058	23.2	10,087	25.4	207.75	207.51

(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 May 31, 2025	283,616	99,543	99,256	35.0
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	–	0.00			
Fiscal year ending November 30, 2025 (Forecast)			–	98.00	98.00

Note: Revision to the most recently released dividend forecasts: Yes

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	98,125	19.4	21,617	16.9	19,800	14.0	14,085	17.5	290.59

Note: Revision to the most recently released earnings forecasts: Yes

*** 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 May 31, 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 May 31, 2025	199,000 shares
As of November 30, 2024	222,798 shares

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

Six months ended May 31, 2025	48,471,201 shares
Six months ended May 31, 2024	48,418,423 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other notes

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.

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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 six months ended May 31, 2025, the Japanese economy maintained a moderate path of recovery, driven by the improved employment and income environments, as well as the effects of various government policies. Meanwhile, in terms of the outlook for the future, factors including the uncertainty surrounding the reciprocal tariff measures with the U.S. and the decline in consumer confidence reflecting prolonged high prices have proven to be downward risks on the domestic economy. Therefore, it remains necessary to monitor these developments together with the trends of the global economy and the financial and capital markets.

In the real estate industry where Tosei Group operates, real estate transaction were robust and domestic real estate investments for the three months from January to March 2025 increased 23% year on year to ¥2,095.2 billion, with Tokyo ranking first in the world for real estate investments by city (ranked second for the full year of 2024). Despite increasing economic uncertainty, mainly in the U.S., the real estate investment market has been immune to any changes and together with the relatively low interest rate environment compared to the other countries, domestic real estate investments are expected to reach record highs in 2025 (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, some developers are refraining from acquiring land for development from the standpoint of profitability against the backdrop of soaring construction costs. As a result, the number of newly built units for the four months from January to April 2025 decreased by 12.5% year on year to 5,124 units, representing a decline in the number of units outpacing the previous year, which recorded the lowest levels since the survey began. Moreover, while the average price per unit in April 2025 marked a temporary drop at ¥69.99 million (down 8.7% year on year), resulting from the decrease in the number of high-priced units supplied in the Tokyo metropolitan area, the prices of new condominiums remained high. In the Tokyo metropolitan area pre-owned condominium market, the number of units contracted for the four months from January to April 2025 increased to 16,335 units (up 24.5% year on year), indicating a rush to purchase due to the anticipation of higher mortgage interest rates. The properties in the Tokyo metropolitan area, which continue to receive influx of investment funds, are driving up the average price per unit, which reported a record high of ¥55.35 million (up 20.2% year on year) as of April 2025. In the Tokyo metropolitan area build-for-sale detached house market, housing starts for the four months from January to April 2025 were 17,069 units (down 4.4% year on year), continuing the downward trend from 2024 (according to a survey by a private research institute).

The average costs per tsubo in terms of construction costs for the four months from January to April 2025 were ¥1,855 thousand per tsubo (1 tsubo = 3.30 square meters) (an increase of 5.4% year on year) for steel reinforced concrete structures and ¥752 thousand per tsubo (an increase of 5.9% year on year) for wooden structures. Construction costs continue to soar, as steel and timber prices remain high, and the price of cement has also reached a record high (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 April 2025, both the vacancy rate and rent remained robust with the average vacancy rate at 3.7% (a decrease of 1.7 percentage points year on year) and the average asking rent at ¥20,755 per tsubo (an increase of 4.7% year on year). Tenants continue to unofficially fill up the newly built buildings supplied in 2025, and the market for office buildings is expected to remain strong going forward (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium leasing market, the robust demand for rental properties continued, and the average occupancy rate of condominiums held by J-REIT in the Tokyo area remained high at 97.5% (an increase of 0.3 percentage points year on year) as of February 28, 2025. Additionally, the average asking rent of apartments as of April 2025 reported a record high at ¥12,343 per tsubo (an increase of 2.2% year on year), indicating a trend of shifting the increase in property management costs and other costs resulting from high commodity prices to rent and the successive supply of new and recently constructed high-rent properties (according to a survey by a private research institute).

In the Tokyo metropolitan area’s logistics facility leasing market, leasable stock as of April 2025 was 11.14 million tsubo (an increase of 8.1% year on year), while the vacancy rate was 9.5% (an increase of 1.4 percentage points year on year) and the asking rent was ¥4,670 per tsubo (a decrease of 3.9% year on year). Although supply and demand continued to ease mainly in the suburban areas, the supply of new facilities is expected to slow down in the latter half of 2025 and improvements in various metrics are anticipated (according to a survey by a private research institute).

In the real estate fund market, J-REIT assets under management as of April 30, 2025 totaled ¥23.7 trillion (an increase of ¥0.6 trillion year on year) and assets under management in private placement funds as of December 31, 2024 totaled ¥40.8 trillion (an increase of ¥5.8 trillion year on year). As a result, the real estate securitization market scale grew to ¥64.5 trillion (according to a survey by a private research institute).

In the Tokyo business hotel market, thanks to continuing robust inbound demand, the average guest room occupancy rate for the three months from January to March 2025 was 80.6% (a decrease of 0.3 percentage points year on year) and the total number of hotel guests in Tokyo encompassing all types of accommodation amounted to 25.48 million (a decrease of 3.1% year on year). Although the number of domestic hotel guests seems to have plateaued due to soaring hotel room rates, the number of inbound hotel guests is increasing at a pace exceeding that of the previous year, and the trend of robust inbound demand driving the hotel market is expected to continue (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 six months ended May 31, 2025 totaled ¥66,058 million (up 14.6% year on year), operating profit was ¥17,600 million (up18.1%), profit before tax was ¥16,804 million (up 16.9%), and profit attributable to owners of the parent was ¥12,226 million (up 21.6%).

Performance by business segment is shown below.

Revitalization Business

During the six months ended May 31, 2025, the segment sold 25 properties it had renovated and 64 pre-owned condominium units, including T’s garden Toyo-cho (Koto-ku, Tokyo), T’s garden Konan Chuo (Yokohama-shi, Kanagawa), Nakamachidai Tosei Building (Yokohama-shi, Kanagawa).

During the six months ended May 31, 2025, it also acquired a total of 25 income-generating office buildings, rental apartments, one land lot and 55 pre-owned condominium units.

As a result, revenue in this segment was ¥29,113 million (down 1.0% year on year) and the segment profit was ¥5,545 million (down 0.9%).

Development Business

During the six months ended May 31, 2025, for whole buildings, the segment sold nine properties including the segment sold 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 22 detached houses at such property as THE Palms Court Sakurashinmachi (Setagaya-ku, Tokyo).

During the six months ended May 31, 2025, it also acquired six land lots for rental wooden apartment project, and land lots for 54 detached houses.

As a result, revenue in this segment was ¥20,275 million (up 41.5% year on year) and the segment profit was ¥5,874 million (up 14.7%).

Rental Business

During the six months ended May 31, 2025, the Company focused on leasing out its rental properties.

As of May 31, 2025, the number of rental properties decreased by four from 123 at the end of the previous fiscal year to 119, as the segment acquired 16 properties, and began offering for rental of nine properties, sold 28 properties, and terminated the leasing of one property.

As a result, revenue in this segment was ¥4,280 million (up 15.7% year on year) and the segment profit was ¥2,303 million (up 28.6%).

Fund and Consulting Business

While ¥111,239 million was subtracted due mainly to property dispositions by funds, ¥338,023 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 May 31, 2025, was ¥2,670,593 million.

As a result, revenue in this segment was ¥5,033 million (up 38.1% year on year) and the segment profit was ¥3,541 million (up 53.6%).

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

Property Management Business

During the six months ended May 31, 2025, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 974 as of May 31, 2025, an increase of 11 from May 31, 2024, with the total comprising 578 office buildings, hotels, logistic facilities and other such properties, and 396 condominiums and apartments.

As a result, revenue in this segment was ¥3,682 million (up 4.3% year on year) and segment profit was ¥654 million (up 2.6%).

Hotel Business

During the six months ended May 31, 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 ¥3,673 million (up 22.0% year on year) and segment profit was ¥1,521 million (up 45.4% year on year).

2) Analysis and contents for discussion of Operating Results

In the domestic real estate market during the six months ended May 31, 2025, rental prices mainly of office buildings and residentials in the Tokyo metropolitan area escalated and real estate prices maintained a rising trend which continued to boost investor confidence in domestic real estate among domestic and overseas investors. Long-term interest rates rose to around 1.5% for the first time in 16 years, as a result of the Bank of Japan changing its policy interest rate in January 2025, giving rise to concerns of the dampening of investor confidence in domestic real estate but the impact of rising interest rates on investor confidence among domestic and overseas investors turned out to be limited.

Amid this operating environment, for the six months ended May 31, 2025, the Group’s financial results were backed by strong performances in each of the Group’s businesses including real estate sales, with consolidated revenue of ¥66.0 billion (up 14.6% year on year), operating profit of ¥17.6 billion (up 18.1% year on year), and profit before tax of ¥16.8 billion (up 16.9% year on year).

As for the operating segments, the Revitalization Business achieved strong sales by selling whole buildings and high-priced condominium units in the Tokyo metropolitan area. In the Development Business, sales activities progressed smoothly with the sale of eight development property buildings including the major logistics facility, “T’s Logi Sano,” and the new rental apartment series, “THE PALMS,” in the first quarter, and the sale of rental apartments made from wooden structures and build-for-sale detached houses in the second quarter. Additionally, in terms of purchasing in the Revitalization Business and Development Business, the Company engaged in proactive acquisition activities by such means as the utilization of business succession support services, a competitive advantage of the Company, resulting in acquisitions reaching ¥59.1 billion (including property contracted but not yet delivered) against the ¥100.0 billion planned for the current fiscal year (on an expected disposition value basis). Furthermore, given that construction costs are expected to remain high for the time being due to the effects of soaring steel prices and the labor shortage, the Company, in the Development Business, shifted its focus from reinforced concrete structures to wooden structures, while at the same time, decreased the weight of the Development Business in the overall sales business portfolio including the Revitalization Business, to raise the ratio of investments into the Revitalization Business.

In addition, in the stock businesses, the Company’s stable source of income, each business performed strongly against the backdrop of robust real estate investment demand and rising rents mainly in the Tokyo metropolitan area. Among these businesses, the Fund and Consulting Business captured management contracts from new customers including the new asset management contract of one of Japan’s largest share-house portfolios, “TOKYO<β> (TOKYO BETA),” from Warburg Pincus LLC, a leading global investing firm, bringing domestic assets under management (AUM) to ¥2.6705 trillion, an increase of

¥226.7 billion from the end of the previous fiscal year. Furthermore, in the Hotel Business, the Company's hotel revenue has exceeded the plan, driven by strong inbound demand.

Regarding the recent U.S. reciprocal tariff measures, given that the Company is engaged in real estate-related businesses mainly in the Tokyo area, at present, it believes that the direct impact of such measures on the Company's businesses will be minimal. However, it will be necessary to monitor the changes in the financial markets including foreign exchange and interest rates, the impact of such measures on the global economy, the impact on the investment stance of foreign investors in domestic real estate, and other factors.

In light of these and other elements of the business environment in Japan and overseas and the Company's business development, the Company will continue to proactively acquire new real estate and drive each of its businesses to achieve the medium-term management plan.

(2) Qualitative Information Regarding Consolidated Financial Positions

1) Analysis of Financial Positions

As of May 31, 2025, total assets were ¥283,616 million, an increase of ¥6,801 million compared with November 30, 2024, while total liabilities were ¥184,072 million, an decrease of ¥1,875 million.

Increase in total assets were due to an increase in cash and cash equivalents, trade and other receivables . Decrease in total liabilities were due to an decrease in trade and other payables and interest-bearing liabilities.

Total equity increased by ¥8,676 million to ¥99,543 million, mainly due to an increase in retained earnings, payment of cash dividends.

2) Analysis of Cash Flows

Cash and cash equivalents (hereinafter "cash") as of May 31, 2025 totaled ¥40,756 million, up ¥5,882 million compared with November 30, 2024.

The cash flows for the six months ended May 31, 2025 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥13,222 million (up 119.1% year on year). This is mainly attributed to the profit before tax of ¥16,804 million and income taxes paid of ¥3,640 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥1,120 million (down 52.0% year on year). This is primarily due to payments of loans receivable of ¥4,659 million and collection of loans receivable of ¥3,606 million etc.

Cash Flows from Financing Activities

Net cash used by financing activities totaled ¥6,219 million (up 96.0% year on year). This mainly reflects ¥30,979 million in the repayments of non-current borrowings and ¥3,826 million in cash dividends paid, despite ¥32,872 million in proceeds from non-current borrowings.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

In light of performance trends for the current fiscal year, the Company has revised the full-year consolidated earnings forecasts, announced on January 10, 2025. In the Revitalization Business, the sales plan formulated at the beginning of the term has been revised, and the timing of sales of certain properties has been strategically changed from the current fiscal year to the following fiscal year. In the stock businesses, the expected increase in asset management fees of the Fund and Consulting Business and the upward revision of business performance of the Hotel Business have been incorporated. As a result, the following revisions have been made - consolidated revenue of ¥98,125 million, a decrease of ¥3,952 million compared to the previous forecast, operating profit of ¥21,617 million, an increase of ¥978 million compared to the previous forecast, profit before tax of ¥19,800 million, an increase of ¥1,000 million compared to the previous forecast, and profit attributable to owners of the parent of ¥14,085 million, an increase of ¥1,278 million compared to the previous forecast, As for the forecast of year-end dividends, the Company has changed the previous forecast of ¥89 per share to ¥98 per share, an increase of ¥9 per share (dividend payout ratio: 33.7%), in conjunction with the revision of the consolidated earnings forecasts.

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 Semi-annual Consolidated Financial Statements and notes

(1) Condensed Semi-annual Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and cash equivalents	34,874,164	40,756,188
Trade and other receivables	8,606,489	10,111,114
Inventories	146,817,328	146,262,492
Other current assets	32,307	33,702
Total current assets	190,330,290	197,163,497
Non-current assets		
Property, plant and equipment	32,094,169	31,410,162
Investment properties	40,945,876	40,990,259
Goodwill	1,401,740	1,401,740
Intangible assets	117,737	93,443
Trade and other receivables	1,595,084	1,861,964
Other financial assets	9,034,356	9,303,023
Deferred tax assets	1,268,119	1,327,047
Other non-current assets	28,010	65,563
Total non-current assets	86,485,095	86,453,205
Total assets	276,815,386	283,616,703
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	8,610,460	6,741,092
Interest-bearing liabilities	20,786,314	16,952,497
Current income tax liabilities	3,723,178	4,892,229
Provisions	1,528,380	851,738
Total current liabilities	34,648,333	29,437,557
Non-current liabilities		
Trade and other payables	4,762,512	5,390,127
Interest-bearing liabilities	145,114,493	147,827,872
Retirement benefits obligations	791,045	817,468
Provisions	85,948	86,365
Deferred tax liabilities	546,316	513,581
Total non-current liabilities	151,300,315	154,635,415
Total Liabilities	185,948,649	184,072,973
Equity		
Share capital	6,624,890	6,624,890
Capital reserves	7,288,479	7,362,936
Retained earnings	76,914,414	85,312,527
Treasury shares	(243,716)	(217,705)
Other components of equity	(83,780)	173,846
Total equity attributable to owners of parent	90,500,287	99,256,495
Non-controlling interests	366,448	287,233
Total equity	90,866,736	99,543,729
Total liabilities and equity	276,815,386	283,616,703

(2) Condensed Semi-annual Consolidated Statement of Comprehensive Income

(¥ thousand)

	Six months ended May 31, 2024	Six months ended May 31, 2025
Revenue	57,618,442	66,058,790
Cost of revenue	34,715,695	40,088,110
Gross profit	22,902,747	25,970,680
Selling, general and administrative expenses	7,508,305	8,406,001
Other income	71,331	103,675
Other expenses	564,190	68,037
Operating profit	14,901,583	17,600,316
Finance income	289,299	327,742
Finance costs	818,134	1,123,671
Profit before tax	14,372,747	16,804,387
Income tax expense	4,309,763	4,569,468
Profit for the period	10,062,984	12,234,919
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	19,241	248,891
Remeasurements of defined benefit pension plans	(18,872)	—
Total of other comprehensive income items that will not be reclassified to profit or loss	368	248,891
Other comprehensive income items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	10,711	(1,065)
Net change in fair values of cash flow hedges	13,885	9,800
Total of other comprehensive income items that may be reclassified to profit or loss	24,597	8,734
Other comprehensive income for the period, net of tax	24,965	257,626
Total comprehensive income for the period	10,087,950	12,492,546
Profit attributable to:		
Owners of parent	10,058,745	12,226,532
Non-controlling interests	4,239	8,387
Profit for the period	10,062,984	12,234,919
Total comprehensive income attributable to:		
Owners of parent	10,083,710	12,484,158
Non-controlling interests	4,239	8,387
Total comprehensive income for the period	10,087,950	12,492,546
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	207.75	252.24
Diluted earnings per share (¥)	207.51	252.20

(3) Condensed Semi-annual Consolidated Statement of Changes in Equity

Six months ended May 31, 2024 (December 1, 2023 – May 31, 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			10,058,745			10,058,745	4,239	10,062,984
Other comprehensive income					24,965	24,965		24,965
Total comprehensive income for the period	–	–	10,058,745	–	24,965	10,083,710	4,239	10,087,950
Amount of transactions with owners								
Purchase of treasury shares				(101)		(101)		(101)
Disposal of treasury shares		(5,690)		91,921		86,230		86,230
Dividends of surplus			(3,192,884)			(3,192,884)		(3,192,884)
Dividends to non-controlling interests						–	(3,048)	(3,048)
Change from newly consolidated subsidiary						–	126,500	126,500
Transfer from other components of equity to retained earnings			(18,872)		18,872	–		–
Share-based payment transactions		14,117				14,117		14,117
Balance at May 31, 2024	6,624,890	7,208,944	74,986,657	(243,507)	460,773	89,037,758	400,288	89,438,046

Six months ended May 31, 2025 (December 1, 2024 – May 31, 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			12,226,532			12,226,532	8,387	12,234,919
Other comprehensive income					257,626	257,626		257,626
Total comprehensive income for the period	–	–	12,226,532	–	257,626	12,484,158	8,387	12,492,546
Amount of transactions with owners								
Disposal of treasury shares		(26,011)		26,011		–		–
Dividends of surplus			(3,828,419)			(3,828,419)		(3,828,419)
Dividends to non-controlling interests						–	(8,396)	(8,396)
Changes in ownership interest in subsidiaries						–	(79,205)	(79,205)
Share-based payment transactions		100,468				100,468		100,468
Balance at May 31, 2025	6,624,890	7,362,936	85,312,527	(217,705)	173,846	99,256,495	287,233	99,543,729

(4) Condensed Semi-annual Consolidated Statement of Cash Flows

(¥ thousand)

	Six months ended May 31, 2024	Six months ended May 31, 2025
Cash flows from operating activities		
Profit before tax	14,372,747	16,804,387
Depreciation expense	788,831	808,828
Increase (decrease) in provisions and retirement benefits obligations	(503,010)	(681,511)
Interest and dividend income	(289,299)	(327,742)
Interest expenses	818,134	1,123,671
Decrease (increase) in trade and other receivables	(1,098,256)	(401,837)
Decrease (increase) in inventories	(5,694,136)	639,396
Increase (decrease) in trade and other payables	345,173	(1,778,358)
Other, net	(20,840)	112,592
Subtotal	8,719,344	16,299,427
Interest and dividend income received	244,222	324,666
Income taxes paid	(3,190,168)	(3,640,937)
Income taxes refund	262,299	239,098
Net cash from (used in) operating activities	6,035,697	13,222,255
Cash flows from investing activities		
Payments into time deposits	—	(3,000)
Purchase of property, plant and equipment	(92,268)	(39,247)
Purchase of investment properties	(37,910)	(60,744)
Purchase of intangible assets	(21,335)	(13,367)
Payments of loans receivable	(7,795,621)	(4,659,000)
Collection of loans receivable	7,412,149	3,606,221
Purchase of other financial assets	(2,032,501)	(55,772)
Collection of other financial assets	172,701	95,824
Payments for acquisition of subsidiaries	(46,190)	—
Payments for sale of subsidiaries	—	(8,224)
Proceeds from acquisition of businesses	101,584	—
Other, net	6,726	17,205
Net cash from (used in) investing activities	(2,332,664)	(1,120,105)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	594,900	(2,854,328)
Proceeds from non-current borrowings	30,737,542	32,872,969
Repayments of non-current borrowings	(30,298,677)	(30,979,141)
Redemption of bonds	(15,678)	(5,678)
Repayments of lease obligations	(373,128)	(201,079)
Repayments to non-controlling shareholders	—	(79,205)
Capital contribution from non-controlling interests	126,500	—
Cash dividends paid	(3,190,381)	(3,826,345)
Dividends paid to non-controlling interests	(3,048)	(8,396)
Purchase of treasury shares	(101)	—
Proceeds from disposal of treasury shares	84,604	57,329
Interest expenses paid	(835,455)	(1,195,325)
Net cash from (used in) financing activities	(3,172,923)	(6,219,202)
Net increase (decrease) in cash and cash equivalents	530,110	5,882,947
Cash and cash equivalents at beginning of period	39,197,843	34,874,164
Effect of exchange rate change on cash and cash equivalents	3,093	(923)
Cash and cash equivalents at end of period	39,731,046	40,756,188

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes on Condensed Semi-annual 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 rental apartments 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>Six months ended May 31, 2024</u>

(December 1, 2023 – May 31, 2024)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue to external customers	29,399,460	14,334,142	3,699,086	3,644,554	3,529,404	3,011,793	—	57,618,442
Intersegment revenue	—	—	55,519	28,999	728,891	15,111	(828,521)	—
Total	29,399,460	14,334,142	3,754,606	3,673,553	4,258,296	3,026,904	(828,521)	57,618,442
Segment profit	5,597,143	5,123,449	1,791,688	2,305,930	637,604	1,046,223	(1,600,455)	14,901,583
Finance income/costs, net								(528,835)
Profit before tax								14,372,747

<u>Six months ended May 31, 2025</u>

(December 1, 2024 – May 31, 2025)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue to external customers	29,113,681	20,275,668	4,280,462	5,033,702	3,682,202	3,673,073	—	66,058,790
Intersegment revenue	—	—	55,252	24,140	822,496	21,910	(923,799)	—
Total	29,113,681	20,275,668	4,335,714	5,057,842	4,504,698	3,694,983	(923,799)	66,058,790
Segment profit	5,545,885	5,874,309	2,303,326	3,541,107	654,297	1,521,468	(1,840,078)	17,600,316
Finance income/costs, net								(795,929)
Profit before tax								16,804,387

2. Dividends

Dividends paid in the six months ended May 31, 2024 and May 31, 2025 are as follows:

Six months ended May 31, 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

Six months ended May 31, 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

	Six months ended May 31, 2024	Six months ended May 31, 2025
Profit attributable to owners of parent (¥ thousand)	10,058,745	12,226,532
Net income used to figure diluted net income per share (¥ thousand)	10,058,745	12,226,532
Weighted average number of outstanding ordinary shares (shares)	48,418,423	48,471,201
The number of increased ordinary shares used to figure diluted earnings per share (shares)		
Subscription rights to shares relating to stock options (shares)	45,739	—
Common stock relating to PSU (shares)	9,982	9,074
Common stock relating to RSU (shares)	223	206
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	48,474,367	48,480,481
Basic earnings per share (¥)	207.75	252.24
Diluted net income per share (¥)	207.51	252.20

Note: 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

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

The Company, at the Board of Directors's meeting held on July 7, 2025, resolved to conduct a share split and partial amendment to the Articles of Incorporation in conjunction with the share split.

1. Purpose of the share split

The purpose of the share split is to enhance the liquidity of the Company's shares and expand the investor base by reducing the amount per trading unit of the Company's shares, thereby creating an environment that facilitates investment by investors.

2. Outline of the share split

(1)Method of the share split

With November 30, 2025, as the record date, the Company will conduct a 2-for-1 share split of the common shares of the Company owned by shareholders registered or recorded in the shareholder registry as of the end of the same date.

(2)The number of shares to be increased by the share split

The total number of issued shares before the share split: 48,683,800 shares
The number of shares to be increased by the share split: 48,683,800 shares
The total number of issued shares after the share split: 97,367,600 shares
The total number of authorized shares after the share split: 300,000,000 shares

(3)Schedule of the share split

Date of public notice of the record date: November 14, 2025 (planned)
Record date: November 30, 2025
Effective date: December 1, 2025

(4)Impact on per share information

The values for per share information on the assumption that this share split had been implemented at the beginning of the previous fiscal year ending November 30, 2024 are as follows.

	Six months ended May 31, 2024	Six months ended May 31, 2025
Basic earnings per share (¥)	103.88	126.12
Diluted earnings per share (¥)	103.76	126.10

3. Partial amendment to the Articles of Incorporation in conjunction with the share split

(1)Reason for the change

In conjunction with this share split, the total number of authorized shares of Article 6 of the Company's Articles of Incorporation will be changed pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act, with an effective date of December 1, 2025.

(2) Details of the change

Details of the change are as follows.

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Authorized Shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>one hundred fifty million (150,000,000)</u>.	(Total Number of Authorized Shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>three hundred million (300,000,000)</u>.

4. Others

(1)Change to the amount of share capital

There will be no change to the amount of share capital due to this share split.

(2) Year-end dividend

As this share split will become effective December 1, 2025, the year-end dividend for the fiscal year ending November 30, 2025, with a record date of November 30, 2025 will be paid based on the number of shares before the share split.