Consolidated Financial Results
for the Nine Months Ended August 31, 2025
<Under IFRS>

October 6, 2025

Company name: TOSEI CORPORATION Stock listing: TSE / SGX
Securities code number: 8923 / S2D
Representative: Seiichiro Yamaguchi, President and CEO URL: https://www.toseicorp.co.jp/english/
Contact: Noboru Hirano, Director and CFO Phone: +81-3-5439-8807
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 Nine Months Ended August 31, 2025 (December 1, 2024 – August 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)	(%)
Nine months ended August 31, 2025	83,961	20.9	20,798	21.9	19,437	20.8	14,061	25.1
Nine months ended August 31, 2024	69,419	4.1	17,055	18.0	16,090	17.6	11,238	20.0

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Nine months ended August 31, 2025	14,045	25.0	15,155	33.0	289.75	289.61
Nine months ended August 31, 2024	11,234	20.0	11,391	18.3	231.96	231.75

(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 August 31, 2025	294,894	102,224	101,963	34.6
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: 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	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: No

*** Notes**

(1) Significant changes in the scope of consolidation during the period: No
Newly included: – 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 August 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 August 31, 2025	199,000 shares
As of November 30, 2024	222,798 shares

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

Nine months ended August 31, 2025	48,475,281 shares
Nine months ended August 31, 2024	48,431,224 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 special 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 nine months ended August 31, 2025, the Japanese economy was on a moderate recovery path on the back of improvements in the employment and income environments. Meanwhile, in terms of the outlook for the future, factors such as the decline in consumer confidence reflecting the continuing rise in prices, in addition to the effects of reciprocal tariff measures with the U.S., have proven to be downward risks on the domestic economy. Therefore, it remains necessary to monitor these developments together with the fluctuations in the financial and capital markets.

In the real estate industry where Tosei Group operates, robust investment demand of investors both in Japan and overseas continued, and domestic real estate investments for the six months from January to June 2025 increased 22% year on year to ¥3,193.2 billion, with Tokyo maintaining its top ranking in the world for real estate investments by city. Despite current expectations of rising interest rates, active transactions involving large-scale buildings, mainly office buildings, are expected to continue going forward, and real estate investments in 2025 are set to reach a record high of around ¥6 trillion (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of newly built units for the seven months from January to July 2025 decreased by 4.8% year on year to 10,059 units, representing a decline in the number of new units supplied outpacing the previous year, which recorded the lowest levels to date. Meanwhile, the average price per unit in July 2025 rose to ¥100.75 million (up 28.4% year on year). The ongoing shifting of costs, including construction costs, onto condominium prices and the large number of high-priced units supplied in the Tokyo metropolitan area contributed to this rise in average price per unit. In the Tokyo metropolitan area pre-owned condominium market, demand has been growing, given the market sentiment surrounding newly built condominiums, and the number of units contracted for the seven months from January to July 2025 increased to 28,454 units (up 26.9% year on year). Additionally, the properties in the Tokyo metropolitan area, which continue to receive an influx of investment funds, are driving up the average price per unit, which reported a record high of ¥58.57 million (up 26.5% year on year) as of July 2025. In the Tokyo metropolitan area build-for-sale detached house market, housing starts for the seven months from January to July 2025 were 28,514 units (down 9.5% year on year), continuing the downward trend (according to a survey by a private research institute).

The average costs per tsubo in terms of construction costs for the seven months from January to July 2025 were ¥1,931 thousand per tsubo (1 tsubo = 3.30 square meters) (an increase of 15.3% year on year) for steel reinforced concrete structures and ¥762 thousand per tsubo (an increase of 6.0% year on year) for wooden structures. Construction costs remained high due to the rising prices of materials and labor costs (according to a survey by the Ministry of Land, Infrastructure, Transport and Tourism).

In the office leasing market of Tokyo's five business wards, as of July 2025, the average asking rent was ¥20,907 per tsubo (an increase of 4.4% year on year), and the average vacancy rate was 3.2% (a decrease of 1.8 percentage points year on year). Tenants continued to unofficially fill up the new buildings built in the past year, 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 average asking rent of apartments as of July 2025 was ¥12,753 per tsubo (an increase of 6.2% year on year). While rent in the suburban areas has softened somewhat, the trend of rising rents in the Tokyo metropolitan area as a whole continues, driven by the soaring rent in central Tokyo. Furthermore, the average occupancy rate of condominiums held by J-REIT in the Tokyo area remains strong at 97.0% (a decrease of 0.1 percentage points year on year) as of May 31, 2025, against the backdrop of robust rental demand (according to a survey by a private research institute).

In the Tokyo metropolitan area's logistics facility leasing market, leasable stock as of July 2025 was 11.31 million tsubo (an increase of 8.3% year on year), while the asking rent was ¥4,620 per tsubo (a decrease of 4.1% year on year), and the vacancy rate was 9.6% (an increase of 1.2 percentage points year on year). Although demand has improved in areas with good access to central Tokyo from a transport efficiency standpoint, suburban areas continue to struggle, and as for the Tokyo metropolitan area as a whole, the vacancy rate is climbing while the rent is falling. On the other hand, the new supply of logistic facilities is thought to have peaked, and the supply-demand balance is expected to improve (according to a survey by a private research institute).

In the real estate fund market, J-REIT assets under management as of August 2025 totaled ¥23.8 trillion (an increase of ¥0.4 trillion year on year), and assets under management in private placement funds as of June 30, 2025 totaled ¥44.9 trillion (an increase of ¥6.3 trillion year on year). As a result, the real estate securitization market scale grew to ¥68.7 trillion (according to a survey by a private research institute).

In the Tokyo business hotel market, the average guest room occupancy rate for the six months from January to June 2025 was 81.3% (a decrease of 1.1 percentage points year on year), and due to the effects of decreasing domestic visitors in response to the rise in guest room rates in conjunction with the increase in inbound visitors, the total number of hotel guests in Tokyo encompassing all types of accommodation amounted to 52.79 million (a decrease of 2.5% year on year) (according to a survey by the Japan Tourism Agency). However, the hotel market is expected to remain strong, as the number of inbound visitors, which drives up guest room rates, continues to increase at a pace exceeding that of the previous year, and as a result, hotel revenue is set to steadily increase (according to a survey by a private research institute).

Amid this operating environment, in the Revitalization Business and the Development Business, the Group continued from the previous term to proceed 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 nine months ended August 31, 2025 totaled ¥83,961 million (up 20.9% year on year), operating profit was ¥20,798 million (up 21.9%), profit before tax was ¥19,437 million (up 20.8%), and profit attributable to owners of the parent was ¥14,045 million (up 25.0%).

Performance by business segment is shown below.

Revitalization Business

During the nine months ended August 31, 2025, the segment sold 32 properties it had renovated and 93 pre-owned condominium units, including T’s garden Toyo-cho (Koto-ku, Tokyo), T’s garden Higashiogu (Arakawa-ku, Tokyo), T’s garden Nishi-Ojima (Koto-ku, Tokyo).

During the nine months ended August 31, 2025 it also acquired a total of 34 income-generating office buildings and rental apartments, one land lot and 70 pre-owned condominium units.

As a result, revenue in this segment was ¥37,922 million (up 13.2% year on year) and the segment profit was ¥6,709 million (up 13.1%).

Development Business

During the nine months ended August 31, 2025, for whole buildings, the segment sold 12 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 32 detached houses at such property as THE Palms Court Sakurashinmachi (Setagaya-ku, Tokyo).

During the nine months ended August 31, 2025, it also acquired two land lots for hotel projects, nine land lots for rental apartment projects, and land lots for 57 detached houses.

As a result, revenue in this segment was ¥21,861 million (up 46.0% year on year) and the segment profit was ¥6,024 million (up 19.0%).

Rental Business

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

As of August 31, 2025, the number of rental properties increased by two from 123 at the end of the previous fiscal year to 125, as the segment acquired 27 properties, and begin offering for rental of 13 properties, sold 37 properties, and terminated the leasing of one property.

As a result, revenue in this segment was ¥6,600 million (up 13.3% year on year) and the segment profit was ¥3,640 million (up 25.3%).

Fund and Consulting Business

While ¥162,355 million was subtracted due mainly to property dispositions by funds, ¥361,145 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 August 31, 2025, was ¥2,642,599 million.

As a result, revenue in this segment was ¥6,894 million (up 30.5% year on year) and the segment profit

was ¥4,430 million (up 42.8%).
Note: The balance of assets under management includes the balance of assets that were subject to consulting contracts, etc.

Property Management Business

During the nine months ended August 31, 2025, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 972 as of August 31, 2025, an increase of 12 from August 31, 2024, with the total comprising 574 office buildings, hotels, logistic facilities and other such properties, and 398 condominiums and apartments.
As a result, revenue in this segment was ¥5,433 million (up 2.9% year on year) and segment profit was ¥867 million (down 7.1%).

Hotel Business

During the nine months ended August 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 ¥5,247 million (up 15.1% year on year) and segment profit was ¥2,062 million (up 31.7%).

2) Analysis and contents for discussion of Operating Results

In the domestic real estate investment market, which is the Group's mainstay market, robust investor confidence from domestic and international investors continued to prevail, against the backdrop of rising rents in an inflationary environment and high liquidity. Moreover, the rising momentum among companies to review their real estate holding strategies as part of their efforts to improve asset efficiency has led to the revitalization of the domestic real estate investment market.
Amid this operating environment, for the nine months ended August 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 ¥83.9 billion (up 20.9% year on year), operating profit of ¥20.7 billion (up 21.9% year on year), and profit before tax of ¥19.4 billion (up 20.8% year on year).
As for the operating segments, the Revitalization Business achieved strong sales by selling whole buildings and high-priced pre-owned condominiums in the Tokyo metropolitan area, and in the Development Business, steady progress was made on the sales of large, newly-built, whole buildings for domestic and overseas institutional investors. While construction costs remained high, the Company, as part of its business portfolio management in the sales business, consciously raised the ratio of the Revitalization Business. Additionally, in the development business, the Company shifted its focus to rental apartments made from wooden structures, which have experienced relatively moderate increases in construction costs, and it has steadily built up its track record through, among others, the sales of five rental apartments made from wooden structures, which have been positioned as one of the Company's key assets. In both the Revitalization and Development Businesses, the Company pursued proactive acquisition activities and performed strongly, as it achieved ¥79.3 billion in acquisitions (including contracted but not yet delivered properties) against the acquisition plan for the period of ¥100.0 billion (translated into projected sales).
Meanwhile, in the stock businesses, the Company's stable source of income, each business performed strongly and expanded its performance. In the Fund and Consulting Business, domestic assets under management (AUM) increased by ¥198.7 billion from the end of the previous fiscal year to ¥2.6425 trillion, including a new asset management contract of one of Japan's largest share-house portfolios captured in the second quarter from Warburg Pincus LLC. In the Hotel Business, the record number of inbound visitors has contributed to the rise in the occupancy rates and average guest room rates, and the Company's hotel revenue has exceeded the plan. In light of this operating environment, the Company is expanding its hotel pipeline and plans to open Tosei Hotel COCONE Kamata in December 2025. The Company will continue to strengthen its initiatives to expand the Hotel Business and establish its hotel brand.
While closely monitoring the impact of interest rate trends both in Japan and overseas, including the U.S., the trends of the global economy, and the investment stances of overseas investors in domestic real estate, the Company, backed by a robust real estate market, will continue to promote each business.

(2) Overview of Consolidated Financial Positions

1) Analysis of Financial Positions

As of August 31, 2025, total assets were ¥294,894 million, an increase of ¥18,079 million compared with November 30, 2024, while total liabilities were ¥192,670 million, an increase of ¥6,721 million.

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

Total equity increased by ¥11,358 million to ¥102,224 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 August 31, 2025 totaled ¥40,100 million, up ¥5,226 million compared with November 30, 2024.

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

Cash Flows from Operating Activities

Net cash provided in operating activities totaled ¥6,888 million (in comparison with segment net cash used in Operating activities of ¥1,122 million in the same period of the previous fiscal year). This is mainly attributed to the profit before tax of ¥19,437 million, an increase in inventories of ¥9,379 million and income taxes paid of ¥6,547 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥3,791 million (up 72.1% year on year). This is mainly due to payments of loans receivable of ¥7,439 million and collection of loans receivable of ¥3,662 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥2,126 million (up 22.9% year on year). This mainly reflects ¥38,853 million in the repayments of non-current borrowings and ¥3,826 million in cash dividends paid, despite ¥49,621 million in proceeds from non-current borrowings.

(3) Explanation of Consolidated Earnings Forecasts

The business results during the nine months ended August 31, 2025 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on July 7, 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 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 August 31, 2025
Assets		
Current assets		
Cash and cash equivalents	34,874,164	40,100,342
Trade and other receivables	8,606,489	11,931,493
Inventories	146,817,328	156,331,064
Other current assets	32,307	31,980
Total current assets	190,330,290	208,394,881
Non-current assets		
Property, plant and equipment	32,094,169	31,127,602
Investment properties	40,945,876	40,872,932
Goodwill	1,401,740	1,401,740
Intangible assets	117,737	98,304
Trade and other receivables	1,595,084	1,825,446
Other financial assets	9,034,356	10,335,606
Deferred tax assets	1,268,119	772,828
Other non-current assets	28,010	65,563
Total non-current assets	86,485,095	86,500,025
Total assets	276,815,386	294,894,906
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	8,610,460	8,427,368
Interest-bearing liabilities	20,786,314	17,804,140
Current income tax liabilities	3,723,178	2,730,940
Provisions	1,528,380	963,920
Total current liabilities	34,648,333	29,926,369
Non-current liabilities		
Trade and other payables	4,762,512	5,379,200
Interest-bearing liabilities	145,114,493	156,088,931
Retirement benefits obligations	791,045	833,001
Provisions	85,948	86,574
Deferred tax liabilities	546,316	356,030
Total non-current liabilities	151,300,315	162,743,738
Total Liabilities	185,948,649	192,670,108
Equity		
Share capital	6,624,890	6,624,890
Capital reserves	7,288,479	7,414,353
Retained earnings	76,914,414	87,131,697
Treasury shares	(243,716)	(217,705)
Other components of equity	(83,780)	1,009,883
Total equity attributable to owners of parent	90,500,287	101,963,119
Non-controlling interests	366,448	261,679
Total equity	90,866,736	102,224,798
Total liabilities and equity	276,815,386	294,894,906

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(¥ thousand)

	Nine months ended August 31, 2024	Nine months ended August 31, 2025
Revenue	69,419,485	83,961,485
Cost of revenue	40,375,314	50,193,784
Gross profit	29,044,171	33,767,700
Selling, general and administrative expenses	11,503,520	13,059,585
Other income	86,203	166,358
Other expenses	571,560	76,006
Operating profit	17,055,292	20,798,466
Finance income	273,788	401,083
Finance costs	1,238,276	1,761,779
Profit before tax	16,090,805	19,437,771
Income tax expense	4,851,809	5,375,905
Profit for the period	11,238,996	14,061,865
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	171,593	1,083,675
Remeasurements of defined benefit pension plans	(18,872)	−
Subtotal of other comprehensive income items that will not be reclassified to profit or loss	152,721	1,083,675
Other comprehensive income items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,374	3,701
Net change in fair values of cash flow hedges	(1,669)	6,287
Subtotal of other comprehensive income items that may be reclassified to profit or loss	(295)	9,988
Other comprehensive income for the period, net of tax	152,426	1,093,663
Total comprehensive income for the period	11,391,422	15,155,529
Profit attributable to:		
Owners of the parent	11,234,156	14,045,702
Non-controlling interests	4,840	16,163
Profit for the period	11,238,996	14,061,865
Total comprehensive income attributable to:		
Owners of the parent	11,386,582	15,139,365
Non-controlling interests	4,840	16,163
Total comprehensive income for the period	11,391,422	15,155,529
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	231.96	289.75
Diluted earnings per share (¥)	231.75	289.61

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended August 31, 2024 (December 1, 2023 – August 31, 2024)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of the 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			11,234,156			11,234,156	4,840	11,238,996
Other comprehensive income					152,426	152,426		152,426
Total comprehensive income for the period	–	–	11,234,156	–	152,426	11,386,582	4,840	11,391,422
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						–	(3,875)	(3,875)
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		41,337				41,337		41,337
Balance at August 31, 2024	6,624,890	7,236,164	76,162,068	(243,507)	588,233	90,367,850	400,061	90,767,911

Nine months ended August 31, 2025 (December 1, 2024 – August 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			14,045,702			14,045,702	16,163	14,061,865
Other comprehensive income					1,093,663	1,093,663		1,093,663
Total comprehensive income for the period	–	–	14,045,702	–	1,093,663	15,139,365	16,163	15,155,529
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						–	(9,328)	(9,328)
Changes in ownership interest in subsidiaries						–	(111,604)	(111,604)
Share-based payment transactions		151,885				151,885		151,885
Balance at August 31, 2025	6,624,890	7,414,353	87,131,697	(217,705)	1,009,883	101,963,119	261,679	102,224,798

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(¥ thousand)

	Nine months ended August 31, 2024	Nine months ended August 31, 2025
Cash flows from operating activities		
Profit before tax	16,090,805	19,437,771
Depreciation expense	1,190,641	1,254,114
Increase (decrease) in provisions and retirement benefits obligations	(442,764)	(538,691)
Interest and dividend income	(273,788)	(401,083)
Interest expenses	1,238,276	1,761,779
Decrease (increase) in trade and other receivables	(1,039,002)	178,942
Decrease (increase) in inventories	(14,060,307)	(9,379,048)
Increase (decrease) in trade and other payables	1,073,105	115,152
Other, net	(14,976)	149,138
Subtotal	3,761,987	12,578,074
Interest and dividend income received	472,032	618,243
Income taxes paid	(5,621,701)	(6,547,362)
Income taxes refund	264,723	239,099
Net cash from (used in) operating activities	(1,122,958)	6,888,053
Cash flows from investing activities		
Payments into time deposits	–	(3,000)
Purchase of property, plant and equipment	(183,743)	(132,088)
Purchase of investment properties	(75,061)	(96,687)
Purchase of intangible assets	(27,714)	(27,416)
Payments of loans receivable	(7,808,031)	(7,439,000)
Collection of loans receivable	7,791,544	3,662,079
Purchase of other financial assets	(2,170,989)	(55,772)
Collection of other financial assets	208,756	291,354
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	(2,203,117)	(3,791,549)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	2,093,440	(2,512,060)
Proceeds from non-current borrowings	38,664,922	49,621,939
Repayments of non-current borrowings	(34,294,305)	(38,853,232)
Redemption of bonds	(15,678)	(5,678)
Repayments of lease obligations	(458,925)	(308,313)
Repayments to non-controlling interests	–	(111,604)
Capital contribution from non-controlling interests	126,500	–
Cash dividends paid	(3,192,066)	(3,826,785)
Dividends paid to non-controlling interests	(3,875)	(9,328)
Purchase of treasury shares	(101)	–
Proceeds from disposal of treasury shares	84,604	57,329
Interest expenses paid	(1,274,459)	(1,925,986)
Net cash from (used in) financing activities	1,730,056	2,126,280
Net increase (decrease) in cash and cash equivalents	(1,596,018)	5,222,783
Cash and cash equivalents at beginning of period	39,197,843	34,874,164
Effect of exchange rate change on cash and cash equivalents	(264)	3,394
Cash and cash equivalents at end of period	37,601,560	40,100,342

(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:

Nine months ended August 31, 2024

(December 1, 2023 – August 31, 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	33,498,119	14,975,336	5,826,580	5,282,904	5,279,107	4,557,437	—	69,419,485
Intersegment revenue	—	—	84,014	31,662	1,106,953	22,624	(1,245,254)	—
Total	33,498,119	14,975,336	5,910,595	5,314,566	6,386,060	4,580,061	(1,245,254)	69,419,485
Segment profit	5,931,932	5,061,584	2,906,241	3,101,884	933,322	1,565,340	(2,445,013)	17,055,292
Finance income/costs, net								(964,487)
Profit before tax								16,090,805

Nine months ended August 31, 2025

(December 1, 2024 – August 31, 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	37,922,962	21,861,882	6,600,474	6,894,975	5,433,391	5,247,799	—	83,961,485
Intersegment revenue	—	—	82,377	35,039	1,219,181	30,798	(1,367,396)	—
Total	37,922,962	21,861,882	6,682,852	6,930,014	6,652,572	5,278,598	(1,367,396)	83,961,485
Segment profit	6,709,096	6,024,234	3,640,125	4,430,088	867,471	2,062,037	(2,934,588)	20,798,466
Finance income/costs, net								(1,360,695)
Profit before tax								19,437,771

2. Dividends

Dividends paid in the nine months ended August 31, 2024 and August 31, 2025 are as follows:

Nine months ended August 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

Nine months ended August 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

	Nine months ended August 31, 2024	Nine months ended August 31, 2025
Profit attributable to owners of parent (¥ thousand)	11,234,156	14,045,702
Net income used to figure diluted net income per share (¥ thousand)	11,234,156	14,045,702
Weighted average number of outstanding ordinary shares (shares)	48,431,224	48,475,281
The number of increased ordinary shares used to figure diluted earnings per share (shares)		
Subscription rights to shares relating to stock options (shares)	30,436	11,961
Common stock relating to PSU (shares)	14,425	11,921
Common stock relating to RSU (shares)	282	214
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	48,476,367	48,499,377
Basic earnings per share (¥)	231.96	289.75
Diluted net income per share (¥)	231.75	289.61

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) Additional information

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.

	Nine months ended August 31, 2024	Nine months ended August 31, 2025
Basic earnings per share (¥)	115.98	144.87
Diluted earnings per share (¥)	115.88	144.80

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.

(8) Notes on Significant Subsequent Events

No item to report.