ときめきと やすらぎをつなぐ SOTETSU

First Quarter of the Fiscal Year Ending March 31, 2027 Notes to Financial Results

Sotetsu Holdings, Inc.

July 30, 2026

https://www.sotetsu.co.jp/ir/
TSE securities code: 9003

Executive Summary

FY3/2027 Q1 (YoY)	**Operating revenue: 78.7 billion yen** (+3.7 billion yen, +4.9%) **Operating profit: 11.9 billion yen** (+0.8 billion yen, +7.5%) **Profit attributable to owners of parent: 8.1 billion yen** (+0.7 billion yen, +10.6%)
	• Both revenue and profit increased, reflecting increases in the number of condominiums sold and in gross profit margin in the Real Estate Sales segment, a rise in proportional rent, and a decrease in expenses in reaction to large-scale repairs in the previous year in the Real Estate Leasing segment. * For detailed segment information, please refer to pages 6 to 10.
FY3/2027 Forecast (YoY)	**Operating revenue: 321.3 billion yen** (+13.7 billion yen, +4.5%) **Operating profit: 37.0 billion yen** (-1.8 billion yen, -4.7%) **Profit attributable to owners of parent: 22.1 billion yen** (-2.7 billion yen, -11.1%)
	• Revenue is expected to rise, but profit is projected to decline, due chiefly to climbing expenses related to the Sotetsu Shin-Yokohama Line in the Transportation segment and to growing expenses and a reactionary decrease in the wake of Expo 2025 Osaka, Kansai, Japan in the Hotel segment, despite the growth of revenue mainly due to sales of existing properties in the Real Estate Leasing segment. * Results forecast announced in April 2026 remains unchanged. * For detailed segment information, please refer to pages 16 to 20.

Financial Highlights (Consolidated Statement of Income)

(Million yen)

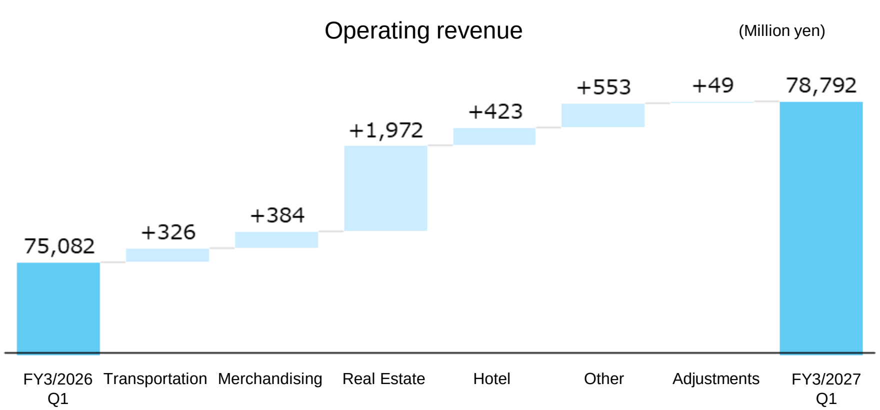
	FY3/2027 Q1	FY3/2026 Q1	Change Amount	Change (%)	FY3/2027 Q1 Plan	Change Amount	Change (%)
Operating revenue	78,792	75,082	+3,709	+4.9	84,000	-5,207	-6.2
Operating profit	11,936	11,105	+830	+7.5	11,100	+836	+7.5
Non-operating income	400	344	+55	+16.0	200	+200	+100.1
Non-operating expenses	1,240	1,210	+29	+2.4	1,200	+40	+3.4
Ordinary profit	11,096	10,240	+856	+8.4	10,100	+996	+9.9
Extraordinary income	90	78	+11	+14.5	–	+90	–
Extraordinary losses	90	153	-63	-41.1	0	+90	–
Profit before income taxes	11,095	10,164	+930	+9.2	10,100	+995	+9.9
Income taxes	2,956	2,809	+146	+5.2	2,900	+56	+1.9
Profit	8,139	7,355	+783	+10.7	7,200	+939	+13.0
Profit attributable to non-controlling interests	1	-0	+1	–	0	+1	–
Profit attributable to owners of parent	8,138	7,355	+782	+10.6	7,200	+938	+13.0

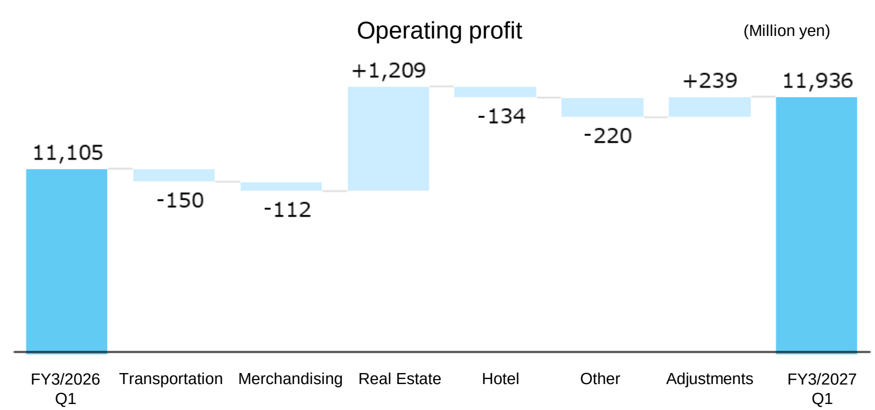
	FY3/2027 Q1	FY3/2026 Q1	Change Amount	Change (%)	FY3/2027 Q1 Plan	Change Amount	Change (%)
Net income per share (Yen)	84.80	76.30	+8.50	–	75.02	+9.78	–

Segment Information

(Million yen)

		FY3/2027 Q1	FY3/2026 Q1	Change		Note
				Amount	(%)	
Transportation	Operating revenue	11,664	11,338	+326	+2.9	(+) Increase in the number of passengers for the existing lines and the Sotetsu Shin-Yokohama Line
	Operating profit	2,010	2,160	-150	-7.0	(-) Increase in expenses
Merchandising	Operating revenue	23,995	23,610	+384	+1.6	(+) Increase in customer spending, contributions of new stores
	Operating profit	-141	-28	-112	–	
Real Estate	Operating revenue	19,865	17,893	+1,972	+11.0	
	Operating profit	5,003	3,794	+1,209	+31.9	
Sales	Operating revenue	9,539	7,675	+1,864	+24.3	(+) Increase in the number of condominiums sold
	Operating profit	1,517	568	+949	+167.2	(+) Increase in gross profit margin
Leasing	Operating revenue	10,402	10,307	+95	+0.9	(+) Higher proportional rent and changes in contracts
	Operating profit	3,475	3,226	+248	+7.7	(+) Decrease in expenses in reaction to large-scale repairs in the previous year
Hotel	Operating revenue	18,980	18,556	+423	+2.3	
	Operating profit	4,407	4,542	-134	-3.0	(-) Increase in expenses
Other	Operating revenue	7,544	6,991	+553	+7.9	
	Operating profit	666	886	-220	-24.8	
Adjustments	Operating revenue	-3,258	-3,307	+49	–	
	Operating profit	-10	-249	+239	–	
Consolidated totals	Operating revenue	78,792	75,082	+3,709	+4.9	
	Operating profit	11,936	11,105	+830	+7.5	



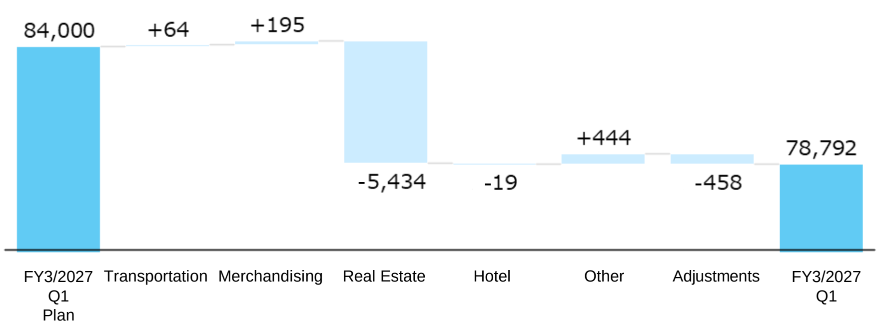


Segment Information

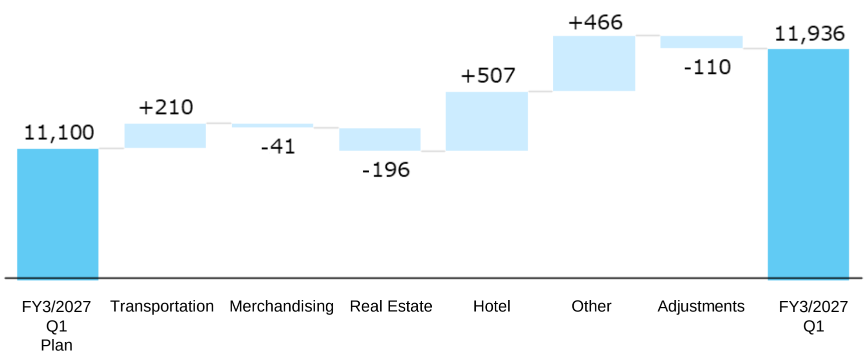
(Million yen)

		FY3/2027 Q1	FY3/2027 Q1 Plan	Change Amount	Change (%)	Note
Transportation	Operating revenue	11,664	11,600	+64	+0.6	
	Operating profit	2,010	1,800	+210	+11.7	(+) Decrease in repair expenses
Merchandising	Operating revenue	23,995	23,800	+195	+0.8	
	Operating profit	-141	-100	-41	–	(-) Decrease in gross profit
Real Estate	Operating revenue	19,865	25,300	-5,434	-21.5	
	Operating profit	5,003	5,200	-196	-3.8	
Sales	Operating revenue	9,539	11,400	-1,860	-16.3	(-) The number of condominiums and houses sold and the number of units for resale through purchase failing to meet the plans
	Operating profit	1,517	1,600	-82	-5.1	
Leasing	Operating revenue	10,402	14,000	-3,597	-25.7	(-) Change to the timing of sale to a fund
	Operating profit	3,475	3,600	-124	-3.5	
Hotel	Operating revenue	18,980	19,000	-19	-0.1	
	Operating profit	4,407	3,900	+507	+13.0	(+) Strong performance at existing hotels
Other	Operating revenue	7,544	7,100	+444	+6.3	
	Operating profit	666	200	+466	+233.2	
Adjustments	Operating revenue	-3,258	-2,800	-458	–	
	Operating profit	-10	100	-110	–	
Consolidated totals	Operating revenue	78,792	84,000	-5,207	-6.2	
	Operating profit	11,936	11,100	+836	+7.5	

Operating revenue (Million yen)



Operating profit (Million yen)



Segment Information (Transportation)

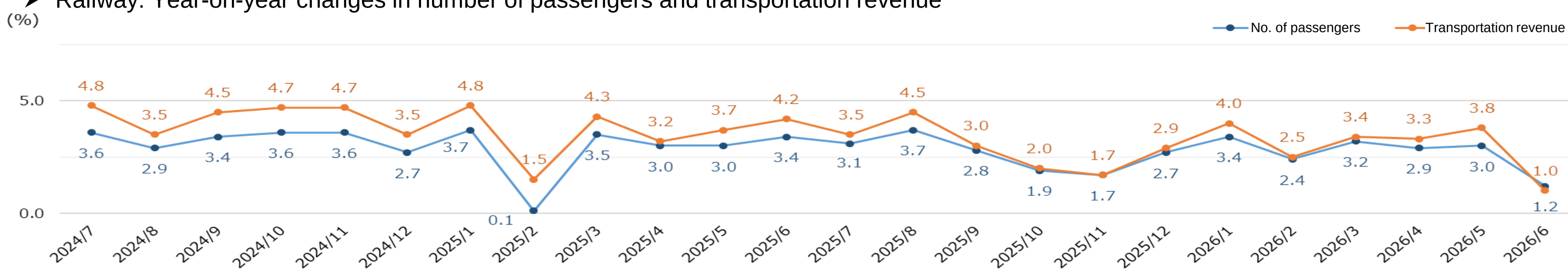
(Million yen)

	FY3/2027 Q1	FY3/2026 Q1	Change Amount	Change (%)	FY3/2027 Q1 Plan	Change Amount	Change (%)
Operating revenue	11,664	11,338	+326	+2.9	11,600	+64	+0.6
Railway	9,765	9,490	+275	+2.9	9,800	-34	-0.4
Bus	1,907	1,855	+51	+2.8	1,900	+7	+0.4
Adjustments	-7	-7	-0	–	-100	+92	–
Operating profit	2,010	2,160	-150	-7.0	1,800	+210	+11.7

<Railway: No. of passengers/Transportation revenue>

	FY3/2027 Q1	FY3/2026 Q1	Change Amount	Change (%)	FY3/2027 Q1 Plan	Change Amount	Change (%)
No. of passengers (1,000)							
Non-commuter	22,796	22,257	+538	+2.4	22,535	+260	+1.2
Commuter	36,484	35,643	+840	+2.4	36,679	-194	-0.5
Regular	28,320	27,568	+751	+2.7	28,404	-84	-0.3
Student	8,164	8,075	+89	+1.1	8,274	-110	-1.3
Total	59,281	57,901	+1,379	+2.4	59,215	+65	+0.1
Passenger transportation revenue (Million yen)							
Non-commuter	4,896	4,772	+124	+2.6	4,844	+51	+1.1
Commuter	4,077	3,965	+111	+2.8	4,150	-73	-1.8
Regular	3,680	3,575	+105	+3.0	3,734	-53	-1.4
Student	396	389	+6	+1.6	415	-19	-4.8
Total	8,973	8,737	+236	+2.7	8,995	-21	-0.2

➢ Railway: Year-on-year changes in number of passengers and transportation revenue



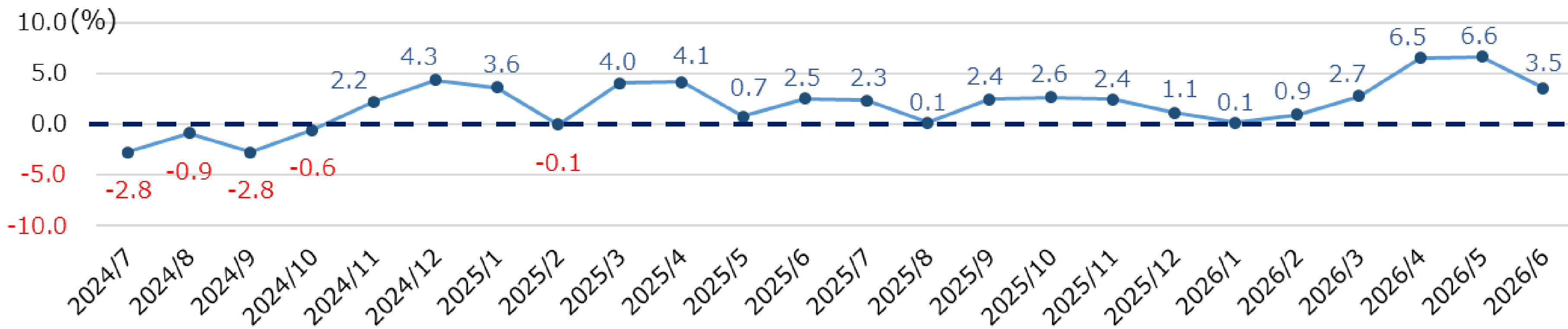
Segment Information (Merchandising)

(Million yen)

	FY3/2027 Q1	FY3/2026 Q1	Change		FY3/2027 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	23,995	23,610	+384	+1.6	23,800	+195	+0.8
Supermarket business	21,570	21,201	+368	+1.7	21,300	+270	+1.3
Other merchandising businesses	2,424	2,408	+16	+0.7	2,500	-75	-3.0
Adjustments	–	–	–	–	–	–	–
Operating profit	-141	-28	-112	–	-100	-41	–

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+5.6%	Compared with the plan	+1.3%

➢ Supermarket (Sotetsu Rosen): Existing stores(*) Year-on-year changes in monthly revenue



* Existing stores in the above monthly changes refer to stores operating in both the relevant month and the same month of the previous year. Stores that opened or closed before the end of a month are excluded.

New store: (FY3/2026) Mirokuji store (opened on July 30, 2025)

Closed store: (FY3/2026) Tomizu store (closed on August 28, 2025), Takada store (closed on October 29, 2025), Atsugihayashi store (closed on January 28, 2026), Hinatayama store (closed on March 26, 2026)

Segment Information (Real Estate)

(Million yen)

	FY3/2027 Q1	FY3/2026 Q1	Change		FY3/2027 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	19,865	17,893	+1,972	+11.0	25,300	-5,434	-21.5
Sales	9,539	7,675	+1,864	+24.3	11,400	-1,860	-16.3
Leasing	10,402	10,307	+95	+0.9	14,000	-3,597	-25.7
Adjustments	-76	-89	+12	–	-100	+23	–
Operating profit	5,003	3,794	+1,209	+31.9	5,200	-196	-3.8
Sales	1,517	568	+949	+167.2	1,600	-82	-5.1
Leasing	3,475	3,226	+248	+7.7	3,600	-124	-3.5

<Number of condominiums and houses sold>

(units)

	FY3/2027 Q1	FY3/2026 Q1	Change	FY3/2027 Q1 Plan	Change
Condominiums	101	62	+38	131	-30
Houses	–	–	–	4	-4
Total	101	62	+38	135	-34

(Million yen)

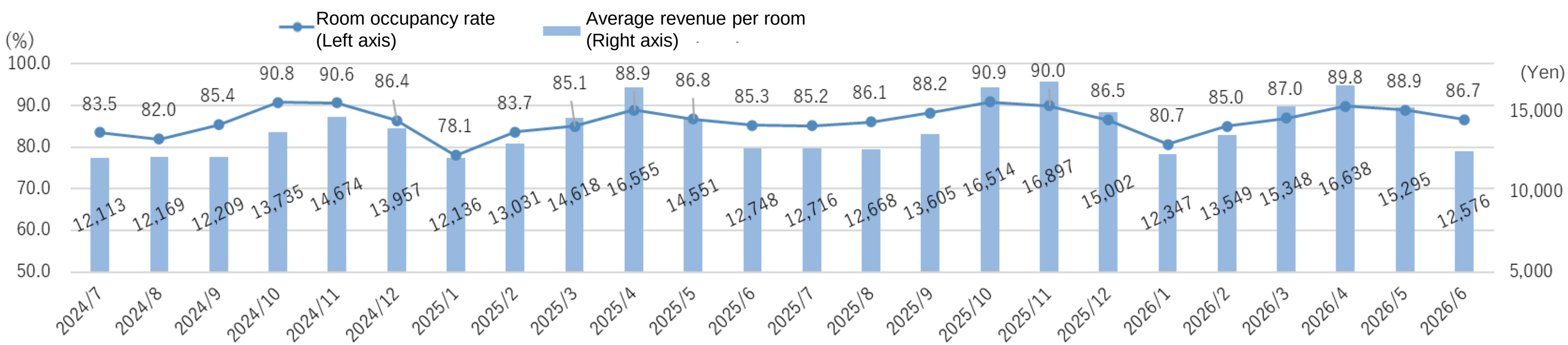
	FY3/2027 Q1	FY3/2026 Q1	Change Amount	Change (%)	FY3/2027 Q1 Plan	Change Amount	Change (%)
Operating revenue	18,980	18,556	+423	+2.3	19,000	-19	-0.1
Operating profit	4,407	4,542	-134	-3.0	3,900	+507	+13.0

<In Japan, room occupancy rate/average revenue per room>

	FY3/2027 Q1	FY3/2026 Q1	Change Amount	Change (%)	FY3/2027 Q1 Plan	Change Amount	Change (%)
Room occupancy rate (%)							
Accommodation-specific hotels in Japan	88.5	87.0	+1.5 pts	–	87.3	+1.2 pts	–
Yokohama Bay Sheraton	85.5	85.2	+0.3 pts	–	85.5	–	–
Average revenue per room (Yen)							
Accommodation-specific hotels in Japan	14,866	14,643	+223	+1.5	14,884	-18	-0.1
Yokohama Bay Sheraton	29,169	27,068	+2,101	+7.8	28,383	+786	+2.8

* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

➢ Accommodation-specific hotels in Japan: Room occupancy rate and average revenue per room



Segment Information (Other)

(Million yen)

	FY3/2027 Q1	FY3/2026 Q1	Change		FY3/2027 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	7,544	6,991	+553	+7.9	7,100	+444	+6.3
Building maintenance business	5,192	5,212	-19	-0.4	4,800	+392	+8.2
Other	2,594	2,015	+578	+28.7	2,500	+94	+3.8
Adjustments	-242	-236	-5	–	-200	-42	–
Operating profit	666	886	-220	-24.8	200	+466	+233.2

Non-Operating Income/Expenses

(Million yen)

	FY3/2027 Q1	FY3/2026 Q1	Change		FY3/2027 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating profit	11,936	11,105	+830	+7.5	11,100	+836	+7.5
Non-operating income	400	344	+55	+16.0	200	+200	+100.1
Interest and dividend income	173	173	-0	-0.0	100	+73	+73.1
Foreign exchange gains	53	123	-70	-56.8	–	+53	–
Miscellaneous income	173	47	+125	+262.7	100	+73	+73.5
Non-operating expenses	1,240	1,210	+29	+2.4	1,200	+40	+3.4
Interest expenses	1,220	963	+256	+26.6	1,200	+20	+1.7
Miscellaneous expenses	20	247	-226	-91.8	0	+20	–
Ordinary profit	11,096	10,240	+856	+8.4	10,100	+996	+9.9

Extraordinary Income/Losses

(Million yen)

	FY3/2027 Q1	FY3/2026 Q1	Change		FY3/2027 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Ordinary profit	11,096	10,240	+856	+8.4	10,100	+996	+9.9
Extraordinary income	90	78	+11	+14.5	–	+90	–
Gain on sale of non-current assets	37	0	+37	–	–	+37	–
Subsidy income	39	65	-25	-39.8	–	+39	–
Compensation income	13	13	–	–	–	+13	–
Extraordinary losses	90	153	-63	-41.1	0	+90	–
Loss on retirement of non-current assets	30	91	-61	-67.0	0	+30	–
Loss on tax purpose reduction entry of non-current assets	60	62	-1	-3.1	–	+60	–
Profit before income taxes	11,095	10,164	+930	+9.2	10,100	+995	+9.9

Financial Highlights (Consolidated Balance Sheet)

SOTETSU

(Million yen)

	As of June 30, 2026	As of March 31, 2026	Change		Note
			Amount	(%)	
Current assets	162,911	181,938	-19,026	-10.5	Notes and accounts receivable - trade: -6,505, Inventories: -2,655, Other current assets: -6,944
Non-current assets	636,444	631,518	+4,925	+0.8	Property, plant and equipment: +356, Intangible assets: +1,131 Investment securities: +3,297
Total assets	799,355	813,457	-14,101	-1.7	
Current liabilities	143,314	144,334	-1,020	-0.7	
Non-current liabilities	446,530	465,808	-19,277	-4.1	
Total liabilities	589,844	610,142	-20,298	-3.3	Interest-bearing debt: +509, Notes and accounts payable - trade: -2,506, Other current liabilities: -12,510
Total net assets	209,511	203,314	+6,196	+3.0	Profit attributable to owners of parent: +8,138, Dividends: -3,838
Total liabilities and net assets	799,355	813,457	-14,101	-1.7	

Equity	209,384	203,238	+6,145	+3.0
Equity ratio (%)	26.2	25.0	+1.2 pts	–
Interest-bearing debt	441,107	440,597	+509	+0.1

Forecast for FY3/2027 (Consolidated Statement of Income)

(Million yen)

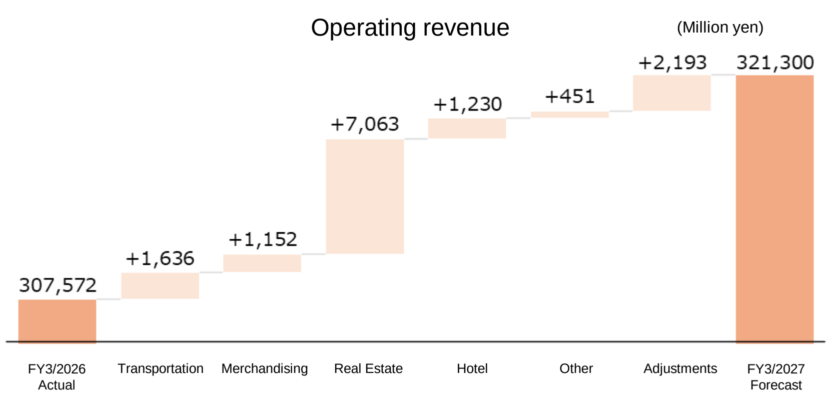
	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	321,300	307,572	+13,727	+4.5	
Operating profit	37,000	38,833	-1,833	-4.7	
Non-operating income	1,000	1,731	-731	-42.3	
Non-operating expenses	5,300	4,868	+431	+8.9	
Ordinary profit	32,700	35,696	-2,996	-8.4	
Extraordinary income	0	2,259	-2,259	-99.1	
Extraordinary losses	800	3,059	-2,259	-73.9	
Profit before income taxes	31,900	34,895	-2,995	-8.6	
Income taxes	9,800	10,053	-253	-2.5	
Profit	22,100	24,842	-2,742	-11.0	
Profit attributable to non-controlling interests	0	-5	+5	–	
Profit attributable to owners of parent	22,100	24,848	-2,748	-11.1	

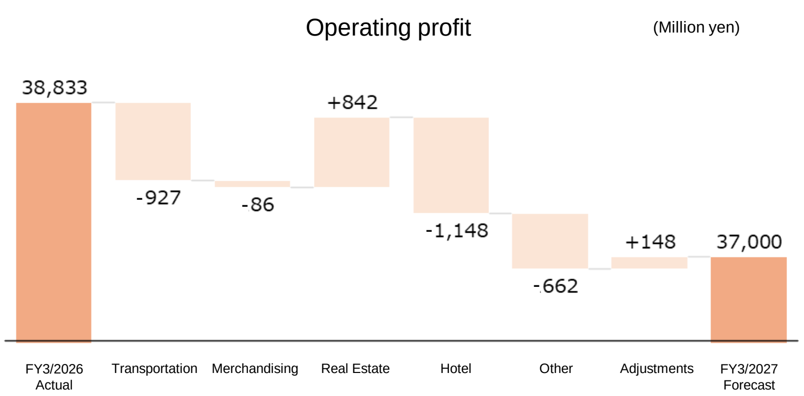
	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Net income per share (Yen)	230.28	258.56	-28.28	–	

Forecast for FY3/2027 (All Segments)

(Million yen)

		FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual Amount	Forecast vs. Actual (%)	Note
Transportation	Operating revenue	46,700	45,063	+1,636	+3.6	(+) Increase in number of passengers
	Operating profit	4,800	5,727	-927	-16.2	(-) Increase in facility expenses
Merchandising	Operating revenue	98,400	97,247	+1,152	+1.2	(+) Increase in consumer spending
	Operating profit	800	886	-86	-9.7	
Real Estate	Operating revenue	80,300	73,236	+7,063	+9.6	
	Operating profit	14,800	13,957	+842	+6.0	
Sales	Operating revenue	31,600	30,924	+675	+2.2	
	Operating profit	2,300	2,251	+48	+2.2	
Leasing	Operating revenue	49,000	42,658	+6,341	+14.9	(+) Sales of existing properties to funds
	Operating profit	12,500	11,618	+881	+7.6	
Hotel	Operating revenue	76,700	75,469	+1,230	+1.6	
	Operating profit	15,300	16,448	-1,148	-7.0	(-) Reactionary decrease in the wake of Expo 2025 Osaka, Kansai, Japan
Other	Operating revenue	31,000	30,548	+451	+1.5	
	Operating profit	1,500	2,162	-662	-30.6	
Adjustments	Operating revenue	-11,800	-13,993	+2,193	–	
	Operating profit	-200	-348	+148	–	
Consolidated totals	Operating revenue	321,300	307,572	+13,727	+4.5	
	Operating profit	37,000	38,833	-1,833	-4.7	





Forecast for FY3/2027 (Transportation)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	46,700	45,063	+1,636	+3.6	
Railway	39,300	37,815	+1,484	+3.9	
Bus	7,400	7,293	+106	+1.5	
Adjustments	-0	-46	+46	–	
Operating profit	4,800	5,727	-927	-16.2	

<Railway: No. of passengers/Transportation revenue>

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
No. of passengers (1,000)					
Non-commuter	91,406	89,105	+2,301	+2.6	
Commuter	142,877	138,699	+4,178	+3.0	
Regular	113,446	109,986	+3,460	+3.1	
Student	29,431	28,712	+718	+2.5	
Total	234,284	227,805	+6,479	+2.8	
Passenger transportation revenue (Million yen)					
Non-commuter	19,668	19,089	+578	+3.0	
Commuter	16,443	15,638	+805	+5.2	
Regular	14,986	14,266	+720	+5.0	
Student	1,456	1,371	+85	+6.2	
Total	36,112	34,727	+1,384	+4.0	

Forecast for FY3/2027 (Merchandising)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	98,400	97,247	+1,152	+1.2	
Supermarket business	88,100	87,807	+292	+0.3	
Other merchandising businesses	10,300	9,440	+859	+9.1	
Adjustments	–	–	–	–	
Operating profit	800	886	-86	-9.7	

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+3.7%

Forecast for FY3/2027 (Real Estate)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	80,300	73,236	+7,063	+9.6	
Sales	31,600	30,924	+675	+2.2	
Leasing	49,000	42,658	+6,341	+14.9	
Adjustments	-300	-346	+46	–	
Operating profit	14,800	13,957	+842	+6.0	
Sales	2,300	2,251	+48	+2.2	
Leasing	12,500	11,618	+881	+7.6	

<Number of condominiums and houses sold> (units)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual	Note
Condominiums	288	297	-8	
Houses	17	29	-12	
Total	305	326	-20	

Forecast for FY3/2027 (Hotel)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	76,700	75,469	+1,230	+1.6	
Operating profit	15,300	16,448	-1,148	-7.0	

<In Japan, room occupancy rate/average revenue per room>

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Room occupancy rate (%)					
Accommodation-specific hotels in Japan	86.4	86.7	-0.3 pts	–	
Yokohama Bay Sheraton	84.5	85.4	-0.9 pts	–	
Average revenue per room (Yen)					
Accommodation-specific hotels in Japan	14,721	14,415	+306	+2.1	
Yokohama Bay Sheraton	28,940	27,888	+1,052	+3.8	

* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

Forecast for FY3/2027 (Other)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	31,000	30,548	+451	+1.5	
Building maintenance business	21,300	22,202	-902	-4.1	
Other	10,600	9,310	+1,289	+13.8	
Adjustments	-900	-964	+64	–	
Operating profit	1,500	2,162	-662	-30.6	

Forecast for FY3/2027 (Capital Expenditure/Depreciation)

SOTETSU

➢ Capital expenditure

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Details of expenditure for FY3/2027
			Amount	(%)	
Transportation	16,071	11,151	+4,919	+44.1	Elevated tracks project near Tsurugamine Station and purchase of buses
Merchandising	1,165	914	+250	+27.4	Repairs of Sotetsu Rosen stores
Real Estate	20,127	7,311	+12,816	+175.3	Acquisition of new income-producing properties and rental condominiums acquisition costs
Hotel	13,162	5,268	+7,893	+149.8	New hotel openings and hotel renovation
Other	737	13,809	-13,071	-94.7	Solar power plant acquisition
Consolidated totals	51,264	38,169	+13,094	+34.3	

➢ Depreciation

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Transportation	9,819	9,481	+337	+3.6	
Merchandising	695	721	-25	-3.6	
Real Estate	8,639	9,180	-540	-5.9	
Hotel	5,278	4,867	+411	+8.5	
Other	1,622	856	+766	+89.5	
Consolidated totals	25,943	24,993	+950	+3.8	

ときめきと やすらぎをつなぐ

Forecasts for results of operations are based on information that was available when this presentation was released. Actual performance may differ from these forecasts for a number of reasons.