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August 7, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

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

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

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	351,821	196,015	54.2	4,025.86
March 31, 2026	352,746	192,571	53.5	3,986.78

Reference: Equity
 As of June 30, 2026: ¥190,839 million
 As of March 31, 2026: ¥188,750 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	65.00	-	75.00	140.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		75.00	-	75.00	150.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Earnings Forecast of Consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	128,000	7.9	16,700	4.3	16,500	(0.3)	11,000	1.5	232.25
Full year	290,000	15.1	40,000	10.3	39,000	2.0	26,000	2.7	548.95

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

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

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

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

- (iii) Average number of shares outstanding during the period

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

Notes: The Company has introduced an Employee Shareholding Incentive Plan (E-Ship).

The number of treasury shares at the end of the period includes shares of the Company held by the trust account established with a trust bank under the relevant plan specifically for the Starts Employee Stock Ownership Association.

As of June 30, 2026: 768,700 shares

Treasury shares deducted from issued shares in calculating the average number of shares outstanding during the period include the Company's shares held by the trust account.

As of June 30, 2026: 809,216 shares

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

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements in this document are based on information available to the Company and on certain assumptions deemed reasonable by the Company. Actual results may differ significantly from these forecasts due to various factors. For assumptions underlying the forecasts and notes to the forecasts, refer to 1. Qualitative information related to this quarterly financial report, (3) Explanation of Consolidated Earnings Forecasts and other forward-looking information on page 7.

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1. Qualitative information related to this quarterly financial report

▪ (1) Explanation of Operating Results

During the consolidated first quarter of the fiscal year, the Japanese economy continued to show a moderate recovery, supported by the normalization of economic activity, improvements in employment and income conditions, and strong inbound demand. However, the outlook remains uncertain due to concerns over U.S. trade policies and rising geopolitical risks.

Under these circumstances, in the Tokyo metropolitan area and other major cities in Japan, the Group has aimed for stable and sustainable growth and business development together with its customers by providing one-stop services in real estate utilization, from construction, rental brokerage and real estate brokerage to real estate management, as well as by promoting cooperation among related businesses.

As of June 30, 2026, the number of managed real estate properties that provide a stable revenue base to the Group was as follows: 159,241 rental apartments, 103,386 monthly parking spaces, and 60,306 hourly parking spaces through the Navi Park service, and in the corporate housing management business, 127,377 housing units, 2,284 offices and 13,141 parking spaces for 517 companies. By adding 4,622 condominium units and 808,197 units and 22,136 parking spaces for the 24-hour emergency response service Access 24, we managed 1,099,437 housing units, 2,284 offices, 198,969 parking spaces and 2,810 buildings and facilities in total.

As of June 30, 2026, the PITAT HOUSE network of real estate brokerage outlets numbered 617 nationwide (112 Starts Group outlets and 505 network outlets). As for elderly assistance and childcare facilities, we operated 131 facilities as of June 30, 2026, and are preparing to open two facilities in the Tokyo metropolitan area.

As of June 30, 2026, in 35 cities in 22 countries (including countries and regions) around the world, our overseas offices have provided services tailored to the needs of each country, such as brokering offices and company housing for expatriates of Japanese companies seeking to expand overseas, brokering the purchase and sale of investment real estate, factories and other facilities, and managing rental offices, service apartments, and hotels.

As part of our initiatives in sports and cultural activities, we sponsor the Japan National Table Tennis Team and host the Starts Senior & Ladies Cup. We also actively support the activities of our affiliated athletes in sports such as women's track and field, table tennis, golf, canoeing, and skateboarding.

During the consolidated first quarter, the Construction Business progressed largely as planned. In the Real Estate Brokerage Business, a focus on corporate transactions led to an increase in the number and value of transactions. In the Rental Brokerage Business and the Real Estate Management Business, brokerage fee income, management fee sales, and maintenance sales remained steady, supported by an increase in the number of properties under management.

As a result of the above, net sales were 62,214 million yen (up 4.7% year-on-year), operating income was 7,995 million yen (down 4.2% year-on-year), ordinary income was 8,465 million yen (up 3.3% year-on-year), mainly due to the recognition of foreign exchange gains, and net income attributable to owners of the parent amounted to 5,556 million yen (up 8.4% year-on-year).

Overview by Segment

The following is a summary of business results by business segment.

Effective from the consolidated first quarter under review, the Company has changed its reportable segment classifications. Accordingly, year-on-year comparisons below are based on figures for the corresponding consolidated first quarter of the previous fiscal year reclassified under the revised segment classifications.

(i) Construction Business

In the Construction Business, we continue to provide consulting services for asset management and asset inheritance through our community-based sales activities, which have remained unchanged since the company's establishment, and we make proposals for effective utilization of land with a wealth of content that leverages our comprehensive strengths, including rental housing, commercial buildings, hotels, senior assistance facilities, childcare facilities, and logistics warehouses.

In the field of "buildings with seismic isolation structures," which we are focusing on promoting as social infrastructure, we have proposed optimal land utilization tailored to the characteristics of each site and region, while addressing the needs of property owners and tenants. As a result, we have received orders for a total of 655 properties as of June 30, 2026.

In response to increasingly diverse lifestyles, we also focused on expanding "concept rental housing," which maintains high occupancy rates through differentiation in comfort and design by both tenants and property owners. Through collaboration with "OZmall," operated by Starts Publishing Corporation, we planned "U ROOM," rental housing for working singles and DINKs based on the concepts of "healing" and "individuality." We will continue to develop products that satisfy both tenants and property owners.

In the first quarter of the fiscal year under review, net sales were 18,528 million yen (up 13.4% year-on-year), operating income was 1,785 million yen (up 2.8% year-on-year), and the order backlog was 147,450 million yen (up 5.9% from the end of the previous fiscal year), driven by steady progress in large-scale construction projects in the Tokyo metropolitan area and other major cities.

■ Construction Business orders received and construction work completed

(Millions of yen)

Item	Classification	Amount of construction carried from the previous period	Orders received	Total	Net sales of completed construction contracts	Amount of construction carried to the next period		Amount of construction in the current period
						Construction contracts on hand	Of which, completed amount	
Three months ended	General housing	1,572	615	2,188	338	1,850	30	345
June 30, 2025	Rental housing	93,130	6,945	100,075	10,530	89,545	879	10,652
(from April 1, 2025	Other	47,896	5,404	53,300	5,470	47,830	1,190	5,359
to June 30, 2025)	Total	142,599	12,965	155,565	16,340	139,225	2,101	16,357
Three months ended	General housing	2,294	97	2,392	411	1,980	23	406
June 30, 2026	Rental housing	110,185	5,706	115,891	11,472	104,419	574	11,407
(from April 1, 2026	Other	43,185	4,509	47,695	6,645	41,050	1,071	6,774
to June 30, 2026)	Total	155,665	10,313	165,979	18,528	147,450	1,669	18,588

(ii) Rental Brokerage Business

In the Rental Brokerage Business, brokerage fees and renewal fees have remained steady due to the increase in the number of managed properties. We have also continued to focus on corporate transactions, including total support for corporate office relocations. As a result, net sales for the first quarter of the fiscal year under review were 2,040 million yen (up 8.6% year-on-year), and operating income was 340 million yen (up 10.5% year-on-year).

(iii) Real Estate Brokerage Business

In the Real Estate Brokerage Business, brokerage commissions and the number of transactions handled have remained steady, supported by a focus on corporate transactions through CRE strategy-based sales initiatives in collaboration with Group companies. We have also promoted highly transparent transactions for both sellers and buyers by utilizing our property sales support service, “MY HOME AUCTION.” As a result, net sales for the first quarter of the fiscal year under review were 2,611 million yen (up 20.9% year-on-year), and operating income was 1,067 million yen (up 36.1% year-on-year).

(iv) Real Estate Management Business

In the Real Estate Management Business, we leveraged our track record in the Tokyo metropolitan area to promote new management contracts in major cities for rental housing as well as non-residential properties such as office buildings. In the first quarter of the fiscal year under review, management fee sales and leasing sales from master-leased properties and hourly parking facilities under the “Navi Park” brand remained steady due to the increase in the number of managed properties. In addition, maintenance sales from various repair and renovation projects also increased. As a result, net sales for the first quarter of the fiscal year under review were 26,390 million yen (up 9.0% year-on-year), and operating income was 3,695 million yen (up 8.7% year-on-year).

■ Real Estate Management Business Sales

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
	Amount	Amount
Sales from management commissions	3,437	3,654
Maintenance sales	7,557	8,014
Leasing sales	13,209	14,722
Total	24,203	26,390

(v) Real Estate Development Business

In the Real Estate Development Business, we transferred two rental residential buildings to Starts Proceed Investment Corporation, whereas, in the same period of the previous year, we had transferred five rental residential buildings and other assets. As a result, net sales for the first quarter of the fiscal year under review were 940 million yen (down 74.9% year-on-year), and operating loss was 158 million yen (operating income was 368 million yen for the same period of the previous year).

Consequently, the contract balance was 5,039 million yen for 35 units due to progress in the sales of the newly built condominium “Alpha Grande Ichinoe Nanabangai” located in Edogawa-ku, Tokyo, and the rental housing “Alpha Next Nagareyama Otakanomori” located in Nagareyama City, Chiba Prefecture, among other factors.

■ Contract for Real Estate Properties

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)				Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)			
	Contract volume		Contract balance		Contract volume		Contract balance	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Condominium	4	230	10	514	34	2,486	34	2,486
Rental housing	5	3,570	-	-	-	-	1	2,552
Other revenue	-	1	-	-	-	1	-	-
Total	9	3,803	10	514	34	2,488	35	5,039

■ Sales for Real Estate Properties

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)		Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)	
	Volume	Amount	Volume	Amount
Condominium	3	175	-	-
Rental housing	5	3,570	2	939
Other revenue	-	1	-	1
Total	8	3,748	2	940

(vi) Publishing and Culture Business

In the Publishing and Culture Business, we have continued to focus on product development aligned with reader needs through comprehensive marketing efforts, as well as promotional initiatives leveraging IP expansion, including film, television and other media adaptations, as well as social media initiatives.

For the success-based referral service “OZ Premium Reservation” on the women-focused website “OZ mall,” which has over 5 million members, we have continued to enhance user satisfaction by carefully selecting and featuring highly rated facilities, expanding the range of bookable facilities through OZ-exclusive plans and other offerings, and implementing customer acquisition initiatives, including the use of coupons.

As a result, net sales for the first quarter under review were 1,993 million yen (up 5.9% year-on-year), and operating income was 253 million yen (down 37.5% year-on-year). While results benefited from increased sales of hit titles, including the novel and comic series *Oni no Hanayome*, which was adapted into a live-action film in March 2026, profit was affected by upfront investments to expand digital comic sales and rising printing costs.

(vii) Hotel and Leisure Business

In the Hotel and Leisure Business, we continued to focus on providing high-quality hospitality services. Among our hotels, HOTEL Emion TOKYO BAY (Urayasu City, Chiba), which has received high ratings on major online travel websites, and HOTEL LUMIERE NISHIKASAI (Edogawa-ku, Tokyo), which reopened following renovations in September 2025, continued to attract favorable reviews from guests.

As a result, net sales for the first quarter under review were 4,134 million yen (up 5.2% year-on-year), and operating income was 583 million yen (down 5.9% year-on-year). Although occupancy remained strong across all hotels, operating income was adversely affected by increased sales promotion expenses.

(viii) Elderly Assistance and Childcare Business

In the Elderly Assistance and Childcare Business, while food ingredient costs and personnel expenses increased due to inflation, operations remained strong at existing facilities, led by the group home Kirara Omorikaihin Park (Ota Ward, Tokyo), which opened in February 2026.

As a result, net sales for the first quarter under review were 3,362 million yen (up 8.2% year-on-year), and operating income was 102 million yen (up 16.4% year-on-year).

(ix) Finance and Consulting Business

In the Finance and Consulting Business, we focused on providing pre-inheritance asset valuation services mainly to real estate owners in preparation for future inheritance. In addition, increased transaction demand resulting from robust stock market conditions contributed to steady growth in both consulting fees and stock trading commissions.

As a result, net sales for the first quarter under review were 2,211 million yen (up 1.9% year-on-year), and operating income was 475 million yen (up 2.0% year-on-year).

▪ **(2) Explanation of Financial Position**

1) Assets, Liabilities and Net Assets

Total assets as of the end of the consolidated three-month reporting period decreased by 925 million yen from the end of the previous fiscal year to 351,821 million yen. This was mainly due to a decrease in deferred tax assets.

Total liabilities amounted to 155,805 million yen, a decrease of 4,369 million yen from the end of the previous fiscal year. This was mainly due to a decrease in accounts payable, accounts payable for construction contracts, and income taxes payable.

Total net assets amounted to 196,015 million yen, an increase of 3,444 million yen from the end of the previous fiscal year. This was mainly due to an increase in retained earnings.

2) Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the consolidated three-month reporting period totaled 76,682 million yen, an increase of 1,777 million yen from the end of the previous fiscal year.

The status of each cash flow category at the end of the consolidated three-month reporting period is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 1,836 million yen (compared with 2,766 million yen provided in the same period of the previous fiscal year), mainly due to pre-tax quarterly net income of 8,457 million yen and depreciation and amortization of 1,813 million yen, partly offset by construction cost payments of 2,991 million yen, an increase in inventories of 2,255 million yen due to purchases of real estate for sale, etc., and income taxes paid of 6,748 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 2,625 million yen (compared with 2,685 million yen used in the same period of the previous fiscal year), mainly due to the progress of construction of rental real estate under development.

(Cash flows from financing activities)

Net cash provided by financing activities totaled 2,433 million yen (compared with 2,456 million yen provided in the same period of the previous fiscal year), mainly due to bank loans for working capital, despite dividends of surplus of 3,515 million yen.

▪ **(3) Explanation of Consolidated Earnings Forecasts and other forward-looking information**

The results for the current quarter have been in line with the plan, and there is no change to the earnings forecast announced on May 11, 2026.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheet

(Millions of yen)

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

(Millions of yen)

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

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

(Millions of yen)

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

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

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

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

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

(Millions of yen)

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

(4) Notes on the Quarterly Consolidated Financial Statements**Segment Information**

Segment information

I. Three-month period in the previous fiscal year (From April 1, 2025 to June 30, 2025)

1. Information on net sales, income or loss, and breakdown of revenue by reporting segment

(Millions of yen)

	Construction Business	Rental Brokerage Business	Real Estate Brokerage Business	Real Estate Management Business	Real Estate Development Business	Publishing and Culture Business
Net sales						
Revenue from customer contracts	16,333	1,879	2,160	14,795	3,748	1,882
Other revenue (Note) 3	—	—	—	9,407	—	—
Net sales to external customers	16,333	1,879	2,160	24,203	3,748	1,882
Intersegment net sales and transfer	2,722	436	8	946	20	101
Total	19,056	2,316	2,169	25,149	3,768	1,983
Segment profit	1,736	308	784	3,400	368	405

	Hotel and Leisure Business	Elderly Assistance and Childcare Business	Finance and Consulting Business	Total	Adjustment (Note) 1	Amount recorded in the Quarterly Consolidated Statements of Income (Note) 2
Net sales						
Revenue from customer contracts	3,929	3,106	1,494	49,331	—	49,331
Other revenue (Note) 3	—	—	676	10,084	—	10,084
Net sales to external customers	3,929	3,106	2,170	59,415	—	59,415
Intersegment net sales and transfer	154	0	1,191	5,582	(5,582)	—
Total	4,084	3,107	3,362	64,998	(5,582)	59,415
Segment profit	620	87	465	8,178	167	8,345

- (Notes)
1. Adjustments to segment profit are eliminations of intersegment transactions.
 2. Segment profit is reconciled with operating income in the Consolidated Statements of Income.
 3. Other revenue includes rental income from real estate.

II. Three-month period under review (From April 1, 2026 to June 30, 2026)

1. Information on net sales, income or loss, and breakdown of revenue by reporting segment

(Millions of yen)

	Construction Business	Rental Brokerage Business	Real Estate Brokerage Business	Real Estate Management Business	Real Estate Development Business	Publishing and Culture Business
Net sales						
Revenue from customer contracts	18,528	2,040	2,611	15,637	940	1,993
Other revenue (Note) 3	—	—	—	10,753	—	—
Net sales to external customers	18,528	2,040	2,611	26,390	940	1,993
Intersegment net sales and transfer	1,597	501	33	995	—	48
Total	20,126	2,542	2,645	27,386	940	2,042
Segment profit(loss)	1,785	340	1,067	3,695	(158)	253

	Hotel and Leisure Business	Elderly Assistance and Childcare Business	Finance and Consulting Business	Total	Adjustment (Note) 1	Amount recorded in the Quarterly Consolidated Statements of Income (Note) 2
Net sales						
Revenue from customer contracts	4,134	3,362	1,503	50,753	—	50,753
Other revenue (Note) 3	—	—	707	11,461	—	11,461
Net sales to external customers	4,134	3,362	2,211	62,214	—	62,214
Intersegment net sales and transfer	113	0	1,327	4,617	(4,617)	—
Total	4,248	3,362	3,538	66,832	(4,617)	62,214
Segment profit(loss)	583	102	475	8,144	(148)	7,995

- (Notes) 1. Adjustments to segment profit(loss) are eliminations of intersegment transactions.
2. Segment profit(loss) is reconciled with operating income in the Consolidated Statements of Income.
3. Other revenue includes rental income from real estate.

2. Changes in Reportable Segments

Effective from the first quarter of the current fiscal year, following changes in the organizational structure and a review of management classification, the Merchandising and Culture Business segment has been discontinued as a reportable segment. Of the businesses previously included in this segment, the planning, manufacturing, and sales of residential security systems have been reclassified under the Real Estate Management Business, while the wholesale and merchandising businesses for residential equipment have been reclassified under the Construction Business. In addition, the Culture Business has been integrated with the former Publishing Business, and the reportable segment has been changed to the Publishing and Culture Business segment.

The segment information for the first quarter of the previous fiscal year has been prepared and disclosed based on the reportable segment classifications after the changes.

(Notes on Noteworthy Changes in Shareholders' Equity)

Not applicable.

(Notes on the Going Concern Assumption)

Not applicable.