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Consolidated Financial Results for the Six Months Ended July 31, 2025 [Japanese GAAP]

September 4, 2025

Company name: Sekisui House, Ltd.
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 1928
URL: https://www.sekisuihouse.co.jp/english/
Representative: Yoshihiro Nakai — Representative Director of the Board, CEO, President, Executive Officer
Inquiries: Hiroyuki Kawabata — Operating officer, Head of Investor Relations Department
Telephone: +81-6-6440-3111
Scheduled date to file semi-annual securities report: September 12, 2025
Scheduled date to commence dividend payments: September 30, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes －for institutional investors and analysts, in Japanese

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

1. Consolidated Financial Results for the Six Months Ended July 31, 2025 (February 1, 2025 to July 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	2,015,408	8.4	155,473	(1.1)	136,600	(7.2)	101,603	(17.4)
July 31, 2024	1,859,127	27.1	157,141	25.8	147,176	17.5	122,983	33.0

(Note) Comprehensive income: Six months ended July 31, 2025: ¥ (19,356) million [-%]
Six months ended July 31, 2024: ¥ 239,861 million [51.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
July 31, 2025	156.76	156.73
July 31, 2024	189.79	189.74

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
July 31, 2025	4,662,545	1,937,686	40.6
January 31, 2025	4,808,848	2,018,599	40.8

(Reference) Equity: As of July 31, 2025: ¥ 1,894,143 million
As of January 31, 2025: ¥ 1,962,199 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2025	-	64.00	-	71.00	135.00
Fiscal year ending January 31, 2026	-	72.00			
Fiscal year ending January 31, 2026 (Forecast)			-	72.00	144.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2026 (February 1, 2025 to January 31, 2026)

(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
Full year	4,331,000	6.7	340,000	2.6	321,000	6.4	232,000	6.6	357.97

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

July 31, 2025:	663,122,166	shares
January 31, 2025:	662,996,866	shares

2) Number of treasury shares at the end of the period:

July 31, 2025:	14,884,386	shares
January 31, 2025:	14,902,212	shares

3) Average number of shares outstanding during the period:

Six months ended July 31, 2025:	648,141,902	shares
Six months ended July 31, 2024:	647,991,811	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 special matters

Descriptions regarding forward looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors. Please refer to “1. Overview of Consolidated Business Results, etc., (3) Information Regarding Consolidated Results Forecast” on page 7 of the Attached Materials for information on the conditions underlying the earnings forecasts.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on September 4, 2025. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

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Appendix: Segment breakdown for the Six Months Ended July 31, 2025

Consolidated

(1) Net sales (Millions of Yen)

		Six months ended July 31, 2024	Six months ended July 31, 2025	YOY(%)
Built-to-order Business	Detached houses	230,632	238,253	3.3
	Rental housing and commercial buildings	262,394	278,704	6.2
	Architectural / civil engineering	154,931	158,984	2.6
	Subtotal	647,957	675,942	4.3
Supplied Housing Business	Rental housing management	341,688	357,812	4.7
	Remodeling	94,098	92,885	(1.3)
	Subtotal	435,786	450,698	3.4
Development Business	Real estate and brokerage	175,189	200,010	14.2
	Condominiums	54,294	57,486	5.9
	Urban redevelopment	73,124	28,397	(61.2)
	Subtotal	302,608	285,895	(5.5)
Overseas Business		484,670	614,381	26.8
Other		6,911	7,628	10.4
Eliminations and back office		(18,806)	(19,138)	—
Consolidated		1,859,127	2,015,408	8.4

(2) Operating profit and Operating profit margin (Millions of Yen)

		Six months ended July 31, 2024	Six months ended July 31, 2025	YOY(%)
Built-to-order Business	Detached houses	20,794 9.0%	24,364 10.2%	17.2
	Rental housing and commercial buildings	37,826 14.4%	42,374 15.2%	12.0
	Architectural / civil engineering	7,805 5.0%	14,959 9.4%	91.7
	Subtotal	66,426 10.3%	81,698 12.1%	23.0
Supplied Housing Business	Rental housing management	28,291 8.3%	37,173 10.4%	31.4
	Remodeling	13,745 14.6%	14,028 15.1%	2.1
	Subtotal	42,037 9.6%	51,202 11.4%	21.8
Development Business	Real estate and brokerage	15,528 8.9%	15,457 7.7%	(0.5)
	Condominiums	8,095 14.9%	8,819 15.3%	8.9
	Urban redevelopment	16,154 22.1%	4,140 14.6%	(74.4)
	Subtotal	39,778 13.1%	28,416 9.9%	(28.6)
Overseas Business		30,239 6.2%	15,568 2.5%	(48.5)
Other		1,310 19.0%	1,555 20.4%	18.8
Eliminations and back office		(22,651)	(22,968)	—
Consolidated		157,141 8.5%	155,473 7.7%	(1.1)

The bottom row indicates the operating profit margin.

(3) Orders (Millions of Yen)

		Six months ended July 31, 2024	Six months ended July 31, 2025	YOY(%)
Built-to-order Business	Detached houses	239,016	240,253	0.5
	Rental housing and commercial buildings	290,821	315,165	8.4
	Architectural / civil engineering	198,651	188,288	(5.2)
	Subtotal	728,490	743,706	2.1
Supplied Housing Business	Rental housing management	341,688	357,812	4.7
	Remodeling	96,582	96,210	(0.4)
	Subtotal	438,270	454,023	3.6
Development Business	Real estate and brokerage	183,492	202,588	10.4
	Condominiums	71,115	57,056	(19.8)
	Urban redevelopment	98,124	16,397	(83.3)
	Subtotal	352,733	276,043	(21.7)
Overseas Business		576,924	660,817	14.5
Other		7,246	7,724	6.6
Eliminations and back office		(18,932)	(16,082)	—
Consolidated		2,084,732	2,126,233	2.0

(4) Order backlog (Millions of Yen)

		As of January 31, 2025	As of July 31, 2025	Change (%)
Built-to-order Business	Detached houses	230,018	232,018	0.9
	Rental housing and commercial buildings	563,887	600,347	6.5
	Architectural / civil engineering	401,005	430,309	7.3
	Subtotal	1,194,911	1,262,675	5.7
Supplied Housing Business	Rental housing management	—	—	—
	Remodeling	36,749	40,074	9.0
	Subtotal	36,749	40,074	9.0
Development Business	Real estate and brokerage	72,376	74,954	3.6
	Condominiums	122,570	122,140	(0.4)
	Urban redevelopment	12,000	—	(100.0)
	Subtotal	206,947	197,095	(4.8)
Overseas Business		338,070	384,506	13.7
Other		1,037	1,133	9.3
Eliminations and back office		(23,138)	(20,083)	—
Consolidated		1,754,577	1,865,402	6.3

1. Overview of Consolidated Business Results, etc.

(1) Overview of Consolidated Business Results for the Six Months Under Review

During the first half of the consolidated fiscal year under review, the outlook for the global economy became increasingly uncertain due to the tariff hikes imposed by the United States. This, together with persistent geopolitical risks, made it necessary to continue to closely monitor the price situation, as influenced by the monetary and trade policies of various countries, as well as fluctuations in international financial and capital markets. In Japan, the recovery in consumer sentiment was delayed, due mainly to price hikes driven by inflation, and the need to keep in mind the risk of a downturn in domestic business conditions due to a slump in overseas business conditions. Nevertheless, the Japanese economy showed signs of a pickup in personal consumption, supported by ongoing improvements in the employment and income environment.

In Japan's housing market, the number of new housing starts of owner-occupied houses and rental houses weakened, partly due to the impact of soaring construction costs. This was despite indications of a rush in demand in anticipation of the revision of the Building Energy Efficiency Act. On the other hand, in the United States, although there is strong latent demand for new housing against the backdrop of a chronic shortage of housing supply, new housing starts lacked confidence amid concerns over a slowdown in demand caused by persistently high mortgage rates and the uncertain outlook from factors such as tariff policies, as well as rising construction costs.

In such a business environment, to achieve the Group's Global Vision for 2050 "Make Home the Happiest Place in the World," we have actively promoted various high-value-added proposals and other initiatives that integrate technologies, lifestyle design and service, based on the Sixth Mid-Term Management Plan (FY2023 to FY2025), which sets "Stable Growth in Japan and Proactive Growth Overseas" as its fundamental policy.

As a result, for the first half of the consolidated fiscal year under review, net sales were ¥2,015,408 million (up 8.4% year on year), operating profit was ¥155,473 million (down 1.1% year on year), ordinary profit was ¥136,600 million (down 7.2% year on year), and profit attributable to owners of parent was ¥101,603 million (down 17.4% year on year).

Results by business segment are as follows.

Built-to-Order Business

(Detached houses)

During the first half of the consolidated fiscal year under review, net sales were ¥238,253 million (up 3.3% year on year) and operating profit was ¥24,364 million (up 17.2% year on year).

We worked on initiatives such as utilizing "life knit design," a system for proposing designs that reflect each customer's sense of beauty in housing, enhancing proposal capabilities through Group cooperation, and strengthening our production system on a house-by-house basis that extends from production to shipment. Our efforts were also boosted by Japanese government measures such as the Green Housing for Child-rearing Support Project. As a result, orders remained steady.

As part of our strategy by price range, we focused on expanding the sale of mid- to high-end products, including integrated proposals combining land and 2nd-range products, as well as branding initiatives for 3rd-range products led by our DESIGN OFFICE team. In 1st-range products, we have contributed to the creation of high-quality housing stock in Japan by actively promoting the SI*[1] Business, a joint construction business where the Group companies undertake the construction of the foundations and structural frame-work of wooden houses built by partner companies.

Proposals for high-value-added houses and services such as "Green First ZERO" net zero energy houses (ZEH), which achieved a record-high 96% ratio of detached ZEH homes*[2] in FY2024, the Family Suite large living room, "PLATFORM HOUSE touch" smart home service linked to floor plans, and furniture and interior design continued to be well received, and we have been enhancing the detached housing brand by deepening our price range strategy.

*[1] SI: "S" refers to skeleton or structural frame-work and "I" refers to infill or exterior and interior.

*[2] Ratio of detached homes ZEH: This indicator shows the portion of detached houses (excluding contracted and for-sale housing in Hokkaido) that the Company built during the fiscal year that were ZEH (Net Zero Energy House). Period was from April 1, 2024 to March 31, 2025.

(Rental housing and commercial buildings)

During the first half of the consolidated fiscal year under review, net sales were ¥278,704 million (up 6.2% year on year) and operating profit was ¥42,374 million (up 12.0% year on year).

We promoted business expansion in strategically chosen urban areas (S and A areas) where occupancy demand is expected to increase over the long term, and within these areas, especially in highly convenient areas proximate to stations (S areas), we focused on expanding the sale of three- to four-story rental housing builds created using our original construction method and adoption of net zero energy rental housing Sha Maison ZEH. In addition to these area marketing initiatives, our price leader strategies to realize high occupancy rates and rental rate levels have been successful, leading to strong orders for rental housing. In particular, in Sha Maison ZEH, residents appreciate being able to realize the benefits of savings in utility costs thanks to the system of selling excess electricity by residents, which is enabled by photovoltaic panels connected to each residential unit. As a result, the proportion of orders for ZEH residential units across all of our rental housing orders reached 76%.

Orders in corporate and public real estate (CRE and PRE) businesses also remained strong due to the enhancement of proposals for ESG solutions and strengthened efforts to address corporate business succession needs. We are promoting the enhancement of proposals in non-residential construction such as “Green First Office” zero energy building (ZEB), which leverages our expertise and technologies developed in the detached houses business for office spaces, etc.

(Architectural/civil engineering)

During the first half of the consolidated fiscal year under review, net sales were ¥158,984 million (up 2.6% year on year), and operating profit was ¥14,959 million (up 91.7% year on year).

Both architectural and civil engineering businesses contributed to increased revenue through the solid progress in large-scale construction projects and the acquisition of additional and modified projects, etc., with improved profitability. In the architectural business, especially, profitability improved for large-scale government buildings, in addition to the progress in passing on soaring materials costs and rising personnel expenses in order prices. The environment for order volumes also remained favorable and orders progressed largely as planned, with strong orders for large-scale government buildings in the architectural business and private-sector projects in the civil engineering business.

Supplied Housing Business

(Rental housing management)

During the first half of the consolidated fiscal year under review, net sales were ¥357,812 million (up 4.7% year on year), and operating profit was ¥37,173 million (up 31.4% year on year).

The number of housing units under management increased due to continued orders for Sha Maison rental housing supplied in prime locations, mainly in the S and A areas, as well as progress in establishing systems to enable the provision of more detailed services to owners and tenants by Sekisui House Sha Maison PM companies, which began offering its services this fiscal year as group companies specializing in the rental business. For existing managed properties, we are maintaining a high occupancy rate through strategic leasing activities aimed at shortening the duration of vacancies, such as the time required for restoration work after move-outs and the period between new applications and actual move-ins. At the same time, we are focusing on increasing the rent by implementing value-enhancing renovations and other measures at the time of tenant change. We are also working to enhance customer satisfaction and the “Sha Maison” brand value by promoting DX, including one-stop handling of move-in and move-out procedures using apps and blockchain technology, as well as expanding post-move-in troubleshooting services, etc.

(Remodeling)

During the first half of the consolidated fiscal year under review, net sales were ¥92,885 million (down 1.3% year on year), and operating profit was ¥14,028 million (up 2.1% year on year).

In the detached houses business, Sekisui House Support Plus, Ltd., which is responsible for the Group’s after-sale service business, began offering its services this fiscal year. This has further strengthened collaboration within the Group and improved communication with owners. In particular, we strengthened our large-scale renovation proposals incorporating the “life knit design” concept in lifestyle proposal remodeling that meets changes in family structure and lifestyles. We also strengthened our proposals for energy efficient remodels, such as insulation renovations and the introduction of the latest energy-saving, energy-generating, and energy-storing equipment, by utilizing government and other subsidies. These efforts focused on Idocoro Dan-netsu thermal insulation upgrades, which target the areas of the home where customers spend the most time, as well as insulation improvements around doors and windows. For rental housing, we focus on conducting market analysis by area, layout, and building age, and on providing proposals such as optimal renovations that contribute to enhancing owners' asset value, as well as layout alterations and common-area improvements that respond to changing resident needs. As a result of these efforts, overall orders in our remodeling business remained strong.

Development Business

(Real estate and brokerage)

During the first half of the consolidated fiscal year under review, net sales were ¥200,010 million (up 14.2% year on year), and operating profit was ¥15,457 million (down 0.5% year on year).

In particular, at Sekisui House Real Estate, Ltd., which began offering its services this fiscal year as a group company specializing in the real estate and brokerage business, the integration of the business, which had been divided among six companies until the previous fiscal year, into a single entity led to the development of an enhanced organizational structure that enabled faster sharing of information and issues necessary to strengthen the purchase of high-quality real estate for sale and the development of sales channels. In the real estate business, the sale of real estate for sale, particularly land for housing, progressed solidly as a result of efforts to expand and deepen channels for inquiries from business corporations, financial institutions, and other organizations.

The brokerage business also remained steady through the use of the Group's nationwide network and diverse sales channels, in addition to collaboration within the Group.

(Condominiums)

During the first half of the consolidated fiscal year under review, net sales were ¥57,486 million (up 5.9% year on year), and operating profit was ¥8,819 million (up 8.9% year on year). The delivery of properties sold progressed as planned, with smooth progress in the delivery of Grande Maison The Yamate 253 Marks (Naka-ku, Yokohama City) and Grande Maison Uemachi 1 chome Residence (Chuo-ku, Osaka City).

For the Grande Maison condominiums, which are intensively developed in the central areas of Tokyo, Nagoya, Osaka, and Fukuoka as strategic areas, we adopted ZEH specifications for all units to contribute to the decarbonization of the residential sector. In addition, we have steadily accumulated achievements in obtaining "Long-Life Quality Housing" certifications, as part of our efforts to prolong the longevity of buildings. We are also formulating plans that make the most of the attractiveness of each rental housing property, and sequentially opening GM BASE as information hubs rooted in each strategic area. Through these efforts, the presence of Grande Maison has been steadily advancing. These efforts proved effective, and the sale of Grande Maison Fukuoka Kourokanmae (Chuo-ku, Fukuoka City) and Grande Maison Musashi-kosugi no Mori (Nakahara-ku, Kawasaki City), among others, remained strong.

(Urban redevelopment)

During the first half of the consolidated fiscal year under review, net sales were ¥28,397 million (down 61.2% year on year), and operating profit was ¥4,140 million (down 74.4% year on year).

Although earnings fell compared to the same period of the previous year in which we aggressively proceeded with the sale of large-scale properties, our projects progressed as planned. As for the properties we continue to own, the occupancy rate of Prime Maison and other properties remained steady.

Furthermore, a special purpose company in which we have a partial equity interest entered into a sale and purchase agreement for real estate holdings and completed delivery in May 2025, from which we expect to record a share of profit of entities accounted for using equity method (scheduled to be recorded in the third quarter ending October 31, 2025).

As for GRAND GREEN OSAKA (Kita-ku, Osaka City), a large-scale mixed-use development project adjacent to JR Osaka Station that has been promoted by 9 JV companies, after its preliminary opening in September 2024, the South Building held its grand opening in March 2025, featuring shops, hotels, and office spaces along with a variety of functions such as a wellness center and a MICE facility. Purchase of lands for development with the aim of expanding our future project pipeline also progressed solidly.

Overseas Business

(Overseas business)

During the first half of the consolidated fiscal year under review, net sales were ¥614,381 million (up 26.8% year on year), and operating profit was ¥15,568 million (down 48.5% year on year).

In our U.S. homebuilding business, orders and deliveries increased with the performance of M.D.C. Holdings, Inc., which we acquired in April 2024, contributing from the beginning of the current fiscal year. However, as mortgage rates remained elevated and uncertainty over the outlook for the U.S. economy increased, more customers took a wait-and-see attitude. In response, we increased incentives, and together with the recording of amortization of goodwill, etc., our operating profit margin decreased. On the other hand, sales for our U.S. master-planned community business were strong, remaining at a similar level to their favorable performance in the same period of the previous year. In our U.S. multifamily business, in June 2025, we delivered the additional portion of "City Ridge" (Washington D.C.), which we sold to SPCs that had been organized by Sekisui House Reit, Inc. In addition, we concluded a sale and purchase agreement for the "San Diego Court House Middle Wing" (San Diego), and completed delivery in July 2025 (scheduled to be recorded in the third quarter ending October 31, 2025).

In Australia, revenue increased as the deliveries of the "Orchards Lumia Wing" (Sydney) progressed.

Other

During the first half of the consolidated fiscal year under review, net sales were ¥7,628 million (up 10.4% year on year), and operating profit was ¥1,555 million (up 18.8% year on year).

(2) Overview of Consolidated Financial Conditions for the Six Months Under Review

Total assets decreased by ¥146,303 million to ¥4,662,545 million at the end of the first half of the consolidated fiscal year under review, mainly owing to the decreases in cash and deposits due to payments for trade payables and corporate income taxes. Liabilities decreased by ¥65,391 million to ¥2,724,858 million, mainly due to the payment of trade payables and corporate income taxes. Net assets decreased by ¥80,912 million to ¥1,937,686 million due to dividend payments and a decrease in foreign currency translation adjustments, despite the recording of profit attributable to owners of parent.

(3) Information Regarding Consolidated Results Forecast

We have revised the consolidated results forecast for the fiscal year ending January 31, 2026, announced on March 6, 2025, as described below, based on factors such as our steady progress in the domestic business during the first half of the consolidated fiscal year under review and the current status of the U.S. homebuilding business in the overseas business.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous forecast (a)	4,500,000	362,000	339,000	232,000	357.97
Revised forecast (b)	4,331,000	340,000	321,000	232,000	357.97
Amount of change (b-a)	(169,000)	(220,000)	(18,000)	0	—
Change (%)	(3.8)	(6.1)	(5.3)	0.0	—
(Reference) FY2024 Results	4,058,583	331,366	301,627	217,705	335.95

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of January 31, 2025	As of July 31, 2025
Assets		
Current assets		
Cash and deposits	390,559	335,393
Notes receivable, accounts receivable from completed construction contracts and other	211,114	187,389
Costs on construction contracts in progress	14,127	14,357
Buildings for sale	1,068,926	1,042,729
Land for sale in lots	1,374,237	1,361,026
Undeveloped land for sale	396,123	421,466
Other inventories	12,164	11,988
Other	245,867	215,084
Allowance for doubtful accounts	(1,013)	(1,054)
Total current assets	3,712,106	3,588,382
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	176,209	206,698
Machinery, equipment and vehicles, net	11,757	14,678
Land	258,559	266,510
Construction in progress	45,976	17,295
Other, net	41,736	42,383
Total property, plant and equipment	534,240	547,566
Intangible assets		
Goodwill	134,217	114,514
Other	87,656	90,033
Total intangible assets	221,873	204,548
Investments and other assets		
Investment securities	205,632	189,823
Long-term loans receivable	13,656	15,714
Retirement benefit asset	46,749	48,048
Deferred tax assets	10,643	7,993
Other	64,994	61,487
Allowance for doubtful accounts	(1,047)	(1,018)
Total investments and other assets	340,628	322,048
Total non-current assets	1,096,742	1,074,162
Total assets	4,808,848	4,662,545

(Millions of yen)

	As of January 31, 2025	As of July 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	195,028	194,032
Electronically recorded obligations - operating	79,360	56,034
Short-term bonds	40,000	45,000
Short-term borrowings	477,840	404,588
Current portion of bonds payable	8	20,000
Current portion of long-term borrowings	252,793	202,811
Income taxes payable	44,652	38,425
Advances received on construction contracts in progress	220,645	248,616
Provision for bonuses	39,706	25,989
Provision for bonuses for directors (and other officers)	6,675	2,229
Provision for warranties for completed construction	14,073	13,442
Other	184,863	162,174
Total current liabilities	1,555,648	1,413,345
Non-current liabilities		
Bonds payable	620,121	717,601
Long-term borrowings	456,321	434,224
Long-term leasehold and guarantee deposits received	52,626	49,082
Deferred tax liabilities	13,443	16,247
Provision for retirement benefits for directors (and other officers)	862	729
Retirement benefit liability	31,632	31,397
Other	59,593	62,230
Total non-current liabilities	1,234,601	1,311,513
Total liabilities	2,790,249	2,724,858
Net assets		
Shareholders' equity		
Share capital	203,094	203,300
Capital surplus	260,297	259,595
Retained earnings	1,266,985	1,323,362
Treasury shares	(40,957)	(40,906)
Total shareholders' equity	1,689,420	1,745,352
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,610	28,908
Deferred gains or losses on hedges	(123)	(507)
Foreign currency translation adjustment	215,217	102,128
Remeasurements of defined benefit plans	22,075	18,260
Total accumulated other comprehensive income	272,779	148,790
Share acquisition rights	87	62
Non-controlling interests	56,311	43,480
Total net assets	2,018,599	1,937,686
Total liabilities and net assets	4,808,848	4,662,545

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended July 31, 2024	For the six months ended July 31, 2025
Net sales	1,859,127	2,015,408
Cost of sales	1,497,551	1,616,951
Gross profit	361,576	398,456
Selling, general and administrative expenses	204,435	242,982
Operating profit	157,141	155,473
Non-operating income		
Interest income	3,203	3,725
Dividend income	1,244	1,150
Foreign exchange gains	3,064	-
Share of profit of entities accounted for using equity method	446	1,961
Other	1,440	1,199
Total non-operating income	9,399	8,037
Non-operating expenses		
Interest expenses	13,835	18,889
Foreign exchange losses	-	1,977
Other	5,528	6,043
Total non-operating expenses	19,364	26,910
Ordinary profit	147,176	136,600
Extraordinary income		
Gain on sale of investment securities	18,941	11,591
Total extraordinary income	18,941	11,591
Extraordinary losses		
Loss on sale and retirement of non-current assets	586	389
Acquisition related expenses	3,379	-
Loss on sale of shares of subsidiaries and associates	386	-
Impairment losses	12	-
Total extraordinary losses	4,365	389
Profit before income taxes	161,752	147,802
Income taxes - current	39,841	34,595
Income taxes - deferred	(2,937)	9,491
Total income taxes	36,904	44,086
Profit	124,847	103,716
Profit attributable to non-controlling interests	1,863	2,113
Profit attributable to owners of parent	122,983	101,603

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended July 31, 2024	For the six months ended July 31, 2025
Profit	124,847	103,716
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,578)	(5,782)
Foreign currency translation adjustment	123,193	(110,510)
Remeasurements of defined benefit plans, net of tax	(3,128)	(3,821)
Share of other comprehensive income of entities accounted for using equity method	5,527	(2,958)
Total other comprehensive income	115,013	(123,073)
Comprehensive income	239,861	(19,356)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	237,908	(21,466)
Comprehensive income attributable to non-controlling interests	1,953	2,109

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes Regarding Assumption of a Going Concern)

None

(Notes to Significant Changes in the Amount of Shareholders' Equity)

None

(Changes in accounting policies)

(Adoption of the “Accounting Standard for Current Income Taxes” and other standards)

The Company has adopted the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “Accounting Standard Revised in 2022”) and other standards from the beginning of the first half of the consolidated fiscal year under review.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter “Guidance Revised in 2022.” During the first half of the consolidated fiscal year under review, the impact on the semi-annual consolidated financial statements is immaterial.

With regard to the revision associated with the review of treatment in the consolidated financial statements in case that gain or loss on sale of shares of a subsidiary, etc. among consolidated companies is deferred for tax purpose, the Guidance Revised in 2022 has been applied from the beginning of the first half of the consolidated fiscal year under review. This change has not been retroactively applied because the impact is immaterial.

(Related to Semi-annual Consolidated Balance Sheet)

Changes in holding purpose

Investment properties of ¥12,414 million that were recorded under “buildings and structures” and “land” at the end of the previous consolidated fiscal year have been transferred to be recorded under “buildings for sale” and “land for sale in lots.”