

Summary of Earnings Report for Third Quarter of Year Ending December 31, 2025

November 13, 2025

Name of listed company: A.D.Works Group Co., Ltd. Listed stock exchange: Tokyo Stock Exchange
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 Scheduled date of dividend payment: -
 Additional material of financial results: Yes
 Results meeting: Yes (For analysts and institutional investors)

(Millions of yen, rounded down)

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending December 31, 2025 (January 1, 2025–September 30, 2025)

(1) Consolidated business results (cumulative)

(%: Year-on-year comparison)

	Net Sales		Operating Income		Net income before income taxes		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter, Fiscal year ending December 31, 2025	52,278	54.7	4,161	81.5	3,706	107.9	2,316	109.4
Third quarter, Fiscal year ended December 31, 2024	33,797	20.8	2,293	27.6	1,782	14.8	1,105	5.9

(Note) Comprehensive Income: 2025 Q3 2,056 million yen 82.5% 2024 Q3 1,127 million yen -20.2%

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Third quarter, year ending December 31, 2025	47.92	47.16
Third quarter, year ended December 31, 2024	22.96	22.66

(2) Consolidated financial conditions

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
Third quarter, year ending December 31, 2025	65,218	20,277	31.0
Fiscal year ended December 31, 2024	59,809	18,761	31.3

(Reference) Equity: 2025 Q3 20,229 million yen 2024 18,716 million yen

2. Dividend Information

	Dividend per Share				
	Q1	Interim	Q3	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	4.50	—	5.50	10.00
Fiscal year ending December 31, 2025	—	6.00			
Fiscal year ending December 31, 2025 (forecast)			—	10.00	16.00

(Note) Correction to most recently announced dividend forecast: Yes

3. Consolidated Business Plan for Fiscal Year Ending December 31, 2025 (January 1, 2025–December 31, 2025)

A.D.Works Group announces its business targets for each consolidated fiscal year in the form of a “results plan.” A results plan consists of targets for our businesses and is different from the forecasts and predictions.

(%: comparison with the previous period)

	Net Sales		Operating Income		Net income before income taxes		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full year	60,500	21.2	5,000	55.4	4,900	92.3	2,870	78.2

(Note) Correction to most recently announced results forecast: Yes

Disclaimer

This document was prepared in English for convenience purposes only. The original Japanese document shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this document.

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

New: —Company (name of company)—,

Excluded: 2 Company (name of company) Sumikawa ADD Co., Ltd., Avenue Works Georgetown LLC

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements : Yes

(3) Changes in accounting policies and changes or restatement of accounting estimates

1. Changes in accounting policies due to the revision of accounting standards, : Yes
etc.

2. Changes in accounting policies other than 1. : None

3. Changes in accounting estimates : None

4. Restatement : None

(4) Number of issued shares (common shares)

1. Number of outstanding shares (including treasury stock) at end of period	Q3 FY2025	50,080,864 shares	FY2024	49,670,764 shares
2. Number of treasury stock at end of period	Q3 FY2025	1,452,150 shares	FY2024	1,659,810 shares
3. Average number of shares during the period (cumulative period)	Q3 FY2025	48,332,247 shares	Q3 FY2024	48,148,539 shares

(Note) The Company has a Director Stock Compensation Trust and the Company shares held by the trust are included in the number of treasury stock.

* This quarterly financial statement does not need to undergo a review by a certified public accountant or an audit corporation.

* Explanation about the proper use of results forecasts, and additional information

The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements included in these materials. Actual results may differ significantly from the forecasts in the document, depending on various factors.

[Attached Materials]

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1. Qualitative Information Concerning Quarterly Results

(1) Description of business results

In the third quarter of the fiscal year under review, the Japanese economy continued to show signs of a gradual recovery amid improvement in the employment and income environment. However, the economy faces downside risks from factors such as financial and capital market volatility due to U.S. trade policy impacts, inflation, and rapid exchange rate fluctuations.

In the domestic income property market, the yield on newly issued 10-year government bonds, which serves as a benchmark for long-term interest rates in Japan, has remained at high levels at around 1.6%. While concerns persist regarding increased interest payments on borrowings and downward pressure on real estate prices, etc., the trading market remains buoyant, supported by robust demand for real estate investment.

In the income property market, rents in both the residential and office sectors in central Tokyo remain high due to wage increases and rising prices. In addition, construction costs are rising, leading to higher prices for new properties.

The market for small-lot real estate products is expanding every year. According to a survey by the Ministry of Land, Infrastructure, Transport and Tourism*, the amount of new investment in voluntary partnership-type products increased from 6.5 billion yen in 2014 to 71.8 billion yen in 2024, an increase of approximately 11 times. (*Ministry of Land, Infrastructure, Transport and Tourism, “Handbook for Promoting the Utilization of Real Estate Specified Joint Enterprises (July 2025)”)

In Los Angeles, where our group has an office, the policy rate remains at a high level, and the deterioration of the financing environment is pushing down demand for the buying and selling of income properties.

In this business environment, our group announced its Growth Strategies to Enhance Corporate Value on February 13, 2025, with the aim of improving ROE to 13–14% or higher by 2027, accelerating growth, and implementing all possible measures to reduce shareholders’ equity cost in order to meet the expectations of our shareholders.

To achieve these goals, in the third quarter of the fiscal year under review, we focused on accelerating the sales of small-lot real estate products, strengthening the acquisition, development, and sales of income properties, and launching new businesses, including non-asset businesses.

As a result, in the third quarter of the fiscal year under review, the Group’s net sales totaled 52,278 million yen (86.4% of the full-year business plan revised upward, as announced on August 7, 2025), operating income was 4,161 million yen (83.2% of plan), income before taxes was 3,706 million yen (92.7% of plan), and net income attributable to owners of parent was 2,316 million yen (91.2% of plan).

We revised our full-year business plan our full-year business plan for the fiscal year ending December 2025 on August 7, 2025. However we have once again revised upward the full-year business plan, as announced on November 13, 2025 in the notice titled “Notice Concerning Recording Extraordinary Profit (Foreign Currency Translation Adjustment Gain), and Revisions to Full-Year Results Plan and Dividend Forecasts (Increase).” As a result, the progress rates against the latest revised plan are 86.4% for net sales, 83.2% for operating income, 75.6% for income before taxes, and 80.7% for net income attributable to owners of parent.

Earnings results for the third quarter of the consolidated fiscal year under review are shown in the table below.

(Unit: million yen)

	Fiscal year ending December 31, 2025 (Full-year plan)		Third Quarter, year ended December 31, 2024 (Results)		Third Quarter, year ending December 31, 2025 (Results)			
	Amount	Net sales ratio	Amount	Net sales ratio	Amount	Net sales ratio	YoY	Percentage of full- year plan achieved
Net sales	60,500	100.0%	33,797	100.0%	52,278	100.0%	154.7%	86.4%
(Property sales)	—	—	(29,624)	(87.7%)	(48,326)	(92.4%)	(163.1%)	—
(Stock)	—	—	(4,560)	(13.5%)	(4,313)	(8.3%)	(94.6%)	—
(Internal sales)	—	—	(△387)	(△1.1%)	(△360)	(△0.7%)	—	—
Operating income	5,000	8.3%	2,293	6.8%	4,161	8.0%	181.5%	83.2%
Net income before income taxes	4,900	8.1%	1,782	5.3%	3,706	7.1%	207.9%	75.6%
Net income	2,870	4.7%	1,105	3.3%	2,316	4.4%	209.4%	80.7%

Note: “Property sales,” “stock,” “net income before taxes,” and “net income” are the respective abbreviations of “income

property sales business,” “stock-type fee business,” “net income before income taxes,” and “net income attributable to owners of parent.” In addition, the “Percentage of full-year plan achieved” is the progress rate against the revised Full-Year Business Plan announced on August 7, 2025.

A summary of the segment results is as follows. Please note that the Group considers operating income to be segment income.

(Income property sales business)

Net sales were 48,326 million yen and operating income was 5,039 million yen.

In the domestic single-building income property sales business, the total sales amount for the current period reached 28,448 million yen, a significant increase of 153% compared with the same period last year. Internal growth initiatives for income properties proved effective, resulting in gross profit of 4,642 million yen, an increase of 195% compared with the same period last year. To drive further growth, we have proceeded with the acquisition of a new hotel and will continue to pursue initiatives aimed at diversifying asset types.

In the small-lot real estate product sales business, the net sales amount for the current period were 17,481 million yen (172% YoY), and gross profit was 3,719 million yen (157% YoY), representing strong growth in line with the domestic single-building income property sales business. The strengths of the existing income property business have been highly evaluated not only by investors but also by sales alliance partners. This reputation has led to a positive cycle in which the sales network is further expanded through partnerships with financial institutions, tax accountants, and others.

The acquisition amount was 39,252 million yen. In addition to strategic purchasing activities by a purchasing organization consisting of more than 20 people, we were also able to purchase more high-quality properties than in the previous period as a result of our efforts to expand into the Kansai and Fukuoka areas. The balance of income properties (i.e. the total balance of properties held for sale or rental revenue), which is the source of future revenue, totaled 48,111 million yen, up 2,649 million yen from the end of the previous fiscal year.

In the Third Quarter, acquisitions and sales in Japan and overseas were as follows.

(Unit: million yen)

	Acquisitions		Revenue from sales	
	Q3 FY2024	Q3 FY2025	Q3 FY2024	Q3 FY2025
Japan	21,719	39,252	28,756	45,929
Overseas	558	—	672	2,375
Total	22,277	39,252	29,428	48,305

(Stock-type fee business)

Net sales were 4,313 million yen and operating income was 948 million yen.

The stock-type fee business’s revenue consists of rental revenue from income properties held by the Group, which accounts for the majority of its revenue, as well as property management income from A.D. Partners Co., Ltd. and ADW Management USA, Inc.

The stock-type fee business plays an important role for the Group as it ensures the stability of the Group’s earnings. Increasing product value from a sales perspective will also lead to securing rental revenue from properties when held by the Group. A.D. Partners Co., Ltd.’s property management must also further increase their efficiency and ability to address changes in the customer base due to the rise in property unit prices.

A breakdown of revenue in the stock-type fee business in the Third Quarter is as follows.

(Unit: million yen)

	Q3 FY2024	Q3 FY2025	YoY
Rental revenue	1,325	1,324	99.9%
Other revenue (Property management, construction, etc.)	3,234	2,988	92.4%
Total	4,560	4,313	94.6%

Notes 1: The operating income for each segment is an amount before deduction of expenses not allocated to any segment, such as corporate expenses and operating expenses from intersegment sales or transfers. Therefore, the total operating income for the segments does not match consolidated operating income.

2: In the “stock-type fee business,” we position items such as rent from income properties held for the medium to long term or for short-term sales, and fee income from after-sales property management contracts for income

properties as “stock-type,” while fees for interior decoration work and repair work, and brokerage income derived from customer relations are classified as “flow-type.”

(2) Description of financial position

In this Third Quarter, we continued our vigorous efforts to acquire income properties aiming at expanding the scale of business, and also aggressively took out loans for acquisitions. This resulted in an increase in the balance of income properties (i.e. the total balance of properties held for sale or rental revenue) by 2,649 million yen to 48,111 million yen from the end of the previous fiscal year. Interest-bearing liabilities increased by 4,271 million yen from the end of the previous fiscal year. As a result, total assets and total liabilities and net assets increased by 5,409 million yen from the end of the previous fiscal year.

At the same time, equity also increased by 1,513 million yen from the previous fiscal year to 20,229 million yen, resulting in an equity ratio of 31.0%, same level as the previous fiscal year.

The details of the consolidated balance sheet for this third quarter are as follows.

The “ratio” indicates the percentage relative to total assets (total liabilities and net assets).

(Assets)

Total assets at the end of this third quarter were 65,218 million yen. Of this, real estate for sale and real estate for sale in process accounted for 38,517 million yen (59.1% ratio), cash and deposits for 13,098 million yen (20.1%), and properties held for rental revenue (included in property, plant and equipment) for 9,593 million yen (14.7%).

(Liabilities)

Total liabilities at the end of this third quarter were 44,941 million yen. Of this, interest-bearing liabilities accounted for 39,933 million yen, which was increased by 4,271 million yen as a result of increase in income properties.

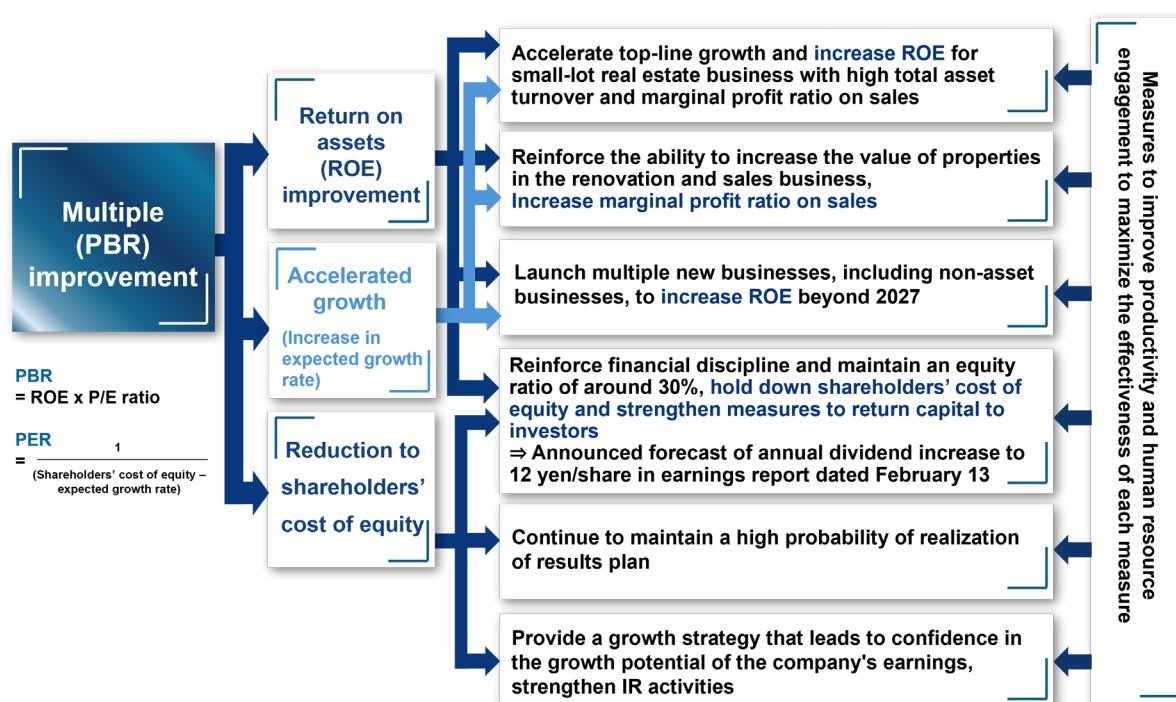
(Net assets)

Total net assets amounted to 20,277 million yen. Of this, capital stock and capital surplus accounted for 11,722 million yen.

(3) Description of future consolidated results plan and other future forecasts

The Group’s P/B ratio was 0.5x at the end of December 2024, less than 1x, which we continue to see as an issue. To address this challenge, we announced the Growth Strategies to Enhance Corporate Value on February 13, 2025, and we will work on all measures to reduce our shareholders’ equity cost while improving ROE to 13–14% or more by 2027.

<Key measures to enhance corporate value>



During fourth quarter, we have decided to dissolve our US subsidiary “ADW-No.1 LLC”, and we will record a foreign currency translation adjustment gain as extraordinary profit. As a result, the consolidated financial results plan for this fiscal year ending December 2025 was revised upward as of November 13, 2025, with net income before tax of 4,900 million yen. As a result, based on the revised plan dated November 13, the projected ROE for this fiscal year ending December 2025 is 15.4%, and we expect to achieve our target “improving ROE to 13–14% by 2027” sooner than expected. From the fiscal year ending December 2026 onwards, we will further promote the Growth Strategies, aiming to achieve results that exceed the initial plan.

< The Second Medium-Term Management Plan (Fiscal year ended December 31, 2024, to fiscal year ending December 31, 2026)>

(million yen)

Consolidated	Second Medium-Term Management Plan (Fiscal year ended December 31, 2024, to fiscal year ending December 31, 2026)					
	FY2024 (Fiscal year ended December 31, 2024)	FY2025 (Fiscal year ending December 31, 2025)				FY2026 (Fiscal year ending December 31, 2026)
	Plan	Initial plan	Plan (released February 13, 2025)	Plan (released August 7, 2025)	Plan (released November 13, 2025)	Initial plan
Net sales	47,000	52,000	55,000	60,500	60,500	58,000
Operating Income	3,000	3,300	3,600	5,000	5,000	3,700
Net income before income taxes	2,300	2,600	2,800	4,000	4,900	3,000
Income property balance	45,000	46,000	47,000	47,000	50,000	50,000
Shareholders' equity	17,500	18,500	18,727	19,483	19,813	20,000
ROE	9.2%	9.6%	9.8%	13.7%	15.4%	10.4%
ROIC	4.3%	4.6%	5.0%	6.4%	6.9%	4.8%
Human resource productivity "PH gross profit"	33/person	34/person	38/person	40/person	40/person	35/person
Financial soundness "Equity ratio"	Approx. 30%	Approx. 30%	Approx. 30%	Approx. 30%	Approx. 30%	Approx. 30%
Shareholder value "EPS"	32.95 yen	36.35 yen	37.02 yen	52.68 yen	59.53 yen	41.76 yen

Notes 1: Balance of income properties: Total balance of properties held for sale or rental revenue

2: ROE: Net income attributable to owners of parent / average shareholders' equity (Figures may differ from net income on equity.)

3: ROIC: (Net income attributable to owners of parent + interest expenses + borrowing fee) / (balance of average shareholders' equity + balance of average interest-bearing liabilities)

4: PH gross profit (gross profit per head): Gross profit / average number of employees

5: EPS (earnings per share): Net income attributable to owners of parent / average number of shares during the period

Note that figures in "Plan" in < The Second Medium-Term Management Plan> are targets for our businesses, which differ from the forecasts and predictions.

<Initial plan achievement rate>

(million yen)

Net income before income taxes or ordinary income	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Plan	450	500	600	800	900	1,000	890	400	600	800	2,000	2,300
Results	450	540	650	(835)	924	1,043	933	432	650	910	2,066	2,547
Achieve- ment rate	100%	108%	108%	(104%)	103%	104%	105%	108%	108%	114%	103%	110%

Notes 1: The ordinary income for the period between the fiscal years ended March 31, 2014, and March 31, 2017, and the net income before taxes for the period between the fiscal years ended March 31, 2018, and December 31, 2024.

2: In the fiscal year ended March 31, 2017, an extraordinary gain of 86 million yen was recorded from the sale of properties classified as property, plant and equipment. Ordinary income amounted to 748 million yen, but we recognized 835 million yen of net income before income taxes as actual ordinary income and presented it as actual results in the ordinary income plan of 800 million yen (net income before income taxes plan not announced in fiscal year 2016).

3: FY2020 was an irregular accounting period of nine months between April 1, 2020, and December 31, 2020.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	10,129,840	13,098,479
Accounts receivable – trade	111,708	72,105
Real estate for sale	35,020,528	36,725,392
Real estate for sale in process	1,536,975	1,792,530
Other	1,905,176	1,622,593
Allowance for doubtful accounts	(2,423)	(1,117)
Total current assets	48,701,806	53,309,983
Non-current assets		
Property, plant and equipment		
Other, net	9,106,018	9,790,079
Total property, plant and equipment	9,106,018	9,790,079
Intangible assets		
Goodwill	295,643	271,886
Other	151,439	187,438
Total intangible fixed assets	447,083	459,324
Investments and other assets		
Investment securities	480,502	462,804
Deferred tax assets	618,503	742,647
Other	443,261	440,812
Total investments and other assets	1,542,266	1,646,264
Total non-current assets	11,095,368	11,895,667
Deferred assets		
Establishment costs	1,992	12
Bonds issuance cost	10,717	13,229
Total deferred assets	12,710	13,241
Total assets	59,809,884	65,218,892

(Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	933,510	796,940
Short-term borrowings	432,000	941,000
Current portion of bonds payable	514,900	305,800
Current portion of long-term borrowings	3,825,034	2,800,848
Income taxes payable	718,929	1,018,208
Crowdfunding deposit	957,465	—
Provision for bonuses	204,280	175,890
Other	2,549,890	2,991,859
Total current liabilities	10,136,010	9,030,547
Non-current liabilities		
Bonds payable	361,000	625,200
Long-term borrowings	30,528,596	35,260,374
Other	23,142	25,010
Total non-current liabilities	30,912,738	35,910,585
Total liabilities	41,048,749	44,941,132
Net assets		
Shareholders' equity		
Share capital	6,283,837	6,318,371
Capital surplus	5,368,645	5,404,102
Retained earnings	6,146,730	7,820,637
Treasury shares	(288,093)	(254,207)
Total shareholders' equity	17,511,119	19,288,904
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,165,987	896,537
Valuation difference on available-for-sale securities	38,909	43,866
Total accumulated other comprehensive income	1,204,897	940,403
Share acquisition rights	24,765	31,442
Non-controlling interests	20,353	17,010
Total net assets	18,761,135	20,277,760
Total liabilities and net assets	59,809,884	65,218,892

(2) Quarterly Consolidated Profit and Loss Statement, and Consolidated Comprehensive Income Statement

Consolidated Profit and Loss Statement

Third Quarter of consolidated fiscal year

	(Thousands of yen)	
	Previous consolidated Third Quarter (January 1, 2024 – September 30, 2024)	Current consolidated Third Quarter (January 1, 2025 – September 30, 2025)
Net sales	33,797,960	52,278,162
Cost of sales	27,620,599	42,974,645
Gross profit	6,177,360	9,303,516
Selling, general and administrative expenses	3,884,350	5,141,612
Operating income	2,293,009	4,161,904
Net sales		
Interest and dividend income	20,846	20,065
Foreign exchange gains	—	13,220
Insurance return	15,866	343
Other	13,056	9,860
Total non-operating income	49,768	43,490
Non-operating expenses		
Interest expenses	430,231	540,048
Borrowing fee	75,913	86,300
Amortization of establishment costs	5,830	1,980
Loss on equity method investments	24,138	—
Other	31,428	13,276
Total non-operating expenses	567,542	641,604
Ordinary income	1,775,235	3,563,789
Extraordinary income		
Gain on sale of investment securities	—	3,146
Gain on sales of investment stock acquisition rights	15,923	—
Gain on sale of fixed assets	—	1,392
Gain on sale of subsidiary shares	—	144,113
Total extraordinary income	15,923	148,651
Extraordinary loss		
Loss on disposal of fixed assets	1,521	864
Loss on change in equity interest	6,805	—
Loss on valuation of investment securities	—	5,457
Total extraordinary loss	8,327	6,321
Net income before income taxes	1,782,832	3,706,119
Income taxes – current	681,668	1,384,769
Total income taxes	681,668	1,384,769
Quarterly net income	1,101,163	2,321,349
Quarterly net income (loss) attributable to non-controlling interests	(4,764)	5,117
Net income attributable to owners of parent	1,105,928	2,316,231

Consolidated Comprehensive Income Statement

Third Quarter of consolidated fiscal year

(Thousands of yen)

	Previous consolidated Third Quarter (January 1, 2024 – September 30, 2024)	Current consolidated Third Quarter (January 1, 2025 – September 30, 2025)
Quarterly net income	1,101,163	2,321,349
Other comprehensive income		
Valuation difference on available-for-sale securities	4,526	4,956
Foreign currency translation adjustment	21,362	(269,450)
Total other comprehensive income	25,888	(264,493)
Quarterly comprehensive income	1,127,052	2,056,855
(Breakdown)		
Comprehensive income attributable to owners of parent	1,131,816	2,051,738
Comprehensive income attributable to non-controlling interests	(4,764)	5,117

(3) Notes for the quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable

(Notes on significant changes in amount of shareholders' equity)

Not applicable

(Application of specific accounting methods when preparing quarterly consolidated financial statements)

Calculation of tax expenses

The Company calculates tax expenses by reasonably estimating the effective tax rate after applying tax effect accounting to net income before taxes for the consolidated fiscal year, including this Third Quarter, and multiplying net income before income taxes or net loss before income taxes by this estimated effective tax rate.

The adjusted income tax amounts are included in income tax, inhabitant tax and enterprise tax.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes)

Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standards") and others have been applied from the beginning of the first quarter of the current fiscal year.

Regarding the revisions to the classification of current income taxes (taxation of other comprehensive income), the transitional treatment specified in the proviso of Article 20-3 of the 2022 Revised Accounting Standards and the transitional treatment specified in the proviso of Article 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28), October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance") shall apply. This change in accounting policy will have no impact on the quarterly consolidated financial statements.

Additionally, in regards to revisions to the treatment in consolidated financial statements of deferred tax gains or losses arising from the sale of shares in subsidiaries and others between consolidated companies, we have applied the 2022 Revised Application Guidelines from the beginning of the first quarter of the current fiscal year. This change in accounting policy has been applied retroactively, and the consolidated financial statements for the first half of the prior fiscal year and consolidated financial statements for the prior consolidated fiscal year have been restated accordingly. However, this change in accounting policy has no impact on the consolidated financial statements for the first half of the prior fiscal year or the consolidated financial statements for the prior consolidated fiscal year.

(Notes on segment information, etc.)

< Segment information >

I Third Quarter of Previous Consolidated Fiscal Year (January 1, 2024, to September 30, 2024)

Information on net sales and profit for each reportable segment

(Thousands of yen)

	Reportable segments			Adjustments*1	Semi-annual consolidated profit/loss posted *2
	Income property sales business	Stock-type fee business	Total		
Net sales					
Net sales to external customers	29,624,709	4,173,250	33,797,960	—	33,797,960
Intersegment sales	—	387,144	387,144	(387,144)	—
Total	29,624,709	4,560,395	34,185,104	(387,144)	33,797,960
Segment profit (Operating profit)	2,733,044	913,670	3,646,715	(1,353,705)	2,293,009

(Notes)

*1 The adjustments for segment profit are elimination of inter-segment transactions and corporate expenses that are not allocated to reportable segments.

*2 Segment profit is adjusted with operating profit on the quarterly consolidated profit and loss statement.

II Third Quarter of Current Consolidated Fiscal Year (January 1, 2025, to September 30, 2025)

Information on net sales and profit for each reportable segment

(Thousands of yen)

	Reportable segments			Adjustments*1	Semi-annual consolidated profit/loss posted *2
	Income property sales business	Stock-type fee business	Total		
Net sales					
Net sales to external customers	48,326,035	3,952,127	52,278,162	—	52,278,162
Intersegment sales	—	360,949	360,949	(360,949)	—
Total	48,326,035	4,313,076	52,639,111	(360,949)	52,278,162
Segment profit (Operating profit)	5,039,710	948,674	5,988,384	(1,826,480)	4,161,904

(Notes)

*1 The adjustments for segment profit are elimination of inter-segment transactions and corporate expenses that are not allocated to reportable segments.

*2 Segment profit is adjusted with operating profit on the quarterly consolidated profit and loss statement.

(Notes on Statement of Cash Flows)

A quarterly consolidated statement of cash flows for the third quarter of the current consolidated fiscal year has not been prepared. The depreciation and amortization (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the current consolidated fiscal year are as follows.

(Thousands of yen)

	Previous consolidated first quarter (January 1, 2024 – September 30, 2024)	Current consolidated first quarter (January 1, 2025 – September 30, 2025)
Depreciation	121,547	149,105
Amortization of goodwill	23,757	23,757