

**Consolidated Financial Results**  
**for the Third Quarter of the Fiscal Year Ending March 31, 2026**  
**(Nine Months Ended December 31, 2025)**

[Japanese GAAP]

Company name: KI-STAR REAL ESTATE Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 3465

URL: <https://ki-group.co.jp>

Representative: Keiji Hanawa, President and CEO

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the First Nine Months (April 1, 2025 – December 31, 2025) of the Fiscal Year Ending March 31, 2026**

## (1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2025	276,874	18.9	18,939	65.8	17,560	74.7	10,686	82.4
Nine months ended Dec. 31, 2024	232,834	17.8	11,423	44.9	10,054	43.2	5,859	23.9

Note: Comprehensive income (million yen)      Nine months ended Dec. 31, 2025: 12,047 (up 77.9%)  
 Nine months ended Dec. 31, 2024: 6,772 (up 27.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2025	689.38	689.36
Nine months ended Dec. 31, 2024	376.73	376.64

Note: KI-STAR REAL ESTATE Co., Ltd. ("the Company") has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2025	336,883	77,502	20.3
As of Mar. 31, 2025	294,552	68,801	20.4

Reference: Shareholders' equity (million yen)      As of Dec. 31, 2025: 68,359      As of Mar. 31, 2025: 60,127

Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	-	65.00	-	86.00	151.00
Fiscal year ending Mar. 31, 2026	-	100.00	-		
Fiscal year ending Mar. 31, 2026 (forecasts)				130.00	230.00

Note: Revisions to the most recently announced dividend forecast: Yes

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	383,000	11.8	26,000	50.7	24,000	58.7	14,300	61.4	922.49

Note: Revisions to the most recently announced consolidated forecast: Yes

**\* Notes**

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

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Dec. 31, 2025:	15,866,400 shares	As of Mar. 31, 2025:	15,863,800 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2025:	345,870 shares	As of Mar. 31, 2025:	381,644 shares
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3) Average number of shares during the period

Nine months ended Dec. 31, 2025:	15,501,549 shares	Nine months ended Dec. 31, 2024:	15,553,742 shares
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Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are included in treasury shares for calculating the number of treasury shares at the end of the period and the average number of shares during the period.

\* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

\* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors.

Contents of Attachments

1. Overview of Results of Operations, Etc.	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Quarterly Consolidated Balance Sheet	8
Quarterly Consolidated Statement of Income	8
Quarterly Consolidated Statement of Cash Flows	8
Segment and Other Information	9
Significant Changes in Shareholders' Equity	10
Going Concern Assumption	10
Additional Information	10

## 1. Overview of Results of Operations, Etc.

### (1) Results of Operations

The Japanese economy maintained a moderate recovery trend during the third quarter, supported by ongoing improvements in labor market conditions and personal income, as well as the progression of a virtuous cycle between wages and prices. However, the economic outlook remains uncertain due to factors such as changes in international trade policies and the continuation of heightened geopolitical risks.

In the housing sector, where the KI-STAR Group operates, housing prices remained elevated due to rising building material costs and labor expenses, and customers showed a cautious purchasing sentiment amid expectations of further increases in mortgage interest rates. Nevertheless, demand remained steady, supported by improvements in supply-demand conditions resulting from a decline in housing starts. In addition, heightened consumer awareness of protecting household finances amid rising energy prices has further highlighted demand for high-value-added homes with superior environmental performance.

Based on the KI-STAR Group's philosophy of "creating lives that are enriching, enjoyable, and pleasant" and a commitment to accomplish the vision of "house ownership for everyone," activities are continuing for achieving the goals of the Medium-term Plan 2028. To increase profitability, the homebuilding and sales business is opening many sales offices in major metropolitan areas and reorganizing existing sales offices. In addition, many activities are under way for optimization of the business portfolio. Examples include integration of management with subsidiaries in the custom-built housing business, growth of the apartment buildings/income-producing real estate business and business operations outside Japan, and expansion of the pre-owned home renovation business to more areas of Japan. In accordance with the revision of the Japan's Building Standards Act, all new residential structures in Japan are now required to comply with energy conservation standards. We are continuing to use many activities for making all newly constructed houses compliant with net zero energy house (ZEH)-equivalent standards, increasing the use of domestic wood materials, and accomplishing other goals.

Sales increased 18.9% from the same period of the previous fiscal year to a record-high 276,874 million yen. Operating profit increased 65.8% to 18,939 million yen because the recovery in gross profit margin continued as higher personnel and other expenses were offset by an increase in productivity and a reduction in inventories of houses for sale in Japan. Ordinary profit grew 74.7% to 17,560 million yen, and profit attributable to owners of parent rose 82.4% to 10,686 million yen.

Results by business segment are as follows:

#### i) Homebuilding and sales business

This business focused on improving profitability by increasing our market share in major metropolitan areas where housing demand remains strong, while streamlining operations in suburban areas through integration with our pre-owned home renovation business.

During the first nine months, 6,539 houses (including land) were sold. Sales increased 17.9% to 259,547 million yen and segment profit increased 50.6% to 20,023 million yen.

#### ii) Custom-built housing business

In this business, improvements in gross profit margin and reductions in selling, general and administrative expenses were achieved through management integration with subsidiaries and other initiatives.

During the first nine months, 213 houses were sold. Sales decreased 16.2% to 4,252 million yen and segment profit was 119 million yen (compared with segment loss of 105 million yen for the same period of the previous fiscal year).

## **(2) Financial Position**

### **Assets**

Total assets increased by 42,330 million yen from the end of the previous fiscal year to 336,883 million yen at the end of the third quarter of the current fiscal year. This was mainly due to an increase of 53,488 million yen in inventories and a decrease of 17,138 million yen in cash and deposits.

### **Liabilities**

Total liabilities increased by 33,630 million yen to 259,381 million yen. The increase was mainly due to a 32,187 million yen increase in borrowings.

### **Net assets**

Total net assets increased by 8,700 million yen to 77,502 million yen. The main reasons include profit attributable to owners of parent of 10,686 million yen and dividends of surplus of 2,924 million yen.

## **(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

Based on the strong sales of built-for-sale houses, we have revised the consolidated forecast for the fiscal year ending March 31, 2026 that was announced on May 15, 2025. We have also revised the year-end dividend forecast from the previous forecast in line with our dividend policy.

For more details, please refer to the press release “Notice of Revisions to Consolidated Forecast and Dividend Forecast (Dividend Increase)” dated today (February 12, 2026).

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	Third quarter of FY3/26 (As of Dec. 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	71,906	54,767
Accounts receivable from completed construction contracts	149	539
Real estate for sale	102,518	115,775
Real estate for sale in process	91,455	130,796
Advances received on service contract in progress	2,087	2,977
Advance payments to suppliers	3,988	5,338
Other	4,337	9,685
Allowance for doubtful accounts	(7)	(20)
Total current assets	276,435	319,860
Non-current assets		
Property, plant and equipment	5,192	5,185
Intangible assets		
Goodwill	260	179
Other	217	173
Total intangible assets	478	352
Investments and other assets	12,445	11,483
Total non-current assets	18,117	17,022
Total assets	294,552	336,883
<b>Liabilities</b>		
Current liabilities		
Electronically recorded obligations-operating	3,881	4,121
Provision for loss on construction contracts	20,916	21,559
Short-term borrowings	98,376	120,553
Current portion of bonds payable	3,564	633
Current portion of long-term borrowings	13,601	20,634
Lease liabilities	16	35
Income taxes payable	4,146	3,529
Provision for bonuses	764	671
Other	11,040	10,772
Total current liabilities	156,309	182,510
Non-current liabilities		
Bonds payable	3,136	7,444
Long-term borrowings	65,252	68,230
Lease liabilities	51	15
Asset retirement obligations	178	205
Other	822	974
Total non-current liabilities	69,440	76,870
Total liabilities	225,750	259,381

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	Third quarter of FY3/26 (As of Dec. 31, 2025)
Net assets		
Shareholders' equity		
Share capital	4,818	4,821
Capital surplus	5,780	5,808
Retained earnings	51,189	58,951
Treasury shares	(1,422)	(1,293)
Total shareholders' equity	60,365	68,287
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(89)	(79)
Foreign currency translation adjustment	(148)	151
Total accumulated other comprehensive income	(238)	71
Share acquisition rights	15	12
Non-controlling interests	8,658	9,129
Total net assets	68,801	77,502
Total liabilities and net assets	294,552	336,883

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income**

	(Millions of yen)	
	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)	First nine months of FY3/26 (Apr. 1, 2025 – Dec. 31, 2025)
Net sales	232,834	276,874
Cost of sales	203,313	237,212
Gross profit	29,521	39,662
Selling, general and administrative expenses	18,097	20,722
Operating profit	11,423	18,939
Non-operating income		
Interest income	202	578
Refund of real estate acquisition tax	420	554
Share of profit of entities accounted for using equity method	-	132
Other	790	834
Total non-operating income	1,414	2,099
Non-operating expenses		
Interest expenses	1,733	2,539
Commission expenses	853	833
Share of loss of entities accounted for using equity method	97	-
Other	99	105
Total non-operating expenses	2,783	3,478
Ordinary profit	10,054	17,560
Extraordinary income		
Gain on sale of non-current assets	8	3
Gain on sale of investment securities	46	-
Gain on bargain purchase	160	-
Total extraordinary income	215	3
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	40	40
Total extraordinary losses	41	40
Profit before income taxes	10,229	17,523
Income taxes-current	3,723	5,767
Income taxes-deferred	(333)	19
Total income taxes	3,389	5,787
Profit	6,839	11,736
Profit attributable to non-controlling interests	979	1,050
Profit attributable to owners of parent	5,859	10,686



**Quarterly Consolidated Statement of Comprehensive Income**

(Millions of yen)

	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)	First nine months of FY3/26 (Apr. 1, 2025 – Dec. 31, 2025)
Profit	6,839	11,736
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	9
Foreign currency translation adjustment	(32)	300
Share of other comprehensive income of entities accounted for using equity method	(0)	-
Total other comprehensive income	(66)	310
Comprehensive income	6,772	12,047
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	5,792	10,996
Comprehensive income attributable to non-controlling interests	979	1,050

**(3) Notes to Quarterly Consolidated Financial Statements****Quarterly Consolidated Balance Sheet****\* 1. Financial covenants**

There are financial covenants on some loans from financial institutions. The five primary requirements, which apply to consolidated and non-consolidated financial statements are for net assets, ordinary profit, loan to value (LTV), monthly inventory turnover, and the debt-equity ratio. If there is a violation of one or more of these requirements or there is a continuous violation, the financial institutions may demand the immediate repayment of all applicable loans.

Borrowings subject to these financial covenants were as follows at the end of FY3/25 and the end of the third quarter of FY3/26.

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	Third quarter of FY3/26 (As of Dec. 31, 2025)
Short-term borrowings	65,338	80,509
Long-term borrowings (including current portion of long-term borrowings)	56,358	62,798

**\* 2. Other current liabilities include the following contract liabilities.**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	Third quarter of FY3/26 (As of Dec. 31, 2025)
Contract liabilities	2,432	3,258

**Quarterly Consolidated Statement of Income****Seasonal changes in sales**

The KI-STAR Group's housing business delivers more houses to customers in the fourth quarter. As a result, there are seasonal changes in sales and sales are usually higher in the fourth quarter.

**Quarterly Consolidated Statement of Cash Flows**

A quarterly consolidated statement of cash flows pertaining to the first nine months of FY3/26 has not been prepared. Depreciation (includes amortization expenses related to intangible assets minus goodwill) and amortization of goodwill pertaining to the first nine months of each year is as follows.

	(Millions of yen)	
	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)	First nine months of FY3/26 (Apr. 1, 2025 – Dec. 31, 2025)
Depreciation	329	401
Amortization of goodwill	83	81

**Segment and Other Information**

First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)

## 1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the quarterly consolidated statement of income (Note 3)
	Homebuilding and sales	Custom-built housing	Total			
Net sales						
Sales to external customers	220,190	5,072	225,263	7,571	-	232,834
Inter-segment sales and transfers	-	-	-	156	(156)	-
Total	220,190	5,072	225,263	7,728	(156)	232,834
Segment profit (loss)	13,299	(105)	13,193	1,106	(2,876)	11,423

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of pre-owned home renovation, apartment buildings/income-producing real estate, real estate leasing and brokerage businesses.

2. The -2,876 million yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 51 million yen and -2,928 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

## 2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Significant gain on bargain purchase

In the custom-built housing segment, a gain on bargain purchase was reported as a result of the acquisition of shares of Shinyamagata Hometech Co., Ltd. and TAKASUGI Co., Ltd. to make these companies consolidated subsidiaries. The amount of the gain on bargain purchase resulting from this acquisition was 160 million yen.

Gain on bargain purchase is not included in the above segment profit because it is an extraordinary gain.

First nine months of FY3/26 (Apr. 1, 2025 – Dec. 31, 2025)

## 1. Information related to net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the quarterly consolidated statement of income (Note 3)
	Homebuilding and sales	Custom-built housing	Total			
Net sales						
Sales to external customers	259,547	4,252	263,799	13,074	-	276,874
Inter-segment sales and transfers	-	-	-	151	(151)	-
Total	259,547	4,252	263,799	13,226	(151)	276,874
Segment profit	20,023	119	20,142	2,011	(3,214)	18,939

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of pre-owned home renovation, apartment buildings/income-producing real estate, real estate leasing and brokerage businesses.

2. The -3,214 million yen adjustment to segment profit includes elimination for inter-segment transactions of 66 million yen and -3,280 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

## 2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Going Concern Assumption**

Not applicable.

**Additional Information**

The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for this plan held by the trust are recorded as treasury shares in the consolidated balance sheet. The number of shares of the Company's stock held by the trust as of March 31, 2025 was 239,044 shares with a book value of 934 million yen, and the number of these shares as of December 31, 2025 was 203,222 shares with a book value of 805 million yen.

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*