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May 11, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Starts Corporation Inc.
Listing: Tokyo Stock Exchange
Securities code: 8850
URL: https://www.starts.co.jp/
Representative: Toyotaka Muraishi, President
Inquiries: Hisayuki Muramatsu, Director
Telephone: +81-3-6202-0111

Scheduled date of annual general meeting of shareholders: June 26, 2026
Scheduled date to commence dividend payments: June 29, 2026
Scheduled date to file annual securities report: June 25, 2026
Preparation of supplementary material on financial results: Yes
Holding financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	251,911	8.1	36,272	11.2	38,244	14.5	25,311	4.3
March 31, 2025	232,978	(0.2)	32,622	7.0	33,404	0.0	24,274	9.9

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥24,662 million [4.8 %]
For the fiscal year ended March 31, 2025: ¥23,534 million [(6.0)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	526.61	—	13.9	11.1	14.4
March 31, 2025	492.15	—	14.4	10.2	14.0

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥18 million
For the fiscal year ended March 31, 2025: ¥29 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	352,746	192,571	53.5	3,986.78
March 31, 2025	333,647	178,239	52.4	3,627.61

Reference: Equity
As of March 31, 2026: ¥188,750 million
As of March 31, 2025: ¥174,749 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	17,221	(19,136)	(12,296)	74,904
March 31, 2025	25,915	(8,769)	(15,275)	88,782

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	55.00	—	65.00	120.00	6,006	24.4	3.5
Fiscal year ended March 31, 2026	—	65.00	—	75.00	140.00	6,910	26.6	3.7
Fiscal year ending March 31, 2027 (Forecast)	—	75.00	—	75.00	150.00		27.3	

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	232.34
Full year	290,000	15.1	40,000	10.3	39,000	2.0	26,000	2.7	549.17

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	53,998,205 shares
As of March 31, 2025	53,998,205 shares

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

As of March 31, 2026	6,654,029 shares
As of March 31, 2025	5,826,051 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	48,064,202 shares
Fiscal year ended March 31, 2025	49,323,075 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 March 31, 2026: 827,900 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 March 31, 2026: 107,886 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	99,085	84,509
Accounts receivable - trade and contract assets	14,930	22,392
Real estate for sale	8,464	16,076
Real estate for sale in process	20,770	25,080
Costs on construction contracts in progress	2,319	2,424
Prepaid expenses	2,314	2,356
Other	10,036	10,667
Allowance for doubtful accounts	(484)	(515)
Total current assets	157,435	162,992
Non-current assets		
Property, plant and equipment		
Buildings and structures	86,919	93,407
Accumulated depreciation	(30,640)	(33,751)
Buildings and structures, net	56,279	59,655
Machinery, equipment and vehicles	10,931	10,803
Accumulated depreciation	(8,834)	(8,887)
Machinery, equipment and vehicles, net	2,097	1,915
Land	73,831	74,755
Other	14,695	19,444
Accumulated depreciation	(9,158)	(9,319)
Other, net	5,537	10,125
Total property, plant and equipment	137,745	146,451
Intangible assets		
Software	2,767	4,185
Software in progress	2,324	2,035
Goodwill	393	137
Other	65	65
Total intangible assets	5,551	6,423
Investments and other assets		
Investment securities	13,920	18,562
Long-term loans receivable	307	374
Long-term prepaid expenses	792	613
Deferred tax assets	2,591	2,878
Other	15,637	14,745
Allowance for doubtful accounts	(192)	(223)
Allowance for investment loss	(143)	(71)
Total investments and other assets	32,915	36,879
Total non-current assets	176,211	189,754
Total assets	333,647	352,746

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade and accounts payable for construction contracts	20,731	21,457
Short-term borrowings	7,194	6,904
Current portion of long-term borrowings	16,226	16,235
Income taxes payable	6,820	7,113
Contract liabilities	14,523	15,937
Accrued expenses	1,324	1,396
Provision for bonuses	3,204	3,167
Provision for point card certificates	354	369
Deposits received from the tenant of an apartment	16,481	17,874
Other	8,653	11,142
Total current liabilities	95,514	101,599
Non-current liabilities		
Long-term borrowings	46,226	44,550
Provision for retirement benefits for directors (and other officers)	1,174	1,223
Provision for warranties for completed construction	700	699
Provision for loss on lease business	300	255
Deferred tax liabilities for land revaluation reserve	589	589
Retirement benefit liability	276	292
Asset retirement obligations	3,405	3,594
Other	7,220	7,369
Total non-current liabilities	59,893	58,575
Total liabilities	155,408	160,174
Net assets		
Shareholders' equity		
Share capital	11,039	11,039
Capital surplus	6,564	6,583
Retained earnings	163,688	182,746
Treasury shares	(13,081)	(17,095)
Total shareholders' equity	168,210	183,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,045	2,779
Revaluation reserve for land	1,237	1,237
Foreign currency translation adjustment	884	500
Remeasurements of defined benefit plans	2,371	960
Total accumulated other comprehensive income	6,538	5,477
Non-controlling interests	3,489	3,820
Total net assets	178,239	192,571
Total liabilities and net assets	333,647	352,746

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	232,978	251,911
Cost of sales	155,398	168,169
Gross profit	77,579	83,742
Selling, general and administrative expenses	44,956	47,469
Operating profit	32,622	36,272
Non-operating income		
Interest income	433	540
Dividend income	486	485
Foreign exchange gains	—	1,177
Other	626	659
Total non-operating income	1,546	2,862
Non-operating expenses		
Interest expenses	408	620
Foreign exchange losses	232	—
Other	123	270
Total non-operating expenses	764	890
Ordinary profit	33,404	38,244
Extraordinary income		
Gain on sale of non-current assets	2,945	62
Gain on sale of investment securities	94	340
Insurance claim income	—	121
Reversal of allowance for investment loss	—	71
Other	—	33
Total extraordinary income	3,039	630
Extraordinary losses		
Loss on sale of non-current assets	—	9
Loss on retirement of non-current assets	358	401
Impairment losses	0	0
Compensation for forced relocation	—	100
Loss on valuation of inventories	—	424
Other	46	58
Total extraordinary losses	405	994
Profit before income taxes	36,039	37,880
Income taxes - current	11,025	12,226
Income taxes - deferred	104	(104)
Total income taxes	11,129	12,122
Profit	24,909	25,758
Profit attributable to non-controlling interests	634	447
Profit attributable to owners of parent	24,274	25,311

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	24,909	25,758
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,312)	719
Revaluation reserve for land	(16)	—
Foreign currency translation adjustment	671	(384)
Remeasurements of defined benefit plans, net of tax	(717)	(1,430)
Total other comprehensive income	(1,374)	(1,095)
Comprehensive income	23,534	24,662
Comprehensive income attributable to		
Owners of parent	22,903	24,250
Non-controlling interests	630	412

Consolidated Statements of Changes in Net Assets
Fiscal year ended March 31,2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,039	6,545	144,836	(8,173)	154,247
Changes during period					
Dividends of surplus			(5,456)		(5,456)
Profit attributable to owners of parent			24,274		24,274
Purchase of treasury shares				(4,907)	(4,907)
Disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests		18			18
Increase in retained earnings due to exclusion of subsidiaries from consolidation			36		36
Reversal of revaluation reserve for land			(0)		(0)
Net changes in items other than shareholders' equity					—
Total changes during period	—	18	18,852	(4,907)	13,963
Balance at end of period	11,039	6,564	163,688	(13,081)	168,210

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,352	1,253	212	3,089	7,908	3,162	165,318
Changes during period							
Dividends of surplus					—		(5,456)
Profit attributable to owners of parent					—		24,274
Purchase of treasury shares					—		(4,907)
Disposal of treasury shares					—		—
Change in ownership interest of parent due to transactions with non-controlling interests					—		18
Increase in retained earnings due to exclusion of subsidiaries from consolidation					—		36
Reversal of revaluation reserve for land					—		(0)
Net changes in items other than shareholders' equity	(1,307)	(16)	671	(717)	(1,369)	326	(1,042)
Total changes during period	(1,307)	(16)	671	(717)	(1,369)	326	12,920
Balance at end of period	2,045	1,237	884	2,371	6,538	3,489	178,239

Fiscal year ended March 31,2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,039	6,564	163,688	(13,081)	168,210
Changes during period					
Dividends of surplus			(6,253)		(6,253)
Profit attributable to owners of parent			25,311		25,311
Purchase of treasury shares				(4,099)	(4,099)
Disposal of treasury shares				85	85
Change in ownership interest of parent due to transactions with non-controlling interests		18			18
Increase in retained earnings due to exclusion of subsidiaries from consolidation					—
Reversal of revaluation reserve for land					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	18	19,057	(4,014)	15,062
Balance at end of period	11,039	6,583	182,746	(17,095)	183,273

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,045	1,237	884	2,371	6,538	3,489	178,239
Changes during period							
Dividends of surplus					—		(6,253)
Profit attributable to owners of parent					—		25,311
Purchase of treasury shares					—		(4,014)
Disposal of treasury shares					—		—
Change in ownership interest of parent due to transactions with non-controlling interests					—		18
Increase in retained earnings due to exclusion of subsidiaries from consolidation					—		—
Reversal of revaluation reserve for land					—		—
Net changes in items other than shareholders' equity	734	—	(384)	(1,410)	(1,060)	331	(729)
Total changes during period	734	—	(384)	(1,410)	(1,060)	331	14,332
Balance at end of period	2,779	1,237	500	960	5,477	3,820	192,571

Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	36,039	37,880
Depreciation	6,740	7,081
Impairment losses	0	0
Loss (gain) on sale and retirement of property, plant and equipment	(2,586)	347
Insurance claim income	—	(121)
Increase (decrease) in allowance for investment loss	—	(71)
Loss on valuation of inventories	—	424
Compensation for forced relocation	—	100
Increase (decrease) in allowance for doubtful accounts	109	61
Increase (decrease) in provision for bonuses	140	(36)
Increase (decrease) in net defined benefit asset and liability	(130)	1,041
Increase (decrease) in provision for retirement benefits for directors (and other officers)	47	49
Interest and dividend income	(919)	(1,026)
Interest expenses	408	620
Foreign exchange losses (gains)	232	(1,177)
Decrease (increase) in accounts receivable - trade, and contract assets	5,480	(7,462)
Decrease (increase) in inventories	(14,152)	(11,747)
Increase (decrease) in trade payables	(1,494)	1,222
Increase (decrease) in contract liabilities	1,065	1,396
Increase (decrease) in accrued consumption taxes	(273)	278
Decrease (increase) in other current assets	3,774	(1,017)
Increase (decrease) in other current liabilities	845	3,668
Other, net	598	(2,880)
Subtotal	35,924	28,631
Interest and dividends received	834	1,115
Interest paid	(434)	(607)
Compensation for forced relocation payment	—	(100)
Proceeds from insurance income	—	121
Income taxes paid	(10,409)	(11,938)
Net cash provided by (used in) operating activities	25,915	17,221
Cash flows from investing activities		
Payments into time deposits	(3,436)	(4,134)
Proceeds from withdrawal of time deposits	348	4,999
Purchase of property, plant and equipment	(7,401)	(15,145)
Proceeds from sale of property, plant and equipment	3,797	147
Purchase of intangible assets	(1,772)	(1,558)
Purchase of investment securities	(1,397)	(5,322)
Proceeds from sale of investment securities	1,413	1,955
Loan advances	(34)	(90)
Proceeds from collection of loans receivable	39	57
Purchase of insurance funds	(272)	(273)
Other, net	(55)	228
Net cash provided by (used in) investing activities	(8,769)	(19,136)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,000)	(289)
Proceeds from long-term borrowings	13,762	13,456
Repayments of long-term borrowings	(16,549)	(15,122)
Dividends paid	(5,457)	(6,247)
Dividends paid to non-controlling interests	(387)	(155)
Purchase of treasury shares	(4,907)	(4,099)
Payments from withdrawal of investments deposits in silent partnership	(848)	—
Other, net	112	163
Net cash provided by (used in) financing activities	(15,275)	(12,296)
Effect of exchange rate change on cash and cash equivalents	33	332
Net increase (decrease) in cash and cash equivalents	1,904	(13,878)
Cash and cash equivalents at beginning of period	86,878	88,782
Cash and cash equivalents at end of period	88,782	74,904