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February 12, 2026

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

Company name: Columbia Works Inc.
Listing: Tokyo Stock Exchange
Securities code: 146A
URL: https://columbiaworks.jp/
Representative: Please refer to the website.
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Telephone: +81-3-6427-1562
Scheduled date of annual general meeting of shareholders: March 27, 2026
Scheduled date to commence dividend payments: March 13, 2026
Scheduled date to file annual securities report: March 26, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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	%
December 31, 2025	37,084	76.7	6,028	54.9	5,123	45.6	3,464	54.8
December 31, 2024	20,981	45.0	3,892	43.2	3,519	47.8	2,238	47.6

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥3,479 million [55.5%]
For the fiscal year ended December 31, 2024: ¥2,238 million [47.6%]

	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	%	%	%
December 31, 2025	496.56	495.46	23.5	8.6	16.3
December 31, 2024	345.96	345.42	23.2	8.3	18.5

Note: On August 1, 2025, the Company conducted a share split at a ratio of 2 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, net income per share is calculated.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	66,877	17,439	26.1	2,259.25
December 31, 2024	52,186	12,101	23.2	1,742.92

Reference: Equity
As of December 31, 2025: ¥17,433 million
As of December 31, 2024: ¥12,100 million

Note: On August 1, 2025, the Company conducted a share split at a ratio of 2 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, net assets per share are calculated.

(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
December 31, 2025	(4,318)	(1,706)	9,637	7,855
December 31, 2024	(14,347)	(1,596)	17,085	4,243

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 December 31, 2024	-	-	-	115.00	115.00	399	17.8	4.1
Fiscal year ended December 31, 2025	-	-	-	78.00	78.00	601	17.4	4.1
Fiscal year ending December 31, 2026 (Forecast)				94.00	94.00		17.3	

Note: The Company has conducted a stock split with an effective date of August 1, 2025 at the ratio of two shares to one share of common stock. The year-end dividend per share for the fiscal year ending December 31, 2024 is the actual amount before the stock split.

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 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
Fiscal year ending December 31, 2026	55,400	49.4	7,600	26.1	6,670	30.2	4,200	21.2	544.28

Note: Since the Company manages its performance on an annual basis, the consolidated earnings forecast for the second quarter (cumulative) is omitted.
For details, please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 3 of the attached materials.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (ACS Holdings Co., Ltd., Thanks Okinawa Co., Ltd.)

(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: Yes
  (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 December 31, 2025	7,716,600 shares
As of December 31, 2024	6,942,800 shares

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

As of December 31, 2025	- shares
As of December 31, 2024	- shares

  (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	6,977,076 shares
Fiscal year ended December 31, 2024	6,469,172 shares

Note: The Company has conducted a stock split with an effective date of August 1, 2025 at the ratio of two shares to one share of common stock. Assuming that the stock split occurred at the beginning of the previous fiscal year, the number of shares outstanding (common shares) is calculated.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	21,799	7.1	3,821	2.1	4,738	38.3	3,079	40.4
December 31, 2024	20,346	48.2	3,743	67.7	3,426	74.3	2,194	80.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	441.40	440.43
December 31, 2024	339.18	338.66

Note: On August 1, 2025, the Company conducted a share split at a ratio of 2 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, net income per share is calculated.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	62,662	16,748	26.7	2,169.67
December 31, 2024	42,894	11,810	27.5	1,701.00

Reference: Equity
As of December 31, 2025: ¥16,721 million
As of December 31, 2024: ¥11,809 million

Note: On August 1, 2025, the Company conducted a share split at a ratio of 2 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, net assets per share are calculated.

2. Non-consolidated earnings forecast for the fiscal year ending December 31, 2026 (January 1, 2026 ~ December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2026	51,100	134.4	6,060	27.9	3,820	24.1	495.04

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

* Explanation regarding the appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

The forward-looking statements contained in this document, including earnings forecasts, are based on information available to the Company as of the date of this announcement and certain assumptions deemed reasonable by the Company; it does not constitute a commitment by the Company to achieve such results. Actual results may differ significantly due to numerous factors.

(How to Access the Financial Results Briefing)

The Company plans to hold a briefing for analysts on Friday, February 13, 2026. A video recording of this briefing is scheduled to be posted on the Company's website promptly after the event.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Current Fiscal Year

During the current consolidated fiscal year (January 1, 2025 – December 31, 2025), the Japanese economy showed signs of a moderate recovery, driven by improvements in the employment and income environment and a recovery in inbound demand. However, the outlook remains uncertain due to persistent inflation, potential shifts in U.S. policy, and the Bank of Japan's interest rate hike trends.

In the real estate industry, to which our Group belongs, while there are concerns regarding rising construction costs due to soaring prices of construction materials and rising interest rates resulting from changes in the Bank of Japan's monetary policy, investment demand for domestic real estate from both domestic and overseas investors is expected to remain robust, supported by rising rents—particularly for residential properties—the weak yen, and a relatively low interest rate environment compared to Europe and the United States.

Under these circumstances, our Group has focused on developing residential properties, where demand remains strong. During the current fiscal year, we invested 45,759 million yen in real estate for sale, including properties sold during the period.

As a result, the Group's operating results for the current fiscal year were as follows: net sales of 37,084 million yen (up 76.7% year-on-year), operating income of 6,028 million yen (up 54.9% year-on-year),ordinary income of 5,123 million yen (up 45.6% year-on-year), and net income attributable to owners of the parent of 3,464 million yen (up 54.8% year-on-year). All of these figures exceeded the levels disclosed in the "Notice Regarding Revision of Earnings and Dividend Forecasts" released on November 27, 2025.

Please note that since our Group operates in a single segment—real estate development—segment-by-segment information has been omitted.

(2) Overview of Financial Position for the Current Fiscal Year

(Assets)

Total current assets at the end of the current consolidated fiscal year increased by 12,913 million yen compared to the end of the previous consolidated fiscal year, reaching 53,678 million yen. This was primarily due to increases of 3,599 million yen in cash and deposits and 14,612 million yen in real estate for sale in progress, as well as a decrease of 5,085 million yen in real estate for sale. Total fixed assets increased by 1,776 million yen compared to the end of the previous fiscal year, reaching 13,198 million yen. This was primarily due to increases of 380 million yen in buildings and structures and 1,357 million yen in land, as well as a decrease of 383 million yen in construction in progress.

As a result, total assets increased by 14,690 million yen compared to the end of the previous consolidated fiscal year, reaching 66,877 million yen.

(Liabilities)

Total current liabilities at the end of the current fiscal year increased by 13,184 million yen compared to the end of the previous fiscal year, reaching 22,302 million yen. This was primarily due to increases of 7,672 million yen in short-term borrowings and 5,356 million yen in long-term borrowings due within one year. Total non-current liabilities decreased by 3,832 million yen compared to the end of the previous fiscal year, totaling 27,135 million yen. This was primarily due to a decrease of 4,058 million yen in long-term borrowings.

As a result, total liabilities increased by 9,351 million yen compared to the end of the previous fiscal year, reaching 49,437 million yen.

(Net Assets)

Total net assets at the end of the current fiscal year increased by 5,338 million yen compared to the end of the previous fiscal year, reaching 17,439 million yen. This was due to an increase of 1,124 million yen in capital stock and 1,127 million yen in capital surplus resulting from a third-party allotment of new shares, as well as an increase of 3,065 million yen in retained earnings resulting from the recognition of net income attributable to owners of the parent.

As a result, the equity ratio stood at 26.1% (23.2% at the end of the previous fiscal year).

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the current fiscal year increased by 3,612 million yen compared to the end of the previous fiscal year, reaching 7,855 million yen.

The status of cash flows and the factors affecting them for the current fiscal year are as follows.

(Cash Flows from Operating Activities)

Net cash used in operating activities amounted to 4,318 million yen. This was primarily due to net income before income taxes of 5,288 million yen, a decrease of 5,738 million yen in real estate for sale resulting from real estate acquisitions and project completions, an increase of 13,955 million yen in real estate for sale in progress, and income tax payments of 949 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities was 1,706 million yen. This was primarily due to expenditures of 1,447 million yen for the acquisition of tangible fixed assets resulting from the purchase of rental properties, in accordance with the management policy of maintaining a certain degree of revenue stability.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was 9,637 million yen. This was primarily due to proceeds of 2,237 million yen from the issuance of shares in connection with a third-party allotment of new shares, proceeds of 26,503 million yen from long-term borrowings for real estate acquisitions and construction costs for properties under development, expenditures of 26,392 million yen for the repayment of long-term borrowings in connection with the sale of real estate , and a net decrease of 7,503 million yen in short-term borrowings.

(4) Future Outlook

For the fiscal year ending December 2026, domestic consumption is expected to remain robust due to an increase in foreign tourists visiting Japan and improvements in the employment environment and income levels. On the other hand, factors such as the weak yen and rising prices are expected to continue to have an impact, and the outlook is expected to remain uncertain.

In the real estate industry, to which our Group belongs, while we are seeing the effects of soaring construction material prices and rising interest rates, we believe that demand for domestic real estate will remain stable due to the accompanying rise in rents. In this business environment, our Group will continue to focus on developing residences that incorporate services tailored to local characteristics to enhance quality of life, renovating existing buildings to add new services, promoting hotel development in anticipation of growing inbound demand, and pursuing business diversification and expansion through M&A.

Regarding the consolidated earnings forecast for the next fiscal year (ending December 2026), we project net sales of 55,400 million yen (up 49.4% year-on-year), operating income of 7,600 million yen (up 26.1% year-on-year),ordinary income of 6,670 million yen (up 30.2% year-on-year), and net income attributable to owners of the parent of 4,200 million yen (up 21.2% year-on-year). As a disclaimer, the above earnings forecast is based on information available as of the date of this announcement, and actual results may differ from the forecast figures due to various factors in the future.

2. Basic Approach to the Selection of Accounting Standards

To ensure comparability with other domestic companies in the same industry, the Group applies Japanese accounting standards.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	4,293	7,892
Accounts receivable - trade	53	107
Real estate for sale	16,083	10,998
Real estate for sale in process	19,280	33,892
Advance payments to suppliers	545	666
Other	508	121
Allowance for doubtful accounts	(0)	(0)
Total current assets	40,764	53,678
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,529	3,910
Land	6,240	7,597
Construction in progress	488	105
Other, net	75	69
Total property, plant and equipment	10,334	11,682
Intangible assets	213	169
Investments and other assets		
Investment securities	7	133
Other	866	1,213
Total investments and other assets	874	1,346
Total non-current assets	11,422	13,198
Total assets	52,186	66,877

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	524	338
Short-term borrowings	2,255	9,928
Current portion of long-term borrowings	4,862	10,218
Current portion of bonds payable	8	64
Income taxes payable	1,043	959
Provision for bonuses	24	44
Other	398	748
Total current liabilities	9,117	22,302
Non-current liabilities		
Bonds payable	8	136
Long-term borrowings	30,515	26,456
Provision for retirement benefits for directors (and other officers)	-	76
Other	443	466
Total non-current liabilities	30,967	27,135
Total liabilities	40,085	49,437
Net assets		
Shareholders' equity		
Share capital	1,576	2,700
Capital surplus	1,478	2,606
Retained earnings	9,045	12,110
Total shareholders' equity	12,100	17,418
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	15
Total accumulated other comprehensive income	-	15
Share acquisition rights	0	6
Total net assets	12,101	17,439
Total liabilities and net assets	52,186	66,877

(2) Consolidated statement of income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	20,981	37,084
Cost of sales	15,308	28,428
Gross profit	5,673	8,656
Selling, general and administrative expenses	1,780	2,627
Operating profit	3,892	6,028
Non-operating income		
Interest and dividend income	0	9
Surrender value of insurance policies	34	1
Expropriation compensation	15	-
Subsidy income	2	-
Electricity sale income	2	4
Income from silent partnership investment	113	5
Other	3	11
Total non-operating income	171	32
Non-operating expenses		
Interest expenses	396	716
Loan related expenses	108	200
Other	40	19
Total non-operating expenses	545	937
Ordinary profit	3,519	5,123
Extraordinary income		
Gain on sale of non-current assets	7	105
Gain on sale of investment securities	1	-
Gain on bargain purchase	-	59
Total extraordinary income	8	164
Extraordinary losses		
Loss on valuation of investment securities	9	-
Total extraordinary losses	9	-
Profit before income taxes	3,518	5,288
Income taxes - current	1,336	1,899
Income taxes - deferred	(56)	(75)
Total income taxes	1,280	1,823
Profit	2,238	3,464
Profit attributable to owners of parent	2,238	3,464

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	2,238	3,464
Other comprehensive income		
Valuation difference on available-for-sale securities	-	15
Total other comprehensive income	-	15
Comprehensive income	2,238	3,479
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,238	3,479
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities		
Balance at beginning of period	100	5	7,034	7,140	-	-	7,140
Changes during period							
Issuance of new shares	1,473	1,473		2,946			2,946
Issuance of share acquisition rights						0	0
Issuance of new shares - exercise of share acquisition rights	3			3			3
Dividends of surplus			(227)	(227)			(227)
Profit attributable to owners of parent			2,238	2,238			2,238
Net changes in items other than shareholders' equity						0	0
Total changes during period	1,476	1,473	2,010	4,960	-	0	4,960
Balance at end of period	1,576	1,478	9,045	12,100	-	0	12,101

Consolidated statement of changes in equity

Fiscal year ended December 31, 2025

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities		
Balance at beginning of period	1,576	1,478	9,045	12,100	-	0	12,101
Changes during period							
Issuance of new shares	1,124	1,124		2,248			2,248
Issuance of share acquisition rights						2	2
Issuance of new shares - exercise of share acquisition rights		3		3		(0)	3
Dividends of surplus			(399)	(399)			(399)
Profit attributable to owners of parent			3,464	3,464			3,464
Net changes in items other than shareholders' equity					15	3	18
Total changes during period	1,124	1,127	3,065	5,317	15	5	5,338
Balance at end of period	2,700	2,606	12,110	17,418	15	6	17,439

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,518	5,288
Loss (gain) on sale of non-current assets	(7)	(105)
Gain on bargain purchase	-	(59)
Depreciation	320	387
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	10	15
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	76
Interest and dividend income	(0)	(9)
Subsidy income	(2)	-
Electricity sale income	(2)	(1)
Surrender value	(34)	(1)
Compensation for expropriation	(15)	-
Interest expenses	396	716
Loss (gain) on sale of investment securities	(1)	-
Loss (gain) on valuation of investment securities	9	-
Decrease (increase) in trade receivables	(13)	(54)
Decrease (increase) in real estate for sale	(14,478)	5,738
Decrease (increase) in real estate for sale in process	(3,084)	(13,955)
Decrease (increase) in Operating investments in capital	470	-
Increase (decrease) in trade payables	352	(185)
Decrease (increase) in advance payments to suppliers	(331)	(62)
Other, net	59	(449)
Subtotal	(12,832)	(2,661)
Subsidies received	2	-
Proceeds from Electricity sale income	2	1
Interest and dividends received	0	9
Interest paid	(381)	(719)
Income taxes refund (paid)	(1,188)	(949)
Proceeds from surrender value	34	1
Proceeds from compensation for expropriation	15	-
Net cash provided by (used in) operating activities	(14,347)	(4,318)

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from investing activities		
Payments into time deposits	(11)	(9)
Proceeds from withdrawal of time deposits	17	22
Proceeds from sale of investment securities	4	-
Purchase of property, plant and equipment	(1,571)	(1,447)
Proceeds from sale of property, plant and equipment	20	276
Purchase of intangible assets	(128)	-
Payments for investments in capital	-	(170)
Proceeds from divestments	64	1
Payments of leasehold and guarantee deposits	(224)	(7)
Proceeds from refund of leasehold and guarantee deposits	221	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(361)
Other, net	12	(12)
Net cash provided by (used in) investing activities	(1,596)	(1,706)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(995)	7,503
Proceeds from long-term borrowings	31,394	26,503
Repayments of long-term borrowings	(15,988)	(26,392)
Proceeds from issuance of shares	2,929	2,237
Proceeds from issuance of bonds	-	200
Redemption of bonds	(26)	(16)
Dividends paid	(227)	(399)
Proceeds from issuance of share acquisition rights	0	2
Net cash provided by (used in) financing activities	17,085	9,637
Net increase (decrease) in cash and cash equivalents	1,141	3,612
Cash and cash equivalents at beginning of period	3,101	4,243
Cash and cash equivalents at end of period	4,243	7,855

(5) Notes to the Consolidated Financial Statements

(Note on the Going Concern Assumption)

Not applicable.

(Changes in the Scope of Consolidation or Changes in the Scope of Equity Method Application)

(Significant Changes in the Scope of Consolidation)

Although this does not constitute a change in a specific subsidiary, effective from the current fiscal year, ACS Holdings Co., Ltd. (hereinafter "ACS") has been included in the scope of consolidation following the acquisition of all its shares. Furthermore, ACS is a holding company that wholly owns Thanks Okinawa Co., Ltd. (hereinafter "Thanks Okinawa"), and because of making ACS a subsidiary, Thanks Okinawa has been included in the scope of consolidation. For details, please refer to "Notes (Business Combinations, etc.)."

(Note on Changes in Accounting Policies)

(Application of Accounting Standards for Corporate Income Tax, Resident Tax, and Business Tax, etc.)

The "Accounting Standard for Income Taxes, Resident Taxes, and Business Taxes" (Corporate Accounting Standard No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") and related standards have been applied from the beginning of the current consolidated fiscal year. Regarding the amendment concerning the classification of income taxes (taxation of other comprehensive income), we have followed the transitional treatment specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment specified in the proviso to Paragraph 65-2(2) of the "Guidance on the Application of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022).Note that this change in accounting policy has no impact on the consolidated financial statements.

(Notes on Segment Information, etc.)

[Segment Information]

As the Group operates in a single segment—the real estate development business—this disclosure has been omitted.

(Business Combinations, etc.)

At a Board of Directors meeting held on January 21, 2025, the Company resolved to acquire shares in ACS Holdings Co., Ltd. (hereinafter "ACS") as a subsidiary, as described below. A share transfer agreement was executed on January 23, 2025, and acquired the shares on February 28, 2025. Furthermore, ACS is a holding company that wholly owns Thanks Okinawa Co., Ltd. (hereinafter "Thanks Okinawa") as a wholly-owned subsidiary. Consequently, with the acquisition of ACS, we have also made Thanks Okinawa a subsidiary(sub-subsidiary).

1. Overview of the Business Combination

(1) Name of the Acquired Company and Its Business Activities

(Subsidiary)

Name of the Acquired Company: ACS Holdings Co., Ltd.

Business Activities: Planning and sales agency for new condominiums and single-family homes; brokerage of land, buildings, new and used properties, investment properties, military land, and real estate in general

(Sub-subsidiary)

Name of the Acquired Company: Thanks Okinawa Co., Ltd.

Business Description: Planning and sales agency for new condominiums and new single-family homes; brokerage of land, buildings, new and used properties, investment properties, military land, and general real estate

(2) Main Reasons for the Business Combination

Our Group's primary business is real estate development services, and we develop residential properties (rental condominiums) under the brand names "Blancé" and "LUMIEC," and office properties under the brand name "BIASTA."

At our company, project managers oversee every stage of a project—from acquisition to development and sales—enabling swift decision-making and agile, rapid execution. Furthermore, because we possess expertise in both real estate development services and post-development operations, we are able to provide end-to-end real estate development services, from planning through to operation.

Furthermore, by offering property leasing management and hotel operations services within our group, we are able to promptly identify market needs and provide new services that other companies rarely offer. This structure allows us to leverage these insights into our real estate development services, and we have a proven track record of distinctive project development, such as planning value-added services tailored to specific sites.

ACS is a holding company that wholly owns Thanks Okinawa, a real estate developer headquartered in Naha City, Okinawa Prefecture. Thanks Okinawa conducts a wide range of business activities, centered on the development and sale of its own condominium brand, "Airel," and its new-construction single-family home brand, the "Orihana Series," as well as the development and operation of rental apartments for foreign residents and real estate brokerage.

Furthermore, Thanks Okinawa has a 15-year history since its founding in 2009. We determined that the company's long-cultivated expertise in procurement, planning, and sales, combined with its strong relationships with local design firms, construction companies, and various partner firms, would contribute to the expansion of our business scale in Okinawa Prefecture; therefore, we decided to make both ACS and Thanks Okinawa wholly-owned subsidiaries.

(3) Date of Business Combination

February 28, 2025 (Date of Share Acquisition)

March 31, 2025 (Deemed Acquisition Date)

(4) Legal Form of the Business Combination

Share acquisition in exchange for cash.

(5) Name of the Post-Combined Entity

No change.

(6) Percentage of Voting Rights Acquired

100%

(7) Main Basis for Selecting the Acquired Company

This is because the Company acquired 100% of the voting rights in ACS through the acquisition of shares.

2. Period of the acquired company's results included in the consolidated statement of income

From April 1, 2025, to December 31, 2025

3. Breakdown of the acquisition cost of the acquired company by type of consideration

Consideration for the Acquisition: Cash and Deposits 1,600 million yen

4. Breakdown and amounts of major acquisition-related expenses

Fees and commissions paid to advisors: 56 million yen.

5. Amount and cause of bargain purchase

(1) Amount of gain on bargain purchase

59 million yen

Note: Provisional accounting treatment was applied from the first quarter to the second quarter of the consolidated fiscal year, but the figures were finalized at the end of the third quarter.

(2) Cause

Since the net amount of assets acquired and liabilities assumed exceeded the acquisition cost, the difference was recognized as a gain on bargain purchase.

6. Amount of assets acquired and liabilities assumed on the business combination date, and their main breakdown

Current assets: 2,772 million yen
Fixed assets: 394 million yen
Total assets: 3,167 million yen
Current liabilities: 509 million yen
Non-current liabilities: 998 million yen
Total Liabilities: 1,507 million yen

7. Estimated impact on the consolidated income statement for the fiscal year if the business combination had been completed at the beginning of the fiscal year, and the method of calculation

Revenue: 96 million yen
Operating loss: (33) million yen
Ordinary loss: (45) million yen
Net loss before income taxes and other adjustments: (59) million yen

Method of Calculating the Estimated Amount

The estimated impact is calculated as the difference between the revenue and profit/loss information calculated on the assumption that the business combination was completed on the first day of the consolidated fiscal year and the revenue and profit/loss information in the consolidated income statement of the acquired company.

Please note that this note has not been audited. Furthermore, this information does not necessarily imply future events, nor does it represent the Group’s operating results if the investment had been made at the beginning of the fiscal year.

(Per Share Information)

	Previously Consolidated Fiscal Year (From January 1, 2024 to December 31, 2024)	Current Fiscal Year (From January 1, 2025 (As of December 31, 2025)
Net Assets per Share	1,742.92 yen	2,259.25 yen
Net Income Per Share	345.96 yen	496.56 yen
Diluted earnings per share	345.42 yen	495.46 yen

(Note) 1. As the Company's shares were listed on the Tokyo Stock Exchange Standard Market as of March 27, 2024, diluted earnings per share for the previous consolidated fiscal year were calculated using the average share price from the date of the new listing to the end of the current consolidated fiscal year as the average share price for the period.

2. The Company conducted a 2-for-1 stock split of its common stock effective August 1, 2025. Net assets per share, net income per share, and diluted net income per share have been calculated assuming that the stock split had been conducted at the beginning of the prior consolidated fiscal year.

3. The basis for calculating net income per share and diluted net income per share is as follows

	Previously consolidated fiscal year (From January 1, 2024 to December 31, 2024)	Current fiscal year (From January 1, 2025 to December 31, 2025)
Net income per share		
(Basis of Calculation)		
Net income attributable to owners of the parent (Millions of yen)	2,238	3,464
Amount not attributable to common shareholders (million yen)	–	–
Net income attributable to owners of the parent for common stock (million yen)	2,238	3,464
Average number of common shares outstanding during the period (shares)	6,469,172	6,977,076
Diluted earnings per share		
(Basis of calculation)		
Adjustment to net income attributable to owners of the parent (million yen)	–	–
Increase in common shares (shares)	9,994	15,480
(of which stock options (shares))	(9,994)	(15,480)
Summary of potential shares not included in the calculation of diluted earnings per share due to their lack of dilutive effect	One class of stock acquisition rights Number of stock acquisition rights: 116 lot (11,600 shares of common stock)	Two types of stock acquisition rights Number of stock acquisition rights: 335 lot (33,500 shares of common stock)

4. The basis for calculating net assets per share is as follows.

	Previously Consolidated Fiscal Year (December 31, 2024)	Current fiscal year (December 31, 2025)
Total Net Assets (in millions of yen)	12,101	17,439
Amount deducted from total net assets (million yen)	0	6
Net assets attributable to common stock at the end of the period (million yen)	12,100	17,433
Number of common shares at the end of the period used to calculate net assets per share (shares)	6,942,800	7,716,600

(Notes on Significant Subsequent Events)

There are no relevant items.