Consolidated Financial Results

for the Six Months Ended June 30, 2026
(January 1, 2026 – June 30, 2026)

**This document is an English translation of a statement written initially in Japanese.*
The original Japanese should be considered the primary version.

Disclaimer Regarding Forward-Looking Statements

The forward-looking statements, including forecasts of performance of Hulic and its Group companies, contained in these materials are based on information currently available to the Hulic management and on certain assumptions deemed to be reasonable. Actual business and other results may vary substantially due to various factors.

HULIC CO., LTD.

(TSE Code: 3003)

Consolidated Financial Results
for the Six Months Ended June 30, 2026 <under Japanese GAAP>

July 28, 2026

Name of company listed: Hulic Co., Ltd. Stock exchange listing: Tokyo (Prime Market)
Code number: 3003 URL: https://www.hulic.co.jp/en/
Representative: Takaya Maeda, President, Representative Director
Contact: Mayumi Naruse, Managing Officer, General Manager of the Corporate Communications & Investor Relations Department and the Corporate Sustainability Department
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Semi-Annual Securities Report to be filed on: August 4, 2026
Planned dividends payment date: September 3, 2026
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (For institutional investors and analysts)

1. Consolidated Financial Results for the Six Months Ended June 30, 2026 (January 1, 2026 to June 30, 2026)

(1) Consolidated Financial Results (cumulative)

(Amounts indicated are displayed with amounts less than one million yen rounded off.)
(Percentages indicate the YoY increase / decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	416,596	38.8	80,313	7.0	70,861	6.4	49,978	11.3
June 30, 2025	300,081	46.4	75,055	8.8	66,547	2.6	44,893	1.7

Note: Comprehensive income: Six months ended June 30, 2026: ¥60,659 million [27.5%]
Six months ended June 30, 2025: ¥47,561 million [(9.0)%]

	EPS (Net income per share)	Diluted EPS
Six months ended	Yen	Yen
June 30, 2026	65.82	65.82
June 30, 2025	59.06	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	BPS (Net assets per share)
As of	Million yen	Million yen	%	Yen
June 30, 2026	3,592,508	980,346	26.3	1,247.52
December 31, 2025	3,506,068	939,180	26.0	1,202.76

Reference: Equity: June 30, 2026: ¥947,431 million, December 31, 2025: ¥913,279 million

2. Dividends

	Annual dividends				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	28.50	–	33.50	62.00
Fiscal year ending December 31, 2026	–	33.50			
Fiscal year ending December 31, 2026 (Planned)			–	33.50	67.00

Note: Revision to the planned dividends announced recently: N/A

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026

(January 1, 2026 to December 31, 2026)

(Percentages indicate the YoY increase / decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS (Net income per share)
Fiscal year ending December 31, 2026	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	–	–	210,000	12.4	185,000	6.9	121,000	5.8	159.34

Note: Revision to the forecasts of financial results announced recently: N/A
The Company has a stable business structure centered on leasing operations, however, operating revenue (net sales) fluctuates substantially due to trends in the buying and selling of real estate for sale. Success or failure in this buying and selling of properties is affected significantly by economic conditions and the real estate market. The Company has not provided a forecast of its operating revenue due to limited visibility at this stage. The Company will disclose this information promptly once a reasonable estimate can be made.

*** Notes**

(1) Significant Changes in the Scope of Consolidation during this Period: Yes

Newly included: Three: (company name) Hamakaze Property Godo Kaisha, HistoRy Godo Kaisha, SALOWIN Co., Ltd.

Excluded: Two: (company name) Shoubu Property Godo Kaisha, HULIC Biz Frontier Co., Ltd.

(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements: N/A

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements

1. Changes in accounting policies due to revisions of accounting standards, etc.: N/A
2. Changes in accounting policies due to other reasons: N/A
3. Changes in accounting estimates: N/A
4. Restatement of prior period financial statements: N/A

(4) Number of Issued Shares (common shares)

1) Number of issued shares as of the end of each period (including treasury shares)	767,907,735 (as of June 30, 2026)	767,907,735 (as of December 31, 2025)
2) Number of treasury shares as of the end of each period	8,458,250 (as of June 30, 2026)	8,588,006 (as of December 31, 2025)
3) Average number of outstanding shares for each period (consolidated cumulative period)	759,293,840 (six months ended June 30, 2026)	760,007,814 (six months ended June 30, 2025)

* Reviews of the Japanese-language originals of the attached Quarterly Consolidated Financial Statements by certified accountants or auditors: N/A

* Disclaimer regarding forward-looking statements
This document contains forward-looking statements about the performance of Hulic and its Group companies, based on management’s assumptions in light of current available information. In no way do these statements provide any assurance by Hulic of achieving such results. Actual results may differ substantially from these statements due to various factors.

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1. Consolidated Business Results and Financial Position

(1) Overview of the Quarterly Consolidated Business Results

During six months ended June 30, 2026, leasing income from real estate was stable due to completion and acquisition of properties in the previous fiscal year and in the current fiscal year. In addition, sales of real estate for sale steadily progressed during six months ended June 30, 2026. As a result, operating revenue was ¥416,596 million (increased ¥116,515 million or 38.8% compared with the same period of the previous fiscal year, hereinafter “YoY”), operating profit was ¥80,313 million (increased ¥5,258 million or 7.0% YoY), ordinary profit was ¥70,861 million (increased ¥4,314 million or 6.4% YoY) and profit attributable to owners of parent was ¥49,978 million (increased ¥5,085 million or 11.3% YoY).

The business results for each segment were as follows.

(Operating revenue for each segment includes inter-segment operating revenue and the balance of book-entry transfers.)

<Real Estate>

The Group acquires well-located properties with the aim of building a competitive leasing portfolio in response to diverse needs in the real estate market.

As of June 30, 2026, the Group owns and manages approximately 250 buildings and properties (excluding real estate for sale), amounting to approximately 1,260,000 square meters of floor space, located mainly near train stations in Tokyo’s 23 wards and conducts its real estate leasing business using this leasing portfolio.

In addition, in order to further enhance earnings capacity, the Group achieves higher leasing income through development and redevelopment projects and generates stable leasing income, while also engaging in real estate acquisition and sales, including real estate value-added businesses.

New acquisitions (non-current assets) during six months ended June 30, 2026 included Hulic Kamiyacho Building (partial) (Minato-ku, Tokyo), Hulic Kudan Building (land) (Chiyoda-ku, Tokyo), Sapporo network center (Kita-ku, Sapporo-shi), and others.

In development and reconstruction business (non-current assets), QUARTZ SHINSAIBASHI (Chuo-ku, Osaka-shi) was completed in March 2026.

In addition, Jiyugaoka 1-29 Redevelopment Project (Meguro-ku, Tokyo), (tentative name) Ginza 8-chome 9-11, 12 Development Project (Chuo-ku, Tokyo), (tentative name) Shiohama 2-chome Development Project Phase I (Koto-ku, Tokyo), (tentative name) Aoyama Building Reconstruction Project (Minato-ku, Tokyo), (tentative name) G8 Development Project (Chuo-ku, Tokyo) , (tentative name) Ginza 5-chome Development Project (Chuo-ku, Tokyo), (tentative name) Ginza 6-chome Miyuki St. Development Project (Chuo-ku, Tokyo), Ginza 7-chome Showa St. Development Project (Chuo-ku, Tokyo) and (tentative name) Shinjuku 318 Development Project (Shinjuku-ku, Tokyo), etc. were proceeded as planned.

In PPP (Public Private Partnership) business, projects including “Urban Renewal Step-Up Project (Shibuya Area) Shibuya 1-chome Area Joint Development Project” conducted by the Tokyo Metropolitan Government and the Shibuya City Government, etc. were proceeded as planned.

As for real estate for sale, new acquisitions including East Net Building (Koto-ku, Tokyo), and the Square Hotel GINZA (Chuo-ku, Tokyo), etc. were made, and properties including Hulic Minatomirai (Naka-ku, Yokohama-shi), and Hulic Fuchu Tower (Fuchu-shi, Tokyo), etc. were sold.

As described above, the segment operations progressed as planned because leasing income from real estate was stable due to completion and acquisition of properties in the previous fiscal year and in the current fiscal year. In addition, sales of real estate for sale steadily progressed during six months ended June 30, 2026. As a result, operating revenue in this business segment totaled ¥349,630 million (increased ¥92,295 million or 35.8% YoY) and operating profit was ¥87,253 million (increased ¥7,540 million or 9.4% YoY).

<Insurance Agency>

Hulic Insurance Service Co., Ltd., one of the Company’s consolidated subsidiaries, serves as an insurance agency for both Japanese and foreign insurance companies operating in Japan and sells various insurance products to both corporate and individual customers. Although a difficult business environment continues to surround the insurance business industry, Hulic Insurance Service Co., Ltd. is pursuing expansion of this business, concentrating on corporate transactions, with a strategy of acquiring the business rights of existing non-life insurance agents.

As a result, operating revenue in this business segment was ¥2,058 million (increased ¥92 million or 4.6% YoY) and operating profit was ¥662 million (increased ¥105 million or 18.8% YoY).

<Hotels / Ryokans>

In Hotels / Ryokans business, as the Company’s consolidated subsidiaries, Hulic Hotel Management Co., Ltd. manages “THE GATE HOTEL” brand hotel series and “View Hotel” brand hotel series, while HULIC FUFU Co., Ltd. manages “FUFU” ryokan series.

During six months ended June 30, 2026, ADR (Average Daily Rates) increased due to robust inbound demand, and sales from newly opened facilities have been added.

As a result, operating revenue in this business segment was ¥31,579 million (increased ¥3,635 million or 13.0% YoY) and operating profit was ¥2,700 million (increased ¥47 million or 1.8% YoY).

<Others>

Hulic Build Co., Ltd., one of the Company's consolidated subsidiaries, regularly takes orders of repair constructions, constructions of refurbishment at the end of lease contracts and interior fit-outs at the beginning of lease contracts from the Company's existing properties. Also, Riso Kyoiku Group Co., Ltd., one of the Company's consolidated subsidiaries, operates and manages children education services, etc.

In addition, Hulic Energy Solution Co., Ltd., a consolidated subsidiary of the Group, conducts environmental and infrastructure-related businesses, including the development and management of renewable energy power plants and storage systems, as well as retail electricity operations.

Koken Boring Machine Co., Ltd., which became a consolidated subsidiary of the Group in 2025, is engaged in the manufacturing and sales of boring equipment and other related equipment, as well as construction services. Cook Deli, Inc., which also became a consolidated subsidiary in 2025, is engaged in the planning, manufacturing, and sales of ready-to-eat meals for senior living.

As a result, operating revenue was ¥39,389 million (increased ¥20,370 million or 107.1% YoY) and operating loss was ¥2,459 million (operating loss for the same period of the previous fiscal year was ¥52 million).

As a special item for the six months ended June 30, 2026, additional goodwill amortization of ¥5,129 million triggered by share price fluctuations of Riso Kyoiku Group Co., Ltd. was recorded. Excluding this special item, operating profit amounted to ¥2,669 million (operating loss for the same period of the previous fiscal year was ¥52 million).

(2) Overview of the Quarterly Consolidated Financial Position

1) Changes in Consolidated Financial Position

<Assets>

Total assets as of June 30, 2026 was 3,592,508 million, increased by ¥86,440 million from December 31, 2025. Against the backdrop of sustained inflation and rising rents, further activation of the real estate transaction market, and increasing construction costs, the Group aims to maximize leasing profits, gains on property sales, and consolidated profits through further sophistication and efficiency improvements in its real estate business.

As for real estate investment business, the Group invests in highly liquid assets and inflation-resilient assets with expected rental growth. In addition, as for real estate development business, the Group is engaged in building a high-quality portfolio of fixed assets, promoting the growth of the Group's REITs and funds (through increases in AUM), and developing assets for new businesses.

Changes in amount of major items are as follows.

- Cash and deposits: Increased ¥25,113 million
- Operational investment securities: Increased ¥31,275 million (Acquisition of operational investment securities, redemption proceeds of investment, etc.)
- Land: Decreased ¥15,878 million (Acquisition of properties, transfer to real estate for sale, etc.)
- Construction in progress: Decreased ¥25,250 million (Progress of redevelopment and development projects, completion of properties)

<Liabilities>

Total liabilities as of June 30, 2026 was ¥2,612,162 million, increased ¥45,274 million from December 31, 2025. This was mainly attributable to financing carried out for capital investment and the like.

The balance of borrowings was ¥1,665,236 million, which included ¥50,060 million non-recourse borrowings owed by consolidated SPCs. Financing from financial institutions was operated stably at low cost thanks to the credit strength on the back of the Group's high earnings level.

<Net Assets>

Total net assets as of June 30, 2026 was ¥980,346 million, increased ¥41,166 million from December 31, 2025. Total shareholders' equity was ¥853,561 million, increased ¥24,196 million from December 31, 2025, due mainly to an increase of retained earnings in profit attributable to owners of parent and a decrease of retained earnings in the cash dividend payment.

Total accumulated other comprehensive income was ¥93,870 million, increased ¥9,955 million from December 31, 2025, due mainly to an increase in foreign currency translation adjustments attributable to the weakening of the yen and an increase of valuation difference on available-for-sale securities due to an increase in unrealized gains of securities.

2) Consolidated Cash Flows

During six months ended June 30, 2026, cash and cash equivalents amounted to ¥155,867 million as a result of an increase of ¥155,752 million through operating activities, a decrease of ¥200,165 million through investing activities and an increase of ¥69,509 million through financing activities.

Million yen

	Six months ended June 30,	
	2026	2025
Cash flows from operating activities	155,752	47,195
Cash flows from investing activities	(200,165)	(220,580)
Cash flows from financing activities	69,509	208,721
Cash and cash equivalents at end of period	155,867	169,585

Cash flows in each activity and the major contributing factors during six months ended June 30, 2026 were presented as follows.

<Cash flows from operating activities>

Cash flows from operating activities was ¥155,752 million (increased ¥108,556 million YoY). This was mainly attributable to ¥71,928 million in profit before income taxes with the main factors of leasing income from real estate and sales of real estate for sale, ¥56,912 million of a decrease in real estate for sale, ¥37,140 million of an decrease in operational investment securities, and ¥32,945 million of income taxes paid.

<Cash flows from investing activities>

Cash flows from investing activities was negative ¥200,165 million (decreased ¥20,414 million YoY). This was mainly attributable to portfolio reshuffling, development and reconstruction aimed at building a highly competitive leasing portfolio.

<Cash flows from financing activities>

Cash flows from financing activities was ¥69,509 million (decreased ¥139,212 million YoY). This was mainly attributable to financing for above-mentioned portfolio reshuffling, development and reconstruction projects.

(3) Notes Regarding Forward-looking Statements such as Forecasts of Consolidated Financial Results

As the Company’s business performance for the six months ended June 30, 2026, broadly proceeded according to plans, it has not made any changes to the forecasts of consolidated financial results for the fiscal year ending December 31, 2026.

2. Consolidated Financial Statements (Unaudited)

(1) Quarterly Consolidated Balance Sheets (Unaudited)

(Million yen)

Item	As of June 30, 2026	As of December 31, 2025
ASSETS		
Current assets		
Cash and deposits	156,197	131,083
Notes receivable – trade, Notes and accounts receivable, and contract assets	25,081	22,745
Operational investment securities	109,556	78,280
Merchandise and finished goods	3,295	3,489
Work in process	409	453
Real estate for sale	382,954	374,322
Real estate for sale in process	45,951	46,683
Costs on construction contracts in progress	0	47
Raw materials and supplies	1,008	956
Other	18,749	28,515
Allowance for doubtful accounts	(65)	(50)
Total current assets	743,139	686,528
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	281,737	277,319
Machinery, equipment and vehicles, net	25,433	20,931
Land	1,530,261	1,546,139
Construction in progress	96,744	71,494
Other, net	12,251	11,489
Total property, plant and equipment	1,946,428	1,927,374
Intangible assets		
Goodwill	131,060	126,209
Leasehold interests in land	91,676	91,250
Other	44,308	41,362
Total intangible assets	267,045	258,822
Investments and other assets		
Investment securities	495,637	499,499
Guarantee deposits	51,224	56,411
Deferred tax assets	4,245	4,116
Net defined benefit asset	309	295
Other	82,665	71,284
Allowance for doubtful accounts	(10)	(7)
Total investments and other assets	634,071	631,600
Total non-current assets	2,847,545	2,817,797
Deferred assets		
Total deferred assets	1,824	1,741
Total assets	3,592,508	3,506,068

(Million yen)

Item	As of	
	June 30, 2026	December 31, 2025
LIABILITIES		
Current liabilities		
Short-term borrowings	179,250	209,304
Short-term bonds payable	100,817	119,726
Current portion of bonds payable	30,060	60,060
Accrued expenses	10,648	8,193
Income taxes payable	28,621	32,518
Advances received	11,514	12,509
Provision for bonuses	1,830	1,690
Provision for bonuses for directors (and other officers)	239	537
Other provisions	17	48
Other	47,475	46,122
Total current liabilities	410,475	490,711
Non-current liabilities		
Bonds payable	479,194	424,070
Long-term borrowings	1,485,986	1,398,092
Deferred tax liabilities	102,850	107,248
Provision for share awards	4,031	4,378
Net defined benefit liability	5,083	5,311
Long-term guarantee deposits	108,413	120,417
Other provisions	60	56
Other	16,067	16,602
Total non-current liabilities	2,201,686	2,076,176
Total liabilities	2,612,162	2,566,887
NET ASSETS		
Shareholders' equity		
Share capital	111,609	111,609
Capital surplus	130,033	130,033
Retained earnings	618,233	593,937
Treasury shares	(6,314)	(6,215)
Total shareholders' equity	853,561	829,364
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90,347	85,176
Deferred gains or losses on hedges	(962)	(1,000)
Foreign currency translation adjustment	4,248	(357)
Remeasurements of defined benefit plans	236	96
Total accumulated other comprehensive income	93,870	83,915
New share acquisition rights	75	75
Non-controlling interests	32,839	25,825
Total net assets	980,346	939,180
Total liabilities and net assets	3,592,508	3,506,068

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

(Million yen)

Item	Six months ended June 30, 2026	Six months ended June 30, 2025
Operating revenue	416,596	300,081
Operating costs	275,613	179,940
Operating gross profit	140,983	120,141
Selling, general and administrative expenses	60,670	45,086
Operating profit	80,313	75,055
Non-operating income		
Interest income	567	263
Dividend income	2,552	2,367
Share of profit of entities accounted for using equity method	1,079	1,082
Termination of lease contracts	2,488	171
Other	751	549
Total non-operating income	7,439	4,434
Non-operating expenses		
Interest expenses	14,249	9,451
Other	2,642	3,490
Total non-operating expenses	16,891	12,942
Ordinary profit	70,861	66,547
Extraordinary income		
Gain on sale of investment securities	4,674	3,705
Gain on investments in silent partnership, etc.	731	318
Other	142	96
Total extraordinary income	5,547	4,120
Extraordinary losses		
Loss on retirement of non-current assets	834	1,217
Loss on reconstructions of buildings	1,809	228
Impairment losses	1,798	570
Other	38	3
Total extraordinary losses	4,480	2,019
Profit before income taxes	71,928	68,648
Income taxes - current	29,120	23,672
Income taxes - deferred	(7,778)	(104)
Total income taxes	21,342	23,568
Net income before non-controlling interests	50,586	45,079
Profit attributable to non-controlling interests	608	186
Profit attributable to owners of parent	49,978	44,893

Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

(Million yen)

Item	Six months ended June 30,	
	2026	2025
Net income before non-controlling interests	50,586	45,079
Other comprehensive income		
Valuation difference on available-for-sale securities	5,131	2,861
Deferred gains or losses on hedges	38	(520)
Foreign currency translation adjustment	4,580	330
Remeasurements of defined benefit plans, net of tax	256	(45)
Share of other comprehensive income of entities accounted for using equity method	65	(142)
Total other comprehensive income	10,072	2,482
Comprehensive income	60,659	47,561
Comprehensive income attributable to		
Owners of parent	59,934	47,389
Non-controlling interests	725	172

(3) Quarterly Consolidated Statements of Cash Flows (Unaudited)

(Million yen)

Item	Six months ended June 30,	
	2026	2025
Cash flows from operating activities		
Profit before income taxes	71,928	68,648
Depreciation	11,037	9,385
Amortization of goodwill	9,116	3,518
Increase (decrease) in allowance for doubtful accounts	7	5
Increase (decrease) in provision for bonuses	139	234
Increase (decrease) in provision for bonuses for directors (and other officers)	(298)	(193)
Increase (decrease) in provision for share awards	258	691
Increase (decrease) in other provisions	(28)	—
Increase (decrease) in net defined benefit asset and liability	140	136
Interest and dividend income	(3,119)	(2,630)
Interest expenses	14,249	9,451
Share of loss (profit) of entities accounted for using equity method	(1,079)	(1,082)
Loss on retirement of non-current assets	834	1,217
Loss (gain) on sale of non-current assets	(127)	(59)
Loss (gain) on sale of investment securities	(4,673)	(3,705)
Loss (gain) on investments in silent partnership, etc.	(731)	(318)
Decrease (increase) in trade receivables	(2,934)	1,038
Decrease (increase) in real estate for sale	56,912	25,029
Decrease (increase) in operational investment securities	37,140	(21,580)
Decrease (increase) in guarantee deposits	5,825	(3,984)
Increase (decrease) in guarantee deposits received	(10,570)	9,055
Decrease (increase) in other assets	13,657	(8,377)
Increase (decrease) in other liabilities	42	(4,726)
Subtotal	197,728	81,751
Interest and dividends received	3,883	4,210
Interest paid	(12,914)	(8,766)
Income taxes refund (paid)	(32,945)	(30,000)
Cash flows from operating activities	155,752	47,195
Cash flows from investing activities		
Payments into time deposits	(210)	(12)
Proceeds from withdrawal of time deposits	310	33
Purchase of property, plant and equipment	(137,138)	(165,038)
Purchase of intangible assets	(1,055)	(10,210)
Proceeds from sale of non-current assets	234	155
Purchase of investment securities	(43,392)	(82,281)
Proceeds from sale of investment securities	5,745	4,292
Proceeds from redemption of investment securities	624	44,293
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(16,188)	(232)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,831	—
Loan advances	(4,408)	(2,580)
Proceeds from collection of loans receivable	379	2
Other, net	(6,895)	(9,003)
Cash flows from investing activities	(200,165)	(220,580)

Item	Six months ended June 30,	
	2026	2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,785)	(164,451)
Net increase (decrease) in short-term bonds payable	(19,761)	129,315
Proceeds from long-term borrowings	242,760	440,392
Repayments of long-term borrowings	(157,879)	(110,622)
Proceeds from issuance of bonds	84,678	59,521
Redemption of bonds	(60,030)	(120,000)
Purchase of treasury shares	(704)	(3,121)
Proceeds from sale of treasury shares	—	0
Dividends paid	(25,683)	(21,466)
Proceeds from share issuance to non-controlling interests	10,073	1,487
Dividends paid to non-controlling interests	(834)	(1,017)
Other, net	(325)	(1,315)
Cash flows from financing activities	69,509	208,721
Foreign currency translation difference on cash and cash equivalents	116	(76)
Net increase (decrease) in cash and cash equivalents	25,212	35,260
Cash and cash equivalents at beginning of period	130,655	134,326
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(1)
Cash and cash equivalents at end of period	155,867	169,585

(4) Footnotes on the Quarterly Consolidated Financial Statements

(Footnotes on the Assumption of Going Concern)

N/A

(Footnotes on Shareholders' Equity in Case of Significant Changes)

N/A

(Footnotes on Segment Information, etc.)

【Segment Information】

I. Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

1. Information on operating revenue, profit or loss by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Value recorded in the Quarterly Consolidated Statements of Income (Note 3)
	Real estate business	Insurance agency business (subsidiary)	Hotels / Ryokans (subsidiaries)	Sub-total				
Operating revenue								
Outside customers	346,116	2,058	31,369	379,544	37,052	416,596	—	416,596
Inter-segment	3,514	—	209	3,723	2,337	6,061	(6,061)	—
Total	349,630	2,058	31,579	383,268	39,389	422,657	(6,061)	416,596
Segment profit	87,253	662	2,700	90,616	(2,459)	88,156	(7,843)	80,313

Notes:

1. The category of "Others" included business segments that were not included in the reportable segments, such as general construction, design / construction management, child education business, boring equipment-related business and ready-to-eat meals business for senior living, etc.
2. Adjustment of segment profit of negative ¥7,843 million included elimination of intersegment transactions of ¥600 million and corporate expenses of negative ¥8,443 million which were not distributed to reportable segments. Corporate expenses were expenses mainly related to general administrative departments that did not belong to reportable segments.
3. Segment profit was adjusted with operating profit reported in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets or goodwill for each reportable segment:
   The information was omitted because it was immaterial.

II. Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

1. Information on operating revenue, profit or loss by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Value recorded in the Quarterly Consolidated Statements of Income (Note 3)
	Real estate business	Insurance agency business (subsidiary)	Hotels / Ryokans (subsidiaries)	Sub-total				
Operating revenue								
Outside customers	252,759	1,966	27,760	282,486	17,594	300,081	—	300,081
Inter-segment	4,575	—	183	4,758	1,424	6,182	(6,182)	—
Total	257,335	1,966	27,943	287,245	19,019	306,264	(6,182)	300,081
Segment profit	79,713	557	2,652	82,923	(52)	82,871	(7,816)	75,055

Notes:

1. The category of “Others” included business segments that were not included in the reportable segments, such as general construction, design / construction management, and child education business, etc.
2. Adjustment of segment profit of negative ¥7,816 million included elimination of intersegment transactions of ¥570 million and corporate expenses of negative ¥8,386 million, which were not distributed to reportable segments. Corporate expenses were expenses mainly related to general administrative departments that did not belong to reportable segments.
3. Segment profit was adjusted with operating profit reported in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets or goodwill for each reportable segment:

The information was omitted because it was immaterial.