Kyoritsu Maintenance Co., Ltd.

(Securities Code: 9616)

Summary of Consolidated Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending March 31, 2027

[JGAAP]

November 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026
(Under Japanese GAAP)

November 9, 2026

Company name	Kyoritsu Maintenance Co., Ltd.			Stock exchange listings: Tokyo Prime
Securities code	9616	URL https://www.kyoritsugroup.co.jp/		
Representative	(Title)	President	(Name) Koji Nakamura	
Inquiries	(Title)	Executive Director	(Name) Manabu Takaku	Tel +81-3-5295-7778
Semi-annual statement filing date (as planned)		November 13, 2026	Dividend payable date (as planned)	December 7, 2026

Supplemental material of results: Yes

Convening briefing of results: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	126,983	6.2	12,906	14.5	12,906	8.0	8,446	(3.8)
September 30, 2025	119,562	7.4	11,269	6.1	11,953	6.6	8,778	13.6

Note: Comprehensive income For the six months ended September 30, 2026 9,238 millions of yen (2.7%)
For the six months ended September 30, 2025 8,998 millions of yen (14.2%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	92.88	-
September 30, 2025	109.93	96.46

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	329,446	152,804	46.4	1,679.85
March 31, 2026	316,655	145,528	46.0	1,600.64

Reference: Owner's equity As of September 30, 2026 152,804 millions of yen As of March 31, 2026 145,528 millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	23.00	-	23.00	46.00
Fiscal year ending March 31, 2027	-	23.00			
Fiscal year ending March 31, 2027 (Forecast)			-	23.00	46.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecast 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
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2027	277,000	0.6	26,000	4.6	26,000	(0.8)	18,000	(3.8)	197.98

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please see "(4) Notes on Interim Consolidated Financial Statements, (Notes on special accounting procedures in the preparation of interim consolidated financial statements)" under "2. Interim Financial Statements and Major Notes" on page 12.

(3) 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

(4) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the period end (including treasury stock)	As of September 30, 2026	91,243,720 shares	As of March 31, 2026	91,243,720 shares
(ii) Number of treasury stock at the period end	As of September 30, 2026	280,476 shares	As of March 31, 2026	324,610 shares
(iii) Average number of shares (interim period)	Six months ended September 30, 2026	90,937,330 shares	Six months ended September 30, 2025	79,851,269 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Note concerning forward-looking statements)

The forward-looking statements, including earnings forecasts and other future projections contained in this document are based on information available to the Company at the time of preparation and on certain assumptions deemed reasonable by the Company. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Actual business results may differ materially from the forecasts due to various factors. Please see "(3) Explanation of Forecasts of Consolidated Results and Other Forward-Looking Information" under "1. Overview of Operating Results, etc." on page 6 for the assumptions used for the forecast of financial results and notes concerning the use of the forecast of financial results.

(How to obtain supplementary materials on financial results)

Supplementary materials on financial results are posted to TDnet on the same date and to the Company website.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results During the Period Under Review

During the current interim consolidated accounting period, despite moderate recovery in the Japanese economy spurred by improving employment and income conditions, the economic outlook remained uncertain for various reasons, including heightened market volatility attributable to international instability, the situation in the Middle East, trends in resource and energy prices, and the impact of fluctuations in financial and capital markets.

Under such conditions, despite rising costs, the Group's Dormitory Business maintained a course of stable growth as a result of optimized selling prices, while continuing to open new facilities in response to growing user demand. In the Hotel Business, occupancy and unit prices both remained high due to proactive sales activities targeting solid inbound demand and peak domestic demand during the major consecutive holiday periods in spring and autumn, along with thoroughgoing revenue management (optimization of selling prices).

As a result, in the current interim consolidated accounting period, the Group recorded net sales of 126,983 million yen (up 6.2% YoY), operating profit of 12,906 million yen (up 14.5% YoY), ordinary profit of 12,906 million yen (up 8.0% YoY), maintaining growth in both sales and profits. Net profit attributable to owners of parent stood at 8,446 million yen (down 3.8% YoY), reflecting the reversal effect following a temporary reduction in tax costs in the previous period associated with a reassessment of the recoverability of deferred tax assets.

Segment business performance is reviewed below.

(i) Dormitory Business

In its Dormitory Business, the Company in April opened a total of 13 new facilities nationwide, adding 2,401 rooms. The occupancy rate at the start of the fiscal year was 98.5%, up 1.1 points YoY. While concentrating on opening new facilities in the Tokyo metropolitan area and ordinance-designated major cities, where educational institutions and companies are concentrated, we expanded into promising and previously untapped areas, including through new partnership agreements with universities and other institutions in these areas. At the same time, providing our strengths in safety and security to an even wider range of customers, we developed dormitories to meet diverse needs, including facilities equipped with training rooms, theater rooms, soundproof rooms, outdoor spaces, and other enhanced shared spaces. Further, we continued to take active steps to optimize selling prices in response to changing economic conditions.

Net sales amounted to 31,139 million yen (up 7.4% YoY), while operating profit was 3,817 million yen (up 24.3% YoY), absorbing the various impacts of rising food, labor, and other operating costs and higher opening costs generated by new facility openings.

(ii) Hotel Business

During the period under review, the Hotel Business opened Natural Hot Springs Higoromo no Yu Dormy Inn Yokkaichi, its 100th location in the Dormy Inn chain in Japan, along with Natural Hot Springs Tsurumai no Yu Dormy Inn Chitose and Natural Hot Springs Hekihou no Yu Dormy Inn Komatsu. The Resorts Business opened Kyoto Omuro Kadensho.

Despite the impact of natural disasters and the absence of the demand generated in the previous period by Expo 2025 Osaka, Kansai, Japan, the Hotel Business recorded strong performance, capturing robust ongoing inbound tourist demand, while being fully prepared to meet strong domestic demand during the major consecutive holiday periods, and the demand generated by the Asian Games. Additionally, we enhanced the official Dormy's membership app to strengthen ties with our customers through our proprietary points program and increase the proportion of bookings made through our own channels. Net sales totaled 79,803 million yen (up 10.7% YoY); operating profit was 11,216 million yen (up 8.6% YoY).

(iii) Comprehensive Building Management Business

Reflecting the impact of large-scale repair work recorded in the Construction division, the Comprehensive Building Management Business recorded net sales of 10,157 million yen (up 2.4% YoY) and operating profit of 15 million yen (vs. an operating loss of 58 million yen in the same period of the previous year).

(iv) Food Service Business

In the Food Service Business, an increase in hotel restaurant service contracts and other factors resulted in net sales of 7,785 million yen (up 14.3% YoY) and operating profit of 435 million yen (up 39.9% YoY).

(v) Development Business

In the Development Business, a decline following the recognition of large-scale projects in the design division in the previous period led to lower net sales of 1,967 million yen (down 63.4% YoY) and an operating loss of 0 million yen (vs. an operating profit of 417 million yen in the same period of the previous year).

(vi) Other Businesses

Other Businesses consist of the Senior Life Business (management and operation of senior residences); the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments); the support business for people who live alone; the insurance agency business; comprehensive human resource services; the financial business; and the administrative outsourcing business. Total net sales recorded by these businesses rose to 10,491 million yen (up 6.7% YoY), with operating profit of 231 million yen (vs. an operating loss of 116 million yen in the same period of the previous year).

(2) Overview of Financial Position During the Period Under Review

(i) Assets, Liabilities and Net Assets

(Assets)

Total assets at the end of the current interim consolidated accounting period stood at 329,446 million yen, an increase of 12,790 million yen from the end of the previous consolidated fiscal year. Major factors contributing to this increase included growth in real estate for sale and buildings and structures, net.

(Liabilities)

Liabilities at the end of the current interim consolidated accounting period stood at 176,641 million yen, an increase of 5,514 million yen from the end of the previous consolidated fiscal year. Major contributing factors included an increase in short-term borrowings.

(Net assets)

Net assets at the end of the current interim consolidated accounting period stood at 152,804 million yen, up 7,275 million yen from the end of the previous consolidated fiscal year, due mainly to increased retained earnings.
The resulting equity ratio was 46.4%, up 0.4 points from the end of the previous consolidated fiscal year.

(ii) Cash Flows

Cash and cash equivalents at the end of the current interim consolidated accounting period were 20,928 million yen, down 8,706 million yen from the end of the previous consolidated fiscal year. This was mainly because net cash used in investing activities of 25,993 million yen exceeded net cash from operating activities of 3,249 million yen and net cash from financing activities of 13,936 million yen.

(Cash Flows from Operating Activities)

Net cash from operating activities was 3,249 million yen (vs. net cash used in operating activities of 2,912 million yen in the same period last year), due mainly to 12,779 million yen in profit before income taxes.

(Cash Flows from Investing Activities)

Net cash used in investing activities was 25,993 million yen (vs. 24,034 million yen in the same period last year), due mainly to expenditures of 24,050 million yen on purchases of property, plant, and equipment.

(Cash Flows from Financing Activities)

Net cash from financing activities was 13,936 million yen (vs. 22,215 million yen in the same period last year) due mainly to a net increase in short-term borrowings of 27,400 million yen.

(3) Explanation of Forecasts of Consolidated Results and Other Forward-Looking Information

Our forecasts of consolidated financial results for the year ending March 31, 2027, announced on May 15, 2026, remain unchanged at this time.

2. Interim Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	29,961	21,255
Notes and accounts receivable - trade, and contract assets	19,993	20,554
Real estate for sale	4,822	17,167
Real estate for sale in process	10,179	9,183
Costs on construction contracts in progress	75	157
Other	10,051	9,189
Allowance for doubtful accounts	(53)	(43)
Total current assets	75,029	77,464
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,444	68,062
Land	53,600	57,482
Construction in progress	41,034	35,039
Other, net	7,028	8,275
Total property, plant and equipment	162,107	168,859
Intangible assets	4,599	5,834
Investments and other assets		
Investment securities	18,257	19,474
Guarantee deposits	18,052	18,025
Leasehold deposits	22,587	22,991
Other	15,988	16,796
Allowance for doubtful accounts	(99)	(98)
Total investments and other assets	74,785	77,190
Total non-current assets	241,492	251,884
Deferred assets	132	97
Total assets	316,655	329,446

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,960	7,644
Short-term borrowings	29,786	56,264
Current portion of bonds payable	4,680	3,880
Income taxes payable	5,360	4,823
Contract liabilities	106	638
Provision for bonuses	4,060	2,718
Provision for bonuses for directors (and other officers)	872	414
Other	25,133	17,591
Total current liabilities	78,960	93,975
Non-current liabilities		
Bonds payable	4,340	2,800
Long-term borrowings	81,416	73,342
Retirement benefit liability	824	946
Provision for retirement benefits for directors (and other officers)	262	256
Other	5,323	5,320
Total non-current liabilities	92,166	82,665
Total liabilities	171,126	176,641
Net assets		
Shareholders' equity		
Share capital	22,971	22,971
Capital surplus	28,124	28,217
Retained earnings	92,197	98,552
Treasury shares	(264)	(229)
Total shareholders' equity	143,028	149,512
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,466	2,075
Deferred gains or losses on hedges	1,309	1,328
Foreign currency translation adjustment	(494)	(302)
Remeasurements of defined benefit plans	218	191
Total accumulated other comprehensive income	2,500	3,292
Total net assets	145,528	152,804
Total liabilities and net assets	316,655	329,446

(2) Interim Consolidated Income Statement and Interim Consolidated Statement of Comprehensive Income

(Interim Consolidated Income Statement)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	119,562	126,983
Cost of sales	89,289	93,810
Gross profit	30,273	33,173
Selling, general and administrative expenses	19,004	20,266
Operating profit	11,269	12,906
Non-operating income		
Interest income	83	99
Dividend income	80	94
Share of profit of entities accounted for using equity method	1,034	478
Other	187	215
Total non-operating income	1,386	888
Non-operating expenses		
Interest expenses	524	793
Other	178	93
Total non-operating expenses	702	887
Ordinary profit	11,953	12,906
Extraordinary income		
Gain on sale of investment securities	39	-
Total extraordinary income	39	-
Extraordinary losses		
Loss on disaster	83	116
Other	2	11
Total extraordinary losses	85	127
Profit before income taxes	11,906	12,779
Income taxes	3,128	4,332
Profit	8,778	8,446
Profit attributable to owners of parent	8,778	8,446

(Interim Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	8,778	8,446
Other comprehensive income		
Valuation difference on available-for-sale securities	310	608
Deferred gains or losses on hedges	(53)	19
Foreign currency translation adjustment	20	109
Remeasurements of defined benefit plans, net of tax	(15)	(27)
Share of other comprehensive income of entities accounted for using equity method	(42)	82
Total other comprehensive income	220	792
Comprehensive income	8,998	9,238
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,998	9,238

(3) Interim Consolidated Cash Flow Statement

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	11,906	12,779
Depreciation	4,299	5,117
Amortization of long-term prepaid expenses	445	551
Amortization of guarantee deposits	198	183
Increase (decrease) in provision for bonuses	(1,311)	(1,345)
Interest and dividend income	(164)	(194)
Interest expenses	524	793
Share of loss (profit) of entities accounted for using equity method	(1,034)	(478)
Loss on disaster	83	116
Loss (gain) on sale of investment securities	(39)	-
Decrease (increase) in trade receivables	(6)	(548)
Decrease (increase) in accounts receivable - other	(2,162)	611
Decrease (increase) in inventories	(5,122)	(2,501)
Increase (decrease) in trade payables	(1,716)	(1,323)
Increase (decrease) in accrued expenses	(273)	150
Increase (decrease) in advances received	(3,751)	(5,602)
Increase (decrease) in accounts payable - other	722	(747)
Increase (decrease) in accrued consumption taxes	(3,667)	1,181
Increase (decrease) in deposits received	(188)	(268)
Increase (decrease) in guarantee deposits received	210	(61)
Other, net	2,031	(109)
Subtotal	986	8,305
Interest and dividends received	290	470
Interest paid	(521)	(804)
Income taxes refund	95	86
Income taxes paid	(3,762)	(4,808)
Net cash provided by (used in) operating activities	(2,912)	3,249
Cash flows from investing activities		
Purchases of securities	-	(103)
Proceeds from sale of securities	81	9
Purchase of property, plant and equipment	(23,038)	(24,050)
Proceeds from sale of property, plant and equipment	0	-
Purchase of intangible assets	(296)	(306)
Purchase of long-term prepaid expenses	(488)	(462)
Loan advances	(227)	(327)
Proceeds from collection of loans receivable	443	242
Payments of leasehold and guarantee deposits	(258)	(851)
Proceeds from refund of leasehold and guarantee deposits	28	94
Purchase of insurance funds	(210)	(203)
Proceeds from cancellation of insurance funds	88	94
Other, net	(157)	(128)
Net cash provided by (used in) investing activities	(24,034)	(25,993)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	32,100	27,400
Proceeds from long-term borrowings	1,470	-
Repayments of long-term borrowings	(7,260)	(8,995)
Redemption of bonds	(2,340)	(2,340)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,716)	(2,085)
Other, net	(36)	(40)
Net cash provided by (used in) financing activities	22,215	13,936
Effect of exchange rate change on cash and cash equivalents	20	101
Net increase (decrease) in cash and cash equivalents	(4,710)	(8,706)
Cash and cash equivalents at beginning of period	25,349	29,634
Cash and cash equivalents at end of period	20,638	20,928

(4) Notes on Interim Consolidated Financial Statements

(Notes on The Going Concern Assumption)

Not applicable

(Notes Concerning Any Notable Changes in Shareholders' Equity)

Six Months Ended September 30, 2025 (from April 1, 2025, to September 30, 2025)

During the current interim consolidated accounting period, share capital increased by 9,774 million yen and capital surplus increased by 9,765 million yen due to exercising of stock options. As a result, share capital stood at 17,739 million yen and capital surplus was 22,899 million yen as of September 30, 2025.

Six Months Ended September 30, 2026 (from April 1, 2026, to September 30, 2026)

Not applicable

(Notes on Special Accounting Procedures in The Preparation of Interim Consolidated Financial Statements)

(Calculation of tax expenses)

The Company calculates tax expenses by rationally assuming an effective tax rate after applying tax effect accounting to income (loss) before income taxes for the consolidated fiscal year, including the first six months of the fiscal year, and multiplying income (loss) before income taxes for the first half of the fiscal year by the estimated effective tax rate. However, if the result of calculation of tax expenses using the estimated effective tax rate is significantly unreasonable, the statutory effective tax rate is used.

(Notes on Changes in Accounting Policies)

Not applicable

(Notes on Segment Information)

[Segment information]

I For the six months ended September 30, 2025 (April 1, 2025 – September 30, 2025)

1. Information on net sales, income or loss by each reporting segment

(Millions of yen)

	Reportable segments						Other Note 1	Total	Reconciling items Note 2	Per semi-annual consolidated financial statements Note 3
	Dormitories	Hotels	Comprehensive Building Management	Food Services	Development	Reportable segments				
Sales										
Revenues from external customers	28,794	71,941	4,216	1,075	4,109	110,138	9,424	119,562	-	119,562
Transactions with other segments	189	180	5,703	5,733	1,271	13,078	409	13,487	(13,487)	-
Net sales	28,984	72,121	9,920	6,809	5,380	123,216	9,833	133,049	(13,487)	119,562
Segment profit (loss)	3,070	10,330	(58)	311	417	14,070	(116)	13,954	(2,685)	11,269

Notes:
1. The Other segment consists of the following businesses which are not included in the reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support business for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other additional businesses.
2. Reconciling item of segment profit (loss) of negative 2,685 million yen includes the elimination of inter-segment transactions of negative 8 million yen and corporate expenses of negative 2,676 million yen not allocated to reportable segments. Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.
3. Segment profit (loss) was adjusted against operating profit on the Interim Consolidated Income Statement.

2. Information on impairment loss on non-current assets or goodwill, etc. by reporting segment

Not applicable

II For the six months ended September 30, 2026 (April 1, 2026 – September 30, 2026)

1. Information on net sales, income or loss by each reporting segment

(Millions of yen)

	Reportable segments						Other Note 1	Total	Reconciling items Note 2	Per semi-annual consolidated financial statements Note 3
	Dormitories	Hotels	Comprehensive Building Management	Food Services	Development	Reportable segments				
Sales										
Revenues from external customers	30,952	79,602	4,043	1,137	1,168	116,904	10,079	126,983	-	126,983
Transactions with other segments	187	200	6,114	6,648	798	13,949	412	14,361	(14,361)	-
Net sales	31,139	79,803	10,157	7,785	1,967	130,853	10,491	141,344	(14,361)	126,983
Segment profit (loss)	3,817	11,216	15	435	(0)	15,484	231	15,715	(2,808)	12,906

Notes:
1. The Other segment consists of the following businesses which are not included in the reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support business for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other additional businesses.
2. Reconciling item of segment profit (loss) of negative 2,808 million yen includes the elimination of inter-segment transactions of 19 million yen and corporate expenses of negative 2,828 million yen not allocated to reportable segments. Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.
3. Segment profit (loss) was adjusted against operating profit on the Interim Consolidated Income Statement.

2. Information on impairment loss on non-current assets or goodwill, etc. by reporting segment

Not applicable