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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: Keihanshin Building Co., Ltd.

Stock exchange listing: Tokyo

Code number: 8818

URL: <https://www.keihanshin.co.jp/english/>

Representative: Tsuneo Wakabayashi, President

Contact: Matashi Takemoto Executive Officer, General Manager (Finance & Accounting Dept)

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Scheduled date of Annual General Meeting of Shareholders: June 20, 2025

Scheduled date of commencing dividend payments: June 23, 2025

Scheduled date of filing annual securities report: June 20, 2025

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	19,584	1.4	4,983	(2.0)	4,829	(0.3)	4,388	15.7
March 31, 2024	19,310	2.3	5,083	(5.4)	4,842	(3.9)	3,793	(9.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 3,838 million [(34.3)%]

Fiscal year ended March 31, 2024: ¥ 5,846 million [(47.6)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	89.90	89.69	5.8	2.8	25.4
March 31, 2024	77.47	77.30	5.2	3.0	26.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million

Fiscal year ended March 31, 2024: ¥ - million

Business profit before depreciation and amortization: Fiscal year ended March 31, 2025: ¥ 9,099 million [(0.3)%]

Fiscal year ended March 31, 2024: ¥ 9,128 million [(0.7)%]

The Company has positioned business profit before depreciation and amortization as an important management indicator.

Business profit before depreciation and amortization

=Business profit (Operating Profit + loss (gain) on investments in investment partnerships) + Depreciation and amortization

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	177,104	76,323	43.1	1,569.84
March 31, 2024	166,616	74,874	44.9	1,528.74

(Reference) Equity: As of March 31, 2025: ¥ 76,246 million

As of March 31, 2024: ¥ 74,798 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 the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	7,294	(8,219)	6,258	14,060
March 31, 2024	8,221	(11,273)	6,407	8,668

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	18.00	-	19.00	37.00	1,810	47.8	2.5
March 31, 2025	-	18.50	-	21.50	40.00	1,950	44.5	2.6
Fiscal year ending March 31, 2026 (Forecast)	-	20.00	-	20.00	40.00		46.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	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
Full year	20,000	2.1	5,500	10.4	5,300	9.7	4,200	(4.3)	86.47

(Reference) Business profit before depreciation and amortization ¥ 9,700 million [6.6%]

Business profit before depreciation and amortization

=Business profit (Operating profit + loss (gain) on investments in partnerships + loss (gain) on sale of non-current assets*1)
+ Depreciation and amortization

*1 “loss (gain) on sale of non-current assets” has been added to the definition of Business profit before depreciation and amortization. The change to this definition has been applied from the fiscal year ended March 31, 2026.

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 (Company name: Keihanshin Building America Co., Ltd.)

Excluded: -

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies due to revision of accounting standards: No

2) Changes in accounting policies due to other reasons: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2025: 48,811,498 shares

March 31, 2024: 49,211,498 shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 241,708 shares

March 31, 2024: 283,234 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2025:	48,816,479 shares
Fiscal Year ended March 31, 2024:	48,968,676 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	19,584	3.2	5,045	3.9	5,295	12.1	4,857	29.5
March 31, 2024	18,984	2.2	4,856	(6.2)	4,725	(4.6)	3,751	(9.8)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	99.51	99.29
March 31, 2024	76.62	76.45

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	176,990	76,208	43.0	1,567.49
March 31, 2024	166,131	74,440	44.8	1,519.87

(Reference) Equity: As of March 31, 2025: ¥ 76,132 million
As of March 31, 2024: ¥ 74,364 million

*This summary is not subject to review procedures by a certified public accountant or audit firm.

*Appropriate use of business forecasts; other special items

Information described in this document, such as projections, is prepared based on available information at the time of the release this document and certain assumptions that the Company judged as rational. Actual results may be significantly different due to various factors.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Condition for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	4
(4) Future Outlook	4
2. Basic Concept for Selection of Accounting Standards.....	5
3. Consolidated Financial Statements and Principal Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
(Notes on going concern assumption)	13
(Segment information)	13
(Per share information)	14
(Significant subsequent events)	14

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2025, the Japanese economy showed a gradual trend toward recovery, due to strong business results, an increase in capital investment mainly related to semiconductors and automobiles, as well as an improvement in wage and employment conditions, and brisk demand for domestic goods and services by foreign tourists to Japan. Meanwhile, the economic outlook remained unclear due to fluctuations in stock prices and exchange rates due to policy changes by the Trump administration in the U.S., continued geopolitical risks in Ukraine and the Middle East, and rising prices due to increased personnel and logistics costs.

In the real estate leasing industry, although there are concerns about intensifying competition due to the new supply of large-scale properties and changes in office demand due to diversifying work styles, vacancy rates have remained stable, mainly in urban areas.

Under such circumstances, Keihanshin Building Co., Ltd. (“the Group”) focused on operating activities such as finding new tenants when tenants depart. As a result, we continued to maintain a high occupancy rate, with the vacancy rate as of March 31, 2025 remaining at a low 0.64%. In addition, based on its Long-Term Business Plan, the Group proactively worked on new investments toward the next growth, including an equity investment in a multifamily residence in Miami, Florida in the U.S. in August 2024, and the acquisition of a logistics warehouse in Komaki City, Aichi Prefecture in March 2025. Also, in terms of existing buildings, we have been striving to enhance asset value of them through preventive maintenance against natural disasters and promotion of energy saving.

As a result, consolidated net sales for the fiscal year ended March 31, 2025 increased by 274 million yen (1.4%) year-on-year to 19,584 million yen due mainly to the contribution from new investment properties and an increase in rental income with some tenants of datacenter buildings that shifted to formal contracts. Meanwhile, operating profit decreased by 99 million yen (2.0%) year-on-year to 4,983 million yen due mainly to investing in repair costs to carry out repair work ahead of schedule. However, ordinary profit only decreased by 12 million yen (0.3%) to 4,829 million yen due to an increase in gain on investments in investment partnerships through equity investments.

Profit attributable to owners of parent amounted to 4,388 million yen, an increase of 594 million yen (15.7%) year-on-year, chiefly due to an increase in extraordinary income from the sale of investment securities.

The Group operates under a single segment of the “Building lease business,” which is primarily engaged in the leasing of land and buildings. The status of each business division operated by the Group is as follows.

	As of March 31, 2024		As of March 31, 2025	
	Net sales (million yen)	Rate (%)	Net sales (million yen)	Rate (%)
Office Building Business	4,448	23.0	4,488	22.9
Datacenter Building Business	10,110	52.4	10,452	53.4
WINS Building Business	3,519	18.2	3,359	17.1
Commercial Building, Logistics Warehouse, and Other Properties Business	1,231	6.4	1,285	6.6
Total	19,310	100.0	19,584	100.0

1) Office Building Business

The Group owns and leases a total of eight office buildings, mainly in business areas of Osaka and Tokyo. Our newest properties are equipped with advanced BCP functions based on our expertise in datacenter building operations. Even in older buildings, we strive to provide comfortable and safe business spaces that compare favorably with those in newly constructed buildings through planned facility renovations and maintenance.

Intensifying competition following the completion of a series of new office buildings in metropolitan

areas requires attention, although the impact on the Group's office building business has been minimal and occupancy rates remain high.

Consolidated net sales from the office building business amounted to 4,488 million yen, an increase of 39 million yen (0.9%) year-on-year due to factors such as improved vacancy rates as a result of progress in finding new tenants when tenants depart.

2) Datacenter Building Business

The Group owns and leases a total of eight datacenter buildings in the Osaka central area. The datacenter buildings, which operate 24 hours a day, 365 days a year, ensure high reliability through advanced disaster-prevention functions with seismic isolation structures, stable electric power supply with large emergency-use generators, and advanced security systems, etc. Our extensive maintenance and management services, based on over 30 years of experience in the datacenter leasing business, are also highly regarded.

Consolidated net sales from the datacenter building business amounted to 10,452 million yen, an increase of 342 million yen (3.4%) year-on-year, mainly owing to an increase in rental income with some tenants who shifted to formal contracts.

3) WINS Building Business

WINS buildings refer to the facilities that sell off-track betting tickets for Japan Racing Association (JRA) races held all over Japan. The Group owns and leases a total of five WINS buildings in the central area of the cities of Kyoto, Osaka, and Kobe. The WINS building business dates back to the Group's founding, and has been one of our core businesses that generate stable earnings for many years.

Although the share of sales at WINS buildings is in a declining trend as online betting is spreading, the impact on the business performance is minor as the buildings are leased at fixed rents.

Consolidated net sales from the WINS building business amounted to 3,359 million yen, a decrease of 160 million yen (4.6%) year-on-year.

4) Commercial Building, Logistics Warehouse, and Other Properties Business

The Group owns and leases a total of eight commercial buildings, logistics warehouses, and other properties particularly in the Tokyo metropolitan area and the Kansai area. We are targeting prime locations for transportation access, such as locations near terminal stations for commercial facilities and trunk roads for logistics warehouses, and in March 2025 we acquired a new logistics warehouse in Komaki City, Aichi Prefecture. We will continue to work on information gathering activities in order to acquire profitable properties. Under our Long-Term Business Plan, we are striving to expand our assets by acquiring properties, including new asset types such as residences and healthcare buildings.

Consolidated net sales from the commercial building, logistics warehouse, and other properties business amounted to 1,285 million yen, an increase of 53 million yen (4.3%) year-on-year, partly due to the full-year contribution by Asakusa Ekimae Building, acquired in June 2023.

(2) Overview of Financial Condition for the Fiscal Year under Review

1) Assets

Total assets at the end of the fiscal year ended March 31, 2025 amounted to 177,104 million yen, an increase of 10,488 million yen (6.3%) from the end of the previous fiscal year. This was mainly due to an increase of 5,391 million yen in cash and deposits, as well as an increase of 5,016 million yen in investment securities arising from equity investments made in Japan and U.S.

2) Liabilities

Total liabilities at the end of the fiscal year ended March 31, 2025 amounted to 100,781 million yen, an increase of 9,039 million yen (9.9%) from the end of the previous fiscal year. This was mainly due to an increase of 8,823 million yen in interest-bearing debt due to factors such as financing for acquisition of non-current assets and redemption of existing bonds.

3) Net Assets

Total net assets at the end of the fiscal year ended March 31, 2025 amounted to 76,323 million yen, an increase of 1,448 million yen (1.9%) compared to the end of the previous fiscal year. This was mainly due to an increase of 1,975 million yen in retained earnings, despite a decrease of 664 million yen in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year ended March 31, 2025 amounted to 14,060 million yen, an increase of 5,391 million yen from the end of the previous fiscal year. The status of each type of cash flows and reasons for cash inflow or outflow are as follows.

1) Cash Flows from Operating Activities

Net cash provided by operating activities amounted to 7,294 million yen (8,221 million yen provided in the previous fiscal year). Major inflows were 6,299 million yen in profit before income taxes and 3,891 million yen in depreciation. Major outflows were 1,736 million yen in income taxes paid and extraordinary income of 1,491 million yen in gain on sale of investment securities.

2) Cash Flows from Investing Activities

Net cash used in investing activities amounted to 8,219 million yen (11,273 million yen used in the previous fiscal year). Inflows were 1,602 million yen from the sale of investment securities. Outflows were 3,937 million yen due to purchases of a logistics warehouse in Komaki City, Aichi Prefecture and other property, plant and equipment, as well as 5,870 million yen in purchase of investment securities arising from equity investments in Japan and U.S.

3) Cash Flows from Financing Activities

Net cash provided by financing activities amounted to 6,258 million yen (6,407 million yen provided in the previous fiscal year). This was due to the raising of 7,000 million yen through long-term borrowings as financing for acquisition of non-current assets and equity investments, and 5,000 million yen in bonds payable for redemption of existing bonds in advance, despite outflows of 1,834 million yen in dividends paid, 625 million yen in purchase of treasury shares and 3,176 million yen in repayments of long-term borrowings.

(4) Future Outlook

For the fiscal year ending March 31, 2026, supported by rising operation rates of equipment rooms of datacenter buildings, office tenant occupancy and rent revisions, a full-year contribution by the logistics warehouse in Komaki City, Aichi Prefecture and other factors, we are expecting net sales of 20,000 million yen (an increase of 415 million yen (2.1%) year-on-year), operating profit of 5,500 million yen (an increase of 516 million yen (10.4%) year-on-year), and ordinary profit of 5,300 million yen (an increase of 470 million yen (9.7%) year-on-year), all of which will be all-time highs. With a decrease in extraordinary income, the estimated profit attributable to owners of parent is 4,200 million yen (a decrease of 188 million yen (4.3%) year-on-year). Business profit before depreciation and amortization = (business profit (operating profit + loss (gain) on investments in investment partnerships, etc. + loss (gain) on sale of non-current assets) + depreciation, an important management indicator for the Group, is expected to reach an all-time high of 9,700 million yen (an increase of 600 million yen (6.6%) year-on-year).

In the real estate leasing industry, while a variety of work styles including working at home are becoming more established, the current occupancy rate remained relatively strong, driven by improved corporate earnings and a trend toward returning to office. However, given the external environment, including increasing geopolitical risks, fluctuations in exchange rates affected by monetary and financial policies in each country, and trends in commodity prices and interest rates, the future outlook is not optimistic. At present, the impact of rising commodity prices and interest rates is limited, but we will continue to keep a close watch on the situation as it may affect our business environment depending on future trends. Going forward, we will properly disclose information if there is any change.

2. Basic Concept for Selection of Accounting Standards

To ensure that data are comparable with previous years, the Group intends to prepare consolidated financial statements based on Japanese GAAP for the time being. Going forward, we will consider application of IFRS (International Financial Reporting Standards) in light of the status of adoption by other companies.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	8,668,714	14,060,636
Accounts receivable - trade	486,123	548,392
Other	230,414	411,252
Total current assets	9,385,252	15,020,280
Non-current assets		
Property, plant and equipment		
Buildings and structures	105,765,523	106,224,780
Accumulated depreciation	(48,795,378)	(51,845,290)
Buildings and structures, net	56,970,145	54,379,489
Land	52,660,042	55,332,497
Buildings in trust	3,986,740	3,986,740
Accumulated depreciation	(1,998,911)	(2,258,915)
Buildings in trust, net	1,987,829	1,727,824
Land in trust	25,235,263	25,235,263
Construction in progress	17,640	117,280
Other	1,136,189	1,151,609
Accumulated depreciation	(854,943)	(895,797)
Other, net	281,246	255,812
Total property, plant and equipment	137,152,167	137,048,168
Intangible assets	107,436	107,216
Investments and other assets		
Investment securities	17,382,863	22,399,261
Leasehold and guarantee deposits	2,192,789	2,192,789
Deferred tax assets	12,587	9,286
Other	383,000	327,394
Total investments and other assets	19,971,240	24,928,732
Total non-current assets	157,230,845	162,084,116
Total assets	166,616,097	177,104,397

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Short-term borrowings	4,676,616	6,336,216
Current portion of bonds payable	-	5,000,000
Income taxes payable	940,767	1,129,653
Provision for bonuses	49,425	51,895
Other	3,064,272	3,244,190
Total current liabilities	8,731,081	15,761,955
Non-current liabilities		
Bonds payable	50,000,000	50,000,000
Long-term borrowings	20,853,372	23,017,156
Long-term leasehold and guarantee deposits received	8,451,019	8,770,210
Deferred tax liabilities	1,975,605	1,785,273
Deferred tax liabilities for land revaluation	1,214,541	1,250,263
Retirement benefit liability	71,550	72,254
Asset retirement obligations	115,694	116,071
Other	328,663	8,200
Total non-current liabilities	83,010,447	85,019,430
Total liabilities	91,741,528	100,781,385
Net assets		
Shareholders' equity		
Share capital	9,827,611	9,827,611
Capital surplus	9,199,840	9,199,840
Retained earnings	54,459,351	56,434,357
Treasury shares	(382,119)	(358,326)
Total shareholders' equity	73,104,684	75,103,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,226,326	5,561,689
Revaluation reserve for land	(4,532,546)	(4,568,268)
Foreign currency translation adjustment	-	150,003
Total accumulated other comprehensive income	1,693,780	1,143,424
Share acquisition rights	76,104	76,104
Total net assets	74,874,569	76,323,011
Total liabilities and net assets	166,616,097	177,104,397

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

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	19,310,701	19,584,874
Cost of sales	12,427,571	12,670,723
Gross profit	6,883,129	6,914,151
Selling, general and administrative expenses	1,799,851	1,930,290
Operating profit	5,083,278	4,983,860
Non-operating income		
Interest income	59	5,430
Dividend income	293,943	368,143
Gain on investments in investment partnerships	69,137	224,743
Other	8,772	10,589
Total non-operating income	371,913	608,906
Non-operating expenses		
Interest expenses	212,410	215,389
Interest expenses on bonds	358,312	410,620
Other	42,256	137,074
Total non-operating expenses	612,978	763,084
Ordinary profit	4,842,213	4,829,682
Extraordinary income		
Gain on sale of investment securities	236,915	1,491,556
Contribution received for construction	406,300	-
Other	28,257	-
Total extraordinary income	671,473	1,491,556
Extraordinary losses		
Loss on retirement of non-current assets	36,826	21,564
Total extraordinary losses	36,826	21,564
Profit before income taxes	5,476,860	6,299,674
Income taxes - current	1,704,989	1,890,124
Income taxes - deferred	(21,976)	21,069
Total income taxes	1,683,013	1,911,194
Profit	3,793,846	4,388,480
Profit attributable to owners of parent	3,793,846	4,388,480

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	3,793,846	4,388,480
Other comprehensive income		
Valuation difference on available-for-sale securities	2,052,486	(664,637)
Revaluation reserve for land	-	(35,721)
Foreign currency translation adjustment	-	150,003
Total other comprehensive income	2,052,486	(550,355)
Comprehensive income	5,846,333	3,838,124
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,846,333	3,838,124
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,827,611	9,199,840	52,436,792	(310,708)	71,153,536
Changes during period					
Dividends of surplus			(1,762,261)		(1,762,261)
Profit attributable to owners of parent			3,793,846		3,793,846
Purchase of treasury shares				(167,975)	(167,975)
Disposal of treasury shares		(9,026)		96,565	87,538
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus		9,026	(9,026)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,022,558	(71,410)	1,951,147
Balance at end of period	9,827,611	9,199,840	54,459,351	(382,119)	73,104,684

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	4,173,840	(4,532,546)	-	(358,706)	76,104	70,870,934
Changes during period						
Dividends of surplus						(1,762,261)
Profit attributable to owners of parent						3,793,846
Purchase of treasury shares						(167,975)
Disposal of treasury shares						87,538
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	2,052,486	-	-	2,052,486	-	2,052,486
Total changes during period	2,052,486	-	-	2,052,486	-	4,003,634
Balance at end of period	6,226,326	(4,532,546)	-	1,693,780	76,104	74,874,569

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,827,611	9,199,840	54,459,351	(382,119)	73,104,684
Changes during period					
Dividends of surplus			(1,835,578)		(1,835,578)
Profit attributable to owners of parent			4,388,480		4,388,480
Purchase of treasury shares				(625,322)	(625,322)
Disposal of treasury shares		15,093		56,125	71,219
Cancellation of treasury shares		(592,990)		592,990	-
Transfer from retained earnings to capital surplus		577,896	(577,896)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,975,005	23,792	1,998,798
Balance at end of period	9,827,611	9,199,840	56,434,357	(358,326)	75,103,482

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	6,226,326	(4,532,546)	-	1,693,780	76,104	74,874,569
Changes during period						
Dividends of surplus						(1,835,578)
Profit attributable to owners of parent						4,388,480
Purchase of treasury shares						(625,322)
Disposal of treasury shares						71,219
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	(664,637)	(35,721)	150,003	(550,355)	-	(550,355)
Total changes during period	(664,637)	(35,721)	150,003	(550,355)	-	1,448,442
Balance at end of period	5,561,689	(4,568,268)	150,003	1,143,424	76,104	76,323,011

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,476,860	6,299,674
Depreciation	3,976,012	3,891,137
Share-based payment expenses	84,069	82,831
Increase (decrease) in retirement benefit liability	6,378	703
Increase (decrease) in provision for bonuses	4,613	2,470
Interest and dividend income	(294,003)	(373,573)
Interest expenses	212,410	215,389
Interest expenses on bonds	358,312	410,620
Loss (gain) on sale of investment securities	(236,915)	(1,491,556)
Loss on retirement of property, plant and equipment	36,826	21,564
Loss (gain) on investments in investment partnerships	(69,137)	(224,743)
Contribution received for construction	(406,300)	-
Other extraordinary loss (income)	(28,257)	-
Decrease (increase) in trade receivables	96,425	(172,411)
Increase (decrease) in trade payables	1,321,075	174,556
Decrease (increase) in consumption taxes refund receivable	-	(22,185)
Increase (decrease) in accrued consumption taxes	(855,577)	153,296
Other, net	15,515	132,053
Subtotal	9,698,306	9,099,828
Interest and dividends received	350,025	536,960
Interest paid	(548,815)	(605,305)
Income taxes paid	(1,277,926)	(1,736,817)
Net cash provided by (used in) operating activities	8,221,590	7,294,665
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,931,178)	(3,937,663)
Purchase of intangible assets	(32,450)	(14,480)
Purchase of investment securities	(4,919,800)	(5,870,214)
Proceeds from sale of investment securities	297,322	1,602,728
Proceeds from contribution received for construction	312,851	-
Net cash provided by (used in) investing activities	(11,273,255)	(8,219,629)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(300,000)	-
Proceeds from long-term borrowings	6,300,000	7,000,000
Repayments of long-term borrowings	(2,626,562)	(3,176,616)
Proceeds from issuance of bonds	5,000,000	5,000,000
Payments for issuance of bonds	(36,293)	(33,703)
Purchase of treasury shares	(167,975)	(625,322)
Dividends paid	(1,761,745)	(1,834,513)
Other, net	-	(71,100)
Net cash provided by (used in) financing activities	6,407,422	6,258,743
Effect of exchange rate change on cash and cash equivalents	-	58,141
Net increase (decrease) in cash and cash equivalents	3,355,758	5,391,921
Cash and cash equivalents at beginning of period	5,312,956	8,668,714
Cash and cash equivalents at end of period	8,668,714	14,060,636

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

Statement is omitted as the Group operates under the single segment of the “Building lease business.”

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	1,528.74 yen	1,569.84 yen
Basic earnings per share	77.47 yen	89.90 yen
Diluted earnings per share	77.30 yen	89.69 yen

(Notes) 1. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	3,793,846	4,388,480
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent pertaining to common shares (thousand yen)	3,793,846	4,388,480
Average number of common shares during the period (thousand shares)	48,968	48,816
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (thousand yen)	—	—
Increase in the number of common shares (thousand shares)	111	111
(of which share acquisition rights (thousand shares))	(111)	(111)
Summary of potentially dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect		—

2. The basis for calculation of net assets per share is as follows:

	As of March 31, 2024	As of March 31, 2025
Total net assets (thousand yen)	74,874,569	76,323,011
Amount to be deducted from total net assets (thousand yen)	76,104	76,104
(of which share acquisition rights (thousand yen))	(76,104)	(76,104)
Total net assets pertaining to common shares at the end of the period (thousand yen)	74,798,464	76,246,906
Number of common shares at the end of the period used to calculate net assets per share (thousand shares)	48,928	48,569

(Significant subsequent events)

Not applicable.