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Summary of Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (Japanese Accounting Standards)

July 11, 2025

Company name	INTELLEX Co., Ltd.	Listings	Standard Section of Tokyo Stock Exchange
Securities code	8940	URL	http://www.intellex.co.jp/
Representative	President & Representative Director, Seiji Toshinari		
Contact	Director and Executive Officer, Kazunari Nakaharai		
Telephone	+81-3-6809-0933		
Scheduled dates			
Annual Shareholders' Meeting	August 26, 2025		
Submission of securities report	August 26, 2025		
Commencement of dividend payments	August 8, 2025		
Supplementary documents for results	Yes		
Results briefing	Yes (for securities analysts and institutional investors)		



(Amounts in millions of yen rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year 2025 (Cumulative: June 1, 2024 to May 31, 2025)

(1) Operating results (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
For the fiscal year ended May 31, 2025	44,793	4.9	2,386	156.3	2,166	256.5	1,667	302.6
For the fiscal year ended May 31, 2024	42,702	3.6	931	31.1	607	153.9	414	310.9

(Note) Comprehensive income:

For the fiscal year ended May 31, 2025: 1,668 million yen (278.2%)

For the fiscal year ended May 31, 2024: 441 million yen (197.4%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit /total assets	Operating margin
	yen	yen	%	%	%
For the fiscal year ended May 31, 2025	206.54	—	13.2	4.6	5.3
For the fiscal year ended May 31, 2024	50.04	—	3.5	1.4	2.2

(Reference) Equity in net income of affiliated companies:

For the fiscal year ended May 31, 2025: - million yen

For the fiscal year ended May 31, 2024: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of May 31, 2025	52,663	13,621	25.4	1,650.38
As of May 31, 2024	40,710	11,872	29.1	1,479.04

(Reference) Shareholders' equity:

As of May 31, 2025: 13,363 million yen As of May 31, 2024: 11,854 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year end
	million yen	million yen	million yen	million yen
As of May 31, 2025	-5,931	-2,899	9,385	5,243
As of May 31, 2024	8,861	-3,116	-5,788	4,690

Dividends

	Dividend per share					Total dividends	Payout ratio	Dividend on equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended May 31, 2024	—	9.00	—	10.00	19.00	155	38.0	1.3
Fiscal year ended May 31, 2025	—	17.00	—	29.00	46.00	372	22.3	2.9
Fiscal year ending May 31, 2026 (forecast)	—	23.00	—	23.00	46.00		27.7	

(Note)

Breakdown of second quarter-end dividend of FY2025:

Ordinary dividend of ¥10.00 and 30th anniversary commemorative dividend of ¥7.00

Breakdown of year-end dividend of FY2025:

Ordinary dividend of ¥22.00 and 30th anniversary commemorative dividend of ¥7.00

2. Consolidated earnings forecast for the fiscal year ending May 31, 2026 (June 1, 2025 to May 31, 2026)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half-year (cumulative)	31,929	41.1	1,634	-5.9	1,372	-12.4	925	-12.9	114.27
Full-year	56,415	25.9	2,498	4.7	2,006	-7.4	1,346	-19.3	166.24

Notes:

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

a. Changes due to revision to accounting standards, etc.: Yes

b. Changes other than a: None

c. Changes in accounting estimates: None

d. Restatement: None

(3) Number of issued shares (common shares):

a. Number of issued shares at the end of fiscal year (including treasury shares)

As of May 31, 2025: 8,932,100 shares

As of May 31, 2024: 8,932,100 shares

b. Number of treasury shares as of the end of fiscal year:

As of May 31, 2025: 834,609 shares

As of May 31, 2024: 917,009 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year):

For the fiscal year ended May 31, 2025: 8,072,632 shares

For the fiscal year ended May 31, 2024: 8,276,013 shares

(Reference) Unconsolidated business results

1. Unconsolidated business results for the fiscal year ended May 31, 2025

(Cumulative: June 1, 2024 to May 31, 2025)

(1) Operating results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
For the fiscal year ended May 31, 2025	38,586	-1.2	1,813	125.0	1,740	210.8	1,289	213.0
For the fiscal year ended May 31, 2024	39,038	-0.2	805	25.3	559	162.4	411	85.8

	Profit per share	Diluted profit per share
	yen	yen
For the fiscal year ended May 31, 2025	159.68	—
For the fiscal year ended May 31, 2024	49.77	—

(2) Unconsolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of May 31, 2025	46,883	12,280	26.2	1,516.52
As of May 31, 2024	37,330	11,148	29.9	1,391.00

(Reference) Shareholders' equity: As of May 31, 2025: 12,280 million yen As of May 31, 2024: 11,148 million yen

*Yearly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts and other noteworthy events: (Notes for financial projections, etc.)

Descriptions of the above financial projections and other data are based on information currently available to the Company and certain assumptions that we consider to be reasonable. Actual financial results may differ materially from the projections for various reasons. For points to note when using such assumptions and financial projections, please see "1. Summary of results of operations and financial position (4) Future Outlook" on pages 3 and 4 of the attached materials.

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1. Summary of results of operations and financial position

(1) Explanation of operating results

In the consolidated accounting year (June 1, 2024 - May 31, 2025), the Japanese economy is generally recovering gradually due to improvements in the employment and income environment, but there are still concerns such as the rise in US tariffs and price increases.

According to the East Japan Real Estate Information Network System (East Japan REINS), the pre-owned condominium market in the metropolitan area is showing strong performance, with transaction prices in May 2025 exceeding the same period last year by 9.9%, and the number of transactions in the corresponding period (from June 2024 to May 2025) exceeding the same period last year by 12.0%.

In our Renovation Business, the average sales price of Renovated Condominiums has increased by 5.0% from the previous term to 29.4 million yen. However, due to the impact of prioritizing the sale of stagnant properties and carefully selecting acquisitions in the previous term, the number of units sold in the current term decreased to 1,052 by 6.8% compared to the previous term, resulting in a sales figure that was 2.1% lower than the previous term. Nevertheless, in other areas of this business segment, sales growth was experienced due to the Renovation and Decoration Business by Intellex Space Plan Co., Ltd. and the Partner-Sourced Purchase and Resale Business with Saisei Jutaku Partners Co., Ltd. leading to an overall sales increase of 1.0% in the Renovation Business segment compared to the previous term. Additionally, in the Solution Business segment, factors such as the sale of profitable properties, the development of the fractional ownership real estate product *Asset Sharing*, and increased revenue from Partner-Sourced Profitable Property Business with Saisei Jutaku Partners and hotel business with high occupancy rates contributed to a sales increase of 22.2% compared to the previous term in this segment. As a result, the consolidated sales in the current term showed an increase of 4.9% compared to the previous term.

In terms of profits, Renovated Condominiums sales, we focused on the early sales of excess inventory carried over from the previous fiscal period and replaced them with fresher ones, resulting in a significant improvement in profit margins for this period. Additionally, the profits from our Solution Business, including the sale of profitable properties, significantly increased, leading to a 36.7% increase in consolidated gross profit compared to the previous period. Furthermore, operating profit absorbed a 14.0% increase in selling, general, and administrative expenses compared to the previous period, resulting in a profit increase 2.5 times that of the previous period.

As a result, net sales for the current consolidated fiscal year increased 4.9% year on year to 44,793 million yen, operating profit increased 2.5 times to 2,386 million yen, ordinary profit increased 3.5 times to 2,166 million yen, and net profit attributable to owners of parent increased 4 times to 1,667 million yen compared consecutively.

Segment results are as follows:

(Renovation Business)

Net sales of properties in Renovation Business decreased by 2.1% year-on-year to 30,949 million yen due to a decline in the number of Renovated Condominium unit sales. Rental income in this business area increased by 10.2% to 127 million yen. Additionally, the sales revenue from other income in this business area increased by 32.2% to 4,040 million yen due to the Partner-Sourced Purchase and Resale Business, Renovation and Decoration Business, as well as the Real Estate Transaction Platform Business through FLIE Co., Ltd.

As a result, the sales in this segment increased by 1.0% to 35,117 million yen. In addition, the operating profit rose by 100.1% to 1,101 million yen due to the improved profit rate from the sales of Renovated Condominiums and the expansion of this business area.

(Solution Business)

The sales revenue from property sales in this segment amounted to 5,199 million yen, a decrease of 1.2% compared to the previous period, despite the sales of profitable properties and the development of the fractional ownership real estate product *Asset Sharing* series. The rental income revenue in this segment increased by 3.6% to 976 million yen. Additionally, the revenue from other income in this segment rose significantly by 103.7% to 3,500 million yen, due to the substantial business expansion in the Partner-Sourced Profitable Property Business and the strong contribution of hotel business sales.

As a result, sales in this segment increased by 22.2% to 9,676 million yen. Additionally, operating profit rose by 80.3% to 2,204 million yen, thanks in large part to significant profit contributions from one building income properties.

(2) Explanation of financial position

The financial position at the end of the current consolidated fiscal year was assets of 52,663 million yen (an increase of 11,952 million yen compared to the end of the previous consolidated fiscal year), liabilities of 39,041 million yen (up 10,203 million yen), and net assets were 13,621 million yen (up 1,749 million yen).

(Assets)

The increase in assets was primarily driven by several key factors: the rise of 553 million yen in cash and deposits, 8,254 million yen in real estate for sale, 116 million yen in other current assets, 2,413 million yen in property, plant and equipment, and 484 million yen in investments and other assets.

(Liabilities)

The increase in liabilities was primarily driven by several factors. Although the current portion of long-term borrowings fell by 461 million yen and other current liabilities declined by 309 million yen, these reductions were outweighed by rises in other areas. Accounts payable grew by 353 million yen, short-term borrowings rose by 3,270 million yen, and the current portion of bonds payable increased by 106 million yen. In addition, income taxes payable went up by 770 million yen, contract liabilities increased by 117 million yen, bonds payable increased by 194 million yen, and long-term borrowings expanded significantly by 6,335 million yen.

(Net assets)

The main reason for the increase in net assets is due to a decrease in dividends of surplus by 217 million yen, while recording a current net profit attributable to owners of the parent of 1,667 million yen.

(3) Explanation of consolidated cash flows

At the end of the current consolidated fiscal year, cash, and cash equivalents (hereinafter referred to as 'funds') increased by 553 million yen compared to the end of the previous consolidated fiscal year, amounting to 5,243 million yen. The status and factors of each cash flow are as follows.

(Cash flows from operating activities)

The cash flow from operating activities for the current consolidated fiscal year resulted in a net cash outflow of 5,931 million yen (compared to a net cash inflow of 8,861 million yen in the previous consolidated fiscal year). This is mainly due to recording a net profit before income taxes of 2,397 million yen, depreciation of 297 million yen, an increase in trade payables of 353 million yen, and an increase in other liabilities of 354 million yen, while there was an increase in trade receivables of 102 million yen, an increase in inventory of 8,126 million yen, a decrease in accrued consumption taxes of 571 million yen, an increase in other assets of 336 million yen, interest payments of 544 million yen, and income tax payments of 155 million yen.

(Cash flows from investing activities)

The cash flows from investment activities for the current consolidated fiscal year showed a net cash outflow of 2,899 million yen (compared to an outflow of 3,116 million yen in the previous consolidated fiscal year). This was mainly due to an expenditure of 125 million yen for payments into time deposits and an expenditure of 2,850 million yen for the acquisition of noncurrent assets.

(Cash flows from financing activities)

The cash flow from financial activities for the current consolidated fiscal year resulted in a net cash inflow of 9,385 million yen (compared to a net cash outflow of 5,788 million yen in the previous consolidated fiscal year). This was mainly due to expenditures of 5,477 million yen for the repayment of long-term borrowings and 216 million yen for dividends, while there was a net increase of 3,207 million yen in short-term borrowings, revenues of 11,351 million yen from long-term borrowings, revenues of 400 million yen from the issuance of corporate bonds, and revenues of 240 million yen from share issuance by non-controlling shareholders.

(4) Future outlook

In the fiscal year ending May 2026, we have established key policies aimed at strengthening our management foundation for sustainable growth and expanding our business. Our priorities include broadening our business portfolio, accelerating growth through proactive property acquisitions, and prioritizing human capital management.

As we celebrate our 30th anniversary in 2025, we are preparing to transition to a Holding Company structure. This shift is part of our long-term vision to strengthen corporate governance, foster the next generation of leaders, and manage our business more dynamically for the next decade and beyond. Under the new structure, the Holding Company will take the lead in developing group-wide management strategies and supporting group operating companies. It will also drive innovation in the real estate industry, through initiatives such as digital transformation in prop tech, energy-efficient renovations, strategic M&A, and the creation of new businesses, all with the goal of enhancing comfort, and quality of life. Meanwhile, the operating companies will concentrate on their core businesses, working to increase profitability independently and respond swiftly to changes in the business environment. Together, this new structure will form a more agile and effective group management system. By adopting a Holding Company model, we aim to optimize the use of our management resources, boost corporate value, and ensure the sustainable growth of the entire group.

(Earnings forecast for the fiscal year ending May 31, 2025)

In the field of Renovation Business, Renovated Condominium sales are expected to generate sales of 34,600 million yen (an increase of 11.2% compared to the previous period) with a total of 1,047 units sold (5 fewer than the

previous period) and an average selling price of 33.05 million yen (a 12.4% increase). Additionally, we plan to earn 2,400 million yen from Intellex Space Plan Co., Ltd.'s interior renovation business and 1,300 million yen from the Partner-Sourced Purchase and Resale Business with Saisei Jutaku Partners. On the other hand, in the Solution Business, we expect sales of 6,100 million yen from the sale of profitable properties, 3,400 million yen from the Leaseback Business Department, 1,700 million yen from the sale of the fractional ownership real estate product *Asset Sharing* series, 1,300 million yen from the hotel business, and 3,500 million yen from the Partner-Sourced Profitable Property Business with Saisei Jutaku Partners Co., Ltd. Consequently, the consolidated sales are projected to be 56,415 million yen, an increase of 25.9% compared to the previous period.

Regarding profits, in addition to the increased profits driven by higher selling prices of Renovated Condominiums, we anticipate profit contributions from the securitization of real estate trust beneficiary rights in the Leaseback Business as well as joint ventures with Saisei Jutaku Partners. As a result, consolidated gross profit is projected to increase by 8,563 million yen, up 7.4% from the previous fiscal year. Selling, general and administrative expenses are expected to increase by 8.6% year-on-year, mainly due to higher brokerage fees accompanying property sales and rising personnel costs resulting from efforts to enhance human capital management. However, these cost increases are expected to be absorbed, with operating profit projected at 2,498 million yen, a 4.7% increase from the previous year. Ordinary profit is forecast at 2,006 million yen, a 7.4% decline year-on-year. This is due to a 10.2% increase in non-operating expenses, driven by proactive acquisitions and rising interest rates.

Profits attributable to owners of parent is expected to be 1,346 million yen, down 19.3% from the previous term. This decline reflects the absence of 318 million yen in extraordinary income recorded in the previous year as compensation for forced relocation.

(5) Basic policy on profit distribution and dividends for current and next fiscal years

Pursuant to Article 459, Paragraph 1 of the Companies Act, our Articles of Incorporation stipulate that we may distribute surplus funds by resolution of the Board of Directors.

Regarding the distribution of surplus, we consider returning profits to shareholders to be one of our most important managements priorities and will actively return profits to shareholders while strengthening our financial position and enhancing internal reserves for future business expansion.

The year-end dividend for the fiscal period ending in May 2025 will be set at 22 yen per share as an ordinary dividend, based on strong performance results, along with a commemorative dividend of 7 yen for the 30th anniversary, making a total of 29 yen. As a result, the annual dividend per share will be 46 yen.

As for the dividend policy for the next term (FY 2026), we have reviewed the existing policy to minimize dividend volatility caused by short-term profit fluctuations, so that investors can hold shares with confidence over the medium to long term. We aim for a stable dividend with a payout ratio of around 30%.

Specifically, for FY 2026, while the earnings forecast for profit attributable to owners of parent is expected to be lower than the previous period, considering that the group's operational profitability is steadily improving, we plan to distribute a dividend of 46 yen per share (with an interim dividend and a year-end dividend of 23 yen each).

2. Fundamental approach to the selection of accounting standards

Taking into consideration the comparability of consolidated financial statements across periods and between companies, we plan to prepare consolidated financial statements in accordance with Japanese standards for the time being.

Going forward, we may consider applying international accounting standards, taking into account changes in the ratio of foreign shareholders and the trends in the application of international accounting standards by our domestic competitors.

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Thousand yen)

	As of May 31, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	4,980,415	5,534,385
Accounts receivable – trade	401,532	504,277
Real estate for sale	20,308,884	28,563,489
Advance payments to suppliers	393,159	492,460
Other	369,900	486,158
Allowance for doubtful accounts	-1,867	-791
Total current assets	26,452,025	35,579,980
Non-current assets		
Tangible assets		
Building and structures	4,755,554	5,020,042
Accumulated depreciation	-790,477	-891,442
Building and structures, net	3,965,077	4,128,599
Land	8,031,901	10,225,389
Lease asset	162,319	114,870
Accumulated depreciation	-103,490	-79,839
Lease asset, net	58,828	35,030
Construction in progress	26,898	78,531
Other	84,821	117,874
Accumulated depreciation	-68,961	-73,523
Other, net	15,859	44,350
Total tangible assets	12,098,565	14,511,901
Intangible assets		
Other	89,690	16,463
Total intangible assets	89,690	16,463
Investments and other assets		
Investment securities	921,438	1,119,950
Deferred tax assets	166,302	276,013
Other	987,866	1,163,931
Allowance for doubtful accounts	-5,070	-4,926
Total investments and other assets	2,070,536	2,554,969
Total non-current assets	14,258,791	17,083,334
Total assets	40,710,816	52,663,315

(Thousand yen)

	As of May 31, 2024	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	619,664	973,598
Short-term borrowings	11,338,236	14,546,109
Current portion of bonds payable	100,000	206,000
Current portion of long-term borrowings	2,286,969	1,825,593
Income taxes payable	103,032	810,839
Contract liability	179,640	297,507
Allowance for guarantee of after-sales service	45,977	39,297
Other	1,680,041	1,370,378
Total current liabilities	16,353,562	20,069,324
Non-current liabilities		
Bonds	400,000	594,000
Long-term borrowings	11,544,843	17,880,580
Asset retirement obligations	82,776	93,277
Other	456,984	404,185
Total non-current liabilities	12,484,604	18,972,043
Total liabilities	28,838,167	39,041,368
Net assets		
Shareholders' equity		
Share capital	2,253,779	2,253,779
Capital surplus	2,447,492	2,454,223
Retained earnings		
Other retained earnings		
Reserve for open innovation tax incentive	22,548	22,256
Retained earnings brought forward	7,604,498	9,054,159
Total retained earnings	7,627,047	9,076,415
Treasury shares	-533,744	-481,476
Total shareholders' equity	11,794,574	13,302,941
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	60,075	61,006
Total accumulated other comprehensive income	60,075	61,006
Non-controlling interests	18,000	258,000
Total net assets	11,872,649	13,621,947
Total liabilities and net assets	40,710,816	52,663,315

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Thousand yen)

	Fiscal period ended May 31, 2024	Fiscal period ended May 31, 2025
Net sales	42,702,249	44,793,776
Cost of sales	36,870,560	36,822,613
Gross profit	5,831,688	7,971,162
Selling, general and administrative expenses	4,900,650	5,584,654
Operating profit	931,038	2,386,508
Non-operating income		
Interest income	65	2,713
Dividend income	10,023	6,766
Gain on sale of investment securities	8,181	2,006
Penalty income	25,456	27,613
Outsourcing service income	12,818	12,818
Subsidy income	65,957	143,190
Commission income	7,695	5,393
Gain on investments in silent partnerships	74,630	232,791
Other	13,299	19,141
Total non-operating income	218,126	452,435
Non-operating expenses		
Interest expenses	375,079	484,113
Commission expenses	126,506	140,480
Other	39,792	47,426
Total non-operating expenses	541,378	672,020
Ordinary profit	607,787	2,166,922
Extraordinary income		
Gain on sales of non-current assets	45	13,982
Gain on reversal of asset retirement obligations	—	15,000
Compensation for forced relocation	—	318,060
Total extraordinary income	45	347,042
Extraordinary losses		
Loss on disposal of non-current assets	3,645	57,358
Impairment loss	15,920	—
Head office relocation expenses	—	59,363
Total extraordinary losses	19,565	116,721
Profit before income taxes	588,266	2,397,243
Income taxes - current	164,331	841,230
Income taxes - deferred	9,770	-111,278
Total income taxes	174,102	729,952
Profit	414,164	1,667,290
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	414,164	1,667,290

(Consolidated statement of comprehensive income)

(Thousand yen)

	Fiscal year ended May 31, 2024	Fiscal year ended May 31, 2025
Profit	414,164	1,667,290
Other comprehensive income		
Valuation difference on available-for-sale securities	26,928	930
Total other comprehensive income	26,928	930
Comprehensive income	441,093	1,668,220
(Breakdown)		
Comprehensive income attributable to owners of parent	441,093	1,668,220
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated statement of changes in net assets

For the fiscal period ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings		
			Other retained earnings		Total retained earnings
			Reserve for open innovation tax incentive	Retained earnings brought forward	
Balance at beginning of current period	2,253,779	2,448,641	—	7,363,595	7,363,595
Changes during period					
Dividends of surplus				-150,712	-150,712
Net income attributable to parent company shareholders				414,164	414,164
Purchase of treasury shares					
Disposal of treasury shares		-1,149			
Provision of reserve for open innovation tax incentive			22,548	-22,548	—
Net changes in items other than shareholders' equity					
Total changes during period	—	-1,149	22,548	240,902	263,451
Balance at end of current period	2,253,779	2,447,492	22,548	7,604,498	7,627,047

	Shareholders' equity		Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Treasury shares	Total shareholders' equity	Loss/gain on valuation of investment securities	Total accumulated other comprehensive income		
Balance at beginning of current period	-342,696	11,723,320	33,146	33,146	18,000	11,774,467
Changes during period						
Dividends of surplus		-150,712				-150,712
Net income attributable to parent company shareholders		414,164				414,164
Purchase of treasury shares	-199,945	-199,945				-199,945
Disposal of treasury shares	8,897	7,748				7,748
Provision of reserve for open innovation tax incentives		—				—
Net changes in items other than shareholders' equity			26,928	26,928		26,928
Total changes during period	-191,048	71,253	26,928	26,928		98,182
Balance at end of current period	-533,744	11,794,574	60,075	60,075	18,000	11,872,649

For the fiscal period ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings		
			Other retained earnings		Total retained earnings
			Reserve for open innovation tax incentive	Retained earnings brought forward	
Balance at beginning of current period	2,253,779	2,447,492	22,548	7,604,498	7,627,047
Changes during period					
Dividends of surplus				-217,922	-217,922
Net income attributable to parent company shareholders				1,667,290	1,667,290
Purchase of treasury shares					
Disposal of treasury shares		6,730			
Provision for reserve for open innovation tax incentive			-292	292	—
Net changes in items other than shareholders' equity					
Total changes during period		6,730	-292	1,449,660	1,449,368
Balance at end of period	2,253,779	2,454,223	22,256	9,054,159	9,076,415

	Shareholders' equity		Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Treasury shares	Total shareholders' equity	Loss/gain on valuation of investment securities	Total accumulated other comprehensive income		
Balance at beginning of current period	-533,744	11,794,574	60,075	60,075	18,000	11,872,649
Changes during period						
Dividends of surplus		-217,922				-217,922
Net income attributable to parent company shareholders		1,667,290				1,667,290
Purchase of treasury shares						—
Disposal of treasury shares	52,268	58,998				58,998
Provision of reserve for open innovation tax incentive		—				—
Net changes in items other than shareholders' equity			930	930	240,000	240,930
Total changes during period	52,268	1,508,366	930	930	240,000	1,749,297
Balance at end of period	-481,476	13,302,941	61,006	61,006	258,000	13,621,947

(4) Consolidated statement of cash flows

(Thousand yen)

	Fiscal period ended May 31, 2024	Fiscal period ended May 31, 2025
Cash flows from operating activities		
Profit before income taxes	588,266	2,397,243
Depreciation	286,884	297,027
Impairment losses	15,920	—
Decrease (increase) in allowance for doubtful accounts	3,029	-1,219
Decrease in allowance for after-sales service	-10,728	-6,680
Interest and dividend income	-10,088	-9,480
Interest expenses	375,079	484,113
Share based payment expenses	37,782	47,796
Gain on reversal of asset retirement obligations	—	-15,000
Loss on sales of investment securities	-8,181	-2,006
Gain on disposal of non-current assets	3,599	43,375
Decrease in trade receivables	-167,727	-102,744
Decrease (increase) in inventories	8,015,406	-8,126,800
Decrease in advance payments to suppliers	-197,342	-99,300
Increase (decrease) in trade payables	-56,954	353,934
Increase in consumption taxes refund receivable	65,241	52,239
Decrease (increase) in accrued consumption taxes	622,596	-571,633
Decrease in other assets	-103,906	-336,450
Increase (decrease) in other liabilities	-160,073	354,008
Subtotal	9,298,806	-5,241,578
Interest and dividend received	10,088	9,480
Interest paid	-354,414	-544,123
Income taxes paid	-93,349	-155,375
Net cash provided by (used in) operating activities	8,861,130	-5,931,597
Cash flows from investing activities		
Payments into time deposits	-231,792	-125,432
Proceeds from withdrawal of time deposits	50,000	11,809
Purchase of non-current assets	-2,793,169	-2,850,123
Proceeds from sale of non-current assets	245	72,859
Purchase of investment securities	-223,500	—
Proceeds from sale of investment securities	82,480	12,066
Payments of long-term loans receivable	—	-4,664
Other	-1,039	-16,213
Net cash provided by (used in) investing activities	-3,116,775	-2,899,698

	Fiscal period ended May 31, 2024	Fiscal period ended May 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-4,963,321	3,207,873
Proceeds from long-term borrowings	7,259,804	11,351,920
Repayments of long-term borrowings	-8,113,298	-5,477,559
Proceeds from issuance of bonds	500,000	400,000
Redemption of bonds	-100,000	-100,000
Repayments of lease liabilities	-19,319	-20,237
Proceeds from share issuance to non-controlling shareholders	—	240,000
Purchase of treasury shares	-201,550	—
Dividends paid	-151,059	-216,923
Net cash provided by (used in) financing activities	-5,788,745	9,385,072
Net increase (decrease) in cash and cash equivalents	-44,390	553,777
Cash and cash equivalents at beginning of period	4,734,391	4,690,001
Cash and cash equivalents at end of fiscal year	4,690,001	5,243,779

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable

(Basis of presenting consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 6

Names of consolidated subsidiaries:

Intellex Space Plan Co., Ltd.

Intellex Property Co., Ltd.

Saisei Jutaku Partners Co., Ltd.

FLIE Co., Ltd.

TEI Japan Co., Ltd.

RECOSSYS Co., Ltd.

(2) Number of unconsolidated subsidiaries: None

2. Application of the equity method of accounting

(1) Number of equity-method affiliated companies: -

Not applicable

(2) Unconsolidated subsidiaries and affiliated companies not accounted for by the equity method:

Not applicable

3. Matters concerning the fiscal years of consolidated subsidiaries

All consolidated subsidiaries have the same fiscal year as the consolidated fiscal year.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022, hereinafter, "Revised Accounting Standard 2022") etc. has been applied from the beginning of this consolidated fiscal year.

With respect to the revisions concerning the classification of corporate taxes relating to other comprehensive income, we are following the transitional treatment prescribed in the proviso of Paragraph 203 of the Revised Accounting Standards 2022 and the transitional treatment prescribed in the proviso (2) of Paragraph 65-2 of the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Application Guidelines No. 28 of 2022, dated October 28, 2022). This change in accounting policy has no impact on the consolidated financial statements.

(Additional information)

(Disposal of treasury share as a restricted share compensation plan)

1. As of October 1, 2024, we completed the procedures regarding the disposal of treasury share as restricted share compensation, which was resolved at the Board of Directors meeting held on September 6, 2024.

Summary of disposal of treasury shares

(1)	Disposal date	October 1, 2024
(2)	Type and number of shares to be disposed of	Our common shares: 34,000 shares
(3)	Disposal price	¥657 per share
(4)	Total disposal price	¥22,338,000
(5)	Disposal recipient and number of persons/shares to be disposed of	7 Executive Directors of the parent: 13,800 shares 31 employees of the parent: 12,600 shares 3 Executive Director of the subsidiary: 2,100 shares 12 employees of the subsidiary: 5,500 shares

2. As of October 1, 2024, we completed the procedures regarding the disposal of treasury share as restricted share compensation, which was resolved at the Board of Directors meeting held on September 6, 2024.

Summary of disposal of treasury shares

(1)	Disposal date	October 1, 2024
(2)	Type and number of shares to be disposed of	Our common shares: 55,800 shares
(3)	Disposal price	¥657 per share
(4)	Total disposal price	¥36,660,600
(5)	Disposal recipient and number of persons/shares to be disposed of	279 employees of the parent: 55,800 shares

(Transferring from tangible noncurrent asset to real estate for sale)

Due to change in the purpose of ownership, part of tangible noncurrent assets has been transferred to real estate for sale. Below is the summary:

	(Thousand yen)	
	Fiscal period ended May 31, 2024	Fiscal period ended May 31, 2025
Building and structures	1,575,910	736,253
Land	2,985,781	1,306,295
Land lease	464,906	—
Construction in progress	32,881	—
Other	1,535	—
Total	5,061,014	2,042,548

(Transferring from real estate for sale to tangible noncurrent asset)

Due to change in the purpose of ownership, part of real estate for sale has been transferred to tangible noncurrent assets. Below is the summary:

	(Thousand yen)	
	Fiscal period ended May 31, 2024	Fiscal period ended May 31, 2025
Building and structures	565,033	443,572
Land	1,921,624	1,463,076
Other	1,208	—
Total	2,487,865	1,906,649

(Securitization of Leaseback properties)

- (1) Overview of special purpose companies and transactions using special purpose companies
We securitize real estate properties in order to diversify funding sources.

When securitizing, we first transfer real estate properties (trust beneficiary rights, etc.) to a special purpose company (limited liability company), and then the company receives funds procured through borrowing, etc. backed by the real estate as proceeds from the sale.

We conclude a silent partnership agreement with a special purpose company and make investments based on that agreement. We plan to recover all of our investments in silent partnership, and as of the end of May 2025, we have determined that there is no possibility of incurring losses in the future.

We do not hold investments with voting rights, nor do we send officers or employees.

	Fiscal period ended May 31, 2024	Fiscal period ended May 31, 2025
No. of special purpose companies	4	4
Total assets as of the most recent closing date (simple sum)	¥8,801,225 thousand	¥7,420,070 thousand
Total liabilities (simple sum)	¥7,436,427 thousand	¥6,009,816 thousand

(2) Amount of transactions, etc. with special purpose company

Fiscal period ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

(Thousand yen)

	Amount of transaction	Main profit/loss	
		Section	Amount
Silent partnership investment	407,700	Gains/losses on silent partnership investments	49,903
Real estate transfer amount (Note 1)	1,843,644	Net sales	1,843,644

Note 1: The real estate transfer amount is stated at the transfer price at the time of the transfer. The amount transferred is recorded as sales on the Consolidated Statement of Income.

Note 2: Intellex Property Co., Ltd., our consolidated subsidiary, is entrusted with the management of properties transferred to a special purpose company. Amounts are omitted due to their immateriality.

Fiscal period ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Thousand yen)

	Amount of transaction	Main profits and loss	
		Section	Amount
Silent partnership investment	407,700	Gains/losses on silent partnership investments	206,075

Note: Intellex Property Co., Ltd., our consolidated subsidiary, is entrusted with the management of properties transferred to a special purpose company. Amounts are omitted due to their immateriality.

(Segment information)

a. Segment information

1. Overview of the reported segments

Our reported segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of business resources and evaluate business results.

We have two reportable segments: Renovation Business and Solution Business.

Renovation Business mainly engages in renovation works/sales, leasing, brokerage of pre-owned condominiums, and interior renovation and decoration business. Solution Business mainly engages in the sales and rental business of profitable real estate properties, Leaseback Business, Asset Sharing Business, and Hotel and Accommodation Business.

2. Method for calculating sales, profit/loss, assets, and other items by reported segments

The accounting method used for reported segments is generally the same as stated in “Basis of presenting consolidated financial statements.”

Inter-segment sales and transfers are based on market realties prices.

3. Information regarding the amounts of net sales and profit or loss by reported segments
Fiscal period ended May 31, 2024 (from June 1, 2023 to May 31, 2024):

(Thousand yen)

	Reported segments			Adjustment (Note 1)	Amount of consolidated financial statements
	Renovation Business	Solution Business	Total		
Net sales					
Sales – outside customers	34,781,914	7,920,334	42,702,249	—	42,702,249
Sales and transfer – inter-segment	—	—	—	—	—
Total	34,781,914	7,920,334	42,702,249	—	42,702,249
Segment profit	550,748	1,223,009	1,773,758	-842,720	931,038
Segment asset	15,648,249	20,396,018	36,044,268	4,666,548	40,710,816
Others					
Depreciation	78,946	201,305	280,252	6,632	286,884
Increase in tangible non- current assets and intan- gible noncurrent assets	46,354	2,720,837	2,767,192	847	2,768,040

(Notes) 1. Details of adjustments are as follows:

The adjustment of ¥842,720 thousand (negative) to segment profit represents corporate expenses that are not allocated to any reported segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reported segments.

The adjustment of ¥4,666,548 thousand to segment assets represents corporate assets not allocated to any reported segment. These corporate assets consist mainly of cash and deposits, deferred tax assets and assets related to corporate management that are not attributable to the reported segments.

2. Segment profit was adjusted with operating profit on the consolidated statement of income.

3. Segment asset was adjusted with total asset on the consolidated balance sheet.

Fiscal period ended May 31, 2025 (from June 1, 2024 to May 31, 2025):

(Thousand yen)

	Reported segments			Adjustment (Note 1)	Amount of consolidated financial statements
	Renovated Condominium Business	Other Real Estate Businesses	Total		
Net sales					
Sales – outside customers	35,117,357	9,676,418	44,793,776	—	44,793,776
Sales and transfer – inter-segment	—	—	—	—	—
Total	35,117,357	9,676,418	44,793,776	—	44,793,776
Segment profit	1,101,818	2,204,885	3,306,703	-920,195	2,386,508
Segment asset	21,549,873	26,363,427	47,913,301	4,750,014	52,663,315
Others					
Depreciation	52,787	236,169	288,957	8,069	297,027
Increase in tangible non- current assets and intan- gible noncurrent assets	83,162	2,761,024	2,844,187	20,305	2,864,492

(Notes) 1. Details of adjustments are as follows:

The adjustment of ¥920,195 thousand (negative) to segment profit represents corporate expenses that are not allocated to any reported segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reported segments.

The adjustment of ¥4,750,014 thousand to segment assets represents corporate assets not allocated to any reported segment. These corporate assets consist mainly of cash and deposits, deferred tax assets and assets related to corporate management that are not attributable to the reported segments.

2. Segment profit was adjusted with operating profit on the consolidated statement of income.

3. Segment asset was adjusted with total asset on the consolidated balance sheet.

(Per share information)

	Fiscal year ended May 31, 2024	Fiscal year ended May 31, 2025
Net assets per share	¥1,479.04	¥1,650.38
Net income (loss) per share	¥50.04	¥206.54

(Note)

1. Diluted net income per share of both this and last consolidated fiscal year is not mentioned above, since there are no dilutive shares.
2. The basis for calculating net income (loss) per share and diluted net income per share is as follows:

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Net income (loss) per share		
Net income (loss) attributable to parent company shareholders (thousand yen)	414,164	1,667,290
Amounts not attributable to common shareholders (thousand yen)	—	—
Net income (loss) attributable to parent company common shareholders (share)	414,164	1,667,290
Average number of common shares outstanding during the fiscal year	8,276,013	8,072,632
Summary of dilutive shares that were not calculated into diluted net income per share due to lack of dilutive impact	—	—

(Important subsequent matters)

(Transition to a Holding Company structure through sole-share transfer)

On June 27, 2025, the board of directors of Intellex resolved to establish a holding company (wholly owning parent company) named Intellex Holdings, Inc. (hereinafter referred to as the “Holding Company”) through a share transfer solely executed by the Company (hereinafter referred to as “the Share Transfer”), with an effective date of December 1, 2025 (tentative) subject to the necessary procedures, including the approval at the ordinary general meeting of shareholders scheduled to be held on August 26, 2025.

1. Transition to a Holding Company structure through sole-share transfer

(1) Background and purpose

Since its establishment in 1995, the Company has been a frontrunner in the renovation industry, taking on various pioneering initiatives in the industry, such as being the first to introduce after-sale guarantees for renovated condominiums. Additionally, through our leadership in establishing and operating of the Renovation Council, we have spearheaded the industry’s growth, elevated public awareness, and have driven market expansion.

In 2025, as the Company marks the 30th anniversary of its founding, it has determined that transiting to a holding company structure would be optimal. This strategic move is intended to enhance managerial agility, reinforce our corporate governance framework, and cultivate the next generation of leadership, with a long-term outlook extending over the coming decade and beyond.

Under this envisioned structure, the Holding Company would concentrate on formulating overall group strategy, supporting group companies, and providing a range of solution services in the real estate industry - such as SaaS based prop tech services, digital transformation solutions and energy efficient renovation solutions, The Holding Company would also actively engage in strategic investments such as mergers and acquisitions, to create more comfortable living environments, and explore new business opportunities.

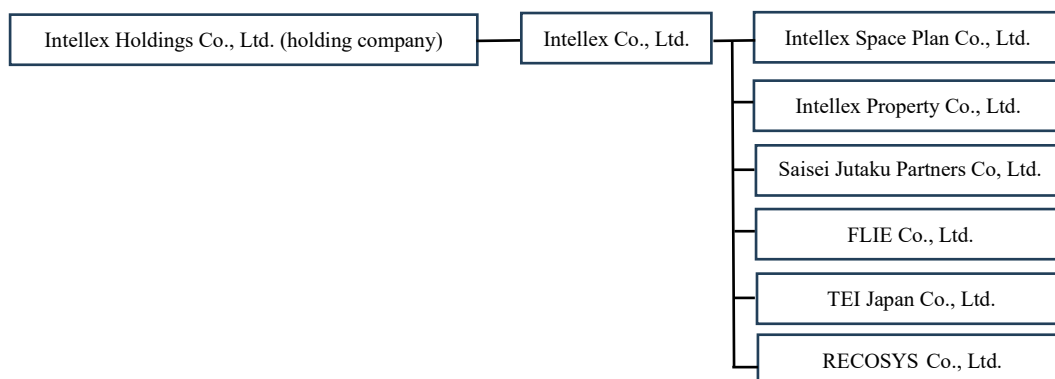
On the other hand, the operating companies will dedicate their focus to business operations, with the aim of building a group management structure in which they can operate independently and respond swiftly to changes in the environment, while pursuing revenue growth. With the promotion of the transition to such a new corporate structure we aim to optimize the allocation of our management resources, and to achieve enhanced corporate value and sustainable growth of the entire group.

(2) Procedure for transitioning to a Holding Company structure

The Company plans to implement the transition to a holding company structure using the method described below.

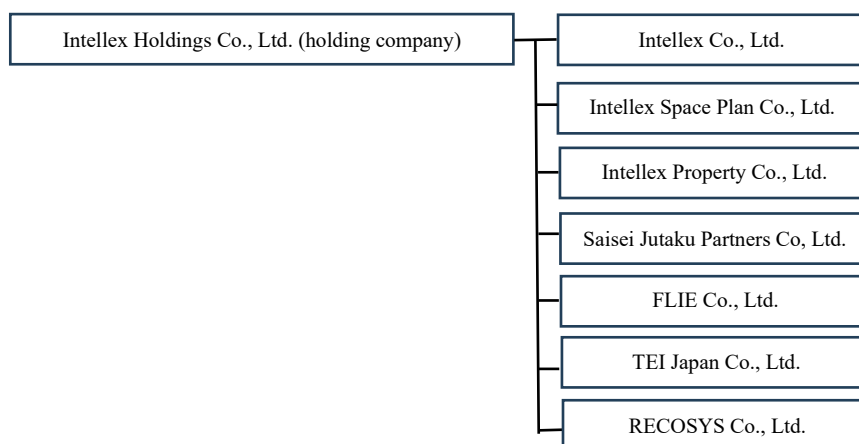
Step 1: Establishment of a pure holding company through the Share Transfer executed solely by the Company (implementation of the Share Transfer)

The establishment of a holding company through the Share Transfer with an effective date of December 1, 2025, will result in the Company becoming a wholly owned subsidiary of the Holding Company.



Step 2: Structure after the establishment of the Holding Company

On the same day as the establishment of the Holding Company, in order to transition to a pure holding company structure, the Company plans to conduct an internal group reorganization as described below, by transferring the shares and equity interests of certain subsidiaries (hereinafter referred to as the 'Transition Target Subsidiaries') that are held by the Company to the Holding Company by means of an dividend in kind to enable the holding company to directly hold such shares and interests. The specific method of reorganization for this is currently being examined.



2. Summary of the Share Transfer

(1) Schedule of the Share Transfer

Ordinary general meeting of shareholders record date	Saturday, May 31, 2025
Board of Directors approval of share transfer plan	Friday, June 27, 2025
Ordinary general meeting of shareholders approval of share transfer plan	Tuesday, August 26, 2025
Date of delisting of company shares	Thursday, November 27, 2025
Date of establishment registration of Holding Company (effective date)	Monday, December 1, 2025
Date of share listing of Holding Company	Monday, December 1, 2025

However, the above schedule may change if necessary for the progress of the Share Transfer procedure and for any other reason.

(2) Method of the Share Transfer

This is a sole share transfer with the Company as the wholly owned subsidiary resulting from the Share Transfer and the Holding Company as the wholly owning parent company established through the Share Transfer.

(3) Details of the allocation related to the Share Transfer (share transfer ratio)

Company	Intellex Holdings Co., Ltd. (Establishment of a wholly owned parent company through share transfer)	Intellex Co., Ltd. (Share transfer wholly owned subsidiary)
Share transfer ratio	1	1

A. Share transfer ratio:

As a result of the Share Transfer, the Company will allocate one share of the common share of the newly established Holding Company for each share of our common share held by our shareholders just before the Holding Company acquires all of our outstanding shares.

B. Numbers of shares per share unit:

The Holding Company will adopt a unit share system, with 100 shares per unit.

C. Basis for calculating the Share Transfer ratio:

This Share Transfer, conducted unilaterally by the Company, will establish a wholly owned Holding Company. Since the shareholder composition will remain unchanged at the time of Share Transfer, one common share of the new Holding Company will be allotted for each one common share of the Company. This approach is intended to prevent any disadvantage or confusion for shareholders

D. Results, methods, and the basis of calculation, of the valuation report by third-party institutions:

Considering the reasons stated in the above Section C, no third-party valuation of the Share Transfer Ratio has been conducted.

E. Number of new shares to be issued due to the Share Transfer (tentative):

Ordinary shares: 8,932,100 shares (tentative)

However, if the total number of issued shares of the Company changes prior to the effective date of the Share Transfer, the number of new shares to be issued by the Holding Company will be adjusted accordingly. In addition, ordinary shares of the Holding Company are subject to allocation to the treasury shares held by the Company at the time the Share Transfer takes effect, in proportion to the Share Transfer ratio. As a result, the Company will temporarily hold ordinary shares of the Holding Company. The method of disposing of these shares will be announced once a decision has been made.

(4) Handling of the stock acquisition rights and bonds with stock acquisition rights associated with the Share Transfer:

The Company has not issued any stock acquisition rights or bonds with stock acquisition rights.

(5) Matters concerning the application for the listing of the Holding Company:

The Company plans to apply for the initial listing (technical listing) of the shares of the newly established holding company on the Tokyo Stock Exchange Standard Market, with the listing date scheduled for December 1, 2025. In addition, as the Company will become a wholly owned subsidiary of the Holding Company as a result of the Share Transfer, to the Holding Company's listing, it is scheduled to be delisted from the Tokyo Stock Exchange Standard Market on November 27, 2025, prior to the listing date of the Holding Company.

Please note that the delisting date is subject to change, as it will be determined based on the rules of the Tokyo Stock Exchange.

3. Overview of the companies involved in the Share Transfer
(wholly owned subsidiary of the Share Transfer, the Company):

(As of May 31, 2025)

(1)	Company name	Intellex Co., Ltd.		
(2)	Location	Sakuragaokacho, Shibuya-ku, Tokyo		
(3)	Representative title and name	President and Representative Director: Seiji Toshinari		
(4)	Business description	Real estate sales; real estate leasing; real estate consulting		
(5)	Capital	2,253 million yen		
(6)	Date of establishment	July 17, 1995		
(7)	Number of shares issued	8,932,100 shares		
(8)	Fiscal year-end	May 31		
(9)	Major shareholders and ownership ratio	E-Alliance Co., Ltd.	42.53%	
		Intellex Co., Ltd.	9.34%	
		Intellex Employees' Share Ownership Association	2.02%	
		Hiroyuki Shimazaki	1.44%	
		Tomohiro Suzuki	1.14%	
		Seigo Naito	0.80%	
		KITAZAWA SANGYO CO., LTD.	0.79%	
		Junko Kitagawa	0.75%	
		Hideki Utou	0.70%	
		The Bank of New York Mellon 140040 (Permanent representative: Mizuho Bank Settlement Sales Department)	0.63%	
(10)	Consolidated operating results and financial position for the last three years			
	Fiscal year	FY2022	FY2023	FY2024
	Net assets (millions of yen)	11,978	11,774	11,872
	Total assets (millions of yen)	40,932	45,629	40,710
	Net assets per share (yen)	1,381.47	1,403.89	1,479.04
	Sales (millions of yen)	36,139	41,236	42,702
	Operating profit (millions of yen)	1,364	710	931
	Ordinary profit (millions of yen)	1,061	239	607
	Net profit attributable to owners of parent (millions of yen)	643	100	414
	Net profit per share (yen)	74.55	11.65	50.04
	Dividend per share (yen)	26.00	18.00	19.00

4. Overview of the new Company to be established through the Share Transfer (scheduled as a wholly owned parent company and Holding Company):

(1)	Company name	Intellex Co., Ltd.
(2)	Location	Sakuragaokacho, Shibuya-ku, Tokyo
(3)	Representative title and name	President and Representative Director: Seiji Toshinari
(4)	Business description	Management of group companies and related operations
(5)	Capital	413 million yen
(6)	Date of establishment	December 1, 2025
(7)	Fiscal year-end	May 31

5. Overview of accounting treatment:

The Share Transfer will be accounted for as a “transaction under common control” under corporate accounting, and therefore will have no impact on profit and loss. No goodwill is expected to result from the Share Transfer.

6. Future outlook:

Following the Share Transfer, the Company will become a wholly owned subsidiary of the Holding Company. Consequently, the Company’s performance will be reflected in the consolidated results of the Holding Company, the wholly owning parent company established by the Share Transfer. The impact of the Share Transfer on performance is expected to be minor.