



Consolidated Financial Results
for the First Six Months of the Fiscal Year Ending March 31, 2026
[Japanese GAAP]

November 13, 2025

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Scheduled Date of Filing Securities Report: November 14, 2025
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Supplemental documents for the financial results provided: Yes
Results briefing for the period under review provided: Yes (for institutional investors and securities analysts)

(Amounts below one million yen are omitted)

1. Consolidated Results of Operation for the First Six Months Ended September 30, 2025
(From April 1, 2025 to September 30, 2025)

(1) Consolidated Earnings Results (Cumulative)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Six months ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	2,630,945	-0.8	221,399	-5.6	205,341	-7.1	137,718	-11.9
September 30, 2024	2,652,623	4.2	234,655	22.8	220,958	17.5	156,342	1.2

Note: Comprehensive income: Six months ended September 30, 2025: 89,769 million yen (-60.8%)
Six months ended September 30, 2024: 228,927 million yen (19.1%)

	Basic net income per share	Diluted net income per share
Six months ended:	Yen	Yen
September 30, 2025	222.62	—
September 30, 2024	244.74	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	7,364,791	2,742,931	36.0
March 31, 2025	7,049,323	2,716,745	37.1

(Reference) Net assets ratio = (Net assets – Non-controlling interests)/Total assets×100

(Net assets – Non-controlling interests) is as follow. September 30, 2025: 2,654,360 million yen; March 31, 2025: 2,614,238 million yen

2. Dividends

	Dividend per share				
	End of 1st quarter (June 30)	End of 2nd quarter (Sept. 30)	End of 3rd quarter (Dec. 31)	Fiscal year-end (Mar. 31)	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	70.00	—	80.00	150.00
Fiscal year ending March 31, 2026	—	75.00			
Fiscal year ending March 31, 2026 (forecasts)			—	100.00	175.00

Note: Revisions to the latest dividend forecasts announced: Yes

Dividend forecasts for the fiscal year ending March 31, 2026: Ordinary dividend 165.00 yen; 70th anniversary commemorative dividend 10.00 yen

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	5,600,000	3.0	510,000	-6.6	461,000	-10.7	290,000	-10.8	468.74

Notes: 1. Revisions to the latest earnings forecasts announced: Yes

2. In the above consolidated earnings forecasts, the results for the previous fiscal year, which serves as the basis for the percentage figures indicating the year-on-year changes, include the amortization of actuarial differences for retirement benefits, etc. arising in the previous fiscal year (decrease of 101,238 million yen in operating expenses). Excluding this impact, the year-on-year changes are respectively: operating income +14.6%, ordinary income +11.2%, and net income attributable to owners of the parent +13.4%. For details, please refer to the section of “1. Summary of Earnings Results, etc. (3) Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 9 of “the Attached Material.”

Notes:

- (1) **Significant Changes in the Scope of Consolidation during the Period under Review: None**
- (2) **Application of Accounting Methods Unique to the Preparation of the Semi-Annual Consolidated Financial Statements: None**
- (3) **Changes in Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement**
 - 1) Changes in accounting policies applied due to amendment of accounting standards: None
 - 2) Changes in accounting policies due to reasons other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) **Number of Issued and Outstanding Shares (Common Stock)**

1) Number of shares at the end of the period (including treasury stock)

As of September 30, 2025	659,636,182 shares	As of March 31, 2025	659,478,962 shares
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2) Number of treasury stock at the end of the period

As of September 30, 2025	40,896,486 shares	As of March 31, 2025	40,895,047 shares
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3) Average number of shares during the period

Six months ended September 30, 2025	618,628,099 shares	Six months ended September 30, 2024	638,811,415 shares
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* **Review of the Japanese-language originals of the attached consolidated semi-annual financial statements by certified public accountants or an audit firm: None**

* **Remarks on appropriate use of forecasted results of operation and other special matters**

(Notes regarding forward-looking statements)

Consolidated earnings forecasts are based on assumptions in light of the information available as of the date of announcement of this material and the factors of uncertainty that may possibly impact the future results of operation. These statements do not mean that the Company pledges to realize such statements. Actual results may differ significantly from those presented herein as a consequence of numerous factors such as the financial market, economic conditions, competitor situations and fluctuations in land prices.

For the suppositions that form the assumptions for earnings forecasts, please refer to the section of “1. Summary of Earnings Results, etc. (3) Consolidated Earnings Forecasts and Other Forward-Looking Statements” of “the Attached Material” on page 9.

(Obtaining supplementary explanatory materials)

The Company plans to hold a briefing for institutional investors and securities analysts on November 13, 2025. Relevant financial statements to be handed out at the briefing will be posted on our website at the same time.

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1. Summary of Earnings Results, etc.

(1) Summary of Consolidated Earnings Results for the Period under Review

During the first six-month period under review, the global economy remained uncertain, a reflection of tougher trade policies by the United States and ongoing geopolitical risks. In major countries, inflation slowed and monetary policy eased, whereas the pace of economic growth decelerated as tariff policies weighed on trade and investment. The Japanese economy continued to see improvements in its employment and income environment. Personal consumption was fairly solid. While wage increases and a recovery in real wages are boosting consumer sentiment, rising food and energy prices are affecting household finances. It will take some time for consumption to fully recover.

The number of new construction starts in the domestic housing market from April 2025 to September 2025 decreased year on year for owner-occupied houses, rental housing and built-for-sale houses, resulting in a year-on-year decrease in the overall figure. In the general construction market, although the floor area of new construction starts increased in the categories of warehouses, the figure for offices, stores and factories recorded a year-on-year decrease. The overall figure decreased year on year.

Amid this operating environment, the Group has set forth three management policies in the 7th Medium-Term Management Plan launched in fiscal year 2022: “Evolve revenue model,” “Optimize management efficiency,” and “Strengthen management base.” Under these policies, the Group has actively promoted various high-value-added initiatives and proposals aimed at realizing a sustainable growth model, including the expansion of its overseas and recurring-revenue businesses, as well as enhancing customer experience through digital transformation (DX). Under the “Evolve revenue model” policy, the Group is working to expand its circular value chain—creating, fostering and revitalizing—from the perspective of communities and customers focusing on the keywords “Circularity and regeneration.”

However, due to decline in the sale of development properties, the Daiwa House Group recorded consolidated net sales of 2,630,945 million yen (-0.8% year on year) for the first six months of the fiscal year ending March 2026. Operating income came to 221,399 million yen (-5.6% year on year), ordinary income came to 205,341 million yen (-7.1% year on year), while net income attributable to owners of the parent amounted to 137,718 million yen (-11.9% year on year).

Results by business segment are as follows.

Single-Family Houses Business

In the Single-Family Houses Business segment, we provided high-quality housing with excellent energy efficiency and resilience performance amid the diversification of housing styles. We stayed close to residents’ lives and their changing values to propose lifestyles that will enhance their lives.

In the domestic housing business, the Company promoted the new “Ready Made Housing.” concept which inherits the quality of custom-built houses to strengthen initiatives for built-for-sale houses. The Company provides high-quality built-for-sale houses that aim to be worth more than their price, offering the same design excellence and quality as custom-built houses, a reassuring long-term home warranty, and after-sales support.

For custom-built houses, the Company promoted the “Smart Made Housing.” concept providing the benefits of both custom designs and standardized houses. To further enhance the quality of our innovative proposals, the Company also utilized a VR presentation tool and strengthened sales of semi-custom houses (Smart Design) and standardized houses (Smart Selection). Additionally, the Company focused on increasing the percentage of its sales that are Net Zero Energy Houses (ZEH), not only by offering xevoΣ, its mainstay steel-framed housing product, and skye, a three- to five-story housing product, but also xevo GranWood, a wooden housing product, and Wood Residence MARE, the Company’s top-quality single-family house designed for affluent customers. These efforts reflect the Company’s commitment to

achieving carbon neutrality and responding the diverse needs of its customers.

Moreover, anticipating a society with a high demand for housing stock, the Company is focusing on the revitalization and regeneration of existing buildings. Especially in housing complexes developed by the Company, it works on the Livness Town Project, which aims to regenerate and redevelop communities by addressing social issues such as community revitalization and the problem of vacant houses. The Company tries to put itself in the shoes of those who live there and maintains a close relationship with the communities and the residents' daily lives, so as to enhance the value of communities and ensure they remain attractive places to live for many years more.

Overseas, the Group has been expanding its operations in the eastern, southern and western regions of the United States, which it calls the smile zone. Three Group companies, Stanley Martin Holdings, CastleRock Communities and Trumark Companies play a key role in the east, south and west respectively. Sales in the U.S. housing market were slow from the beginning of the year, primarily due to high interest rates and rising economic uncertainty. However, the Group successfully increased the number of residential subdivisions and implemented effective sales strategies. As a result, the cumulative number of orders received from January to June 2025 increased compared to the previous fiscal year.

As a result, net sales for this segment amounted to 541,206 million yen (+7.9% year on year), while operating income came to 23,448 million yen (+6.4% year on year).

Rental Housing Business

In the Rental Housing Business segment, we have been proposing and supporting rental housing management that maximizes the asset value for owners by providing sustainable value while considering tenants, the global environment and the community. In addition, the Company sought to popularize ZEH-M properties that reduce environmental impact and support the saving and generation of energy, while also promoting to increase property scale in line with broader land utilization proposals for owners.

At Daiwa Living Co., Ltd., in addition to providing high-quality rental housing under the “D-ROOM” brand, the company has implemented various initiatives to enhance the value of managed properties, such as proposing the installation of equipment that improves daily convenience and undertaking other related efforts. These efforts have led to an increase in the number of properties under management and the continued maintenance of a high occupancy rate.

Daiwa House Chintai Reform Co., Ltd. worked to strengthen relationships by conducting building inspections and diagnoses periodically at rental houses constructed by the Company, while also promoting warranty extension work and renovation proposals.

As part of its overseas operations in the U.S., the second phase of a project in Houston, Texas—following the completion of the first phase in June 2024—was completed in August 2025, establishing a 470-unit low-rise rental housing community. The Company aims to achieve the stable operation of its owned properties at an early stage. While closely monitoring market trends, the Company intends to sell units at the optimal time.

In addition, the Company has been strengthening collaboration in real estate development with Alliance Residential Company, which became an equity-method affiliate last year.

As a result, net sales for this segment amounted to 703,196 million yen (+6.4% year on year), while operating income came to 75,038 million yen (+14.0% year on year).

Condominiums Business

In the Condominiums Business segment, we sought to provide basic housing performance essential for a long housing life, comfort, safety and a management structure, drawing on our know-how as a home

builder to meet the diverse lifestyle needs of potential residents.

In August 2025, the Company started selling units of Kurume The Tower Residential (Fukuoka Prefecture), which is a 36-story earthquake-resistant tower condominium. The property is located just a one-minute walk from Kurume Station, which services the Kyushu Shinkansen Line and the JR Kagoshima Main Line. It is the largest and tallest condominium in the area. The condominium is part of a mixed-use redevelopment project in front of the station featuring residential and commercial facilities. The various plans for the building, which include convenient living options and shared amenities, such as a sky lounge and a fitness room, have been well received. As a result, sales are progressing successfully.

Daiwa Lifenext Co., Ltd. has provided the TAKSTYLE external condominium management service since September 2022, and as of September 30, 2025, it was being used by 174 cases. The aging population and the increase in the number of dual-income households have led to a shortage of condominium management association board members. Consequently, TAKSTYLE has been increasingly adopted by management associations of both newly built and existing condominiums to enhance the quality of management by leveraging specialized expertise in condominium operations. Leverage its expertise in management operations, it aims to ease the burdens on management association members and contribute to a safe, secure, and comfortable living environment while enhancing the asset value of condominiums.

As a result, net sales for this segment amounted to 134,200 million yen (+1.0% year on year), while operating income came to 7,580 million yen (-44.2 year on year).

Commercial Facilities Business

In the Commercial Facilities Business segment, we offered various plans that meet the needs of tenant corporations, taking advantage of their business strategies and the characteristics of each region. In particular, we strengthened our efforts in the field of large-scale properties, and focused on built-for-sale business, in which we sell to investors properties for which we have acquired land, planned development, designed and constructed, and conducted leasing-out to tenants, as well as on the commercial facility brokerage and purchase and resale businesses.

Daiwa Lease Co., Ltd. opened Frespo Suzuran Plaza in Obihiro, Hokkaido in July 2025. The concept of the facility is “a place where people, things, and experiences come together to create new interactions.” The company aims to create an environment where local residents can enjoy their time without concern, regardless of the weather, with the goal of making the facility the most popular commercial destination in the Tokachi region.

In the urban hotels business by Daiwa House Realty Mgt. Co., Ltd., there has been significant demand due to Expo 2025 Osaka, Kansai, Japan. The hotels in the Kansai region, in particular, performed well, resulting in an average occupancy rate that surpassed the previous year.

In other businesses, in July 2025, Royal Home Center Co., Ltd. had a sale celebrating its 45th anniversary that attracted many customers. At Sports Club NAS Co., Ltd., a review of fixed costs and efficient advertising investments have contributed to improved business performance.

Overseas, the Company embarked on its first hotel development project in Thailand in collaboration with SCX Corporation Co., Ltd., a subsidiary of SC Asset Corporation PLC., a major real estate developer in Thailand. The hotel, KROMO Bangkok, Curio Collection by Hilton (28 floors above ground, 306 guest rooms), was completed in the heart of Bangkok, the capital of Thailand, and opened on September 24, 2025.

As a result, net sales for this segment amounted to 637,101 million yen (+3.8% year on year), while operating income came to 85,000 million yen (+8.1% year on year).

Logistics, Business & Corporate Facilities Business

In the Logistics, Business & Corporate Facilities Business segment, we worked to enhance the Group's business scope by constructing a variety of facilities to suit the differing business needs of our corporate customers, and by providing total support services that enable customers to utilize their assets most effectively.

Regarding logistics facilities, construction of DPL Kawagoe (Saitama Prefecture), DPL Kazo (Saitama Prefecture) and DPL Ishikawa Hakusan commenced between July 2025 and September 2025. In addition, three large-scale properties—DPL Chiba Yotsukaido II, DPL Chiba Railgate, and DPL Fukushima Nihonmatsu—were completed.

In the medical and nursing care facilities business, the construction of a private hospital began in Saitama Prefecture. A private rehabilitation hospital is currently under construction in Hiroshima Prefecture, and a private hospital has been completed in Hokkaido. Going forward, the Company will continue not only with medical and nursing care-related projects, but also with initiatives involving complex buildings, R&D facilities, and urban development proposals and related planning activities.

In the property management business, Daiwa House Property Management Co., Ltd., a company that manages and operates logistics facilities developed mainly by the Company, concluded new three property management (PM) agreements for logistics facilities, including DPL Chiba Yotsukaido II. As a result, the number of facilities under management and the total managed area reached 262 buildings and approximately 11.15 million square meters as of the end of September 2025.

In the logistics business, Daiwa Logistics Co., Ltd. is taking steps to comply with the recent revisions to two logistics laws. The company is actively expanding its 3PL business* with a focus on logistics center operations as a core business area.

Overseas, the Company continued to develop multi-tenant logistics facilities in the U.S. and ASEAN countries. In September 2025, the Blue Ridge Commerce Center, the Company's first logistics facility development project in the U.S., was completed and began operations. In addition, DPL Malaysia III, which boasts the largest total floor area among the Company's overseas logistics facilities, was also completed. Going forward, the Company will continue to accelerate the development of commercial facilities.

However, due to decline in the sale of development properties, net sales for this segment amounted to 591,865 million yen (-17.5% year on year), while operating income came to 61,793 million yen (-26.2% year on year).

*Stands for "Third-party logistics." An outsourcing service that proposes logistics reforms to cargo owners and undertakes a fully integrated flow of physical distribution of cargoes from the cargo owners.

Environment and Energy Business

In the Environment and Energy Business, amid the current acceleration of transition toward decarbonization and the growing demand for renewable energy, the Group promoted three businesses, the EPC business (design and construction of power plants for renewable energy), the PPS business (electric power retail business) and the IPP business (electric power generation business).

In the EPC business, the Group is working to expand two PPA-related businesses, off-site PPA (Power Purchase Agreement) with the goal of supplying renewable energy to a purchaser far from a solar power generation facility and on-site PPA with the goal of supplying renewable energy directly from a solar power generation facility installed on a roof or in an adjacent area. Demand for renewable energy is increasing steadily. The Company will leverage the land development knowhow it has built up since its

foundation to secure sites for solar power generation facilities in suitable locations and will collaborate with major energy companies to develop users, and will continue focusing efforts on the EPC business as a mainstay business.

In the PPS business, profit remained stable due to the stabilization of spot prices in the electricity wholesale market, as well as initiatives such as the introduction of independently set fuel cost adjustments. While maintaining relationships with existing customers, the Company aims to expand contracted capacity. Given the difficulty of predicting trends in the business environment in the electric power industry, we will continue implementing measures to mitigate business risks.

In the IPP business, the Company engages in the operation of wind, hydroelectric, and solar power generation—its core business—at 758 locations nationwide, with total generation capacity of 959 MW as of September 30, 2025.

The Company is launching a new initiative to enter the power storage station business. It plans to begin operating a station in July 2026. Currently, the Company is preparing for a grid-connected power storage station demonstration project at its Kyushu Plant.

In overseas operations, the Company commenced its first overseas PPA model self-consumption solar power generation equipment (on-site PPA) through a joint venture with WHA Corporation PCL, a developer of logistics facilities and factories in Thailand.

Leveraging the know-how and relationships cultivated through its existing businesses, the Company aims to achieve more widespread use of renewable energy.

As a result, net sales for this segment amounted to 65,200 million yen (+3.6% year on year), while operating income came to 7,868 million yen (+9.8% year on year).

(2) Summary of Financial Conditions for the Period under Review

Total assets as of the end of the consolidated six-month reporting period amounted to 7,364,791 million yen, an increase of 315,467 million yen compared with 7,049,323 million yen in total assets at the end of the previous consolidated fiscal year. This was mainly due to an increase in inventory assets accompanying the acquisition of real estate for sale in the Commercial Facilities Business and the Single-Family Houses Business.

Total liabilities as of the end of the consolidated six-month reporting period amounted to 4,621,859 million yen, an increase of 289,282 million yen compared with 4,332,577 million yen in total liabilities at the end of the previous consolidated fiscal year. The principal reason for this was that the Company raised funds through bank borrowings and the issuance of commercial paper for the acquisition of real estate for sale, real estate for investment, and other purposes.

Total net assets as of the end of the consolidated six-month reporting period amounted to 2,742,931 million yen, an increase of 26,185 million yen compared with 2,716,745 million yen in total net assets at the end of the previous consolidated fiscal year. The main factors behind this were a decrease in the foreign currency translation adjustment account and the posting of 137,718 million yen in net income attributable to owners of the parent, despite the payment of 49,486 million yen in dividends to shareholders for the previous consolidated fiscal year. At the end of the term under review, these results were 2,676,346 million yen in interest-bearing liabilities excluding lease obligations among others, and a debt-equity ratio of 1.01 times. After taking the hybrid financing into account, the debt-equity ratio came to 0.92 times*.

*The debt-equity ratio is calculated considering the publicly offered hybrid bonds (subordinated bonds) and hybrid loans (subordinated loans) totaling 250 billion yen with a 50% equity credit in terms of rating.

(3) Consolidated Earnings Forecasts and Other Forward-Looking Statements

Based on the recent trend in orders received and business results for the second quarter, the Company has revised consolidated business forecasts for the fiscal year ending March 31, 2026. For details, please refer to “Notice Concerning Revisions of Earnings Forecasts and Dividend Forecasts for the Fiscal Year Ending March 2026” announced on November 13, 2025.

(Reference) Comparison with Previous Fiscal Year Results Excluding the Amortization of Actuarial Differences for Retirement Benefits, etc. (% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending March 31, 2026 (forecasts)	5,600,000	3.0	510,000	14.6	461,000	11.2	290,000	13.4
March 31, 2025	5,434,819	4.5	445,041	13.0	414,747	8.8	255,823	-4.0

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and bank deposits	333,198	348,457
Trade notes and accounts receivable	474,790	498,566
Mortgage notes receivable held for sale	54,429	38,946
Securities maturing within one year	402	—
Costs on construction contracts in progress	54,916	60,865
Real estate for sale	*1 1,906,871	*1 2,066,415
Real estate for sale in process	*1 563,275	*1 621,350
Undeveloped land for sale	1,119	2,361
Merchandise and finished goods	20,569	21,675
Work in process	13,972	12,786
Raw materials and supplies	10,913	9,136
Other current assets	451,386	429,217
Allowance for doubtful accounts	(3,380)	(3,814)
Total current assets	3,882,464	4,105,964
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,513,094	1,569,988
Accumulated depreciation	(613,770)	(636,075)
Buildings and structures, net	*1 899,323	*1 933,913
Land	*1 858,719	*1 911,626
Other tangible assets	619,331	622,502
Accumulated depreciation	(236,021)	(245,211)
Other, net	*1 383,309	*1 377,291
Total property, plant and equipment	2,141,352	2,222,831
Intangible assets		
Goodwill	94,656	87,931
Other intangible assets	*1 110,419	*1 109,901
Total intangible assets	205,076	197,832
Investments and other assets		
Investment securities	220,868	253,016
Assets for employees' retirement benefits	127,449	126,524
Lease deposits	253,595	254,860
Other assets	220,201	205,486
Allowance for doubtful accounts	(1,684)	(1,726)
Total investments and other assets	820,430	838,162
Total non-current assets	3,166,858	3,258,826
Total assets	7,049,323	7,364,791

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Trade notes and accounts payable	353,710	319,404
Short-term loans from banks	170,293	390,243
Current portion of bonds	75,000	85,000
Current portion of long-term loans from banks	285,287	223,667
Commercial papers	—	160,000
Income taxes payable	99,097	63,226
Advances received	128,665	129,500
Advances received on construction projects in progress	195,231	211,323
Accrued bonuses	69,176	61,242
Provision for warranties for completed construction	8,811	8,361
Provision for loss on construction contracts	18,914	17,173
Asset retirement obligations	4,953	4,678
Other current liabilities	424,693	383,887
Total current liabilities	1,833,834	2,057,708
Non-current liabilities		
Bonds	744,000	714,000
Long-term loans from banks	1,034,496	1,103,435
Lease deposits received	301,383	312,843
Liabilities for employees' retirement benefits	98,504	99,333
Asset retirement obligations	63,488	64,560
Other non-current liabilities	256,869	269,977
Total non-current liabilities	2,498,743	2,564,151
Total liabilities	4,332,577	4,621,859
Net assets		
Shareholders' equity		
Common stock	162,216	162,602
Capital surplus	299,395	293,353
Retained earnings	2,132,816	2,221,055
Treasury stock	(188,335)	(188,342)
Total shareholders' equity	2,406,094	2,488,669
Accumulated other comprehensive income		
Unrealized gain (loss) on securities	45,848	55,811
Deferred gain (loss) on hedging instruments	2,315	(1,083)
Land revaluation reserve	10,799	10,791
Foreign currency translation adjustments	149,181	100,171
Total accumulated other comprehensive income	208,144	165,690
Non-controlling interests	102,507	88,570
Total net assets	2,716,745	2,742,931
Total liabilities and net assets	7,049,323	7,364,791

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

	(Millions of yen)	
	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Net sales	2,652,623	2,630,945
Cost of sales	2,124,777	2,091,608
Gross profit	527,846	539,336
Total selling, general and administrative expenses	293,191	317,936
Operating profit	234,655	221,399
Non-operating income		
Interest income	2,676	2,332
Dividend income	2,398	2,512
Equity in earnings of affiliates	1,534	—
Miscellaneous income	9,026	6,482
Total non-operating income	15,636	11,326
Non-operating expenses		
Interest expenses	20,889	20,633
Share of loss of entities accounted for using equity method	—	516
Miscellaneous expenses	8,443	6,235
Total non-operating expenses	29,332	27,385
Ordinary profit	220,958	205,341
Extraordinary income		
Gain on sales of non-current assets	633	170
Gain on sales of investments in securities	11,018	1,327
Gain on sales of shares of subsidiaries and affiliates	—	1,382
Total extraordinary income	11,652	2,881
Extraordinary losses		
Loss on sales of non-current assets	56	198
Loss on disposal of non-current assets	860	419
Impairment loss	880	10
Loss on sales of investment securities	0	1
Loss on revaluation of investment securities	102	—
Loss on sales of shares of subsidiaries and affiliates	1,514	53
Loss on sales of investments in capital of subsidiaries and affiliates	39	—
Total extraordinary losses	3,454	683
Profit before income taxes	229,155	207,539
Current	72,852	62,042
Deferred	(899)	6,925
Total income taxes	71,953	68,967
Profit	157,202	138,571
Profit attributable to non-controlling interests	860	853
Profit attributable to owners of the parent	156,342	137,718

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Profit	157,202	138,571
Other comprehensive income		
Unrealized gain (loss) on securities	(7,328)	9,973
Deferred gain (loss) on hedging instruments	6,748	(3,399)
Land revaluation reserve	0	—
Foreign currency translation adjustments	72,786	(55,875)
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	(481)	498
Total other comprehensive income	71,725	(48,802)
Comprehensive income	228,927	89,769
Total comprehensive income attributable to:		
Owners of the parent	220,026	95,272
Non-controlling interests	8,901	(5,503)

(3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Cash flows from operating activities:		
Profit before income taxes	229,155	207,539
Depreciation	63,458	68,210
Net increase (decrease) in assets and liabilities for employees' retirement benefits	2,196	1,537
Interest and dividend income	(5,075)	(4,844)
Interest expenses	20,889	20,633
Equity in losses (earnings) of affiliates	(1,534)	516
Net loss (gain) on sales and disposal of property, plant and equipment	283	447
Impairment loss	880	10
Loss (gain) on revaluation of investment securities	102	—
Decrease (increase) in trade receivables	12,436	(25,163)
Decrease (increase) in inventories	34,686	(219,200)
Increase (decrease) in advances received	29,450	2,788
Increase (decrease) in advances received on construction projects in progress	(18,946)	16,252
Increase (decrease) in trade payables	(54,806)	(29,473)
Other	(15,778)	(6,352)
Subtotal	297,398	32,899
Interest and dividends received	5,861	5,882
Interest paid	(20,490)	(19,341)
Income taxes paid	(75,774)	(98,623)
Net cash provided by (used in) operating activities	206,995	(79,183)
Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets	(173,530)	(226,901)
Proceeds from sales of property, plant and equipment	1,293	380
Purchase of investment securities	(12,767)	(19,321)
Proceeds from sales and redemption of investment securities	13,857	2,586
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(28,829)	(3,158)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(373)	(100)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	267
Payments for acquisition of businesses	(15,531)	(55)
Proceeds from collection of leasehold and guarantee deposits	11,932	11,746
Payments of leasehold and guarantee deposits	(10,255)	(13,324)
Other	(11,957)	(1,577)
Net cash provided by (used in) investing activities	(226,162)	(249,459)

	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans from banks	114,958	229,751
Net increase (decrease) in commercial papers	—	160,000
Proceeds from long-term loans from banks	235,691	241,034
Repayments of long-term loans from banks	(142,637)	(190,559)
Proceeds from issuance of bonds	60,000	35,000
Redemption of bonds	(100,000)	(55,000)
Repayments of finance lease obligations	(5,067)	(6,034)
Proceeds from share issuance to non-controlling shareholders	4,922	3,543
Purchase of treasury stock	(22,174)	(7)
Proceeds from disposal of treasury stock	0	—
Dividends paid	(51,185)	(49,486)
Purchase of investments in subsidiaries that do not result in change in scope of consolidation	(1,422)	(12,839)
Other	(2,881)	(7,750)
Net cash provided by (used in) financing activities	90,203	347,651
Effect of exchange rate changes on cash and cash equivalents	5,227	(2,778)
Net increase (decrease) in cash and cash equivalents	76,262	16,230
Cash and cash equivalents at the beginning of the year	439,572	326,954
Cash and cash equivalents at the end of the period	515,834	343,185

(4) Notes

Notes on Premise of Going Concern

No items to report.

Notes on Significant Changes in the Amount of Shareholders' Equity

No items to report.

Notes on Semi-Annual Consolidated Balance Sheet

*1 Change of the holding purpose of Real estate for sale, etc. and Non-current assets

Due to the change in the holding purpose, real estate for investment recorded under “Buildings and structures” and “Land” of Non-current assets were reclassified to “Real estate for sale” and others of Current assets. The amounts are as follows:

(Millions of yen)	
Previous fiscal year (As of March 31, 2025)	Reporting interim accounting period (As of September 30, 2025)
89,818	85,117

Notes on Segment Information, etc.

Segment Information

I Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

1. Sales and Operating Income or Loss by Reportable Business Segment

(Millions of yen)

	Reportable Business Segments						
	Single-Family Houses	Rental Housing	Condominiums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Total
Sales							
(1) Sales to customers	497,428	659,876	128,808	610,818	701,319	42,041	2,640,292
(2) Inter-segment sales or transfers	4,321	1,300	4,064	2,812	16,447	20,920	49,867
Total	501,750	661,177	132,873	613,630	717,767	62,962	2,690,160
Operating income	22,042	65,807	13,585	78,600	83,690	7,165	270,892

	Other Businesses (Note: 1)	Subtotal	Adjustment (Note: 2)	Amounts on the Semi-Annual Consolidated Statement of Income (Note: 3)
Sales				
(1) Sales to customers	12,330	2,652,623	—	2,652,623
(2) Inter-segment sales or transfers	13,116	62,984	(62,984)	—
Total	25,447	2,715,607	(62,984)	2,652,623
Operating income	2,032	272,925	(38,270)	234,655

- Notes:
- Other Businesses include financial business and others.
 - 38,270 million yen in adjustments to operating income by business segment includes -301 million yen in inter-segment elimination, 424 million yen in amortization of goodwill and others, and -38,393 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
 - Operating income by business segment is adjusted to correspond to operating income in the Semi-Annual Consolidated Statement of Income.

II Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

1. Sales and Operating Income or Loss by Reportable Business Segment

(Millions of yen)

	Reportable Business Segments						
	Single-Family Houses	Rental Housing	Condominiums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Total
Sales							
(1) Sales to customers	537,310	701,789	129,780	633,913	571,132	43,397	2,617,324
(2) Inter-segment sales or transfers	3,895	1,407	4,420	3,188	20,732	21,802	55,447
Total	541,206	703,196	134,200	637,101	591,865	65,200	2,672,771
Operating income	23,448	75,038	7,580	85,000	61,793	7,868	260,730

	Other Businesses (Note: 1)	Subtotal	Adjustment (Note: 2)	Amounts on the Semi-Annual Consolidated Statement of Income (Note: 3)
Sales				
(1) Sales to customers	13,620	2,630,945	—	2,630,945
(2) Inter-segment sales or transfers	13,741	69,188	(69,188)	—
Total	27,361	2,700,133	(69,188)	2,630,945
Operating income	3,040	263,771	(42,371)	221,399

- Notes:
1. Other Businesses include financial business and others.
 2. -42,371 million yen in adjustments to operating income by business segment includes -1,126 million yen in inter-segment elimination, 349 million yen in amortization of goodwill and others, and -41,594 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
 3. Operating income by business segment is adjusted to correspond to operating income in the Semi-Annual Consolidated Statement of Income.

Significant Subsequent Events

Tender Offer for Sumitomo Densetsu Co., Ltd.

At the Board of Directors meeting held on October 30, 2025, the Company resolved to acquire shares of Sumitomo Densetsu Co., Ltd. (hereinafter referred to as the “Target Company”) through a tender offer (hereinafter referred to as the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

1. Purpose of the Tender Offer

The Group focuses on the construction and development of growth areas such as data centers, semiconductor plants, and other related facilities. The Company believes that making the Target Company a wholly-owned subsidiary will significantly contribute to enhancing profitability by improving the Group’s technological capabilities, expanding business and customer bases, and winning high-value projects that require advanced technological expertise by leveraging the Target Company’s high-level technical skills. Additionally, the Target Company also believes that realizing various synergies, such as expanding its key focus areas of the electrical construction business and the information and communications business, as well as further growth of its overseas operations centered on Southeast Asia, will contribute to enhancing its corporate value. For these reasons, the Company has resolved to conduct the Tender Offer.

2. Outline of the Target Company

(1) Name

Sumitomo Densetsu Co., Ltd.

(2) Address

2-1-4 Awaza, Nishi-ku, Osaka-shi, Osaka

(3) Name and title of representative

Makoto Tani, President and Director

(4) Details of business

Engineering services and equipment sales related to facility construction

(5) Capital

6,440 million yen (as of September 30, 2025)

(6) Date of incorporation

April 20, 1950

3. Outline of the Tender Offer

As announced in the “Notice Regarding Commencement of the Tender Offer for Shares of Sumitomo Densetsu Co., Ltd. (Securities Code: 1949)” dated October 30, 2025, the Company has resolved to conduct the Tender Offer pursuant to the Financial Instruments and Exchange Act as part of the transaction that aims to acquire all common shares of the Target Company, excluding treasury shares owned by the Target Company and common shares of the Target Company owned by Sumitomo Electric Industries, Ltd. (hereinafter referred to as “Shares Subject to Acquisition”), with the ultimate aim of making the Target Company a wholly-owned subsidiary.

In the event that the Tender Offer is completed but the Shares Subject to Acquisition cannot be acquired through the Tender Offer, the Company plans to implement squeeze-out procedures after the completion of the Tender Offer in order to make the shareholders of the Target Company only the Company and Sumitomo Electric Industries, Ltd.

(1) Tender offer period

From October 31, 2025 to December 15, 2025 (30 business days)

(2) Tender offer price

9,760 yen per share of common stock

(3) Number of shares to be purchased

Scheduled number to be purchased: 17,362,680 shares (no upper limit)

Minimum number to be purchased: 3,880,000 shares

Note: If the total number of Share Certificates tendered in the Tender Offer (the “Tendered Share Certificates”) is less than the minimum number of shares to be purchased (3,880,000 shares), the Company will not purchase any of the Tendered Share Certificates. If the total number of Tendered Share Certificates is equal to or more than the minimum number of shares to be purchased (3,880,000 shares), the Company will purchase any of the Tendered Share Certificates.

(4) Purchase price

169,459 million yen

Note: The “purchase price” is calculated by multiplying the number of shares scheduled to be purchased in the Tender Offer (17,362,680 shares) by the Tender Offer Price (9,760 yen).

(5) Commencement date of the settlement

December 22, 2025

(6) Method of funding for payment

Allocated through a loan from a bank

Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released on November 13, 2025.