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November 9, 2026

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

Company name: Starts Corporation Inc.
Listing: Tokyo Stock Exchange
Securities code: 8850
URL: https://www.starts.co.jp/
Representative: Toyotaka Muraishi, President
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 1, 2026
Preparation of supplementary material on semi-annual financial results: Yes
Holding of semi-annual financial results briefing: Yes (for institutional investors and analysts)

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

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	125,507	5.8	16,452	2.7	16,553	0.0	10,706	(1.2)
September 30, 2025	118,584	8.9	16,019	6.3	16,549	11.4	10,836	(9.9)

Note: Comprehensive income For the six months ended September 30, 2026: ¥10,790 million [(0.5%)]
For the six months ended September 30, 2025: ¥10,846 million [(11.5%)]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	225.86	-
September 30, 2025	224.96	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	353,492	201,489	55.5	4,135.39
March 31, 2026	352,746	192,571	53.5	3,986.78

Reference: Equity
As of September 30,2026: ¥196,288 million
As of March 31, 2026: ¥188,750 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	65.00	-	75.00	140.00
Fiscal year ending March 31, 2027	-	75.00			
Fiscal year ending March 31, 2027 (Forecast)			-	75.00	150.00

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

3. Earnings Forecast of Consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	290,000	15.1	40,000	10.3	39,000	2.0	26,000	2.7	548.50

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

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2026	53,998,205 shares
As of March 31, 2026	53,998,205 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	6,532,669 shares
As of March 31, 2026	6,654,029 shares

(iii) Average number of shares during the period

Six months ended September 30, 2026	47,401,604 shares
Six months ended September 30, 2025	48,172,101 shares

Notes: The Company has introduced an Employee Shareholding Incentive Plan (E-Ship).
The number of treasury shares at the end of the period includes shares of the Company held by the trust account established with a trust bank under the relevant plan specifically for the Starts Employee Stock Ownership Association.
As of September 30, 2026: → 706,500 shares
Treasury shares deducted from issued shares in calculating the average number of shares outstanding during the period include the Company's shares held by the trust account.
As of September 30, 2026: → 770,448 shares

* This semi-annual financial results report is exempt from a review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements in this document are based on information available to the Company and on certain assumptions deemed reasonable by the Company. Actual results may differ significantly from these forecasts due to various factors.

Consolidated Financial Statements and Principal Notes

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	84,509	83,332
Notes and accounts receivable - trade, and contract assets	22,392	21,401
Real estate for sale	16,076	24,327
Real estate for sale in process	25,080	21,636
Costs on construction contracts in progress	2,424	2,646
Other	13,023	10,637
Allowance for doubtful accounts	(515)	(485)
Total current assets	162,992	163,496
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	59,655	58,345
Land	74,755	74,738
Other, net	12,040	13,454
Total property, plant and equipment	146,451	146,538
Intangible assets		
Software	4,185	4,279
Software in progress	2,035	2,461
Goodwill	137	15
Other	65	64
Total intangible assets	6,423	6,820
Investments and other assets		
Investment securities	18,562	18,593
Deferred tax assets	2,878	2,655
Other	15,733	15,649
Allowance for doubtful accounts	(223)	(220)
Allowance for investment loss	(71)	(41)
Total investments and other assets	36,879	36,636
Total non-current assets	189,754	189,996
Total assets	352,746	353,492

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable-trade and accounts payable for construction contracts	21,457	18,642
Short-term borrowings	6,904	7,404
Current portion of long-term borrowings	16,235	15,137
Income taxes payable	7,113	5,586
Contract liabilities	15,937	15,394
Provision for bonuses	3,167	3,221
Other	30,783	30,211
Total current liabilities	101,599	95,597
Non-current liabilities		
Long-term borrowings	44,550	42,556
Provision for retirement benefits for directors (and other officers)	1,223	1,173
Provision for warranties for completed construction	699	750
Provision for loss on lease business	255	254
Deferred tax liabilities for land revaluation	589	589
Retirement benefit liability	292	300
Asset retirement obligations	3,594	3,615
Other	7,369	7,163
Total non-current liabilities	58,575	56,405
Total liabilities	160,174	152,002
Net assets		
Shareholders' equity		
Share capital	11,039	11,039
Capital surplus	6,583	6,503
Retained earnings	182,746	189,844
Treasury shares	(17,095)	(16,507)
Total shareholders' equity	183,273	190,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,779	2,792
Revaluation reserve for land	1,237	1,237
Foreign currency translation adjustment	500	720
Remeasurements of defined benefit plans	960	658
Total accumulated other comprehensive income	5,477	5,408
Non-controlling interests	3,820	5,200
Total net assets	192,571	201,489
Total liabilities and net assets	352,746	353,492

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

Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	118,584	125,507
Cost of sales	79,827	84,540
Gross profit	38,757	40,967
Selling, general and administrative expenses	22,738	24,514
Operating profit	16,019	16,452
Non-operating income		
Interest income	253	314
Dividend income	253	237
Foreign exchange gains	53	—
Other	425	367
Total non-operating income	985	919
Non-operating expenses		
Interest expenses	302	424
Foreign exchange losses	—	333
Other	153	61
Total non-operating expenses	455	818
Ordinary profit	16,549	16,553
Extraordinary income		
Gain on sale of non-current assets	78	20
Gain on sale of investment securities	325	3
Reversal of allowance for investment loss	—	30
Other	—	15
Total extraordinary income	403	69
Extraordinary losses		
Loss on retirement of non-current assets	44	160
Other	37	3
Total extraordinary losses	81	163
Profit before income taxes	16,871	16,458
Income taxes - current	5,463	5,286
Income taxes - deferred	364	321
Total income taxes	5,827	5,608
Profit	11,043	10,850
Profit attributable to non-controlling interests	206	144
Profit attributable to owners of parent	10,836	10,706

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	11,043	10,850
Other comprehensive income		
Valuation difference on available-for-sale securities	920	26
Foreign currency translation adjustment	(745)	219
Remeasurements of defined benefit plans, net of tax	(372)	(306)
Total other comprehensive income	(197)	(60)
Comprehensive income	10,846	10,790
Comprehensive income attributable to		
Owners of parent	10,655	10,636
Non-controlling interests	190	153

Consolidated Statements of Cash Flows (cumulative)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	16,871	16,458
Depreciation	3,366	3,649
Loss (gain) on sale and retirement of property, plant and equipment	(18)	139
Increase (decrease) in allowance for doubtful accounts	6	(31)
Increase (decrease) in provision for bonuses	8	53
Increase (decrease) in net defined benefit asset and liability	(35)	(31)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	44	(49)
Interest and dividend income	(506)	(551)
Interest expenses	302	424
Foreign exchange losses (gains)	(53)	333
Decrease (increase) in trade receivables	(2,806)	991
Decrease (increase) in inventories	(2,719)	(5,101)
Increase (decrease) in trade payables	(1,708)	(2,583)
Increase (decrease) in contract liabilities	197	(555)
Decrease (increase) in other current assets	1,810	2,495
Increase (decrease) in other current liabilities	622	(538)
Other, net	(456)	(239)
Subtotal	14,924	14,862
Interest and dividends received	556	523
Interest paid	(302)	(433)
Income taxes paid	(6,435)	(6,800)
Net cash provided by (used in) operating activities	8,743	8,152
Cash flows from investing activities		
Payments into time deposits	(3,419)	(1,304)
Proceeds from withdrawal of time deposits	4,375	353
Purchase of property, plant and equipment	(5,111)	(3,273)
Proceeds from sale of property, plant and equipment	119	51
Purchase of intangible assets	(1,103)	(1,111)
Purchase of investment securities	(2,663)	(1,616)
Proceeds from sale of investment securities	981	1,572
Loan advances	(90)	—
Proceeds from collection of loans receivable	0	—
Other, net	466	(202)
Net cash provided by (used in) investing activities	(6,444)	(5,530)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,000)	500
Proceeds from long-term borrowings	5,256	4,365
Repayments of long-term borrowings	(7,458)	(7,457)
Purchase of treasury shares	(0)	(0)
Dividends paid	(3,123)	(3,603)
Dividends paid to non-controlling interests	(109)	(136)
Proceeds from capital contributions by investment partnership members	—	1,350
Other, net	(0)	384
Net cash provided by (used in) financing activities	(6,436)	(4,598)
Effect of exchange rate change on cash and cash equivalents	(380)	(108)
Net increase (decrease) in cash and cash equivalents	(4,517)	(2,084)
Cash and cash equivalents at beginning of period	88,782	74,904
Cash and cash equivalents at end of period	84,265	72,819