

May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Grandy House Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 8999
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 27, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	53,960	4.7	1,212	3.2	918	4.7	486	16.6
March 31, 2024	51,521	(6.7)	1,175	(64.7)	877	(71.7)	416	(80.8)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥559 million [12.6%]
 For the fiscal year ended March 31, 2024: ¥496 million [(77.5)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	17.01	17.01	1.9	1.3	2.2
March 31, 2024	14.54	14.49	1.6	1.2	2.3

(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
March 31, 2025	68,770	24,866	36.2	866.26
March 31, 2024	74,468	25,053	33.6	883.02

Reference: Equity
 As of March 31, 2025: ¥24,866 million
 As of March 31, 2024: ¥25,047 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	8,637	(316)	(7,657)	10,843
March 31, 2024	(2,223)	(463)	2,041	10,179

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	0.00	-	32.00	32.00	930	220.1	3.6
March 31, 2025	-	0.00	-	32.00	32.00	934	188.1	3.7
March 31, 2026 (Forecast)		0.00		32.00	32.00		131.9	

Note: The total amount of dividends includes dividends on the Company's shares held by the Grundy House Employee Stock Ownership Association Trust Account (15 million yen in the fiscal year ended March 31, 2025 and 23 million yen in the fiscal year ended March 31, 2024).

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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
Fiscal year ending March 31, 2026	57,000	5.6	1,600	32.0	1,200	30.6	700	44.0	24.27

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) 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
- (3) Number of issued shares (common shares)

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

As of March 31, 2025	30,823,200 shares
As of March 31, 2024	30,823,200 shares

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

As of March 31, 2025	2,117,740 shares
As of March 31, 2024	2,457,745 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	28,580,389 shares
Fiscal year ended March 31, 2024	28,660,463 shares

Note: The number of treasury shares at the end of the fiscal year includes the Company's shares (490,200 shares in the fiscal year ended March 31, 2025 and 725,500 shares in the fiscal year ended March 31, 2024) held by the Grundy House Employee Stock Ownership Association Trust Account. In addition, the Company's shares held by the Grundy House Employee Stock Ownership Association Trust Account are included in the calculation of the treasury stock, which was deducted from the calculation of the average number of shares during the period (589,846 shares in the fiscal year ending March 31, 2025 and 822,723 shares in the fiscal year ended March 31, 2024).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	24,447	7.6	363	-	1,335	43.7	1,172	33.3
March 31, 2024	22,728	(14.8)	(37)	-	929	(59.9)	879	(56.4)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	41.04	41.03
March 31, 2024	30.69	30.57

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	46,811	22,715	48.5	791.33
March 31, 2024	49,798	22,216	44.6	782.99

Reference: Equity

As of March 31, 2025: ¥22,715 million
As of March 31, 2024: ¥22,209 million

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025 ~ March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	25,500	4.3	1,400	4.8	1,200	2.3	41.61

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to "(4) Future outlook" of "1. Overview of Operating Results and Others" on page 4 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

(Change in presentation method of dates)

From the "the fiscal year ending March 31, 2025 the first quarter Financial Statement", the date display method has been changed from the Japanese calendar display to the Western calendar display.

1. OVERVIEW OF OPERATING RESULTS

(1) Overview of Operating Results for Fiscal 2025

In the fiscal year under review, overall, the Japanese economy saw a moderate recovery continue due to improvements in the employment and income environments. On the other hand, downside risk factors for the Japanese economy were also observed, including the effects of progress in price increases on consumer confidence and the impact of U.S. trade policy.

In the housing sector, customer sentiment remained harsh with housing prices that remained high due to rising material prices and labor costs, rising mortgage loan interest rates, and other factors. The number of construction starts of detached houses decreased year-on-year for 28 consecutive months from November 2022 until February 2025. Although the number turned upward in March, it decreased by 8.5 % year-on-year in the fiscal year under review. The market environment remained severe throughout the fiscal year.

Under this environment, the Grandy House Group (Grandy House Corporation and its subsidiaries, hereinafter “the Group”), under a new management structure, announced its new medium-term management plan in May 2024 and has attempted to redirect itself to a growth stage in line with the basic policies of “Expand and strengthen the housing business toward sustainable growth,” “Strengthen the earnings foundation for growth and implement growth investment” and “Solidify the management foundation and enhance corporate value.”

In the real estate sales segment including the mainstay new home sales business, we restructured operations by dividing both the Development and Sales Headquarters into two—one covering northern Kanto and the other covering the Tokyo metropolitan area—to enhance the agility of business activities, particularly in the Tokyo metropolitan area. Furthermore, amid a continued slump in demand, we have promoted the business by focusing on ensuring a balance between the sales volume and the profit amount through flexible review of the product supply plan. As a result of these efforts, despite a decline in the number of new houses sold from the previous fiscal year, the number of houses sold increased in the Tokyo metropolitan area, leading to increases in both net sales and profits in the real estate sales segment.

In the construction material sales segment, net sales and profits declined due to the impact of the slowdown in the housing market and lower factory operating rates resulting from investment in manufacturing equipment upgrades. The real estate leasing segment performed steadily, with results remaining roughly on par with the previous fiscal year. However, the Group achieved increases in both net sales and profits on a consolidated basis, due to contribution from the improvement in the real estate sales segment and company-wide cost reductions.

As a result, the Group’s consolidated operating results for the fiscal year ended March 2025 were as follows: Net sales totaled ¥53,960 million, an increase of 4.7% year-on-year; operating income was ¥1,212 million, an increase of 3.2% year-on-year; ordinary income was ¥918 million, an increase of 4.7% year-on-year; and net income attributable to owners of the parent totaled ¥486 million, an increase of 16.6% year-on-year.

Operating results by business segment are presented as follows.

a. Real Estate Sales

In the sale of newly built houses, the Company has aimed to increase the agility of decision-making by dividing both the Development and Sales Headquarters into two headquarters, one in the Tokyo metropolitan area and one in northern Kanto, based on the different market characteristics, effective from the beginning of the fiscal year under review. In addition, while housing demand was weak, the Company formulated a flexible production plan and worked to achieve a balance between securing of the number of houses sold and the profit amount per home.

In terms of products, the Company continued to focus on creating products that are sustainable and bring large benefits to families with children, such as long-lasting, high-quality housing and ZEH (Net Zero Energy Houses), and supplied products with excellent environmental performance in each area, such as “Sora Town Kashiwa-no-ha Campus 97/Liwie (a total of 57 lots in the city of Kashiwa),” in which all homes have been certified as long-life quality housing. Furthermore, the Company constructed a house of “thermal insulation grade 6” standards as a model building for the “Green Transformation (GX)-oriented housing” promoted by the Ministry of the Environment, and began offering overnight stays where customers can experience the comfort which exceeds ZEH standards. Moreover, as we were highly thought of due to factors such as quality of our products and services provided through our integrated system from

land procurement, the supply of homes to after-sale maintenance and the creation of sustainable housing, we have ranked No. 1 for sixth consecutive years in the housing development builders category of the northern Kanto region in the 2025 Oricon Customer Satisfaction Survey.

However, the cumulative number of new houses sold in the fiscal year under review decreased by five from the previous year to 1,273 due to weak customer appetite for purchasing housing stemming from rising mortgage loan interest rates and price increases in addition to higher material prices. Despite the year-on-year decrease in the number of houses sold, sales increased as a result of growing sales in the Tokyo metropolitan area. In terms of profits, efforts to prevent the occurrence of excess inventory, an increase in added value of products, and progress in cost reduction resulted in an increase in profits.

The used housing market continued to face a challenging situation with increasing distribution prices affected by rising prices of new homes leading to competition with low-cost newly-built homes, among others. Under these circumstances, the Company worked to promote sales by carefully selecting properties for purchase and implementing flexible sales strategies according to the properties, but the number of houses sold in the fiscal year under review decreased to 122 (down two year-on-year).

As a result, sales in the real estate sales segment during the fiscal year under review increased 5.4% year-on-year to ¥50,799 million, while segment profit was ¥583 million, up 72.8% from the previous fiscal year.

b. Construction Material Sales

In the construction material sales business, while there were signs of stabilization in the decline of new wooden housing construction starts, which had been below the previous year's level from April 2022 until the end of the previous fiscal year, order conditions remained challenging.

In this environment, the Company worked to strengthen relationships with its existing customers and win orders for properties other than detached houses, such as residential complexes. However, sales and profits decreased year-on-year due to intensifying competition caused by sluggish demand and the impact of non-operation of equipment associated with replacement of manufacturing facilities.

As a result, net sales of the construction material sales segment in the fiscal year under review decreased by 6.5% year-on-year to ¥2,712 million with a segment profit of ¥62 million, a decrease of 75.8% year-on-year.

c. Real Estate Leasing

In the real estate leasing segment, we run a leasing business for office buildings and residential buildings and a parking business centered on pay-by-the-hour parking lots. In the building leasing business, although property occupancy rates remained stable through the year, renovation work occurred in certain properties, resulting in a slight decrease in profits.

In the parking business, new parking lots (30 car spaces) began operations in August 2024. Operating rates for existing parking lots were generally at the same year-on-year level.

As a result, sales in the real estate leasing segment for the fiscal year under review were ¥447 million, an increase of 0.7% year-on-year, with a segment profit of ¥237 million, a decrease of 0.9% year-on-year.

(2) Overview of Financial Position for Fiscal 2025

As of the end of the fiscal year under review, consolidated total assets declined to ¥68,770 million, a decrease of ¥5,698 million compared to the end of the previous fiscal year. This was primarily due to a decline in inventories resulting from progress in inventory sales in the real estate sales business.

Liabilities stood at ¥43,904 million, a decrease of ¥5,510 million compared to the end of the previous fiscal year. This was mainly due to a reduction in loans payable resulting from a decline in inventories.

Total net assets stood at ¥24,866 million as of March 31, 2025. This represents a decrease of ¥187 million from the balance recorded as of March 31, 2024. This was mainly due to a decrease resulting from the payment of dividends despite increases primarily caused by the disposal of treasury stock and the recognition of net income attributable to owners of the parent.

(3) Overview of Cash Flows for Fiscal 2025

Cash and cash equivalents (hereinafter, “cash”) as of the end of the fiscal year under review increased by ¥663 million from the end of the previous fiscal year to reach ¥10,843 million. The increase was driven by cash inflows from operating activities, partially offset by outflows from investing and financing activities.

The Company’s cash flows and their factors during the fiscal year under review are presented as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥8,637 million (net cash used in operating activities for the previous fiscal year was ¥2,223 million). This was mainly due to a decrease in inventories resulting from progress in inventory sales.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥316 million (net cash used in investing activities for the previous fiscal year was ¥463 million). This was mainly due to the acquisition of non-current assets related to investment in upgrade of facilities in the construction material sales segment, and the new acquisition of parking lots for leasing.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥7,657 million (net cash provided by financing activities for the previous fiscal year was ¥2,041 million). This was mainly due to progress in repaying loans resulting from progress in inventory sales.

The Group’s cash flow-related indices are presented as follows.

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Shareholders’ equity ratio (%)	36.0	33.6	36.2
Equity ratio on market value basis (%)	22.2	23.7	22.4
Interest-bearing liabilities to cash flow ratio (years)	—	—	4.2
Interest coverage ratio (times)	—	—	21.9

Shareholders’ equity ratio: Shareholders’ equity/total assets

Equity ratio on a market value basis: Market capitalization/total assets

Interest-bearing liabilities to cash flow ratio: Interest-bearing liabilities/cash flows

Interest coverage ratio: Cash flows/interest payments

Notes: 1. Each index is calculated based on consolidated financial data.

2. Market capitalization is calculated based on the number of issued shares as of the period-end (after deducting treasury shares).
3. Cash flows from operating activities are used as “cash flows” in the above calculation. The interest-bearing liabilities to cash flow ratio and interest coverage ratio data have been omitted for fiscal 2023 and fiscal 2024, as operating cash flows were negative.
4. Interest-bearing liabilities include all liabilities that bear interest under the liabilities section recorded on consolidated balance sheets.

(4) Outlook for Fiscal 2026

The Japanese economy is expected to continue recovering moderately due to the employment and income environment improving. However, uncertainty of the future has been heightened stemming from rising prices and the U.S. trade policy, among others. In the housing market, it will take some time for demand to recover on a full scale, as trends in material prices and the interest-rate environment are difficult to forecast.

In this business environment, the Group will work on the management to return to a growth path even amid the challenging market environment by steadily pressing forward with the basic policy and a series of measures set forth in the medium-term management plan.

In consolidated earnings for the fiscal year ending March 31, 2026, we forecast net sales to be ¥57,000 million, a 5.6% increase from the fiscal year ended March 31, 2025, ordinary income to be ¥1,200 million, a 30.6% increase from the same period, and net income attributable to owners of the parent to be ¥700 million, a 44.0% increase from the same period.

In the new housing sales business, we will further move forward with business development under a two-headquarters system, and continue to work to expand sales in the Tokyo metropolitan area, which has high potential for business expansion. In addition, we will also advance the reinforcement of business foundations in other businesses, with opening of new sales bases in the renovation business, and more efficient operation through the launch of new facilities in the construction material sales business, among others.

To further stabilize and strengthen the management system along with the business expansion, we will continue efforts for the promotion of ESG initiatives, the bolstering of the financial structure, and management conscious of cost of capital and share prices.

(5) Basic Policy concerning the Allocation of Profits and Dividends for Fiscal 2025 and Fiscal 2026

The Group focuses on increasing corporate value and returning more profits to shareholders in a positive and stable manner as one of its priority management issues. For shareholder returns, our basic policy is to pay steady dividends while ensuring business funds are stable, and balancing shareholders' equity and liabilities appropriately. Specifically, we aim to maintain stable dividends by paying dividends based on a dividend on equity (DOE) ratio of approximately 3.5% within the range of consolidated net income for each fiscal year, and by maintaining an annual dividend per share of no less than ¥32. However, in cases where the financial conditions deteriorate significantly, such as our suffering a loss over two or more consecutive fiscal years, we will consider revising the dividend amount.

Based on the above policy, we plan to pay a dividend of ¥32 per share for fiscal 2025 (fiscal year ended March 31, 2025), as announced on May 13, 2024.

For the next fiscal year (fiscal year ending March 31, 2026), we also plan to pay a dividend of ¥32 per share in accordance with the above policy.

2. OVERVIEW OF THE CORPORATE GROUP

The Grandy House Group (Grandy House Corporation and its affiliates) consists of Grandy House Corporation and eight subsidiaries. The Group is mainly engaged in real estate sales, construction material sales, and real estate leasing.

The business operations of the Group and the positions of the Grandy House Corporation and its main subsidiaries (seven companies) in those operations are as follows.

(1) Real Estate Sales

The Group purchases housing lots, obtains permits and approvals for development, manages residential construction works, designs and builds houses, and handles sales and after-sales maintenance.

Sales, design, and construction of detached houses, which are our main business, are in general supervised by Grandy House Corporation and its subsidiaries by trading area, from the perspective of promoting region-based sales. General sales areas of each company are as follows:

Grandy House Corporation:	Tochigi Prefecture, western part of Ibaraki Prefecture, Saitama Prefecture, and Tokyo Metropolis
Ibaraki Grandy House Co., Ltd.:	Ibaraki Prefecture (excluding the western part)
Gunma Grandy House Co., Ltd.:	Gunma Prefecture
Chiba Grandy House Co., Ltd.:	Chiba Prefecture
Kanagawa Grandy House, Inc.:	Kanagawa Prefecture

Chuko Jutaku Joho Kan Co., Ltd. is engaged in sales of existing homes and Grandy Reform Co., Ltd. is engaged in the after-sales maintenance and renovation business.

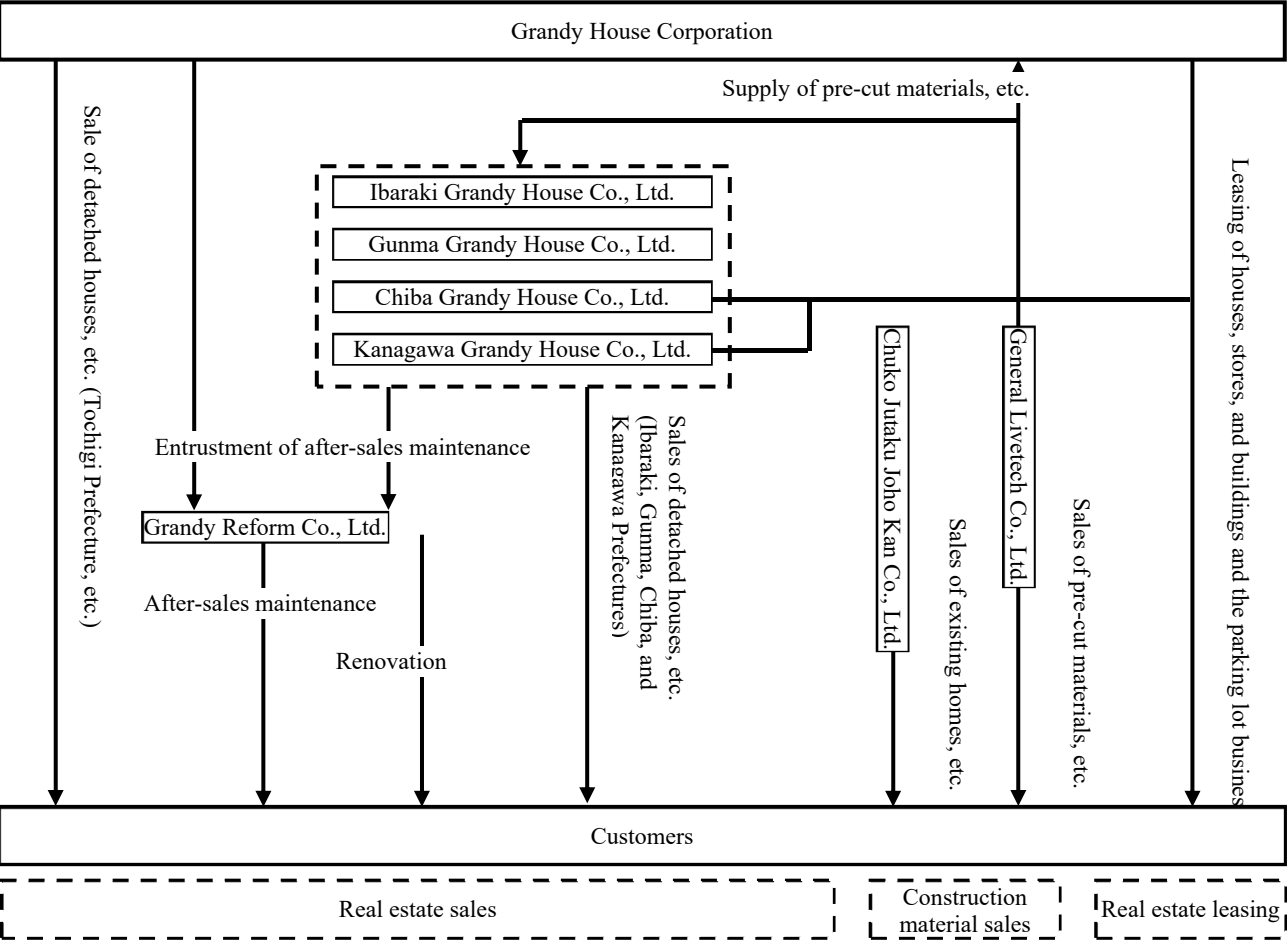
(2) Construction Material Sales

General Livetech Co., Ltd. is engaged in sales of construction materials and components, mainly pre-cut materials.

(3) Real Estate Leasing

Grandy House Corporation and some of its subsidiaries are engaged in the leasing business of tenant buildings, apartments and other properties owned by these companies, and the parking lot business.

[Business Group Organization Chart] (As of March 31, 2025)
The matters described above are shown in the following Business Group Organization Chart.



3. BASIC APPROACH TO THE SELECTION OF ACCOUNTING STANDARDS

At present, the Grandy House Group operates its business only in Japan and most of its stakeholders are shareholders, lenders, and business partners in Japan. The Group has no plan to raise funds from overseas markets. Against this background, the Group will prepare its consolidated financial statements based on Japanese GAAP for the time being.

For the application of International Financial Reporting Standards (IFRS), we will take adequate actions while paying attention to various situations inside and outside Japan.

Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	10,193,701	10,857,676
Notes and accounts receivable - trade, and contract assets	487,539	460,533
Real estate for sale	13,322,680	11,871,088
Costs on construction contracts in progress	19,178	18,938
Real estate for sale in process	34,681,471	29,699,244
Merchandise and finished goods	295,766	289,079
Raw materials and supplies	152,029	128,448
Other	906,320	694,020
Allowance for doubtful accounts	(1,302)	(10,183)
Total current assets	60,057,385	54,008,846
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,617,470	6,668,980
Accumulated depreciation	(2,901,215)	(3,107,707)
Buildings and structures, net	3,716,254	3,561,273
Machinery, equipment and vehicles	107,590	713,795
Accumulated depreciation	(94,051)	(84,871)
Machinery, equipment and vehicles, net	13,539	628,924
Tools, furniture and fixtures	428,341	435,539
Accumulated depreciation	(383,123)	(388,193)
Tools, furniture and fixtures, net	45,217	47,346
Land	7,536,497	7,521,949
Leased assets	163,880	130,412
Accumulated depreciation	(105,744)	(68,124)
Leased assets, net	58,135	62,288
Construction in progress	45,973	18,979
Total property, plant and equipment	11,415,618	11,840,760
Intangible assets		
Goodwill	754,193	617,067
Other	58,427	47,154
Total intangible assets	812,620	664,222
Investments and other assets		
Investment securities	270,800	377,850
Long-term loans receivable	10,642	10,017
Deferred tax assets	547,404	547,446
Other	1,223,988	1,210,268
Allowance for doubtful accounts	(5,000)	(5,000)
Total investments and other assets	2,047,836	2,140,582
Total non-current assets	14,276,074	14,645,564
Deferred assets		
Bond issuance costs	135,294	116,338
Total deferred assets	135,294	116,338
Total assets	74,468,754	68,770,749

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	3,166,738	3,215,002
Short-term borrowings	17,039,600	13,174,100
Current portion of bonds payable	300,000	800,000
Current portion of long-term borrowings	4,846,806	6,889,396
Lease liabilities	26,418	24,636
Income taxes payable	137,769	197,405
Provision for warranties for completed construction	175,296	163,208
Other	876,034	2,078,249
Total current liabilities	26,568,664	26,541,999
Non-current liabilities		
Bonds payable	7,800,000	8,000,000
Long-term borrowings	13,422,390	7,689,444
Lease liabilities	38,543	43,966
Provision for retirement benefits for directors (and other officers)	267,837	-
Retirement benefit liability	1,168,527	1,274,398
Other	149,096	354,587
Total non-current liabilities	22,846,395	17,362,395
Total liabilities	49,415,059	43,904,395
Net assets		
Shareholders' equity		
Share capital	2,077,500	2,077,500
Capital surplus	2,677,285	2,680,739
Retained earnings	21,428,435	20,983,775
Treasury shares	(1,267,754)	(1,080,576)
Total shareholders' equity	24,915,465	24,661,438
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131,849	204,916
Total accumulated other comprehensive income	131,849	204,916
Share acquisition rights	6,380	-
Total net assets	25,053,694	24,866,354
Total liabilities and net assets	74,468,754	68,770,749

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	51,521,546	53,960,131
Cost of sales	43,942,428	46,618,203
Gross profit	7,579,117	7,341,927
Selling, general and administrative expenses	6,404,108	6,129,488
Operating profit	1,175,009	1,212,438
Non-operating income		
Interest income	127	4,800
Dividend income	5,861	6,611
Administrative service fee income	28,895	25,645
Insurance claim income	25,426	878
Reversal of provision for warranties for completed construction	13,731	12,008
late charges income	5,000	37,000
Other	42,883	55,826
Total non-operating income	121,925	142,771
Non-operating expenses		
Interest expenses	367,217	380,075
Commission for syndicated loans	14,041	7,728
Amortization of bond issuance costs	33,257	44,538
Other	5,207	4,220
Total non-operating expenses	419,723	436,563
Ordinary profit	877,211	918,646
Extraordinary income		
Gain on sale of non-current assets	11,184	3,577
Total extraordinary income	11,184	3,577
Extraordinary losses		
Loss on retirement of non-current assets	18,581	28,245
Loss on cancellation of leases	-	1,216
Retirement benefits for directors (and other officers)	-	100,000
Impairment losses	-	27,552
Total extraordinary losses	18,581	157,014
Profit before income taxes	869,813	765,209
Income taxes - current	395,597	312,984
Income taxes - deferred	57,362	(34,025)
Total income taxes	452,959	278,959
Profit	416,853	486,250
Profit attributable to owners of parent	416,853	486,250

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	416,853	486,250
Other comprehensive income		
Valuation difference on available-for-sale securities	79,849	73,066
Total other comprehensive income	79,849	73,066
Comprehensive income	496,703	559,317
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	496,703	559,317
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	2,077,500	2,674,902	21,983,746	(629,596)	26,106,551	52,000	52,000	37,460	26,196,011
Dividends of surplus			(972,164)		(972,164)				(972,164)
Profit attributable to owners of parent			416,853		416,853				416,853
Purchase of treasury shares				(915,200)	(915,200)				(915,200)
Disposal of treasury shares				134,902	134,902				134,902
Exercise of share acquisition rights		2,382		142,139	144,522			(31,080)	113,442
Net changes in items other than shareholders' equity						79,849	79,849		79,849
Total changes during period	-	2,382	(555,310)	(638,157)	(1,191,086)	79,849	79,849	(31,080)	(1,142,317)
Balance at end of period	2,077,500	2,677,285	21,428,435	(1,267,754)	24,915,465	131,849	131,849	6,380	25,053,694

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	2,077,500	2,677,285	21,428,435	(1,267,754)	24,915,465	131,849	131,849	6,380	25,053,694
Dividends of surplus			(930,910)		(930,910)				(930,910)
Profit attributable to owners of parent			486,250		486,250				486,250
Purchase of treasury shares									
Disposal of treasury shares				155,852	155,852				155,852
Exercise of share acquisition rights		3,454		31,325	34,780			(6,380)	28,400
Net changes in items other than shareholders' equity						73,066	73,066		73,066
Total changes during period	-	3,454	(444,660)	187,178	(254,027)	73,066	73,066	(6,380)	(187,340)
Balance at end of period	2,077,500	2,680,739	20,983,775	(1,080,576)	24,661,438	204,916	204,916	-	24,866,354

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	869,813	765,209
Depreciation	303,990	307,549
Share-based payment expenses	-	18,898
Amortization of goodwill	137,126	137,126
Impairment losses	-	27,552
Increase (decrease) in provision for retirement benefits for directors (and other officers)	10,050	(267,837)
Increase (decrease) in provision for warranties for completed construction	(13,878)	(12,088)
Increase (decrease) in allowance for doubtful accounts	6,301	8,880
Increase (decrease) in retirement benefit liability	154,103	105,870
Interest and dividend income	(5,988)	(11,412)
Interest expenses	367,217	380,075
Loss (gain) on sale of non-current assets	(11,184)	(3,577)
Loss on retirement of non-current assets	18,581	28,245
Decrease (increase) in trade receivables	82,169	27,006
Decrease (increase) in inventories	(2,550,378)	6,464,326
Increase (decrease) in trade payables	(501,733)	48,264
Other, net	2,589	1,030,362
Subtotal	(1,131,221)	9,054,453
Interest and dividends received	8,595	11,412
Interest paid	(347,512)	(394,798)
Income taxes paid	(753,841)	(34,009)
Net cash provided by (used in) operating activities	(2,223,979)	8,637,057

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(562,204)	(299,128)
Proceeds from sale of property, plant and equipment	116,245	3,962
Purchase of intangible assets	(13,611)	(6,963)
Loan advances	(2,300)	-
Proceeds from collection of loans receivable	875	624
Payments of leasehold and guarantee deposits	(474)	(2,471)
Proceeds from refund of leasehold and guarantee deposits	255	3,994
Payments of guarantee deposits	(9,000)	(4,000)
Other, net	6,894	(12,089)
Net cash provided by (used in) investing activities	(463,318)	(316,071)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,777,000	(3,865,500)
Proceeds from long-term borrowings	7,052,000	5,907,000
Repayments of long-term borrowings	(8,118,084)	(9,597,356)
Proceeds from issuance of bonds	3,500,000	1,000,000
Redemption of bonds	(500,000)	(300,000)
Proceeds from disposal of treasury shares resulting from exercise of subscription rights to shares	116,385	23,287
Purchase of treasury shares	(915,200)	-
Proceeds from sale of treasury shares	134,902	135,768
Dividends paid	(971,943)	(930,212)
Repayments of lease liabilities	(34,036)	(30,000)
Net cash provided by (used in) financing activities	2,041,023	(7,657,013)
Net increase (decrease) in cash and cash equivalents	(646,274)	663,973
Cash and cash equivalents at beginning of period	10,825,466	10,179,192
Cash and cash equivalents at end of period	10,179,192	10,843,165

Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Additional Information)

(Transactions for Distributing the Company's Own Stock to Employees, etc. through Trusts)

The Company has adopted the "trust-type employee stock holding incentive plan (E-Ship®)" (hereinafter referred to as "the Plan") for the purpose of providing its employees with incentives to enhance the corporate value of the Company on a medium-to long-term basis in the fiscal year ended March 31, 2022.

(1) Overview of transactions

The Plan is an incentive plan for all employees who are members of "the Grandy House Employee Stock Holding Partnership" (hereinafter referred to as "the Stock Partnership"). The Company has established the "Grandy House Employee Stock Holding Partnership Exclusive Trust" (hereinafter referred to as "the Trust") in a trust bank. The Trust will acquire in advance after its establishment the number of Grandy House shares to be expected to be acquired by the Stock Partnership over a six-year period. At a later date, the Trust will sell its holdings of Grandy House shares to the Stock Partnership on a continual basis. If an amount equivalent to the gains from sale of shares is accumulated at the end of the term of the Trust, the relevant amount equivalent to the gains from the sale of shares will be distributed as residue assets to those who satisfy the criteria of beneficiaries. The Company warrants the repayment of loans payable for the Trust to acquire shares of the Company. Therefore, if an amount equivalent to the loss from sale of shares accumulates due to a decline in the price of shares of the Company, causing a debt equivalent to a loss from sale of the relevant shares remains in the Trust at the end of the term of the Trust, the Company will assume the repayment of the relevant remaining borrowing.

(2) Grandy House's own company stock remaining in the Trust

The Company's stock remaining in the Trust is recorded as treasury shares in net assets in accordance with the book value (excluding the amount of incidental expenses) in the Trust. The book value and the number of the relevant treasury shares are ¥418,613 thousand and 725,500 shares for the previous fiscal year, and ¥282,845 thousand and 490,200 shares for the fiscal year under review.

(3) The book value of loans payable recorded by the application of the gross method

The previous fiscal year: ¥369,530 thousand

The fiscal year under review: ¥212,560 thousand

(Abolition of Directors' Retirement Benefits System)

The Company resolved to approve final payments to incumbent directors associated with the abolition of the directors' retirement benefits system at the ordinary general meeting of shareholders held on June 27, 2024. Accordingly, provision for directors' retirement benefits was reduced, and an amount payable of ¥202,125 thousand for the final payments is included at Other in non-current liabilities.

(Change in the Purpose for Holding Property, Plant and Equipment)

In the fiscal year under review, part of property, plant and equipment (land of ¥147,619 thousand and structures of ¥8,368 thousand) was reclassified to real estate for sale due to a change in the holding purpose. All the assets reclassified to real estate for sale were sold in the fiscal year under review, and the amount reclassified to real estate for sale was recorded in cost of sales.

(Notes on segment information, etc.)

1. Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group is engaged in the following types of businesses: sales of new homes, sales of pre-owned homes, home renovations, sales of building materials, and real estate leasing (all in Japan). Of these, some or all of the new home sales, pre-owned home sales, and home renovation businesses are carried out by subsidiaries, but from the viewpoint of similarity, relevance, and commonality of management resources, we formulate a comprehensive strategy and develop business activities as a "real estate sales business."

Accordingly, the Group has three reporting segments: real estate sales, building materials sales, and real estate leasing.

The Real Estate Sales segment is engaged in the sale of new houses (including construction contracts, land sales, etc.), second-hand home sales, and home renovations. The Building Materials Sales segment manufactures and sells pre-cut materials for housing, as well as building materials and housing equipment. The "Real Estate Leasing Business" is engaged in the leasing of offices, residences, etc., as well as parking lots.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements. Profit in the reporting segment is a figure based on ordinary income. Internal revenues and transfers between segments are calculated with reference to market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (April 1, 2023 to March 31, 2024)

(Unit: 1 thousand yen)

	Reportable segments				Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Real estate sales	Construction material sales	Real estate leasing	Total		
Sales						
Revenues from external customers	48,176,695	2,900,710	444,140	51,521,546	-	51,521,546
Transactions with other segments	52,680	3,740,991	83,786	3,877,457	(3,877,457)	-
Total	48,229,375	6,641,701	527,926	55,399,003	(3,877,457)	51,521,546
Segment Profit	337,468	257,226	240,044	834,739	42,471	877,211
Segment Assets	58,538,894	2,320,563	5,480,537	66,339,996	8,128,758	74,468,754
Segment Debt	47,774,161	1,675,341	366,211	49,815,714	(400,655)	49,415,059
Other items						
Depreciation	192,466	21,416	90,106	303,990	-	303,990
Amount of amortization of goodwill	137,126	-	-	137,126	-	137,126
Interest income	124	2	-	127	-	127
Interest expenses	361,346	5,318	551	367,217	-	367,217
Increase in property, plant and equipment and intangible assets	106,123	68,034	406,598	580,755	-	580,755

The current fiscal year (April 1, 2024 to March 31, 2025)

(Unit: 1 thousand yen)

	Reportable segments				Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Real estate sales	Construction material sales	Real estate leasing	Total		
Sales						
Revenues from external customers	50,799,946	2,712,794	447,389	53,960,131	-	53,960,131
Transactions with other segments	60,090	3,234,511	89,629	3,384,230	(3,384,230)	-
Total	50,860,036	5,947,306	537,019	57,344,362	(3,384,230)	53,960,131
Segment Profit	583,021	62,308	237,867	883,197	35,449	918,646
Segment Assets	51,788,802	3,047,504	5,237,547	60,073,854	8,696,895	68,770,749
Segment Debt	41,464,772	2,559,478	344,243	44,368,494	(464,099)	43,904,395
Other items						
Depreciation	181,674	33,235	92,640	307,549	-	307,549
Amount of amortization of goodwill	137,126	-	-	137,126	-	137,126
Interest income	4,675	125	-	4,800	-	4,800
Interest expenses	372,933	6,133	1,009	380,075	-	380,075
Increase in property, plant and equipment and intangible assets	246,524	649,467	43,603	939,595	-	939,595

Note: 1. The details of the adjustment amount are as follows.

Segment profit (Unit: 1 thousand yen)

	The previous fiscal year	The current fiscal year
Inter-segment transaction elimination	42,471	35,449
Total	42,471	35,449

Segment Assets (Unit: 1 thousand yen)

	The previous fiscal year	The current fiscal year
Offset elimination of receivables between segments	400,450	464,099
Elimination of unrealized profits between segments	67,410	46,203

Company-wide assets*	8,596,619	9,207,198
Total	8,128,758	8,696,895

* Company-wide assets are primarily cash, deposits and investment securities not attributable to the reporting segment.

Segment liabilities (in thousand yen)

	The previous fiscal year	The current fiscal year
Offset elimination of debt between segments	400,655	464,099
Total	400,655	464,099

2. Segment profit is adjusted to ordinary income in consolidated financial statements.

(Notes on Per-share Information)

(Yen)

	Fiscal 2024 (From April 1, 2023 to March 31, 2024)	Fiscal 2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	883.02	866.26
Net income per share	14.54	17.01
Net income per share (diluted)	14.49	17.01

Note 1: The basis for calculation of net income per share and net income per share (diluted) is as follows.

Item	Fiscal 2024 (From April 1, 2023 to March 31, 2024)	Fiscal 2025 (From April 1, 2024 to March 31, 2025)
Net income per share		
Net income attributable to owners of the parent (thousands of yen)	416,853	486,250
Amount not attributable to common shareholders (thousands of yen)	—	—
Net income attributable to owners of the parent related to common shares (thousands of yen)	416,853	486,250
Average number of shares during the period (shares)	28,660,463	28,580,389
Net income per share (diluted)		
Adjustment to net income attributable to owners of the parent (thousands of yen)	—	—
Increase in common shares (shares)	113,881	3,046
(of which share acquisition rights (shares))	(113,881)	(3,046)
Overview of potential shares not included in the calculation of net income per share (diluted) due to absence of dilutive effects	—	—

2. In the calculation of net assets per share, as for the period-end number of common shares, shares of the Company held by the Grandy House Employee Stock Holding Partnership Exclusive Trust Account are included in treasury shares to be deducted. Of the treasury shares to be deducted, the period-end number of shares of the Company held by the trust account was 725,500 shares in the previous fiscal year and 490,200 shares in the fiscal year under review.

Furthermore, in the calculation of net income per share and net income per share (diluted), as for the average number of common shares during the period, shares of the Company held by the Grandy House Employee Stock Holding Partnership Exclusive Trust Account are included in treasury shares to be deducted. Of the treasury shares to be deducted, the average number of shares of the Company held by the trust account during the period was 822,723 shares in the previous fiscal year and 589,846 shares in the fiscal year under review.

(Notes on Significant Subsequent Events)

Not applicable.