



**Kyoritsu Maintenance Co., Ltd.
(Securities Code: 9616)**

**Consolidated Financial Results
for the Three Months Ended
June 30, 2025**

[JGAAP]

August 2025

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please see “(3) Notes on Quarterly Consolidated Financial Statements, (Notes on Special Accounting Procedures in The Preparation of Quarterly Consolidated Financial Statements)” under “2. Quarterly Financial Statements and Major Notes” on page 11.

(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)

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

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

As of June 30, 2025	78,439,636 shares	As of March 31, 2025	78,439,636 shares
As of June 30, 2025	368,524 shares	As of March 31, 2025	368,148 shares
Three months ended June 30, 2025	78,071,097 shares	Three months ended June 30, 2024	78,028,470 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Note concerning forward-looking statements)

The forward-looking statements, including earnings forecasts and other future projections contained in this document are based on information available to the Company at the time of preparation and on certain assumptions deemed reasonable by the Company. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Actual business results may differ materially from the forecasts due to various factors. Please see “(3) Explanation of Forecasts of Consolidated Results and Other Forward-Looking Information” under “1. Overview of Operating Results, etc.” on page 5 for the assumptions used for the forecast of financial results and notes concerning the use of the forecast of financial results.

(How to obtain supplementary materials on financial results)

Supplementary materials on financial results are posted to TDnet on the same date and to the Company website.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results During the Period Under Review

Although the Japanese economy showed signs of gradual recovery during the three months ended June 30, 2025, the economic outlook remained uncertain, with rising prices and geopolitical instability continuing to drive market volatility.

Under such conditions, while affected by rising costs, the Group fared well due to the rising demand for lodgings created by the 2025 Japan World Exposition (Expo 2025 Osaka, Kansai), which opened in Osaka, and the growing numbers of inbound tourists. The number of foreign visitors to Japan in the first half of the year surpassed the 20 million milestone earlier than ever before (source: “Number of Foreign Visitors to Japan,” Japan National Tourism Organization [JNTO]).

As a result, in the first three months of the current consolidated fiscal year, the Group recorded net sales of 56,807 million yen (up 9.1% YoY), operating income of 4,498 million yen (up 17.7% YoY), ordinary income of 5,007 million yen (up 21.6% YoY), and net income attributable to owners of parent of 3,597 million yen (up 33.5% YoY). This marks the fifth consecutive quarter of increased net sales and net income for the first quarter.

Segment business performance is reviewed below.

(i) Dormitory Business

In its Dormitory Business, the Company opened twelve new facilities nationwide in April, adding 1,364 rooms. The occupancy rate at the start of the quarter for all dormitories, including the rooms newly added, was 97.4%, up 0.4 points YoY. As part of our growth strategy to achieve our medium-term management plan, we opened new facilities in Okayama, Takamatsu, and Tokushima, regions where demand is growing, and opened the Chushikoku Branch in Okayama to strengthen our marketing structure. We will continue to strengthen our expansion into areas with strong latent demand where we are as yet unrepresented. At the same time, we delivered our strengths of safety and security to larger numbers of customers while working to optimize sales prices.

As a result, net sales amounted to 14,939 million yen (up 5.2% YoY); operating income was 1,751 million yen (down 10.7% YoY) due to rising food and other operating costs, higher opening costs generated by store openings, and other factors.

(ii) Hotel Business

The Company succeeded in capturing continuing robust domestic and international demand, which, combined with aggressive sales activities and rigorous revenue management (to optimize selling prices), helped maintain high occupancy rates and unit prices. In addition, the Company promoted improving customer convenience and raising the efficiency of labor productivity by acquiring more members for its Dormy’s membership app and expanding the introduction of its Express Check-In smart check-in system, which allows guests to skip front desk procedures.

As a result, we absorbed the cost of wide-ranging renovation work to improve customer satisfaction and the impact of higher food, linen cleaning, and other costs, recording net sales amounted to 34,391 million yen (up 9.5% YoY) and operating income of 4,073 million yen (up 38.3% YoY).

(iii) Comprehensive Building Management Business

The Comprehensive Building Management Business recorded net sales of 4,656 million yen (up 8.3% YoY) and operating loss of 83 million yen (vs. 73 million yen in the same period of the previous year) due to higher labor costs and other factors, despite growth in the numbers of facility management and cleaning projects.

(iv) Food Service Business

In the Food Service Business, growing numbers of contracted hotel restaurants and other factors resulted in net sales of 3,242 million yen (up 13.6% YoY) and operating income of 139 million yen (up 287.9% YoY).

(v) Development Business

In the Development Business, increases in the condominium business and hotel and other development projects led to net sales of 1,113 million yen (up 205.5% YoY) and operating income of 60 million yen (vs. an operating loss of 14 million yen in the same period of the previous year).

(vi) Other Businesses

Other Businesses consist of the Senior Life Business (management and operation of senior residences); the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments); the support business for people who live alone; the insurance agency business; comprehensive human resource services; the financial business; and the administrative outsourcing business. Total net sales recorded by these businesses rose to 4,908 million yen (up 12.1% YoY), with an operating loss of 74 million yen (vs. an operating profit of 24 million yen in the same period of the previous year) due to the impact of higher labor costs and other factors.

(2) Overview of Financial Position During the Period Under Review

(Assets)

Total assets at the end of the first quarter of this consolidated fiscal year stood at 303,617 million yen, an increase of 2,146 million yen from the end of the previous consolidated fiscal year. Main factors contributing to this increase included an increase in real estate for sale in process and a decrease in construction in progress.

(Liabilities)

Liabilities at the end of the third quarter of this consolidated fiscal year stood at 202,517 million yen, an increase of 408 million yen from the end of the previous consolidated fiscal year. The main factors contributing to this increase included an increase in short-term borrowings and a decline in other non-current liabilities (accounts payable).

(Net assets)

Net assets at the end of the first quarter of this consolidated fiscal year stood at 101,099 million yen, up 1,738 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings.

As a result, the equity ratio was 33.3%, an increase of 0.3 points from the end of the previous consolidated fiscal year.

(3) Explanation of Forecasts of Consolidated Results and Other Forward-Looking Information

We have left our forecasts of consolidated financial results, announced on May 15, 2025, unchanged for the time being.

2. Quarterly Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	25,675	20,633
Notes and accounts receivable - trade, and contract assets	18,301	16,450
Real estate for sale	8,602	10,370
Real estate for sale in process	7,951	32,129
Costs on construction contracts in progress	822	652
Other	8,276	11,645
Allowance for doubtful accounts	(53)	(54)
Total current assets	69,576	91,826
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	51,821	52,966
Land	54,784	52,159
Construction in progress	42,002	22,593
Other, net	6,365	6,734
Total property, plant and equipment	154,974	134,454
Intangible assets	4,801	4,729
Investments and other assets		
Investment securities	16,506	17,054
Guarantee deposits	18,476	18,368
Leasehold deposits	21,357	21,380
Other	15,661	15,710
Allowance for doubtful accounts	(103)	(102)
Total investments and other assets	71,899	72,410
Total non-current assets	231,675	211,594
Deferred assets	218	195
Total assets	301,470	303,617

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,220	6,937
Short-term borrowings	26,153	42,271
Current portion of bonds payable	4,680	4,680
Convertible bonds with stock options planned for redemption within one year	30,022	30,015
Income taxes payable	4,286	1,500
Provision for bonuses	3,686	1,131
Provision for bonuses for directors (and other officers)	715	207
Other	29,328	25,469
Total current liabilities	108,093	112,212
Non-current liabilities		
Bonds payable	9,020	8,620
Long-term borrowings	78,749	75,230
Retirement benefit liability	1,038	1,112
Provision for retirement benefits for directors (and other officers)	260	260
Allowance for withdrawal of business	140	131
Other	4,805	4,949
Total non-current liabilities	94,015	90,305
Total liabilities	202,109	202,517
Net assets		
Shareholders' equity		
Share capital	7,964	7,964
Capital surplus	13,016	13,016
Retained earnings	77,193	79,073
Treasury shares	(299)	(299)
Total shareholders' equity	97,875	99,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	894	947
Deferred gains or losses on hedges	1,107	934
Foreign currency translation adjustment	(596)	(610)
Remeasurements of defined benefit plans	79	71
Total accumulated other comprehensive income	1,485	1,343
Total net assets	99,360	101,099
Total liabilities and net assets	301,470	303,617

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Income Statement)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	52,080	56,807
Cost of sales	39,932	42,833
Gross profit	12,148	13,974
Selling, general and administrative expenses	8,326	9,476
Operating profit	3,821	4,498
Non-operating income		
Interest income	30	31
Dividend income	39	62
Share of profit of entities accounted for using equity method	436	686
Other	69	72
Total non-operating income	574	853
Non-operating expenses		
Interest expenses	167	249
Other	110	94
Total non-operating expenses	278	343
Ordinary profit	4,117	5,007
Extraordinary losses		
Loss on disaster	97	41
Total extraordinary losses	97	41
Profit before income taxes	4,020	4,966
Income taxes	1,324	1,369
Profit	2,695	3,597
Profit attributable to owners of parent	2,695	3,597

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	2,695	3,597
Other comprehensive income		
Valuation difference on available-for-sale securities	198	52
Deferred gains or losses on hedges	218	(172)
Foreign currency translation adjustment	7	(17)
Remeasurements of defined benefit plans, net of tax	(6)	(7)
Share of other comprehensive income of entities accounted for using equity method	8	3
Total other comprehensive income	427	(141)
Comprehensive income	3,123	3,455
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,123	3,455

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on The Going Concern Assumption)

Not applicable

(Notes Concerning Any Notable Changes in Shareholders' Equity)

Not applicable

(Notes on Special Accounting Procedures in The Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

The Company calculates tax expenses by rationally assuming an effective tax rate after applying tax effect accounting to income (loss) before income taxes for the consolidated fiscal year, including the first quarter of the fiscal year, and multiplying income (loss) before income taxes for the first three months of the fiscal year by the estimated effective tax rate. However, if the result of calculation of tax expenses using the estimated effective tax rate is significantly unreasonable, the statutory effective tax rate is used.

(Notes on Changes in Accounting Policies)

Not applicable

(Notes on Quarterly Consolidated Cash Flow Statement)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended June 30, 2025.

Depreciation and amortization expenses (including amortization of intangible assets excluding goodwill) for the three months ended June 30 were as follows:

	Three Months Ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three Months Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Depreciation and amortization	1,763 million yen	2,125 million yen

(Additional Information)

(Change in Purpose of Holding)

Due to a change in the purpose of holding assets, a portion of non-current assets of 23,192 million yen (construction in progress of 19,549 million yen and land of 3,643 million yen) was transferred to real estate for sale in process during the first quarter of this consolidated fiscal year.

(Notes on Segment Information)

[Segment information]

I For the three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

1. Information on net sales, income or loss by each reporting segment

(Millions of yen)

	Reportable segments						Other	Total	Reconciling items	Per quarterly consolidated financial statements
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Reportable segments				
Sales										
Revenues from external customers	14,115	31,330	1,685	473	274	47,879	4,201	52,080	–	52,080
Transactions with other segments	87	79	2,615	2,379	90	5,251	177	5,428	(5,428)	–
Net sales	14,202	31,409	4,300	2,853	364	53,130	4,378	57,509	(5,428)	52,080
Operating profit (loss)	1,961	2,945	(73)	35	(14)	4,855	24	4,879	(1,058)	3,821

Notes: 1. The Other segment consists of the following businesses which are not included in the reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support business for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other additional businesses.

2. The adjustment of negative 1,058 million yen to segment income or loss includes 25 million yen for elimination of inter-segment transactions and 1,084 million yen for corporate expenses not allocated to reportable segments. Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.

3. Segment income (loss) is adjusted with operating income on the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reporting segment

Not applicable

II For the three months ended June 30, 2025 (April 1, 2025 – June 30, 2025)

1. Information on net sales, income or loss by each reporting segment

(Millions of yen)

	Reportable segments						Other	Total	Reconciling items	Per quarterly consolidated financial statements
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Reportable segments				
Sales										
Revenues from external customers	14,844	34,271	2,013	550	430	52,111	4,696	56,807	–	56,807
Transactions with other segments	95	119	2,643	2,691	683	6,233	212	6,445	(6,445)	–
Net sales	14,939	34,391	4,656	3,242	1,113	58,344	4,908	63,252	(6,445)	56,807
Operating profit (loss)	1,751	4,073	(83)	139	60	5,940	(74)	5,866	(1,368)	4,498

Notes: 1. The Other segment consists of the following businesses which are not included in the reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support business for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other additional businesses.

2. The adjustment of negative 1,368 million yen to segment income or loss includes 38 million yen for elimination of inter-segment transactions and 1,406 million yen for corporate expenses not allocated to reportable segments. Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.

3. Segment income (loss) is adjusted with operating income on the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reporting segment

Not applicable