



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

**Summary of Consolidated Financial Results for the
Fiscal Year Ended March 31, 2026**

[JGAAP]

May 2026



Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 15, 2026

Company name Kyoritsu Maintenance Co., Ltd. Stock exchange listings: Tokyo Prime
 Securities code 9616 URL <https://www.kyoritsugroup.co.jp/>
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 Date of general shareholders' meeting (as planned) June 25, 2026 Dividend payable date (as planned) June 26, 2026
 Annual securities report filing date (as planned) June 24, 2026
 Supplemental material of annual results : Yes
 Convening briefing of annual results : Yes (For Institutional Investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	275,247	20.2	24,845	21.2	26,204	22.3	18,709	28.5
March 31, 2025	228,933	12.2	20,491	22.6	21,417	1.4	14,562	17.3

Note: Comprehensive income For the fiscal year ended March 31, 2026 19,724 Millions of yen (30.1%)
 For the fiscal year ended March 31, 2025 15,164 Millions of yen (16.3%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	221.84	205.64	15.3	8.5	9.0
March 31, 2025	186.56	160.15	15.7	7.5	9.0

Reference: Investment profit (loss) on equity method For the fiscal year ended March 31, 2026 2,071 Millions of yen
 For the fiscal year ended March 31, 2025 1,331 Millions of yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	316,655	145,528	46.0	1,600.64
March 31, 2025	301,470	99,360	33.0	1,272.69

Reference: Owner's equity As of March 31, 2026 145,528 Millions of yen
 As of March 31, 2025 99,360 Millions of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	50,921	(44,478)	(2,166)	29,634
March 31, 2025	29,449	(43,682)	8,195	25,349

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
Fiscal year ended March 31, 2025	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	-	16.00	-	22.00	38.00	2,966	20.4	3.2
March 31, 2026	-	23.00	-	23.00	46.00	4,079	20.7	3.2
March 31, 2027 (Forecast)	-	23.00	-	23.00	46.00		23.2	

3. Consolidated financial forecast 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
Fiscal year ending March 31, 2027	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	277,000	0.6	26,000	4.6	26,000	(0.8)	18,000	(3.8)	197.98

* 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) Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

As of March 31, 2026	91,243,720 shares	As of March 31, 2025	78,439,636 shares
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(ii) Number of treasury stock at the end of fiscal year

As of March 31, 2026	324,610 shares	As of March 31, 2025	368,148 shares
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(iii) Average number of shares

Fiscal year ended March 31, 2026	84,340,121 shares	Fiscal year ended March 31, 2025	78,058,768 shares
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[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	244,111	23.2	22,238	18.5	22,610	17.0	16,047	21.7
March 31, 2025	198,196	10.9	18,765	24.3	19,320	30.0	13,185	99.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	190.27	176.36
March 31, 2025	168.92	144.99

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	288,660	128,220	44.4	1,410.27
March 31, 2025	275,203	84,956	30.9	1,088.19

Reference: Owner's equity As of March 31, 2026 128,220 Millions of yen
As of March 31, 2025 84,956 Millions of yen

* 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

(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 “(4) Future outlook” under “1. Overview of Operating Results, etc.” on page 9 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 of financial results)

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

In addition, a video of the financial results briefing will be posted to the Company website at a later date.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

1) Overview of general financial position

(Consolidated Financial Results)

(in million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Change (%)
Net sales	228,933	275,247	20.2
Operating profit	20,491	24,845	21.2
Ordinary profit	21,417	26,204	22.3
Profit attributable to owners of parent	14,562	18,709	28.5

During the consolidated fiscal year under review, despite modest improvements in the Japanese economy with respect to employment and income, the economic outlook remained uncertain for various reasons, including the rising cost of raw materials, oil, and other resources; labor shortages; US trade policies; fluctuating financial and capital markets; and rising tensions in the Middle East.

While the rising cost of food and labor affected Group performance, our Dormitory Business exhibited steady growth based on continuing efforts to optimize pricing and to open new locations to meet growing demand in recent years for company housing and employee dormitories. Our Hotel Business fared well due to favorable tailwinds, including growing demand for lodging generated by the 2025 Japan World Exposition (Expo 2025 Osaka, Kansai) and demand generated by the more than 42 million foreign visitors to Japan (on an annual basis), a record high (source: “Visitor Arrivals to Japan,” Japan National Tourism Organization).

Accordingly, the Group recorded record high earnings through the fourth quarter of the consolidated fiscal year under review, with net sales of 275,247 million yen (up 20.2% YoY), operating profit of 24,845 million yen (up 21.2% YoY), ordinary profit of 26,204 million yen (up 22.3% YoY), and profit attributable to owners of parent of 18,709 million yen (up 28.5% YoY).

2) Overview of financial position by major business segment

<Dormitory Business (student dormitories, employee dormitories, Domeal and contracted dormitories)>

(in million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Change (%)
Net sales	54,923	57,924	5.5
Operating profit	6,077	6,194	1.9

In its Dormitory Business, the Company opened 12 new facilities nationwide in April, adding 1,364 rooms. It began the fiscal year with an occupancy rate of 97.4%, up 0.4 points YoY. As part of the growth strategy outlined in our medium-term management plan, we continued to open new facilities in the Tokyo, Kansai, and other major metropolitan markets while expanding into areas previously untapped, including Okayama, Takamatsu, and Tokushima, with the goal of establishing a structure capable of responding to a wide range of customer needs. Additionally, to strengthen our marketing structure, we opened the Chushikoku Region Branch in Okayama. The Company also worked to optimize selling prices to address rising operating costs.

Net sales of the Dormitory Business overall totaled 57,924 million yen (up 5.5% YoY). Net sales were 33,022 million yen for student dormitories (up 5.7% YoY), 15,455 million yen for employee dormitories (up 7.4% YoY), 5,190 million yen for Domeal (studio) dormitories (up 1.8% YoY), and 4,256 million yen for contracted dormitories—dormitories owned by companies and schools and managed and operated by the Company on consignment (up 1.8% YoY). Operating profit was 6,194 million yen (up 1.9% YoY), after accounting for rising costs, opening expenses, and other expenses.

As of the end of March 2026, the number of facilities totaled 536 locations (up by 10 facilities YoY), excluding contracted dormitories. This corresponds to a capacity of 46,147 occupants, up by 1,239 YoY. The number of residents totaled 44,995, up 1,004 YoY.

<Hotel Business (Dormy Inn, Resorts)>

(in million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Change (%)
Net sales	139,250	149,256	7.2
Operating profit	18,498	21,053	13.8

For the Hotel Business during the period under review, we opened five facilities: Natural Hot Springs Wakasa no Yu Dormy Inn Tsuruga, Natural Hot Springs Mitoya no Yu Dormy Inn EXPRESS Izumo no Kuni Unnan, Natural Hot Springs Higo no Yu Onyado Nono Kumamoto, and Natural Hot Spring Echizen no Yu Onyado Nono Fukui, all part of the Dormy Inn brand. In the Resorts business, we opened La Vista Atami Terrace.

Despite some fractious political sentiment between Japan and China and resulting trip cancellations by would-be visitors to Japan from certain regions of Asia due to viral rumors spread online of impending natural disaster, occupancy rates and unit prices remained high. Efforts to optimize selling prices, efforts to target booming inbound tourism, demand, and surging demand related to the 2025 Japan World Exposition bore fruit.

We introduced the Dormy's Point rewards program for reservations made via our reservation site and the Dormy's membership app, and expanded the rollout of the Express Check-In smart check-in system. These and other ongoing efforts to expand options and improve usability boosted customer convenience and labor productivity.

Net sales for the Hotel Business totaled 149,256 million yen (up 7.2% YoY). Operating profit jumped to 21,053 million yen (up 13.8% YoY), more than covering the impact of construction costs on large-scale remodeling intended to improve customer satisfaction and the effects of rising food ingredient prices, linen cleaning expenses, and other operating costs.

As of the end of March 2026, the Hotel Business as a whole operated 143 facilities (up five YoY), excluding contracted dormitories, accounting for 22,294 rooms (up 854 YoY).

<Contracted Service Business>

(in million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Change (%)
Net sales	27,116	22,185	(18.2)
Operating profit	1,213	296	(75.5)

In the Contracted Service Business, a decrease from the concentration of large-scale projects in the previous year and higher labor costs and other selling and administrative expenses resulted in net sales of 22,185 million yen (down 18.2% YoY) and operating profit of 296 million yen (down 75.5% YoY).

<Food Service Business (Restaurants/ Contracted Food Service/ Contracted Hotel Restaurants, etc.)>

(in million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Change (%)
Net sales	12,530	14,006	11.8
Operating profit	244	590	141.7

In the Food Service Business, due to growing numbers of contracted hotel restaurants and growth in numbers of other restaurants, among other factors, net sales grew to 14,006 million yen (up 11.8% YoY), while operating profit rose to 590 million yen (up 141.7% YoY).

<Construction Business>

(in million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Change (%)
Net sales	9,953	43,114	333.2
Operating profit	672	3,048	353.1

In the Construction Business, real estate securitization and an increase in hotel and other development projects resulted in net sales of 43,114 million yen (up 333.2% YoY) and operating profit of 3,048 million yen (up 353.1% YoY).

<Other Businesses>

(in million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Change (%)
Net sales	17,813	19,698	10.6
Operating profit	(426)	(181)	-

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 19,698 million yen (up 10.6% YoY), with an operating loss of 181 million yen (vs. an operating loss of 426 million yen in the previous fiscal year).

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

(Assets)

Total assets at the end of this consolidated fiscal year stood at 316,655 million yen, up 15,185 million yen from the end of the previous consolidated fiscal year. Key contributing factors included increases in cash and deposits and buildings and structures.

(Liabilities)

Liabilities at the end of this consolidated fiscal year stood at 171,126 million yen, down 30,982 million yen from the end of the previous consolidated fiscal year, due mainly to a decrease in the convertible bonds with stock options planned for redemption within one year.

(Net Assets)

Net assets at the end of this consolidated fiscal year stood at 145,528 million yen, up 46,167 million yen from the end of the previous consolidated fiscal year, due mainly to increases in share capital, capital surplus, and retained earnings.

These factors resulted in an equity ratio of 46.0%, up 13.0 points from the end of the previous consolidated fiscal year.

(3) Cash Flow Position

The balance of cash and cash equivalents at the end of this consolidated fiscal year stood at 29,634 million yen, for an increase of 4,285 million yen from the end of the previous consolidated fiscal year. This figure resulted from net cash used in investing activities of 44,478 million yen, net cash used in financing activities of 2,166 million yen, and net cash provided by operating activities of 50,921 million yen.

An overview of each type of cash flow and its contributing factors in this consolidated fiscal year are provided below.

(Cash flows from operating activities)

Net cash provided by operating activities was 50,921 million yen, for an increase of 21,472 million yen from the previous consolidated fiscal year. This was primarily due to profit before income taxes of 24,798 million yen and an increase in inventories of 25,125 million yen.

(Cash flows from investment activities)

Net cash used in investing activities was 44,478 million yen, for an increase of 796 million yen from the previous consolidated fiscal year. This was primarily due to purchase of property, plant and equipment of 43,059 million yen and payments of leasehold and guarantee deposits of 1,714 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 2,166 million yen, for a decrease of 10,362 million yen from the net cash provided by financing activities in the previous consolidated fiscal year. This was primarily due to repayments of long-term borrowings of 14,520 million yen and redemption of bonds of 4,681 million yen.

(Reference) Trends in Cash Flow-related Indicators

	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Equity ratio (%)	29.2	27.4	32.0	33.0	46.0
Equity ratio on a market value basis (%)	74.5	76.6	100.9	80.6	69.9
Cash flow to interest-bearing debt ratio (annual):	5.3	19.9	5.8	5.1	2.4
Interest coverage ratio (times):	43.4	13.2	35.8	39.3	42.2

Equity ratio: Equity capital / total assets

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

Cash flow to interest-bearing debt ratio: Interest-bearing debt / cash flow

Interest coverage ratio: Cash flow / interest payments

Notes:

1. Each indicator is calculated based on the consolidated financial figures.
2. Market capitalization is calculated based on the number of outstanding shares not including treasury shares.
3. Cash flow used to calculate this indicator is operating cash flow.
4. Interest-bearing debts used to calculate this indicator are all debts recorded on the consolidated balance sheet that are subject to interest payments.
5. Interest payments used to calculate this indicator are the interest expenses paid that are stated on the consolidated statement of cash flows.

(4) Future Outlook

(Consolidated Financial Results)

(in million yen)

	Results for the Fiscal Year ended March 31, 2026	Outlook for the Fiscal Year ending March 31, 2027	Change (%)
Net sales	275,247	277,000	0.6
Operating profit	24,845	26,000	4.6
Ordinary profit	26,204	26,000	(0.8)
Profit attributable to owners of parent	18,709	18,000	(3.8)

Despite expectations for continuing gentle recovery in the Japanese economy and modest growth in inbound tourism demand, it will remain essential to closely monitor the impacts of inflation and geopolitical risks in the Middle East and elsewhere.

While continuing to work on large-scale remodeling to increase customer satisfaction, the Group plans to enhance the features of the Dormy's membership program and implement sustainability, human resource, and digital transformation (DX) strategies to establish solid business foundations in order to be able to adapt to changing societal conditions.

The Dormitory Business opened a total of 13 facilities, accounting for 2,401 rooms nationwide, reporting an initial occupancy rate of 98.5% (up 1.1 points YoY) in April. It plans to open new facilities in eight prefectures. In addition to efforts to promote the Company's strengths in safety and security to an even wider range of prospective customers, this business will continue to optimize selling prices and respond to cost inflation through rigorous cost controls.

In the Hotel Business, the number of overseas travelers to Japan continued to grow alongside booming domestic demand. Both the Dormy Inn Business and the Resorts Business began the year with revenue per available room (RevPAR) above figures for the previous year. The Dormy Inn business plans to open six facilities: Natural Hot Springs Higoromo no Yu Dormy Inn Yokkaichi; Natural Hot Spring Tsurumai no Yu Dormy Inn Chitose; Natural Hot Spring Heihou no Yu Dormy Inn Komatsu; Dormy Inn EXPRESS Rikuzen-Takata; Dormy Inn Naha; and Dormy Inn Umeda Higashi (all facility names are tentative). The Resorts Business plans to open two facilities: Kyoto Omuro Kadensho and La Vista Minamiaso (both facility names are tentative). In doing so, the businesses will actively open facilities in new areas to grow their networks of facilities nationwide. The businesses will also continue to pursue measures intended to optimize the cost of attracting customers through enhancements to the Company website, and strengthen customer convenience through means including adoption of a smart check-in system, while also striving to increase labor productivity and enhance earning power.

The Contracted Service Business will sharpen competitiveness by focusing on strengthening its sales structure and improving its technological capabilities and product value (including specialized functions intended to strengthen customer trust), and by providing high-quality building-related services.

The Food Service Business, while implementing strict cost controls, will continue to develop products and services that lead to higher customer satisfaction.

The Construction Business will continue to pursue real estate securitization in association with the recovering pace of opening new locations, supporting the Kyoritsu Group in its development and expansion plans. Additionally, it will seek to develop external trading partnerships and to strengthen its cost management system.

Among Other Businesses, the Company considers the Senior Life Business as a focus of business development and will work to achieve profitability at the earliest possible date by focusing on customer satisfaction and strengthening brand recognition.

Based on the above, as it enters the plan's fourth year, the Group will make steady progress toward the targets of its medium-term management plan. In the fiscal year ending March 31, 2027, it forecasts net sales of 277,000 million yen (up 0.6% YoY), operating profit of 26,000 million yen (up 4.6% YoY), ordinary profit of 26,000 million yen (down 0.8% YoY), and profit attributable to owners of the parent of 18,000 million yen (down 3.8% YoY). Although ordinary profit and profit attributable to owners of parent are forecast to decrease compared to the fiscal year ended March 31, 2026, this is due to the impact of lower tax expenses associated with special factors in the fiscal year ended March 31, 2026, including large-scale real estate securitization, impairment losses, and a review of the recoverability of deferred tax assets. A comparison of results excluding these special factors shows gains of 9.9% in net sales, 12.7% in operating profit, 6.2% in ordinary profit, and 4.2% in profit attributable to owners of parent.

These forecasts are based on information available as of the date of publication of this document. Actual results may differ for various reasons.

(5) Basic policy on Distribution of Surplus and Dividends for the Current and Next Period

Based on the conviction that it is entrusted the capital it raises from markets by its shareholders, the Company sees returning earnings to shareholders through performance-linked dividends that reflect earnings as a key instrument for distributing its surplus. We will strive to increase the dividends payout ratio based on the basic stance of assuring steady and stable rewards to shareholders over the long term, with a target payout ratio of 20 percent.

As disclosed on May 15, 2025, the Company plans to pay a year-end dividend of 23 yen per share in the period under review, resulting in an increase of eight yen per share (21.1%) from the previous period to full-year dividends of 46 yen per share (dividend payout ratio: 20.7%). Regarding the next fiscal year, profit attributable to owners of parent is expected to decrease due to special factors in the fiscal year ended March 31, 2026. However, we plan to pay an annual dividend of 46 yen per share, the same amount as the current fiscal year, representing a dividend payout ratio of 23.2%.

Pursuing even more dynamic policies on shareholder returns in the future, we will strive to achieve stable and continuous growth in dividends. We will retain internal reserves in the amounts needed to make effective capital investments, develop new businesses, and implement other forward-looking management policies while adapting to changing business conditions.

2. Basic Policy on Selection of Accounting Standards

The Group's policy for the time being is to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of consolidated financial statements over time and across companies.

The Group will properly deal with the application of IFRS taking into account domestic and international situations.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	25,675	29,961
Notes and accounts receivable - trade, and contract assets	18,301	19,993
Real estate for sale	8,602	4,822
Real estate for sale in process	7,951	10,179
Costs on construction contracts in progress	822	75
Other	8,276	10,051
Allowance for doubtful accounts	(53)	(53)
Total current assets	69,576	75,029
Non-current assets		
Property, plant and equipment		
Buildings and structures	101,474	114,808
Accumulated depreciation	(49,652)	(54,364)
Buildings and structures, net	51,821	60,444
Land	54,784	53,600
Construction in progress	42,002	41,034
Other	24,891	27,897
Accumulated depreciation	(18,525)	(20,868)
Other, net	6,365	7,028
Total property, plant and equipment	154,974	162,107
Intangible assets	4,801	4,599
Investments and other assets		
Investment securities	16,506	18,257
Long-term loans receivable	653	584
Guarantee deposits	18,476	18,052
Leasehold deposits	21,357	22,587
Deferred tax assets	2,415	3,335
Other	12,592	12,068
Allowance for doubtful accounts	(103)	(99)
Total investments and other assets	71,899	74,785
Total non-current assets	231,675	241,492
Deferred assets		
Bond issuance costs	218	132
Total deferred assets	218	132
Total assets	301,470	316,655

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,220	8,960
Short-term borrowings	26,153	29,786
Current portion of bonds payable	4,680	4,680
Convertible bonds with stock options planned for redemption within one year	30,022	-
Income taxes payable	4,286	5,360
Contract liabilities	-	106
Provision for bonuses	3,686	4,060
Provision for bonuses for directors (and other officers)	715	872
Other	29,328	25,133
Total current liabilities	108,093	78,960
Non-current liabilities		
Bonds payable	9,020	4,340
Long-term borrowings	78,749	81,416
Long-term guarantee deposits	3,722	4,149
Retirement benefit liability	1,038	824
Provision for retirement benefits for directors (and other officers)	260	262
Allowance for withdrawal of business	140	131
Asset retirement obligations	499	481
Other	583	559
Total non-current liabilities	94,015	92,166
Total liabilities	202,109	171,126
Net assets		
Shareholders' equity		
Share capital	7,964	22,971
Capital surplus	13,016	28,124
Retained earnings	77,193	92,197
Treasury shares	(299)	(264)
Total shareholders' equity	97,875	143,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	894	1,466
Deferred gains or losses on hedges	1,107	1,309
Foreign currency translation adjustment	(596)	(494)
Remeasurements of defined benefit plans	79	218
Total accumulated other comprehensive income	1,485	2,500
Total net assets	99,360	145,528
Total liabilities and net assets	301,470	316,655

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	228,933	275,247
Cost of sales	173,016	210,360
Gross profit	55,917	64,886
Selling, general and administrative expenses		
Salaries, allowances and bonuses	6,389	7,142
Welfare expenses	1,367	1,479
Provision for bonuses	1,215	1,299
Provision for bonuses for directors (and other officers)	715	872
Retirement benefit expenses	142	133
Provision for retirement benefits for directors (and other officers)	1	2
Promotion expenses	2,894	3,774
Provision of allowance for doubtful accounts	-	2
Outsourcing expenses	2,689	3,551
Rent expenses	520	599
Commission expenses	15,399	16,400
Depreciation	694	763
Other	3,395	4,019
Total selling, general and administrative expenses	35,426	40,041
Operating profit	20,491	24,845
Non-operating income		
Interest income	156	230
Dividend income	201	335
Share of profit of entities accounted for using equity method	1,331	2,071
Other	486	468
Total non-operating income	2,175	3,105
Non-operating expenses		
Interest expenses	743	1,169
Other	505	576
Total non-operating expenses	1,249	1,746
Ordinary profit	21,417	26,204

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	-	93
Total extraordinary income	-	93
Extraordinary losses		
Loss on disaster	278	234
Impairment losses	311	1,119
Other	29	145
Total extraordinary losses	619	1,498
Profit before income taxes	20,797	24,798
Income taxes - current	5,433	7,464
Income taxes - deferred	802	(1,375)
Total income taxes	6,235	6,088
Profit	14,562	18,709
Profit attributable to owners of parent	14,562	18,709

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	14,562	18,709
Other comprehensive income		
Valuation difference on available-for-sale securities	219	571
Deferred gains or losses on hedges	415	201
Foreign currency translation adjustment	(35)	8
Remeasurements of defined benefit plans, net of tax	(37)	139
Share of other comprehensive income of entities accounted for using equity method	41	93
Total other comprehensive income	602	1,015
Comprehensive income	15,164	19,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,164	19,724

(3) Consolidated Statement of Changes in Equity

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,964	12,920	65,167	(331)	85,721
Changes during period					
Issuance of new shares - exercise of share acquisition rights					
Dividends of surplus			(2,536)		(2,536)
Profit (loss) attributable to owners of parent			14,562		14,562
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		0	0
Restricted Stock Unit		95		35	131
Net changes in items other than shareholders' equity					
Total changes during period	-	96	12,025	31	12,153
Balance at end of period	7,964	13,016	77,193	(299)	97,875

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	675	692	(601)	117	882	86,604
Changes during period						
Issuance of new shares - exercise of share acquisition rights						
Dividends of surplus						(2,536)
Profit (loss) attributable to owners of parent						14,562
Purchase of treasury shares						(4)
Disposal of treasury shares						0
Restricted Stock Unit						131
Net changes in items other than shareholders' equity	219	415	5	(37)	602	602
Total changes during period	219	415	5	(37)	602	12,756
Balance at end of period	894	1,107	(596)	79	1,485	99,360

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,964	13,016	77,193	(299)	97,875
Changes during period					
Issuance of new shares - exercise of share acquisition rights	15,006	14,993			30,000
Dividends of surplus			(3,706)		(3,706)
Profit (loss) attributable to owners of parent			18,709		18,709
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Restricted Stock Unit		113		35	149
Net changes in items other than shareholders' equity					
Total changes during period	15,006	15,107	15,003	35	45,152
Balance at end of period	22,971	28,124	92,197	(264)	143,028

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	894	1,107	(596)	79	1,485	99,360
Changes during period						
Issuance of new shares - exercise of share acquisition rights						30,000
Dividends of surplus						(3,706)
Profit (loss) attributable to owners of parent						18,709
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Restricted Stock Unit						149
Net changes in items other than shareholders' equity	571	201	101	139	1,015	1,015
Total changes during period	571	201	101	139	1,015	46,167
Balance at end of period	1,466	1,309	(494)	218	2,500	145,528

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	20,797	24,798
Depreciation	7,716	9,036
Amortization of long-term prepaid expenses	709	887
Amortization of guarantee deposits	413	434
Increase (decrease) in provision for bonuses	760	372
Interest and dividend income	(357)	(566)
Interest expenses	743	1,169
Share of loss (profit) of entities accounted for using equity method	(1,331)	(2,071)
Impairment losses	311	1,119
Loss on disaster	278	234
Loss (gain) on sale of investment securities	-	(93)
Decrease (increase) in trade receivables	(396)	(1,697)
Decrease (increase) in inventories	3,367	25,125
Increase (decrease) in trade payables	(172)	(259)
Increase (decrease) in accrued expenses	284	121
Increase (decrease) in advances received	1,046	(1,407)
Increase (decrease) in accounts payable - other	(310)	1,475
Increase (decrease) in accrued consumption taxes	144	(2,280)
Increase (decrease) in deposits received	(454)	168
Increase (decrease) in guarantee deposits received	493	588
Other, net	(852)	545
Subtotal	33,193	57,701
Interest and dividends received	467	740
Interest paid	(749)	(1,206)
Income taxes refund	0	95
Income taxes paid	(3,462)	(6,408)
Net cash provided by (used in) operating activities	29,449	50,921

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of securities	(19)	(290)
Proceeds from sale of securities	-	1,338
Purchase of property, plant and equipment	(41,990)	(43,059)
Proceeds from sale of property, plant and equipment	157	0
Purchase of intangible assets	(1,086)	(574)
Purchase of long-term prepaid expenses	(803)	(1,070)
Loan advances	(904)	(437)
Proceeds from collection of loans receivable	1,570	693
Payments of leasehold and guarantee deposits	(1,181)	(1,714)
Proceeds from refund of leasehold and guarantee deposits	151	11
Purchase of insurance funds	(246)	(351)
Proceeds from cancellation of insurance funds	757	1,215
Other, net	(87)	(238)
Net cash provided by (used in) investing activities	(43,682)	(44,478)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	150	1,350
Proceeds from long-term borrowings	31,400	19,470
Repayments of long-term borrowings	(15,960)	(14,520)
Redemption of bonds	(4,881)	(4,681)
Purchase of treasury shares	(3)	(0)
Dividends paid	(2,530)	(3,701)
Other, net	22	(81)
Net cash provided by (used in) financing activities	8,195	(2,166)
Effect of exchange rate change on cash and cash equivalents	(45)	9
Net increase (decrease) in cash and cash equivalents	(6,082)	4,285
Cash and cash equivalents at beginning of period	31,431	25,349
Cash and cash equivalents at end of period	25,349	29,634

(5) Notes on Consolidated Financial Statement

(Notes on the going concern assumption)

Not applicable

(Changes in accounting policies)

Not applicable

(Additional information)

(Change in purpose of holding)

Due to a change in the purpose of holding, a portion of property, plant and equipment amounting to 23,488 million yen was reclassified to real estate for sale during the current fiscal year.

(Segment Information etc.)

[Segment Information]

1. Summary of Reportable Segments

The Group's reportable segments are structural units of the Group, for which disaggregated financial information is available, that are subject to periodic review by the Board of Directors to make decisions on allocation of management resources and evaluate business performance.

The Group establishes business units for individual services (or subsidiaries for some services) within the Group. Each business unit or subsidiary formulates strategies for its services and engages in business activities.

Accordingly, the Group consists of service-specific segments based on these business units and subsidiaries. The Group's five reportable segments are the Dormitory Business, the Hotel Business, the Contracted Service Business, the Food Service Business, and the Construction Business.

Each reporting segment is summarized below.

Dormitory Business:	Operation and management of student dormitories, employee dormitories, Domeal, and contracted dormitories
Hotel Business:	The Dormy Inn (limited-service hotel) and Resorts (resort hotel) businesses
Contracted Service Business:	The office-building management and residential-building management businesses
Food Service Business:	The businesses dealing with restaurants, contracted food service, and hotel restaurants and other facilities operated under contract
Construction Business:	The construction, planning, design, and brokerage businesses, the condominium business, the real-estate sale and leaseback business, and other development-related businesses, other development-related businesses

2. Calculation methods for net sales, income or losses, assets, and other amounts for each reportable segment

The accounting methods for the reported business segments are consistent with the accounting principles and procedures adopted for the preparation of the consolidated financial statements.

Income of the reportable segments is based on operating profit.

Intersegment sales and transfers are based on market prices.

3. Information on net sales, income or losses, assets and other items by reportable segment

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments						Other ^(Note 1)	Total	Reconciling items ^(Note 2)	Per consolidated financial statements ^(Note 3)
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Reportable segments				
Sales										
Revenues from external customers	54,570	139,006	8,325	1,933	7,985	211,821	17,112	228,933	-	228,933
Transactions with other segments	353	243	18,791	10,597	1,967	31,953	700	32,653	(32,653)	-
Net sales	54,923	139,250	27,116	12,530	9,953	243,774	17,813	261,587	(32,653)	228,933
Operating profit (loss)	6,077	18,498	1,213	244	672	26,706	(426)	26,280	(5,789)	20,491
Assets	61,781	159,398	19,223	2,744	24,086	267,234	16,666	283,900	17,569	301,470
Other items										
Depreciation	1,574	5,875	103	43	41	7,638	151	7,789	(73)	7,716
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	1,331	1,331	-	1,331
Impairment losses	41	223	-	46	-	311	-	311	-	311
Increase in property, plant and equipment and intangible assets	4,372	43,394	121	13	9	47,911	179	48,090	(38)	48,052

Notes: 1. The Other Business segment consists of the following businesses which are not included in the other reportable 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 related businesses.

2. Details of adjustments are described below.

(in million yen)

Segment income	
Elimination of intersegment transactions	(825)
Corporate expenses ^(Note)	(4,963)
Total	(5,789)

Note: Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.

(in million yen)

Segment assets	
Elimination of intersegment transactions	(20,851)
Corporate assets ^(Note)	38,421
Total	17,569

Note: Corporate assets refer to cash and deposits, investment securities, assets related to administrative sections, and deferred tax assets retained by the head office.

3. Segment income or loss is adjusted against operating loss on the consolidated financial statements.

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments						Other (Note 1)	Total	Reconciling items (Note 2)	Per consolidated financial statements (Note 3)
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Reportable segments				
Sales										
Revenues from external customers	57,543	148,957	9,039	2,126	38,669	256,335	18,912	275,247	-	275,247
Transactions with other segments	381	299	13,146	11,880	4,445	30,152	785	30,938	(30,938)	-
Net sales	57,924	149,256	22,185	14,006	43,114	286,488	19,698	306,186	(30,938)	275,247
Operating profit (loss)	6,194	21,053	296	590	3,048	31,183	(181)	31,002	(6,157)	24,845
Assets	67,284	163,657	16,330	3,354	22,105	272,732	15,886	288,619	28,035	316,655
Other items										
Depreciation	1,799	7,063	93	29	41	9,026	177	9,204	(167)	9,036
Equity in earnings (losses) of affiliates	-	-	-	-	-	-	2,071	2,071	-	2,071
Impairment losses	90	999	-	-	-	1,090	29	1,119	-	1,119
Increase in property, plant and equipment and intangible assets	7,036	34,729	67	79	4	41,917	112	42,029	146	42,176

Notes: 1. The Other Business segment consists of the following businesses which are not included in the other reportable 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 related businesses.

2. Details of adjustments are described below.

(in million yen)

Segment income	
Elimination of intersegment transactions	(199)
Corporate expenses (Note)	(5,957)
Total	(6,157)

Note: Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.

(in million yen)

Segment assets	
Elimination of intersegment transactions	(17,551)
Corporate assets (Note)	45,587
Total	28,035

Note: Corporate assets refer to cash and deposits, investment securities, assets related to administrative sections, and deferred tax assets retained by the head office.

3. Segment income or loss is adjusted against operating loss on the consolidated financial statements.

[Relevant Information]

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

1. Information by product and service

(in million yen)

	Student dormitories	Employee dormitories	Domeal	Contracted dormitories	Dormy Inn	Resorts	Office building custodial services	Residential building custodial services	Food Services	Construction	Other	Total
Net sales to external customers	31,193	14,141	5,073	4,161	83,674	55,332	4,582	3,742	1,933	7,985	17,112	228,933

2. Information by region

(1) Net sales

This item is omitted because the net sales to external customers in Japan account for more than 90% of the net sales on the consolidated income statement.

(2) Property, plant and equipment

This item is omitted because the amount of the property, plant and equipment located in Japan accounts for more than 90% of the amount of the property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This item is omitted because no single customer accounts for 10% or more of the net sales on the consolidated income statement.

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

1. Information by product and service

(in million yen)

	Student dormitories	Employee dormitories	Domeal	Contracted dormitories	Dormy Inn	Resorts	Office building custodial services	Residential building custodial services	Food Services	Construction	Other	Total
Net sales to external customers	32,949	15,190	5,167	4,236	92,067	56,889	5,021	4,017	2,126	38,669	18,912	275,247

2. Information by region

(1) Net sales

This item is omitted because the net sales to external customers in Japan account for more than 90% of the net sales on the consolidated income statement.

(2) Property, plant and equipment

This item is omitted because the amount of the property, plant and equipment located in Japan accounts for more than 90% of the amount of the property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This item is omitted because no single customer accounts for 10% or more of the net sales on the consolidated income statement.

[Information on impairment loss on non-current assets by reporting segment]

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

This item is omitted because the same information is disclosed in the Segment Information.

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

This item is omitted because the same information is disclosed in the Segment Information.

[Information on the amortization of goodwill and the unamortized balance by reporting segment]

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

Not applicable

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

Not applicable

[Information on gain from negative goodwill by reporting segment]

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

Not applicable

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

Not applicable

(Per-share information)

	Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Net assets per share (yen)	1,272.69	1,600.64
Basic earnings per share (yen)	186.56	221.84
Diluted earnings per share (yen)	160.15	205.64

Note: The bases for calculation of basic earnings per share and diluted earnings per share are described below.

	Year ended March 31, 2025 (April 1, 2024 - March 31, 2025)	Year ended March 31, 2026 (April 1, 2025 - March 31, 2026)
(1) Basic earnings per share		
Profit attributable to owners of parent (in million yen)	14,562	18,709
Amount not attributable to common shareholders (in million yen)	-	-
Profit attributable to owners of parent related to common shares (in million yen)	14,562	18,709
Average number of common shares during the period (thousand shares)	78,058	84,340
(2) Diluted earnings per share		
Adjustment of profit attributable to owners of the parent (in million yen)	(20)	(15)
(Interest income [after tax] included above) (in million yen)	(20)	(15)
Increase in shares of common stock (thousand shares)	12,738	6,566
Summary of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	-	-

(Significant subsequent events)

Not applicable

4. Other

(Status of production, order and sale)

Segment sales performances for current fiscal year are shown below:

Segment	Amount (in million yen)	Year-on-year comparison (%)
Dormitory	57,924	5.5
Student dormitories	33,022	5.7
Employee dormitories	15,455	7.4
Domeal	5,190	1.8
Contracted dormitories	4,256	1.8
Hotel	149,256	7.2
Dormy Inn Business	92,225	10.1
Resorts Business	57,031	2.9
Contracted Service	22,185	(18.2)
Office Building Custodial Services Business	5,386	11.0
Residential Building Custodial Services Business	16,799	(24.5)
Food Service	14,006	11.8
Construction	43,114	333.2
Total of Reportable Segments	286,488	17.5
Other	19,698	10.6
Adjustment	(30,938)	-
Total	275,247	20.2

Note: Amount does not include consumption taxes.