

August 12, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Grandy House Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 8999
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	12,597	(1.8)	288	147.8	207	700.9	119	-
June 30, 2024	12,832	8.7	116	(56.1)	25	(87.3)	(59)	-

Note: Comprehensive income For the three months ended June 30, 2025: ¥129 million [-%]
 For the three months ended June 30, 2024: ¥(19) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	4.17	-
June 30, 2024	(2.09)	-

(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
June 30, 2025	67,667	24,083	35.6	837.87
March 31, 2025	68,770	24,866	36.2	866.26

Reference: Equity
 As of June 30, 2025: ¥24,083 million
 As of March 31, 2025: ¥24,866 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	32.00	32.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00		32.00	32.00

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

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

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

* **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: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

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

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

As of June 30, 2025	2,079,440 shares
As of March 31, 2025	2,117,740 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	28,723,735 shares
Three months ended June 30, 2024	28,415,605 shares

Note: The number of treasury shares at the end of the fiscal year includes the Company's shares (451,900 shares in the first quarter of the fiscal year ending March 31, 2026 and 490,200 shares in the fiscal year ended March 31, 2025) held by the Grandy House Employee Stock Ownership Association Trust Account. In addition, the Company's shares held by the Grandy House Employee Stock Ownership Association Trust Account are included in the treasury stock deducted from the calculation of the average number of shares during the period (471,925 shares in the first quarter of the fiscal year ending March 31, 2026 and 707,650 shares in the first quarter of the fiscal year ended March 31, 2025).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

* 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.

1. OVERVIEW OF OPERATING RESULTS

(1) Overview of Quarterly Operating Results

During the three months ended June 30, 2025, the Japanese economy maintained a moderate recovery trend due to improvements in the employment and income environments. On the other hand, the risk of an economic downturn increased due to the impact of U.S. trade policy and the continued price increases.

In the housing sector, although the policy interest rate hike was postponed, the slowdown in housing demand continued due to persistently high housing prices. In March of this year, the number of construction starts of detached houses temporarily exceeded the same month of the previous year, but declines have been seen since April. In the three months under review, there was a 21.2% decrease compared to the same period of the previous year, indicating that the market environment continued to be challenging.

Under this environment, the Grandy House Group (Grandy House Corporation and its subsidiaries, hereinafter “the Group”) has been advancing initiatives to redirect itself to a growth stage based on 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” set forth in its three-year medium-term management plan announced in May 2024.

In the real estate sales segment, including the mainstay new housing sales business, we undertook several initiatives to expand our operations in the Tokyo metropolitan area. These initiatives included strengthening the organizational capabilities of each base, enhancing land acquisition efforts, and airing new commercials on Kanto key stations. On the product side, efforts were made to enhance product strength by standardizing the adoption of the seismic vibration control system. Additionally, improvements in profitability were achieved through thorough inventory management and the effects of expense management. As a result of these efforts, although the number of new houses sold decreased year-on-year, segment profit significantly improved.

As for other segments, the real estate leasing segment continued to perform steadily. However, profit declined in the construction material sales segment due to a challenging order environment and increased depreciation burdens from updating production facilities.

As a result, the Group’s consolidated operating results for the three months under review were as follows: Net sales totaled ¥12,597 million, a decrease of 1.8% year-on-year; operating profit was ¥288 million, an increase of 147.8% year-on-year; ordinary profit was ¥207 million, an increase of 700.9% year-on-year; and profit attributable to owners of parent totaled ¥119 million, compared to net loss attributable to owners of parent of ¥59 million in the same period of the previous fiscal year.

Operating results by business segment are presented as follows.

a. Real Estate Sales

In new housing sales, efforts were made to strengthen personnel and organization, particularly in the Tokyo metropolitan area, and to deepen our business tailored to the market characteristics. Additionally, inventory and expense management were reinforced to improve profitability. Additionally, new commercials were aired on Kanto key stations to enhance the Company’s brand awareness and expand the customer base.

On the product side, the seismic vibration control system was adopted as a standard feature in the structural framework for lots where construction began from May 2025 onwards. We have achieved greater safety by incorporating the seismic vibration control system in addition to the highest grades of earthquake and wind resistance performance, which have already been adopted. Additionally, we continued efforts to expand our range of products with excellent environmental performance, such as the “Sora Town” series of lots, which consist entirely of ZEH (Net Zero Energy Houses).

As a result of these efforts, although there was progress in improving profitability, the challenging current business environment led to the sale of 279 new homes in the three months under review, a decrease of 34 units year-on-year.

The used housing market also continued to face a challenging business environment due to rising distribution prices and intensified competition. Although the number of units sold remained on par with the same period of the previous year at 31 units, profit was improved through strengthened inventory management.

As a result, net sales in the real estate sales segment during the three months under review decreased by 2.1% year-on-year to ¥11,836 million, while segment profit was ¥135 million, compared to segment loss of ¥75 million in the same period of the previous fiscal year.

b. Construction Material Sales

In the construction material sales business, the number of new wooden housing construction starts saw a significant increase in March compared to the same month of the previous year, ahead of the Building Standards Act revision in April 2025. However, recently, there has been a substantial decrease due to a reactionary decline.

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, as well as to enhance orders for construction materials other than pre-cut materials. As a result, revenues from external customers increased year on year. However, segment profit decreased due to intensifying competition caused by sluggish demand and an increase in depreciation associated with the replacement of manufacturing facilities.

As a result, net sales of the construction material sales segment in the three months under review increased by 3.1% year-on-year to ¥647 million with a segment profit of ¥6 million, a decrease of 85.3% year-on-year.

c. Real Estate Leasing

In real estate leasing, specifically in the leasing of office buildings and residential buildings, despite the sale of some properties in the previous fiscal year, stable occupancy rates and a reduction in property maintenance costs, such as repair expenses, led to results that exceeded those of the same period in the previous year.

In the parking business, although there was a decrease in operational properties due to the sale of some assets, performance remained on par with the same period of the previous fiscal year. This was partly due to improved operations at existing parking facilities following equipment upgrades.

As a result, net sales in the real estate leasing segment for the three months under review were ¥113 million, an increase of 0.6% year-on-year, with a segment profit of ¥63 million, an increase of 3.2% year-on-year.

(2) Overview of Quarterly Financial Position

As of the end of the first quarter of the fiscal year under review, consolidated total assets declined to ¥67,667 million, a decrease of ¥1,103 million compared to the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits resulting from the payment of dividends, income taxes, and bonuses.

Liabilities stood at ¥43,584 million, a decrease of ¥320 million compared to the end of the previous fiscal year. This was mainly due to a decrease in accrued liabilities related to the pre-cut processing machines acquired in the previous fiscal year.

Total net assets stood at ¥24,083 million, a decrease of ¥782 million compared to the end of the previous fiscal year. This was mainly due to the recording of the fiscal year-end dividend.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

There are no changes to the forecasts of consolidated and non-consolidated financial results announced on May 14, 2025.

Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	10,857,676	9,547,177
Notes and accounts receivable - trade, and contract assets	460,533	425,532
Real estate for sale	11,871,088	12,166,777
Costs on construction contracts in progress	18,938	26,034
Real estate for sale in process	29,699,244	29,317,361
Merchandise and finished goods	289,079	293,947
Raw materials and supplies	128,448	148,624
Other	694,020	948,062
Allowance for doubtful accounts	(10,183)	(9,645)
Total current assets	54,008,846	52,863,872
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,561,273	3,505,371
Machinery, equipment and vehicles, net	628,924	606,885
Tools, furniture and fixtures, net	47,346	56,967
Land	7,521,949	7,636,403
Leased assets, net	62,288	56,811
Construction in progress	18,979	67,345
Total property, plant and equipment	11,840,760	11,929,784
Intangible assets		
Goodwill	617,067	582,785
Other	47,154	44,974
Total intangible assets	664,222	627,759
Investments and other assets		
Investment securities	377,850	391,550
Long-term loans receivable	10,017	9,859
Deferred tax assets	547,446	538,166
Other	1,210,268	1,205,858
Allowance for doubtful accounts	(5,000)	(5,000)
Total investments and other assets	2,140,582	2,140,435
Total non-current assets	14,645,564	14,697,979
Deferred assets		
Bond issuance costs	116,338	105,681
Total deferred assets	116,338	105,681
Total assets	68,770,749	67,667,532

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	3,215,002	3,292,495
Short-term borrowings	13,174,100	12,819,000
Current portion of bonds payable	800,000	300,000
Current portion of long-term borrowings	6,889,396	6,462,060
Lease liabilities	24,636	23,712
Income taxes payable	197,405	98,396
Provision for warranties for completed construction	163,208	148,786
Other	2,078,249	1,045,105
Total current liabilities	26,541,999	24,189,557
Non-current liabilities		
Bonds payable	8,000,000	8,000,000
Long-term borrowings	7,689,444	9,720,950
Lease liabilities	43,966	38,639
Retirement benefit liability	1,274,398	1,282,784
Other	354,587	352,201
Total non-current liabilities	17,362,395	19,394,575
Total liabilities	43,904,395	43,584,132
Net assets		
Shareholders' equity		
Share capital	2,077,500	2,077,500
Capital surplus	2,680,739	2,680,739
Retained earnings	20,983,775	20,169,318
Treasury shares	(1,080,576)	(1,058,477)
Total shareholders' equity	24,661,438	23,869,080
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	204,916	214,319
Total accumulated other comprehensive income	204,916	214,319
Total net assets	24,866,354	24,083,400
Total liabilities and net assets	68,770,749	67,667,532

Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	12,832,762	12,597,551
Cost of sales	11,147,969	10,804,152
Gross profit	1,684,792	1,793,398
Selling, general and administrative expenses	1,568,521	1,505,336
Operating profit	116,270	288,062
Non-operating income		
Interest income	14	14
Dividend income	3,111	4,610
Administrative service fee income	5,824	7,076
Reversal of provision for warranties for completed construction	1,309	14,422
Other	8,854	6,908
Total non-operating income	19,113	33,031
Non-operating expenses		
Interest expenses	96,226	98,080
Commission for syndicated loans	1,932	3,859
Other	11,281	11,362
Total non-operating expenses	109,439	113,301
Ordinary profit	25,944	207,792
Extraordinary income		
Gain on sale of non-current assets	181	-
Total extraordinary income	181	-
Extraordinary losses		
Loss on retirement of non-current assets	10,765	1,495
Loss on cancellation of leases	284	-
Retirement benefits for directors (and other officers)	100,000	-
Total extraordinary losses	111,050	1,495
Profit (loss) before income taxes	(84,924)	206,296
Income taxes - current	86,645	81,509
Income taxes - deferred	(112,125)	4,983
Total income taxes	(25,480)	86,492
Profit (loss)	(59,444)	119,804
Profit (loss) attributable to owners of parent	(59,444)	119,804

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	(59,444)	119,804
Other comprehensive income		
Valuation difference on available-for-sale securities	39,916	9,403
Total other comprehensive income	39,916	9,403
Comprehensive income	(19,528)	129,207
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(19,528)	129,207
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)
I. the three months of the previous fiscal year (April 1, 2024 to June 30, 2024)
1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments				Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Real estate sales	Construction material sales	Real estate leasing	Total		
Sales						
Revenues from external customers	12,091,832	628,255	112,674	12,832,762	-	12,832,762
Transactions with other segments	12,150	868,803	21,049	902,002	(902,002)	-
Total	12,103,982	1,497,058	133,723	13,734,764	(902,002)	12,832,762
Segment Profit or Loss	(75,693)	41,080	61,431	26,818	(874)	25,944

Note: 1. Segment profit or loss adjustment amount of (874) thousand yen is the elimination of inter-segment transactions.
2. Segment profit or loss is adjusted for ordinary income in the quarterly consolidated statements of income.
2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.
II. the three months of the current fiscal year (April 1, 2025 to June 30, 2025)
1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments				Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Real estate sales	Construction material sales	Real estate leasing	Total		
Sales						
Revenues from external customers	11,836,479	647,746	113,326	12,597,551	-	12,597,551
Transactions with other segments	17,310	788,418	22,651	828,380	(828,380)	-
Total	11,853,789	1,436,164	135,978	13,425,932	(828,380)	12,597,551
Segment profit	135,753	6,042	63,415	205,211	2,580	207,792

Note: 1. The adjustment amount of 2,580 thousand yen for segment profit is the elimination of inter-segment transactions.
2. Segment profit is adjusted to ordinary income in the quarterly consolidated statements of income.
2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.

(Notes When There Are Significant Changes in Amounts of Equity)

Not applicable.

(Notes on Going Concern Assumptions)

Not applicable.

(Notes to Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared quarterly consolidated statement of cash flows for the three months of the current fiscal year. In addition, the amounts of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months of the current and previous fiscal years are as stated below.

	(Thousands of Yen)	
	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Depreciation	75,910	94,274
Amount of amortization of goodwill	34,281	34,281

(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 ¥282,845 thousand and 490,200 shares for the previous fiscal year, and ¥260,746 thousand and 451,900 shares for the first quarter of the fiscal year under review.

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

The previous fiscal year: ¥212,560 thousand

The first quarter of the fiscal year under review: ¥212,560 thousand