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## Consolidated Financial Report for the Third Quarter of Fiscal 2025 Ending March 31, 2025 (Japanese GAAP)

February 13, 2025

Company Name: Grandy House Corporation	Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 8999	URL: <a href="https://www.grandy.co.jp">https://www.grandy.co.jp</a>
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Scheduled date of dividend payment commencement: —	
Preparation of annual supplementary explanatory materials: None	
Annual results briefing held: None	

(Figures are rounded down to the nearest million yen unless otherwise stated.)

### 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to December 31, 2024)

#### (1) Consolidated Operating Results

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Nine months ended December 31, 2024	39,996	6.6	712	(8.8)	495	(15.6)	218	(30.6)
Nine months ended December 31, 2023	37,502	(7.8)	781	(69.8)	586	(75.9)	314	(81.2)

Note: Comprehensive income    Nine months ended December 31, 2024: ¥263 million (–27.9%)  
     Nine months ended December 31, 2023: ¥365 million (–78.7%)

	Net Income per Share	Net Income per Share (Diluted)
	(¥)	(¥)
Nine months ended December 31, 2024	7.65	7.64
Nine months ended December 31, 2023	10.93	10.88

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(¥ million)	(¥ million)	%	(¥)
December 31, 2024	69,918	24,551	35.1	856.28
March 31, 2024	74,468	25,053	33.6	883.02

Reference: Shareholders' equity    December 31, 2024: ¥24,551 million  
     March 31, 2024: ¥25,047 million

### 2. Dividends

	Annual Dividend per Share				
	1Q-End	2Q-End	3Q-End	Period-End	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal 2024	—	0.00	—	32.00	32.00
Fiscal 2025	—	0.00	—	—	—
Fiscal 2025 (Forecast)	—	—	—	32.00	32.00

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

### 3. Consolidated Financial Forecasts for Fiscal 2025 (April 1, 2024 to March 31, 2025)

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full Fiscal Year	54,000	4.8	1,300	10.6	1,000	14.0	600	43.9	21.07

Note: Revisions to the most recently announced financial forecasts in the current quarter: None

\* **Notes**

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

Newly included: — Excluded: —

(2) Adoption of specific methods for preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revision to accounting standards, etc.: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

1) Number of issued shares

(including treasury shares)

2) Number of treasury shares

3) Average number of shares during the period

December 31, 2024	30,823,200 shares	March 31, 2024	30,823,200 shares
December 31, 2024	2,151,140 shares	March 31, 2024	2,457,745 shares
Nine months ended December 31, 2024	28,546,147 shares	Nine months ended December 31, 2023	28,788,825 shares

Note: The number of treasury shares at the end of the fiscal year includes shares in the Company held by “Grandy House Employee Stock Holding Partnership Exclusive Trust Account” (523,600 shares on December 31, 2024, 725,500 shares on March 31, 2024). The shares of the Company held by “Grandy House Employee Stock Holding Partnership Exclusive Trust Account” are included in treasury shares and deducted from the calculation of the average number of shares during the period (616,460 shares for the nine months ended December 31, 2024, 848,870 shares for the nine months ended December 31, 2023).

\* **Quarterly review by a certified public accountant or an audit firm of the attached quarterly consolidated financial statements: None**

\* **Explanation concerning the appropriate use of financial forecasts and other special instructions**

Disclaimer:

Results forecasts and other forward-looking statements contained in this report are based on assumptions, beliefs, and uncertainties in light of information available to the Company’s management as of the publication date. Actual results may differ materially from forecasts due to a variety of factors. Therefore, the Company does not guarantee the accuracy of forecasts and other forward-looking statements and its ability to achieve stated targets.

(Change to date format)

Starting with “Consolidated Financial Report for the First Quarter of Fiscal 2025 Ending March 31, 2025,” the date format has been changed from the Japanese calendar to the Western calendar.

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## 1. OVERVIEW OF OPERATING RESULTS

### (1) Overview of Quarterly Operating Results

During the first three quarters of the current consolidated fiscal year, the Japanese economy saw a moderate recovery continue due to improvements in the employment and income environments. On the other hand, factors causing a standstill were observed, such as downturns among overseas economies that threatened to affect the Japanese economy, and rising prices.

In the housing sector, customer sentiment remained harsh with rising mortgage rates in addition to housing prices that remained high due to rising material prices and labor costs. The number of construction starts for detached houses has declined year-on-year for 26 consecutive months since it started a year-on-year decline in November 2022. It decreased 12.0% year-on-year during the first three quarters of the current consolidated 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 mainstay new housing sales business, the Company established a two-headquarters system for the Tokyo metropolitan area and northern Kanto, which have different market characteristics, to improve the agility of decision-making and strengthen order-taking activities. In addition, under the policy of enhancing the custom-built home business, the Company established a specialized department and worked on developing its brand, “gtasu.”

As a result of these initiatives, the number of houses sold in the first three quarters of the current consolidated fiscal year increased year-on-year. On the other hand, profits declined year-on-year due to the burden of upfront costs associated with launching the custom housing business and the continued challenging business environment in the real estate and building materials sales segments, including a sluggish housing market.

As a result, the Group’s consolidated cumulative operating results for the first three quarters of fiscal 2025 were as follows: Net sales were ¥39,996 million, an increase of 6.6% year-on-year; operating income was ¥712 million, a decrease of 8.8% year-on-year; ordinary income was ¥495 million, a decrease of 15.6% year-on-year; and net income attributable to owners of the parent totaled ¥218 million, a decrease of 30.6% 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 increased the agility of decision-making by dividing its Development and Sales Headquarters into two headquarters, one in the Tokyo metropolitan area and one in northern Kanto, based on the different market characteristics of each region. In addition, under the policy of strengthening the shift from focusing on the conventional subdivision business to the custom-built house business, the Company has established a department specializing in custom-built houses and launched the “gtasu” brand.

In terms of products, the Company continued to focus on creating sustainable products, such as long-lasting, high-quality housing aimed at families with children and ZEH (Net Zero Energy Houses), a government-led initiative in Japan. For custom-built housing, the Company constructed 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 of “thermal insulation grade 6,” which exceeds ZEH standards.

As a result of these initiatives, 944 new houses were sold in the first three quarters of the current consolidated fiscal year (up 21 year-on-year). In terms of profits, although the Company made progress in reducing expenses, the situation remained challenging due to the soaring prices of housing materials and the burden of upfront costs associated with the launch of the custom-built housing business.

The used housing market continued to face a challenging situation, as rising purchase prices for used houses and the resulting increase in sales prices, both driven by high new home prices, intensified competition with low-cost newly built detached houses.

Under these circumstances, the Company worked to carefully select properties for purchase and to implement flexible sales strategies. However, the number of houses sold in the first three quarters of the current consolidated fiscal year decreased to 89 (down three year-on-year).

As a result, sales in the real estate sales segment in the first three quarters of the current consolidated fiscal year increased by 7.8% year-on-year to ¥37,664 million, with a segment profit of ¥209 million, an increase of 21.6% year-on-year.

#### b. Construction Material Sales

In the building materials 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 last fiscal year, order conditions remained challenging.

In this environment, while preparing to replace its manufacturing lines, the Company worked to strengthen relationships with its existing customers and win orders for properties other than detached houses, such as residential complexes. Due to intensifying competition caused by sluggish demand, however, sales and profits decreased year-on-year.

As a result, sales of the construction material sales segment in the consolidated cumulative third quarter of fiscal 2025 under review decreased by 11.0% year-on-year to ¥1,996 million, with a segment profit of ¥99 million, a decrease of 55.5% year-on-year.

#### c. Real Estate Leasing

In the real estate leasing business, office buildings and residential properties continued to see high occupancy rates.

In the parking business, operating rates for existing parking lots were generally at the same year-on-year level. In addition, new pay-by-the-hour parking lots (30 car spaces) that began operations in August 2024 contributed to earnings.

As a result, sales in the real estate leasing segment in the consolidated cumulative third quarter of fiscal 2025 under review were ¥335 million, an increase of 1.1% year-on-year, with a segment profit of ¥178 million, an increase of 5.1% year-on-year.

### (2) Overview of Quarterly Financial Position

As of the end of the third quarter of consolidated fiscal 2025, consolidated total assets declined to ¥69,918 million, a decrease of ¥4,550 million compared to the end of the previous consolidated 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 ¥45,367 million, a decrease of ¥4,047 million compared to the end of the previous consolidated fiscal year. This was mainly due to a reduction in loans payable resulting from a decline in inventories.

Total net assets stood at ¥24,551 million as of December 31, 2024. This represents a decrease of ¥502 million from the balance 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 quarterly net income.

### (3) Explanation regarding Future Prospects including Consolidated Financial Forecasts

There have been no changes from the consolidated and non-consolidated financial forecasts announced on May 13, 2024.

## 2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

### (1) Quarterly Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal 2024 (As of March 31, 2024)	Third Quarter of Fiscal 2025 (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	10,193,701	10,322,269
Notes and accounts receivable – trade and contract assets	487,539	525,307
Real estate for sale	13,322,680	12,719,381
Costs on uncompleted construction contracts	19,178	14,063
Real estate for sale in process	34,681,471	30,651,660
Merchandise and finished goods	295,766	334,787
Raw materials and supplies	152,029	100,510
Other	906,320	805,779
Allowance for doubtful accounts	(1,302)	(10,904)
Total current assets	60,057,385	55,462,856
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,716,254	3,632,498
Machinery, equipment and vehicles, net	13,539	20,821
Tools, furniture and fixtures, net	45,217	50,213
Land	7,536,497	7,669,568
Leased assets, net	58,135	68,212
Construction in progress	45,973	27,331
Total property, plant and equipment	11,415,618	11,468,645
Intangible assets		
Goodwill	754,193	651,348
Other	58,427	50,440
Total intangible assets	812,620	701,789
Investments and other assets		
Investment securities	270,800	336,150
Long-term loans receivable	10,642	10,175
Deferred tax assets	547,404	604,311
Other	1,223,988	1,212,126
Allowance for doubtful accounts	(5,000)	(5,000)
Total investments and other assets	2,047,836	2,157,763
Total non-current assets	14,276,074	14,328,198
Deferred assets		
Bond issuance costs	135,294	127,559
Total deferred assets	135,294	127,559
Total assets	74,468,754	69,918,614

(Thousands of Yen)

	Fiscal 2024 (As of March 31, 2024)	Third Quarter of Fiscal 2025 (As of December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	3,166,738	3,269,566
Short-term loans payable	17,039,600	15,377,300
Current portion of bonds	300,000	800,000
Current portion of long-term loans payable	4,846,806	6,148,556
Lease obligations	26,418	25,493
Income taxes payable	137,769	85,305
Provision for warranties for completed construction	175,296	168,045
Other	876,034	957,559
Total current liabilities	26,568,664	26,831,826
Non-current liabilities		
Bonds payable	7,800,000	8,000,000
Long-term loans payable	13,422,390	8,853,303
Lease obligations	38,543	50,068
Provision for directors' retirement benefits	267,837	—
Retirement benefit liability	1,168,527	1,268,919
Other	149,096	363,041
Total non-current liabilities	22,846,395	18,535,333
Total liabilities	49,415,059	45,367,160
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,077,500	2,077,500
Capital surplus	2,677,285	2,680,739
Retained earnings	21,428,435	20,715,769
Treasury shares	(1,267,754)	(1,099,848)
Total shareholders' equity	24,915,465	24,374,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131,849	177,293
Total accumulated other comprehensive income	131,849	177,293
Subscription rights to shares	6,380	—
Total net assets	25,053,694	24,551,454
Total liabilities and net assets	74,468,754	69,918,614

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Consolidated cumulative third quarter)

(Thousands of Yen)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Net sales	37,502,565	39,996,294
Cost of sales	31,881,912	34,629,380
Gross profit	5,620,652	5,366,913
Selling, general and administrative expenses	4,838,897	4,654,306
Operating income	781,755	712,607
Non-operating income		
Interest income	81	721
Dividends income	5,861	6,611
Commission	21,263	20,188
Insurance claim income	25,338	755
Reversal of provision for warranties for completed construction	14,611	7,171
Late payment penalty	5,000	37,000
Other	35,221	37,358
Total non-operating income	107,377	109,807
Non-operating expenses		
Interest expenses	270,687	286,875
Commission for syndicate loan	5,571	5,796
Other	26,095	34,503
Total non-operating expenses	302,354	327,175
Ordinary income	586,777	495,239
Extraordinary income		
Gain on sales of non-current assets	11,184	3,577
Total extraordinary income	11,184	3,577
Extraordinary loss		
Loss on retirement of non-current assets	10,815	23,825
Loss on cancellation of leases	—	1,649
Retirement benefits for directors (and other officers)	—	100,000
Total extraordinary loss	10,815	125,475
Net income before income taxes	587,146	373,341
Income taxes – current	305,656	231,908
Income taxes – deferred	(33,129)	(76,812)
Total income taxes	272,527	155,096
Net income	314,619	218,244
Net income attributable to owners of the parent	314,619	218,244



(Quarterly Consolidated Statements of Comprehensive Income)  
(Consolidated cumulative third quarter)

(Thousands of Yen)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Net income	314,619	218,244
Other comprehensive income		
Valuation difference on available-for-sale securities	51,094	45,444
Total other comprehensive income	51,094	45,444
Comprehensive income	365,713	263,689
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	365,713	263,689
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information)

I. The cumulative nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

1. Information concerning the amounts of net sales and profit or loss by reportable segment

(Thousands of Yen)

	Reportable Segment				Adjustments (Note 1)	Amount Recorded on Quarterly Consolidated Statements of Income (Note 2)
	Real Estate Sales	Construction Material Sales	Real Estate Leasing	Total		
Net sales						
Sales to external customers	34,928,548	2,242,372	331,644	37,502,565	—	37,502,565
Inter-segment sales or transfers	39,510	2,916,919	62,830	3,019,260	(3,019,260)	—
Total	34,968,058	5,159,292	394,474	40,521,825	(3,019,260)	37,502,565
Segment profit	172,669	224,555	169,982	567,207	19,569	586,777

Notes: 1 Adjustments of segment profit (¥19,569 thousand) are eliminations of inter-segment transactions.

2 Segment profit has been adjusted with ordinary income described in quarterly consolidated statements of income.

2. Information concerning the impairment loss of non-current assets and goodwill by reportable segment

Not applicable.

II. The cumulative nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information concerning the amounts of net sales and profit or loss by reportable segment

(Thousands of Yen)

	Reportable Segment				Adjustments (Note 1)	Amount Recorded on Quarterly Consolidated Statements of Income (Note 2)
	Real Estate Sales	Construction Material Sales	Real Estate Leasing	Total		
Net sales						
Sales to external customers	37,664,989	1,996,125	335,179	39,996,294	—	39,996,294
Inter-segment sales or transfers	43,695	2,454,369	66,791	2,564,855	(2,564,855)	—
Total	37,708,684	4,450,494	401,971	42,561,150	(2,564,855)	39,996,294
Segment profit	209,996	99,851	178,610	488,458	6,780	495,239

Notes: 1 Adjustments of segment profit (¥6,780 thousand) are eliminations of inter-segment transactions.

2 Segment profit has been adjusted with ordinary income described in quarterly consolidated statements of income.

2. Information concerning the impairment loss of non-current assets and goodwill by reportable segment

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

No statements of cash flows have been prepared for the first three quarters of the current consolidated fiscal year. Depreciation (excluding goodwill and including amortization of intangible assets) and goodwill amortization for the same period are as follows.

	(Thousands of Yen)	
	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Depreciation and amortization	226,814	226,308
Amortization of goodwill	102,844	102,844

(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<sup>®</sup>)" (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

Grandy House's own company 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 consolidated fiscal year, and ¥302,117 thousand and 523,600 shares for the consolidated third quarter of fiscal 2025 under review.

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

The previous consolidated fiscal year: ¥369,530 thousand

The consolidated third quarter of fiscal 2025 under review: ¥251,830 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.