August 13, 2026

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (Three Months Ended June 30, 2026)

[Japanese GAAP]

Company name: KI-STAR REAL ESTATE Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 3465 URL: https://ki-group.co.jp
Representative: Keiji Hanawa, President and CEO
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Scheduled date of payment of dividend: -
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Three Months (April 1, 2026 – June 30, 2026) of the Fiscal Year Ending March 31, 2027

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2026	102,715	21.5	8,371	85.7	7,605	93.2	4,809	100.5
Three months ended Jun. 30, 2025	84,574	25.2	4,506	71.0	3,937	76.7	2,399	86.2

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2026: 5,240 (up 97.6%)
Three months ended Jun. 30, 2025: 2,652 (up 70.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2026	154.93	154.93
Three months ended Jun. 30, 2025	77.48	77.46

Notes: 1. KI-STAR REAL ESTATE Co., Ltd. (“the Company”) executed a two for one common stock split effective on April 1, 2026. Net income per share and diluted net income per share are calculated as if the stock split had taken place at the beginning of the fiscal year ended March 31, 2026.
2. The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2026	367,560	84,488	20.7
As of Mar. 31, 2026	355,621	82,983	20.6

Reference: Shareholders’ equity (million yen) As of Jun. 30, 2026: 76,054 As of Mar. 31, 2026: 73,181

Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2026	-	100.00	-	135.00	235.00
Fiscal year ending Mar. 31, 2027	-				
Fiscal year ending Mar. 31, 2027 (forecasts)		75.00	-	75.00	150.00

Notes: 1. Revisions to the most recently announced consolidated forecast: Yes
2. The Company executed a two for one common stock split effective on April 1, 2026. Dividends for the fiscal year ended March 31, 2026 are the actual amounts paid before the stock split.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	460,000	16.8	34,500	27.8	31,500	26.2	19,300	25.7	621.65

Note: Revisions to the most recently announced dividend forecast: Yes

*** Notes**

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

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others:	None
2) Changes in accounting policies other than 1) above:	None
3) Changes in accounting estimates:	None
4) Restatements:	None

(4) Number of issued shares (common shares)

1) Number of shares issued at the end of the period (including treasury shares)			
As of Jun. 30, 2026:	31,738,600 shares	As of Mar. 31, 2026:	31,737,200 shares
2) Number of treasury shares at the end of the period			
As of Jun. 30, 2026:	691,740 shares	As of Mar. 31, 2026:	691,740 shares
3) Average number of shares during the period			
Three months ended Jun. 30, 2026:	31,045,673 shares	Three months ended Jun. 30, 2025:	30,965,692 shares

Notes: 1. The Company executed a two for one common stock split effective on April 1, 2026. The number of shares issued at the end of the period, the number of treasury shares at the end of the period, the number of treasury shares at the end of the period and the average number of shares during the period are calculated as if the stock split had taken place at the beginning of the fiscal year ended March 31, 2026.

2. The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are included in treasury shares for calculating the number of treasury shares at the end of the period and the average number of shares during the period.

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors.

Contents of Attachments

1. Overview of Results of Operations, Etc.

(1) Results of Operations

During the first quarter of the current fiscal year, the Japanese economy maintained a moderate recovery trend, supported by improvements in employment and income conditions and the effects of various government policies. Nevertheless, the outlook for the economy remains highly uncertain because of volatile energy and resource prices amid prolonged geopolitical risks, fluctuations in foreign exchange rates, and the shift toward a rising domestic interest rate environment.

In the housing sector, where the KI-STAR Group operates, housing starts remained at a low level due to rising costs of building materials and labor, longer construction periods caused by instability in the supply of certain materials, and cautious purchasing sentiment among customers amid uncertainty over mortgage interest rates. Meanwhile, reflecting changes in lifestyles and a reassessment of home acquisition preferences, interest among end-user buyers remained high in built-for-sale houses, pre-owned homes, and renovated properties. Potential demand also remained firm for high-quality homes offering features such as energy efficiency, indicating increasingly diverse criteria among customers when selecting homes.

Based on the KI-STAR Group's philosophy of "creating lives that are enriching, enjoyable, and pleasant" and a commitment to accomplishing the vision of "homeownership for everyone," activities are continuing for achieving the goals of the Medium-term Plan 2028. The Group implemented initiatives to increase profitability in its core homebuilding and sales business by opening more sales offices and expanding property acquisitions in major metropolitan areas. In the pre-owned home renovation business, the Group worked to increase its market share by expanding the geographic coverage of this business and strengthening property acquisitions through the use of its network. In the apartment/income-producing real estate business, the Group focused on increasing the scale of operations by carefully selecting properties for acquisition and strengthening its construction capabilities, backed by steady investment demand. The Group also continued to expand its business operations outside Japan. On the supply side, the Group worked to secure building materials and prevent construction delays through risk-reduction measures, including advance ordering and the diversification of procurement channels.

Sales increased 21.5% from the same period of the previous fiscal year to a record-high 102,715 million yen. Operating profit increased 85.7% to 8,371 million yen despite rising costs of building materials and labor. Ordinary profit grew 93.2% to 7,605 million yen, and profit attributable to owners of parent rose 100.5% to 4,809 million yen.

Results by business segment are as follows:

The Company changed the classification of its reportable segments in the first quarter of the current fiscal year. The following year-on-year comparisons are based on the figures for the same period of the previous fiscal year after reclassifications for consistency with the new segments. More information about the change in reportable segments is in "2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Segment and Other Information."

i) Homebuilding and sales business

This business focused on improving profitability by increasing our market share in major metropolitan areas where housing demand remains strong, while streamlining operations in suburban areas through integration with our pre-owned home renovation business.

During the first quarter, 2,251 houses (including land) were sold. Sales increased 17.0% to 93,521 million yen and segment profit increased 65.9% to 8,888 million yen.

ii) Apartment/income-producing real estate business

In the apartment/income-producing real estate business, the Company promoted the development and sale of wooden apartment buildings for investment and pre-owned income-producing properties, supported by growing demand for asset management. The Group worked to increase the scale of operations by carefully selecting properties for acquisition, primarily in the Tokyo metropolitan area, and strengthening its construction capabilities. In addition, for wooden apartment buildings for investment, the Group continued to generate stable recurring revenue by providing integrated rental property management services following the delivery of properties.

During the first quarter, 24 houses were sold. Sales increased 263.0% to 5,956 million yen and segment profit increased 816.8% to 558 million yen.

(2) Financial Position

Assets

Total assets increased by 11,939 million yen from the end of the previous fiscal year to 367,560 million yen at the end of the first quarter of the current fiscal year. This was mainly due to an increase of 38,132 million yen in inventories and a decrease of 32,657 million yen in cash and deposits.

Liabilities

Total liabilities increased by 10,433 million yen to 283,072 million yen. The increase was mainly due to an increase of 15,101 million yen in borrowings.

Net assets

Total net assets increased by 1,505 million yen to 84,488 million yen. The main reasons include profit attributable to owners of parent of 4,809 million yen and dividends of surplus of 2,123 million yen.

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

Based on the strong sales of built-for-sale houses, we have revised the consolidated forecast for the fiscal year ending March 31, 2027 that was announced on May 14, 2026. We have also revised the first-half and year-end dividend forecast from the previous forecast in line with our dividend policy.

For more details, please refer to the press release “Notice of Revisions to Consolidated Forecast and Dividend Forecast” dated today (August 13, 2026).

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	First quarter of FY3/27 (As of Jun. 30, 2026)
Assets		
Current assets		
Cash and deposits	76,029	43,372
Accounts receivable from completed construction contracts	333	512
Real estate for sale	115,222	120,556
Real estate for sale in process	126,893	159,098
Advances received on service contracts in progress	2,489	3,083
Advance payments to suppliers	6,375	6,734
Other	10,507	10,237
Allowance for doubtful accounts	(20)	(20)
Total current assets	337,832	343,575
Non-current assets		
Property, plant and equipment	5,074	5,237
Intangible assets		
Goodwill	151	136
Other	160	161
Total intangible assets	312	298
Investments and other assets	12,401	18,449
Total non-current assets	17,788	23,985
Total assets	355,621	367,560
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	4,167	3,820
Accounts payable for construction contracts	22,836	23,332
Short-term borrowings	116,809	125,299
Current portion of bonds payable	2,488	2,458
Current portion of long-term borrowings	27,575	39,943
Lease liabilities	13	11
Income taxes payable	6,113	2,317
Provision for bonuses	1,369	2,165
Other	13,388	11,396
Total current liabilities	194,761	210,744
Non-current liabilities		
Bonds payable	5,613	5,508
Long-term borrowings	70,892	65,134
Lease liabilities	12	10
Asset retirement obligations	209	262
Other	1,148	1,410
Total non-current liabilities	77,876	72,327
Total liabilities	272,638	283,072

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	First quarter of FY3/27 (As of Jun. 30, 2026)
Net assets		
Shareholders' equity		
Share capital	4,828	4,830
Capital surplus	5,815	5,933
Retained earnings	63,621	66,308
Treasury shares	(1,293)	(1,293)
Total shareholders' equity	72,971	75,778
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(56)	(83)
Foreign currency translation adjustment	266	359
Total accumulated other comprehensive income	209	276
Share acquisition rights	148	184
Non-controlling interests	9,653	8,248
Total net assets	82,983	84,488
Total liabilities and net assets	355,621	367,560

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(Millions of yen)

	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)
Net sales	84,574	102,715
Cost of sales	73,387	86,138
Gross profit	11,186	16,577
Selling, general and administrative expenses	6,679	8,205
Operating profit	4,506	8,371
Non-operating income		
Interest income	144	233
Refund of real estate acquisition tax	184	189
Share of profit of entities accounted for using equity method	15	13
Foreign exchange gains	38	168
Other	179	192
Total non-operating income	562	798
Non-operating expenses		
Interest expenses	784	1,197
Commission expenses	326	344
Other	21	22
Total non-operating expenses	1,132	1,564
Ordinary profit	3,937	7,605
Extraordinary income		
Gain on sale of non-current assets	1	4
Gain on bargain purchase	-	117
Total extraordinary income	1	121
Extraordinary losses		
Loss on retirement of non-current assets	14	68
Total extraordinary losses	14	68
Profit before income taxes	3,924	7,658
Income taxes-current	1,461	2,288
Income taxes-deferred	(191)	195
Total income taxes	1,269	2,484
Profit	2,654	5,173
Profit attributable to non-controlling interests	255	363
Profit attributable to owners of parent	2,399	4,809

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)
Profit	2,654	5,173
Other comprehensive income		
Valuation difference on available-for-sale securities	(23)	(26)
Foreign currency translation adjustment	21	93
Total other comprehensive income	(2)	66
Comprehensive income	2,652	5,240
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,397	4,874
Comprehensive income attributable to non-controlling interests	255	365

(3) Notes to Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheet

1. Financial covenents

There are financial covenants on some loans from financial institutions. The five primary requirements, which apply to consolidated and non-consolidated financial statements are for net assets, ordinary profit, loan to value (LTV), monthly inventory turnover, and the debt-equity ratio. If there is a violation of one or more of these requirements or there is a continuous violation, the financial institutions may demand the immediate repayment of all applicable loans.

Borrowings subject to these financial covenents were as follows at the end of FY3/26 and the end of the first quarter of FY3/27.

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	First quarter of FY3/27 (As of Jun. 30, 2026)
Short-term borrowings	70,884	76,800
Long-term borrowings (including current portion of long-term borrowings)	69,198	78,421

2. Other current liabilities include the following contract liabilities.

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	First quarter of FY3/27 (As of Jun. 30, 2026)
Contract liabilities	2,941	3,231

Quarterly Consolidated Statement of Income

Seasonal changes in sales

The KI-STAR Group’s housing businsess delivers more houses to customers in the fourth quarter. As a result, there are seasonal changes in sales and sales are usually higher in the fourth quarter.

Segment and Other Information

I. First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)

Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the quarterly consolidated statement of income (Note 3)
	Homebuilding and sales	Apartment/income-producing real estate	Total			
Net sales						
Sales to external customers	79,959	1,641	81,600	2,973	-	84,574
Inter-segment sales and transfers	-	-	-	148	(148)	-
Total	79,959	1,641	81,600	3,122	(148)	84,574
Segment profit	5,359	60	5,420	298	(1,211)	4,506

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of custom-built housing, pre-owned home renovation, real estate leasing and brokerage businesses.

2. The -1,211 million yen adjustment to segment profit includes elimination for inter-segment transactions of 17 million yen and -1,229 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

II. First three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)

Information related to net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the quarterly consolidated statement of income (Note 3)
	Homebuilding and sales	Apartment/income-producing real estate	Total			
Net sales						
Sales to external customers	93,521	5,956	99,478	3,237	-	102,715
Inter-segment sales and transfers	-	-	-	28	(28)	-
Total	93,521	5,956	99,478	3,266	(28)	102,715
Segment profit	8,888	558	9,447	210	(1,286)	8,371

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of custom-built housing, pre-owned home renovation, real estate leasing and brokerage businesses.

2. The -1,286 million yen adjustment to segment profit includes elimination for inter-segment transactions of 27 million yen and -1,314 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

In “Others” segment, a gain on bargain purchase was recognized as a result of the acquisition of shares of one company to make this company consolidated subsidiary. The amount of the gain on bargain purchase resulting from this acquisition was 117 million yen in the first three months of FY3/27. The gain on bargain purchase is a provisional figure because the allocation of acquisition costs was not completed as of March 31, 2027.

Gain on bargain purchase is not included in the above segment profit because it is an extraordinary gain.

3. Information related to revisions for reportable segments

Beginning with the first quarter of the current fiscal year, the reportable segment previously presented as “Custom-built housing” has been reclassified as “Others” because it is no longer quantitatively material. In addition, the apartment/income-producing real estate business, which was previously included in “Others,” is now presented as a reportable segment.

The segment information for the first three months of FY3/26 is reported based on the reportable segment classification after the revision.

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows pertaining to the first three months of FY3/27 has not been prepared. Depreciation (includes amortization expenses related to intangible assets minus goodwill) and amortization of goodwill pertaining to the first three months of each year is as follows.

(Millions of yen)

	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)
Depreciation	134	102
Amortization of goodwill	27	15

Additional Information

The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for this plan held by the trust are recorded as treasury shares in the consolidated balance sheet. The number of shares of the Company's stock held by the trust as of March 31, 2026 and June 30, 2026 was 406,444 shares with a book value of 805 million yen.

The Company executed a two for one common stock split effective on April 1, 2026. The number of treasury shares is calculated as if the stock split had taken place at the beginning of the fiscal year ended March 31, 2026