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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

May 8, 2025

Company name: OCHI Holdings Co., Ltd.
Listing: Tokyo Stock Exchange and Fukuoka Stock Exchange
Securities code: 3166
URL: https://www.ochiholdings.co.jp
Representative: Michihiro Ochi, Representative Director, President and Chief Executive Officer
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Scheduled date of Annual General Meeting of Shareholders: June 25, 2025
Scheduled date to commence dividend payments: June 3, 2025
Scheduled date to file annual securities report: June 23, 2025
Preparation of supplementary materials on annual financial results: Yes
Holding of annual financial results briefing: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	117,084	3.3	1,471	(31.8)	1,929	(29.4)	1,040	(50.3)
March 31, 2024	113,366	(1.9)	2,155	(26.8)	2,731	(22.7)	2,093	(15.7)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥839 million [(65.5)%]
For the fiscal year ended March 31, 2024: ¥2,434 million [(2.0)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	80.17	–	4.4	2.8	1.3
March 31, 2024	161.84	–	9.3	4.2	1.9

Reference: Equity in earnings of affiliates For the fiscal year ended March 31, 2025: ¥– million
For the fiscal year ended March 31, 2024: ¥– million

- With the introduction of the Board Benefit Trust (BBT) and the introduction of the Trust-type Employee Shareholding Incentive Plan, the Company's shares held by the respective trusts, which are recorded as treasury shares in shareholders' equity, are included in treasury shares that are deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating basic earnings per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	70,043	23,531	33.6	1,807.61
March 31, 2024	66,337	23,345	35.1	1,799.32

Reference: Equity As of March 31, 2025: ¥23,500 million
As of March 31, 2024: ¥23,315 million

- With the introduction of the Board Benefit Trust (BBT) and the introduction of the Trust-type Employee Shareholding Incentive Plan, the Company's shares held by the respective trusts, which are recorded as treasury shares in shareholders' equity, are included in treasury shares that are deducted in the calculation of the total number of shares issued at the end of the period for the purpose of calculating net assets per share.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	1,878	(1,224)	(278)	14,936
March 31, 2024	3,385	(1,539)	(1,289)	14,560

2. Cash Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	–	27.00	–	27.00	54.00	709	33.4	3.1
Fiscal year ended March 31, 2025	–	27.00	–	27.00	54.00	709	67.4	3.0
Fiscal year ending March 31, 2026 (forecast)	–	27.00	–	27.00	54.00		58.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 – 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	62,000	8.8	900	29.9	1,200	26.3	640	25.2	49.23
Full year	125,000	6.8	1,700	15.6	2,200	14.0	1,200	15.3	92.30

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 3 companies (Yumita Construction Co., Ltd. and other 2 companies), Excluded: – ( )

(2) Changes in accounting policies, changes in accounting estimates, and restatements:
1) Changes in accounting policies due to revisions of accounting standards and other regulations: Yes
2) Changes in accounting policies other than 1): None
3) Changes in accounting estimates: None
4) Restatements: None
(Note) For details, please refer to "(5) Notes to Consolidated Financial Statements (Notes on changes in accounting policies)" under "3. Consolidated Financial Statements and Primary Notes" on page 13 of the attachment.

(3) Number of issued shares (common shares):
1) Total number of shares issued at the end of the period (including treasury shares):
As of March 31, 2025 13,610,970 shares
As of March 31, 2024 13,610,970 shares
2) Total number of treasury shares at the end of the period:
As of March 31, 2025 610,386 shares
As of March 31, 2024 653,086 shares
3) Average number of shares outstanding during the period:
Fiscal year ended March 31, 2025 12,979,427 shares
Fiscal year ended March 31, 2024 12,937,290 shares

- The total number of treasury shares at the end of the period includes the number of shares of the Company held by the Board Benefit Trust (BBT) as trust assets (93,700 shares as of March 31, 2025, and 93,700 shares as of March 31, 2024). The number of treasury shares deducted in the calculation of the average number of shares outstanding during the period includes the number of the Company's shares held by the

trust (93,700 shares for the fiscal year ended March 31, 2025, and 96,086 shares for the fiscal year ended March 31, 2024).

- The total number of treasury shares at the end of the period includes the number of shares of the Company held by a trust established exclusively for the OCHI Holdings Employee Shareholding Association (E-Ship Trust) as trust assets (42,500 shares as of March 31, 2025, and 85,200 shares as of March 31, 2024). The number of treasury shares deducted in the calculation of the average number of shares outstanding during the period includes the number of the Company's shares held by the trust (63,657 shares for the fiscal year ended March 31, 2025, and 103,461 shares for the fiscal year ended March 31, 2024).

<Reference> Summary of Non-consolidated Financial Results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Non-consolidated Operating Results (Percentages indicate changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	2,205	(15.6)	1,322	(29.8)	1,282	(31.1)	1,295	(31.1)
March 31, 2024	2,612	(3.3)	1,883	(9.1)	1,861	(8.8)	1,879	(6.3)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	99.80	–
March 31, 2024	145.29	–

- With the introduction of the Board Benefit Trust (BBT) and the introduction of the Trust-type Employee Shareholding Incentive Plan, the Company's shares held by the respective trusts, which are recorded as treasury shares in shareholders' equity, are included in treasury shares that are deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating basic earnings per share.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	21,954	12,470	56.8	959.20
March 31, 2024	19,482	11,827	60.7	912.80

Reference: Equity As of March 31, 2025: ¥12,470 million
As of March 31, 2024: ¥11,827 million

- With the introduction of the Board Benefit Trust (BBT) and the introduction of the Trust-type Employee Shareholding Incentive Plan, the Company's shares held by the respective trusts, which are recorded as treasury shares in shareholders' equity, are included in treasury shares that are deducted in the calculation of the total number of shares issued at the end of the period for the purpose of calculating net assets per share.

* These consolidated financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

(Cautions on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. The Company makes no warranty as to the feasibility of its projections. Actual results may differ significantly from these forecasts due to a wide range of factors. For assumptions underlying the financial results forecast and precautions regarding their use, please refer to "(4) Future Outlook" under "1. Overview of Results of Operations" on page 4 of the attachment.

(How to obtain supplementary materials on annual financial results)

The Company plans to post the materials on the Company's website around mid-June 2025.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for the Current Fiscal Year

During the fiscal year ended March 31, 2025, the Japanese economy indicated a modest recovery trend, underpinned by demand from inbound tourists and the improvement of income environment due to corporate wage hikes. However, the economic outlook remains uncertain for such reasons as weak personal consumption growth due to lingering inflation, geopolitical risks in Ukraine and the Middle East, and the risk of economic downturn due to the impact of U.S. trade policy.

In the housing industry, although we faced challenges such as housing construction prices staying high and concerns over a possible rise in mortgage rates, new housing starts for the fiscal year ended March 31, 2025 increased by 2.0% year on year to 816,000 units, partly due to last-minute surge before the April 2025 revision of the Building Standards Act. However, the number of housing starts for owner-occupied houses and built-for-sale detached houses, which represent the main targets for the Group, registered a 2.2% year-on-year decline.

Against this backdrop, the Group pursued business opportunities with a focus on growth fields by winning orders for non-housing projects, capturing remodeling/renovation demand, among other efforts.

In addition, to strengthen our Engineering Business, we acquired Yumita Construction Co., Ltd., which is headquartered in Aizuwakamatsu City, Fukushima Prefecture and engaged in businesses such as civil engineering, paving, real estate development and housing construction in the Tohoku region, and its two subsidiaries and made them our new subsidiaries in October 2024.

As a result, in the fiscal year ended March 31, 2025, net sales increased by 3.3% year on year to 117,084 million yen due to the effect of corporate acquisitions. However, operating profit decreased by 31.8% year on year to 1,471 million yen, ordinary profit decreased by 29.4% year on year to 1,929 million yen, and profit attributable to owners of parent decreased by 50.3% year on year to 1,040 million yen due to the significant impact of the decline in the number of housing starts for owner-occupied houses and built-for-sale detached houses as well as acquisition-related expenses.

Results by segment were as follows:

<Construction Materials Business>

The Group focused on such efforts as increasing sales in non-housing fields, capturing remodeling/renovation demand, promoting sales of products aimed at achieving carbon neutrality, and strengthening the construction function.

As a result, net sales of this business increased by 4.3% year on year to 72,934 million yen because TRESSA Co., Ltd. and Ai-build Corporation, which both became our subsidiaries in the previous fiscal year, contributed to the performance of this business, despite of the impact of the decline in new construction starts for owner-occupied houses and built-for-sale detached houses as well as an increase in freight-out. Operating profit also increased by 3.5% year on year to 835 million yen.

<Air-conditioning, Heating and Cooling, and Household Products Business>

Net sales of this business decreased by 1.2% year on year to 17,551 million yen due to a decline in the sales of textiles, household goods, and heating equipment to mass retailers. However, operating profit increased by 14.0% year on year to 309 million yen, supported by sales and installation work of freezing and refrigeration equipment and air-conditioning equipment.

To improve management efficiency, Matsui Co., Ltd. and Terada Co., Ltd. were merged in December 2024.

<Pre-cut Lumber Business>

We made greater efforts to win orders for non-housing projects, including nursing homes, offices, and other facilities, in addition to detached houses, our mainstay. However, due to the decline in new construction starts for owner-occupied houses and built-for-sale detached houses, net sales of this business decreased by 3.9% year on year to 14,152 million yen and operating profit decreased by 25.1% year on year to 637 million yen.

<Engineering Business>

Net sales of this business increased by 15.5% year on year to 9,541 million yen, aided by the results of Yumita Construction Co., Ltd., which became our subsidiary in October 2024. However, operating profit decreased by 46.7% year on year to 444 million yen due to a decline in the profit margin and expenses related to the acquisition of subsidiary Yumita Construction Co., Ltd.

<Other>

The businesses of Taihei Shoko Co., Ltd., which sells industrial materials, and Hit-il Co., Ltd., which is engaged in the worker dispatching business, are classified into the Other Business that is not included in any reportable segment. We made Hit-il Co., Ltd., headquartered in Fukuoka City, our subsidiary in May 2024.

Net sales of this business increased by 14.7% year on year to 3,605 million yen, aided by the results of Hit-il Co., Ltd. as well as a strong performance of automotive-related sales. Operating profit also increased by 2.0% year on year to 122 million yen despite the expenses related to the acquisition of subsidiary Hit-il Co., Ltd.

(2) Overview of Financial Position for the Current Fiscal Year

(Assets)

Current assets increased by 2,194 million yen, or 5.0%, from the previous fiscal year-end to 46,142 million yen. This was mainly attributable to increases of 1,131 million yen in notes and accounts receivable - trade, and contract assets and 966 million yen in cash and deposits.

Non-current assets increased by 1,511 million yen, or 6.7%, from the previous fiscal year-end to 23,900 million yen. This was mainly attributable to increases of 732 million yen in construction in progress, 538 million yen in goodwill, 441 million yen in buildings and structures, net, and 203 million yen in land, with decreases of 237 million yen in investment securities and 171 million yen in investment property, net.

(Liabilities)

Current liabilities increased by 1,435 million yen, or 3.8%, from the previous fiscal year-end to 39,356 million yen. This was mainly attributable to increases of 1,216 million yen in notes and accounts payable - trade, 305 million yen in other under current liabilities, and 152 million yen in accrued consumption taxes, with a decrease of 252 million yen in short-term borrowings.

Non-current liabilities increased by 2,084 million yen, or 41.1%, from the previous fiscal year-end to 7,155 million yen. This was mainly attributable to increases of 1,945 million yen in long-term borrowings and 252 million yen in provision for retirement benefits for directors (and other officers), with a decrease of 195 million yen in deferred tax liabilities.

(Net assets)

Net assets increased by 186 million yen, or 0.8%, from the previous fiscal year-end to 23,531 million yen. This was mainly attributable to an increase of 331 million yen in retained earnings, with a decrease of 193 million yen in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the fiscal year ended March 31, 2025 increased by 376 million yen, or 2.6%, from the previous fiscal year-end to 14,936 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year ended March 31, 2025 was 1,878 million yen (compared with 3,385 million yen provided in the previous fiscal year). This was mainly attributable to profit before income taxes of 2,005 million yen, depreciation of 862 million yen, and a decrease in trade receivables of 372 million yen, with income taxes paid of 992 million yen and a decrease in trade payables of 416 million yen.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year ended March 31, 2025 was 1,224 million yen (compared with 1,539 million yen used in the previous fiscal year). This was mainly attributable to purchase of shares of subsidiaries resulting in a change in scope of consolidation of 1,447 million yen and purchase of property, plant and equipment of 881 million yen, with proceeds from cancellation of insurance funds of 553 million yen, proceeds from sale of property, plant and equipment of 421 million yen, and proceeds from sale of investment property of 192 million yen.

(Cash flows from financing activities)

Net cash used in financing activities for the fiscal year ended March 31, 2025 was 278 million yen (compared with 1,289 million yen used in the previous fiscal year). This was mainly attributable to repayments of long-term borrowings of 1,754 million yen, net decrease in short-term borrowings of 1,050 million yen, dividends paid of

709 million yen, redemption of bonds of 177 million yen, and repayments of lease liabilities of 143 million yen, with proceeds from long-term borrowings of 3,500 million yen.

<Reference> Historical changes in cash flow-related indicators

	Fiscal year ended Mar. 31, 2021	Fiscal year ended Mar. 31, 2022	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024	Fiscal year ended Mar. 31, 2025
Equity ratio (%)	30.1	31.5	33.4	35.1	33.6
Equity ratio based on market value (%)	30.2	26.2	24.6	33.0	25.1
Interest-bearing debt to cash flow ratio (annual)	2.8	1.6	3.3	1.9	4.3
Interest coverage ratio (times)	80.5	156.0	82.4	169.2	46.7

Equity ratio: Equity/Total assets
Equity ratio based on market value: Market capitalization/Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities/Interest expenses

(Notes) 1. All these indicators are calculated on the basis of consolidated figures.
2. Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares issued at the end of the period (excluding treasury shares).
3. Cash flow above refers to cash flows from operating activities recorded on the consolidated statement of cash flows.
4. Interest-bearing debt includes all interest-bearing liabilities that are recorded on the consolidated balance sheet. Interest expenses represent the amount of Interest expenses recorded on the statement of cash flows.

(4) Future Outlook

With respect to future outlook, improvements in employment and income environments as well as a pick-up in consumer spending are expected. However, the economic outlook remains uncertain, given several factors, such as the energy and raw materials prices staying high, the increased geopolitical risks in Ukraine and the Middle East, and the risk of economic downturn due to the impact of U.S. trade policy.

In the housing industry, the number of housing starts for owner-occupied houses and built-for-sale detached houses, which are the main targets for the Group, is expected to remain at the same level, due to housing construction cost staying high and a rise in mortgage rates.

Against this backdrop, we will strive to build a corporate structure invulnerable to fluctuations in housing demand by transforming our business portfolio based on the current medium-term management plan. We will also engage in sales activities, focusing on growth fields, such as capturing remodeling/renovation demand and reaching out to non-housing markets, among others. Furthermore, we will focus on a growth in productivity through DX (digital transformation) promotion and developing talents.

As a result, for the next fiscal year, we expect to record net sales of 125,000 million yen (up 6.8% year on year), operating profit of 1,700 million yen (up 15.6% year on year), ordinary profit of 2,200 million yen (up 14.0% year on year), and profit attributable to owners of parent of 1,200 million yen (up 15.3% year on year).

2. Basic Approach to the Selection of Accounting Standards

Considering the comparability of consolidated financial statements between periods and between companies, the Group has determined to prepare its consolidated financial statements based on Japanese accounting standards for the time being.

The Company will examine the possibility of adopting the International Financial Reporting Standards (IFRS) in the future based on trends in accounting standards both in Japan and abroad.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	14,598	15,564
Notes and accounts receivable - trade, and contract assets	19,083	20,215
Electronically recorded monetary claims - operating	3,162	3,224
Merchandise	4,526	4,652
Costs on construction contracts in progress	1,645	1,753
Other	973	829
Allowance for doubtful accounts	(43)	(96)
Total current assets	43,947	46,142
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,808	4,249
Machinery, equipment and vehicles, net	755	613
Land	9,894	10,098
Leased assets, net	97	103
Construction in progress	—	732
Other, net	117	103
Total property, plant and equipment	14,673	15,900
Intangible assets		
Goodwill	1,035	1,573
Leased assets	130	36
Other	258	315
Total intangible assets	1,424	1,925
Investments and other assets		
Investment securities	2,192	1,954
Deferred tax assets	294	461
Retirement benefit asset	331	325
Guarantee deposits	646	637
Investment property, net	2,014	1,842
Other	859	900
Allowance for doubtful accounts	(47)	(48)
Total investments and other assets	6,291	6,074
Total non-current assets	22,389	23,900
Total assets	66,337	70,043

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,577	14,794
Electronically recorded obligations - operating	16,798	16,866
Short-term borrowings	4,051	3,799
Current portion of bonds payable	33	150
Lease liabilities	147	53
Income taxes payable	418	350
Accrued consumption taxes	279	432
Provision for bonuses	665	655
Other	1,948	2,253
Total current liabilities	37,921	39,356
Non-current liabilities		
Bonds payable	144	150
Long-term borrowings	1,906	3,852
Lease liabilities	86	90
Deferred tax liabilities	1,056	860
Provision for retirement benefits for directors (and other officers)	650	903
Provision for share awards for directors (and other officers)	54	64
Retirement benefit liability	627	649
Other	543	583
Total non-current liabilities	5,071	7,155
Total liabilities	42,992	46,511
Net assets		
Shareholders' equity		
Share capital	400	400
Capital surplus	997	997
Retained earnings	21,867	22,198
Treasury shares	(669)	(612)
Total shareholders' equity	22,596	22,983
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	684	490
Remeasurements of defined benefit plans	34	25
Total accumulated other comprehensive income	719	516
Non-controlling interests	29	31
Total net assets	23,345	23,531
Total liabilities and net assets	66,337	70,043

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	113,366	117,084
Cost of sales	97,814	100,831
Gross profit	15,551	16,253
Selling, general and administrative expenses		
Freight-out	2,087	2,100
Salaries and allowances	4,649	5,208
Bonuses	503	573
Provision for bonuses	515	478
Retirement benefit expenses	178	184
Provision for retirement benefits for directors (and other officers)	21	18
Provision for share awards for directors (and other officers)	9	10
Provision of allowance for doubtful accounts	26	—
Depreciation	427	475
Amortization of goodwill	266	358
Other	4,709	5,373
Total selling, general and administrative expenses	13,395	14,781
Operating profit	2,155	1,471
Non-operating income		
Interest income	3	6
Dividend income	60	56
Purchase discounts	181	183
Rental income from real estate	154	132
Sunlight selling income	74	73
Sponsorship money income	1	3
Miscellaneous income	191	199
Total non-operating income	666	655
Non-operating expenses		
Interest expenses	20	41
Provision of allowance for doubtful accounts	—	48
Rental expenses on real estate	31	30
Depreciation	24	25
Miscellaneous losses	14	51
Total non-operating expenses	90	196
Ordinary profit	2,731	1,929
Extraordinary income		
Gain on sale of non-current assets	489	180
Gain on sale of investment securities	225	7
Total extraordinary income	715	187
Extraordinary losses		
Loss on sale of non-current assets	1	1
Loss on retirement of non-current assets	4	2
Loss on sale of investment securities	0	0
Loss on valuation of investment securities	—	4
Impairment losses	68	103
Restructuring expenses	25	—
Total extraordinary losses	100	111
Profit before income taxes	3,346	2,005
Income taxes - current	1,079	1,163
Income taxes - deferred	171	(200)
Total income taxes	1,251	963
Profit	2,095	1,042
Profit attributable to non-controlling interests	2	1
Profit attributable to owners of parent	2,093	1,040

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	2,095	1,042
Other comprehensive income		
Valuation difference on available-for-sale securities	288	(193)
Remeasurements of defined benefit plans, net of tax	50	(9)
Total other comprehensive income	338	(202)
Comprehensive income	2,434	839
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,432	837
Comprehensive income attributable to non-controlling interests	2	1

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	400	997	20,483	(731)	21,150
Changes during period					
Dividends of surplus			(709)		(709)
Profit attributable to owners of parent			2,093		2,093
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				61	61
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,384	61	1,446
Balance at end of period	400	997	21,867	(669)	22,596

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	395	(15)	380	27	21,557
Changes during period					
Dividends of surplus					(709)
Profit attributable to owners of parent					2,093
Purchase of treasury shares					(0)
Disposal of treasury shares					61
Net changes in items other than shareholders' equity	288	50	338	2	341
Total changes during period	288	50	338	2	1,787
Balance at end of period	684	34	719	29	23,345

For the fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	400	997	21,867	(669)	22,596
Changes during period					
Dividends of surplus			(709)		(709)
Profit attributable to owners of parent			1,040		1,040
Purchase of treasury shares				—	—
Disposal of treasury shares				56	56
Net changes in items other than shareholders' equity					
Total changes during period	—	—	331	56	387
Balance at end of period	400	997	22,198	(612)	22,983

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	684	34	719	29	23,345
Changes during period					
Dividends of surplus					(709)
Profit attributable to owners of parent					1,040
Purchase of treasury shares					—
Disposal of treasury shares					56
Net changes in items other than shareholders' equity	(193)	(9)	(202)	1	(200)
Total changes during period	(193)	(9)	(202)	1	186
Balance at end of period	490	25	516	31	23,531

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,346	2,005
Depreciation	821	862
Impairment losses	68	103
Amortization of goodwill	266	358
Increase (decrease) in allowance for doubtful accounts	25	38
Increase (decrease) in provision for bonuses	(22)	(52)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(18)	(254)
Increase (decrease) in provision for share awards for directors (and other officers)	(5)	10
Increase (decrease) in retirement benefit liability	(5)	19
Interest and dividend income	(63)	(62)
Interest expenses	20	41
Loss (gain) on sale of non-current assets	(488)	(178)
Loss on retirement of non-current assets	4	2
Loss (gain) on sale of investment securities	(224)	(7)
Loss (gain) on valuation of investment securities	—	4
Restructuring expenses	25	—
Decrease (increase) in trade receivables	1,889	372
Decrease (increase) in inventories	103	288
Decrease (increase) in other current assets	(113)	(33)
Decrease (increase) in other non-current assets	(3)	(17)
Increase (decrease) in trade payables	(1,044)	(416)
Increase (decrease) in accrued consumption taxes	(250)	106
Increase (decrease) in other current liabilities	37	(352)
Increase (decrease) in other non-current liabilities	18	12
Other, net	(0)	(1)
Subtotal	4,386	2,848
Interest and dividends received	63	62
Interest paid	(20)	(40)
Income taxes paid	(1,020)	(992)
Payments for business restructuring	(24)	—
Net cash provided by (used in) operating activities	3,385	1,878

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(35)	(250)
Proceeds from withdrawal of time deposits	142	262
Decrease (increase) in short-term loans receivable	2	0
Purchase of property, plant and equipment	(2,043)	(881)
Payments for retirement of property, plant and equipment	(2)	(1)
Proceeds from sale of property, plant and equipment	13	421
Purchase of intangible assets	(45)	(58)
Purchase of investment securities	(45)	(37)
Proceeds from sale and redemption of investment securities	411	36
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(677)	(1,447)
Proceeds from cancellation of insurance funds	35	553
Long-term loan advances	(0)	(3)
Proceeds from collection of long-term loans receivable	0	0
Purchase of investment property	(7)	(11)
Proceeds from sale of investment property	693	192
Other, net	17	0
Net cash provided by (used in) investing activities	(1,539)	(1,224)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	119	(1,050)
Proceeds from long-term borrowings	800	3,500
Repayments of long-term borrowings	(1,414)	(1,754)
Redemption of bonds	—	(177)
Repayments of lease liabilities	(137)	(143)
Purchase of treasury shares	(0)	—
Proceeds from sale of treasury shares	52	56
Dividends paid	(709)	(709)
Net cash provided by (used in) financing activities	(1,289)	(278)
Effect of exchange rate change on cash and cash equivalents	0	—
Net increase (decrease) in cash and cash equivalents	556	376
Cash and cash equivalents at beginning of period	14,004	14,560
Cash and cash equivalents at end of period	14,560	14,936

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

We have applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised Accounting Standard of 2022") and other standards from the beginning of the fiscal year ended March 31, 2025.

As for the revision of accounting classification of income taxes (imposed on other comprehensive income), we follow the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022, as well as the transitional treatment stipulated in the proviso of Paragraph 65-2, Item 2 of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). These changes in accounting policies do not have any impact on the consolidated financial statements.

(Business combinations)

(Business combination via share acquisition)

At the Board of Directors' meeting held on September 25, 2024, the Company passed a resolution to acquire all of the issued shares, excluding treasury shares, of Yumita Construction Co., Ltd. (hereinafter "Yumita Construction") and turn Yumita Construction and its subsidiaries, Takahashi Construction Co., Ltd. and Yumita Life Support Service Co., Ltd., into consolidated subsidiaries of the Company. The Company acquired the shares of Yumita Construction on October 25, 2024.

1. Outline of the business combination

(1) Name of acquired company and its business outline

Name of acquired company: Yumita Construction Co., Ltd. and other 2 companies

Business outline: Building construction, civil engineering works, housing construction, real estate leasing, etc.

(2) Main reason for business combination

Yumita Construction, whose shares the Company recently acquired, was founded in Aizuwakamatsu City, Fukushima Prefecture in April 1979 and incorporated in 1982. With a history of more than 40 years, Yumita Construction is mainly engaged in construction work, and is involved in a broad range of businesses, including civil engineering, paving, real estate development and housing construction, backed by high technical capabilities. It is capable of handling everything from public works to remodeling.

We aim to further improve corporate value and realize sustainable growth by adding Yumita Construction and its two subsidiaries into the Group, expanding the domestic network of the Engineering Business to the Tohoku region, and strengthening our efforts in non-housing fields.

(3) Date of business combination

October 25, 2024

(4) Legal form of business combination

Share acquisition in consideration for cash

(5) Name of company after the combination

No change

(6) Percentage of voting rights acquired

100%

(7) Major basis for determining the acquirer

It is based on the fact that the Company acquired shares in consideration for cash.

2. Period of the financial results of the acquired company included in the consolidated financial statements
From October 1, 2024 to December 31, 2024

3. Acquisition cost of the acquired company and related details of each class of consideration

Consideration for acquisition	Cash and deposits	2,200 million yen
Acquisition cost		2,200 million yen

4. Main acquisition-related expenses and their amount
Advisory fees, etc. 208 million yen

5. Amount of goodwill incurred, reasons for the goodwill incurred, and the method and period of amortization
(1) Amount of goodwill incurred
942 million yen
The allocation of acquisition costs had not been completed as of December 31, 2024. Provisional accounting treatment had been applied; however, the allocation of acquisition costs was finalized for the fiscal year ended March 31, 2025.
As a result, the previously provisionally calculated amount of goodwill, which was 987 million yen, decreased by 44 million yen to 942 million yen.
(2) Reasons for the goodwill incurred
Goodwill was incurred in connection with the future excess earning potential expected from future business development.
(3) Method and period of amortization
Straight-line method over five years

6. The amount of assets accepted and liabilities assumed on the date of the business combination, and their major breakdown

Current assets	3,482 million yen
Non-current assets	2,132 million yen
Total assets	5,614 million yen
Current liabilities	2,890 million yen
Non-current liabilities	1,467 million yen
Total liabilities	4,357 million yen

(Revenue recognition)
Information on the disaggregation of revenue from contracts with customers is presented in "(5) Notes to Consolidated Financial Statements (Notes on segment information, etc.)" under "3. Consolidated Financial Statements and Primary Notes."

(Notes on segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are those of its constituent units for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and to assess performance.

The Group is engaged in five businesses within Japan: Construction Materials Business; Air-Conditioning, Heating and Cooling, and Household Products Business; Pre-Cut Lumber Business; Engineering Business; and Other Business. We have the following four reportable business segments.

The Construction Materials Business, our core business unit, accounts for the majority of the Group's business results. In this segment, we purchase housing equipment principally from domestic building materials manufacturers, distributors, and trading companies and sell it to domestic buyers, such as building materials and lumber dealers, house builders, general contractors, construction companies, and home centers.

The Air-conditioning, Heating and Cooling, and Household Products Business is a wholesale and sales business that covers products aimed at creating a comfortable environment. The products including commercial and household air-conditioning and heating equipment are purchased primarily from domestic manufacturers and distributors.

The Pre-cut Lumber Business refers to the business of processing, assembling, and selling structural frames, mostly for wooden houses. Materials such as lumber are mainly purchased from domestic manufacturers, distributors, and trading companies. This segment seeks to differentiate itself from other companies.

The Engineering Business is composed of the construction of commercial facilities, civil engineering works for public projects, interior work for condominiums and office buildings, and diagnosis and inspection for civil structures. This segment includes the nursing care business, which provides rental housing exclusively for senior citizens, and other services offered by the group company that belongs to the Engineering Business.

2. Method for calculating net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting treatment and methods for the reportable segments are the same as those used in the consolidated financial statements.

Intersegment sales or transfers are based on prevailing market price.

3. Information on net sales and profit (loss), assets, liabilities and other item, and information on disaggregation of revenue, by reportable segments

For the fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

(Million yen)

	Reportable segments					Other (Note 1)	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	Construction Materials Business	Air-conditioning, Heating and Cooling, and Household Products Business	Pre-cut Lumber Business	Engineering Business	Total			
Net sales								
Revenue from sale of merchandise	62,089	16,334	13,556	383	92,364	3,139	–	95,503
Revenue from construction work	7,571	1,429	954	7,365	17,320	–	–	17,320
Other revenue	32	0	–	509	541	–	–	541
Revenue from contracts with customers	69,693	17,763	14,510	8,258	110,226	3,139	–	113,366
Sales to external customers	69,693	17,763	14,510	8,258	110,226	3,139	–	113,366
Intersegment sales or transfers	233	6	218	–	457	2	(460)	–
Total	69,927	17,769	14,729	8,258	110,684	3,142	(460)	113,366
Segment profit	807	271	850	833	2,763	120	(727)	2,155
Segment assets	33,587	11,220	9,054	8,322	62,184	1,765	2,386	66,337
Other items								
Depreciation	235	98	337	89	760	14	14	790
Increase in property, plant and equipment and intangible assets	1,852	58	228	28	2,167	7	7	2,182

(Notes) 1. "Other" comprises business segments not included in reportable segments and contains sales of industrial materials.

2. Adjustments are as follows:

1) Adjustments for segment profit of (727) million yen include corporate expenses of (730) million yen that are not allocated to reportable segments. Corporate expenses primarily consist of general and administrative expenses that are not attributable to any reportable segments.

2) Adjustments for segment assets of 2,386 million yen include investment property of 2,014 million yen not allocated to each reportable segment, assets of the owners of parent of 498 million yen, and other adjustments of (126) million yen.

3) Adjustments for increase in property, plant and equipment and intangible assets of 7 million yen include an increase of 0 million yen related to assets of the owners of parent and an increase of 7 million yen in investment property that are not allocated to reportable segments.

3. Segment profit is reconciled with operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Million yen)

	Reportable segments					Other (Note 1)	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	Construction Materials Business	Air-conditioning, Heating and Cooling, and Household Products Business	Pre-cut Lumber Business	Engineering Business	Total			
Net sales								
Revenue from sale of merchandise	60,255	15,709	13,049	378	89,392	3,164	–	92,557
Revenue from construction work	12,221	1,838	840	8,512	23,413	–	–	23,413
Other revenue	29	0	–	649	679	433	–	1,113
Revenue from contracts with customers	72,506	17,547	13,890	9,541	113,486	3,598	–	117,084
Sales to external customers	72,506	17,547	13,890	9,541	113,486	3,598	–	117,084
Intersegment sales or transfers	428	4	262	–	694	7	(702)	–
Total	72,934	17,551	14,152	9,541	114,180	3,605	(702)	117,084
Segment profit	835	309	637	444	2,225	122	(877)	1,471
Segment assets	33,477	10,677	8,611	13,479	66,246	2,017	1,779	70,043
Other items								
Depreciation	263	100	321	115	801	13	13	828
Increase in property, plant and equipment and intangible assets	830	39	97	1,117	2,084	25	11	2,121

(Notes) 1. "Other" comprises business segments not included in reportable segments and contains sales of industrial materials, etc.

2. Adjustments are as follows:

1) Adjustments for segment profit of (877) million yen include corporate expenses of (880) million yen that are not allocated to reportable segments. Corporate expenses primarily consist of general and administrative expenses that are not attributable to any reportable segments.

2) Adjustments for segment assets of 1,779 million yen include investment property of 1,842 million yen not allocated to each reportable segment, assets of the owners of parent of 210 million yen, and other adjustments of (273) million yen.

3) Adjustments for increase in property, plant and equipment and intangible assets of 11 million yen is an increase in investment property that are not allocated to reportable segments.

3. Segment profit is reconciled with operating profit in the consolidated statements of income.

[Related information]

For the fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

1. Information by products and services
   This information is omitted since similar information is disclosed in segment information.

2. Information by geographic areas
   (1) Net sales
   Not applicable since there is no sales amount to external customers outside Japan.

   (2) Property, plant and equipment
   Not applicable since there are no property, plant and equipment located outside Japan.

3. Information by major customers
   Not applicable since there is no sales amount of specific customers within the external customers that accounts for 10% or more of sales amount recorded in the consolidated statements of income.

For the fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

1. Information by products and services
   This information is omitted since similar information is disclosed in segment information.

2. Information by geographic areas
   (1) Net sales
   Not applicable since there is no sales amount to external customers outside Japan.

   (2) Property, plant and equipment
   Not applicable since there are no property, plant and equipment located outside Japan.

3. Information by major customers
   Not applicable since there is no sales amount of specific customers within the external customers that accounts for 10% or more of sales amount recorded in the consolidated statements of income.

[Information on impairment loss on non-current assets by reportable segments]

For the fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

(Million yen)

	Reportable segments					Other (Note)	Corporate/ Eliminations	Total
	Construction Materials Business	Air-conditioning, Heating and Cooling, and Household Products Business	Pre-cut Lumber Business	Engineering Business	Total			
Impairment loss	68	—	—	—	68	—	—	68

(Note) “Other” comprises business segments not included in reportable segments and contains sales of industrial materials.

For the fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Million yen)

	Reportable segments					Other (Note)	Corporate/ Eliminations	Total
	Construction Materials Business	Air-conditioning, Heating and Cooling, and Household Products Business	Pre-cut Lumber Business	Engineering Business	Total			
Impairment losses	103	0	—	—	103	—	—	103

(Note) “Other” comprises business segments not included in reportable segments and contains sales of industrial materials, etc.

[Information on amortization and outstanding balance of goodwill by reportable segments]

For the fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

(Million yen)

	Reportable segments					Others (Note)	Corporate/ Eliminations	Total
	Construction Materials Business	Air-conditioning, Heating and Cooling, and Household Products Business	Pre-cut Lumber Business	Engineering Business	Total			
(Goodwill)								
Amortization for the period	10	51	—	204	266	—	—	266
Balance at the end of the period	269	217	—	548	1,035	—	—	1,035

(Note) “Other” comprises business segments not included in reportable segments and contains sales of industrial materials.

For the fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Million yen)

	Reportable segments					Others (Note)	Corporate/ Eliminations	Total
	Construction Materials Business	Air-conditioning, Heating and Cooling, and Household Products Business	Pre-cut Lumber Business	Engineering Business	Total			
(Goodwill)								
Amortization for the period	52	51	—	252	355	3	—	358
Balance at the end of the period	151	166	—	1,239	1,556	17	—	1,573

(Note) "Other" comprises business segments not included in reportable segments and contains sales of industrial materials, etc.

[Information on gain on bargain purchase by reportable segments]

For the fiscal year ended March 31,2024 (April 1, 2023–March 31, 2024)

Not applicable.

For the fiscal year ended March 31,2025 (April 1, 2024–March 31, 2025)

Not applicable.

(Per share information)

Items	For the fiscal year ended March 31,2024	For the fiscal year ended March 31,2025
Net assets per share	1,799.32 yen	1,807.61 yen
Basic earnings per share	161.84 yen	80.17 yen

(Notes) 1. Diluted earnings per share are not provided as there are no potential shares with dilutive effect.

2. The Company's shares held by the Board Benefit Trust (BBT) as trust assets, which are recorded as treasury shares in shareholders' equity, are included in the number of treasury shares that are deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating basic earnings per share, and in the number of treasury shares that are deducted from the total number of shares issued at the end of the period to calculate the net assets per share. The average number of treasury shares during the period that was deducted to calculate basic earnings per share was 96,086 for the previous fiscal year, and 93,700 for the fiscal year ended March 31, 2025. The number of treasury shares at the end of the period that was deducted to calculate net assets per share was 93,700 for the previous fiscal year, and 93,700 for the fiscal year ended March 31, 2025.

3. The Company's shares held by a trust established exclusively for the OCHI Holdings Employee Shareholding Association (E-Ship Trust) as trust assets, which are recorded as treasury shares in shareholders' equity, are included in the number of treasury shares that are deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating basic earnings per share, and in the number of treasury shares that are deducted from the total number of shares issued at the end of the period to calculate the net assets per share.
The average number of treasury shares during the period that was deducted to calculate basic earnings per share was 103,461 for the previous fiscal year, and 63,657 for the fiscal year ended March 31, 2025. The number of treasury shares at the end of the period that was deducted to calculate net assets per share was 85,200 for the previous fiscal year, and 42,500 for the fiscal year ended March 31, 2025.

4. The basis for calculating net assets per share is as follows.

Items	For the fiscal year ended March 31,2024	For the fiscal year ended March 31,2025
Total net assets (million yen)	23,345	23,531
Amount excluded from total net assets Non-controlling interests (million yen)	29	31
Net Assets attributable to common shares (million yen)	23,315	23,500
Number of common shares issued (shares)	13,610,970	13,610,970
Number of treasury shares outstanding (shares)	653,086	610,386
Number of common shares outstanding calculated under net assets per share (share)	12,957,884	13,000,584

5. The basis for calculating basic earnings per share is as follows.

Items	For the fiscal year ended March 31,2024	For the fiscal year ended March 31,2025
Profit attributable to owners of parent (million yen)	2,093	1,040
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent relating to common shares (million yen)	2,093	1,040
Average number of common shares outstanding during the period (shares)	12,937,290	12,979,427

(Significant subsequent events)

Not applicable.