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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 5, 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 to commence dividend payments: –
Preparation of supplementary materials on financial results: None
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 – June 30, 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	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	29,371	0.8	434	(26.4)	584	(20.1)	330	(17.7)
June 30, 2024	29,143	1.6	591	(21.9)	732	(18.4)	401	(27.0)

(Note) Comprehensive income: For the three months ended June 30, 2025: ¥380 million [15.3%]
For the three months ended June 30, 2024: ¥330 million [(52.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	25.44	—
June 30, 2024	31.00	—

- 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
	Million yen	Million yen	%	Yen
As of June 30, 2025	69,176	23,566	34.0	1,809.32
As of March 31, 2025	70,043	23,531	33.6	1,807.61

(Reference) Equity: As of June 30, 2025: ¥23,534 million
As of March 31, 2025: ¥23,500 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.

2. Cash Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	27.00	–	27.00	54.00
Fiscal year ending March 31, 2026	–				
Fiscal year ending March 31, 2026 (Forecast)		27.00	–	27.00	54.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (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

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – ( ), Excluded: – ( )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements
1) Changes in accounting policies due to revisions of accounting standards and other regulations: 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 shares):
1) Total number of shares issued at the end of the period (including treasury shares):
As of June 30, 2025: 13,610,970 shares
As of March 31, 2025: 13,610,970 shares

2) Total number of treasury shares at the end of the period:
As of June 30, 2025: 603,886 shares
As of March 31, 2025: 610,386 shares

3) Average number of shares outstanding during the period:
Three months ended June 30, 2025: 13,004,226 shares
Three months ended June 30, 2024: 12,960,991 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 June 30, 2025, and 93,700 shares as of March 31, 2025). 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 three months ended June 30, 2025, and 93,700 shares for the three months ended June 30, 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 (36,000 shares as of June 30, 2025, and 42,500 shares as of March 31, 2025). 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 (38,858 shares for the three months ended June 30, 2025, and 82,093 shares for the three months ended June 30, 2024).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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

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 "(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" under "1. Overview of Results of Operations" on page 3 of the attachment.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for the Three Months Ended June 30, 2025

During the three months ended June 30, 2025, the Japanese economy indicated a modest recovery trend, on the back of the improvement of the employment and income environment. However, the economic outlook remains uncertain for such reasons as weak personal consumption growth due to lingering inflation, concerns over an economic slowdown due to the impact of U.S. trade policy, and geopolitical risks in Ukraine and the Middle East.

In the housing industry, we faced challenges such as housing construction prices staying high, a rise in mortgage rates, and the impact of the April 2025 revision of the Building Standards Act. As a result, new housing starts for the three-month period decreased by 25.6% year on year. In addition, 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 22.6% 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 and capturing remodeling/renovation demand, among other efforts.

As a result, in the three-month period, net sales increased by 0.8% year on year to 29,371 million yen due to the effect of corporate acquisitions that took place in the previous fiscal year. However, operating profit decreased by 26.4% year on year to 434 million yen, ordinary profit decreased by 20.1% year on year to 584 million yen, and profit attributable to owners of parent decreased by 17.7% year on year to 330 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.

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. In addition, in June 2025, Ochi Sangyo Co., Ltd. newly established the Kumamoto Center by merging two branches in Kumamoto City to improve efficiency in both sales and logistics.

However, net sales of this business decreased by 4.7% year on year to 17,214 million yen due to the impact of the decline in new construction starts for owner-occupied houses and built-for-sale detached houses. Operating profit also decreased by 81.5% year on year to 38 million yen due to the expenses related to the new establishment of the Kumamoto Center and other factors.

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

Net sales of this business decreased by 0.7% year on year to 3,929 million yen due to a decline in the sales of textiles and household goods to mass retailers. However, operating profit increased by 22.4% year on year to 29 million yen, supported by sales and installation work of freezing and refrigeration equipment and air-conditioning equipment.

<Pre-cut Lumber Business>

We made greater efforts to win orders for non-housing projects, including nursing homes, stores, and other facilities, in addition to detached houses, our mainstay.

As a result, net sales of this business increased by 5.2% year on year to 3,554 million yen. However, operating profit decreased by 19.6% year on year to 126 million yen due to a decline in gross profit margin resulting from competition with other companies and other factors.

<Engineering Business>

Net sales of this business increased by 29.5% year on year to 3,953 million yen and operating profit increased by 3.4% year on year to 477 million yen, aided by the results of Yumita Construction Co., Ltd., which became our subsidiary in October 2024.

<Other>

The businesses of Taihei Shoko Co., Ltd., which sells industrial materials, and Hit-il Co., Ltd., which engages in the worker dispatching business, are classified into the Other Business that is not included in any reportable segment.

Net sales of this business increased by 26.4% year on year to 986 million yen, aided by the results of Hit-il Co., Ltd., which became our subsidiary in May 2024, as well as strong sales of fireproof materials for shipbuilding. Operating profit also increased by 555.7% year on year to 61 million yen due to a rebound from the previous fiscal year in which the expenses related to the corporate acquisition were recorded.

(2) Overview of Financial Position for the Three Months Ended June 30, 2025

Total assets decreased by 866 million yen, or 1.2%, from the previous fiscal year-end to 69,176 million yen. This was mainly attributable to decreases of 2,020 million yen in notes and accounts receivable - trade, and contract assets and 527 million yen in costs on construction contracts in progress, with increases of 928 million yen in cash and deposits, 405 million yen in merchandise, and 264 million yen in other, net under property, plant and equipment.

Total liabilities decreased by 901 million yen, or 1.9%, from the previous fiscal year-end to 45,610 million yen. This was mainly attributable to decreases of 761 million yen in electronically recorded obligations - operating, 383 million yen in notes and accounts payable - trade, and 365 million yen in long-term borrowings, with an increase of 652 million yen in other under current liabilities.

Total net assets increased by 34 million yen, or 0.1%, from the previous fiscal year-end to 23,566 million yen. This was mainly attributable to an increase of 49 million yen in valuation difference on available-for-sale securities, with a decrease of 23 million yen in retained earnings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There are no changes to the consolidated financial results forecast for the fiscal year ending March 31, 2026 from the earlier forecast announced on May 8, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	15,564	16,493
Notes and accounts receivable - trade, and contract assets	20,215	18,194
Electronically recorded monetary claims - operating	3,224	3,213
Merchandise	4,652	5,058
Costs on construction contracts in progress	1,753	1,225
Other	829	908
Allowance for doubtful accounts	(96)	(96)
Total current assets	46,142	44,997
Non-current assets		
Property, plant and equipment		
Land	10,098	10,098
Other, net	5,802	6,067
Total property, plant and equipment	15,900	16,165
Intangible assets		
Goodwill	1,573	1,451
Other	351	345
Total intangible assets	1,925	1,797
Investments and other assets		
Retirement benefit asset	325	331
Other, net	5,797	5,910
Allowance for doubtful accounts	(48)	(25)
Total investments and other assets	6,074	6,216
Total non-current assets	23,900	24,179
Total assets	70,043	69,176

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,794	14,411
Electronically recorded obligations - operating	16,866	16,105
Short-term borrowings	3,799	3,626
Current portion of bonds payable	150	150
Income taxes payable	350	436
Provision for bonuses	655	747
Other	2,739	3,391
Total current liabilities	39,356	38,869
Non-current liabilities		
Bonds payable	150	150
Long-term borrowings	3,852	3,486
Provision for retirement benefits for directors (and other officers)	903	901
Provision for share awards for directors (and other officers)	64	67
Retirement benefit liability	649	652
Other	1,534	1,481
Total non-current liabilities	7,155	6,740
Total liabilities	46,511	45,610
Net assets		
Shareholders' equity		
Share capital	400	400
Capital surplus	997	997
Retained earnings	22,198	22,174
Treasury shares	(612)	(604)
Total shareholders' equity	22,983	22,968
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	539
Remeasurements of defined benefit plans	25	25
Total accumulated other comprehensive income	516	565
Non-controlling interests	31	32
Total net assets	23,531	23,566
Total liabilities and net assets	70,043	69,176

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	29,143	29,371
Cost of sales	24,911	25,056
Gross profit	4,231	4,315
Selling, general and administrative expenses	3,639	3,880
Operating profit	591	434
Non-operating income		
Interest income	0	2
Dividend income	21	25
Purchase discounts	45	47
Rental income from real estate	32	34
Other	68	81
Total non-operating income	168	191
Non-operating expenses		
Interest expenses	7	15
Rental expenses on real estate	7	7
Depreciation	6	6
Other	6	11
Total non-operating expenses	27	41
Ordinary profit	732	584
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of golf club membership	–	0
Total extraordinary income	0	1
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	1	0
Loss on valuation of investment securities	1	0
Impairment losses	9	–
Total extraordinary losses	13	0
Profit before income taxes	719	586
Income taxes - current	486	439
Income taxes - deferred	(169)	(185)
Total income taxes	317	254
Profit	402	331
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	401	330

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	402	331
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	49
Remeasurements of defined benefit plans, net of tax	(0)	0
Total other comprehensive income	(72)	49
Comprehensive income	330	380
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	329	380
Comprehensive income attributable to non-controlling interests	0	0

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Notes on statements of cash flows)

Quarterly consolidated statements of cash flows were not prepared for the three months ended June 30, 2025. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended June 30, 2024 and 2025 were as follows:

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	205	227
Amortization of goodwill	78	121

(Notes on segment information, etc.)

[Segment information]

For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on net sales and profit, and information on disaggregation of revenue, by reportable segment

(Million yen)

	Reportable segments					Other (Note 1)	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statements of income (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	14,969	3,795	3,154	97	22,016	778	–	22,794
Revenue from construction work	3,040	160	187	2,826	6,214	–	–	6,214
Other revenue	4	–	–	128	133	–	–	133
Revenue from contracts with customers	18,014	3,955	3,341	3,052	28,364	778	–	29,143
Sales to external customers	18,014	3,955	3,341	3,052	28,364	778	–	29,143
Intersegment sales or transfers	47	1	37	–	86	1	(88)	–
Total	18,061	3,957	3,379	3,052	28,451	780	(88)	29,143
Segment profit	209	24	157	461	853	9	(271)	591

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

2. Adjustments for segment profit of (271) million yen include corporate expenses of (271) 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.

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

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information on net sales and profit, and information on disaggregation of revenue, by reportable segment

(Million yen)

	Reportable segments					Other (Note 1)	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statements of income (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	14,262	3,619	3,196	101	21,179	821	–	22,001
Revenue from construction work	2,762	307	278	3,606	6,955	–	–	6,955
Other revenue	5	–	–	244	250	163	–	413
Revenue from contracts with customers	17,029	3,927	3,475	3,953	28,386	985	–	29,371
Sales to external customers	17,029	3,927	3,475	3,953	28,386	985	–	29,371
Intersegment sales or transfers	184	2	78	–	266	0	(267)	–
Total	17,214	3,929	3,554	3,953	28,652	986	(267)	29,371
Segment profit	38	29	126	477	672	61	(299)	434

(Notes) 1. "Other" comprises business segments not included in reportable segments and contains sale of industrial materials, etc.
2. Adjustments for segment profit of (299) million yen include corporate expenses of (300) 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.
3. Segment profit is reconciled with operating profit in the quarterly consolidated statements of income.

(Revenue recognition)

Information on the disaggregation of revenue from contracts with customers is as presented in "(3) Notes to the Quarterly Consolidated Financial Statements (Notes on segment information, etc.)" under "2. Quarterly Consolidated Financial Statements and Primary Notes."

(Significant subsequent events)

(Business combination via share acquisition)

On June 18, 2025, the Company passed a resolution to acquire all of the issued shares of Japan System Solution Co., Ltd. (hereinafter "Japan System Solution") and make it a consolidated subsidiary of the Company. The Company concluded a share transfer agreement on the same day and acquired the shares of Japan System Solution on July 18, 2025.

1. Outline of the business combination

(1) Name of acquired company and its business outline

Name of acquired company: Japan System Solution Co., Ltd.

Business outline: development of CAD systems for building construction and civil engineering businesses, software including in-house packages, etc.

(2) Main reason for business combination

Japan System Solution, whose shares the Company recently acquired, was established in Chuo-ku, Tokyo in 2003 and engages in development of a wide range of software, including CAD systems for building construction and civil engineering businesses, and in-house packages.

By making Japan System Solution a subsidiary, we aim to enter the software development business, foster collaboration with existing business divisions in the Group, and develop specialized human resources in a bid to adapt to changes in the social environment and realize sustainable growth.

(3) Date of business combination

July 18, 2025

(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%

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

Consideration for acquisition	Cash and deposits	300 million yen
Acquisition cost		300 million yen

3. Main acquisition-related expenses and their amount

Advisory fees, etc. 36 million yen (approx.)

4. Amount of goodwill incurred, reasons for the goodwill incurred, and the method and period of amortization

To be determined.

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

To be determined.