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April 30, 2025

## Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (under Japanese GAAP)

Company name: CENTURY 21 REAL ESTATE OF JAPAN LTD. Listing: Tokyo Stock Exchange  
 Securities code: 8898 URL: <https://www.century21japan.co.jp/en/>  
 Representative: Yoichi Sonoda, Representative Director, President and CEO  
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 Scheduled date of ordinary general meeting of shareholders: June 25, 2025  
 Scheduled date to commence dividend payments: June 26, 2025  
 Scheduled date to file Annual Securities Report: June 25, 2025  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results briefing: Yes (for analysts, institutional investors and media)

(Note) Amounts are rounded down to the nearest million yen.

### 1. Financial Results for the Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Operating Results (Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	4,045	5.1	1,071	14.5	1,178	19.4	802	18.9
March 31, 2024	3,850	1.4	936	6.9	986	6.6	674	3.4

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to operating revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	78.18	—	12.4	15.1	26.5
March 31, 2024	64.86	—	10.6	12.8	24.3

Reference: Share of profit (loss) of entities accounted for using equity method:

For fiscal year ended March 31, 2025: —

For fiscal year ended March 31, 2024: —

### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	7,922	6,611	83.4	644.27
March 31, 2024	7,641	6,356	83.2	619.45

Reference: Equity (Shareholders' equity + Valuation and translation adjustments):

As of March 31, 2025: ¥6,611 million

As of March 31, 2024: ¥6,356 million

### (3) 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	1,038	(1,952)	(462)	761
March 31, 2024	867	30	(660)	2,137

## 2. Dividends

	Dividend per share					Total amount of dividends	Payout ratio	Dividend on equity
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	–	20.00	–	25.00	45.00	465	69.4	7.3
March 31, 2025	–	20.00	–	30.00	50.00	513	64.0	7.9
Fiscal year ending March 31, 2026 (forecast)	–	25.00	–	25.00	50.00		63.3	

## 3. Earnings Forecast for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year	4,453	10.1	1,147	7.0	1,193	1.3	810	1.0	78.93

### \* Notes

#### (1) Changes in accounting policies and accounting estimates, and restatements

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

#### (2) Number of shares issued (common stock)

##### 1) Number of shares issued (including treasury shares):

- As of March 31, 2025: 11,325,000 shares
- As of March 31, 2024: 11,325,000 shares

##### 2) Number of treasury shares:

- As of March 31, 2025: 1,063,015 shares
- As of March 31, 2024: 1,062,875 shares

##### 3) Average number of shares outstanding:

- For the fiscal year ended March 31, 2025: 10,262,024 shares
- For the fiscal year ended March 31, 2024: 10,399,138 shares

\* This financial results report is not subject to audit procedures to be performed by certified public accountants or an audit firm.

### \* Notes to proper use of earnings forecast and other special matters

1. The forward-looking statements including earnings forecast contained in this report are based on information currently available to us and certain assumptions that we believe are reasonable. Actual results may therefore differ significantly from those anticipated in any forward-looking statements due to numerous factors. For more details, please refer to "Future outlook" on page 5 of the Attached Materials of this report.
2. The Company will hold a webcast financial results briefing for analysts, institutional investors and media on Wednesday, May 14, 2025 (available in Japanese only). The materials to be distributed in the briefing will be posted on the Company's website after the briefing.

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## 1. Overview of Results of Operation and Financial Condition

### (1) Analysis of operating results

#### 1) Business performance

During the fiscal year ended March 31, 2025 (the “current fiscal year”), the Japanese economy achieved the 2% inflation target pursued by the Bank of Japan since 2013 to attain price stability, leading to a series of wage increase among large companies, but meanwhile, consumer sentiment declined due to the rising prices of food and other daily goods and services. On the other hand, the global economy has become more uncertain mainly due to the following factors: future protectionist trade policies by the new US administration that took office in the latter half of the current fiscal year; the stagnant Chinese economy; and the prolonged conflicts in Europe and the Middle East.

In the real estate brokerage industry, we saw firm purchase demand for residential properties despite the gradual increase in mortgage rates, with an increase in transactions of high-end properties, particularly in urban areas, driven by domestic and international affluent buyers. According to the land market value, an official reference index for ordinary land transactions, published in March 2025 by the Ministry of Land, Infrastructure, Transport and Tourism of Japan, overall average land prices went up by 2.7% year-on-year, and the residential and commercial land prices marked the fourth consecutive year of rise. Despite these positive signs, the outlook for the business environment remains uncertain due to soaring building material and equipment prices, rising construction costs driven by labor shortages, increasing interest rates, and other factors.

Faced with such business environment, in order to make our franchise business platform more robust and enhance brand competitiveness, the Company has been working on various measures to increase the number of franchised offices, improve their performance, and curb cancellations.

Despite not achieving the initial target in terms of the acquisition of franchised brokerage offices during the current fiscal year, we strengthened our customer attraction efforts via both owned media and cold calling to further promote new acquisition. Additionally, while we lost some large franchisees with multiple offices during the current fiscal year, we launched the “Century 21 Business Academy” to improve franchisee performance. As part of this academy, we established the “School of HR,” designed to impart know-how in recruiting, developing, and retaining talents, and the “School of Finance,” focused on financial strategies. Furthermore, with the aim of boosting operational efficiency, we have implemented automation systems for transferring the data collected from property survey and authorities to our contract system and for preparing contract documents by processing document data accumulated in franchisees using AI.

Our sustainability initiatives upheld the themes of “Connecting with Local Communities” and “Passing on to the Next Generation.” Specifically, our franchisees helped improve local living environment, vacant houses were repurposed as social infrastructure, an elementary school painting contest was hosted to support the emotional development of young people while a pavilion was opened at KidZania, a vocational experience facility for elementary and junior high school students. We are determined to collaborate with the franchisees to promote our unique sustainability measures toward a sustainable society.

Overall, for the current fiscal year, operating revenue totaled ¥4,045 million (up 5.1% year on year). More specifically, service fee revenue was ¥3,513 million (up 6.1% year on year), IT service revenue was ¥324 million (up 3.6% year on year), franchise fee revenue was ¥140 million (down 10.8% year on year) and other revenue was ¥67 million (down 0.1% year on year). Meanwhile, operating costs amounted to ¥958 million (up 0.7% year on year). SG&A expenses totaled ¥2,015 million (up 2.7% year on year) mainly due to increases in IT-related expenses associated with the replacement of PCs, research and study expenses, and depreciation. As a result, the Company reported operating profit of ¥1,071 million (up 14.5% year on year), ordinary profit of ¥1,178 million (up 19.4% year on year), and net income of ¥802 million (up 18.9% year on year).

## 2) Status of sales activities

The following are the number of franchised brokerage offices by geographic area and operating revenue by revenue type and geographic area for the previous fiscal year (from April 1, 2023 to March 31, 2024).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	21	12	6	11	7	57
Closures (Cancellations)	38	25	4	2	2	71
Number of offices at fiscal year-end	445	325	99	88	37	994
YoY change (%)	96.3	96.2	102.1	111.4	115.6	98.6

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	1,840,061	995,339	244,726	174,435	58,701	3,313,264
YoY change (%)	100.6	99.1	115.3	108.9	108.8	101.6
IT service revenue	313,230	—	—	—	—	313,230
YoY change (%)	102.5	—	—	—	—	102.5
Franchise fee revenue	75,228	48,589	17,988	9,411	5,807	157,024
YoY change (%)	102.2	90.2	102.4	107.3	116.7	98.9
Other	67,298	—	—	—	—	67,298
YoY change (%)	91.5	—	—	—	—	91.5
Total operating revenue	2,295,818	1,043,928	262,714	183,847	64,509	3,850,817
YoY change (%)	100.6	98.7	114.3	108.8	109.5	101.4

Note: The table below shows the total value and number of transactions executed and total commission income earned by the franchised brokerage offices, which correspond to the above service fee revenue for the same period. The figures are further broken down by geographic area where the brokerage offices operate.

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Total value of transactions (Thousands of yen)	449,120,198	262,268,799	66,245,827	42,288,958	16,091,177	836,014,962
Total number of transactions	360,003	47,751	13,820	16,320	5,127	443,021
Total commission income (Thousands of yen)	30,275,968	16,315,832	3,918,483	2,770,500	946,894	54,227,679

The following are the number of franchised brokerage offices by geographic area and operating revenue by revenue type and geographic area for the current fiscal year (from April 1, 2024 to March 31, 2025).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	9	15	8	9	2	43
Closures (Cancellations)	44	19	9	3	2	77
Number of offices at fiscal year-end	410	321	99	93	37	960
YoY change (%)	92.1	98.8	100.0	105.7	100.0	96.6

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	1,920,835	1,068,565	248,648	199,521	76,353	3,513,923
YoY change (%)	104.4	107.4	101.6	114.4	130.1	106.1
IT service revenue	324,443	—	—	—	—	324,443
YoY change (%)	103.6	—	—	—	—	103.6
Franchise fee revenue	59,560	47,524	17,421	10,008	5,512	140,027
YoY change (%)	79.2	97.8	96.8	106.3	94.9	89.2
Other	67,254	—	—	—	—	67,254
YoY change (%)	99.9	—	—	—	—	99.9
Total operating revenue	2,372,093	1,116,089	266,069	209,530	81,865	4,045,647
YoY change (%)	103.3	106.9	101.3	114.0	126.9	105.1

Note: The table below shows the total value and number of transactions executed and total commission income earned by the franchised brokerage offices, which correspond to the above service fee revenue for the same period. The figures are further broken down by geographic area where the brokerage offices operate.

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Total value of transactions (Thousands of yen)	453,097,893	279,851,578	67,967,074	46,125,699	19,880,174	866,922,420
Total number of transactions	361,708	57,154	14,704	16,901	5,702	456,169
Total commission income (Thousands of yen)	31,676,916	17,983,944	4,012,995	3,146,476	1,215,960	58,036,294

## (2) Analysis of financial position

### 1) Summary of assets, liabilities and net assets

#### (a) Assets

Current assets increased 11.2% from the end of the previous fiscal year to ¥6,485 million. This increase is attributable predominantly to an increase in securities.

Non-current assets decreased 20.6% from the end of the previous fiscal year to ¥1,437 million. This decrease is attributable predominantly to a decrease in software and long-term loans receivable.

Consequently, total assets at the end of the current fiscal year increased 3.7% from the end of the previous fiscal year to ¥7,922 million.

(b) Liabilities

Current liabilities increased 3.6% from the end of the previous fiscal year to ¥1,149 million. This increase is attributable predominantly to an increase in income taxes payable.

Non-current liabilities decreased 7.5% from the end of the previous fiscal year to ¥161 million. This decrease is attributable predominantly to a decrease in provision for retirement benefits.

Consequently, total liabilities at the end of the current fiscal year increased 2.1% from the end of the previous fiscal year to ¥1,311 million.

(c) Net assets

Total net assets at the end of the current fiscal year increased 4.0% to ¥6,611 million. This increase is attributable predominantly to an increase in retained earnings brought forward.

(3) Analysis of cash flows

Cash and cash equivalents ("cash") at the end of the current fiscal year decreased ¥1,376 million or 64.4% from the end of the previous fiscal year to ¥761 million.

(a) Cash flows from operating activities

Net cash provided by operating activities was ¥1,038 million (compared with ¥867 million provided for the previous fiscal year). This is attributable predominantly to recording of profit before income taxes of ¥1,178 million.

(b) Cash flows from investing activities

Net cash used in investing activities was ¥1,952 million (compared with ¥30 million provided for the previous fiscal year). This is attributable predominantly to purchase of securities.

(c) Cash flows from financing activities

Net cash used in financing activities was ¥462 million (compared with ¥660 million used for the previous fiscal year). This is attributable predominantly to payments of dividends.

(4) Future outlook

In the real estate and housing markets, there needs to be closer scrutiny of supply-demand balance and interest rate trends. In response, the Company will actively implement a range of initiatives to promote new franchisee acquisition and retention by strengthening the benefits of being a franchisee. Furthermore, in light of growing international demand for real estate in Japan, we will establish a framework to support franchisee transactions particularly targeting overseas affluent people with investment appetite for properties in Japan. In addition, we will further enhance support for franchisees in picking up HR and financial know-how essential for their operations, as well as in improving operational efficiency through the use of digital technologies. By doing so, we will reinforce our franchise functions as infrastructure that enables franchisees to flexibly adapt to future changes in the business environment. Through these efforts, we are determined to expand both the quality and scale of our franchisee network, thereby strengthening the foundation for the sustainable growth of our group.

Given the above, our outlook for service fee revenue, which is a key pillar of our earnings, is ¥3,689 million (up 5.0% year on year) for the next fiscal year. As for the number of franchised brokerage offices, we aim to acquire 65 new franchised brokerage offices and curb cancellations by further improving and continuing measures launched in the current fiscal year to reinforce the benefits of franchise membership. Meanwhile, SG&A expenses have been set to ¥2,100 million (up 4.2% year on year), reflecting an increase in expenses as we plan to take measures to secure and develop excellent talent, improve employee engagement, and attract more customers to strengthen the acquisition of franchised brokerage offices as well as to enhance or modify the security system. As a result, for the next fiscal year, the Company forecasts operating revenue of ¥4,453 million (up 10.1% year on year), operating profit of ¥1,147 million (up 7.0% year on year), ordinary profit of ¥1,193 million (up 1.3% year on year), and net income of ¥810 million (up 1.0% year on year).

## 2. Basic Policy on Selection of Accounting Standards

We prepare our financial statements under Japanese GAAP because most of our stakeholders are shareholders and business partners in Japan and our current operations do not require financing in the capital market.

Going forward, nevertheless, we will maintain a policy of considering the adoption of IFRS Accounting Standards in light of the status of adoption of IFRS Accounting Standards by other companies listed on Standard Market of Tokyo Stock Exchange.



### 3. Financial Statements and Notes

#### (1) Balance sheet

(Thousands of yen)

	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
<b>Assets</b>		
Current assets:		
Cash and deposits	2,137,938	761,769
Trade accounts receivable	451,067	455,060
Securities	3,200,000	5,100,000
Short-term loans receivable	–	80,000
Prepaid expenses	25,257	29,840
Other	48,110	86,905
Allowance for doubtful accounts	(31,805)	(28,379)
Total current assets	5,830,567	6,485,196
Non-current assets:		
Property, plant and equipment:		
Facilities attached to buildings	135,091	124,536
Accumulated depreciation	(55,810)	(50,333)
Facilities attached to buildings, net	79,280	74,202
Tools, furniture and fixtures:	232,753	246,190
Accumulated depreciation	(196,845)	(202,468)
Tools, furniture and fixtures, net	35,907	43,722
Leased assets:	6,246	–
Accumulated depreciation	(6,246)	–
Leased assets, net	–	–
Total property, plant and equipment	115,187	117,924
Intangible assets:		
Software	546,714	403,084
Software in progress	25,157	3,925
Telephone subscription right	1,966	1,966
Total intangible assets	573,838	408,976
Investments and other assets:		
Investment securities	835,000	715,500
Long-term loans receivable	140,184	184
Bad debts	63,273	75,798
Long-term prepaid expenses	1,390	1,273
Deferred tax assets	58,780	90,027
Guarantee deposits	86,483	104,014
Allowance for doubtful accounts	(63,457)	(75,982)
Total investments and other assets	1,121,654	910,815
Total non-current assets	1,810,680	1,437,716
Total assets	7,641,247	7,922,913

(Thousands of yen)

	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
<b>Liabilities</b>		
Current liabilities:		
Trade accounts payable	174,216	195,139
Accounts payable – other	108,605	110,652
Accrued expenses	127,475	110,994
Income taxes payable	166,298	240,578
Accrued consumption taxes	58,057	51,533
Contract liabilities	368,488	328,079
Deposits received	28,280	22,528
Provision for bonuses	78,000	90,100
Total current liabilities	1,109,422	1,149,607
Non-current liabilities:		
Provision for retirement benefits	147,000	134,493
Provision for renovation warranties	25,583	24,938
Asset retirement obligations	2,400	2,400
Total non-current liabilities	174,983	161,831
Total liabilities	1,284,406	1,311,438
<b>Net assets</b>		
Shareholders' equity:		
Share capital	517,750	517,750
Capital surplus:		
Legal capital surplus	168,570	168,570
Total capital surplus	168,570	168,570
Retained earnings:		
Legal retained earnings	30,724	30,724
Other retained earnings:		
Retained earnings brought forward	6,234,360	6,574,814
Total retained earnings	6,265,084	6,605,538
Treasury shares	(890,013)	(890,168)
Total shareholders' equity	6,061,390	6,401,690
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	295,450	209,784
Total valuation and translation adjustments	295,450	209,784
Total net assets	6,356,841	6,611,474
Total liabilities and net assets	7,641,247	7,922,913

## (2) Statement of income

(Thousands of yen)

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Operating revenue:		
Service fee revenue	3,313,264	3,513,923
IT service revenue	313,230	324,443
Franchise fee revenue	157,024	140,027
Other	67,298	67,254
Total operating revenue	3,850,817	4,045,647
Operating costs	951,493	958,219
Operating gross profit	2,899,323	3,087,428
Selling, general and administrative expenses	1,963,239	2,015,761
Operating profit	936,084	1,071,667
Non-operating income:		
Interest income	620	4,528
Dividend income	29,375	29,750
Administrative service fee income	12,261	12,206
Compensation for delay damages	448	846
Foreign exchange gains	–	1,394
Compensation income	–	54,740
Settlement income	6,500	–
Other	3,405	3,029
Total non-operating income	52,610	106,495
Non-operating expenses:		
Interest expenses	8	–
Commission expenses	286	–
Foreign exchange losses	1,661	–
Other	0	27
Total non-operating expenses	1,956	27
Ordinary profit	986,738	1,178,134
Extraordinary losses:		
Loss on retirement of intangible assets	1,541	–
Total extraordinary losses	1,541	–
Profit before income taxes	985,197	1,178,134
Income taxes – current	299,508	373,300
Income taxes – deferred	11,203	2,586
Total income taxes	310,711	375,887
Net income	674,485	802,247

# Schedule of operating costs

		Previous fiscal year (From April 1, 2023 to March 31, 2024)		Current fiscal year (From April 1, 2024 to March 31, 2025)	
Category	Note	Amount (Thousands of yen)	Composition (%)	Amount (Thousands of yen)	Composition (%)
Costs of service fee revenue		345,224	36.3	364,890	38.1
Contributions to advertising fund		331,426	34.8	352,962	36.8
Costs of IT service revenue		210,420	22.1	195,851	20.5
Personnel costs		44,803	4.7	30,823	3.2
Other		19,619	2.1	13,691	1.4
Operating costs		951,493	100.0	958,219	100.0

### (3) Statement of changes in equity

Previous fiscal year (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	517,750	168,570	168,570	30,724	6,028,881	6,059,605	(698,873)	6,047,052
Changes during period								
Dividends of surplus					(469,006)	(469,006)		(469,006)
Net income					674,485	674,485		674,485
Purchase of treasury shares							(191,140)	(191,140)
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	205,479	205,479	(191,140)	14,338
Balance at end of period	517,750	168,570	168,570	30,724	6,234,360	6,265,084	(890,013)	6,061,390

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	265,097	265,097	6,312,149
Changes during period			
Dividends of surplus			(469,006)
Net income			674,485
Purchase of treasury shares			(191,140)
Net changes in items other than shareholders' equity	30,353	30,353	30,353
Total changes during period	30,353	30,353	44,692
Balance at end of period	295,450	295,450	6,356,841

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of period	517,750	168,570	168,570	30,724	6,234,360	6,265,084	(890,013)	6,061,390
Changes during period								
Dividends of surplus					(461,793)	(461,793)		(461,793)
Net income					802,247	802,247		802,247
Purchase of treasury shares							(154)	(154)
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	340,454	340,454	(154)	340,299
Balance at end of period	517,750	168,570	168,570	30,724	6,574,814	6,605,538	(890,168)	6,401,690

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	295,450	295,450	6,356,841
Changes during period			
Dividends of surplus			(461,793)
Net income			802,247
Purchase of treasury shares			(154)
Net changes in items other than shareholders' equity	(85,666)	(85,666)	(85,666)
Total changes during period	(85,666)	(85,666)	254,633
Balance at end of period	209,784	209,784	6,611,474

#### (4) Statement of cash flows

(Thousands of yen)

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
<b>Cash flows from operating activities</b>		
Profit before income taxes	985,197	1,178,134
Depreciation	248,774	259,415
Increase (decrease) in provision for bonuses	(9,010)	12,100
Increase (decrease) in provision for retirement benefits	(707)	(12,507)
Increase (decrease) in provision for renovation warranties	(2,255)	(645)
Increase (decrease) in allowance for doubtful accounts	10,894	9,097
Interest and dividend income	(29,995)	(34,278)
Foreign exchange losses (gains)	–	73
Compensation income	–	(54,740)
Interest expenses	8	–
Commission expenses	286	–
Loss on retirement of intangible assets	1,541	–
Decrease (increase) in accounts receivable - other	(645)	388
Decrease (increase) in trade receivables	22,565	(16,517)
Decrease (increase) in prepaid expenses	(2,081)	(4,583)
Increase (decrease) in trade payables	14,445	20,923
Increase (decrease) in accounts payable - other	4,152	421
Increase (decrease) in accrued expenses	12,355	(16,481)
Increase (decrease) in accrued consumption taxes	(49,314)	(6,524)
Decrease (increase) in other assets	6,540	(36,948)
Increase (decrease) in other liabilities	(40,227)	(45,012)
Subtotal	1,172,524	1,252,315
Interest and dividends received	30,854	32,043
Interest paid	(8)	–
Proceeds from compensation	–	54,740
Income taxes paid	(336,294)	(300,168)
Net cash provided by (used in) operating activities	867,075	1,038,930
<b>Cash flows from investing activities</b>		
Purchase of securities	–	(2,000,000)
Proceeds from redemption of securities	–	100,000
Purchase of property, plant and equipment	(10,853)	(26,799)
Purchase of intangible assets	(76,683)	(57,153)
Collection of long-term loans receivable	120,000	60,000
Purchase of long-term prepaid expenses	(1,353)	(264)
Payments for asset retirement obligations	–	(12,434)
Proceeds from refund of guarantee deposits	264	15,553
Payments of guarantee deposits	(468)	(31,339)
Net cash provided by (used in) investing activities	30,905	(1,952,436)
<b>Cash flows from financing activities</b>		
Repayments of lease obligations	(880)	–
Purchase of treasury shares	(191,426)	(154)
Dividends paid	(468,012)	(462,434)
Net cash provided by (used in) financing activities	(660,320)	(462,589)
Effect of exchange rate change on cash and cash equivalents	–	(73)
Net increase (decrease) in cash and cash equivalents	237,660	(1,376,169)
Cash and cash equivalents at beginning of period	1,900,277	2,137,938
Cash and cash equivalents at end of period	2,137,938	761,769

## (5) Notes to financial statements

(Going concern assumption)

Not applicable.

(Segment information)

The Company does not provide segment information because it has only a single business segment, which is the real estate franchise business.

(Share of profit (loss) of entities accounted for using equity method)

Not applicable because the Company has no associates.

(Per-share information)

Item	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Net assets per share	619.45	644.27
Basic earnings per share	64.86	78.18

Notes: 1. Diluted earnings per share is not presented because there are no potentially dilutive shares.

2. The basis of calculating the basic earnings per share is as follows:

(Thousands of yen, unless otherwise stated)

Item	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Net income	674,485	802,247
Net income not attributable to common shareholders	—	—
Net income attributable to common shares	674,485	802,247
Average number of shares outstanding during the period (shares)	10,399,138	10,262,024

(Material subsequent events)

Not applicable.