Walden Research Japan

URL: https://walden.co.jp/

Written by Yoshiyuki Muroya / Yusuke Maeda

Email: info@walden.co.jp

Phone: +81-3-3553-3769

INTERLIFE HOLDINGS (1418)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2025		16,940	875	875	705	45.43	20.00	271.55
FY02/2026		16,336	1,166	1,156	828	53.57	30.00	306.55
FY02/2027CoE		17,000	1,200	1,190	800	52.45	30.00	-
FY02/2026	YoY	(3.6%)	33.3%	32.1%	17.4%	-	-	-
FY02/2027CoE	YoY	4.1%	2.8%	2.9%	(3.4%)	-	-	-
Consolidated Quarter (Million Yen)		**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**	**EPS (Yen)**	**DPS (Yen)**	**BPS (Yen)**
Q1 FY02/2026		4,976	532	523	414	-	-	-
Q2 FY02/2026		3,941	381	384	240	-	-	-
Q3 FY02/2026		3,480	147	146	86	-	-	-
Q4 FY02/2026		3,938	104	101	86	-	-	-
Q1 FY02/2027		5,764	918	925	604	-	-	-
Q1 FY02/2027	YoY	15.8%	72.4%	76.7%	45.8%	-	-	-

Source: Company data; calculations by WRJ

1.0 Executive Summary (27 August 2026)

Higher-than-Expected Profitability and Concentration

At INTERLIFE HOLDINGS, which provides comprehensive services related to the design and construction of commercial facilities & public facilities, construction work on large-scale projects that had been under way since FY02/2026 progressed very smoothly. The operating profit margin increased substantially because these projects achieved profitability above initial expectations and their completion and related sales recognition were concentrated in Q1 (March–May) FY02/2027. This appears to reflect the results of the Company's structural reforms centered on reorganizing its business portfolio, through which it has concentrated resources on Interior Construction and Sound & Lighting Facilities while proactively securing and executing large-scale, highly profitable projects. However, the high operating profit margin in Q1 (March–May) partly reflects the temporary impact of the concentration of the projects' completion and related sales recognition in the quarter. Looking ahead, although issues requiring attention remain, including raw material price trends amid unstable international conditions, the Company has adopted a policy of enhancing its earnings capacity toward 2030 by capturing construction demand in the Tokyo metropolitan area and demand related to the integrated resort (IR) in Osaka. The core of its growth strategy is to strengthen its foundation for securing large-scale, highly profitable projects while focusing on expanding sales of new products closely related to existing business domains and developing new business domains. Furthermore, while pursuing management that emphasizes ESG and capital efficiency, the Company intends to pursue solutions, including M&A, to secure personnel responsible for construction and other operations, an area it identifies as its greatest risk factor.

IR Contact: Masanari Kato, Managing Director (+81-3-3547-3227／kato-masanari@n-interlife.co.jp)

2.0 Company Profile

Essential Services for Communities

Company Name	INTERLIFE HOLDINGS CO., LTD. Company Website INVESTOR RELATIONS Share Price (Japanese)
Established	5 October 2010
Listing	4 April 2022: Tokyo Stock Exchange Standard Market (ticker: 1418) 16 July 2013: Tokyo Stock Exchange JASDAQ (Standard Market) 5 October 2010: Osaka Securities Exchange (JASDAQ Standard Market)
Capital	¥2,979m (as of the end of May 2026)
No. of Shares	17,010,529 shares, including 1,738,080 treasury shares (as of the end of May 2026)
Main Features	● Deep involvement in the design and construction of commercial facilities & public facilities ● Provision of total services including management and maintenance ● Promotion of management control and related operations for consolidated subsidiaries as a holding company
Segments	Ⅰ. Interior Construction Ⅱ. Sound & Lighting Facilities
Representatives	Representative Director, Chairman and CEO: Masahide Shoji Representative Director and President: Koji Kida
Major Shareholders	Tatsumi 31.3%, Custody Bank of Japan (Trust Account) 3.9%, Business Partners Shareholding Association 2.9%, NOMURA 2.8%, Employee Shareholding Association 2.7%, Tokyo Tatemono 2.5% (as of the end of February 2026, excluding treasury shares)
Head Office	Chuo-ku, Tokyo, JAPAN
No. of Personnel	Consolidated: 238 (as of the end of February 2026)

Source: Company data

3.0 Management Philosophy

Comfortable Spaces Filled with Inspiration and Joy

INTERLIFE HOLDINGS, whose management philosophy is "We contribute to society by providing all people with comfortable spaces filled with inspiration and joy," was established in October 2010 as a holding company responsible for managing its subsidiaries and conducting related operations. As a group of construction professionals providing "comprehensive services for attractive stores and facilities" through Interior Construction and Sound & Lighting Facilities, the Company leverages the respective strengths of its group companies to create spaces across a diverse range of fields.

Actual Results for FY02/2026

	Group Companies (Wholly Owned Subsidiaries)	Sales (Composition Ratio %)	Segment Profit (Composition Ratio %)	Segment Profit Margin (%)
Interior Construction	NISSHO INTERLIFE	61.5%	49.5%	6.5%
Sound & Lighting Facilities	SYSTEM ENGINEERING SANKEN SYSTEM	38.4%	51.6%	10.9%
Equipment & Maintenance	FACILITY MANAGEMENT TAMAHIRO KOGYO	0.2%	(1.1%)	(58.6%)
Total	-	100.0%	100.0%	8.1%

Source: Company data; calculations by WRJ

The name "INTERLIFE" embodies the aspiration to be "a company that connects people through living spaces," while the phrase "all people" in its management philosophy reflects the desire to inspire not only clients commissioning construction work but also users of the completed facilities. In other words, the Company consistently emphasizes both the quality of the spaces themselves and the enhancement of the experiences they provide. The Company's strengths lie in its combination of distinct areas of expertise—Interior Construction and Sound & Lighting Facilities—as well as its integrated structure covering everything from planning and design through construction and maintenance. This structure enables the Company to create spaces across a wide variety of fields that would be difficult for a single line of business to handle, thereby forming a competitive advantage unique to the Company. Its management philosophy of providing comfortable spaces filled with inspiration and joy can be considered the foundation supporting its multifaceted capabilities and on-site execution capabilities.

In FY02/2026, Interior Construction, operated by NISSHO INTERLIFE, a wholly owned subsidiary, accounted for 61.5% of sales and 49.5% of segment profit. Its specific operations cover "everything from the planning and design of commercial facilities and other properties through detailed design, construction and after-sales support." Supported by the construction capabilities and mobility of approximately 250 takumi craftspeople, the subsidiary completes high-quality construction work within short project periods. It also functions as both a prime contractor and subcontractor and has established a unique business model capable of handling diverse types of construction work as a single contractor. In addition, NISSHO INTERLIFE, a wholly owned subsidiary, absorbed FACILITY MANAGEMENT, a wholly owned subsidiary, in a merger effective 1 June 2025. As a result, the operations previously conducted by FACILITY MANAGEMENT, a wholly owned subsidiary, including "contracted building cleaning, management and repairs as well as maintenance of air-conditioning equipment," have formed part of Interior Construction as the FM Division since the beginning of Q2 (June–August) FY02/2026.

Sound & Lighting Facilities, operated by SYSTEM ENGINEERING and SANKEN SYSTEM, both wholly owned subsidiaries, accounted for 38.4% of sales and 51.6% of segment profit. SYSTEM ENGINEERING, a wholly owned subsidiary, which generates a substantial portion of the segment's sales, specifically handles "everything from the planning and design of specialized stage systems through construction and maintenance." By accurately identifying customer needs and proposing optimal solutions, the subsidiary can facilitate the smooth progress of entire projects. In addition, its ability to provide integrated services across sound, lighting and video enables it to design and install user-friendly systems.

SANKEN SYSTEM, a wholly owned subsidiary, specifically handles "everything from the design of AVC (audio, visual & control) systems through manufacturing, installation and maintenance." Founded in 1972, the subsidiary has a track record spanning more than 50 years of continuously refining its technologies for video, audio and stage equipment. It is also capable of handling a broad range of requirements, including the manufacture of custom equipment and devices required for AVC systems.

According to the Company, Sound & Lighting Facilities operates in what is generally considered a niche market. Compared with Interior Construction, whose market is significantly larger, Sound & Lighting Facilities faces fewer competitors. In addition, because the Company possesses proprietary technological capabilities and expertise in this business, its segment profit margin is generally higher than that of Interior Construction. In FY02/2026, the segment profit margin was 6.5% for Interior Construction and 10.9% for Sound & Lighting Facilities. However, in Q1 (March–May) FY02/2027, the completion of highly profitable large-scale projects and the recording of related sales were concentrated in Interior Construction. Consequently, the segment profit margin for Interior Construction increased to 19.9%, exceeding the 12.5% recorded by Sound & Lighting Facilities. The Company has indicated that this resulted from a temporary change in the project mix and did not represent a change in the earnings structures of the two businesses.

Meanwhile, as of the end of Q1 (March–May) FY02/2026, the Company withdrew from Equipment & Maintenance, which had been operated by FACILITY MANAGEMENT and TAMAHIRO KOGYO, both wholly owned subsidiaries. As noted above, NISSHO INTERLIFE, a wholly owned subsidiary, absorbed FACILITY MANAGEMENT, a wholly owned subsidiary, thereby establishing an integrated structure capable of accepting orders covering everything from construction through maintenance. The Company believes that this has created a structure through which it can further enhance its ability to provide services to customers. As for TAMAHIRO KOGYO, a wholly owned subsidiary, which had engaged in “the installation and repair of air-conditioning, electrical, water supply, drainage and sanitation equipment as well as the sale of equipment,” the Company transferred its shares effective 31 May 2025 in response to changes in the business environment.

History (Selected)

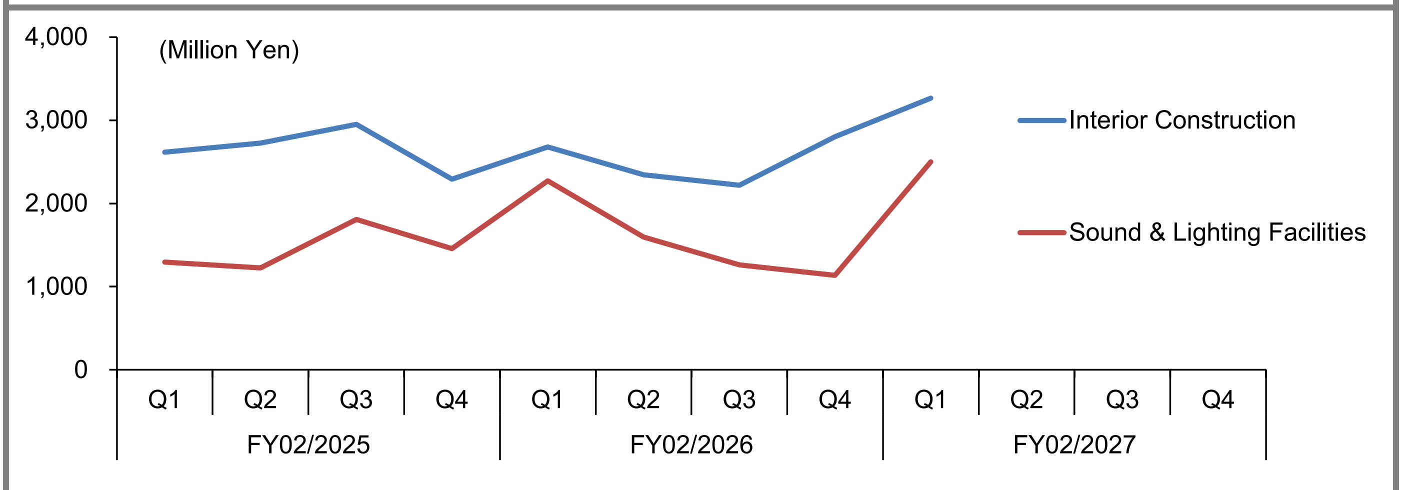
Date	Overview
February 1975	Establishment of NISSHO in Arakawa-ku, Tokyo, with flooring construction for the display industry as its core business
June 1988	Company name changed from NISSHO to NISSHO INTERLIFE
August 1988	Head office relocated to Kita-ku, Tokyo
August 1990	Shares registered for over-the-counter trading with the Japan Securities Dealers Association
December 2004	Cancellation of over-the-counter registration with the Japan Securities Dealers Association and listing on the JASDAQ Securities Exchange
April 2010	Listing on the Osaka Securities Exchange (JASDAQ market) following the merger of the JASDAQ Securities Exchange and the Osaka Securities Exchange
October 2010	Establishment of INTERLIFE HOLDINGS by way of a sole share transfer by NISSHO INTERLIFE, with NISSHO INTERLIFE becoming a wholly owned subsidiary
October 2010	Listing on the Osaka Securities Exchange (JASDAQ Standard Market)
November 2011	Change in fiscal yearend from 20 March to the end of February, approved at an extraordinary general meeting of shareholders
July 2013	Listing on the Tokyo Stock Exchange JASDAQ (Standard) following the integration of the cash equity market of the Osaka Securities Exchange into the Tokyo Stock Exchange
May 2014	Head office relocated to Chuo-ku, Tokyo
May 2017	Partial amendment to the articles of incorporation and transition to a company with an audit and supervisory committee
April 2022	Transition from the Tokyo Stock Exchange JASDAQ (Standard) market to the Tokyo Stock Exchange Standard market
May 2025	Transfer of all shares of TAMAHIRO KOGYO
June 2025	Merger of NISSHO INTERLIFE (surviving company) and FACILITY MANAGEMENT (absorbed company)

4.0 Recent Trading and Prospects

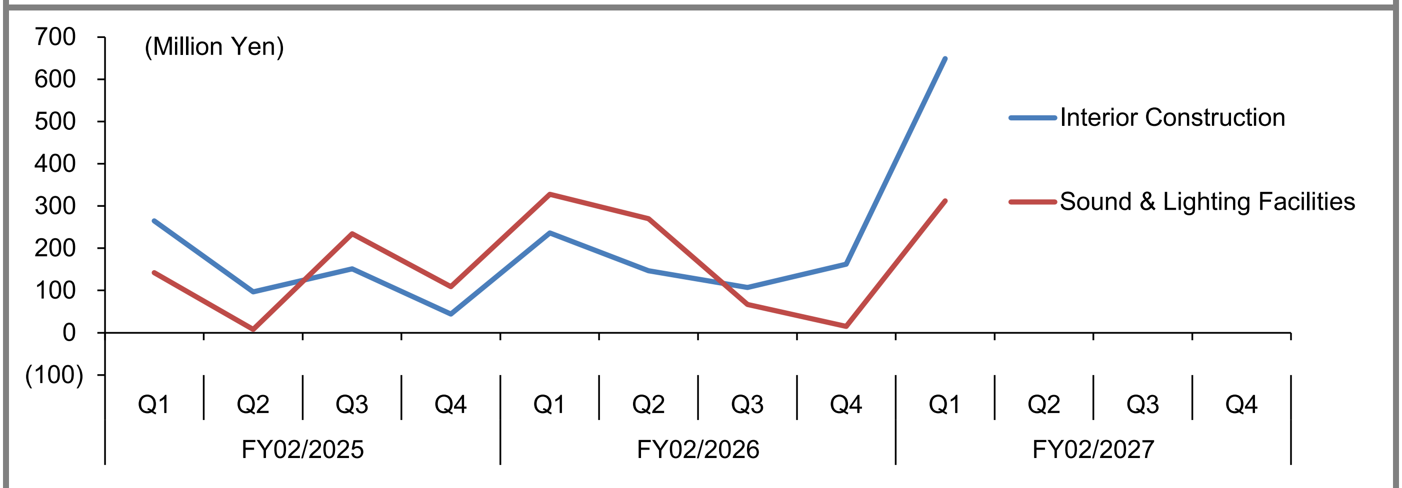
Q1 (March–May) FY02/2027

In Q1 (March–May) FY02/2027, sales came in at ¥5,764m (up 15.8% YoY), operating profit ¥918m (up 72.4%), recurring profit ¥925m (up 76.7%) and profit attributable to owners of parent ¥604m (up 45.8%). Gross profit came in at ¥1,536m (up 38.2%) and SG&A expenses ¥617m (up 6.7%), resulting in a gross profit margin of 26.7% (up 4.3% points) and an SG&A ratio of 10.7% (down 0.9% points). Consequently, operating profit margin came in at 15.9% (up 5.2% points).

Sales



Segment Profit



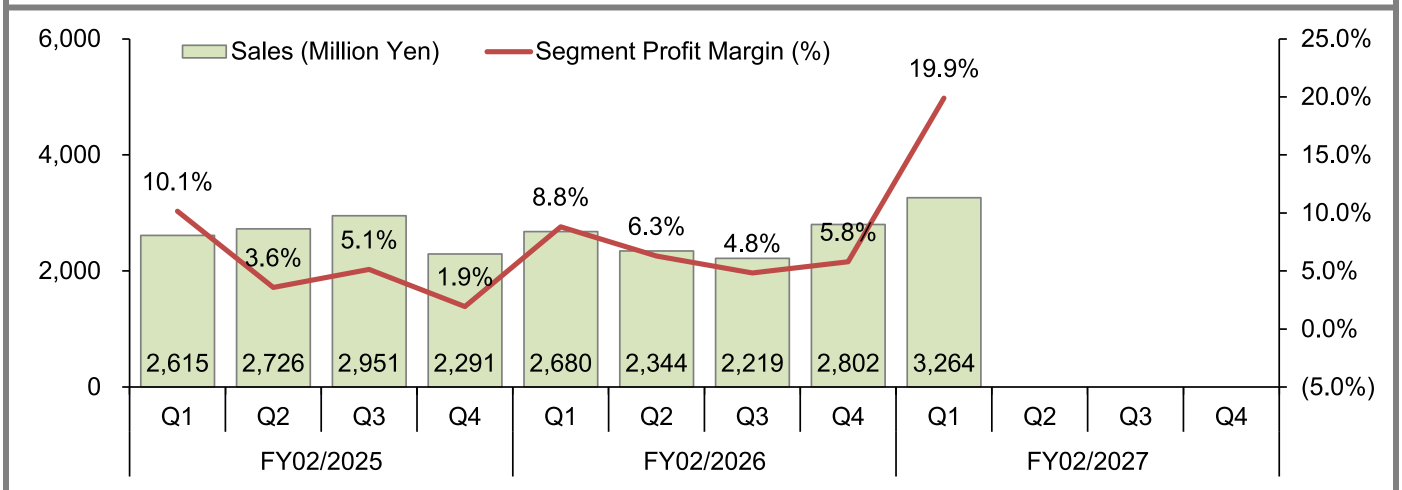
Source: Company data; calculations by WRJ

The increase in sales and profit in Interior Construction made a substantial contribution to the Company's overall increases in sales and profit. Based on the trend in segment profit, the amount of increase in operating profit appears to have been broadly equivalent to the amount of increase in profit in Interior Construction. Meanwhile, Sound & Lighting Facilities secured an increase in sales but was forced to record a slight decline in profit. However, the amount of this decline was broadly offset by the absence of the segment loss in Equipment & Maintenance, from which the Company withdrew as of the end of Q1 (March–May) FY02/2026.

Interior Construction (56.6% of Sales and 67.5% of Segment Profit)

In Interior Construction, operated by NISSHO INTERLIFE, a wholly owned subsidiary, sales came in at ¥3,264m (up 21.8%), segment profit ¥649m (up 174.8%) and the segment profit margin 19.9% (up 11.1% points). The business's greatest strengths are the construction capabilities and agility provided by a dedicated team of approximately 250 craftspeople. Substantial sales and profit growth was achieved due to the completion of contracted projects by the Commercial Environment Construction Division, very smooth progress in the construction of large-scale projects that had been under way since FY02/2026 and solid orders for cleaning projects at the FM Division. According to the Company, its past construction track record has built customer trust and enabled it to establish a structure capable of handling a broader scope of construction work than before, resulting in increased opportunities to secure large-scale projects.

Interior Construction



Source: Company data; calculations by WRJ

In the Commercial Environment Division, which undertakes "planning, creative design, detailed design and construction for commercial facilities and other properties," sales remained solid as projects were completed, including urban redevelopment projects and renovation work for educational institutions. The Specialized Construction Division, which undertakes "interior base construction work," continued to receive robust orders, primarily for work related to urban redevelopment projects and construction work for offices and hotels. However, the Osaka Division, which records "sales generated through the Osaka office of both divisions," was affected by the completion of construction work related to Expo 2025 Osaka, Kansai. The substantial increase in the segment profit margin was attributable to the concentration of sales recorded from highly profitable large-scale projects.

An example of a project completed in FY02/2026 was a prime contract for interior construction work at Kaitakushikan within Sapporo Beer Garden, which is one of Sapporo's leading tourist attractions, where visitors can enjoy beer and Jingisukan, a Japanese grilled lamb dish, in a historic red-brick building, while Kaitakushikan is a museum introducing the history of Hokkaido's development. NISSHO INTERLIFE, a wholly owned subsidiary, was deeply involved in the recent renovation. Kaitakushikan was constructed in 1890, and its previous renovation was reportedly conducted in 1986. The facility was therefore renovated again after approximately 40 years.

Meanwhile, NISSHO INTERLIFE, a wholly owned subsidiary, has developed ATRUSSBOARD®, an innovative new building material for ceilings and exterior walls. Although sales recorded from ATRUSSBOARD® have remained limited to date, the Company states that it is steadily building a track record of installations at schools, hotels, offices and retail stores.

Project Example / Sapporo Beer Garden / Interior of Kaitakushikan (After Construction)

Project Example / ATRUSSBOARD® / A Multifunctional Facility for Learning and Mutual Support

Source: Company data

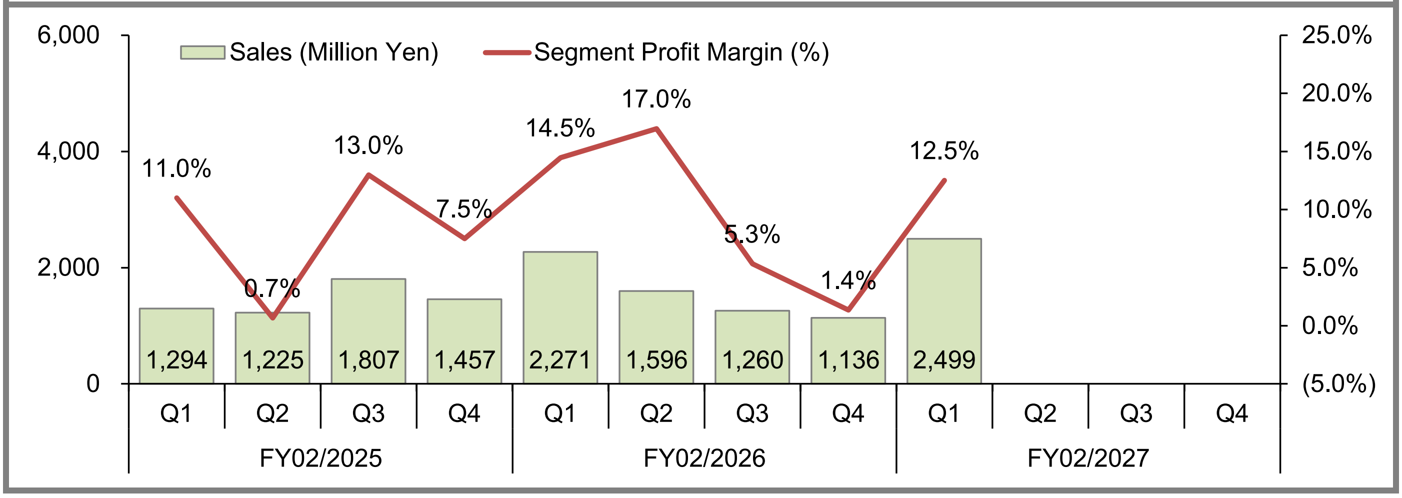
On 13 May 2025, NISSHO INTERLIFE, a wholly owned subsidiary, announced that it had obtained a patent (Patent No. 7675470) for ATRUSSBOARD®, a hybrid ultra-lightweight ceiling material made from recycled paper and aluminum. After learning of ceiling collapse accidents caused by earthquakes, aging and other factors, the subsidiary began developing an ultra-lightweight material designed to reduce the risk of injury from falling ceilings to the greatest extent possible. This initiative resulted in the development of a new building material that offers greater peace of mind and safety than conventional materials while relieving construction workers of heavy physical work. According to the Company, by continuing to focus on such initiatives, it aims to fulfill its social responsibilities, achieve sustainable growth and contribute to a sustainable society.

One example of its installation track record is YP Miraie: A Multifunctional Facility for Learning and Mutual Support, newly constructed in Mashiki-machi, Kumamoto-prefecture, where ATRUSSBOARD® was adopted for the ceilings and walls. The facility was developed with an emphasis on creating a space that local residents, including children, could use with peace of mind. NISSHO INTERLIFE, a wholly owned subsidiary, was involved in the interior construction of the entire space, including the floors, walls and ceilings. According to the Company, this is believed to have been its first project involving the entire interior space of a single building, from the floors and walls through the ceilings. Mashiki-machi, Kumamoto-prefecture, was severely damaged by the 2016 Kumamoto Earthquake. The characteristics of ATRUSSBOARD® as a highly safe material developed from lessons learned through the Great East Japan Earthquake aligned with the region's recovery from the Kumamoto Earthquake and the level of safety required for a facility used by local residents, including children, leading to its adoption. The Company also states that inquiries regarding ATRUSSBOARD® have gradually increased as its installation track record has expanded.

Sound & Lighting Facilities (43.4% of Sales and 32.5% of Segment Profit)

Meanwhile, in Sound & Lighting Facilities operated by SYSTEM ENGINEERING and SANKEN SYSTEM, both wholly owned subsidiaries, sales came in at ¥2,499m (up 10.0%), segment profit ¥312m (down 4.8%) and segment profit margin 12.5% (down 1.9% points). According to the Company, SYSTEM ENGINEERING, a wholly owned subsidiary, achieved increases in sales and profit, while SANKEN SYSTEM, a wholly owned subsidiary, was forced to record declines in both sales and profit.

Sound & Lighting Facilities



Source: Company data; calculations by WRJ

SYSTEM ENGINEERING, a wholly owned subsidiary that accounts for the majority of sales in Sound & Lighting Facilities, is deeply involved in comprehensive production covering the planning, design, construction and maintenance of special staging equipment for hotels and wedding venues, including audio, visual, lighting and rigging systems, as well as conference systems for council chambers. In the results for Q1 (March–May), the completion of projects already received progressed in line with plans, resulting in increases in both sales and profit compared with the same period of the previous year. One example is the Sliding LED Wall developed by the subsidiary and installed in a banquet hall at JW Marriott Hotel Tokyo. The Sliding LED Wall features a structure in which a large LED screen moves automatically to divide the banquet hall space. It combines prestige with functionality and can accommodate a wide variety of uses, including international conferences and large-scale events. According to the Company, the system has recently attracted numerous inquiries from other hotels.

SYSTEM ENGINEERING, a wholly owned subsidiary, has obtained a patent for this system. The patent is Patent No. 7748597 (P7748597), issued on 2 October 2025, and the title of the invention is "Large-Screen Display System and Method for Operating a Large-Screen Display System." The subsidiary's ability to provide integrated services encompassing the development, design, installation and maintenance of such proprietary equipment represents a concrete example of its technological capabilities and expertise.

Meanwhile, SANKEN SYSTEM, a wholly owned subsidiary that provides integrated support covering system construction and sales of AVC (Audio Visual & Control) equipment as well as planning, design, fabrication, construction and maintenance management, was forced to record declines in both sales and profit compared with the same period of the previous year. According to the Company, delays in the timing of order intake compared with initial expectations had a significant impact.

Project Example / JW Marriott Hotel Tokyo / Sliding LED Wall

Project Example / TOYOTA ARENA TOKYO / Large Ceiling-Mounted Speakers

Source: Company data

Another installation example is a large-scale audio equipment project at TOYOTA ARENA TOKYO, which opened on 3 October 2025. According to the Company, SYSTEM ENGINEERING, a wholly owned subsidiary, secured the order for and designed the large ceiling-mounted speakers and venue-wide audio system, while SANKEN SYSTEM, also a wholly owned subsidiary, handled the installation. The project is positioned as a joint undertaking by the two subsidiaries comprising Sound & Lighting Facilities. TOYOTA ARENA TOKYO is a multipurpose facility constructed as the home arena of ALVARK TOKYO, a member of the B.LEAGUE, Japan’s professional men’s basketball league.

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Sales	**4,976**	**8,917**	**12,397**	**16,336**	**5,764**	**-**	**-**	**-**	**+787**
Cost of Sales	3,864	6,851	9,598	12,695	4,227	-	-	-	+363
Gross Profit	1,111	2,065	2,799	3,641	1,536	-	-	-	+424
SG&A Expenses	579	1,151	1,737	2,474	617	-	-	-	+38
Operating Profit	**532**	**914**	**1,062**	**1,166**	**918**	**-**	**-**	**-**	**+385**
Non-Operating Balance	(9)	(6)	(7)	(10)	6	-	-	-	+15
Recurring Profit	**523**	**908**	**1,054**	**1,156**	**925**	**-**	**-**	**-**	**+401**
Extraordinary Balance	68	68	68	63	-	-	-	-	(68)
Profit before Income Taxes	591	976	1,122	1,219	925	-	-	-	+333
Total Income Taxes	177	321	381	391	321	-	-	-	+143
Profit Attributable to Owners of Parent	**414**	**655**	**741**	**828**	**604**	**-**	**-**	**-**	**+189**
Sales YoY	+16.9%	+9.3%	(5.2%)	(3.6%)	+15.8%	-	-	-	-
Operating Profit YoY	+38.1%	+104.0%	+40.3%	+33.3%	+72.4%	-	-	-	-
Recurring Profit YoY	+34.5%	+101.2%	+39.0%	+32.1%	+76.7%	-	-	-	-
Profit Attributable to Owners of Parent YoY	+31.9%	+70.2%	+27.3%	+17.4%	+45.8%	-	-	-	-
Gross Profit Margin	22.3%	23.2%	22.6%	22.3%	26.7%	-	-	-	+4.3%
SG&A Ratio	11.6%	12.9%	14.0%	15.1%	10.7%	-	-	-	(0.9%)
Operating Profit Margin	10.7%	10.3%	8.6%	7.1%	15.9%	-	-	-	+5.2%
Recurring Profit Margin	10.5%	10.2%	8.5%	7.1%	16.0%	-	-	-	+5.5%
Profit Attributable to Owners of Parent Margin	8.3%	7.3%	6.0%	5.1%	10.5%	-	-	-	+2.2%
Corporate Tax Rate	30.0%	32.9%	34.0%	32.1%	34.7%	-	-	-	+4.7%

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Sales	**4,976**	**3,941**	**3,480**	**3,938**	**5,764**	**-**	**-**	**-**	**+787**
Cost of Sales	3,864	2,987	2,746	3,096	4,227	-	-	-	+363
Gross Profit	1,111	953	733	841	1,536	-	-	-	+424
SG&A Expenses	579	572	586	736	617	-	-	-	+38
Operating Profit	**532**	**381**	**147**	**104**	**918**	**-**	**-**	**-**	**+385**
Non-Operating Balance	(9)	2	(1)	(3)	6	-	-	-	+15
Recurring Profit	**523**	**384**	**146**	**101**	**925**	**-**	**-**	**-**	**+401**
Extraordinary Balance	68	-	0	(5)	-	-	-	-	(68)
Profit before Income Taxes	591	384	146	96	925	-	-	-	+333
Total Income Taxes	177	143	60	9	321	-	-	-	+143
Profit Attributable to Owners of Parent	**414**	**240**	**86**	**86**	**604**	**-**	**-**	**-**	**+189**
Sales YoY	+16.9%	+1.0%	(29.3%)	+2.1%	+15.8%	-	-	-	-
Operating Profit YoY	+38.1%	+511.5%	(52.2%)	(11.6%)	+72.4%	-	-	-	-
Recurring Profit YoY	+34.5%	+518.7%	(52.4%)	(12.9%)	+76.7%	-	-	-	-
Profit Attributable to Owners of Parent YoY	+31.9%	+240.2%	(56.4%)	(29.3%)	+45.8%	-	-	-	-
Gross Profit Margin	22.3%	24.2%	21.1%	21.4%	26.7%	-	-	-	+4.3%
SG&A Ratio	11.6%	14.5%	16.8%	18.7%	10.7%	-	-	-	(0.9%)
Operating Profit Margin	10.7%	9.7%	4.2%	2.7%	15.9%	-	-	-	+5.2%
Recurring Profit Margin	10.5%	9.8%	4.2%	2.6%	16.0%	-	-	-	+5.5%
Profit Attributable to Owners of Parent Margin	8.3%	6.1%	2.5%	2.2%	10.5%	-	-	-	+2.2%
Corporate Tax Rate	30.0%	37.3%	41.2%	10.0%	34.7%	-	-	-	+4.7%

Source: Company data; calculations by WRJ

Segment Information (Cumulative / Quarterly)

Segment Information (Million Yen)	Cons.Act Q1 02/2026	Cons.Act Q1 to Q2 02/2026	Cons.Act Q1 to Q3 02/2026	Cons.Act Q1 to Q4 02/2026	Cons.Act Q1 02/2027	Cons.Act Q1 to Q2 02/2027	Cons.Act Q1 to Q3 02/2027	Cons.Act Q1 to Q4 02/2027	YoY Net Chg.
Interior Construction	2,680	5,024	7,244	10,046	3,264	-	-	-	+584
Sound & Lighting Facilities	2,271	3,867	5,128	6,265	2,499	-	-	-	+228
Equipment & Maintenance	24	24	24	24	-	-	-	-	(24)
Sales	**4,976**	**8,917**	**12,397**	**16,336**	**5,764**	**-**	**-**	**-**	**+787**
Interior Construction	236	383	491	653	649	-	-	-	+413
Sound & Lighting Facilities	328	599	666	682	312	-	-	-	(15)
Equipment & Maintenance	(14)	(14)	(14)	(14)	-	-	-	-	+14
Segment Profit	**550**	**968**	**1,143**	**1,320**	**962**	**-**	**-**	**-**	**+412**
Adjustments	(17)	(54)	(81)	(153)	(43)	-	-	-	(26)
Operating Profit	**532**	**914**	**1,062**	**1,166**	**918**	**-**	**-**	**-**	**+385**
Interior Construction	8.8%	7.6%	6.8%	6.5%	19.9%	-	-	-	+11.1%
Sound & Lighting Facilities	14.5%	15.5%	13.0%	10.9%	12.5%	-	-	-	(1.9%)
Equipment & Maintenance	(58.6%)	(58.6%)	(58.6%)	(58.6%)	-	-	-	-	-
Segment Profit Margin	**11.1%**	**10.9%**	**9.2%**	**8.1%**	**16.7%**	**-**	**-**	**-**	**+5.6%**
Adjustments	(0.4%)	(0.6%)	(0.7%)	(0.9%)	(0.8%)	-	-	-	(0.4%)
Operating Profit Margin	**10.7%**	**10.3%**	**8.6%**	**7.1%**	**15.9%**	**-**	**-**	**-**	**+5.2%**

Segment Information (Million Yen)	Cons.Act Q1 02/2026	Cons.Act Q2 02/2026	Cons.Act Q3 02/2026	Cons.Act Q4 02/2026	Cons.Act Q1 02/2027	Cons.Act Q2 02/2027	Cons.Act Q3 02/2027	Cons.Act Q4 02/2027	YoY Net Chg.
Interior Construction	2,680	2,344	2,219	2,802	3,264	-	-	-	+584
Sound & Lighting Facilities	2,271	1,596	1,260	1,136	2,499	-	-	-	+228
Equipment & Maintenance	24	-	-	-	-	-	-	-	(24)
Sales	**4,976**	**3,941**	**3,480**	**3,938**	**5,764**	**-**	**-**	**-**	**+787**
Interior Construction	236	147	107	162	649	-	-	-	+413
Sound & Lighting Facilities	328	270	67	15	312	-	-	-	(15)
Equipment & Maintenance	(14)	-	-	-	-	-	-	-	+14
Segment Profit	**550**	**418**	**174**	**177**	**962**	**-**	**-**	**-**	**+412**
Adjustments	(17)	(36)	(26)	(72)	(43)	-	-	-	(26)
Operating Profit	**532**	**381**	**147**	**104**	**918**	**-**	**-**	**-**	**+385**
Interior Construction	8.8%	6.3%	4.8%	5.8%	19.9%	-	-	-	+11.1%
Sound & Lighting Facilities	14.5%	17.0%	5.3%	1.4%	12.5%	-	-	-	(1.9%)
Equipment & Maintenance	(58.6%)	-	-	-	-	-	-	-	-
Segment Profit Margin	**11.1%**	**10.6%**	**5.0%**	**4.5%**	**16.7%**	**-**	**-**	**-**	**+5.6%**
Adjustments	(0.4%)	(0.9%)	(0.8%)	(1.9%)	(0.8%)	-	-	-	(0.4%)
Operating Profit Margin	**10.7%**	**9.7%**	**4.2%**	**2.7%**	**15.9%**	**-**	**-**	**-**	**+5.2%**

Source: Company data; calculations by WRJ

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act Q1 02/2026	Cons.Act Q2 02/2026	Cons.Act Q3 02/2026	Cons.Act Q4 02/2026	Cons.Act Q1 02/2027	Cons.Act Q2 02/2027	Cons.Act Q3 02/2027	Cons.Act Q4 02/2027	YoY Net Chg.
Cash and Deposits	3,116	2,552	2,532	2,640	3,823	-	-	-	+707
Notes Receivable -Trade	3,277	3,185	3,196	2,973	2,504	-	-	-	(772)
Inventories	19	19	14	13	14	-	-	-	(5)
Costs on Construction Contracts in Progress	662	771	985	830	675	-	-	-	+13
Other	105	396	133	110	124	-	-	-	+18
Current Assets	**7,182**	**6,925**	**6,862**	**6,567**	**7,143**	**-**	**-**	**-**	**(38)**
Tangible Assets	1,162	1,151	1,145	1,131	1,120	-	-	-	(42)
Intangible Assets	523	514	506	496	490	-	-	-	(33)
Investments and Other Assets	797	797	912	1,073	947	-	-	-	+150
Non-current Assets	**2,483**	**2,464**	**2,564**	**2,701**	**2,558**	**-**	**-**	**-**	**+74**
Total Assets	**9,665**	**9,389**	**9,427**	**9,269**	**9,701**	**-**	**-**	**-**	**+36**
Notes and Accounts Payable - Trade	1,559	1,555	1,432	1,186	1,387	-	-	-	(172)
Short-term Borrowings	742	545	447	350	350	-	-	-	(392)
Current Portion of Long-term Borrowings	336	323	346	331	339	-	-	-	+3
Other	1,455	1,169	1,423	1,511	1,639	-	-	-	+183
Current Liabilities	**4,093**	**3,592**	**3,649**	**3,379**	**3,716**	**-**	**-**	**-**	**(377)**
Long-Term Borrowings	844	770	852	774	771	-	-	-	(73)
Other	382	395	421	439	407	-	-	-	+24
Non-current Liabilities	**1,227**	**1,165**	**1,273**	**1,214**	**1,178**	**-**	**-**	**-**	**(48)**
Total Liabilities	**5,320**	**4,758**	**4,922**	**4,593**	**4,895**	**-**	**-**	**-**	**(425)**
Shareholders' Equity	**4,340**	**4,570**	**4,362**	**4,406**	**4,697**	**-**	**-**	**-**	**+357**
Other	3	61	141	269	108	-	-	-	+104
Net Assets	**4,344**	**4,631**	**4,504**	**4,676**	**4,806**	**-**	**-**	**-**	**+461**
Total Liabilities & Net Assets	**9,665**	**9,389**	**9,427**	**9,269**	**9,701**	**-**	**-**	**-**	**+36**
Equity Capital	4,344	4,631	4,504	4,676	4,806	-	-	-	+462
Interest Bearing Debt	1,923	1,638	1,646	1,455	1,461	-	-	-	(462)
Net Debt	(1,192)	(913)	(886)	(1,184)	(2,362)	-	-	-	(1,169)
Equity Ratio	44.9%	49.3%	47.8%	50.4%	49.5%	-	-	-	-
Net Debt Equity Ratio	(27.5%)	(19.7%)	(19.7%)	(25.3%)	(49.2%)	-	-	-	-
ROE (12 months)	19.7%	22.9%	20.1%	18.6%	22.2%	-	-	-	-
ROA (12 months)	11.2%	14.8%	12.3%	12.4%	16.1%	-	-	-	-
Days for Inventory Turnover	16	24	33	24	14	-	-	-	-
Quick Ratio	156%	160%	157%	166%	170%	-	-	-	-
Current Ratio	175%	193%	188%	194%	192%	-	-	-	-

Source: Company data; calculations by WRJ

Cash Flow Statement (Cumulative)

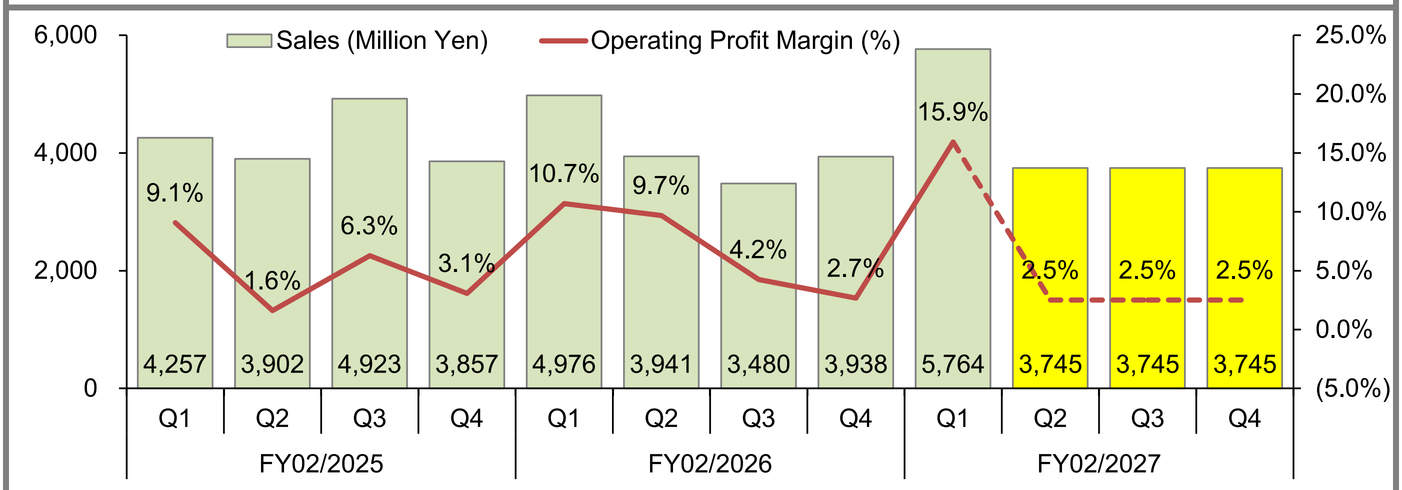
Cash Flow Statement (Million Yen)	Cons.Act Q1 02/2026	Cons.Act Q1 to Q2 02/2026	Cons.Act Q1 to Q3 02/2026	Cons.Act Q1 to Q4 02/2026	Cons.Act Q1 02/2027	Cons.Act Q1 to Q2 02/2027	Cons.Act Q1 to Q3 02/2027	Cons.Act Q1 to Q4 02/2027	YoY Net Chg.
Operating Cash Flow	-	1,907	-	2,228	-	-	-	-	-
Investing Cash Flow	-	(381)	-	(107)	-	-	-	-	-
Operating Cash Flow and Investing Cash Flow	**-**	**1,525**	**-**	**2,120**	**-**	**-**	**-**	**-**	**-**
Financing Cash Flow	-	(501)	-	(1,014)	-	-	-	-	-

Source: Company data; calculations by WRJ

Company Forecast for FY02/2027

The initial Company forecast for FY02/2027, announced on 14 April 2026, has remained unchanged, calling for sales of ¥17,000m (up 4.1% YoY), operating profit of ¥1,200m (up 2.8%), recurring profit of ¥1,190m (up 2.9%) and profit attributable to owners of parent of ¥800m (down 3.4%) with an operating profit margin of 7.1% (down 0.1% point). Meanwhile, the planned annual dividend has also remained unchanged at ¥30.00 per share for FY02/2027, comprising ¥15.00 as of the end of Q2 and ¥15.00 as of the yearend, representing a payout ratio of 57.2%. The Company forecast also factors in the non-recurrence of the ¥70m gain on the sale of subsidiary shares that was recorded as extraordinary income in Q1 (March–May) FY02/2026.

Sales and Operating Profit Margin

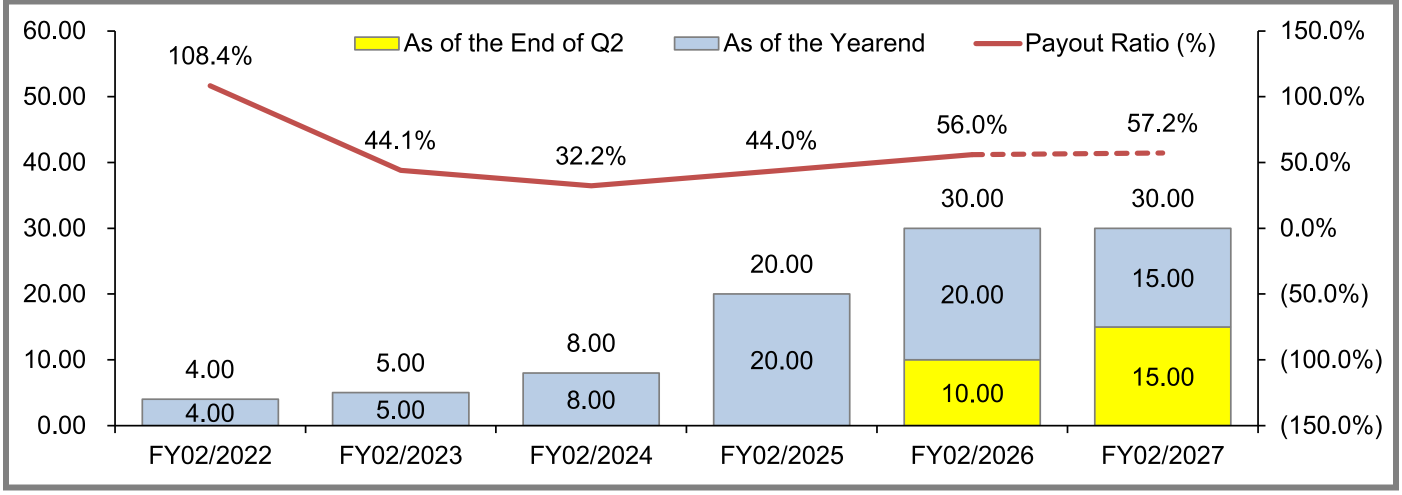


Source: Company data; calculations by WRJ (Q2/Q3/Q4 FY02/2027 : full-year Company forecast less Q1, evenly allocated)

Construction demand, to which the Company is closely exposed through Interior Construction, and capital investment demand, to which it is closely exposed through Sound & Lighting Facilities, are expected to remain solid. Although issues requiring attention remain, including raw material price trends amid unstable international conditions, their impact is currently difficult to forecast and has therefore not been incorporated into the assumptions underlying the Company forecast. Meanwhile, recent order intake appears to be running above the level recorded in the same period of the previous year. The Company is addressing increases in raw material and other costs by passing them on to contract prices. Furthermore, by maintaining its focus on Interior Construction and Sound & Lighting Facilities, the Company will give the highest priority to securing highly profitable large-scale projects while continuing to control costs. Based on the new growth foundation established by FY02/2026, it aims to achieve stable profit growth.

On 28 July 2026, the Company announced that it would sell a portion of the investment securities held by a subsidiary and record a gain on the sale of investment securities of ¥283m as an extraordinary gain in Q2 (June–August) FY02/2027. However, the Company stated that it would promptly disclose any revision to the full-year Company forecast if it determined that a revision was necessary after considering other factors. The forecast currently remains unchanged.

Annual Dividend and Payout Ratio



Source: Company data

The Company regards the long-term return of profits to shareholders as one of its key priorities and has adopted a basic policy of paying stable dividends. Its target payout ratio, previously set at 40% or higher, was raised to 50% or higher from FY02/2026. The Company has also sought to increase opportunities for shareholders to receive returns by introducing an interim dividend. These measures indicate the Company's proactive stance toward increasing shareholder returns. The annual dividend for FY02/2025 was ¥20.00 per share, consisting solely of a yearend dividend of ¥20.00 and representing a payout ratio of 44.0%. By comparison, the annual dividend for FY02/2026 was ¥30.00 per share, comprising a Q2-end dividend of ¥10.00 and a yearend dividend of ¥20.00, representing a payout ratio of 56.0%. Accordingly, the Company increased the annual dividend by ¥10.00 in FY02/2026. As noted above, despite a slight decline in profit attributable to owners of parent being forecast for FY02/2027, the planned annual dividend remains unchanged from FY02/2026.

The Company positions its dividend policy as a key initiative under "management that is conscious of cost of capital and stock price." It has also repurchased its own shares to improve capital efficiency and conducted a secondary offering of shares to enhance share liquidity. The Company intends to continue implementing appropriate shareholder return measures while remaining mindful of its cost of capital.

Company Forecast for FY02/2027

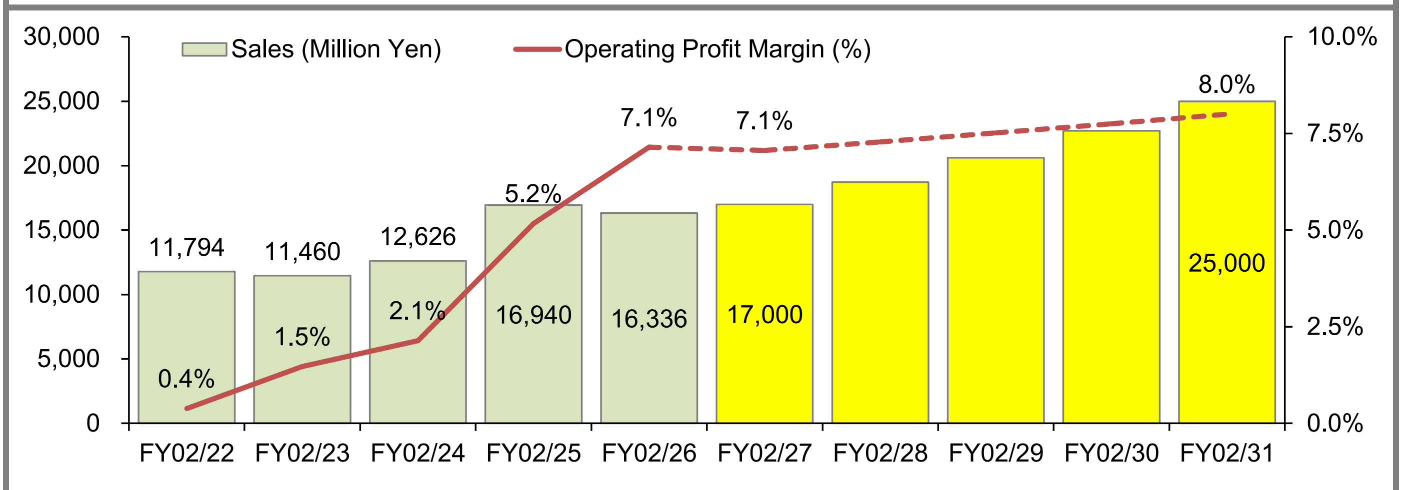
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY02/2027CoE	14-Apr-26	Q4 Results	17,000	1,200	1,190	800
FY02/2027CoE	15-Jul-26	Q1 Results	17,000	1,200	1,190	800
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY02/2027CoE	14-Apr-26	Q4 Results	17,000	1,200	1,190	800
FY02/2027CoE	15-Jul-26	Q1 Results	17,000	1,200	1,190	800
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	**Date**	**Event**	**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**
Q1 to Q2 FY02/2027CoE	14-Apr-26	Q4 Results	-	-	-	-
Q1 to Q2 FY02/2027CoE	15-Jul-26	Q1 Results	-	-	-	-
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY02/2027CoE	14-Apr-26	Q4 Results	-	-	-	-
Q1 to Q2 FY02/2027CoE	15-Jul-26	Q1 Results	-	-	-	-
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Consolidated Half Year (Million Yen)	**Date**	**Event**	**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**
Q3 to Q4 FY02/2027CoE	14-Apr-26	Q4 Results	-	-	-	-
Q3 to Q4 FY02/2027CoE	15-Jul-26	Q1 Results	-	-	-	-
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q3 to Q4 FY02/2027CoE	14-Apr-26	Q4 Results	-	-	-	-
Q3 to Q4 FY02/2027CoE	15-Jul-26	Q1 Results	-	-	-	-
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-

Source: Company data; calculations by WRJ

Medium- to Long-Term Earnings Outlook

At its FY02/2026 results briefing held on 15 April 2026, the Company unveiled its "2030 Vision." For FY02/2031, it has set performance targets of ¥25,000m in sales, ¥2,000m in operating profit and an operating profit margin of 8.0%. Based on the FY02/2026 results, these targets represent five-year CAGRs through FY02/2031 of 8.9% for sales and 11.4% for operating profit, together with a 0.9% point increase in the operating profit margin.

"2030 Vision"



Source: Company data; calculations by WRJ

The performance targets under the "2030 Vision" were newly formulated because operating profit in FY02/2026, the first year of the Fifth Medium-Term Management Plan (FY02/2026-FY02/2028), had already exceeded the target for FY02/2028, the plan's final year. The FY02/2028 targets were sales of ¥20,000m, operating profit of ¥1,000m and an operating profit margin of 5.0%, while the FY02/2026 results were sales of ¥16,336m, operating profit of ¥1,166m and an operating profit margin of 7.1%. The main reason appears to have been a greater-than-expected contribution from large-scale, highly profitable projects.

The Fifth Medium-Term Management Plan (FY02/2026-FY02/2028) was formulated under the slogan "NEXT STAGE 2030: Continuing to Take on the Challenges of a Changing Era and Achieving Sustainable Growth" and the vision of "Becoming a One-of-a-Kind Corporate Group Comprising the Strongest Team of Professionals in Producing Comfortable Spaces." Its basic policy is to "build a foundation for a new stage of growth by seeking to enhance corporate value through sustainable profit growth." The three key strategies are: 1) establishing a new growth foundation, 2) further improving profitability and 3) promoting ESG initiatives. With an eye to growth through 2030, the Company plans to enhance its earnings capacity by capturing construction demand in the Tokyo metropolitan area and demand associated with the integrated resort (IR) in Osaka. It also intends to maintain its focus on profitability, pursue management that is conscious of its cost of capital and stock price and achieve sustainable growth.

1) Building a New Growth Platform

To expand its growth foundation, the Company intends to strengthen its framework for securing large-scale projects by building a track record of completed projects and establishing customer trust. It also plans to strengthen and expand its Osaka office, which handles local marketing and sales, enabling it to steadily capture demand associated with the integrated resort (IR) in Osaka. In addition, the Company intends to enhance the development and sales of new products. Specifically, it plans to increase sales of ATRUSSBOARD®, a hybrid ultra-lightweight ceiling material made from recycled paper and aluminum for which NISSHO INTERLIFE, a wholly owned subsidiary, holds a patent. It will also focus on securing projects to install the patented Sliding LED Wall developed by SYSTEM ENGINEERING, a wholly owned subsidiary, at hotels and other facilities. The screen of this system can be moved as required. To expand its growth domains, the Company plans to secure orders in new fields such as museums, arenas and disaster prevention management centers while also considering M&A, which it regards as essential to the growth of its existing businesses.

2) Further Improvement in Profitability

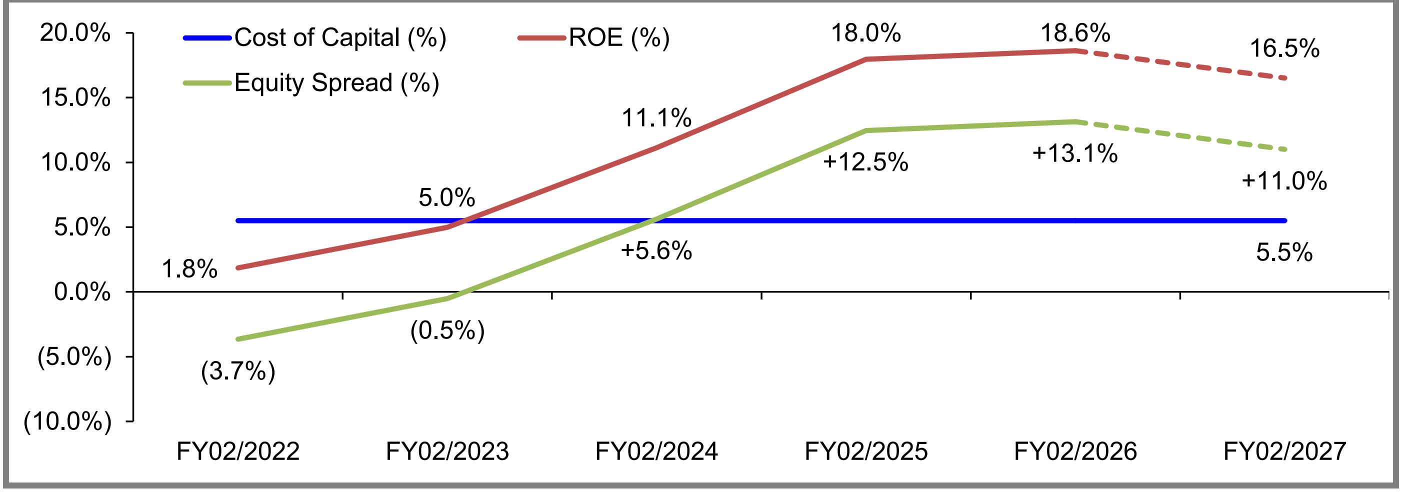
To strengthen its earnings capacity, the Company intends to maintain its focus on securing highly profitable large-scale projects and sustaining its profit margins. It will also thoroughly control costs by responding promptly to increases in material and product prices while pursuing further cost reductions. To improve productivity, the Company plans to promote DX through the proactive use of generative AI. At the same time, it will develop professionally certified personnel to enhance its technological capabilities.

3) Promotion of ESG Initiatives

Regarding investment in human capital, the Company plans to strengthen the human resources functions at NISSHO INTERLIFE, SYSTEM ENGINEERING and SANKEN SYSTEM, all wholly owned subsidiaries. Through these initiatives, it will seek to recruit, develop and retain personnel while actively investing in improved employee compensation and working conditions. It also intends to implement measures to increase employee engagement, which indicates the degree to which employees proactively engage with and seek to contribute to their work and the Company. To strengthen governance, the Company plans to accelerate the disclosure of its annual securities report while thoroughly implementing measures to prevent harassment. To promote management that is conscious of its cost of capital and stock price, it will pursue proactive investor relations activities, including dialogue with institutional investors and briefings for individual investors. The Company also places importance on maintaining a payout ratio of at least 50%.

The Company has indicated that the extent of its investment in human capital and its ability to execute M&A could significantly affect the achievement of the performance targets under the “2030 Vision.” As noted above, the five-year sales CAGR through FY02/2031 is 8.9%, implying a target of increasing sales to approximately 1.5 times the current level over this period. Accordingly, the capacity of personnel responsible for construction and other operations will also need to expand by a similar degree.

Cost of Capital, ROE and Equity Spread

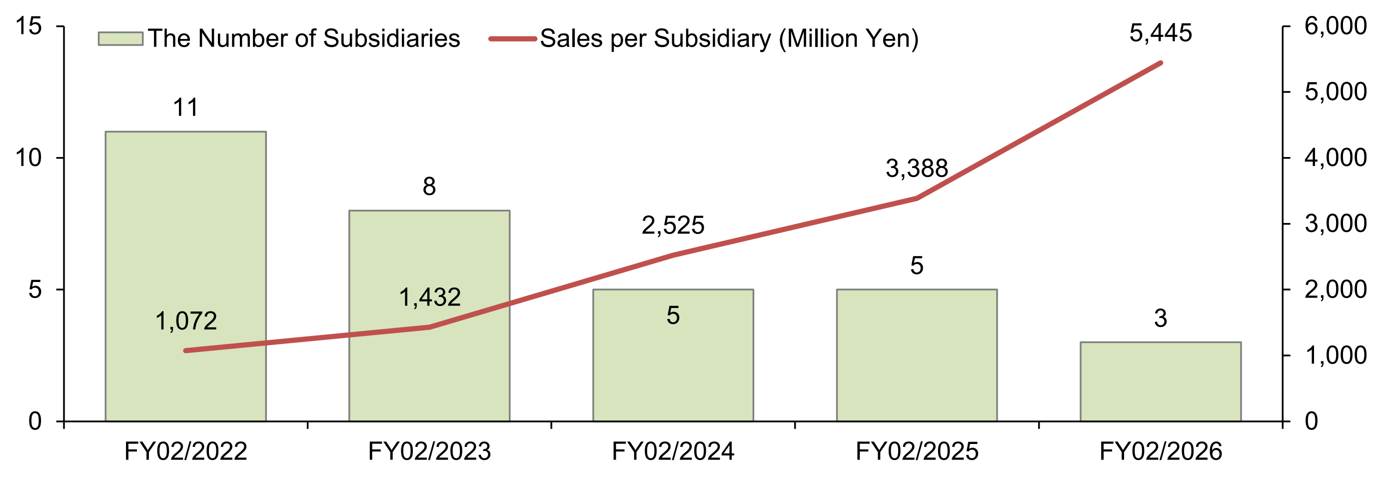


Source: Company data; calculations by WRJ

Over the past five years, the Company has pursued management focused on capital efficiency through structural reforms centered on reorganizing its business portfolio. As a result, its equity spread, defined as ROE less the Company-estimated cost of equity of 5.5%, has turned from negative to positive. This can be viewed as an indication that the Company has begun creating corporate value. From the end of FY02/2025 to the end of FY02/2026, equity capital, the denominator used to calculate ROE, increased by 11.0% from ¥4,214m to ¥4,676m. Meanwhile, profit attributable to owners of parent, the numerator, came in at ¥828m (up 17.4%), resulting in ROE edging up from 18.0% to 18.6%.

For FY02/2027, profit attributable to owners of parent is expected to decline slightly, partly because the impact of the ¥70m gain on the sale of shares in a subsidiary recorded as an extraordinary gain in FY02/2026 will not recur. Meanwhile, shareholders' equity is expected to continue increasing steadily. Consequently, ROE is forecast to decline moderately from 18.6% in FY02/2026 to 16.5% in FY02/2027. Nevertheless, the equity spread is expected to remain positive at 11.0%, indicating that the Company will continue creating corporate value.

The Number of Subsidiaries and Sales per Subsidiary



Source: Company data; calculations by WRJ

Over the past five years, the Company has made substantial progress with structural reforms centered on reorganizing its business portfolio. The number of subsidiaries decreased from 11 as of the end of FY02/2022 to three as of the end of FY02/2026, while sales per subsidiary increased from ¥1,072m to ¥5,445m over the same period. Through measures including the sale of subsidiaries engaged in unprofitable or non-core businesses, the Company appears to have established a business structure that enables it to concentrate resources on its current operations of Interior Construction and Sound & Lighting Facilities.

In FY02/2023, the first year of the Fourth Medium-Term Management Plan (FY02/2023-FY02/2025), the number of subsidiaries was reduced from 11 at the beginning of the fiscal year to eight as of the yearend. Consequently, as of the yearend, the Company operated six business segments: Interior Construction (NISSHO INTERLIFE), Sound & Lighting Facilities (SYSTEM ENGINEERING), Equipment & Maintenance (FACILITY MANAGEMENT and TAMAHIRO KOGYO), Communications & Human Resources Services (N.I.L. TELECOM and AVANCE AGILE), Real Estate (LARGO CORPORATION) and Others (ADVANTAGE). From the beginning of Q4 (December–February) FY02/2024, SANKEN SYSTEM, which had been closely involved in subcontracting work for SYSTEM ENGINEERING, a wholly owned subsidiary, was newly included within the scope of consolidation as a wholly owned subsidiary. This subsequently generated synergies within Sound & Lighting Facilities.

5.0 Financial Statements

Income Statement

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
(Million Yen)	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	Net Chg.
Sales	**11,794**	**11,460**	**12,626**	**16,940**	**16,336**	**17,000**	**+663**
Cost of Sales	9,098	9,094	10,107	13,560	12,695	13,311	+615
Gross Profit	2,695	2,366	2,518	3,380	3,641	3,689	+47
SG&A Expenses	2,650	2,197	2,247	2,504	2,474	2,512	+37
Operating Profit	**45**	**168**	**270**	**875**	**1,166**	**1,200**	**+33**
Non-Operating Balance	3	8	(24)	(0)	(10)	(10)	+0
Recurring Profit	**48**	**177**	**245**	**875**	**1,156**	**1,190**	**+33**
Extraordinary Balance	78	63	236	(23)	63	-	-
Profit before Income Taxes	127	240	482	852	1,219	-	-
Total Income Taxes	55	61	97	146	391	-	-
Profit Attributable to Owners of Parent	**71**	**179**	**384**	**705**	**828**	**800**	**(28)**
Sales YoY	(20.4%)	(2.8%)	+10.2%	+34.2%	(3.6%)	+4.1%	-
Operating Profit YoY	(75.3%)	+272.7%	+60.4%	+223.7%	+33.3%	+2.8%	-
Recurring Profit YoY	(83.0%)	+265.2%	+38.6%	+256.0%	+32.1%	+2.9%	-
Profit Attributable to Owners of Parent YoY	(29.5%)	+150.3%	+114.6%	+83.2%	+17.4%	(3.4%)	-
Gross Profit Margin	22.9%	20.6%	19.9%	20.0%	22.3%	21.7%	(0.6%)
SGA Ratio	22.5%	19.2%	17.8%	14.8%	15.1%	15.1%	(0.0%)
Operating Profit Margin	0.4%	1.5%	2.1%	5.2%	7.1%	7.1%	(0.1%)
Recurring Profit Margin	0.4%	1.5%	1.9%	5.2%	7.1%	7.0%	(0.1%)
Profit Attributable to Owners of Parent Margin	0.6%	1.6%	3.0%	4.2%	5.1%	4.7%	(0.4%)
Corporate Tax Rate	43.7%	25.5%	20.2%	17.2%	32.1%	-	-

Source: Company data; calculations by WRJ

Segment Information

Segment Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
(Million Yen)	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	Net Chg.
Interior Construction	5,244	5,500	6,334	10,585	10,046	-	-
Sound & Lighting Facilities	2,584	3,560	4,451	5,784	6,265	-	-
Equipment & Maintenance	1,376	1,282	1,153	571	24	-	-
Sales	**11,794**	**11,460**	**12,626**	**16,940**	**16,336**	**17,000**	**+663**
Interior Construction	89	71	139	558	653	-	-
Sound & Lighting Facilities	22	154	269	494	682	-	-
Equipment & Maintenance	68	73	41	(37)	(14)	-	-
Segment Profit	**251**	**348**	**460**	**1,015**	**1,320**	**-**	**-**
Adjustments	(205)	(179)	(189)	(139)	(153)	-	-
Operating Profit	**45**	**168**	**270**	**875**	**1,166**	**1,200**	**+33**
Interior Construction	1.7%	1.3%	2.2%	5.3%	6.5%	-	-
Sound & Lighting Facilities	0.9%	4.4%	6.0%	8.5%	10.9%	-	-
Equipment & Maintenance	5.0%	5.7%	3.6%	(6.6%)	(58.6%)	-	-
Segment Profit Margin	**2.1%**	**3.0%**	**3.6%**	**6.0%**	**8.1%**	**-**	**-**
Adjustments	(1.7%)	(1.6%)	(1.5%)	(0.8%)	(0.9%)	-	-
Operating Profit Margin	**0.4%**	**1.5%**	**2.1%**	**5.2%**	**7.1%**	**7.1%**	**(0.1%)**

Source: Company data; calculations by WRJ

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
Cash and Deposits	2,233	1,787	1,419	1,513	2,640	-	-
Notes Receivable -Trade	2,349	2,661	3,363	4,117	2,973	-	-
Inventories	59	4	14	18	13	-	-
Costs on Construction Contracts in Progress	419	671	833	1,172	830	-	-
Other	239	90	176	135	110	-	-
Current Assets	**5,300**	**5,215**	**5,808**	**6,957**	**6,567**	**-**	**-**
Tangible Assets	1,207	1,151	1,111	1,184	1,131	-	-
Intangible Assets	391	297	543	536	496	-	-
Investments and Other Assets	664	634	672	759	1,073	-	-
Non-current Assets	**2,263**	**2,083**	**2,326**	**2,480**	**2,701**	**-**	**-**
Total Assets	**7,564**	**7,298**	**8,135**	**9,438**	**9,269**	**-**	**-**
Notes and Accounts Payable - Trade	1,691	1,854	1,653	1,767	1,186	-	-
Short-term Borrowings	450	450	450	650	350	-	-
Current Portion of Long-term Borrowings	330	376	472	339	331	-	-
Other	416	574	714	1,291	1,511	-	-
Current Liabilities	**2,887**	**3,256**	**3,290**	**4,049**	**3,379**	**-**	**-**
Long-Term Borrowings	472	499	867	759	774	-	-
Other	286	261	340	415	439	-	-
Non-current Liabilities	**759**	**761**	**1,207**	**1,174**	**1,214**	**-**	**-**
Total Liabilities	**3,647**	**4,017**	**4,497**	**5,223**	**4,593**	**-**	**-**
Shareholders' Equity	**3,964**	**3,338**	**3,652**	**4,228**	**4,406**	**-**	**-**
Other	(47)	(58)	(14)	(13)	269	-	-
Net Assets	**3,917**	**3,280**	**3,637**	**4,214**	**4,676**	**-**	**-**
Total Liabilities & Net Assets	**7,564**	**7,298**	**8,135**	**9,438**	**9,269**	**-**	**-**
Equity Capital	3,917	3,280	3,637	4,214	4,676	-	-
Interest Bearing Debt	1,252	1,326	1,789	1,749	1,455	-	-
Net Debt	(980)	(461)	370	235	(1,184)	-	-
Equity Ratio	51.8%	45.0%	44.7%	44.7%	50.4%	-	-
Net Debt Equity Ratio	(25.0%)	(14.1%)	10.2%	5.6%	(25.3%)	-	-
ROE (12 months)	1.8%	5.0%	11.1%	18.0%	18.6%	16.5%	(2.1%)
ROA (12 months)	0.6%	2.4%	3.2%	10.0%	12.4%	-	-
Days for Inventory Turnover	19	27	31	32	24	-	-
Quick Ratio	159%	137%	145%	139%	166%	-	-
Current Ratio	184%	160%	177%	172%	194%	-	-

Source: Company data; calculations by WRJ

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
Operating Cash Flow	(795)	161	(623)	484	2,228	-	-
Investing Cash Flow	439	119	(58)	(151)	(108)	-	-
Operating Cash Flow and Investing Cash Flow	**(355)**	**281**	**(681)**	**334**	**2,120**	**-**	**-**
Financing Cash Flow	(589)	(729)	261	(197)	(1,015)	-	-

Source: Company data; calculations by WRJ

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
No. of Shares FY End (thousand shares)	20,011	20,011	20,011	17,011	17,011	-	-
Net Profit / EPS (thousand shares)	19,421	15,831	15,507	15,520	15,457	-	-
Treasury Shares FY End (thousand shares)	570	4,519	4,495	1,490	1,757	-	-
Earnings Per Share	3.69	11.33	24.82	45.43	53.57	52.45	-
Earnings Per Share (Fully Diluted)	-	-	-	-	-	-	-
Book Value Per Share	201.49	211.77	234.45	271.55	306.55	-	-
Dividend Per Share	4.00	5.00	8.00	20.00	30.00	30.00	-
Per Share Data (After Adjustments for Split) (Yen)	**Cons.Act FY 02/2022**	**Cons.Act FY 02/2023**	**Cons.Act FY 02/2024**	**Cons.Act FY 02/2025**	**Cons.Act FY 02/2026**	**Cons.CoE FY 02/2027**	**YoY Net Chg.**
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	3.69	11.33	24.82	45.43	53.57	52.45	-
Book Value Per Share	201.49	211.77	234.45	271.55	306.55	-	-
Dividend Per Share	4.00	5.00	8.00	20.00	30.00	30.00	-
Payout Ratio	108.4%	44.1%	32.2%	44.0%	56.0%	57.2%	-

Source: Company data; calculations by WRJ

Disclaimer

The information presented herein has been compiled in report format by Walden Research Japan, which has summarized the “IR information” disclosed by the subject company from a neutral and professional standpoint. “IR information” refers specifically to: (1) the content of one-on-one interviews conducted with the Company by us, (2) briefings for institutional investors, (3) timely disclosure materials and (4) information published on the Company’s website.

Company Name: Walden Research Japan Incorporated

Head Office: Ginza Ishii Building Level 4, 6-14-8 Ginza, Chuo-ku, Tokyo 104-0061, JAPAN

URL: https://walden.co.jp/

Email: info@walden.co.jp

Tel: +81-3-3553-3769

Copyright © 2026 Walden Research Japan Incorporated