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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 Results Update (23 July 2026)

Reaching Even Greater Heights

On 15 July 2026, INTERLIFE HOLDINGS, which provides total services covering the design and construction of commercial facilities & public facilities, announced its results for Q1 (March–May) FY02/2027. It has been revealed that measures aimed at securing profit margins by focusing on winning large-scale, highly profitable projects are yielding results to a greater extent than before. In the results for Q1 (March–May), the Company achieved a gross profit margin of 26.7% (up 4.3% points YoY), mainly due to the completion of large-scale, highly profitable projects involving the planning, design and construction of commercial facilities and the like that had been underway since FY02/2026. Over the past five years, the Company's gross profit margin on a full-year basis ranged from a low of 19.9% to a high of 22.9%. In the process leading up to the current situation, the impact on performance from rising material prices and material shortages stemming from the situation in the Middle East and other factors has remained limited, according to the Company. However, such factors continue to involve uncertainty and, in light of this, the Company has maintained its full-year forecast unchanged. While we plan to gain further details through interviews with the Company's management, we also intend to update and release our Company Report based on the content thereof.

Our latest Company Report: Structural Reform and Growth Strategy (27 May 2026)

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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 Account of Japan Trust Service Bank 3.9%, Business Partners Shareholding Association 2.9%, NOMURA Co., Ltd. 2.8%, Employee Shareholding Association 2.7%, Tokyo Tatemono Co., Ltd. 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)

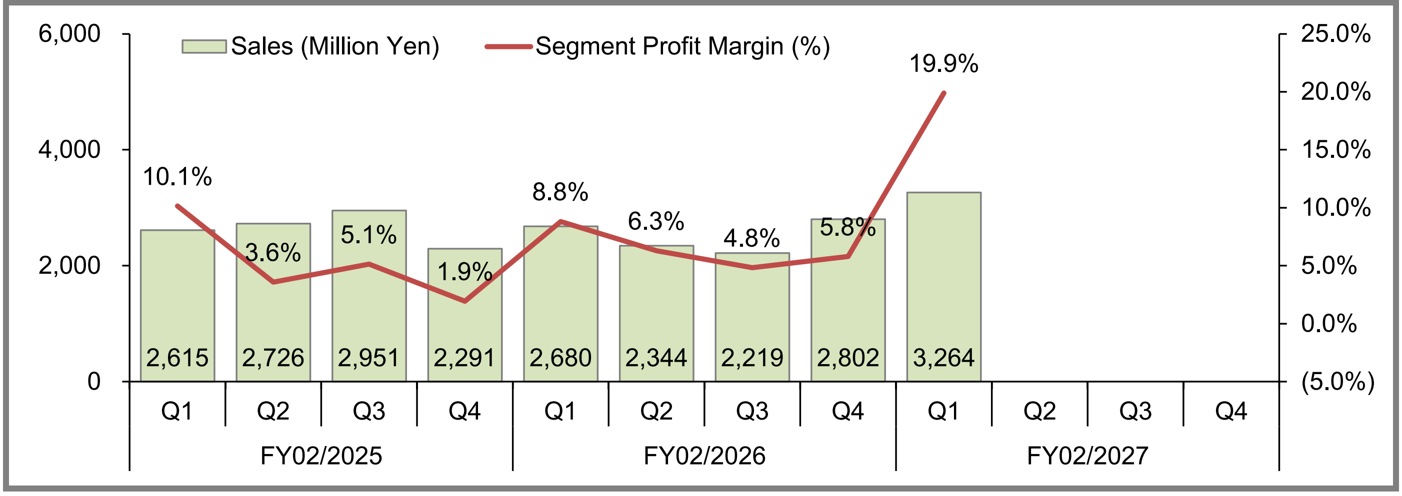
Source: Company data

3.0 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).

Interior Construction



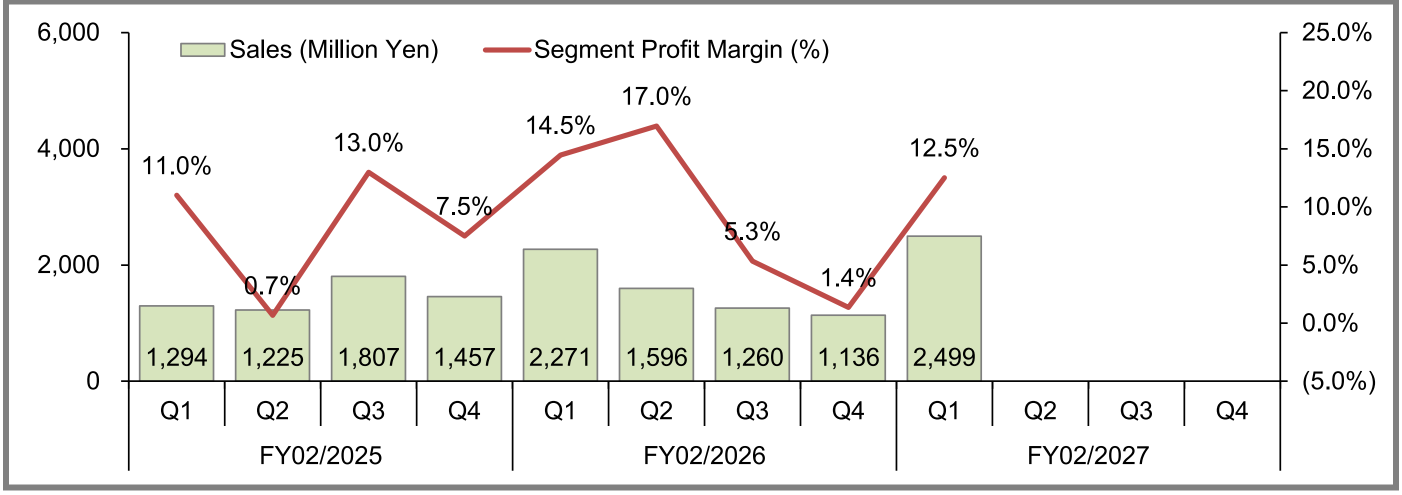
Source: Company data; calculations by WRJ

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.

In Interior Construction Business operated by NISSHO INTERLIFE, a wholly owned subsidiary, sales came in at ¥3,264m (up 21.8%), segment profit ¥649m (up 174.8%) and segment profit margin 19.9% (up 11.1% points). This business accounted for 56.6% of sales and 67.5% of segment profit. The principal components of sales are planning, design and construction of commercial facilities and the like (commercial environment), and rough-in work for interior construction (specialized construction).

In the results for Q1 (March–May), the completion of large-scale, highly profitable projects involving the planning, design and construction of commercial facilities and the like (commercial environment) was concentrated in the quarter, and this had a significant impact on the segment profit margin of 19.9% (up 11.1% points). Overall, these projects also secured gross profit margins above initial expectations, according to the Company, suggesting that the sharp rise in the segment profit margin was partly temporary.

Sound & Lighting Facilities



Source: Company data; calculations by WRJ

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). This business accounted for 43.4% of sales and 32.5% of segment profit.

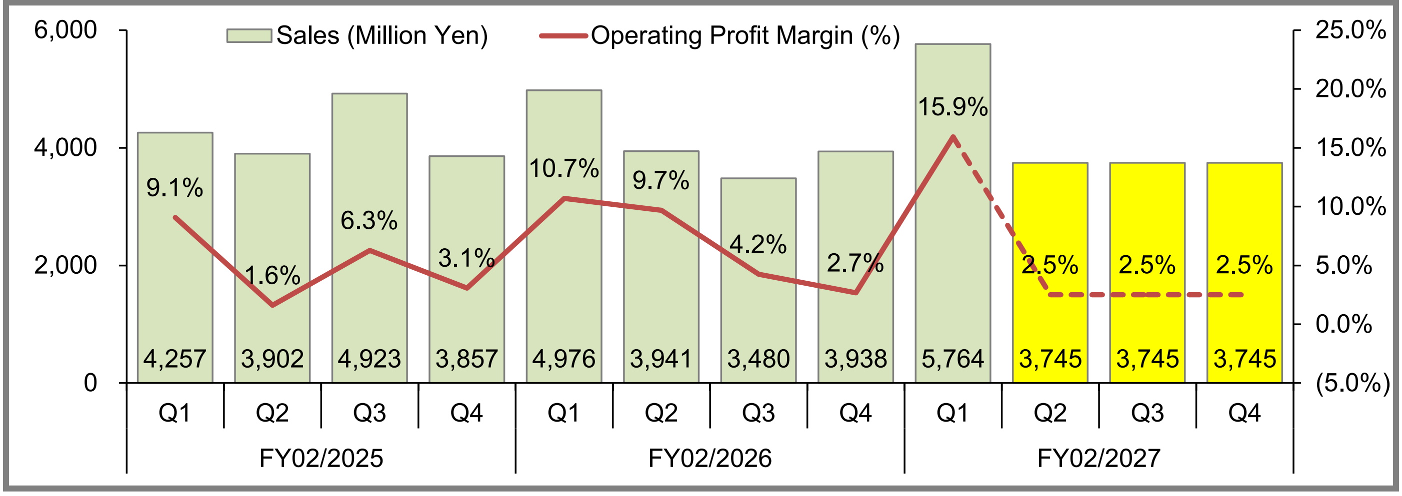
SYSTEM ENGINEERING, a wholly owned subsidiary that accounts for the majority of sales in Sound & Lighting Facilities, is deeply involved in comprehensive production covering the planning, design, construction and maintenance of special staging equipment for hotels and wedding venues, including audio, 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.

However, 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.

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 and Q4: full-year Company forecast less Q1 actuals, evenly allocated)

4.0 Financial Statements

Income Statement (Cumulative／Quarterly)

Income 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.
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 (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.
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

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

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

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.

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