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May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

Company name: INTRANCE CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3237
 URL: <https://www.intrance.jp>
 Representative: He Tongxi, President and Representative Director, Chief Executive Officer
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 Scheduled date to commence dividend payments: None
 Preparation of supplementary material on financial results: Yes
 Schedule of quarterly financial results briefing session: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal year Ended March 31, 2026

(April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (Cumulative)

(% indicates changes from the previous period.)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Milliom of Yen	%	Milliom of Yen	%	Milliom of Yen	%	Milliom of Yen	%
FY 2025	1,073	30.1	(417)	—	(499)	—	(501)	—
FY 2024	825	(36.2)	(352)	—	(429)	—	(432)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2026: (503) million yen [(-)%]

Fiscal year ended March 31, 2025: (437) million yen [(-)%]

	Net income per share	Net income per share (diluted)	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY 2024	(10.78)	—	—	—	—
FY 2023	(9.37)	—	—	—	—

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2026: (1) million yen

Fiscal year ended March 31, 2025: 0 million yen

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	%
As of Mar 31, 2026	2,147	238	9.4	4.33
As of Mar 31, 2025	1,059	735	66.5	15.16

(Reference) Equity: As of Mar 31, 2026: 201 million yen As of March 31, 2025: 704 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
FY 2025	(502)	(68)	1,540	1,504
FY 2024	(391)	(238)	276	535

2. Dividends

	年間配当金					Total dividends paid (annual) Millions yen	Payout ratio (consolidat ed) %	Dividend to net assets (consolidat ed) %
	Q1 Yen	Q2 Yen	Q3 Yen	Year-end Yen	Total) Yen			
FY2024 ended March 31 2025	—	0.00	—	0.00	—	—	—	—
FY2025 ended March 31 2026	—	0.00	—	0.00	—	—	—	—
FY2026 ended March 31 2027 (Forecast)	—	0.00	—	0.00	—		—	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027

(April 1, 2026 to March 31, 2027) (% indicates year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Million Yen)	%	(Million Yen)	%	(Million Yen)	%	(Million Yen)	%	(Yen)
Full-year forecast	3,344	211.5	120	—	45	—	34	—	0.74

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (Company name: –)

Excluded: – (Company name: –)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations:

None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026: 46,552,784 shares

As of March 31, 2025: 46,552,784 shares

2) Number of treasury shares at the end of the period

As of March 31, 2026: 60,400 shares

As of March 31, 2025: 60,400 shares

3) Average number of shares (cumulative from the beginning of the fiscal year)

As of March 31, 2026: 46,492,384 shares

As of March 31, 2025: 46,135,099 shares

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026
(April 1st, 2025 to March 31, 2026)

(1) Non-consolidated Results of Operations

	Net Sales		Operating profit		Ordinary profit		Profit	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
FY 2025	387	52.7	(361)	—	(503)	—	(504)	—
FY 2024	253	(66.4)	(304)	—	(438)	—	(439)	—

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
FY 2025	(10.85)	—	—	—
FY 2024	(9.53)	—	—	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
FY 2025	2,074	228	9.2	4.12
FY 2024	975	726	71.3	14.97

(Reference) Shareholders' equity (As of March 31, 2026) 191 million yen

(As of March 31, 2025) 695 million yen

*The financial statements are not subject to audit by certified public accountants or auditing corporations.

*Explanation of the appropriate use of earnings forecasts and other special notes

The performance forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and on certain assumptions that the Company considers reasonable, and actual performance may differ significantly due to various factors. Please see page 4 of the attached document for the conditions underlying the performance forecasts and precautions for using the performance forecasts.

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1. Overview of Financial Results, etc.

(1) Overview of Financial Results

During the current consolidated fiscal year (April 1, 2025, to March 31, 2026), the Japanese economy recovered gradually amid continued improvements in the employment and income environment. However, in addition to concerns about a downward economic trend due to the impact of U.S. trade policies, the impact of soaring raw material and energy prices and continued inflation on personal consumption is also weighing on the Japanese economy, and the outlook remains uncertain.

In this environment, the real estate industry to which our company belongs is seeing strong interest from overseas investors in domestic real estate, against the backdrop of a continuing low interest rate environment and a weak yen, and both supply and demand remain strong. While, the situation requires continued caution, including rising real estate prices due to soaring costs such as land prices and construction costs.

In the hotel management industry, on which the company are focusing, although there are concerns about the future, such as a decline in the number of Chinese tourists visiting Japan due to the impact of Japan-China relations, the number of visitors from other regions is growing steadily, and the company believe the outlook remains promising.

Under these circumstances, in addition to its established real estate business, the company has accelerated its efforts in the hotel management business, a new business domain, with the aim of expanding its business domain and increasing its corporate value.

The basic strategy of the company is to increase hotel operation revenues by promoting “urban apartment hotel development” and “regional hotel investment.”

As a result of the above, in the hotel operational business, in addition to property management, the company has focused on the development and sale of inbound accommodation facilities which are expected to generate revenue in a shorter time-frame as well as the buying and selling of accommodation properties.

Furthermore, in the hotel operational business, in addition to managing existing hotels, the company has focused on securing management rights for urban apartment hotels with the aim of operating newly developed properties, as well as on activities to secure management rights for resort hotels and traditional Japanese inns.

In addition, in the other business, the company has been advancing the tourists sending from Greater China to the hotels operated by our group, mainly through our consolidated subsidiary Shanghai INTRANCE Co.

At the same time, the company has been engaged in fundraising activities, mainly through our consolidated subsidiary Japan Hotel Investment Co., Ltd. due to form and operate funds for investment in hotel facilities.

As a result, net sales for the current fiscal year were 1,073,740 thousand yen (up 30.1% year-on-year), operating loss was 417,123 thousand yen (compared to an operating loss of 352,518 thousand yen in the previous fiscal year), an ordinary loss of 499,148 thousand yen (compared to an ordinary loss of 429,247 thousand yen in the previous fiscal year), and a net loss attributable to owners of the parent of 501,362 thousand yen (compared to a net loss attributable to owners of the parent of 432,377 thousand yen in the previous fiscal year).

Segment information is as follows.

(Real estate business)

In the real estate business, during the current fiscal year, the company focused primarily on property management, the resale of inns, and the development and sale of inbound accommodation facilities.

As a result, net sales amounted to 378,773 thousand yen (up 55.4% year-on-year), and segment profit (operating profit) was 38,462 thousand yen (down 6.3% year-on-year).

(Hotel Operational Business)

In the hotel operational business, during the current fiscal year, the company continued to operate our existing hotels while focusing on new development and securing management rights for existing hotels and inns. However, the company was unable to secure any new management rights.

As a result, net sales totaled 694,732 thousand yen (up 19.5% year-on-year), and the segment loss (operating loss) was 61,789 thousand yen (compared to an operating loss of 60,705 thousand yen in the same period of the previous fiscal year).

(Other business)

In the other businesses, during the current consolidated fiscal year, the company promoted tourists sending business at Inrance Shanghai, a consolidated subsidiary responsible for tourists sending from Greater China to Japan. However, since this business was limited to directing guests to hotels within the Group, revenue was limited.

Furthermore, with regard to Inrance Shanghai, prioritizing the company's operating costs and operational efficiency, the Company's Board of Directors resolved at its meeting on April 8, 2026, to dissolve and liquidate the company.

Concurrently, the company pursued efforts to secure investors for the purpose of establishing funds for hotel investment businesses centered on Japan Hotel Investment Co., Ltd.; however, no significant progress was made.

As a result, for this business, net sales amounted to 234 thousand yen (compared to 106 thousand yen in the same period of the previous fiscal year), and the segment loss (operating loss) was 23,547 thousand yen (compared to an operating loss of 25,487 thousand yen in the same period of the previous fiscal year).

(2) Overview of Financial Position

1) Assets, Liabilities and Net Assets

(Assets)

Current assets increased by 1,058,544 thousand yen compared to the end of the previous consolidated fiscal year, totaling 1,773,172 thousand yen. This was primarily due to an increase of 969,075 thousand yen in cash and deposits. Non-current assets increased by 32,727 thousand yen compared to the end of the previous consolidated fiscal year, totaling 369,551 thousand yen. This was primarily due to a 37,574 thousand yen increase in security deposits. Deferred assets decreased by 3,508 thousand yen to 4,385 thousand yen due to a decrease in start-up costs.

As a result, total assets increased by 1,087,763 thousand yen compared to the end of the previous fiscal year, reaching 2,147,109 thousand yen.

(Liabilities)

Current liabilities increased by 235,641 thousand yen compared to the end of the previous

consolidated fiscal year, totaling 481,172 thousand yen. This was primarily due to a 260,000 thousand yen increase in bonds due within one year and a 6,399 thousand yen decrease in the provision for shareholder benefits. Non-current liabilities increased by 1,349,207 thousand yen compared to the end of the previous fiscal year, totaling 1,427,293 thousand yen. This was mainly due to an increase of 1,309,320 thousand yen in corporate bonds and an increase of 41,143 thousand yen in derivative liabilities. As a result, total liabilities increased by 1,584,849 thousand yen compared to the end of the previous consolidated fiscal year, reaching 1,908,465 thousand yen.

(Net assets)

Net assets decreased by 497,085 thousand yen compared to the end of the previous fiscal year, totaling 238,643 thousand yen. This was primarily due to a decrease of 501,362 thousand yen in retained earnings resulting from the recognition of a net loss attributable to owners of the parent.

(3) Overview of Cash Flow

The balance of cash and cash equivalents at the end of the current fiscal year was 1,504,881 thousand yen. The cash flow for the current fiscal year is as follows.

(Cash flows from operating activities)

As a result of operating activities, funds totaling 502,241 thousand yen were used (compared to 391,619 thousand yen in the previous fiscal year). This was primarily due to the recognition of a net loss before income taxes of 499,148 thousand yen.

(Cash flows from investing activities)

As a result of investing activities, 68,570 thousand yen was used (compared to 238,399 thousand yen in the previous fiscal year). This was primarily due to the recognition of an expenditure of 40,000 thousand yen for the payment of security deposits.

(Cash flows from financing activities)

As a result of financing activities, funds totaling 1,540,278 thousand yen were raised (compared to 276,309 thousand yen in the previous fiscal year). This was primarily due to the recognition of proceeds from the issuance of corporate bonds amounting to 1,544,979 thousand yen.

(4) Future Outlook

Going forward, the company will continue to strengthen our existing real estate and hotel operational business. At the same time, the company will expand our revenue by increasing investments in new business areas—specifically those expected to generate synergies with our existing operations—through M&A, joint ventures, and business alliances.

While earnings forecasts may fluctuate significantly depending on the success of these new ventures, given that the company has revised its earnings forecasts downward for four consecutive years, including the current fiscal year, we plan to announce conservative figures for the next fiscal year.

Based on the above, the consolidated earnings forecast for the fiscal year ending March 2027 is as follows: consolidated net sales of 3,344,864 thousand yen (up 211.5% year-on-year), consolidated operating income of 120,794 thousand yen (compared to an operating loss of 417,123 thousand yen in the same period of the previous year), consolidated ordinary income of 45,040 thousand yen (compared to an ordinary loss of 499,148 thousand yen in the same period of the previous fiscal year), and net income attributable to owners of the parent of 34,317 thousand yen (compared to a net loss attributable to owners of the parent of 501,362 thousand yen in the same period of the

previous fiscal year).

Please note that these forecasts are based on information available as of the date of this document's release, and actual results may differ from the forecast figures due to various factors in the future. We will carefully assess any events that may affect our business and will promptly disclose any necessary revisions.

(5) Significant events regarding premise of a going concern

The company recorded a material operating loss, ordinary loss, and net loss for three consecutive fiscal years in the current consolidated fiscal year. In addition, the company recorded a significant negative operating cash flow in the current consolidated fiscal year, and cash and deposits at the end of the current consolidated fiscal year decreased to 535 million yen.

Given these circumstances, as of the end of the current consolidated fiscal year, a situation exists that raises significant doubts about the company's ability to continue as a going concern.

The company will take the following measures to resolve the situation.

As of the end of the current consolidated fiscal year, the company has recorded significant operating losses, ordinary losses, and net losses attributable to owners of the parent for four consecutive fiscal years, as well as significant negative operating cash flows.

On February 9, 2026, the company received cash and deposits from the issuance of bonds with share acquisition rights and share acquisition rights, bringing our cash and deposits as of the end of March 2026 to 1,504 million yen. However, since these bonds with share acquisition rights and share acquisition rights have not been converted into shares or exercised, circumstances continue to exist that cast significant doubt on the going concern assumption.

The company is implementing the following measures to resolve this situation.

a. Improving the profit structure of the business

The business model that the company is aiming for is to generate stable earnings in the real estate business and achieve high growth in the hotel management business, with the basic strategy of expanding hotel management earnings by promoting "urban apartment hotel development" and "regional hotel investment".

However, although we have achieved a certain level of success in activities related to securing management rights for apartment hotels, which are expected to generate significant future earnings in the coming years, with the aim of operating newly developed hotels, the company has not been able to acquire new management rights for existing resort hotels and inns, and in the real estate business, which the company view as a stable revenue base over the short to medium term, the company has not been able to achieve the same level of success as we have in the past. In the real estate business, which is viewed as a stable revenue base in the short- to medium-term, the company struggled to develop inbound accommodation facilities and to promote real estate brokerage, among other activities, resulting in significant under achievement of our budget.

Therefore, the company will take the following measures to improve profitability in each business segment.

(Real Estate Business)

In the real estate business, the company aim to expand revenues from property management—a stable business segment—while focusing on the resale of inns, which are expected to generate high returns in the short to medium term, as well as the development and sale of inbound accommodation facilities. Furthermore, the company will shift human resources from other areas of the real estate business to these initiatives and enhance the profitability of the real estate business through measures such as the recruitment of new real estate professionals, thereby

strengthening our revenue base.

(Hotel Operational Business)

In the hotel operational business, the company will focus on securing hotel operational rights, managing contracted operations, and acquiring consulting projects, with the company's hotel operational company, Intrans Hotels & Resorts Co., Ltd., serving as the core of these efforts, thereby expanding the number of transactions. Furthermore, the company will recruit personnel with expertise in hotel management and development, aiming to expand the scale of our hotel operational business and maximize profits.

(Other Business)

In the inbound tourists sending business, which the company has been developing for some time, operations have been centered on our group company, Intrans Shanghai. However, in light of the company's operating costs and the need to improve operational efficiency, the Board of Directors resolved at its meeting on April 8, 2026, to dissolve and liquidate the company.

Consequently, moving forward, the company will continue to advance our inbound tourists sending business through partnerships with external companies, thereby reducing the burden of fixed costs.

Furthermore, in the investment business, under the management of our group companies, Japan Hotel Investment Co., Ltd. and Hospitality Investment LLC, the company will focus on fundraising activities related to our core real estate and hotel management businesses, and provide support to ensure the smooth operation of the company's businesses.

Furthermore, to expand our core real estate and hotel operational businesses, the company will strengthen investments in businesses expected to generate synergies through methods such as M&A, joint ventures, and business alliances, thereby driving revenue growth for the Group.

b. Improvement of Cost Structure

While the company reduced executive compensation for the fiscal year ending March 2026, the company will continue to review outsourced operations and consider and implement various measures to improve labor productivity. The company will also review business-related costs and work to reduce selling, general, and administrative expenses in order to improve our cost structure.

c. Fund Procurement

At a meeting of the Board of Directors held on January 22, 2026, a resolution was passed to issue bonds with share acquisition rights to "ZUU Target Fund for INT Investment Limited Partnership" and share acquisition rights to "ET Mobile Japan Co., Ltd." On February 9 of the same year, the company raised a total of 1,303 million yen, comprising 1,297 million yen from the issuance of the bonds with share acquisition rights and 6 million yen from the issuance of the share acquisition rights.

Regarding other future initiatives, the company aims to restore our business performance as soon as possible to create an environment conducive to the conversion of the bonds into shares and the exercise of share acquisition rights, thereby strengthening our equity capital. Furthermore, by enhancing the company's creditworthiness, the company will strive to achieve a financial position that allows us to borrow from financial institutions and will continue to strengthen our cash position.

As a result of these measures, the Company believes that there are no material uncertainties regarding the premise of a going concern.

2. Basic Policy on Selection of Accounting Standards

In consideration of periodicity of financial statements and comparability among enterprises, the Group has decided to adopt Japanese GAAP for the time being. The Group intends to adopt International Financial Reporting Standards (IFRS) as appropriate, taking into consideration various conditions in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Thousand of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	535,806	1,504,881
Accounts receivable - trade	100,458	81,652
Real estate for sale	40,883	123,470
Other inventories	1,224	1,173
Other	36,496	62,234
Allowance for doubtful accounts	(240)	(240)
Total current assets	714,628	1,773,172
Fixed assets		
Tangible fixed assets		
Building	14,945	14,945
Accumulated depreciation	(10,034)	(10,535)
Buildings (net value)	4,911	4,410
Tools, equipment and fixtures	15,237	15,239
Accumulated depreciation	(14,425)	(14,739)
Tools, furniture and fixtures (net)	812	500
Leased assets	3,739	3,739
Accumulated depreciation	(3,739)	(3,739)
Leased assets (net)	0	0
Total tangible fixed assets	5,724	4,910
Intangible fixed assets		
Others	8,550	6,263
Total intangible fixed assets	8,550	6,263
Investments and other assets		
Bankruptcy reorganization claims, etc.	70,000	70,000
Deposits and guarantees	94,382	131,957
Long-term deposits	222,887	222,887
Others	5,279	3,533
Allowance for doubtful accounts	(70,000)	(70,000)
Total investments and other assets	322,549	358,377
Total fixed assets	336,823	369,551
Deferred Assets		
Start-up costs	7,893	4,385
Total deferred assets	7,893	4,385
Total Assets	1,059,346	2,147,109

(Thousand of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	2,665	3,419
Current portion of long-term debt	8,120	1,020
Corporate bonds due within one year	—	260,000
Lease obligations	924	236
Arrears payable	63,457	60,995
Accrued income taxes	9,531	9,051
Accrued consumption taxes	21,587	10,900
Contract liabilities	2,992	5,112
Deposit	65,908	64,560
Bonus reserve	7,252	6,333
Reserve for shareholder benefits	43,505	37,105
Others	19,585	22,437
Total current liabilities	245,530	481,172
Fixed Liabilities		
Long-term borrowings	1,020	—
Convertible Bonds with SAR	—	1,309,320
Lease obligations	236	—
Derivative liabilities	76,830	117,973
Total fixed liabilities	78,086	1,427,293
Total Liabilities	323,616	1,908,465
Net assets		
Shareholders' Equity		
Paid-in Capital	1,444,427	1,444,427
Capital surplus	1,214,426	1,214,426
Retained earnings	(1,938,897)	(2,440,259)
Treasury Share	(2,476)	(2,476)
Total shareholders' equity	717,480	216,117
Accumulated other comprehensive income		
Foreign currency translation adjustment account	(12,655)	(14,807)
Total accumulated other comprehensive income	(12,655)	(14,807)
Share Acquisition Rights	30,904	37,333
Total net assets	735,729	238,643
Liabilities and net assets	1,059,346	2,147,109

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousand of yen)

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Net sales	825,023	1,073,740
Cost of sales	187,708	315,338
Gross profit	637,314	758,402
Selling, general and administrative expenses	989,832	1,175,525
Operating income (loss)	(352,518)	(417,123)
Non-operating income		
Interest and dividend income	377	1,206
Compensation Received	—	1,594
Exchange gains	5,064	1,799
Grant revenue	1,800	—
Late payment penalty	618	—
Others	1,194	720
Total non-operating income	9,053	5,321
Non-operating expenses		
Interest expenses	468	18,932
Equity in losses of affiliates	176	1,745
Bond issuance costs	—	12,460
Share issuance expenses	1,980	—
Start-up expenses amortization	3,508	3,508
Loss on valuation of derivatives	76,830	41,143
Others	2,817	9,556
Total non-operating expenses	85,782	87,346
Ordinary loss	(429,247)	(499,148)
Extraordinary losses		
Impairment loss	1,367	—
Total extraordinary losses	1,367	—
Net loss before taxes and other adjustments (Loss)	(430,615)	(499,148)
Corporate, inhabitant and enterprise taxes	1,762	2,213
Corporate tax adjustments	—	—
Total corporate tax, etc.	1,762	2,213
Net loss for the period (Loss)	(432,377)	(501,362)
Net loss attributable to owners of parent (Loss)	(432,377)	(501,362)

Consolidated Statement of Comprehensive Income

(Thousand of yen)

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Profit (Loss)	(432,377)	(501,362)
Other comprehensive income		
Foreign currency translation adjustment	(5,538)	(2,151)
Total other comprehensive income	(5,538)	(2,151)
Comprehensive income	(437,915)	(503,514)
(details)		
Comprehensive income attributable to owners of the parent	(437,915)	(503,514)
Comprehensive income attributable to noncontrolling interests	—	—

(3) Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Thousand of yen)

	Shareholders' Equity					Accumulated other comprehen- sive income	Share Acquisition Rights	Total net assets
	paid-in capital	Foreign currency translation adjustment account	Retained earnings	Treasury Share	Total shareholders' equity	Foreign currency translation adjustment account		
Opening balance	1,283,205	1,053,204	(1,506,519)	(2,476)	827,413	(7,116)	40,157	860,453
Changes during the period								
Issuance of new shares (exercise of SAR)	161,222	161,222			322,444			322,444
Net loss attributable to owners of parent (Loss)			(432,377)		(432,377)			(432,377)
Net changes in items other than shareholders' equity						(5,538)	(9,252)	(14,791)
Total changes during the period	161,222	161,222	△432,377	—	(109,933)	(5,538)	(9,252)	(124,724)
End of period balance	1,444,427	1,214,426	(1,938,897)	(2,476)	717,480	(12,655)	30,904	735,729

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Thousand of yen)

	Shareholders' Equity					Accumulated other comprehen- sive income	Share Acquisition Rights	Total net assets
	paid-in capital	Foreign currency translation adjustment account	Retained earnings	Treasury Share	Total shareholders' equity	Foreign currency translation adjustment account		
Opening balance	1,444,427	1,214,426	(1,938,897)	(2,476)	717,480	(12,655)	30,904	735,729
Changes during the period								
Issuance of new shares (exercise of SAR)								
Net loss attributable to owners of parent (Loss)			(501,362)		(501,362)			(501,362)
Net changes in items other than shareholders' equity						(2,151)	6,428	4,276
Total changes during the period			(501,362)		(501,362)	(2,151)	6,428	(497,085)
End of period balance	1,444,427	1,214,426	(2,440,259)	(2,476)	216,117	(14,807)	37,333	238,643

(4) Consolidated Statement of Cash Flows

(Thousand of yen)

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Income (Loss) before income taxes	△430,615	△499,148
Depreciation and amortization	3,146	3,100
Amortization of opening costs	3,508	3,508
Impairment loss	1,367	—
Loss on valuation of derivatives	76,830	41,143
Increase (decrease) in allowance for doubtful accounts	△114	—
Increase (decrease) in provision for bonuses	370	△918
Increase (decrease) in allowance for shareholders' special benefits	△15,815	△6,399
Interest and dividend income	△377	△1,206
Interest expenses	468	18,932
Bond issuance costs	—	12,460
Share issuance expenses	1,980	—
Increase/decrease in accounts receivable (increase)	△19,010	18,805
Change in accounts payable (decrease)	—	754
Increase/decrease in inventory assets (increase)	4,015	△82,535
Increase/decrease in other assets (increase)	△13,981	△2,431
Increase/decrease in other liabilities (decrease)	116	△13,286
Others	△1,671	9,636
Subtotal	△389,779	△497,586
Interest and dividend income received	377	1,206
Interest expenses paid	△471	△4,016
Income taxes (paid) and received	△1,744	△1,845
Cash flows from operating activities	△391,619	△502,241
Cash flows from investing activities		
Purchase of property, plant and equipment	△350	—
Purchase of intangible assets	△3,662	—
Decrease from the payment of a security deposit	—	△40,000
Increase from the recovery of security deposits	—	500
Decrease related to the deposit of long-term savings	△240,000	—
Proceeds from the redemption of long-term deposits	17,112	—
Others	△11,500	△29,070
Cash flows from investing activities	△238,399	△68,570
Cash flows from financing activities		
Repayment of long-term debt	△32,120	△8,120
Proceeds from issuance of bond	—	1,544,979
Repayment of finance lease obligations	△893	△924
Proceeds from issuance of share acquisition rights	900	6,428
Proceeds from issuance of shares upon exercise of stock acquisition rights	310,053	—
Others	△1,630	△2,085
Cash flows from financing activities	276,309	1,540,278
Effect of exchange rate changes on cash and cash equivalents	△525	△391
Net increase (decrease) in cash and cash equivalents	△354,234	969,075
Cash and cash equivalents at beginning of period	890,040	535,806

	(Thousand of yen)	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Cash and cash equivalents at end of period	535,806	1,504,881

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Consolidated Statement of Changes in Equity)

Not applicable.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

(1) The company's reportable segments are those organizational units within the company for which separate financial information is available and which are regularly reviewed by the Board of Directors for the purposes of allocating management resources and evaluating performance. The company is organized into segments based on business divisions and subsidiaries, and has designated "Real Estate Business" and "Hotel Operational Business" as its two reportable segments.

(2) Types of Products and Services Belonging to Each Reporting Segment

The "Real Estate Business" involves the purchase and sale of real estate on our own account, real estate operations, property management, and real estate leasing and brokerage services. The "Hotel Operational Business" involves the operation of hotel facilities under a master lease arrangement, the operation of hotel facilities under management contracts, and the provision of operational consulting services for hotel facilities.

2. Calculation method for net sales, profit or loss, assets, and other items for each reportable segment

The accounting methods for the reported business segments are generally the same as those used in preparing the consolidated financial statements, and the profits of the reportable segments are based on operating profit.

3. Information on the amounts of sales, profits or losses, assets, and other items for each reportable segment, as well as information on revenue breakdown

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Thousand of yen)

	Reportable segments			Other (Note 1)	Adjustment (Note 2)	Total (Note 3)
	Real estate	Hotel operation	Total			
Sales revenue						
Revenue from contracts with customers	239,833	581,151	820,985	106	—	821,091
Other Revenues	3,931	—	3,931	—	—	3,931
Sales to external customers	243,764	581,151	824,916	106	—	825,023
Internal sales or transfers between segments	—	1,732	1,732	119	(1,851)	—
Total	243,764	582,883	826,648	226	(1,851)	825,023
Segment profit (loss)	41,056	(60,705)	(19,649)	(25,487)	(307,381)	(352,518)
Segment Assets	87,760	303,135	390,895	25,426	643,524	1,059,346
Other items						
Depreciation	—	3,146	3,146	—	—	3,146
Impairment loss	—	—	—	1,367	—	1,367
Investment in equity method affiliates	—	5,188	5,188	—	—	5,188
Increase in tangible and intangible fixed assets	—	350	350	1,367	—	1,717

(Note) 1. The “Other” segment is a business segment not included in the reportable segments and mainly consists of the customer sending business from China.

2. Adjustment of segment profit (loss) is the cost of head office expenses that do not belong to the reportable segments.

3. Total segment profit (loss) is adjusted with operating loss in the interim consolidated statements of income.

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Thousand of yen)

	Reportable segments			Other (Note 1)	Adjustment (Note 2)	Total (Note 3)
	Real estate	Hotel operation	Total			
Sales revenue						
Revenue from contracts with customers	378,773	694,732	1,073,506	234	—	1,073,740
Other Revenues	—	—	—	—	—	—
Sales to external customers	378,773	694,732	1,073,506	234	—	1,073,740
Internal sales or transfers between segments	—	184	184	174	(358)	—
Total	378,773	694,916	1,073,690	408	(358)	1,073,740
Segment profit (loss)	38,462	(61,789)	(23,327)	(23,547)	(370,248)	(417,123)
Segment Assets	153,316	335,009	488,325	14,661	1,644,123	2,147,109
Other items						
Depreciation	—	3,100	3,100	—	—	3,100
Impairment loss	—	—	—	—	—	—
Investment in equity method affiliates	—	3,442	3,442	—	—	3,442
Increase in tangible and intangible fixed assets	—	—	—	—	—	—

- (Note) 1. The “Other” segment is a business segment not included in the reportable segments and mainly consists of the customer sending business from China.
2. Adjustment of segment profit (loss) is the cost of head office expenses that do not belong to the reportable segments.
3. Total segment profit (loss) is adjusted with operating loss in the interim consolidated statements of income.

[Related information]

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

1. Information by product and service

Similar information is disclosed in the segment information, so it is omitted.

2. Information by region

(1) Sales

Not applicable as there is no sales to external customers outside of Japan.

(2) Tangible fixed assets

The amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets shown on the consolidated balance sheets, so this information is omitted.

3. Information on major customers

There is no disclosure as there are no external customers for which sales account for 10% or more of the sales in the consolidated statements of income.

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

1. Information by product and service

Similar information is disclosed in the segment information, so it is omitted here.

2. Regional information

(1) Sales revenue

Not applicable since there are no sales to external customers outside Japan.

(2) Tangible fixed assets

The amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets shown on the consolidated balance sheets, so this information is omitted.

3. Information for each major customer

There is no disclosure as there are no external customers for which sales account for 10% or more of the sales in the consolidated statements of income.

[Information regarding impairment losses on fixed assets by reportable segment]

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

As similar information is disclosed in the segment information, it has been omitted.

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

Not applicable

[Information regarding goodwill amortization and unamortized balance by reportable segment]

Not applicable.

[Information regarding gains on negative goodwill by reportable segment]

Not applicable.

(Per Share Information)

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Net assets per share	15.16 yen	4.33 yen
Net loss per share (Loss)	(9.37) yen	(10.78) yen

(Notes) 1. Diluted net income per share for the previous consolidated fiscal year and the current consolidated fiscal year is not stated because although there are potential shares, there is a net loss per share.

2. The basis for calculating net loss per share is as follows:

Item	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Net loss per share (Loss)		
Net loss attributable to owners of parent (△) (thousand yen)	(432,377)	(500,362)
Amount not attributable to common shareholders (thousand yen)	—	—
Net loss attributable to owners of parent relating to common stock (△) (thousand yen)	(432,377)	(500,362)
Average number of common stocks during the period (shares)	46,135,099	46,492,384
Summary of potential shares that were not included in the calculation of diluted net income per share because they have no dilutive effect.	<p>4th share acquisition rights resolved at the board of directors meeting held on September 11, 2019 Number of stock acquisition rights: 4,800 (Common stock: 480,000 shares)</p> <p>6th share acquisition rights by resolution of the Board of Directors held on April 13 and April 22, 2022 Number of stock acquisition rights: 5,400 (Common stock: 540,000 shares)</p> <p>7th share acquisition rights by resolution of the Board of Directors held on April 13 and April 22, 2022 Number of stock acquisition rights: 4,600 (Common stock: 460,000 shares)</p> <p>8th share acquisition rights by resolution of the Board of Directors held on April 10, 2023 Number of stock acquisition rights: 46,154 (Common stock: 4,615,400 shares)</p>	<p>4th share acquisition rights by resolution of the Board of Directors held on September 11, 2019 Number of stock acquisition rights: 4,800 (Common stock: 480,000 shares)</p> <p>6th share acquisition rights by resolution of the Board of Directors held on April 13 and April 22, 2022 Number of stock acquisition rights: 5,400 (Common stock: 540,000 shares)</p> <p>7th share acquisition rights by resolution of the Board of Directors held on April 13 and April 22, 2022 Number of stock acquisition rights: 2,690 (Common stock: 269,000 shares)</p> <p>9th share acquisition rights by resolution of the Board of Directors held on February 25, 2025 Number of stock acquisition rights: 9,000 (Common stock: 900,000 shares)</p> <p>10th share acquisition rights by resolution of the Board of Directors held on January 22, 2026 Number of stock acquisition rights: 214,285 (Common stock: 21,428,500 shares)</p>

(Important subsequent events)

Not applicable.