Summary of Consolidated Financial Results for the Fiscal Year Ended May 31, 2026 (Japanese Accounting Standards)

July 13, 2026

Company name	INTELLEX Holdings Co., Ltd.	Listings	Tokyo Stock Exchange Standard Market
Securities code	463A	URL	https://www.intellex-hd.co.jp/en/ir/
Representative	President and Representative Director, Seiji Toshinari		
Contact	Director, Kazunari Nakaharai		
Telephone	+81-3-6809-0933		

Scheduled dates

Annual Shareholders' Meeting	August 27, 2026
Submission of securities report	August 26, 2026
Commencement of dividend payments	August 10, 2026
Supplementary documents for results	Yes
Results briefing	Yes (for securities analysts and institutional investors)

(Amounts in millions of yen rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year 2026
(Cumulative: June 1, 2025 to May 31, 2026)

(1) Operating results (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
For the fiscal year ended May 31, 2026	58,471	―	3,023	―	2,346	―	1,675	―
For the fiscal year ended May 31, 2025	―	―	―	―	―	―	―	―

(Note) Comprehensive income:
For the fiscal year ended May 31, 2026: 1,677 million yen (-%)
For the fiscal year ended May 31, 2025: - million yen (-%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit /total assets	Operating margin
	yen	yen	%	%	%
For the fiscal year ended May 31, 2026	196.64	―	11.2	4.0	5.2
For the fiscal year ended May 31, 2025	―	―	―	―	―

(Reference) Equity in net income of affiliated companies:
For the fiscal year ended May 31, 2026: - million yen
For the fiscal year ended May 31, 2025: - million yen

(Note) As the Company was established via a sole-share transfer on December 1, 2025, results for the previous fiscal year and year-on-year percentage changes are not provided.

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of May 31, 2026	64,442	16,801	25.6	1,657.13
As of May 31, 2025	―	―	―	―

(Reference) Shareholders' equity:
As of May 31, 2026: 16,527 million yen As of May 31, 2025: - million yen

(Note) As the Company was established via a sole-share transfer on December 1, 2025, results for the previous fiscal year are not provided.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year end
	million yen	million yen	million yen	million yen
As of May 31, 2026	-6,628	-3,353	10,113	5,376
As of May 31, 2025	―	―	―	―

(Note) As the Company was established via a sole-share transfer on December 1, 2025, results for the previous fiscal year are not provided.

2. Dividends

	Dividend per share					Total dividends	Payout ratio	Dividend on equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended May 31, 2025	—	—	—	—	—	—	—	—
Fiscal year ended May 31, 2026	—	—	—	24.00	24.00	239	12.2	1.5
Fiscal year ending May 31, 2027 (forecast)	—	24.00	—	24.00	48.00		28.4	

(Note)
1. As the Company was established via a sole-share transfer on December 1, 2025, dividends for the fiscal year ended May 31, 2025 and the second quarter are not provided.
2. For the fiscal year ended May 31, 2026, Intellex Co., Ltd., which became a wholly owned subsidiary of the Company through a sole-share transfer, paid an interim dividend of ¥23 per share, totaling ¥187 million. Including the year-end dividend to be paid by the Company, the total annual dividend will be ¥47 per share, and the total dividend payment will amount to ¥427 million. On a consolidated basis, this represents a dividend payout ratio of 23.9% and a dividend on equity (DOE) ratio of 2.8%.
3. The year-end dividend for the fiscal year ended May 31, 2026 will be paid from other capital surplus. For details, please refer to “Breakdown of Dividends Using Other Capital Surplus” below.

3. Consolidated earnings forecast for the fiscal year ending May 31, 2027 (June 1, 2026 to May 31, 2027)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half-year (cumulative)	36,773	—	1,671	—	1,164	—	797	—	79.90
Full-year	73,773	26.2	3,434	13.6	2,445	4.2	1,683	0.5	168.80

(Note) As the Company was established via a sole-share transfer on December 1, 2025, no year-on-year (YoY) percentage changes for the second quarter are provided, as there are no comparable figures for the corresponding period of the previous fiscal year.

*Notes:

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatement:
a. Changes due to revision to accounting standards, etc.: None
b. Changes other than a: None
c. Changes in accounting estimates: None
d. Restatement: None

(3) Number of issued shares (common shares):
a. Number of issued shares at the end of fiscal year (including treasury shares)
As of May 31, 2026: 10,182,100 shares
As of May 31, 2025: - shares
b. Number of treasury shares as of the end of fiscal year:
As of May 31, 2026: 208,609 shares
As of May 31, 2025: - shares
c. Average number of shares during the period (cumulative from the beginning of the fiscal year):
For the fiscal year ended May 31, 2026: 8,522,704 shares
For the fiscal year ended May 31, 2025: - shares

(Note)
As the Company was established on December 1, 2025, through a sole-share transfer, no results are available for the previous fiscal year. For the period from June 1, 2025 to November 30, 2025, prior to the Company's establishment, profit per share was calculated using the weighted-average number of shares of INTELLEX Co., Ltd. For the period from December 1, 2025 to May 31, 2026, it was calculated using the weighted-average number of shares of the Company.

*Yearly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts and other noteworthy events: (Notes for financial projections, etc.)
Descriptions of the above financial projections and other data are based on information currently available to the Company and certain assumptions that we consider to be reasonable. Actual financial results may differ materially from the projections for various reasons. For points to note when using such assumptions and financial projections, please see “1. Summary of results of operations and financial position (4) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 4 of the attached materials.

Breakdown of Dividends Using Other Capital Surplus

The breakdown of dividends for the fiscal year ended May 31, 2026 using other capital surplus as a source of dividends is as follows:

Record date	Year-end	Total
Dividend per Share (yen)	24.00	24.00
Total dividends paid (Million yen)	239	239

Note: Net assets decrease ratio: 0.015

Attached materials index:

1. Summary of results of operations and financial position…… 2
(1) Explanation of operating results…… 2
(2) Explanation of financial position…… 3
(3) Explanation of consolidated cash flows…… 3
(4) Future outlook…… 4
(5) Basic policy on profit distribution and dividends for current and next fiscal years…… 4
2. Fundamental approach to the selection of accounting standards…… 5
3. Consolidated financial statements and major notes…… 6
(1) Consolidated balance sheet…… 6
(2) Consolidated statement of income and consolidated statement of comprehensive income…… 8
Consolidated statement of income…… 8
Consolidated statement of comprehensive income…… 9
(3) Consolidated statement of changes in net assets…… 10
(4) Consolidated statement of cash flows…… 11
(5) Notes to consolidated financial statements…… 13
(Notes on premise of going concern)…… 13
(Basis of presenting consolidated financial statements)…… 13
(Additional information)…… 13
(Segment information)…… 15
(Corporate mergers and related matters)…… 16
(Per share information)…… 17
(Important subsequent matters)…… 17

1. Summary of results of operations and financial position

The company was established on December 1, 2025, as the sole parent company of INTELLEX Co., Ltd. via a sole-share transfer. There have been no substantial changes to the scope of consolidation from that of INTELLEX Co., Ltd. prior to the Company's establishment. Furthermore, the consolidated financial statements for the current consolidated fiscal year have been prepared by succeeding the consolidated financial statements of INTELLEX Co., Ltd. Accordingly, comparisons are made against the consolidated results of INTELLEX Co., Ltd. for the previous consolidated fiscal year.

(1) Explanation of operating results

During the consolidated fiscal year (June 1, 2025 to May 31, 2026), the Japanese economy maintained a moderate recovery trend, supported by improvements in employment and income conditions. However, the outlook remained uncertain due to continued interest rate hikes, high prices, and geopolitical risks, including rising tensions in the Middle East.

In the real-estate sector, according to the East Japan Real Estate Information Network (East Japan REINS), the Tokyo metropolitan area's pre-owned condominium market saw May 2026 contract prices fall below those of the same month the previous year – marking the first year-on-year decline in 19 months since October 2024. Despite this, the market showed overall resilience throughout the period from June 2025 to May 2026, with the total number of transactions exceeding the previous year's period by 18.6% and continuing to demonstrate steady trends.

In the Renovation Business, although the number of Renovated Condominium units sold slightly declined to 1,043 units compared to the previous fiscal year, rising real estate prices and the successful execution of our procurement area strategy drove the average sales price up to 38.24 million yen, a 30.1% increase over the previous period. Consequently, sales revenue from property sales increased by 29.3% year on year. Additionally, sales revenue from the Renovation and Decoration Business grew by 23.6% year on year. In the Solution Business segment, sales from the sale of profitable properties, project revenues from the Partner Alliance Business, the sale of trust beneficiary rights for leaseback properties, and sales of fractional ownership real estate products increased by 43.0% year on year. Meanwhile, sales in the Hotel Business also rose by 5.7% year on year, maintaining solid operating performance. As a result, consolidated sales increased by 30.5% year on year.

In terms of profitability, consolidated gross profit increased by 16.9% year on year due to higher profits from Renovated Condominium sales as well as contributions from Partner Alliance Business. Operating profit rose by 26.7%, as the growth in gross profit successfully absorbed a 12.7% increase in selling, general, and administrative expenses. Ordinary profit increased by 8.3%, despite a 54.7% rise in non-operating expenses - including interest payments - resulting from increased interest-bearing liabilities associated with proactive property acquisitions.

In addition, with the aim of strengthening the foundation for future growth, the Company entered into a Capital and Business Alliance with ZENKOKU HOSHO Co., Ltd., the leading independent housing loan guarantee company in Japan in terms of outstanding guarantee obligations, and executed the issuance of new shares through a Third-Party Allotment to said company, as well as the disposal of treasury shares. As a result of this alliance, the Company became an equity-method associate of ZENKOKU HOSHO Co., Ltd., which now holds a 20.55% ownership stake in the Company. The Company considers this alliance to be an important initiative that contributes to the creation of business synergies, such as expanding services under the FLIE Business' real estate sales platform, and diversifying property acquisition channels.

As a result of the foregoing, consolidated net sales for this fiscal year amounted to 58,471 million yen, representing an increase of 30.5% compared to the previous fiscal year. Operating profit rose by 26.7% to 3,023 million yen, ordinary profit increased by 8.3% to 2,346 million yen, and net income attributable to owners of the parent company rose by 0.5% to 1,675 million yen.

Operating results by segment were as follows:

(Renovation Business)

In the Renovation Business segment, sales revenue from property sales reached 40,003 million yen, primarily driven by the increase in the average selling price of Renovated Condominiums. Additionally, rental income in this segment totaled 152 million yen, while other income rose to 3,052 million yen, supported by increased contributions from both the Renovation and Decoration Business and the FLIE Business. As a result of these factors, the segment recorded total net sales of 43,208 million yen, with operating profit amounting to 1,914 million yen.

(Solution Business)

In the Solution Business segment, net sales from property sales amounted to 12,605 million yen, which included the sale of profitable properties, transactions through the Partner Alliance Business, the liquidation of leaseback properties, and sales of fractional ownership real estate products. Rental income reached 1,068 million yen, while other income - including sales from the Hotel Business - amounted to 1,588 million yen. As a result, the segment recorded net sales revenue of 15,262 million yen, and an operating profit of 2,098 million yen.

(2) Explanation of financial position

As of the end of the current consolidated fiscal year, total assets amounted to 64,442 million yen, representing an increase of 11,779 million yen compared to the end of the previous consolidated fiscal year. Liabilities stood at 47,641 million yen, an increase of 8,599 million yen, and net assets were 16,801 million yen, an increase of 3,179 million yen.

(Assets)

The overall increase in assets was primarily driven by increases of 686 million yen in cash and deposits, 8,848 million yen in real estate for sale, 511 million yen in advance payments to suppliers, 101 million yen in other current assets, 1,375 million yen in property, plant and equipment, and 221 million yen in investments and other assets.

(Liabilities)

The increase in liabilities was primarily due to increases of 6,526 million yen in short-term borrowings, 2,489 million yen in the current portion of long-term borrowings, and 420 million yen other current liabilities. These increases were partially offset by decreases of 439 million yen in income taxes payable and 403 million yen in long-term borrowings

(Net assets)

The main factors contributing to the increase in net assets were a decrease of 422 million yen due to dividends from surplus, which was offset by 1,675 million yen recorded as profit attributable to owners of parent, and an increase of 1,823 million yen from the issuance of new shares to ZENKOKU HOSHO Co., Ltd and the disposal of treasury shares. Through the payments received under the Capital and Business Alliance Agreement with said company, the Company was able to strengthen its financial foundation for future business expansion.

(3) Explanation of consolidated cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year increased by 132 million yen compared with the end of the previous consolidated fiscal year, reaching 5,376 million yen. The status and factors of each cash flow are as follows.

(Cash flows from operating activities)

With respect to cash flows from operating activities, the current consolidated fiscal year resulted in a net cash outflow of 6,628 million yen, compared to a net cash outflow of 5,931 million yen in the previous consolidated fiscal year. This outflow was primarily driven by increases in inventories of 7,653 million yen and advances paid to suppliers of 511 million yen, which offset positive inflows including the recording of net income before income taxes of 2,416 million yen and depreciation expenses of 314 million yen.

(Cash flows from investing activities)

The cash flows from investing activities for the current consolidated fiscal year showed a net outflow of 3,353 million yen, compared with a net outflow of 2,899 million yen in the previous consolidated fiscal year. This outcome was primarily due to expenditures including the purchase of non-current assets of 3,019 million yen, and investment securities of 387 million yen, and payments into time deposits of 135 million yen, which were offset by proceeds from the sale of non-current assets amounting to 182 million yen.

(Cash flows from financing activities)

The cash flow from financial activities for the current consolidated fiscal year resulted in a net cash inflow of 10,113 million yen, compared to a net cash inflow of 9,385 million yen in the previous consolidated fiscal year. This net inflow was mainly driven by inflows of 11,469 million yen from long-term borrowings, 6,526 million yen from the net increase in short-term borrowings, 1,266 million yen from the issuance of shares, 557 million yen from the disposal of treasury shares, and 300 million yen proceeds from the issuance of bonds. These inflows were partially offset by expenditures of 9,382 million yen for the repayment of long-term borrowings, 421 million yen for dividend payments, and 206 million yen for the redemption of bonds.

(4) Future outlook

The company was incorporated in December 2025 as the wholly owning parent company of INTELLEX Co., Ltd. via a sole-share transfer, transitioning the Company to a holding company structure. Through this transition, the Company established a system aimed at sustainably enhancing corporate value by utilizing the management resources of the entire group more flexibly and effectively, promoting growth investments, expanding the business portfolio, and strengthening governance. In January 2026, the Company also announced its medium-term management plan "Renovation Forward 31," which is set to conclude in the fiscal year ending May 2031, and has fully commenced initiatives aimed at the next stage of growth. Under this plan, the Company aims to achieve net sales of 80 billion yen, ordinary profit of 3.5 billion yen, and an ROE of 11.2% in the fiscal year ending May 2031. To reach these targets, the Company will further strengthen the revenue base of both its flow and stock businesses, while promoting a management approach based on three key themes that integrates innovation to accelerate the growth of both flow and stock business.

Leveraging its achievements and expertise as a pioneer in the renovation industry, the Company plans to continue capturing sustainable growth opportunities by providing values demanded by future society, such as enhancing the value of existing homes, expanding housing options, and making effective use of resources. Going forward, the Company will accurately grasp the changing social and economic environment, balance solving the resolution of social issues with improvements in profitability, strengthening the Company's management foundation, and expand its business areas, aiming to increase corporate value further as a 'Renovation Infrastructure Company' that creates the next generation of value.

(Earnings forecast for the fiscal year ending May 31, 2027)

In the fiscal year ending May 2027, the Company expects the sales scale of the Renovation Business to expand significantly, supported by a pre-owned condominium market in a phase of sustainable growth and steady progress in active property acquisitions. Regarding the sales of its mainstay Renovated Condominiums, the Company plans to achieve 1,066 units sold (an increase of 23 units compared to the previous fiscal year), with an average selling price of 49.21 million yen (an increase of 28.7%), resulting in sales of 52.4 billion yen (an increase of 31.2%).

Additionally, in the Renovation and Decoration Business, sales are expected to reach 3 billion yen. In the Solution Business, the Company plans to generate sales of 7 billion yen through the growth-expectant Partner-Sourced Profitable Property Business, 6.1 billion yen from the sale of profitable properties, 2.1 billion yen from the Leaseback Business, and 1.3 billion yen from the Hotel Business, among other areas.

Consequently, consolidated sales are projected to reach 73,773 million yen, representing a 26.2% increase compared to the previous fiscal year.

Regarding profits, in the Renovated Condominium business, the Company anticipates a positive profit impact from the rise in sales prices, which is expected to offset the projected increase in interior work costs driven by higher crude oil and raw material prices. Backed by these factors, the Company plans to achieve a consolidated gross profit of 10,729 million yen, an increase of 15.2% compared to the previous fiscal year. Selling, general and administrative expenses are projected to rise by 15.9% year on year, primarily due to higher brokerage fees accompanying property sales and rising personnel costs resulting from efforts to enhance human capital management. However, these cost increases are expected to be absorbed by gross profit, with operating profit projected at 3,434 million yen, up 13.6% from the previous fiscal year. Ordinary profit is forecast at 2,445 million yen, up 4.2% from the previous fiscal year, while an anticipated increase in non-operating expenses (up 6.4% year on year) due to the growth in owned properties and rising interest rates. Additionally, net income attributable to owners of parent is projected to reach 1,683 million yen, up 0.5% compared to the previous fiscal year. As a result of these factors, both sales and all profit levels are expected to reach record highs.

(5) Basic policy on profit distribution and dividends for current and next fiscal years

Pursuant to Article 459, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation stipulate that it may distribute surplus funds by resolution of the Board of Directors. While the Company positions the enhancement of corporate value through growth investments, including mergers and acquisitions, alongside the continuous acquisition of properties as a priority issue, it also recognizes returning profits to shareholders as one of the important management challenges. Regarding the distribution of surplus, the Company aims for a dividend payout ratio of around 30% and, taking into comprehensive consideration the soundness of its finances, capital requirements for growth investments, and the business environment, the Company strives to implement continuous and stable dividends. Furthermore, even during periods of performance fluctuations, the Company will consider maintaining a stable dividend level and strive to enhance shareholder returns.

Based on the favorable performance results for the current term, the year-end dividend for the fiscal year ended May 2026 will be increased by 1 yen from the initial forecast, resulting in an ordinary dividend of 24 yen per share. Consequently, including the interim dividend of 23 yen per share conducted during the fiscal year ended May 2026 by INTELLEX Co., Ltd. (currently a consolidated subsidiary) prior to the company's establishment, the total annual dividend is expected to be 47 yen per share, representing a dividend payout ratio of 23.9%. Regarding the dividend for the fiscal year ending May 2027, the Company plans to pay an annual dividend of 48 yen per share (consisting of an interim dividend of 24 yen and a year-end dividend of 24 yen). This represents an increase of 1 yen compared to the previous year's results, with the expected dividend payout ratio anticipated to be 28.4%.

2. Fundamental approach to the selection of accounting standards

To ensure the comparability of consolidated financial statements across periods and between companies, the Company plans to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being. Regarding the application of international accounting standards (IFRS), the Company intends to consider this in the future, taking into accounts trends in the ratio of foreign shareholders and the application of IFRS by other domestic companies in the same industry.

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Thousand yen)

	As of May 31, 2026
Assets	
Current assets	
Cash and deposits	6,220,455
Accounts receivable - trade	508,388
Real estate for sale	37,412,340
Advance payments to suppliers	1,003,859
Other	587,958
Allowance for doubtful accounts	-1,546
Total current assets	45,731,456
Non-current assets	
Tangible assets	
Building and structures	5,699,041
Accumulated depreciation	-1,092,077
Building and structures, net	4,606,964
Land	11,213,090
Lease asset	72,634
Accumulated depreciation	-54,557
Lease asset, net	18,077
Construction in progress	19,798
Other	124,532
Accumulated depreciation	-95,275
Other, net	29,256
Total tangible assets	15,887,187
Intangible assets	
Other	47,194
Total intangible assets	47,194
Investments and other assets	
Investment securities	1,651,451
Deferred tax assets	348,826
Other	778,616
Allowance for doubtful accounts	-2,183
Total investments and other assets	2,776,710
Total non-current assets	18,711,092
Total assets	64,442,549

(Thousand yen)

	As of May 31, 2026
Liabilities	
Current liabilities	
Accounts payable - trade	898,865
Short-term borrowings	21,072,882
Current portion of bonds payable	248,000
Current portion of long-term borrowings	4,315,377
Income taxes payable	371,372
Contract liability	245,093
Allowance for guarantee of after-sales service	41,520
Other	1,790,436
Total current liabilities	28,983,546
Non-current liabilities	
Bonds	646,000
Long-term borrowings	17,477,302
Asset retirement obligations	94,751
Other	439,680
Total non-current liabilities	18,657,734
Total liabilities	47,641,280
Net assets	
Shareholders' equity	
Share capital	1,046,125
Capital surplus	5,279,053
Retained earnings	10,329,505
Treasury shares	-194,214
Total shareholders' equity	16,460,469
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	66,936
Total accumulated other comprehensive income	66,936
Shares held by non-controlling shareholders	273,862
Total net assets	16,801,268
Total liabilities and net assets	64,442,549

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Thousand yen)

	Fiscal year ended May 31, 2026
Net sales	58,471,441
Cost of sales	49,153,983
Gross profit	9,317,458
Selling, general and administrative expenses	6,293,531
Operating profit	3,023,926
Non-operating income	
Interest income	9,273
Dividend income	7,638
Penalty income	23,349
Subsidy income	134,709
Gain on investments in silent partnerships	156,229
Other	30,905
Total non-operating income	362,104
Non-operating expenses	
Interest expenses	761,358
Commission expenses	173,245
Other	105,137
Total non-operating expenses	1,039,741
Ordinary profit	2,346,289
Extraordinary income	
Gain on sales of non-current assets	70,562
Total extraordinary income	70,562
Profit before income taxes	2,416,852
Income taxes - current	820,335
Income taxes - deferred	-75,253
Total income taxes	745,082
Profit	1,671,770
Profit attributable to non-controlling interests	-4,137
Profit attributable to owners of parent	1,675,907

(Consolidated statement of comprehensive income)

(Thousand yen)

	Fiscal year ended May 31, 2026
Profit	1,671,770
Other comprehensive income	
Valuation difference on available-for-sale securities	5,930
Total other comprehensive income	5,930
Comprehensive income	1,677,700
(Breakdown)	
Comprehensive income attributable to owners of parent	1,681,838
Comprehensive income attributable to non-controlling interests	-4,137

(3) Consolidated statement of changes in net assets
For the fiscal period ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	2,253,779	2,454,223	9,076,415	-481,476	13,302,941
Changes during period					
Issuance of new shares	633,125	633,125			1,266,250
Changes due to share transfer	-1,840,779	2,110,143		-269,364	—
Dividends of surplus			-422,817		-422,817
Net income attributable to parent company shareholders			1,675,907		1,675,907
Disposal of treasury shares		81,561		556,626	638,187
Increase or decrease in non-controlling interests due to the increase in consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes during period	-1,207,654	2,824,830	1,253,090	287,261	3,157,528
Balance at the end of period	1,046,125	5,279,053	10,329,505	-194,214	16,460,469

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Loss/gain on valuation of investment securities	Total accumulated other comprehensive income		
Balance at beginning of period	61,006	61,006	258,000	13,621,947
Changes during period				
Issuance of new shares				1,266,250
Changes due to share transfer				—
Dividends of surplus				-422,817
Net income attributable to parent company shareholders				1,675,907
Disposal of treasury shares				638,187
Increase in consolidated subsidiaries - non-controlling interests			20,000	20,000
Net changes in items other than shareholders' equity	5,930	5,930	-4,137	1,793
Total changes during period	5,930	5,930	15,862	3,179,321
Balance at the end of period	66,936	66,936	273,862	16,801,268

(4) Consolidated statement of cash flows

(Thousand yen)

	Fiscal year ended May 31, 2026
Cash flows from operating activities	
Profit before income taxes	2,416,852
Depreciation	314,854
Decrease in allowance for doubtful accounts	-1,988
Increase in allowance for after-sales service	2,223
Interest and dividend income	-16,911
Interest expenses	761,358
Share based payment expenses	42,538
Gain on disposal of non-current assets	-70,562
Increase in trade receivables	-4,110
Increase in inventories	-7,653,517
Increase in advance payments to suppliers	-511,399
Decrease in trade payables	-74,976
Other	236,973
Subtotal	-4,558,666
Interest and dividend received	16,911
Interest paid	-832,225
Income taxes paid	-1,254,062
Net cash provided by (used in) operating activities	-6,628,042
Cash flows from investing activities	
Payments into time deposits	-135,980
Purchase of non-current assets	-3,019,596
Proceeds from sales of non-current assets	182,607
Purchase of investment securities	-387,000
Other	6,956
Net cash provided by (used in) investing activities	-3,353,011

	Fiscal year ended May 31, 2026
Cash flows from financing activities	
Net increase in short-term borrowings	6,526,772
Proceeds from long-term borrowings	11,469,000
Repayments of long-term borrowings	-9,382,494
Proceeds from issuance of bonds	300,000
Redemption of bonds	-206,000
Repayments of lease liabilities	-16,101
Proceeds from share issuance to non-controlling shareholders	20,000
Proceeds from share issuance	1,266,250
Proceeds from disposal of treasury shares	557,150
Dividends paid	-421,272
Net cash provided by (used in) financing activities	10,113,304
Net increase in cash and cash equivalents	132,249
Cash and cash equivalents at beginning of period	5,243,779
Cash and cash equivalents at end of period	5,376,028

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable

(Basis of presenting consolidated financial statements)

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 7
   Names of consolidated subsidiaries
   INTELLEX Co., Ltd.
   INTELLEX Space Plan Co., Ltd.
   INTELLEX Property Co., Ltd.
   Saisei Jutaku Partners Co., Ltd.
   FLIE Co., Ltd.
   RECOSYS Inc.
   INTELLEX Kobe Minato Co., Ltd.

Regarding the scope of consolidation, TEI Japan was excluded during the current consolidated fiscal year following its merger by absorption in which INTELLEX Space Plan Co., Ltd., also a consolidated subsidiary, as the surviving company.

(2) Number of unconsolidated subsidiaries: None

2. Application of the equity method of accounting
   (1) Number of equity-method affiliated companies: -
   Not applicable
   (2) Unconsolidated subsidiaries and affiliated companies not accounted for by the equity method:
   Not applicable

3. Matters concerning the fiscal years of consolidated subsidiaries
   All consolidated subsidiaries have the same fiscal year as the consolidated fiscal year.

(Additional information)

(Disposal of treasury shares as restricted share compensation)

Regarding the disposal of treasury shares, consolidated subsidiary INTELLEX Co., Ltd. completed the procedures on October 1, 2025, to issue a restricted share compensation to directors and executive officers of the Group companies, as resolved at the Board of Directors on September 8, 2025. Please note that this event occurred prior to the establishment of the Company through the share transfer.

Summary of disposal of shares:

1	Date of disposal	October 1, 2025
2	Type and number of shares disposed	The Company's common shares: 77,400 shares
3	Disposal price	¥1,047 per share
4	Total disposal amount	¥81,037,800
5	Destination, number of people and number of shares disposed of	10 executive directors of individual group companies, total of 35,800 shares 47 employees of individual group companies, total of 41,600 shares

(Transferring from tangible noncurrent assets to real estate for sale)

Due to a change in the purpose of ownership, a portion of tangible noncurrent assets has been transferred to real estate for sale. The summary of this transfer is as follows:

(Thousand yen)

	Fiscal year ended May 31, 2026
Building and structures	304,292
Land	891,040
Total	1,195,332

(Liquidation of Leaseback properties)

(1) Overview of special purpose companies and transactions using special purpose companies

The Company liquidates real estate properties to diversify its funding sources. In the liquidation process, the Company first transfers real estate properties (such as trust beneficiary rights) to a special purpose company (limited liability company), and subsequently receives the funds procured through borrowings and other means backed by the real estate as proceeds from the sale. In connection with these transactions, the Company enters into a silent partnership agreement with the special purpose companies and makes investments based on this agreement. The Company expects to fully recover its investments in the silent partnership and, as of the end of May 2026, has determined that there is no risk of incurring future losses. The Company does not hold investments with voting rights, nor does it dispatch any officers or employees to these special purpose companies.

	Fiscal year ended May 31, 2026
Number of special purpose companies	5
Total assets as of the most recent closing date (simple sum)	¥8,618,565 thousand
Total liabilities (simple sum)	¥6,685,226 thousand

(2) Summary of transactions, etc. with special purpose companies

Fiscal year ended May 31, 2026 (from June, 1, 2025 to May 31, 2026)

(Thousand yen)

	Amount of transaction	Main profit/loss	
		Section	Amount
Silent partnership investment	494,700	Gains on investments in silent partnerships	135,841
Real estate transfer amount (Note 1)	1,755,750	Net sales	1,755,750

Note 1: The real estate transfer amount is recorded at the transfer price at the time of the transfer. Furthermore, the real estate transfer amount is accounted for as revenue in the consolidated income statement.

Note 2: INTELLEX Property Co., Ltd., the Company’s consolidated subsidiary, is entrusted with the management of properties transferred to said special purpose companies. Amounts are omitted due to their immateriality.

(Segment information)

a. Segment information

1. Overview of the reported segments

Our reported segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of business resources and evaluate business results.

We have two reportable segments: Renovation Business and Solution Business.

Renovation Business mainly engages in renovation works/sales, leasing, brokerage of used condominiums, and Renovation and Decoration Business. Solution Business mainly engages in the sales and rental business of profitable real estate properties, Leaseback Business, Asset Sharing Business, Hotel and Accommodation Business and Partner Alliance Business.

2. Method for calculating sales, profit/loss, assets and other items by reported segments

The accounting method used for reported segments is generally the same as stated in "Basis of presenting consolidated financial statements."

Inter-segment sales and transfers are based on market realties prices.

3. Information regarding the amounts of net sales and profit or loss by reported segments

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026):

(Thousand yen)

	Reported segments			Adjustment (Note 1)	Amount of consolidated financial statements
	Renovation Business	Solution Business	Total		
Net sales					
Sales from contracts with customers	43,208,702	15,262,739	58,471,441	—	58,471,441
Sales or transfers – inter-segment	—	—	—	—	—
Total	43,208,702	15,262,739	58,471,441	—	58,471,441
Segment profit or loss (-)	1,914,269	2,098,263	4,012,532	-988,606	3,023,926
Segment asset	27,123,688	32,044,155	59,167,843	5,274,705	64,442,549
Others					
Depreciation	55,024	255,684	310,709	4,144	314,854
Increase in tangible noncurrent assets and intangible noncurrent assets	45,941	2,980,951	3,026,892	6,317	3,033,210

(Notes) 1. Details of adjustments are as follows:

The adjustment of -¥988,606 thousand to segment profit represents corporate expenses that are not allocated to any reported segment. These corporate expenses mainly consist of general and administrative expenses that are not attributable to reported segments.

The adjustment of ¥5,274,705 thousand to segment assets represents corporate assets not allocated to any reported segment. These corporate assets consist mainly of cash and deposits, deferred tax assets and assets related to corporate management that are not attributable to the reported segments.

2. Segment profit was adjusted with operating profit on the consolidated statement of income.

3. Segment asset was adjusted with total asset on the consolidated balance sheet.

(Corporate mergers and related matters)
Transactions under common control
(Establishment of a pure holding company through a sole-share transfer)
(1) Overview of transaction
The company was established on December 1, 2025, via a sole-share transfer of INTELLEX Co., Ltd,
1. Names of the companies involved in the merger and their business activities:
Wholly owned subsidiary under share transfer: INTELLEX Co., Ltd. (Real estate sales, real estate rentals, real estate consulting)
2. Date of business combination
December 1, 2025
3. Legal form of business combination
Establishment of a pure holding company through a sole share transfer
4. Name of the company after combination
Wholly owning parent company: INTELLEX Holdings Co., Ltd.
5. Purpose of the business combination
Looking toward the future, we have determined that transitioning to a pure holding company structure is optimal to implement management more flexibly, establish a stronger governance system, and promote the development of next-generation management executives.

(2) Overview of the accounting treatment performed
The transaction has been accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures " (ASBJ Guidance No. 10, September 13, 2024).

(Acquisition of Subsidiary Shares through Distribution in Kind)
(1) Overview of the transaction
Our company acquired subsidiary shares held by INTELLEX Co., Ltd., a wholly-owned subsidiary of our company, through a distribution in kind.
1. Name of the consolidated entities and description of their businesses

Name of the merging parties	Business description
INTELLEX Space Plan Co., Ltd.	Interior Decoration, Design, and Construction
INTELLEX Property Co., Ltd.	Real Estate Management, Sales and Rental of Profitable Properties
Saisei Jutaku Partners Co., Ltd.	Partner-based Real Estate Investment and Resale
FLIE Co., Ltd.	Operation of Real Estate Buying and Selling Platform
TEI Japan Co., Ltd.	Consulting Business regarding Thermal Environment of Buildings
RECOSYS Inc.	Development and Franchising of Energy Efficient Renovation Businesses
INTELLEX Kobe Minato Co., Ltd.	Real Estate Buying and Selling, Real Estate Rental Business, Real Estate Brokerage

2. Date of business combination:
December 1, 2025
3. Legal form of business combination
Distribution of assets in kind from a consolidated subsidiary
4. Name of the companies after combination
No change
5. Purpose of the business combination
The Company transitioned to a pure holding company structure on December 1, 2025. As a pure holding company, the Company aims to optimize the allocation of management resources, achieve sustainable growth, and enhance the entire Group's corporate value. As part of this initiative, INTELLEX Co., Ltd., a wholly-owned subsidiary of the Company, transferred its holdings of subsidiary shares to the Company by means of a dividend in kind.

(2) Overview of the Accounting Implemented
The transaction has been accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, September 13, 2024), the shares of said subsidiaries acquired through dividends in kind are accounted for by deeming them to have been substantially exchanged for the corresponding portion of the shares of INTELLEX Co., Ltd. previously held.

(Per share information)

	Fiscal year ended May 31, 2026
Net assets per share	¥1,657.13
Net income per share	¥196.64

(Note)

1. Diluted net income per share of both this and last consolidated fiscal year is not mentioned above, since there are no dilutive shares.
2. The basis for calculating net income per share and diluted net income per share is as follows:

	Fiscal year ended May 31, 2026
Net income per share	
Profit attributable to owners of parent (thousand yen)	1,675,907
Amounts not attributable to common shareholders (thousand yen)	—
Profit attributable to owners of parent relating to common shares (thousand yen)	1,675,907
Average number of common shares during the period	8,522,704
Summary of dilutive shares not included in the calculation of diluted net income per share due to lack of dilutive impact	—

(Important subsequent matters)

Not applicable