November 12, 2026

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2027 (Six Months Ended September 30, 2026)

[Japanese GAAP]

Company name: KI-STAR REAL ESTATE Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 3465 URL: https://ki-group.co.jp
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Scheduled date of filing of Semi-annual Report: November 13, 2026
Scheduled date of payment of dividend: December 7, 2026
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Six Months (April 1, 2026 – September 30, 2026) of the Fiscal Year Ending March 31, 2027

(1) Consolidated results of operations (Percentages 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	%
Six months ended Sep. 30, 2026	212,383	17.2	18,375	63.4	16,395	58.0	10,453	64.9
Six months ended Sep. 30, 2025	181,190	20.0	11,246	60.8	10,379	71.6	6,340	73.9

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2026: 11,220 (up 58.2%)
Six months ended Sep. 30, 2025: 7,094 (up 67.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2026	336.47	336.47
Six months ended Sep. 30, 2025	204.64	204.63

Notes: 1. KI-STAR REAL ESTATE Co., Ltd. ("the Company") executed a two for one common stock split effective on April 1, 2026. Net income per share and diluted net income per share are calculated as if the stock split had taken place at the beginning of the fiscal year ended March 31, 2026.
2. The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2026	397,643	90,534	20.5
As of Mar. 31, 2026	355,621	82,983	20.6

Reference: Shareholders' equity (million yen) As of Sep. 30, 2026: 81,663 As of Mar. 31, 2026: 73,181

Note: The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are recorded as treasury shares in the consolidated balance sheet.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2026	-	100.00	-	135.00	235.00
Fiscal year ending Mar. 31, 2027	-	75.00			
Fiscal year ending Mar. 31, 2027 (forecasts)			-	95.00	170.00

Notes: 1. Revisions to the most recently announced dividend forecast: Yes
2. The Company executed a two for one common stock split effective on April 1, 2026. Dividends for the fiscal year ended March 31, 2026 are the actual amounts paid before the stock split.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	460,000	16.8	34,500	27.8	31,500	26.2	19,300	25.7	621.65

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

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

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting interim consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

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

(4) Number of issued shares (common shares)

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

As of Sep. 30, 2026:	31,738,600 shares	As of Mar. 31, 2026:	31,737,200 shares

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

As of Sep. 30, 2026:	622,814 shares	As of Mar. 31, 2026:	691,740 shares

3) Average number of shares during the period

Six months ended Sep. 30, 2026:	31,069,622 shares	Six months ended Sep. 30, 2025:	30,984,014 shares

Notes: 1. The Company executed a two for one common stock split effective on April 1, 2026. The number of shares issued at the end of the period, the number of treasury shares at the end of the period, the number of treasury shares at the end of the period and the average number of shares during the period are calculated as if the stock split had taken place at the beginning of the fiscal year ended March 31, 2026.

2. The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for these plans held by the trust are included in treasury shares for calculating the number of treasury shares at the end of the period and the average number of shares during the period.

* The current financial report is not subject to review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors.

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1. Overview of Results of Operations, Etc.

(1) Results of Operations

During the first half of the current fiscal year, the Japanese economy maintained a moderate recovery trend, supported by improvements in employment and income conditions and the effects of various government policies. Nevertheless, the outlook for the economy remains uncertain because of volatile energy and resource prices amid prolonged geopolitical risks, fluctuations in foreign exchange rates, and gradual policy rate hikes by the Bank of Japan.

In the housing sector, where the KI-STAR Group ("the Group") operates, housing starts remained at a low level due to rising costs of building materials and labor, and cautious purchasing sentiment among customers amid expectations of higher mortgage interest rates. Meanwhile, interest primarily among end-user buyers remained high in built-for-sale houses pre-owned homes, and renovated properties with an excellent balance of price and quality. Demand also remained firm for high-quality homes offering features such as energy efficiency, indicating increasingly diverse criteria among customers when selecting homes.

Based on the KI-STAR Group's philosophy of "creating lives that are enriching, enjoyable, and pleasant" and a commitment to accomplishing the vision of "homeownership for everyone," activities are continuing for achieving the goals of the Medium-Term Management Plan 2028. The Group implemented initiatives to increase profitability in its core homebuilding and sales business by opening more sales offices and expanding property acquisitions in major metropolitan areas. In the pre-owned home renovation business, the Group worked to increase its market share by expanding the geographic coverage of this business and strengthening property acquisitions through the use of its network. In the apartment/income-producing real estate business, the Group focused on increasing the scale of operations by carefully selecting properties for acquisition and strengthening its construction capabilities, backed by steady investment demand. The Group also continued to expand its business operations outside Japan. On the supply side, the Group worked to secure building materials and prevent construction delays through risk-reduction measures, including advance ordering and the diversification of procurement channels.

Sales increased 17.2% from the same period of the previous fiscal year to a record-high 212,383 million yen. Despite increases in personnel and other costs, profitability continued to improve as demand remained strong, particularly in central urban areas. Consequently, operating profit increased 63.4%-to-18,375-million-yen, ordinary profit grew 58.0% to 16,395 million yen, and profit attributable to owners of parent rose 64.9% to 10,453 million yen.

Results by business segment are as follows:

The Company changed the classification of its reportable segments in the first half of the current fiscal year. The following year-on-year comparisons are based on the figures for the same period of the previous fiscal year after reclassifications for consistency with the new segments. More information about the change in reportable segments is in "2. Interim Consolidated Financial Statements and Notes, (4) Notes to Interim Consolidated Financial Statements, Segment and Other Information."

i) Homebuilding and sales business

This business focused on improving profitability by increasing our market share in major metropolitan areas where housing demand remains strong, while streamlining operations in suburban areas through integration with our pre-owned home renovation business.

During the first half, 4,663 houses (including land) were sold. Sales increased 14.8% to 195,028 million yen and segment profit increased 48.2% to 19,240 million yen.

ii) Apartment/income-producing real estate business

In the apartment/income-producing real estate business, the Company promoted the development and sale of wooden apartment buildings to investors and pre-owned income-producing properties, supported by growing demand for asset management. The Company worked to increase the scale of operations by carefully selecting properties for acquisition, primarily in the Tokyo metropolitan area, and strengthening its construction capabilities. In addition, for wooden apartment buildings for investment, the Company continued to generate stable recurring revenue by providing integrated rental property management services following the delivery of properties.

During the first half, 46 houses were sold. Sales increased 92.2% to 10,005 million yen and segment profit increased 203.4% to 1,158 million yen.

(2) Financial Position

Assets

Total assets increased by 42,022 million yen from the end of the previous fiscal year to 397,643 million yen at the end of the second quarter of the current fiscal year. This was mainly due to an increase of 71,177 million yen in inventories and a decrease of 33,699 million yen in cash and deposits.

Liabilities

Total liabilities increased by 34,471 million yen to 307,109 million yen. The increase was mainly due to an increase of 32,447 million yen in borrowings.

Net assets

Total net assets increased by 7,551 million yen to 90,534 million yen. The main reasons include profit attributable to owners of parent of 10,453 million yen and dividends of surplus of 2,123 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

The Group is projected to achieve the final profit target of its "Medium-Term Management Plan 2028" one year ahead of schedule. Accordingly, while adhering to its fundamental policies, the Group has formulated the new "Medium-Term Management Plan 2030" to establish a financial structure suited to changes in the external environment, such as rising interest rates, and announced the plan today, November 12, 2026.

Under the "Medium-Term Management Plan 2030," while maintaining a high level of capital efficiency (ROE), the Company has set financial targets of an equity ratio of 25% or higher and a net debt-to-equity (Net D/E) ratio of 1.5x or lower. Through the optimal allocation of invested capital across growth investments, financial soundness, and proactive shareholder returns, the Group aims to further enhance corporate value.

While there is no change to the consolidated financial forecasts for the fiscal year ending March 31, 2027 (FY3/27), the Company has revised its dividend forecast upward as part of its proactive shareholder return policy. In addition, the Company has resolved to implement year-end commemorative shareholder benefits.

For more details, please refer to the press release “Notice Concerning Revision (Dividend Increase) of Dividend Forecast and Implementation of Commemorative Shareholder Benefits” dated today (November 12, 2026)

2. Interim Consolidated Financial Statements and Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	Second quarter of FY3/27 (As of Sep. 30, 2026)
Assets		
Current assets		
Cash and deposits	76,029	42,329
Accounts receivable from completed construction contracts	333	570
Real estate for sale	115,222	131,550
Real estate for sale in process	126,893	181,018
Advances received on service contracts in progress	2,489	3,214
Advance payments to suppliers	6,375	7,309
Other	10,507	7,227
Allowance for doubtful accounts	(20)	(20)
Total current assets	337,832	373,199
Non-current assets		
Property, plant and equipment	5,074	5,607
Intangible assets		
Goodwill	151	121
Other	160	187
Total intangible assets	312	308
Investments and other assets	12,401	18,527
Total non-current assets	17,788	24,444
Total assets	355,621	397,643
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	4,167	3,860
Accounts payable for construction contracts	22,836	23,612
Short-term borrowings	116,809	140,685
Current portion of bonds payable	2,488	2,530
Current portion of long-term borrowings	27,575	47,593
Lease liabilities	13	24
Income taxes payable	6,113	5,541
Provision for bonuses	1,369	1,704
Other	13,388	14,758
Total current liabilities	194,761	240,311
Non-current liabilities		
Bonds payable	5,613	5,857
Long-term borrowings	70,892	59,445
Lease liabilities	12	47
Asset retirement obligations	209	261
Other	1,148	1,185
Total non-current liabilities	77,876	66,798
Total liabilities	272,638	307,109

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	Second quarter of FY3/27 (As of Sep. 30, 2026)
Net assets		
Shareholders' equity		
Share capital	4,828	4,830
Capital surplus	5,815	5,829
Retained earnings	63,621	71,952
Treasury shares	(1,293)	(1,168)
Total shareholders' equity	72,971	81,444
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(56)	(50)
Foreign currency translation adjustment	266	269
Total accumulated other comprehensive income	209	219
Share acquisition rights	148	230
Non-controlling interests	9,653	8,641
Total net assets	82,983	90,534
Total liabilities and net assets	355,621	397,643

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statement of Income

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Net sales	181,190	212,383
Cost of sales	156,197	177,442
Gross profit	24,992	34,941
Selling, general and administrative expenses	13,746	16,565
Operating profit	11,246	18,375
Non-operating income		
Interest income	359	610
Refund of real estate acquisition tax	384	378
Share of profit of entities accounted for using equity method	100	501
Other	436	375
Total non-operating income	1,281	1,865
Non-operating expenses		
Interest expenses	1,643	2,632
Commission expenses	457	1,081
Other	47	130
Total non-operating expenses	2,148	3,844
Ordinary profit	10,379	16,395
Extraordinary income		
Gain on sale of non-current assets	2	5
Gain on bargain purchase	-	117
Total extraordinary income	2	122
Extraordinary losses		
Loss on retirement of non-current assets	37	82
Total extraordinary losses	37	82
Profit before income taxes	10,344	16,435
Income taxes-current	3,807	5,303
Income taxes-deferred	(415)	(78)
Total income taxes	3,391	5,224
Profit	6,953	11,211
Profit attributable to non-controlling interests	612	757
Profit attributable to owners of parent	6,340	10,453

Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Profit	6,953	11,211
Other comprehensive income		
Valuation difference on available-for-sale securities	30	6
Foreign currency translation adjustment	110	2
Total other comprehensive income	141	9
Comprehensive income	7,094	11,220
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	6,480	10,463
Comprehensive income attributable to non-controlling interests	613	757

(3) Interim Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Cash flows from operating activities		
Profit before income taxes	10,344	16,435
Depreciation	248	212
Amortization of goodwill	54	30
Gain on bargain purchase	-	(117)
Increase (decrease) in provision for bonuses	798	335
Interest and dividend income	(361)	(613)
Share of loss (profit) of entities accounted for using equity method	(100)	(501)
Commission expenses	457	1,081
Interest expenses	1,643	2,632
Decrease (increase) in inventories	(30,057)	(70,897)
Increase (decrease) in trade payables	(765)	333
Other, net	(1,800)	1,586
Subtotal	(19,537)	(49,482)
Interest and dividends received	323	467
Interest paid	(2,152)	(3,774)
Income taxes refund (paid)	(4,001)	(5,658)
Net cash provided by (used in) operating activities	(25,368)	(58,448)
Cash flows from investing activities		
Purchase of property, plant and equipment	(284)	(282)
Proceeds from sale of property, plant and equipment	2	82
Purchase of intangible assets	(47)	(56)
Proceeds from withdrawal of time deposits	112	1,406
Payments into time deposits	(832)	(1,365)
Purchase of investment securities	(14)	(0)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(197)
Loan advances	(1,242)	(11,355)
Proceeds from collection of loans receivable	927	8,018
Payments of guarantee deposits	(19)	(75)
Proceeds from refund of guarantee deposits	9	11
Other, net	(21)	(10)
Net cash provided by (used in) investing activities	(1,410)	(3,823)

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13,526	23,866
Proceeds from long-term borrowings	14,155	34,064
Repayments of long-term borrowings	(11,694)	(25,701)
Proceeds from issuance of bonds	280	500
Redemption of bonds	(182)	(213)
Repayments of lease liabilities	(12)	(11)
Purchase of treasury shares	(0)	-
Dividends paid	(1,352)	(2,122)
Dividends paid to non-controlling interests	(496)	(504)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(57)	(1,265)
Other, net	4	16
Net cash provided by (used in) financing activities	14,169	28,628
Effect of exchange rate change on cash and cash equivalents	26	(34)
Net increase (decrease) in cash and cash equivalents	(12,582)	(33,677)
Cash and cash equivalents at beginning of period	67,204	71,079
Cash and cash equivalents at end of period	54,622	37,401

(4) Notes to Interim Consolidated Financial Statements

Interim Consolidated Balance Sheet

1. Financial covenents

There are financial covenants on some loans from financial institutions. The five primary requirements, which apply to consolidated and non-consolidated financial statements are for net assets, ordinary profit, loan to value (LTV), monthly inventory turnover, and the debt-equity ratio. If there is a violation of one or more of these requirements or there is a continuous violation, the financial institutions may demand the immediate repayment of all applicable loans.

Borrowings subject to these financial covenents were as follows at the end of FY3/26 and the end of the second quarter of FY3/27.

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	Second quarter of FY3/27 (As of Sep. 30, 2026)
Short-term borrowings	70,884	91,212
Long-term borrowings (including current portion of long-term borrowings)	69,198	74,410

2. Other current liabilities include the following contract liabilities.

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	Second quarter of FY3/27 (As of Sep. 30, 2026)
Contract liabilities	2,941	3,400

Interim Consolidated Statement of Income

* 1. Major items of selling, general and administrative expenses are as follows.

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Sales commission	4,361	5,045
Salaries and allowances	2,783	3,379
Provision for bonuses	654	873

2. Seasonal changes in sales

The KI-STAR Group’s housing businsess delivers more houses to customers in the fourth quarter. As a result, there are seasonal changes in sales and sales are usually higher in the fourth quarter.

Segment and Other Information

I. First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)

Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the interim consolidated statement of income (Note 3)
	Homebuilding and sales	Apartment/income-producing real estate	Total			
Net sales						
Sales to external customers	169,917	5,206	175,124	6,066	-	181,190
Inter-segment sales and transfers	-	-	-	115	(115)	-
Total	169,917	5,206	175,124	6,181	(115)	181,190
Segment profit	12,982	381	13,364	402	(2,520)	11,246

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of custom-built housing, pre-owned home renovation, real estate leasing and brokerage businesses.

2. The -2,520 million yen adjustment to segment profit includes elimination for inter-segment transactions of 38 million yen and -2,558 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the interim consolidated statement of income.

II. First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)

1. Information related to net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amounts shown on the interim consolidated statement of income (Note 3)
	Homebuilding and sales	Apartment/income-producing real estate	Total			
Net sales						
Sales to external customers	195,028	10,005	205,034	7,349	-	212,383
Inter-segment sales and transfers	-	-	-	48	(48)	-
Total	195,028	10,005	205,034	7,397	(48)	212,383
Segment profit	19,240	1,158	20,398	417	(2,441)	18,375

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of custom-built housing, pre-owned home renovation, real estate leasing and brokerage businesses.

2. The -2,441 million yen adjustment to segment profit includes elimination for inter-segment transactions of 57 million yen and -2,498 million yen in corporate expenses that are not attributable to any of the reportable segments.

3. Segment profit is adjusted with operating profit shown on the interim consolidated statement of income.

2. Information related to impairment losses of non-current assets, goodwill, etc. for each reportable segment

In “Others” segment, a gain on bargain purchase was recognized as a result of the acquisition of shares of one company to make this company consolidated subsidiary. The amount of the gain on bargain purchase resulting from this acquisition was 117 million yen in the first six months of FY3/27. The gain on bargain purchase is a provisional figure because the allocation of acquisition costs was not completed as of September 30, 2026.

Gain on bargain purchase is not included in the above segment profit because it is an extraordinary gain.

3. Information related to revisions for reportable segments

Beginning with the first six months of FY3/27, the reportable segment previously presented as “Custom-built housing” has been reclassified as “Others” because it is no longer quantitatively material. In addition, the apartment/income-producing real estate business, which was previously included in “Others,” is now presented as a reportable segment.

The segment information for the first six months of FY3/26 is reported based on the reportable segment classification after the revision.

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Additional Information

The Company has established a performance-linked stock compensation plan for directors and employee stock distribution trust program. Shares for this plan held by the trust are recorded as treasury shares in the consolidated balance sheet. The number of shares of the Company's stock held by the trust as of March 31, 2026 was 406,444 shares with a book value of 805 million yen and the number of these shares as of September 30, 2026 was 337,518 shares with a book value of 680 million yen.

The Company executed a two for one common stock split effective on April 1, 2026. The number of treasury shares at the end of the previous fiscal year is stated as if the stock split had taken place at the beginning of the fiscal year ended March 31, 2026

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.