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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 9, 2025

Company name: HIGASHI HOLDINGS CO.,LTD. (Formerly HIGASHI TWENTY ONE CO.,LTD.)

Listing: Tokyo Stock Exchange

Securities code: 9029

URL: <https://www.e-higashi.co.jp/>

Representative: Kazuhiro Kojima

Director, Representative Executive Officer, President & CEO

Inquiries: Munekatsu Taguchi

Director, Managing Executive Officer

Telephone: +81-6-6945-5611

Scheduled date of annual general meeting of shareholders: June 13, 2025

Scheduled date to commence dividend payments: June 16, 2025

Scheduled date to file annual securities report: June 12, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	48,126	18.4	2,739	25.1	2,935	27.1	1,805	19.9
March 31, 2024	40,635	16.7	2,190	14.8	2,309	14.0	1,506	18.8

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 1,856 million [4.1%]
Fiscal year ended March 31, 2024: ¥ 1,783 million [36.5%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	136.77	-	14.0	10.3	5.7
March 31, 2024	114.49	-	13.0	9.9	5.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million
Fiscal year ended March 31, 2024: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	31,596	13,509	42.8	1,037.15
March 31, 2024	25,535	12,311	48.2	934.53

(Reference) Equity: As of March 31, 2025: ¥ 13,509 million
As of March 31, 2024: ¥ 12,311 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	2,367	(4,533)	2,750	4,647
March 31, 2024	3,026	(3,270)	818	4,062

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	0.00	-	36.00	36.00	474	31.4	4.1
March 31, 2025	-	0.00	-	42.00	42.00	547	30.7	4.3
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	46.00	46.00		30.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	24,500	11.5	1,427	29.2	1,490	27.6	960	39.2	73.56
Full year	51,000	6.0	2,956	7.9	3,100	5.6	2,000	10.8	153.10

* Notes:

(1) Significant changes in the scope of consolidation during the period:

Yes

Newly included: 1 (Company name: NEOCOMPETENCE CO.,LTD.)

(2) Changes in accounting policies, changes in accounting estimates, and 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: Yes

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):

March 31, 2025: 13,264,000 shares

March 31, 2024: 13,264,000 shares

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

March 31, 2025: 238,025 shares

March 31, 2024: 89,525 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 13,203,928 shares

Fiscal Year ended March 31, 2024: 13,159,884 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	33,366	20.0	1,353	43.7	1,937	29.2	1,314	22.1
March 31, 2024	27,796	18.5	941	11.3	1,499	22.3	1,076	30.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	99.58	-
March 31, 2024	81.81	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	26,486	11,244	42.5	863.21
March 31, 2024	21,010	10,692	50.9	811.61

(Reference) Equity: As of March 31, 2025: ¥ 11,244 million
As of March 31, 2024: ¥ 10,692 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Any statements herein do not constitute assurances regarding actual results by the Company.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	4,062,459	4,679,456
Notes receivable - trade	410,609	431,841
Trade accounts receivable and contract assets	6,316,940	7,645,970
Merchandise	388,027	357,354
Supplies	12,435	13,985
Prepaid expenses	536,639	702,054
Accounts receivable - other	10,938	24,018
Other	7,288	173,134
Allowance for doubtful accounts	(7,754)	(10,251)
Total current assets	11,737,584	14,017,562
Non-current assets		
Property, plant and equipment		
Buildings	7,103,817	10,808,372
Accumulated depreciation	(5,008,765)	(5,293,253)
Buildings, net	2,095,051	5,515,118
Structures	685,941	1,039,594
Accumulated depreciation	(636,670)	(645,222)
Structures, net	49,271	394,372
Machinery and equipment	1,346,759	1,408,301
Accumulated depreciation	(498,753)	(620,089)
Machinery and equipment, net	848,005	788,211
Vehicles	2,210,732	2,543,777
Accumulated depreciation	(1,530,005)	(1,839,092)
Vehicles, net	680,726	704,684
Tools, furniture and fixtures	489,760	633,756
Accumulated depreciation	(359,862)	(412,834)
Tools, furniture and fixtures, net	129,897	220,921
Land	3,944,721	3,974,564
Construction in progress	1,384,519	124
Total property, plant and equipment	9,132,194	11,597,998
Intangible assets		
Leasehold interests in land	21,066	21,066
Software	139,956	98,678
Goodwill	421,341	991,199
Other	21,105	21,545
Total intangible assets	603,470	1,132,489
Investments and other assets		
Investment securities	1,211,873	1,307,229
Investments in capital	18,143	17,585
Distressed receivables	38,488	37,413
Long-term prepaid expenses	23,655	21,163
Deferred tax assets	361,499	645,238
Guarantee deposits	2,307,494	2,666,904

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Other	144,373	195,838
Allowance for doubtful accounts	(43,463)	(42,443)
Total investments and other assets	4,062,063	4,848,929
Total non-current assets	13,797,728	17,579,417
Total assets	25,535,312	31,596,980
Liabilities		
Current liabilities		
Trade accounts payable	3,251,747	3,630,052
Short-term borrowings	2,030,000	4,330,000
Current portion of long-term borrowings	499,052	886,291
Lease liabilities	161,769	160,989
Accounts payable - other	738,445	1,136,873
Accrued expenses	274,319	354,712
Income taxes payable	533,103	760,251
Accrued consumption taxes	263,267	207,814
Advances received	208,253	239,609
Deposits received	196,293	169,307
Provision for bonuses	359,297	418,574
Asset retirement obligations	-	25,490
Accumulated impairment of leased assets	1,500	-
Other	-	310
Total current liabilities	8,517,050	12,320,278
Non-current liabilities		
Long-term borrowings	2,663,817	3,672,517
Lease liabilities	573,321	416,653
Deferred tax liabilities	72,775	148,220
Long-term deposits received	178,541	288,594
Asset retirement obligations	330,343	379,593
Retirement benefit liability	152,731	146,286
Long-term accounts payable - other	490,217	500,122
Long-term advances received	244,624	214,839
Total non-current liabilities	4,706,374	5,766,827
Total liabilities	13,223,425	18,087,105
Net assets		
Shareholders' equity		
Share capital	1,001,996	1,001,996
Capital surplus	140,422	177,259
Retained earnings	10,850,916	12,182,494
Treasury shares	(43,931)	(264,859)
Total shareholders' equity	11,949,403	13,096,890
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	390,403	435,743
Remeasurements of defined benefit plans	(27,919)	(22,759)
Total accumulated other comprehensive income	362,484	412,984
Total net assets	12,311,887	13,509,874
Total liabilities and net assets	25,535,312	31,596,980

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	40,635,071	48,126,040
Cost of sales	32,857,705	39,100,060
Gross profit	7,777,365	9,025,980
Selling, general and administrative expenses	5,587,311	6,286,116
Operating profit	2,190,053	2,739,863
Non-operating income		
Interest income	66	328
Dividend income	24,814	27,494
Rental income	48,479	46,606
Subsidy income	15,519	33,429
Surrender value of insurance policies	15,445	82,222
Other	47,039	61,616
Total non-operating income	151,365	251,698
Non-operating expenses		
Interest expenses	13,170	32,652
Rental expenses	13,119	12,207
Other	5,452	11,199
Total non-operating expenses	31,741	56,059
Ordinary profit	2,309,677	2,935,503
Extraordinary losses		
Loss on retirement of non-current assets	15	79,978
Asset retirement obligation performance difference	-	17,683
Total extraordinary losses	15	97,662
Profit before income taxes	2,309,662	2,837,841
Income taxes - current	927,386	1,178,284
Income taxes - deferred	(124,432)	(146,302)
Total income taxes	802,953	1,031,982
Profit	1,506,708	1,805,858
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,506,708	1,805,858

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	1,506,708	1,805,858
Other comprehensive income		
Valuation difference on available-for-sale securities	278,610	45,340
Remeasurements of defined benefit plans, net of tax	(1,621)	5,159
Total other comprehensive income	276,989	50,500
Comprehensive income	1,783,698	1,856,359
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,783,698	1,856,359
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,001,996	115,789	9,737,839	(70,135)	10,785,489	111,792	(26,298)	85,494	10,870,984
Changes during period									
Dividends of surplus			(393,632)		(393,632)				(393,632)
Profit attributable to owners of parent			1,506,708		1,506,708				1,506,708
Disposal of treasury shares		24,632		26,204	50,836				50,836
Purchase of treasury shares					-				-
Net changes in items other than shareholders' equity						278,610	(1,621)	276,989	276,989
Total changes during period	-	24,632	1,113,076	26,204	1,163,913	278,610	(1,621)	276,989	1,440,903
Balance at end of period	1,001,996	140,422	10,850,916	(43,931)	11,949,403	390,403	(27,919)	362,484	12,311,887

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,001,996	140,422	10,850,916	(43,931)	11,949,403	390,403	(27,919)	362,484	12,311,887
Changes during period									
Dividends of surplus			(474,281)		(474,281)				(474,281)
Profit attributable to owners of parent			1,805,858		1,805,858				1,805,858
Disposal of treasury shares		36,837		25,271	62,109				62,109
Purchase of treasury shares				(246,200)	(246,200)				(246,200)
Net changes in items other than shareholders' equity						45,340	5,159	50,500	50,500
Total changes during period	-	36,837	1,331,577	(220,928)	1,147,486	45,340	5,159	50,500	1,197,987
Balance at end of period	1,001,996	177,259	12,182,494	(264,859)	13,096,890	435,743	(22,759)	412,984	13,509,874

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,309,662	2,837,841
Depreciation	765,305	1,016,152
Amortization of goodwill	119,566	155,852
Increase (decrease) in allowance for doubtful accounts	(12,587)	(1,552)
Interest and dividend income	(24,880)	(27,822)
Interest expenses	13,170	32,652
Subsidy income	(15,519)	(33,429)
Surrender value of insurance policies	(15,445)	(82,222)
Loss on retirement of non-current assets	15	79,978
The asset removal fulfillment of obligation balance	-	17,683
Decrease (increase) in trade receivables	(709,315)	(1,167,803)
Decrease (increase) in inventories	47,318	29,124
Increase (decrease) in trade payables	358,420	367,359
Increase (decrease) in accrued consumption taxes	(36,069)	(92,659)
Increase (decrease) in provision for bonuses	5,977	59,277
Increase (decrease) in retirement benefit liability	6,144	558
Other, net	1,106,917	140,568
Subtotal	3,918,679	3,331,557
Interest and dividends received	24,880	27,822
Interest paid	(14,014)	(36,092)
Income taxes paid	(941,420)	(991,655)
Income taxes refund	23,212	2,790
Subsidies received	15,519	33,429
Net cash provided by (used in) operating activities	3,026,857	2,367,852
Cash flows from investing activities		
Net decrease (increase) in time deposits	-	1,696
Purchase of investment securities	(99,557)	(11,316)
Proceeds from sale of investment securities	4,620	-
Purchase of property, plant and equipment	(2,863,391)	(3,565,022)
Proceeds from sale of property, plant and equipment	12,847	14,662
Purchase of intangible assets	(11,151)	(21,866)
Payments for asset retirement obligations	-	(42,260)
Payments of guarantee deposits	(433,536)	(477,246)
Proceeds from refund of guarantee deposits	91,036	127,417
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(638,540)
Other, net	28,423	79,301
Net cash provided by (used in) investing activities	(3,270,710)	(4,533,174)

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	400,000	2,285,000
Proceeds from long-term borrowings	1,600,000	2,120,000
Repayments of long-term borrowings	(552,948)	(773,048)
Purchase of treasury shares	-	(246,200)
Repayments of lease liabilities	(235,358)	(161,542)
Dividends paid	(393,125)	(473,750)
Net cash provided by (used in) financing activities	818,567	2,750,458
Net increase (decrease) in cash and cash equivalents	574,714	585,136
Cash and cash equivalents at beginning of period	3,487,744	4,062,459
Cash and cash equivalents at end of period	4,062,459	4,647,595