

November 13, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: THERMAE-YU HOLDINGS CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 3521
 URL: <https://thermae-yu-hd.co.jp>
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 Scheduled date to file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	1,231	28.2	128	(4.9)	128	(3.1)	57	(29.4)
September 30, 2024	960	6.3	134	274.0	132	297.9	81	-

Note: Comprehensive income For the six months ended September 30, 2025: ¥57 million [(29.4)%]
 For the six months ended September 30, 2024: ¥81 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	2.18	2.16
September 30, 2024	3.09	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	5,969	4,855	81.2
March 31, 2025	6,090	4,924	80.8

Reference: Equity
 As of September 30, 2025: ¥4,844 million
 As of March 31, 2025: ¥4,919 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen	Yen	Yen	Yen	Yen
	-	-	-	5.00	5.00
Fiscal year ending March 31, 2026	-	-			
Fiscal year ending March 31, 2026 (Forecast)				5.00	5.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from 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
Fiscal year ending March 31, 2026	2,750	38.9	375	10.0	370	9.1	235	23.0	8.88

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Aoyagi Food Sales Co., Ltd.)
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	26,466,366 shares
As of March 31, 2025	26,466,366 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	15,883 shares
As of March 31, 2025	14,733 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	26,451,145 shares
Six months ended September 30, 2024	26,453,853 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	1,502,403	1,119,711
Accounts receivable - trade	95,453	180,533
Merchandise	1,887	32,955
Raw materials and supplies	2,194	2,095
Other	5,495	22,974
Allowance for doubtful accounts	(431)	(365)
Total current assets	1,607,002	1,357,904
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,272,712	2,183,758
Machinery, equipment and vehicles, net	32,667	29,229
Tools, furniture and fixtures, net	72,741	65,767
Land	1,834,794	1,834,794
Construction in progress	14,980	30,093
Total property, plant and equipment	4,227,895	4,143,643
Intangible assets		
Leasehold interests in land	83,445	83,445
Software	4,225	3,575
Telephone subscription right	1,528	1,528
Goodwill	-	200,719
Total intangible assets	89,199	289,269
Investments and other assets		
Investment securities	600	600
Deferred tax assets	-	10,990
Other	166,723	167,617
Allowance for doubtful accounts	(683)	(679)
Total investments and other assets	166,639	178,528
Total non-current assets	4,483,735	4,611,441
Total assets	6,090,738	5,969,345

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	37,382	121,333
Current portion of long-term borrowings	195,398	198,732
Accounts payable - other	51,472	50,866
Income taxes payable	73,723	61,746
Contract liabilities	16,523	17,806
Advances received	5,348	6,869
Provision for bonuses	5,987	6,456
Provision for shareholder benefit program	2,466	1,333
Other	86,877	53,375
Total current liabilities	475,179	518,520
Non-current liabilities		
Long-term borrowings	405,272	305,906
Deferred tax liabilities	31,964	34,180
Deferred tax liabilities for land revaluation	10,296	10,296
Asset retirement obligations	239,169	240,560
Long-term deposits received	3,948	4,053
Total non-current liabilities	690,651	594,997
Total liabilities	1,165,830	1,113,518
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	4,235,309	4,235,309
Retained earnings	568,380	493,766
Treasury shares	(3,117)	(3,297)
Total shareholders' equity	4,900,572	4,825,778
Accumulated other comprehensive income		
Revaluation reserve for land	18,765	18,765
Total accumulated other comprehensive income	18,765	18,765
Share acquisition rights	5,569	11,283
Total net assets	4,924,907	4,855,827
Total liabilities and net assets	6,090,738	5,969,345

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	960,087	1,231,087
Cost of sales	743,192	975,959
Gross profit	216,894	255,127
Selling, general and administrative expenses	81,905	126,695
Operating profit	134,989	128,432
Non-operating income		
Interest income	95	1,350
Rental income from non-current assets	420	384
Commission income	555	661
Insurance claim income	-	342
Rental income from buildings	318	707
Compensation income	393	295
Other	166	30
Total non-operating income	1,949	3,771
Non-operating expenses		
Interest expenses	4,034	3,474
Other	39	11
Total non-operating expenses	4,074	3,485
Ordinary profit	132,864	128,718
Extraordinary income		
Gain on forgiveness of debts	-	7,280
Total extraordinary income	-	7,280
Extraordinary losses		
Loss on retirement of non-current assets	0	331
Retirement benefits for directors (and other officers)	-	25,000
Total extraordinary losses	0	25,331
Profit before income taxes	132,864	110,666
Income taxes - current	52,683	60,365
Income taxes - deferred	(1,436)	(7,343)
Total income taxes	51,246	53,021
Profit	81,617	57,644
Profit attributable to owners of parent	81,617	57,644

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	81,617	57,644
Comprehensive income	81,617	57,644
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	81,617	57,644
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	132,864	110,666
Depreciation	151,158	149,975
Amortization of goodwill	-	6,840
Share-based payment expenses	-	5,713
Loss on retirement of property, plant and equipment	0	331
Increase (decrease) in allowance for doubtful accounts	(1,960)	(69)
Increase (decrease) in provision for bonuses	1,029	(1,271)
Increase (decrease) in provision for shareholder benefit program	(640)	(1,133)
Interest and dividend income	(95)	(1,350)
Interest expenses	4,034	3,474
Decrease (increase) in trade receivables	6,301	(603)
Decrease (increase) in inventories	28	3,470
Increase (decrease) in trade payables	(230)	8,910
Increase (decrease) in accrued consumption taxes	(22,104)	(38,302)
Decrease (increase) in consumption taxes refund receivable	7,928	-
Increase (decrease) in long-term deposits received	156	105
Decrease (increase) in other assets	2,128	(16,812)
Increase (decrease) in other liabilities	1,384	(14,352)
Subtotal	281,983	215,591
Interest and dividends received	95	1,350
Interest paid	(4,663)	(3,380)
Income taxes refund	6,698	-
Income taxes paid	(57,868)	(73,723)
Net cash provided by (used in) operating activities	226,244	139,838
Cash flows from investing activities		
Purchase of property, plant and equipment	(70,505)	(66,011)
Purchase of intangible assets	(1,420)	-
Payments into time deposits	-	(3,600)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(189,516)
Net cash provided by (used in) investing activities	(71,925)	(259,127)
Cash flows from financing activities		
Repayments of long-term borrowings	(104,258)	(136,032)
Dividends paid	-	(130,791)
Purchase of treasury shares	(97)	(179)
Net cash provided by (used in) financing activities	(104,355)	(267,003)
Net increase (decrease) in cash and cash equivalents	49,962	(386,292)
Cash and cash equivalents at beginning of period	1,228,015	1,501,203
Cash and cash equivalents at end of period	1,277,978	1,114,911

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (April 1, 2024 to September 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Bathing facilities	Real estate	Total
Sales			
Hot bath facility usage fee, etc.	664,090	-	664,090
Hot baths and other services, etc. (Note 1)	270,460	-	270,460
Real estate leasing, management services, etc.	-	1,347	1,347
Revenue generated from customer contracts	934,550	1,347	935,897
Other revenues (Note 2)	331	23,859	24,190
Revenues from external customers	934,881	25,206	960,087
Transactions with other segments	-	-	-
Total	934,881	25,206	960,087
Segment Profit	199,086	7,734	206,821

Note1: Hot baths and other services are generated by food and beverage, massage, etc.

Note2: Other income is rental income and other income based on Accounting Standards for Enterprises No. 13 "Accounting Standards for Lease Transactions."

2. The difference between the total amount of profit or loss of the reported segment and the amount recorded in the interim consolidated statement of income and the main details of the difference (matters related to adjustment of differences)

(Thousands of yen)

benefit	amount of money
Total Reporting Segments	206,821
Company-wide expenses (Note)	(71,832)
Operating income in the interim consolidated statement of income	134,989

Note: Corporate expenses are general and administrative expenses that are not primarily attributable to the reporting segment.

II. The Interim Consolidated Accounting Period (April 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Bathing facilities	Real estate	food	Total
Sales				
Hot bath facility usage fee, etc.	675,837	-	-	675,837
Hot baths and other services, etc. (Note 1)	282,206	-	-	282,206
Real estate leasing, management services, etc.	-	1,337	-	1,337
Food sales	-	-	248,997	248,997
Revenue generated from customer contracts	958,044	1,337	248,997	1,208,380
Other revenues (Note 2)	331	22,375	-	22,706
Revenues from external customers	958,375	23,713	248,997	1,231,087
Transactions with other segments	-	1,356	-	1,356
Total	958,375	25,069	248,997	1,232,443
Segment Profit	211,228	8,840	1,782	221,850

Note1: Hot baths and other services are generated by food and beverage, massage, etc.

Note2: Other income is rental income and other income based on Accounting Standards for Enterprises No. 13 "Accounting Standards for Lease Transactions."

2. Information on Assets by Reporting Segment

During the interim consolidated accounting period, we acquired all shares of Aoyagi Foods Sales Co., Ltd. and included them in the scope of consolidation.

As a result, compared to the end of the previous fiscal year, the amount of assets in the reporting segment for the interim consolidated accounting period increased by 378,244 thousand yen in the Food business.

3. The difference between the total amount of profit or loss of the reported segment and the amount recorded in the interim consolidated statement of income and the main details of the difference (matters related to adjustment of differences)

(Thousands of yen)

benefit	amount of money
Total Reporting Segments	221,850
Company-wide expenses (Note)	(93,418)
Operating income in the interim consolidated statement of income	128,432

Note: Corporate expenses are general and administrative expenses that are not primarily attributable to the reporting segment.

4. Changes to Reporting Segments

From the interim consolidated accounting period under review, we acquired all shares of Aoyagi Foods Sales Co., Ltd. and added a new reporting segment of "Food" to the scope of consolidation.

5. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant fluctuations in the amount of goodwill)

In the food business, we have acquired all shares of Aoyagi Foods Sales Co., Ltd. and have newly included them in the scope of consolidation. The increase in goodwill due to this event was 200,719 thousand yen for the interim consolidated accounting period.