

May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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 of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 29, 2026
 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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	2,695	36.1	308	(9.7)	308	(9.1)	161	(15.5)
March 31, 2025	1,980	4.6	341	81.1	339	85.5	191	99.1

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥161 million [(15.4)%]
 For the fiscal year ended March 31, 2025: ¥191 million [98.9%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	6.12	6.00	3.3	5.1	11.4
March 31, 2025	7.24	7.23	4.0	5.6	17.2

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	6,000	4,969	82.5	187.10
March 31, 2025	6,090	4,924	80.8	185.97

Reference: Equity

As of March 31, 2026: ¥4,948 million
 As of March 31, 2025: ¥4,919 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	449	(291)	(367)	1,292
March 31, 2025	562	(95)	(194)	1,501

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	-	-	-	5.00	5.00	132	69.1	2.7
March 31, 2026	-	-	-	5.00	5.00	132	81.7	2.7
March 31, 2027 (Forecast)				5.00	5.00		73.5	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)*(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, 2027	3,060	13.5	320	3.8	320	3.6	180	11.2	6.80

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Aoyagi Food Sales Co., Ltd.)
- (2) 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
- (3) Number of issued shares (common shares)

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

As of March 31, 2026	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 March 31, 2026	17,333 shares
As of March 31, 2025	14,733 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	26,450,527 shares
Fiscal year ended March 31, 2025	26,453,339 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	861	3.3	287	(4.8)	292	(3.8)	146	(7.1)
March 31, 2025	833	(3.3)	301	(13.9)	303	(12.8)	157	(28.1)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	5.53	5.42
March 31, 2025	5.95	5.94

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	6,054	4,979	81.9	187.47
March 31, 2025	6,159	4,950	80.3	186.94

Reference: Equity

As of March 31, 2026: ¥4,958 million

As of March 31, 2025: ¥4,944 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 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. Please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 3 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	1,502,403	1,300,584
Accounts receivable - trade	95,453	172,225
Merchandise	1,887	27,436
Raw materials and supplies	2,194	10,139
Other	5,495	15,775
Allowance for doubtful accounts	(431)	(303)
Total current assets	1,607,002	1,525,857
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,272,712	2,083,075
Machinery, equipment and vehicles, net	32,667	42,432
Tools, furniture and fixtures, net	72,741	55,260
Land	1,834,794	1,834,794
Construction in progress	14,980	-
Total property, plant and equipment	4,227,895	4,015,562
Intangible assets		
Leasehold interests in land	83,445	83,445
Software	4,225	3,705
Telephone subscription right	1,528	1,528
Goodwill	-	187,037
Total intangible assets	89,199	275,717
Investments and other assets		
Investment securities	600	600
Deferred tax assets	-	14,373
Other	166,723	168,106
Allowance for doubtful accounts	(683)	-
Total investments and other assets	166,639	183,080
Total non-current assets	4,483,735	4,474,360
Total assets	6,090,738	6,000,217

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	37,382	123,262
Current portion of long-term borrowings	195,398	159,932
Accounts payable - other	51,472	53,261
Income taxes payable	73,723	75,371
Contract liabilities	16,523	19,179
Advances received	5,348	4,919
Provision for bonuses	5,987	7,024
Provision for shareholder benefit program	2,466	4,415
Other	86,877	52,151
Total current liabilities	475,179	499,517
Non-current liabilities		
Long-term borrowings	405,272	245,340
Deferred tax liabilities	31,964	28,921
Deferred tax liabilities for land revaluation	10,296	10,296
Asset retirement obligations	239,169	243,360
Long-term deposits received	3,948	3,393
Total non-current liabilities	690,651	531,312
Total liabilities	1,165,830	1,030,829
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	4,235,309	4,235,309
Retained earnings	568,380	597,999
Treasury shares	(3,117)	(3,548)
Total shareholders' equity	4,900,572	4,929,759
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	20,861
Total net assets	4,924,907	4,969,387
Total liabilities and net assets	6,090,738	6,000,217

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	1,980,519	2,695,959
Cost of sales	1,471,272	2,105,682
Gross profit	509,247	590,276
Selling, general and administrative expenses	167,778	282,014
Operating profit	341,468	308,262
Non-operating income		
Interest income	757	2,639
Commission income	1,239	1,843
Rental income from non-current assets	420	384
Subsidy income	48	-
Rental income from buildings	1,890	1,025
Compensation income	1,348	665
Other	752	508
Total non-operating income	6,456	7,065
Non-operating expenses		
Interest expenses	7,908	6,245
Other	99	188
Total non-operating expenses	8,007	6,434
Ordinary profit	339,917	308,893
Extraordinary income		
Gain on forgiveness of debts	-	7,280
Total extraordinary income	-	7,280
Extraordinary losses		
Loss on retirement of non-current assets	0	4,424
Retirement benefits for directors (and other officers)	-	25,000
Total extraordinary losses	0	29,424
Profit before income taxes	339,917	286,748
Income taxes - current	126,682	140,857
Income taxes - deferred	21,675	(15,985)
Total income taxes	148,357	124,871
Profit	191,559	161,877
Profit attributable to owners of parent	191,559	161,877

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	191,559	161,877
Other comprehensive income		
Revaluation reserve for land	(244)	-
Total other comprehensive income	(244)	-
Comprehensive income	191,315	161,877
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	191,315	161,877
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of period	100,000	4,235,309	376,820	(2,750)	4,709,379	19,010	19,010	-	4,728,389
Changes during period									
Dividends of surplus									
Profit (loss) attributable to owners of parent			191,559		191,559				191,559
Purchase of treasury shares				(366)	(366)				(366)
Net changes in items other than shareholders' equity						(244)	(244)	5,569	5,325
Total changes during period	-	-	191,559	(366)	191,192	(244)	(244)	5,569	196,517
Balance at end of period	100,000	4,235,309	568,380	(3,117)	4,900,572	18,765	18,765	5,569	4,924,907

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of period	100,000	4,235,309	568,380	(3,117)	4,900,572	18,765	18,765	5,569	4,924,907
Changes during period									
Dividends of surplus			(132,258)		(132,258)				(132,258)
Profit (loss) attributable to owners of parent			161,877		161,877				161,877
Purchase of treasury shares				(431)	(431)				(431)
Net changes in items other than shareholders' equity								15,292	15,292
Total changes during period	-	-	29,618	(431)	29,187	-	-	15,292	44,480
Balance at end of period	100,000	4,235,309	597,999	(3,548)	4,929,759	18,765	18,765	20,861	4,969,387

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	339,917	286,748
Depreciation	306,027	302,707
Amortization of goodwill	-	20,522
Share-based payment expenses	4,453	15,292
Increase (decrease) in allowance for doubtful accounts	(3,582)	(811)
Increase (decrease) in provision for bonuses	393	(704)
Increase (decrease) in provision for shareholder benefit program	518	1,948
Interest and dividend income	(757)	(2,639)
Interest expenses	7,908	6,245
Loss on retirement of property, plant and equipment	0	4,424
Decrease (increase) in trade receivables	(1,389)	7,704
Decrease (increase) in inventories	(973)	945
Increase (decrease) in trade payables	868	10,838
Increase (decrease) in accrued consumption taxes	725	(39,155)
Decrease (increase) in consumption taxes refund receivable	7,928	-
Increase (decrease) in long-term deposits received	(275)	(555)
Other, net	12,957	(19,960)
Subtotal	674,720	593,552
Interest and dividends received	757	2,639
Interest paid	(8,463)	(6,041)
Income taxes refund	6,698	-
Income taxes paid	(110,813)	(140,591)
Net cash provided by (used in) operating activities	562,899	449,559
Cash flows from investing activities		
Purchase of property, plant and equipment	(92,467)	(93,312)
Purchase of intangible assets	(1,420)	(820)
Payments into time deposits	(1,200)	(7,200)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(189,516)
Other, net	-	(694)
Net cash provided by (used in) investing activities	(95,088)	(291,544)
Cash flows from financing activities		
Repayments of long-term borrowings	(193,622)	(235,398)
Dividends paid	-	(131,205)
Payments for issuance of subscription rights to shares	(634)	-
Purchase of treasury shares	(366)	(431)
Net cash provided by (used in) financing activities	(194,622)	(367,034)
Net increase (decrease) in cash and cash equivalents	273,188	(209,019)
Cash and cash equivalents at beginning of period	1,228,015	1,501,203
Cash and cash equivalents at end of period	1,501,203	1,292,184

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Company is a business holding company, and under the leadership of the Company, aims to improve the efficiency of the management of the entire Group, establish business divisions for each product and service, clarify the authority and responsibilities of each business division, increase the degree of freedom in management, and develop the Group by demonstrating its uniqueness.

Accordingly, the Company is comprised of product-service segments based on business units, with three reporting segments: Hot Baths, Real Estate, and Food.

The hot bath facilities are operated by our consolidated subsidiaries, Therma-yu Co., Ltd. and Elena Co., Ltd. In the area of "Real Estate", we lease tenant buildings and residences, and buy, sell, and broker real estate. Aoyagi Foods Sales Co., Ltd., which became a subsidiary of Aoyagi Foods Sales Co., Ltd. in July 2025, is engaged in the planning and development of food, ingredients, and health foods, as well as OEM products and wholesaling. From the current fiscal year, "food" has been newly added to the categories of reporting segments in addition to the existing "hot baths" and "real estate."

2. Method of calculating the amount of sales, profit or loss, assets, and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit in the reporting segment is a figure based on operating income.

Internal revenues and transfers between segments are based on prevailing market prices.

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

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segments		Total
	Bathing facilities	Real estate	
Sales			
Hot bath facility usage fee, etc.	1,398,984	-	1,398,984
Hot baths and other services, etc. (Note 1)	531,382	-	531,382
Real estate leasing, management services, etc.	-	3,027	3,027
Revenue generated from customer contracts	1,930,367	3,027	1,933,394
Other revenues (Note 2)	662	46,462	47,124
Revenues from external customers	1,931,029	49,490	1,980,519
Transactions with other segments	-	1,236	1,236
Total	1,931,029	50,726	1,981,755
Segment Profit	473,412	16,924	490,337
Segment Assets	3,693,714	775,335	4,469,050
Other items			
Depreciation	294,197	11,124	305,321
Increase in property, plant and equipment and intangible assets	121,763	-	121,763

Note1: "Hot baths and other services" are sales from food and beverage, massage, etc.

Note2: "Other income" refers to rental income, etc., based on Accounting Standards for Enterprises No. 13 "Accounting Standards for Lease Transactions."

The current fiscal year (April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Reportable segments			Total
	Bathing facilities	Real estate	food	
Sales				
Hot bath facility usage fee, etc.	1,403,198	-	-	1,403,198
Hot baths and other services, etc. (Note 1)	596,591	-	-	596,591
Real estate leasing, management services, etc.	-	2,077	-	2,077
Food sales	-	-	648,741	648,741
Revenue generated from customer contracts	1,999,789	2,077	648,741	2,650,608
Other revenues (Note 2)	662	44,688	-	45,350
Revenues from external customers	2,000,451	46,765	648,741	2,695,959
Transactions with other segments	-	1,356	-	1,356
Total	2,000,451	48,121	648,741	2,697,315
Segment profit (loss)	493,329	14,190	(16,520)	491,000
Segment Assets	3,416,720	761,381	358,527	4,536,629
Other items				
Depreciation	290,750	10,718	2,316	303,784
Increase in property, plant and equipment and intangible assets	94,818	-	23,364	118,182

Note1: "Hot baths and other services" are sales from food and beverage, massage, etc.

Note2: "Other income" refers to rental income, etc., based on Accounting Standards for Enterprises No. 13 "Accounting Standards for Lease Transactions."

4. Difference between the Total Amount of Reporting Segments and the Amount Recorded in Consolidated Financial Statements, and Main Details of the Difference (Matters Related to Adjustment of Differences)

(Thousands of yen)

Sales	The previous fiscal year	The current fiscal year
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Total Reporting Segments	1,981,755	2,697,315
Inter-segment transaction elimination	(1,236)	(1,356)
Sales in consolidated financial statements	1,980,519	2,695,959

(Thousands of yen)

benefit	The previous fiscal year	The current fiscal year
Total Reporting Segments	490,337	491,000
Company-wide expenses (Note)	(148,868)	(182,737)
Operating income in consolidated financial statements	341,468	308,262

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

(Thousands of yen)

Assets	The previous fiscal year	The current fiscal year
Total Reporting Segments	4,469,050	4,536,629
Company-wide assets (Note)	1,621,688	1,463,587
Total assets in consolidated financial statements	6,090,738	6,000,217

Note: "Company-wide assets" are assets of the Company's administrative divisions that are not primarily attributable to the reporting segments.

(Thousands of yen)

Other items	Total Reporting Segments		Adjustment amount		Total	
	The previous fiscal year	The current fiscal year	The previous fiscal year	The current fiscal year	The previous fiscal year	The current fiscal year
Depreciation	305,321	303,784	705	965	306,027	304,749
Increase in property, plant and equipment and intangible assets (Note)	121,763	118,182	1,580	820	123,343	119,002

Note: The adjustment for the increase in property, plant and equipment and intangible assets is the amount of capital expenditures in the Company's administrative divisions that are not attributable to the reporting segments.

Related Information

The previous fiscal year (April 1, 2024 to March 31, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since there are no sales to external customers outside of Japan, there is no such matter.

(2) Property, plant and equipment

Since there are no property, plant and equipment located outside of Japan, there is no applicable matter.

3. Information per main customer

External sales to specific customers are less than 10% of sales in the consolidated statements of income, so the description is omitted.

The current fiscal year (April 1, 2025 to March 31, 2026)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since there are no sales to external customers outside of Japan, there is no such matter.

(2) Property, plant and equipment

Since there are no property, plant and equipment located outside of Japan, there is no applicable matter.

3. Information per main customer

External sales to specific customers are less than 10% of sales in the consolidated statements of income, so the description is omitted.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

Not applicable.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Bathing facilities	Real estate	food	Total
Depreciation for the period	-	-	20,522	20,522
Balance at the end of the current fiscal year	-	-	187,037	187,037

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

Not applicable.