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November 12, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: THERMAE-YU HOLDINGS CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 3521
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Scheduled date to file semi-annual securities report: November 12, 2026
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, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(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, 2026	1,495	21.5	133	3.6	136	5.9	(113)	-
September 30, 2025	1,231	28.2	128	(4.9)	128	(3.1)	57	(29.4)

Note: Comprehensive income For the six months ended September 30, 2026: ¥(113) million [-%]
For the six months ended September 30, 2025: ¥57 million [(29.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	(4.28)	-
September 30, 2025	2.18	2.16

Note: Interim net income per share after adjusting for potential shares is not shown because it is an interim net loss per share, although there are potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	5,637	4,731	83.4
March 31, 2026	6,000	4,967	82.5

Reference: Equity
As of September 30, 2026: ¥4,701 million
As of March 31, 2026: ¥4,946 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	-	-	5.00	5.00
Fiscal year ending March 31, 2027	-	-			
Fiscal year ending March 31, 2027 (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, 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	13.6	320	4.4	320	4.1	(50)	-	(1.89)

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

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

(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, 2026	26,466,366 shares
As of March 31, 2026	26,466,366 shares

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

As of September 30, 2026	18,033 shares
As of March 31, 2026	17,333 shares

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

Six months ended September 30, 2026	26,448,652 shares
Six months ended September 30, 2025	26,451,145 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, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	1,300,584	1,268,280
Accounts receivable - trade	172,225	188,055
Merchandise	27,436	30,947
Raw materials and supplies	10,139	11,949
Other	15,775	14,417
Allowance for doubtful accounts	(303)	(313)
Total current assets	1,525,857	1,513,336
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,083,075	1,946,795
Machinery, equipment and vehicles, net	42,432	30,443
Tools, furniture and fixtures, net	55,260	47,947
Land	1,834,794	1,834,794
Total property, plant and equipment	4,015,562	3,859,980
Intangible assets		
Leasehold interests in land	83,445	83,445
Software	3,705	2,974
Telephone subscription right	1,528	1,528
Goodwill	187,037	-
Total intangible assets	275,717	87,948
Investments and other assets		
Investment securities	600	600
Deferred tax assets	14,373	9,716
Other	168,106	166,338
Total investments and other assets	183,080	176,654
Total non-current assets	4,474,360	4,124,583
Total assets	6,000,217	5,637,920

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	123,262	115,861
Current portion of long-term borrowings	159,932	103,232
Accounts payable - other	53,261	57,303
Income taxes payable	75,371	62,300
Contract liabilities	19,179	4,573
Advances received	6,544	6,022
Provision for bonuses	7,024	7,486
Provision for shareholder benefit program	4,415	3,432
Other	52,151	60,070
Total current liabilities	501,142	420,282
Non-current liabilities		
Long-term borrowings	245,340	202,674
Deferred tax liabilities	28,921	25,735
Deferred tax liabilities for land revaluation	10,296	10,296
Asset retirement obligations	243,360	244,778
Long-term deposits received	3,393	3,113
Total non-current liabilities	531,312	486,598
Total liabilities	1,032,454	906,881
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	4,235,309	4,235,309
Retained earnings	596,374	350,851
Treasury shares	(3,548)	(3,656)
Total shareholders' equity	4,928,134	4,682,504
Accumulated other comprehensive income		
Revaluation reserve for land	18,765	18,765
Total accumulated other comprehensive income	18,765	18,765
Share acquisition rights	20,861	29,768
Total net assets	4,967,762	4,731,038
Total liabilities and net assets	6,000,217	5,637,920

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	1,231,087	1,495,689
Cost of sales	975,959	1,189,748
Gross profit	255,127	305,940
Selling, general and administrative expenses	126,695	172,850
Operating profit	128,432	133,089
Non-operating income		
Interest income	1,350	2,012
Rental income from non-current assets	384	384
Commission income	661	1,233
Insurance claim income	342	-
Rental income from buildings	707	318
Compensation income	295	662
Other	30	805
Total non-operating income	3,771	5,416
Non-operating expenses		
Interest expenses	3,474	2,084
Other	11	68
Total non-operating expenses	3,485	2,153
Ordinary profit	128,718	136,353
Extraordinary income		
Gain on forgiveness of debts	7,280	-
Total extraordinary income	7,280	-
Extraordinary losses		
Impairment losses	-	185,880
Loss on sale of non-current assets	-	210
Loss on retirement of non-current assets	331	364
Retirement benefits for directors (and other officers)	25,000	-
Total extraordinary losses	25,331	186,454
Profit (loss) before income taxes	110,666	(50,101)
Income taxes - current	60,365	61,704
Income taxes - deferred	(7,343)	1,471
Total income taxes	53,021	63,175
Profit (loss)	57,644	(113,277)
Profit (loss) attributable to owners of parent	57,644	(113,277)

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit (loss)	57,644	(113,277)
Comprehensive income	57,644	(113,277)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	57,644	(113,277)
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	110,666	(50,101)
Depreciation	149,975	150,398
Amortization of goodwill	6,840	13,681
Share-based payment expenses	5,713	8,906
Impairment losses	-	185,880
Loss on retirement of property, plant and equipment	331	364
Loss (gain) on sale of property, plant and equipment	-	210
Increase (decrease) in allowance for doubtful accounts	(69)	9
Increase (decrease) in provision for bonuses	(1,271)	461
Increase (decrease) in provision for shareholder benefit program	(1,133)	(982)
Interest and dividend income	(1,350)	(2,012)
Interest expenses	3,474	2,084
Decrease (increase) in trade receivables	(603)	(15,829)
Decrease (increase) in inventories	3,470	(5,321)
Increase (decrease) in trade payables	8,910	(7,401)
Increase (decrease) in accrued consumption taxes	(38,302)	6,890
Increase (decrease) in long-term deposits received	105	(280)
Decrease (increase) in other assets	(16,812)	2,156
Increase (decrease) in other liabilities	(14,352)	(7,729)
Subtotal	215,591	281,387
Interest and dividends received	1,350	2,012
Interest paid	(3,380)	(1,981)
Income taxes paid	(73,723)	(74,776)
Net cash provided by (used in) operating activities	139,838	206,642
Cash flows from investing activities		
Purchase of property, plant and equipment	(66,011)	(8,056)
Purchase of intangible assets	-	(1,500)
Payments into time deposits	(3,600)	(3,600)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(189,516)	-
Other, net	-	980
Net cash provided by (used in) investing activities	(259,127)	(12,176)
Cash flows from financing activities		
Repayments of long-term borrowings	(136,032)	(99,366)
Dividends paid	(130,791)	(130,896)
Purchase of treasury shares	(179)	(107)
Net cash provided by (used in) financing activities	(267,003)	(230,369)
Net increase (decrease) in cash and cash equivalents	(386,292)	(35,903)
Cash and cash equivalents at beginning of period	1,501,203	1,292,184
Cash and cash equivalents at end of period	1,114,911	1,256,280

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (from 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. 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.

II. The Interim Consolidated Accounting Period (April 1, 2026 to September 30, 2026)

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.	703,299	-	-	703,299
Hot baths and other services, etc. (Note 1)	291,689	-	-	291,689
Real estate leasing, management services, etc.	-	617	-	617
Food sales	-	-	481,908	481,908
Revenue generated from customer contracts	994,988	617	481,908	1,477,514
Other revenues (Note 2)	183	17,991	-	18,174
Revenues from external customers	995,172	18,609	481,908	1,495,689
Transactions with other segments	-	-	46	46
Total	995,172	18,609	481,954	1,495,736
Segment profit (loss)	245,682	(578)	(8,331)	236,773

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	236,773
Company-wide expenses (Note)	(103,683)
Operating income in the interim consolidated statement of income	133,089

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

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

(Significant impairment loss on fixed assets)

In the Food business, we recorded impairment losses on property, plant and equipment and intangible assets. The amount of the impairment loss recorded was 12,525 thousand yen for the interim consolidated accounting period under review.

(Significant fluctuations in the amount of goodwill)

The amount of goodwill decreased due to the recording of an impairment loss on goodwill in the Food business. The decrease in goodwill due to this event was 173,355 thousand yen for the interim consolidated accounting period.