First Quarter of the Fiscal Year Ending March 31, 2026 Notes to Financial Results

Sotetsu Holdings, Inc.

July 31, 2025

https://www.sotetsu.co.jp/ir/
TSE securities code: 9003

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Financial Highlights (Consolidated Statement of Income)

(Million yen)

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	75,082	80,998	-5,915	-7.3	75,800	-717	-0.9
Operating profit	11,105	14,362	-3,256	-22.7	8,900	+2,205	+24.8
Non-operating income	344	1,130	-785	-69.5	300	+44	+15.0
Non-operating expenses	1,210	860	+350	+40.7	900	+310	+34.5
Ordinary profit	10,240	14,632	-4,392	-30.0	8,300	+1,940	+23.4
Extraordinary income	78	199	-121	-60.6	–	+78	–
Extraordinary losses	153	115	+38	+33.0	100	+53	+53.9
Profit before income taxes	10,164	14,716	-4,551	-30.9	8,200	+1,964	+24.0
Income taxes	2,809	4,162	-1,353	-32.5	2,200	+609	+27.7
Profit	7,355	10,553	-3,197	-30.3	6,000	+1,355	+22.6
Profit attributable to non-controlling interests	-0	23	-24	–	–	-0	–
Profit attributable to owners of parent	7,355	10,529	-3,173	-30.1	6,000	+1,355	+22.6

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Net income per share (Yen)	76.30	107.48	-31.18	–	62.20	+14.10	–

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Segment Information

(Million yen)

		FY3/2026 Q1	FY3/2025 Q1	Change		Note
				Amount	(%)	
Transportation	Operating revenue	11,338	10,903	+434	+4.0	Both existing lines and the Sotetsu Shin-Yokohama Line saw an increase in both revenue and profit due to an increase in the number of passengers carried
	Operating profit	2,160	1,583	+576	+36.4	
Merchandising	Operating revenue	23,610	22,407	+1,203	+5.4	
	Operating profit	-28	-169	+140	–	
Real Estate	Operating revenue	17,893	28,755	-10,862	-37.8	
	Operating profit	3,794	9,579	-5,784	-60.4	
Sales	Operating revenue	7,675	19,842	-12,166	-61.3	Decrease in reaction to large condominiums sold in FY2025/3
	Operating profit	568	6,270	-5,702	-90.9	
Leasing	Operating revenue	10,307	8,983	+1,323	+14.7	
	Operating profit	3,226	3,309	-82	-2.5	
Hotel	Operating revenue	18,556	15,366	+3,190	+20.8	Increase in revenue and profit due to strong demand for lodging
	Operating profit	4,542	2,857	+1,684	+59.0	
Other	Operating revenue	6,991	6,345	+645	+10.2	
	Operating profit	886	640	+245	+38.4	
Adjustments	Operating revenue	-3,307	-2,780	-527	–	
	Operating profit	-249	-129	-119	–	
Consolidated totals	Operating revenue	75,082	80,998	-5,915	-7.3	
	Operating profit	11,105	14,362	-3,256	-22.7	

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Segment Information

(Million yen)

		FY3/2026 Q1	FY3/2026 Q1 Plan	Change		Note
				Amount	(%)	
Transportation	Operating revenue	11,338	11,300	+38	+0.3	Increase in revenue and profit due to an increase in sales in Sotetsu Shin-Yokohama Line and a decrease in expenses
	Operating profit	2,160	1,700	+460	+27.1	
Merchandising	Operating revenue	23,610	23,600	+10	+0.0	
	Operating profit	-28	-100	+71	–	
Real Estate	Operating revenue	17,893	18,900	-1,006	-5.3	
	Operating profit	3,794	3,600	+194	+5.4	
Sales	Operating revenue	7,675	9,200	-1,524	-16.6	Decrease in revenue and profit due to delay in sales plan
	Operating profit	568	600	-31	-5.3	
Leasing	Operating revenue	10,307	9,800	+507	+5.2	Increase in revenue and profit due to higher proportional rent and other factors
	Operating profit	3,226	3,000	+226	+7.5	
Hotel	Operating revenue	18,556	18,100	+456	+2.5	Increase in revenue and profit due to higher-than-expected lodging demand
	Operating profit	4,542	3,300	+1,242	+37.6	
Other	Operating revenue	6,991	6,700	+291	+4.3	
	Operating profit	886	400	+486	+121.7	
Adjustments	Operating revenue	-3,307	-2,800	-507	–	
	Operating profit	-249	–	-249	–	
Consolidated totals	Operating revenue	75,082	75,800	-717	-0.9	
	Operating profit	11,105	8,900	+2,205	+24.8	

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Segment Information (Transportation)

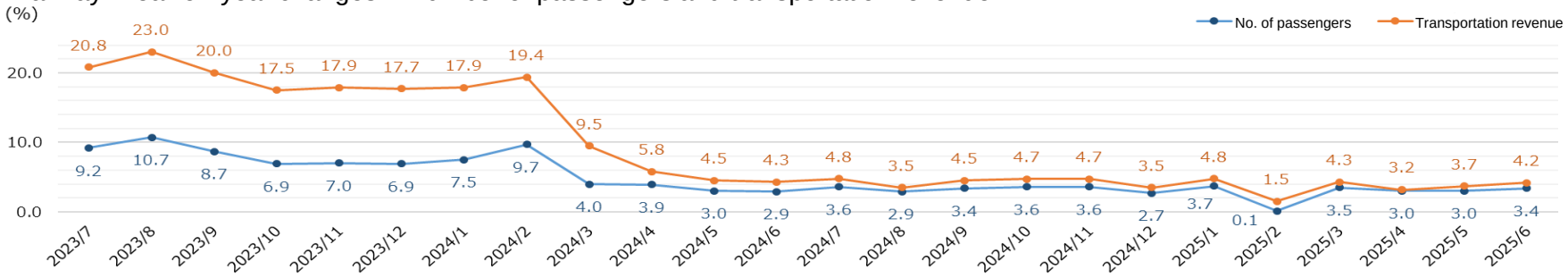
(Million yen)

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	11,338	10,903	+434	+4.0	11,300	+38	+0.3
Railway	9,490	9,180	+310	+3.4	9,400	+90	+1.0
Bus	1,855	1,733	+122	+7.0	1,900	-44	-2.4
Adjustments	-7	-9	+2	–	–	-7	–
Operating profit	2,160	1,583	+576	+36.4	1,700	+460	+27.1

<Railway: No. of passengers/Transportation revenue>

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
No. of passengers (1,000)							
Non-commuter	22,257	21,517	+740	+3.4	22,143	+114	+0.5
Commuter	35,643	34,620	+1,023	+3.0	35,213	+430	+1.2
Regular	27,568	26,739	+829	+3.1	27,303	+264	+1.0
Student	8,075	7,880	+194	+2.5	7,909	+166	+2.1
Total	57,901	56,137	+1,764	+3.1	57,356	+545	+1.0
Passenger transportation revenue (Million yen)							
Non-commuter	4,772	4,598	+173	+3.8	4,747	+24	+0.5
Commuter	3,965	3,824	+140	+3.7	3,958	+6	+0.2
Regular	3,575	3,447	+128	+3.7	3,581	-5	-0.2
Student	389	377	+12	+3.3	377	+12	+3.4
Total	8,737	8,423	+313	+3.7	8,706	+31	+0.4

➢ Railway: Year-on-year changes in number of passengers and transportation revenue



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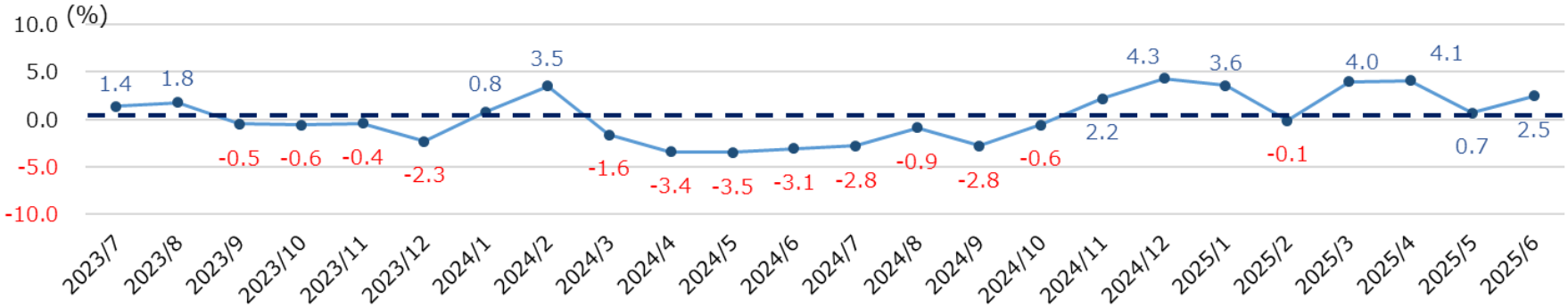
Segment Information (Merchandising)

(Million yen)

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	23,610	22,407	+1,203	+5.4	23,600	+10	+0.0
Supermarket business	21,201	20,143	+1,058	+5.3	21,300	-98	-0.5
Other merchandising businesses	2,408	2,263	+145	+6.4	2,300	+108	+4.7
Adjustments	–	–	–	–	–	–	–
Operating profit	-28	-169	+140	–	-100	+71	–

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+2.4%	Compared with the plan	-0.7%

➢ Supermarket (Sotetsu Rosen): Existing stores(*) Year-on-year changes in monthly revenue



* Existing stores in the above monthly changes refer to stores operating in both the relevant month and the same month of the previous year.
Stores that opened or closed before the end of a month are excluded.
New store: (FY3/2025) Yumegaoka Soratos store (opened on July 25, 2024 / pre-opened on July 23, 2024)

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Segment Information (Real Estate)

(Million yen)

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	17,893	28,755	-10,862	-37.8	18,900	-1,006	-5.3
Sales	7,675	19,842	-12,166	-61.3	9,200	-1,524	-16.6
Leasing	10,307	8,983	+1,323	+14.7	9,800	+507	+5.2
Adjustments	-89	-70	-19	–	-100	+10	–
Operating profit	3,794	9,579	-5,784	-60.4	3,600	+194	+5.4
Sales	568	6,270	-5,702	-90.9	600	-31	-5.3
Leasing	3,226	3,309	-82	-2.5	3,000	+226	+7.5

<Number of condominiums and houses sold>

(units)

	FY3/2026 Q1	FY3/2025 Q1	Change	FY3/2026 Q1 Plan	Change
Condominiums	62	180	-118	81	-18
Houses	–	4	-4	9	-9
Total	62	184	-122	90	-27

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Segment Information (Hotel)

(Million yen)

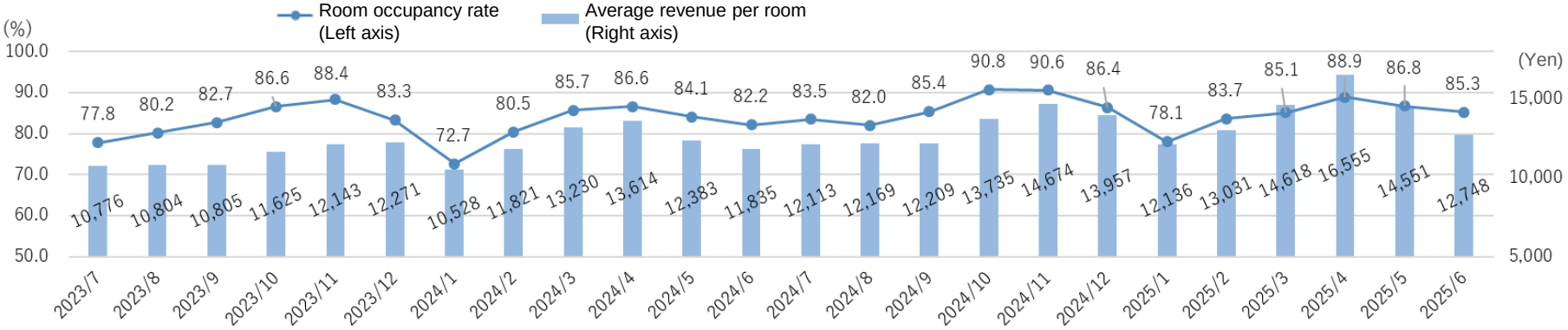
	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	18,556	15,366	+3,190	+20.8	18,100	+456	+2.5
Operating profit	4,542	2,857	+1,684	+59.0	3,300	+1,242	+37.6

<In Japan, room occupancy rate/average revenue per room>

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Room occupancy rate (%)							
Accommodation-specific hotels in Japan	87.0	84.3	+2.7 pts	–	85.0	+2.0 pts	–
Yokohama Bay Sheraton	85.2	82.6	+2.6 pts	–	84.3	+0.9 pts	–
Average revenue per room (Yen)							
Accommodation-specific hotels in Japan	14,643	12,622	+2,021	+16.0	13,959	+684	+4.9
Yokohama Bay Sheraton	27,068	25,232	+1,836	+7.3	25,719	+1,349	+5.2

* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

➢ Accommodation-specific hotels in Japan: Room occupancy rate and average revenue per room



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Segment Information (Other)

(Million yen)

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	6,991	6,345	+645	+10.2	6,700	+291	+4.3
Building maintenance business	5,212	4,639	+572	+12.3	4,800	+412	+8.6
Other	2,015	1,923	+92	+4.8	2,100	-84	-4.0
Adjustments	-236	-217	-19	–	-200	-36	–
Operating profit	886	640	+245	+38.4	400	+486	+121.7

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Non-Operating Income/Expenses

(Million yen)

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Operating profit	11,105	14,362	-3,256	-22.7	8,900	+2,205	+24.8
Non-operating income	344	1,130	-785	-69.5	300	+44	+15.0
Interest and dividend income	173	212	-38	-18.4	100	+73	+73.1
Foreign exchange gains	123	769	-645	-83.9	–	+123	–
Reversal of clerical costs on work performed on contract	7	16	-9	-55.1	100	-92	-92.4
Miscellaneous income	40	132	-91	-69.5	100	-59	-59.7
Non-operating expenses	1,210	860	+350	+40.7	900	+310	+34.5
Interest expenses	963	772	+190	+24.7	900	+63	+7.1
Miscellaneous expenses	247	87	+159	+182.9	–	+247	–
Ordinary profit	10,240	14,632	-4,392	-30.0	8,300	+1,940	+23.4

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Extraordinary Income/Losses

(Million yen)

	FY3/2026 Q1	FY3/2025 Q1	Change		FY3/2026 Q1 Plan	Change	
			Amount	(%)		Amount	(%)
Ordinary profit	10,240	14,632	-4,392	-30.0	8,300	+1,940	+23.4
Extraordinary income	78	199	-121	-60.6	–	+78	–
Gain on sale of non-current assets	0	2	-2	-97.3	–	+0	–
Gain on sale of investment securities	–	156	-156	–	–	–	–
Subsidy income	65	31	+34	+109.4	–	+65	–
Compensation income	13	9	+3	+37.6	–	+13	–
Extraordinary losses	153	115	+38	+33.0	100	+53	+53.9
Loss on retirement of non-current assets	91	85	+5	+6.6	100	-8	-8.5
Loss on tax purpose reduction entry of non-current assets	62	29	+32	+108.9	–	+62	–
Profit before income taxes	10,164	14,716	-4,551	-30.9	8,200	+1,964	+24.0

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Financial Highlights (Consolidated Balance Sheet)

(Million yen)

	As of June 30, 2025	As of March 31, 2025	Change		Note
			Amount	(%)	
Current assets	137,212	141,683	-4,471	-3.2	Notes and accounts receivable - trade: -2,291, Inventories: +4,439, Other current assets: -3,818
Non-current assets	611,839	615,580	-3,741	-0.6	Property, plant and equipment: -3,437
Total assets	749,051	757,264	-8,212	-1.1	
Current liabilities	125,246	144,130	-18,883	-13.1	
Non-current liabilities	442,158	431,053	+11,104	+2.6	
Total liabilities	567,404	575,184	-7,779	-1.4	Interest-bearing debt: +5,025, Notes and accounts payable - trade: -2,058, Income taxes payable: -3,623, Other current liabilities: -4,586
Total net assets	181,647	182,079	-432	-0.2	Profit attributable to owners of parent: +7,355, Dividends: -3,404, Treasury shares: -2,864
Total liabilities and net assets	749,051	757,264	-8,212	-1.1	
Equity	181,564	181,985	-421	-0.2	
Equity ratio (%)	24.2	24.0	+0.2 pts	–	
Interest-bearing debt	420,494	415,468	+5,025	+1.2	

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Forecast for FY3/2026 (Consolidated Statement of Income)

(Million yen)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Operating revenue	316,300	292,178	+24,121	+8.3	
Operating profit	35,100	37,820	-2,720	-7.2	
Non-operating income	1,300	1,001	+298	+29.9	
Non-operating expenses	3,900	4,008	-108	-2.7	
Ordinary profit	32,500	34,812	-2,312	-6.6	
Extraordinary income	100	2,255	-2,155	-95.6	
Extraordinary losses	900	6,544	-5,644	-86.2	
Profit before income taxes	31,700	30,523	+1,176	+3.9	
Income taxes	10,100	8,126	+1,973	+24.3	
Profit	21,600	22,397	-797	-3.6	
Profit attributable to non-controlling interests	300	-10	+310	–	
Profit attributable to owners of parent	21,300	22,407	-1,107	-4.9	

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Net income per share (Yen)	221.59	228.84	-7.25	–	

* Results forecast announced in April 2025 remains unchanged.

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Forecast for FY3/2026 (All Segments)

(Million yen)

		FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
				Amount	(%)	
Transportation	Operating revenue	45,100	43,540	+1,559	+3.6	Increase in revenues due to an increased number of users, mainly on the Sotetsu Shin-Yokohama Line , and fare revisions in the bus business
	Operating profit	4,900	4,912	-12	-0.3	Decrease due to increase in repair expenses, etc.
Merchandising	Operating revenue	98,500	94,854	+3,645	+3.8	
	Operating profit	700	-229	+929	–	
Real Estate	Operating revenue	81,100	71,218	+9,881	+13.9	
	Operating profit	14,500	19,032	-4,532	-23.8	
Sales	Operating revenue	35,300	30,456	+4,843	+15.9	Decrease in reaction to large condominiums sold in FY2025/3
	Operating profit	2,500	6,137	-3,637	-59.3	
Leasing	Operating revenue	46,100	41,121	+4,978	+12.1	Increase due to liquidation of existing properties, etc. (profit impact is minor)
	Operating profit	12,000	12,884	-884	-6.9	Decrease due to major repairs to shopping centers, etc.
Hotel	Operating revenue	75,100	66,910	+8,189	+12.2	Increase in revenue and profit due to strong demand for lodging
	Operating profit	13,900	12,646	+1,253	+9.9	
Other	Operating revenue	27,700	28,039	-339	-1.2	
	Operating profit	1,200	1,679	-479	-28.5	
Adjustments	Operating revenue	-11,200	-12,384	+1,184	–	
	Operating profit	-100	-220	+120	–	
Consolidated totals	Operating revenue	316,300	292,178	+24,121	+8.3	
	Operating profit	35,100	37,820	-2,720	-7.2	

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Forecast for FY3/2026 (Transportation)

(Million yen)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Operating revenue	45,100	43,540	+1,559	+3.6	
Railway	37,800	36,769	+1,030	+2.8	
Bus	7,300	6,823	+476	+7.0	
Adjustments	–	-52	+52	–	
Operating profit	4,900	4,912	-12	-0.3	

<Railway: No. of passengers/Transportation revenue>

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
No. of passengers (1,000)					
Non-commuter	87,960	86,598	+1,361	+1.6	
Commuter	138,875	134,870	+4,005	+3.0	
Regular	110,197	106,796	+3,400	+3.2	
Student	28,678	28,073	+604	+2.2	
Total	226,836	221,469	+5,367	+2.4	
Passenger transportation revenue (Million yen)					
Non-commuter	18,890	18,517	+373	+2.0	
Commuter	15,854	15,127	+726	+4.8	
Regular	14,470	13,797	+673	+4.9	
Student	1,383	1,330	+53	+4.0	
Total	34,744	33,644	+1,100	+3.3	

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Forecast for FY3/2026 (Merchandising)

(Million yen)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Operating revenue	98,500	94,854	+3,645	+3.8	
Supermarket business	88,400	85,926	+2,473	+2.9	
Other merchandising businesses	10,100	8,928	+1,171	+13.1	
Adjustments	–	–	–	–	
Operating profit	700	-229	+929	–	

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+1.2%

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Forecast for FY3/2026 (Real Estate)

(Million yen)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Operating revenue	81,100	71,218	+9,881	+13.9	
Sales	35,300	30,456	+4,843	+15.9	
Leasing	46,100	41,121	+4,978	+12.1	
Adjustments	-300	-359	+59	–	
Operating profit	14,500	19,032	-4,532	-23.8	
Sales	2,500	6,137	-3,637	-59.3	
Leasing	12,000	12,884	-884	-6.9	

<Number of condominiums and houses sold> (units)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual	Note
Condominiums	329	209	+120	
Houses	38	42	-4	
Total	367	251	+116	

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Forecast for FY3/2026 (Hotel)

(Million yen)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Operating revenue	75,100	66,910	+8,189	+12.2	
Operating profit	13,900	12,646	+1,253	+9.9	

<In Japan, room occupancy rate/average revenue per room>

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Room occupancy rate (%)					
Accommodation-specific hotels in Japan	85.7	84.9	+0.8 pts	–	
Yokohama Bay Sheraton	84.0	85.2	-1.2 pts	–	
Average revenue per room (Yen)					
Accommodation-specific hotels in Japan	14,076	13,069	+1,007	+7.7	
Yokohama Bay Sheraton	25,919	25,895	+24	+0.1	

* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

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Forecast for FY3/2026 (Other)

(Million yen)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Operating revenue	27,700	28,039	-339	-1.2	
Building maintenance business	19,500	20,700	-1,200	-5.8	
Other	9,100	8,271	+828	+10.0	
Adjustments	-900	-932	+32	–	
Operating profit	1,200	1,679	-479	-28.5	

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Forecast for FY3/2026 (Capital Expenditure/Depreciation)

➢ Capital expenditure

(Million yen)

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Details of expenditure for FY3/2026
			Amount	(%)	
Transportation	12,733	7,092	+5,640	+79.5	Train replacement work (introduction of new 13000 series rolling stock), elevated tracks project near Tsurugamine Station, purchase of bus vehicles
Merchandising	1,780	1,668	+111	+6.7	Establishment of new Sotetsu Rosen stores
Real Estate	19,236	28,823	-9,587	-33.3	Acquisition of new income-producing properties and rental condominiums acquisition costs
Hotel	11,366	4,360	+7,006	+160.7	New hotel openings
Other	1,547	399	+1,147	+286.9	Solar power plant acquisition
Consolidated totals	46,664	42,177	+4,486	+10.6	

➢ Depreciation

	FY3/2026 Plan	FY3/2025 Actual	Plan vs. Actual		Note
			Amount	(%)	
Transportation	9,600	10,210	-609	-6.0	
Merchandising	944	1,091	-146	-13.4	
Real Estate	8,844	8,448	+396	+4.7	
Hotel	5,822	4,526	+1,296	+28.6	
Other	593	504	+88	+17.6	
Consolidated totals	25,717	24,687	+1,029	+4.2	

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Forecasts for results of operations are based on information that was available when this presentation was released. Actual performance may differ from these forecasts for a number of reasons.

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