

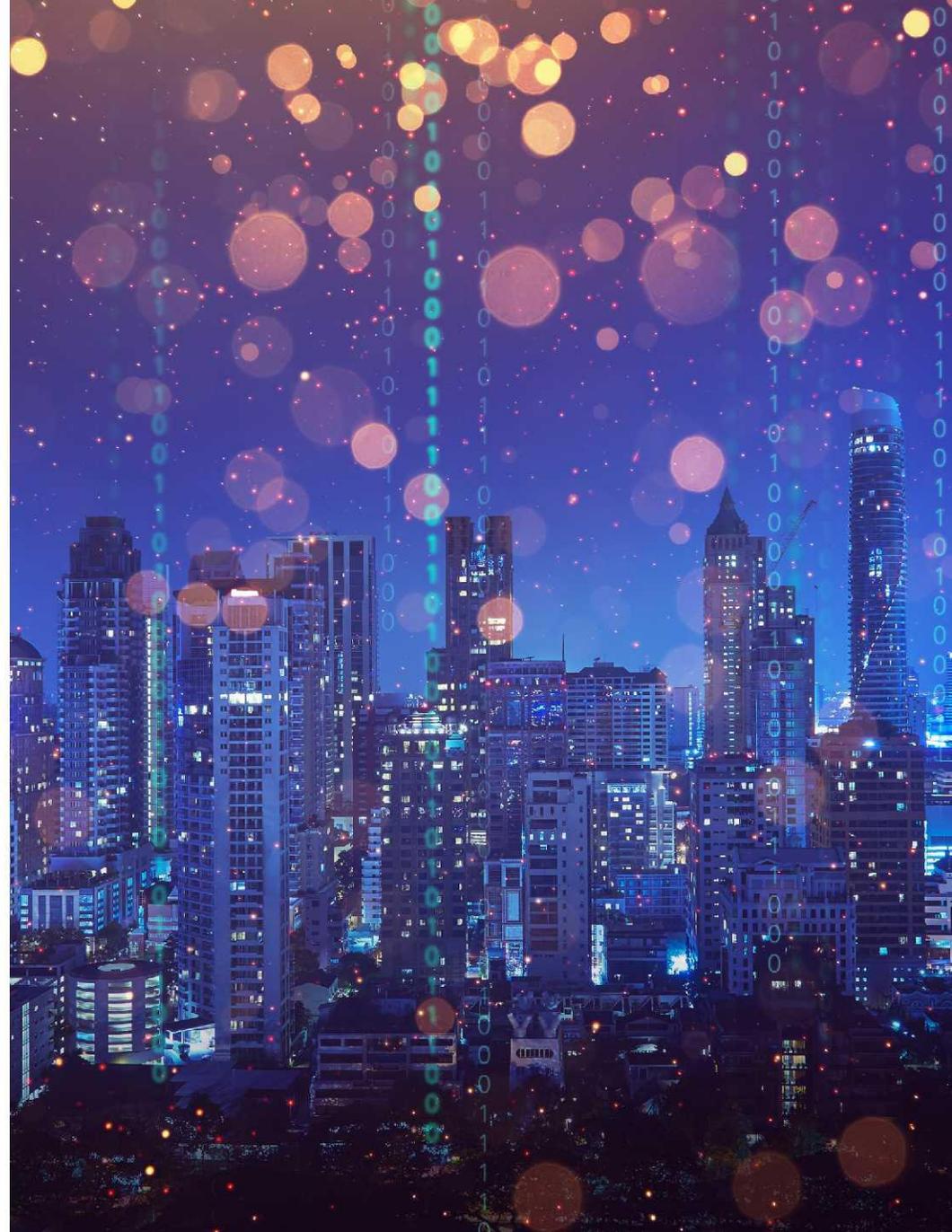


SRE Holdings Corporation

FY2024 Financial Results

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Securities Code: 2980





Update lifestyles and medical care
using technology

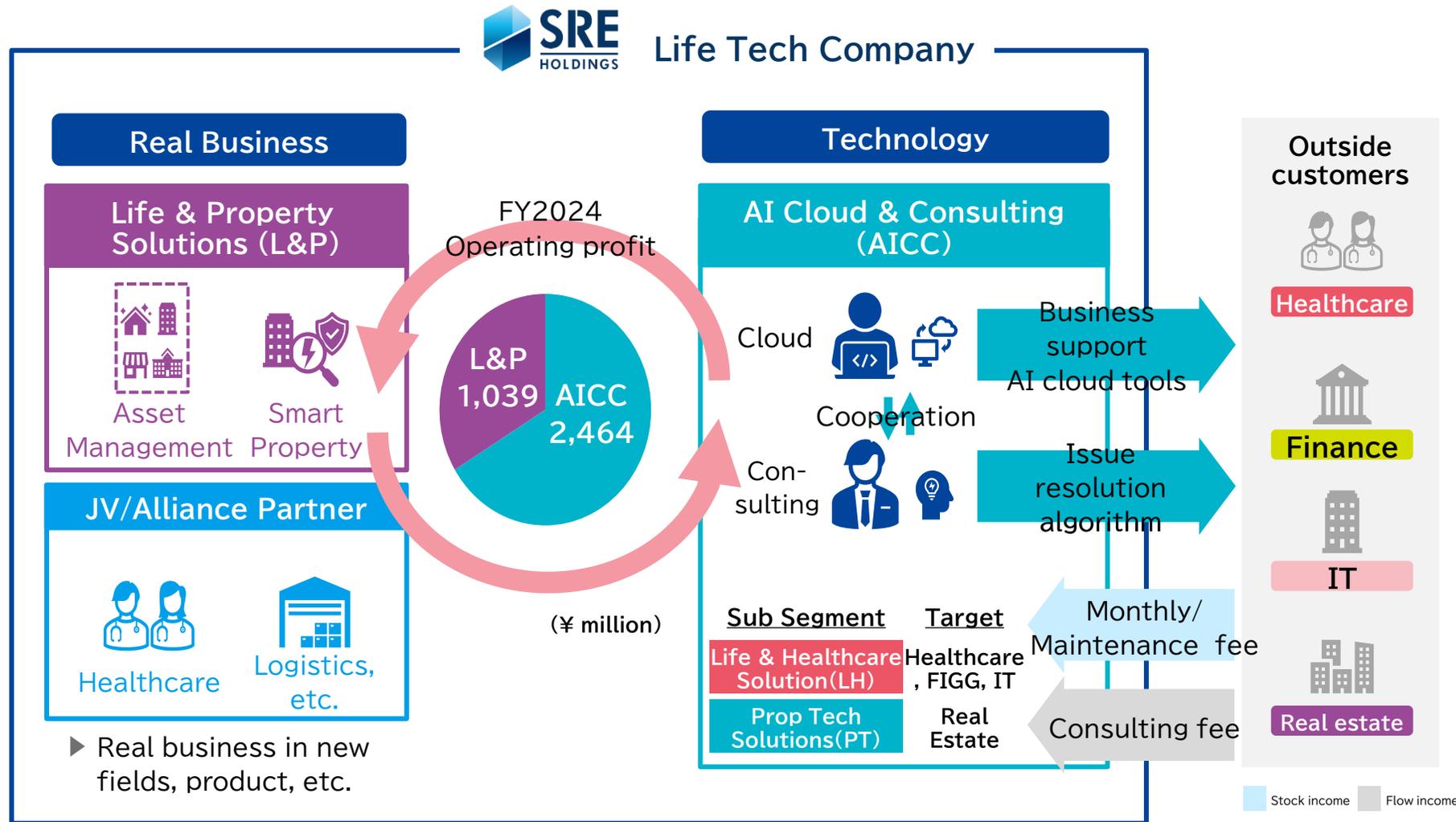
Utilize the knowledge and data accumulated through the implementation of AI technology in real business



Providing refined products to the healthcare, IT, and real estate fields



“LifeTech Company” that updates medical care and lifestyles



□ FY2024 Financial Results (consolidated)

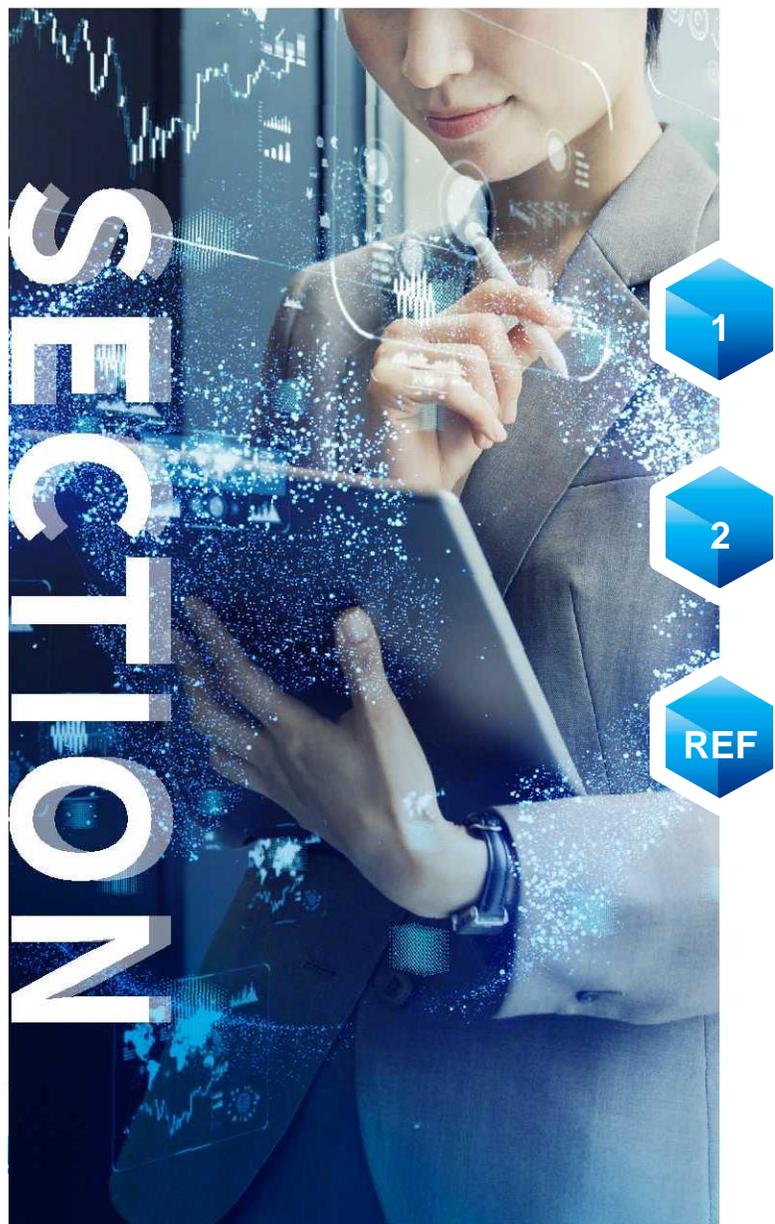
- We achieved **significant growth in both revenue and profit**, with revenue of ¥26.69 billion (+10% YoY), operating profit of ¥3.10 billion (+40% YoY), and EBITDA of ¥3.81 billion (+47% YoY).
- There was a **sizeable increase** in ARR to ¥6.26 billion (+46% YoY) on a Q4 basis.
- Despite growth investments such as office expansion and extraordinary losses due to impairment losses on investment securities, we secured an increase in profit attributable to owners of parent to ¥1.69 billion (+22% YoY).

□ FY2025 Financial Forecast (consolidated)

- We are targeting **continuous growth**, with revenue of ¥35 billion (+31% YoY), operating profit of ¥4.05 billion (+30% YoY), EBITDA of ¥4.84 billion (+27% YoY), and profit attributable to owners of parent of ¥2.22 billion (+31% YoY).
- We anticipate ARR of ¥8.66 billion (+38% YoY) on a Q4 basis.
- We aim for high growth in the AICC segment, mainly in healthcare, and growth companywide.
- We intend to promote both organic and inorganic growth.

(Undetermined M&A proceeds are not included in the guidelines)

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SECTION



FY2024 Financial Results

Revenue **¥26,690 million**

+10% YoY

Operating profit **¥3,107 million**

+40% YoY

EBITDA **¥3,813 million**

+47% YoY

① Revenue grew 10% YoY to more than ¥26,690 million

- In the AI Cloud & Consulting (AICC) segment, the healthcare business got off to a good start in Life & Healthcare Solutions (LH), realizing an **88% YoY increase in revenue**. In PropTech Solutions (PT), there was a steady increase in the number of contracts, resulting in a **33% YoY increase in revenue**.

② Operating profit grew +40% YoY to ¥3,107 million

- In the AICC segment, although the acquisition of large contracts in the LH business and its contribution to revenue started off slower than anticipated, there was steady growth in the second half, resulting in an **86% YoY increase in profit**. The PT business also saw an increase in revenue and **released new products**, leading to a **28% YoY profit increase**.
- As projected in the Q3 financial results presentation, the Life & Property Solutions (L&P) segment steadily generated profit in Q4, resulting in **20% YoY profit growth**.

Revenue increased 10% YoY, operating profit grew 40% YoY, and EBITDA rose 47% YoY.

Profit attributable to owners of parent increased just 22% YoY, affected by temporary growth investment such as for expansion of the head office and loss on disposal of fixed assets associated with the consolidation of sales offices, along with conservative impairment of certain investment securities as the Tokyo Stock Exchange tightened its delisting criteria.

ROE was also up YoY at 13.2%.

	¥ Million		
	Full-year FY2024 results	Full-year FY2023 results	YoY
Revenue	26,690	24,218	+10%
Operating profit	3,107	2,212	+40%
EBITDA	3,813	2,587	+47%
Ordinary profit	2,903	2,058	+41%
Profit attributable to owners of parent	1,697	1,388	+22%
(Ref.) Adjusted profit excluding special factors*	1,856	1,389	+34%

Dividend
¥15.0/share

In the AICC segment, revenue grew 54% YoY due to a smooth start in the healthcare business, and segment profit rose 45% YoY.

In the L&P segment, revenue increased 2% YoY with a YoY rise in asset management revenue and solid performance in real estate brokerage consulting. Segment profit grew 20% YoY.

¥ Million

		FY2024	YoY
Total	Revenue	26,690	+10%
	Operating profit	3,107	+40%
AICC	Revenue	7,525	+54%
	Segment profit	2,464	+45%
L&P	Revenue	20,532	+2%
	Segment profit	1,039	+20%

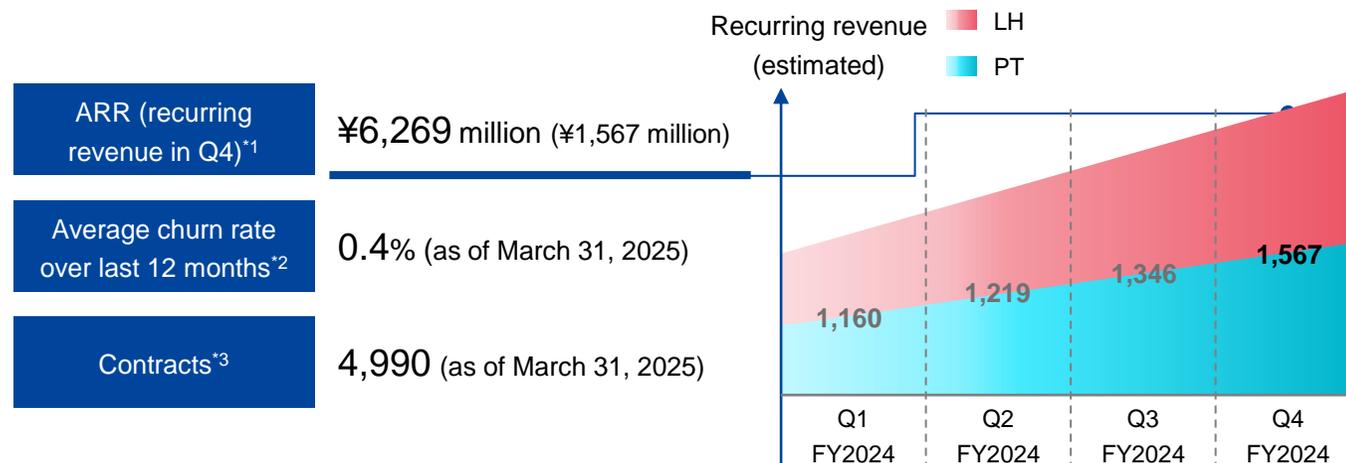
In the healthcare business, contracts with large medical corporations that operate multiple facilities contributed from Q3, and recurring revenue in the LH business grew steadily.

In PT, the number of contracted companies continued to grow steadily.

ARR on a Q4 basis grew significantly to ¥6,269 million.

In addition to the strong start of LH, steady customer acquisition progressed in PT, and the number of contracts increased to 4,990. The churn rate remained low at 0.4%.

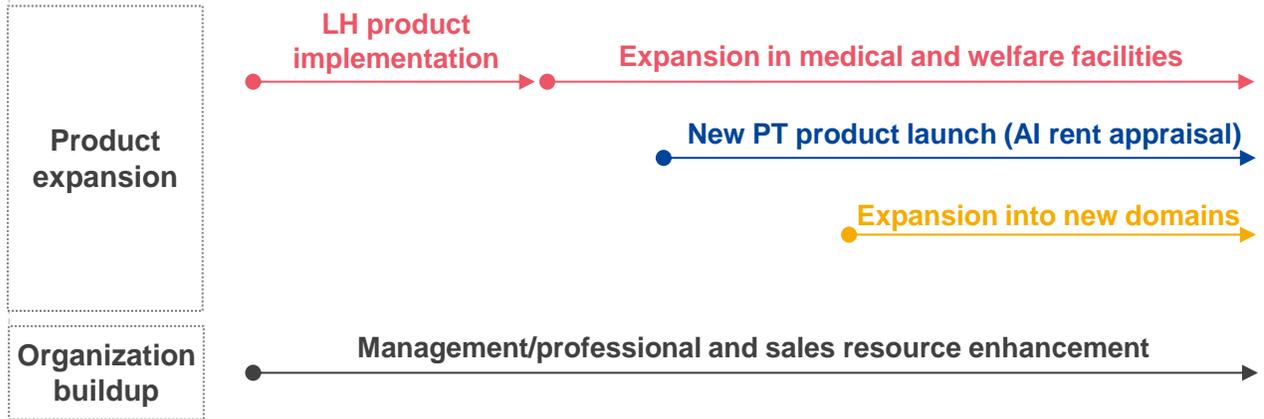
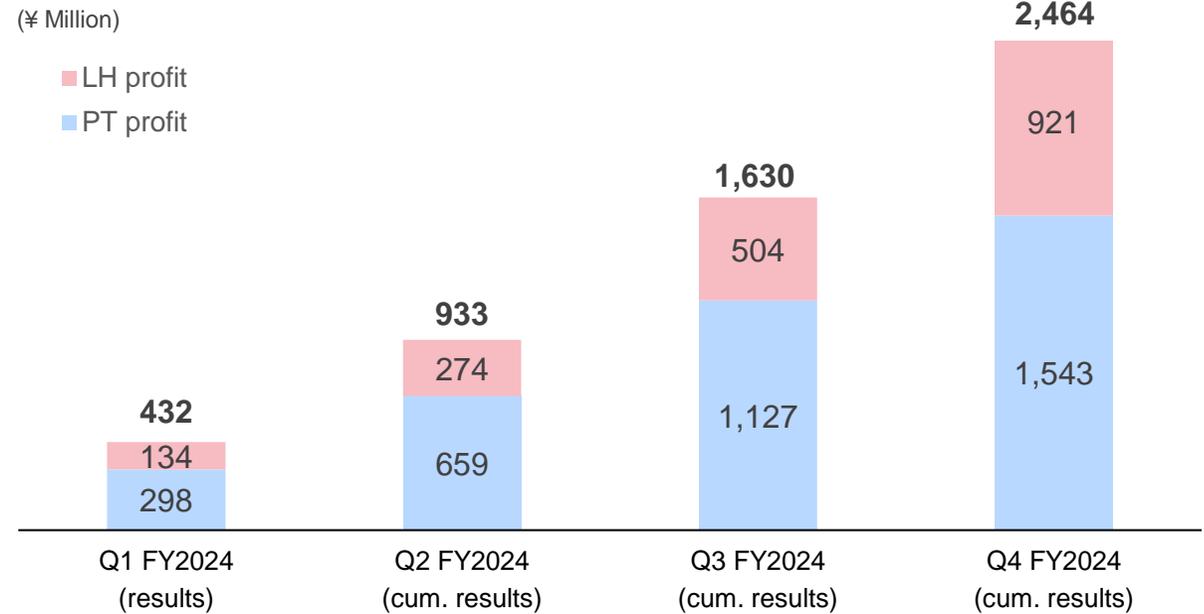
	AICC segment total	YoY	Life & Healthcare Solutions (LH)	PropTech Solutions (PT)
Revenue	7,525	+54%	3,590	3,935
Segment profit	2,464	+45%	921	1,543



In LH, contracts with large medical and welfare facilities, which started contributing to earnings in earnest from Q3, continued to contribute.

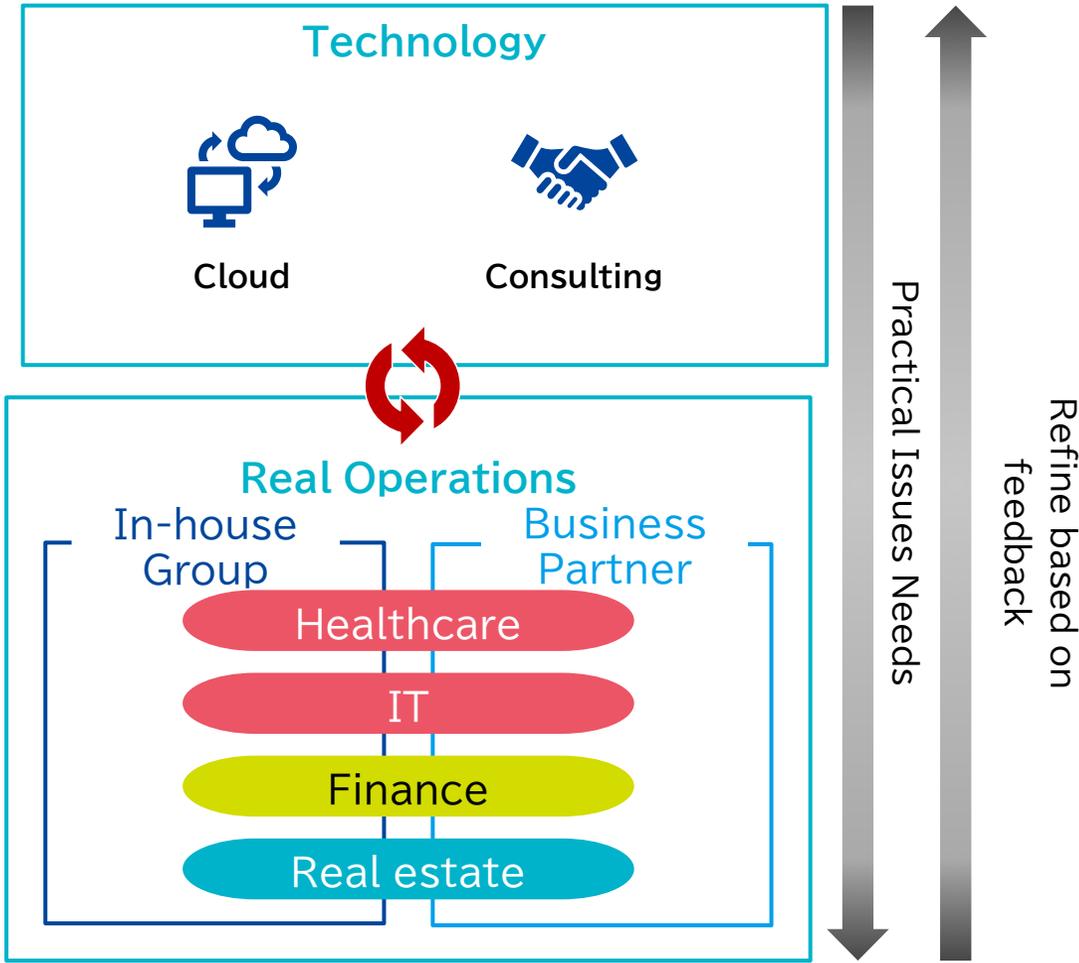
In PT, the customer base steadily expanded due to ongoing customer acquisition, launch of new products, and other factors.

The overall profit margin for AICC remained high at 34.1% in Q4 and an average of 32.7% for the year.



Competitive advantage of AICC segment, KPI

Competitive advantage (real x technology)



		TAM	KPI※2
LH	Health care	3.3 trillion yen ※1	No. of Contracts 365 (+68 QoQ)
	IT, etc.	2.2 trillion yen ※1	565 thousand yen/month (▲84 thousand yen/ QoQ)
	Finance	4.0 trillion yen ※1	
PT	Real estate	1.7 trillion yen ※1	No. of Contracts 4,625 (+198 QoQ) 61 thousand yen/month (+10 thousand yen QoQ)

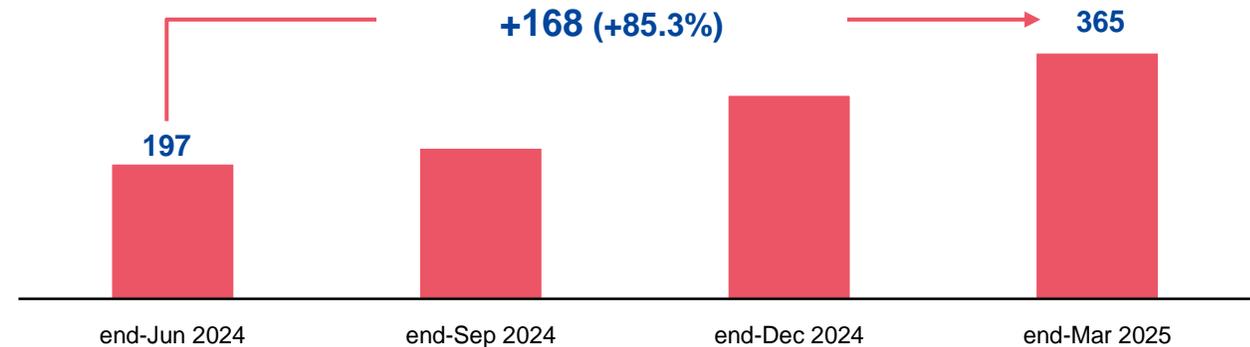
※1 Our estimation based on desktop research

※2 ARPC is calculated by dividing the average monthly recurring revenue of the second quarter (July -September) in LH by the average number of contracts during the same quarter

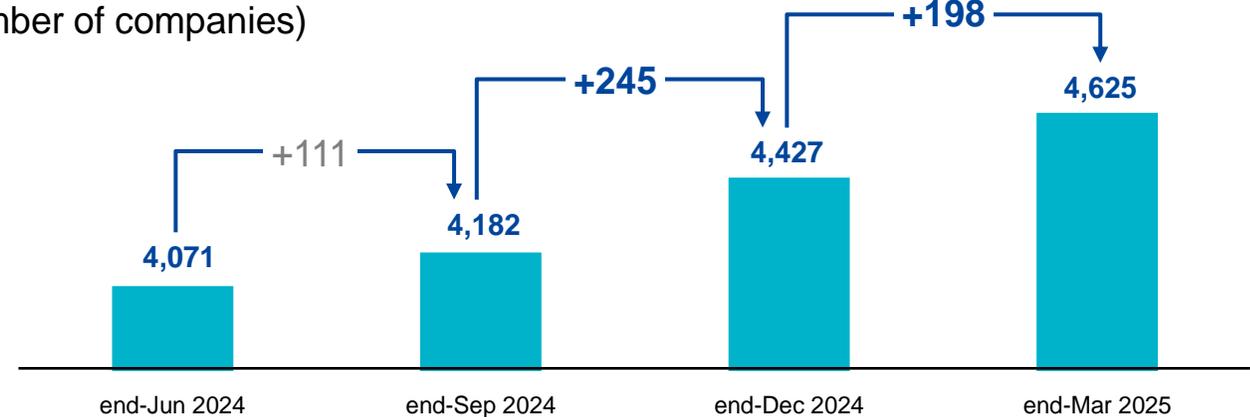
Although LH saw a slow start in FY2024, it gained 168 contracts (+85.3%) between end-June 2024 and end-March 2025.

Despite allocation of man-hours to follow up on LH business at the beginning of the period, PT acquired a typical number of customers in Q3, when the LH business launched in earnest, and maintained steady growth thereafter.

Cumulative number of contracts in LH
(number of companies)

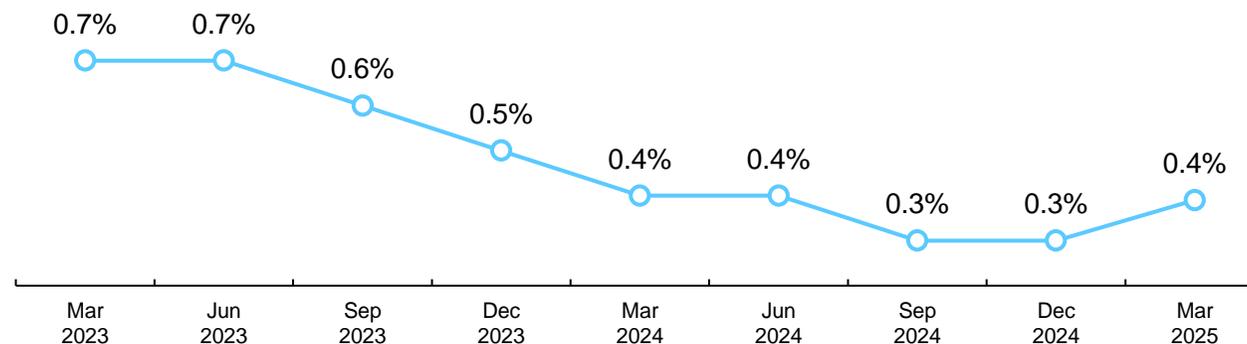


Cumulative number of contracts in PT
(number of companies)



The average churn rate over the past 12 months has remained low at 0.4% due to the provision of solutions enhanced in terms of practical usefulness.

Churn rate over the last 12 months



Our
competitive
advantages

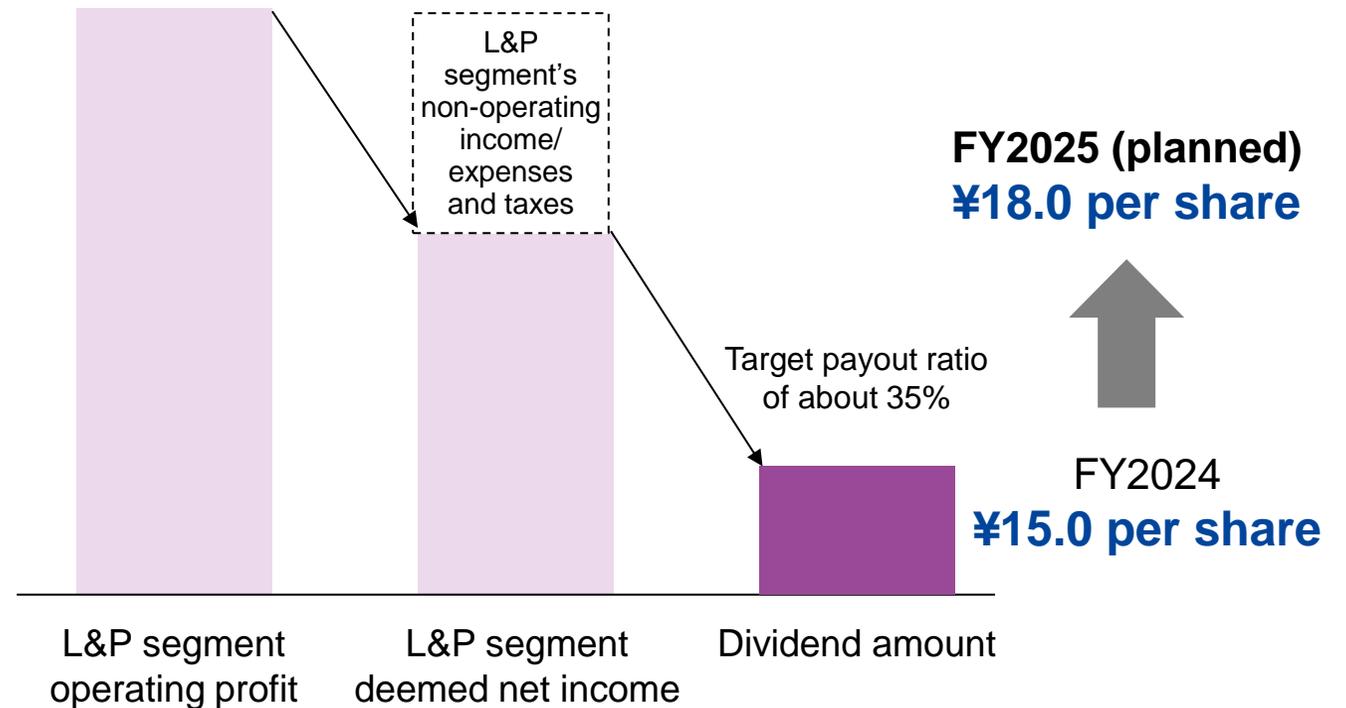
- ▶ Ability to continuously improve added value by using our unique data ecosystem
- ▶ Ability to utilize knowledge and data accumulated through the implementation of technology and systemization of operations within the group to develop solutions

Starting with FY2024, we decided to return the L&P segment's stable profits to shareholders.

In FY2024, we paid a dividend of ¥15.0 per share commensurate with deemed net income based on ¥1.03 billion in L&P segment operating profit.

In FY2025, with further growth in L&P segment profit anticipated, we plan to pay a dividend of ¥18.0 per share.

Approach on dividends



FY2025 Financial Forecast

In FY2025, we anticipate ongoing revenue growth in Life & Healthcare Solutions (LH) and steady revenue and profit growth in PropTech Solutions (PT), driving companywide growth.

We expect revenue to grow 31% YoY to ¥35 billion, operating profit to increase 30% YoY to ¥4.05 billion, and profit attributable to owners of parent to rise 31% YoY to ¥2.22 billion, despite the fact that interest rates are expected to be somewhat stronger in response to the recent macroenvironment.

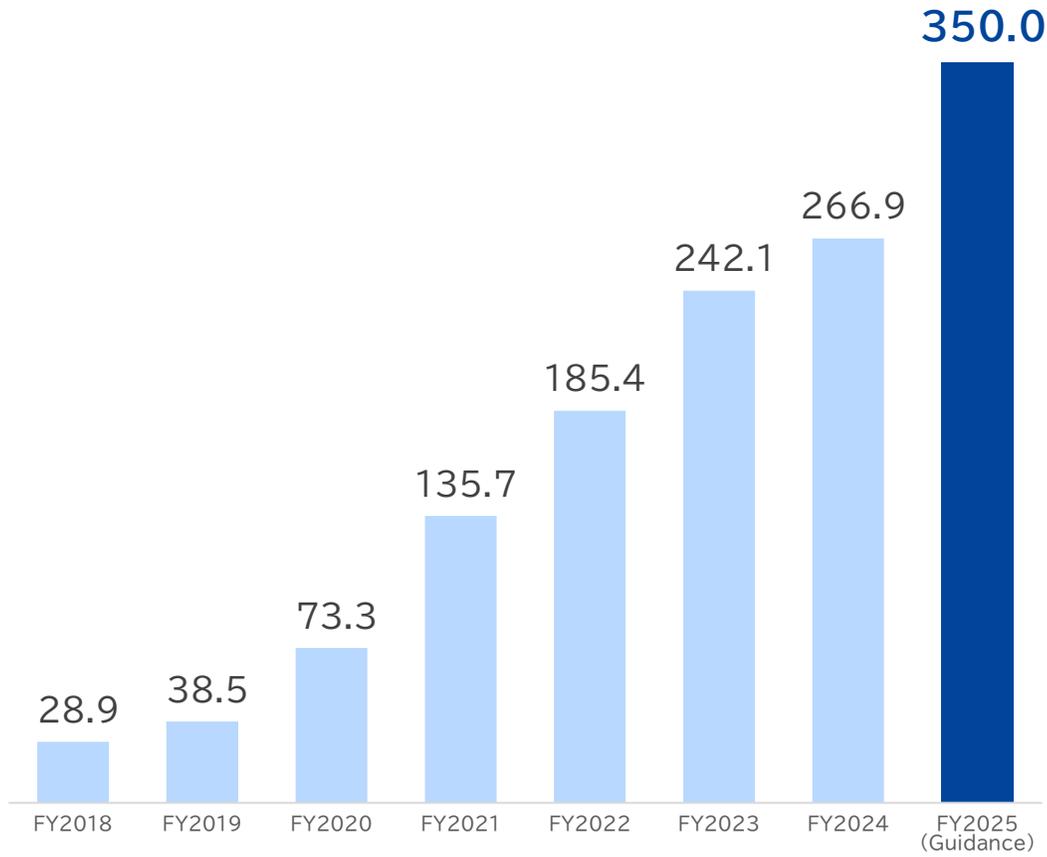
(Undetermined M&A proceeds are not included in revenue and profit)

	¥ Million		
	FY2025 forecast	FY2024 full-year results	YoY
Revenue	35,000	26,690	+31%
Operating profit	4,050	3,107	+30%
EBITDA	4,841	3,813	+27%
Ordinary profit	3,650	2,903	+26%
Profit attributable to owners of parent	2,220	1,697	+31%

Dividend
¥18.0 per share (forecast)

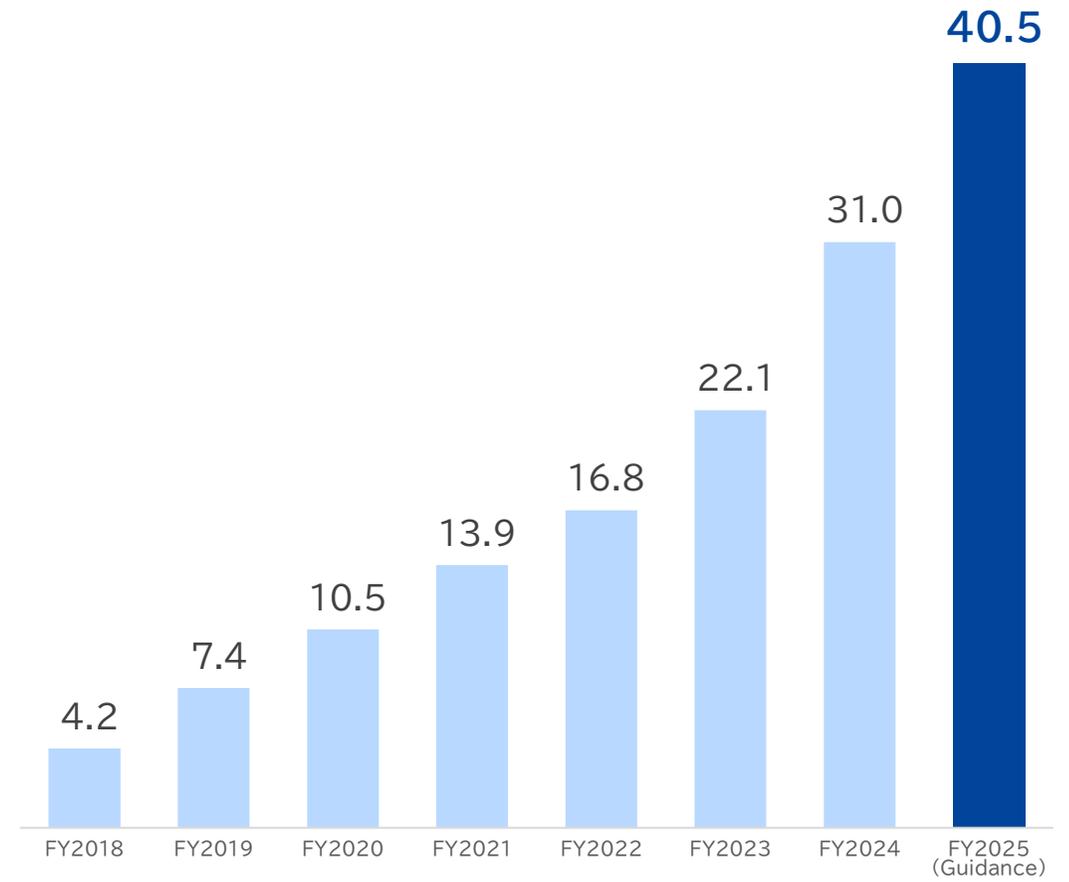
Revenue (consolidated)

(¥ 100M)



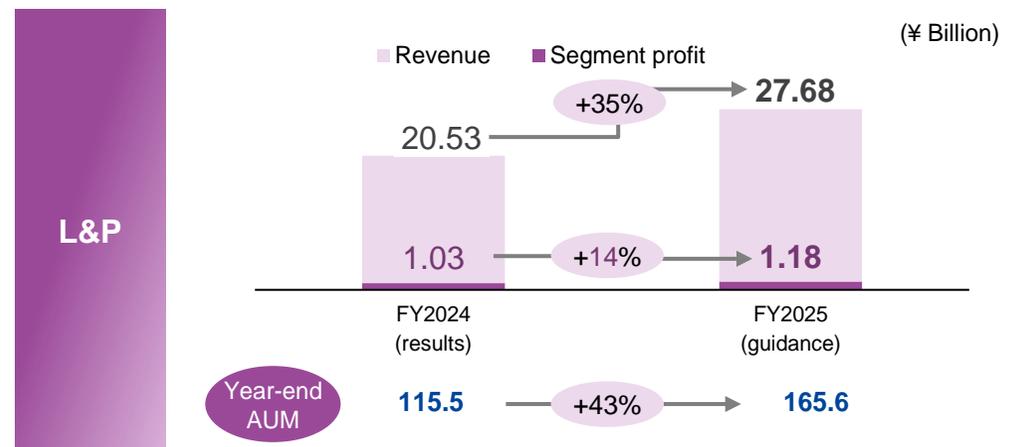
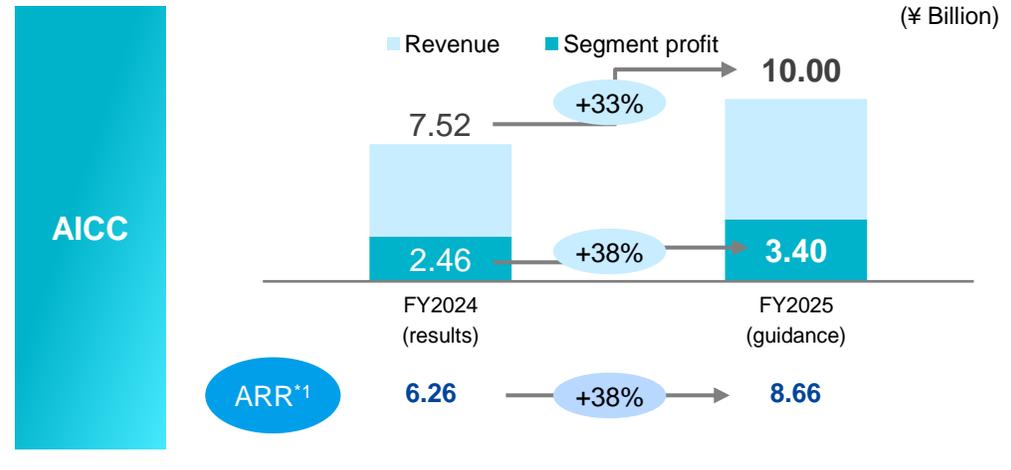
Operating profit (consolidated)

(¥ 100M)



In AICC, we aim for top-line growth of 33% YoY through continued growth investment, while we also expect profit to maintain a high level of growth, rising 38% YoY.

In L&P, we aim to increase profit mainly with recurring revenue from the asset management business. We also aim for a 43% YoY increase in AUM to ¥165.6 billion at the end of FY2025.

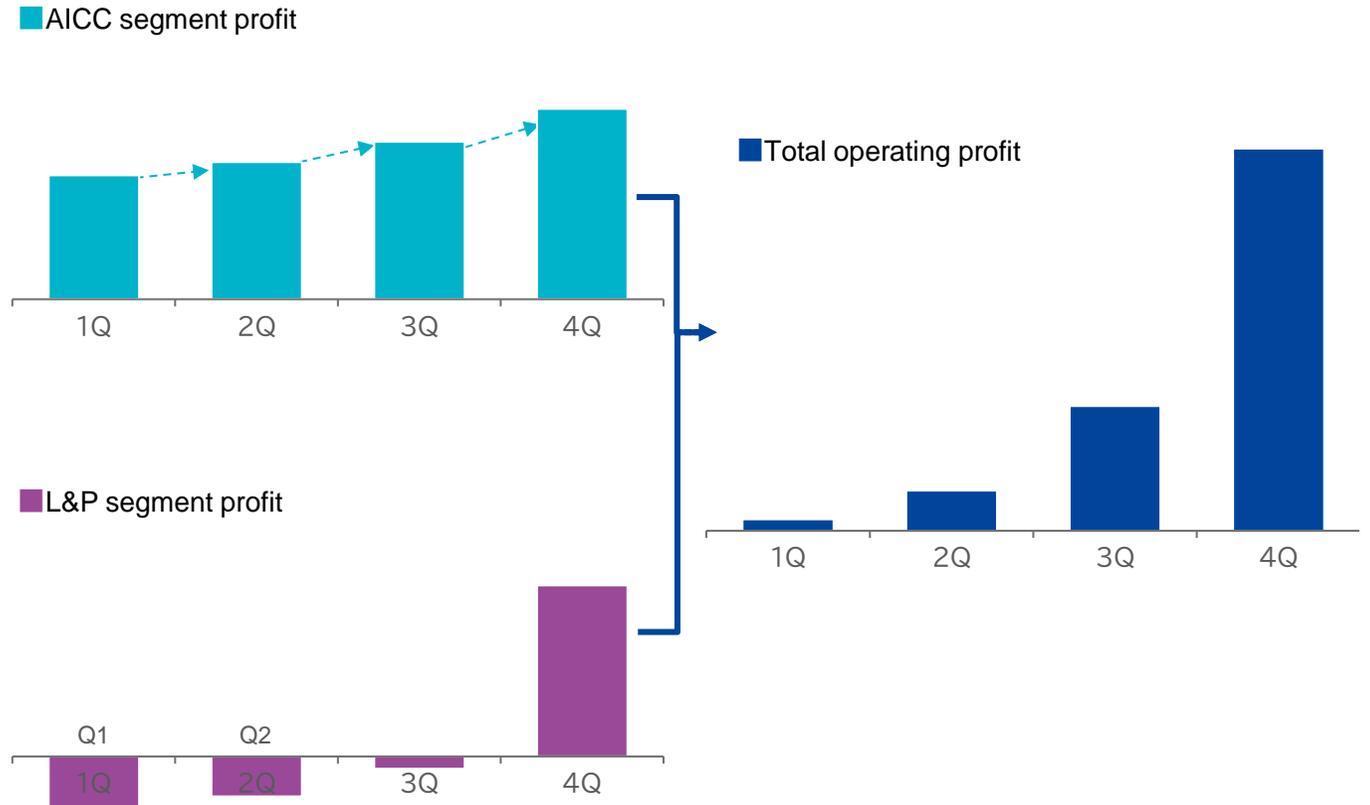


*1 ARR is calculated by multiplying recurring revenue in Q4 (January to March) by 4.

We expect the AICC segment to see higher revenue and profit QoQ throughout the fiscal year.

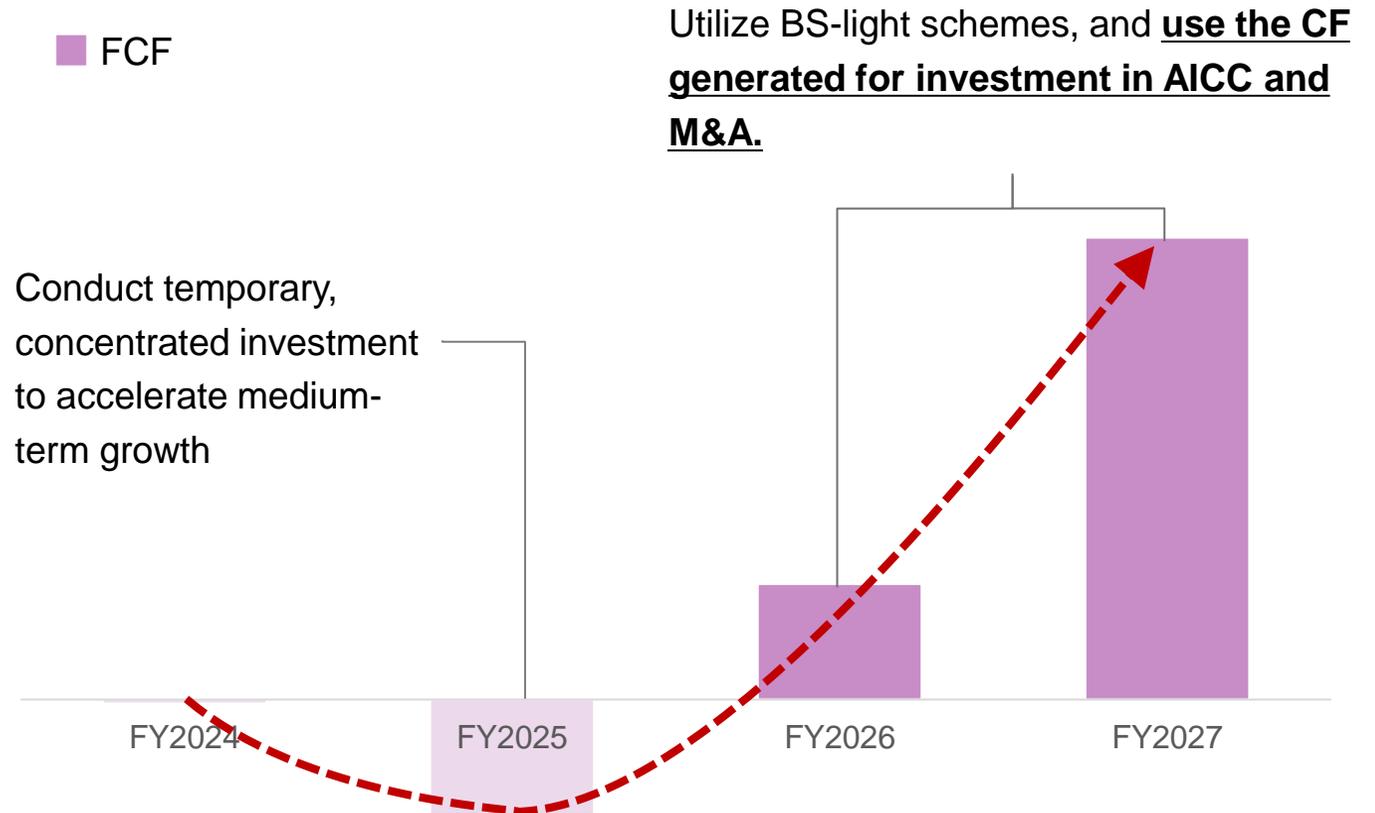
Revenue and profit in the L&P segment are set to be greatest in Q4 due to the usual seasonal bias, with operating loss in H1 in particular.

Segment profit (quarterly)



To accelerate growth in the medium term, we will concentrate investment in FY2025, which will cause deterioration in cash flow in the short term.

However, from the FY2026 onwards, we expect to see significant improvement and growth in FCF through the utilization of further BS-light schemes.



Life & Healthcare Solutions (LH), which continues to have high customer spend and robust profitability, will remain the main growth driver, and the top line will maintain strong growth, rising 33% YoY.

Profit growth will also remain at a high level due to an improved profit mix in the AICC segment on expansion of the LH business.

		¥ Million	
	FY2024	FY2025	YoY
Segment revenue	7,525	10,000	+33%
Life & Healthcare Solutions (LH)	3,590	5,315	+48%
PropTech Solutions (PT)	3,935	4,685	+19%
Segment profit (margin)	2,464 (32.7%)	3,400 (34.0%)	+38%
Life & Healthcare Solutions (LH)	921 (25.7%)	1,378 (25.9%)	+50%
PropTech Solutions (PT)	1,543 (39.2%)	2,024 (43.2%)	+31%

* Includes intersegment transactions. Breakdown of segment business is not yet audited.

Both Life & Healthcare Solutions (LH) and PropTech Solutions (PT) will strive to increase average revenue per customer (ARPC), while LH will continue working to increase the number of contracts, mainly in the healthcare field.

		FY2024		FY2025
LH*1	Contracts*1 (as of year-end)	365	 +152 (+42% YoY)	517
	ARPC*2 (Q4 basis)	¥565,000/month	Increased ARPC due to improved product mix	¥604,000/month
PT	Contracts*1 (as of year-end)	4,625	 +660 (+14% YoY)	5,285
	ARPC*2 (Q4 basis)	¥61,000/month	Increased ARPC due to greater added value	¥69,000/month

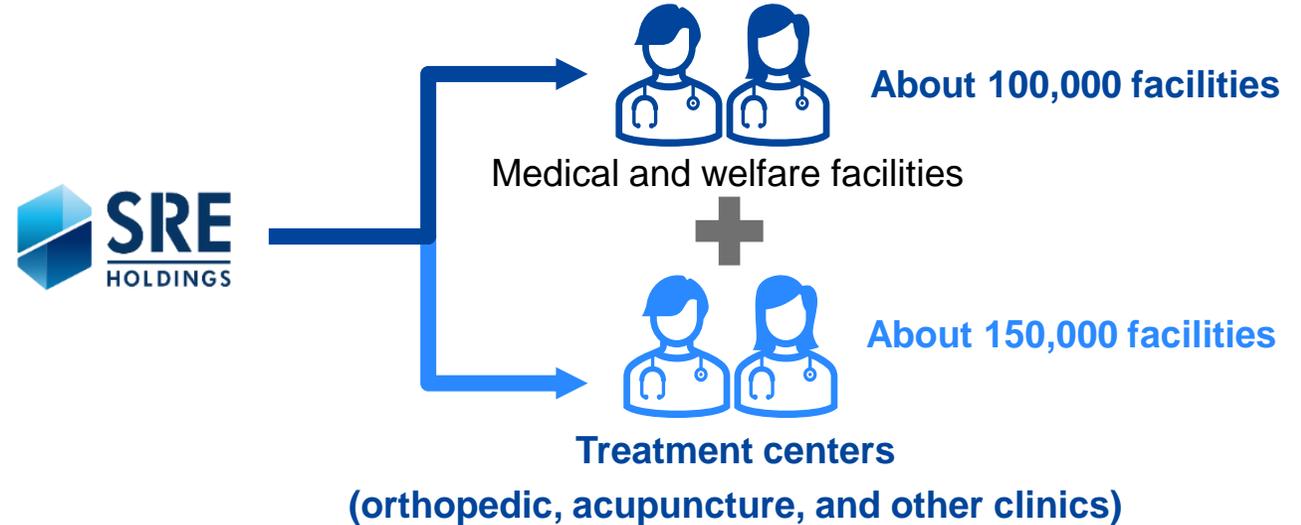
Growth Strategy ①: Accelerate Growth of Life & Healthcare Solutions

In Life & Healthcare Solutions, we will promote the expansion of target customers in the healthcare field to include treatment centers.

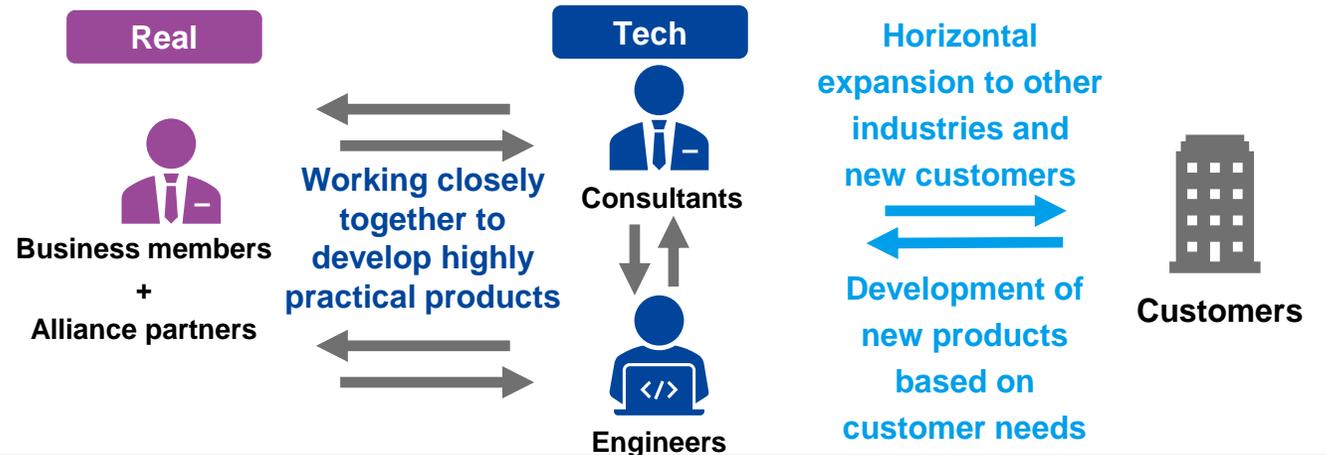
In terms of expanding to other industries and new customers, we are able to develop highly practical products through close collaboration with business members cultivated in our original real estate business.

SaaS+BPO=BPaaS deployment to improve unit price and minimize churn rate

1 Expansion of target customers (DX solutions)

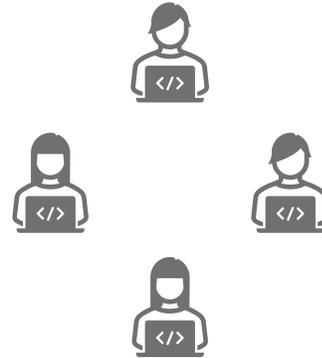


2 Development advantages

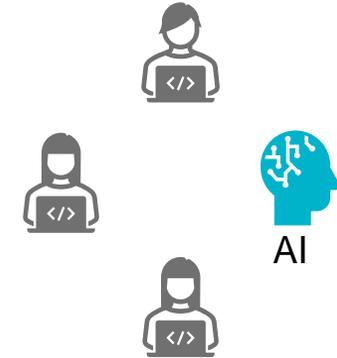


To improve internal business productivity, we will introduce AI agents and promote their use in product development in our business domain, while also advancing companywide transformation (AX) into a generative AI-native organization.

Current



Future



Making collaboration with AI the norm
(in both engineering and non-engineering areas)

Expected effects

- Improved work efficiency in engineering and non-engineering areas (with AI replacing humans for some work and also operating when humans are not working)
- Concentration of man-hours on high value-added tasks as engineer work efficiency improves

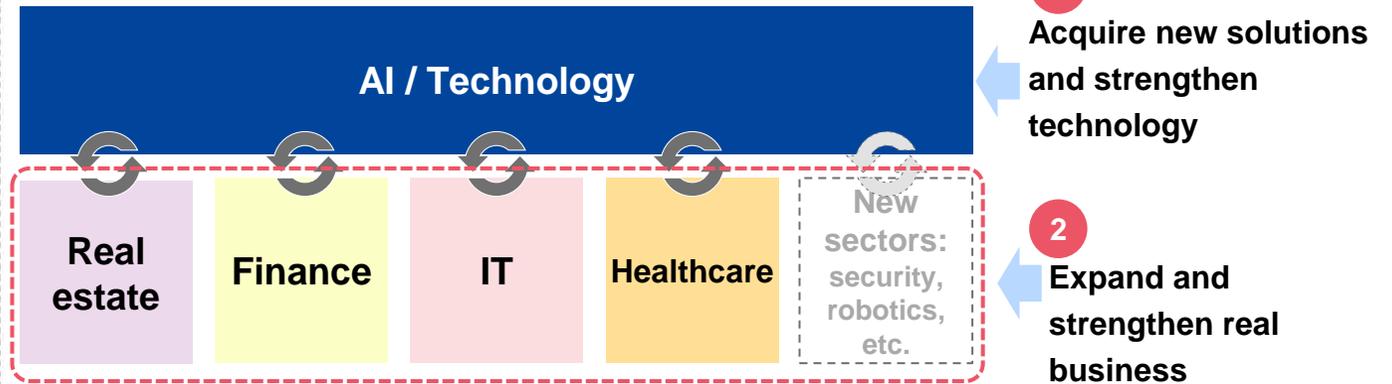


- Development of solutions for healthcare, real estate, and other fields based on the group's knowledge of AI transformation (AX)

To accelerate inorganic growth, we will also use M&A, mainly targeting companies that assist us in furthering our “Highly Practical Technologies Backed by Real Business” approach.

In addition to our vision readily resonating with target companies, we can obtain information on promising deals early on and increase the value of target companies through DX, AI implementation, and overall AX. For this reason, we are receiving inquiries from multiple companies looking to be acquired by us.

M&A target areas



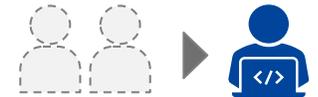
Our strengths in using M&A



Our “Life Tech Company” vision, which target companies can find easily relatable



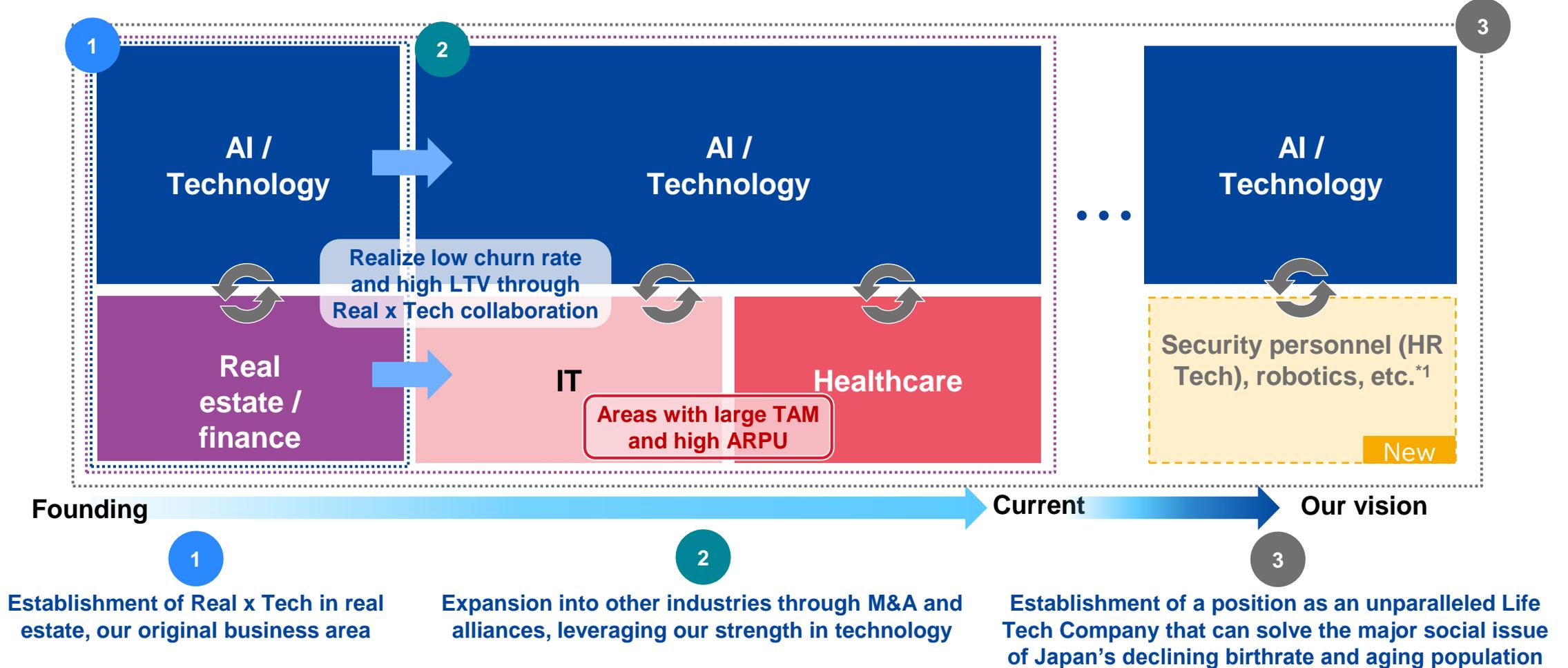
Our M&A team, which provides early access to a large amount of information on promising deals



Our DX, AI implementation, and overall AX capabilities, including deployment of AI agents, which can increase the value of target companies

“Highly Practical Technologies Backed by Real Business” × “Ambidextrous Management”

Responding flexibly to the needs of the world at any given time and strategically expanding business areas to achieve sustainable growth



1 Establishment of Real x Tech in real estate, our original business area

2 Expansion into other industries through M&A and alliances, leveraging our strength in technology

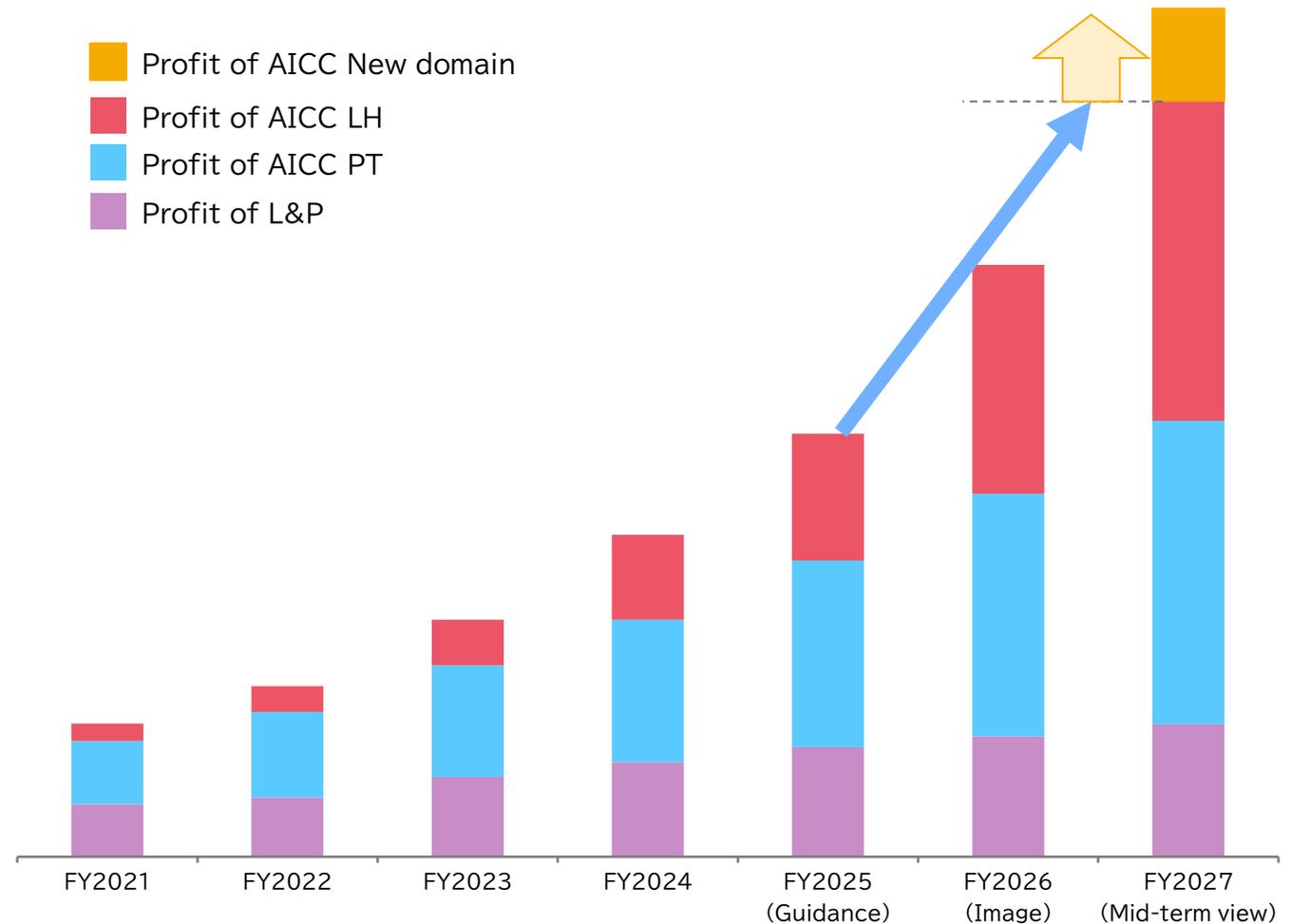
3 Establishment of a position as an unparalleled Life Tech Company that can solve the major social issue of Japan's declining birthrate and aging population

*1 This is one example of our vision for medium- to long-term growth.

Sustainable continued growth through the rapid growth of the highly profitable Life & Healthcare Solutions business and the promotion of AX, etc.



With the expansion of TAM, M&A, and the launch of new domains, it will be possible to raise growth expectations in the medium term.



SECTION



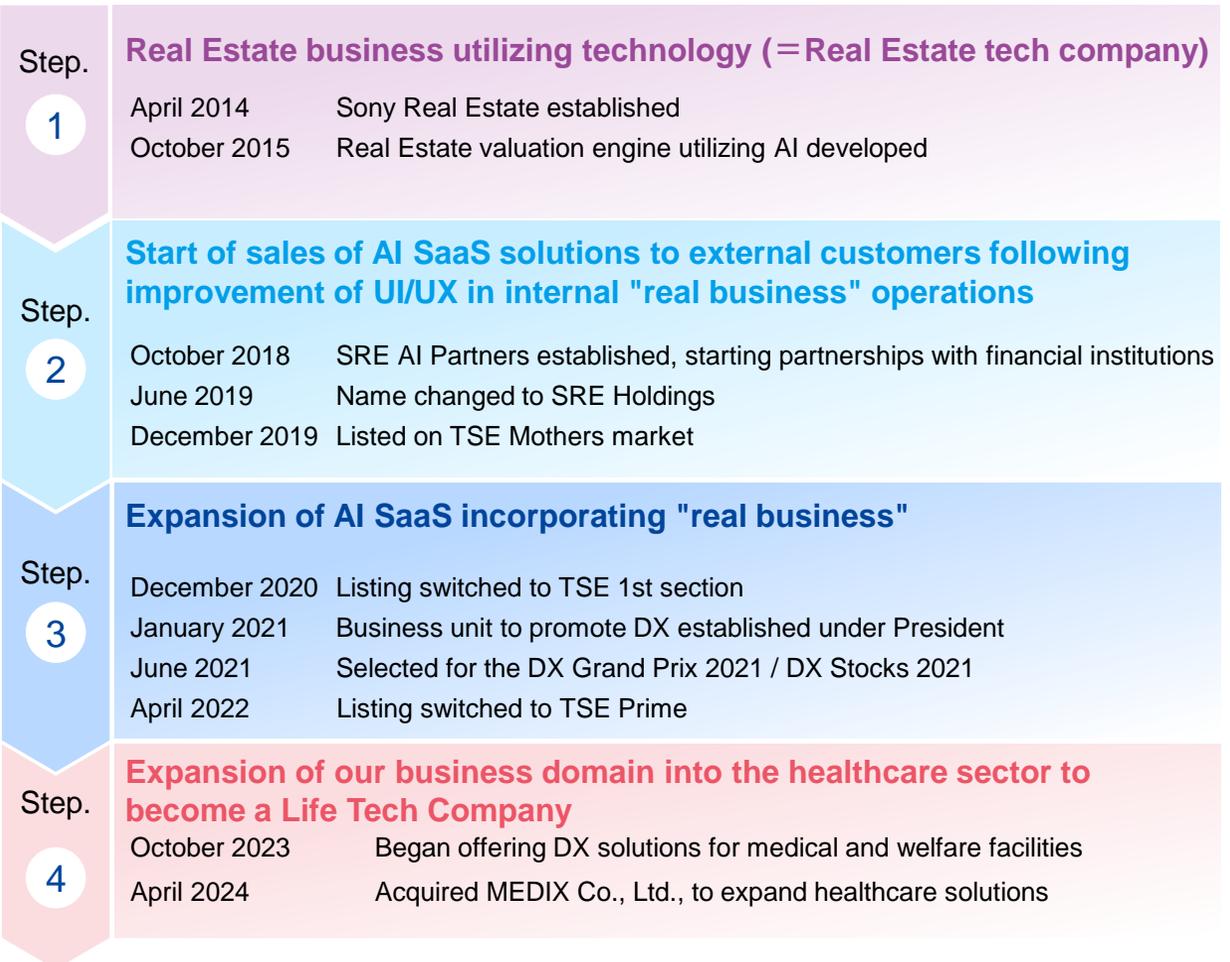
Overview of Our Businesses

We are “Life Tech Company” that develops solutions with highly practical technologies backed by real business into a wide range of life stages such as Real Estate, Finance, IT and Healthcare

Outline

Established	April 2014
Listed market section	Tokyo Stock Exchange Prime Market
Business segments	AI Cloud & Consulting Life & Property Solution
Major Shareholders	Sony Group Corporation (23%)
Staff*	555* ¹ (AICC Business Operators : 336* ²)

History

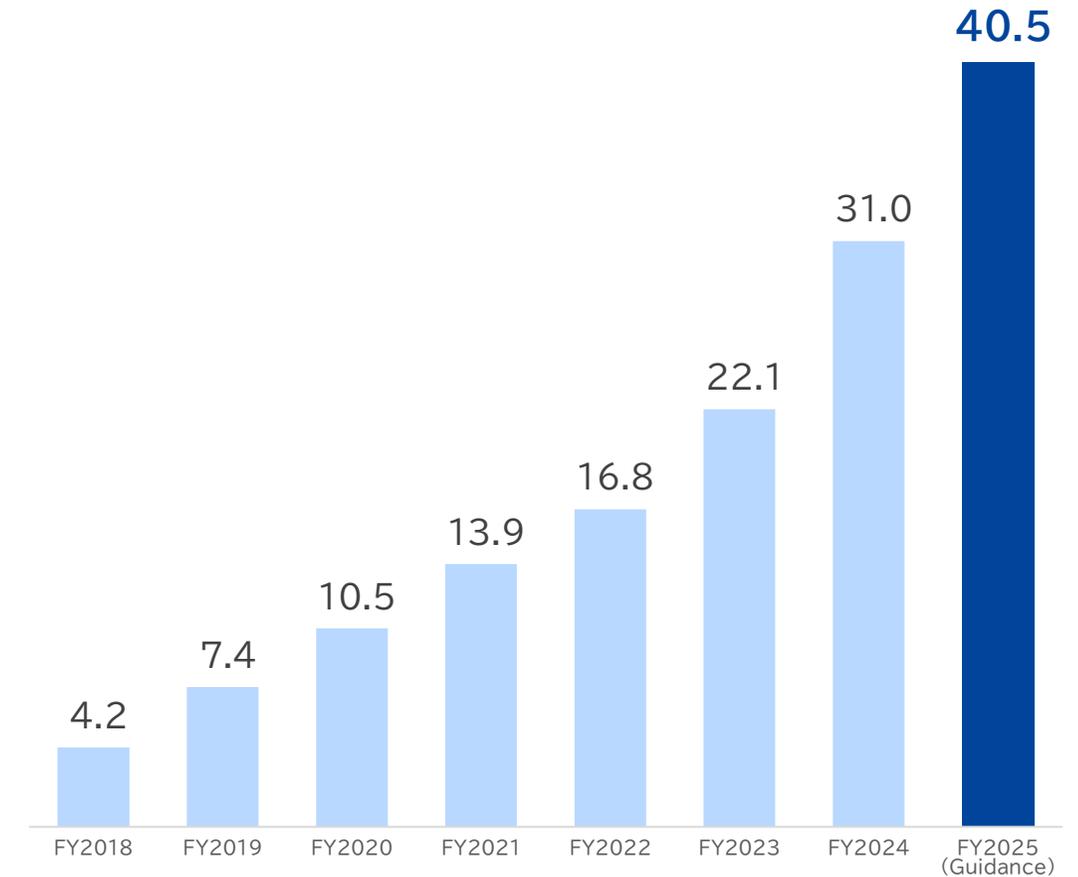
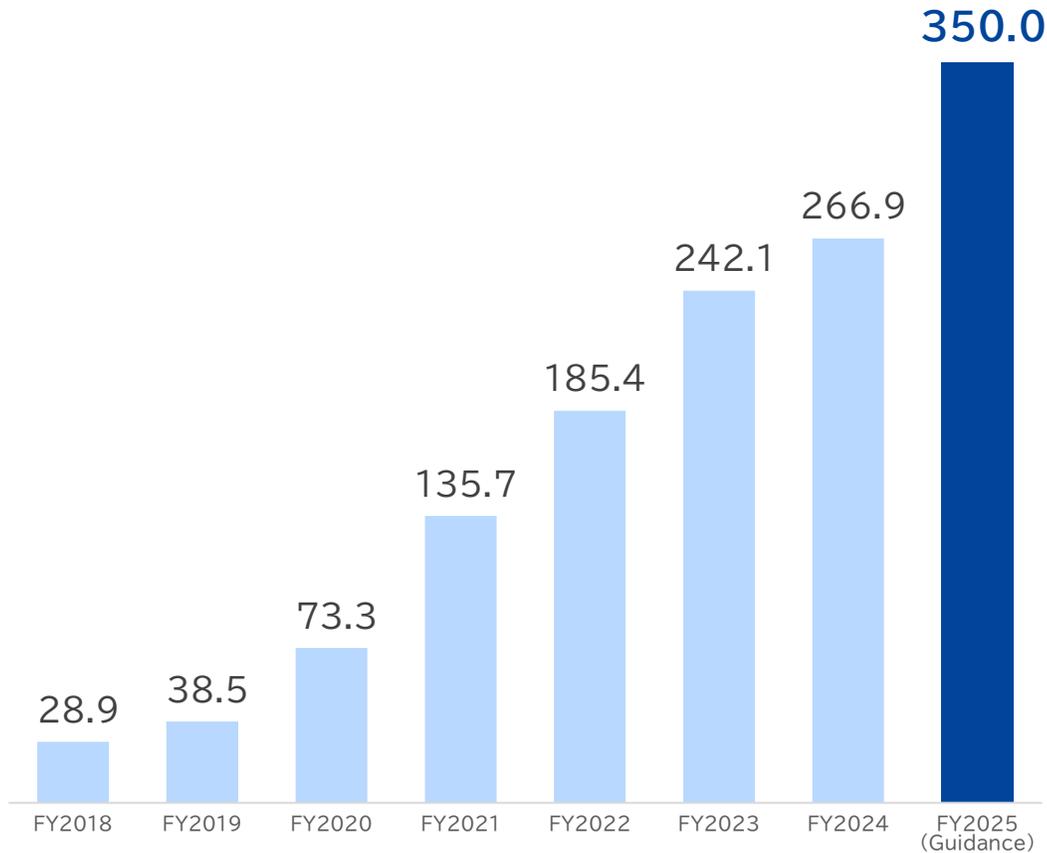


Revenue (consolidated)

Operating profit (consolidated)

(¥ 100M)

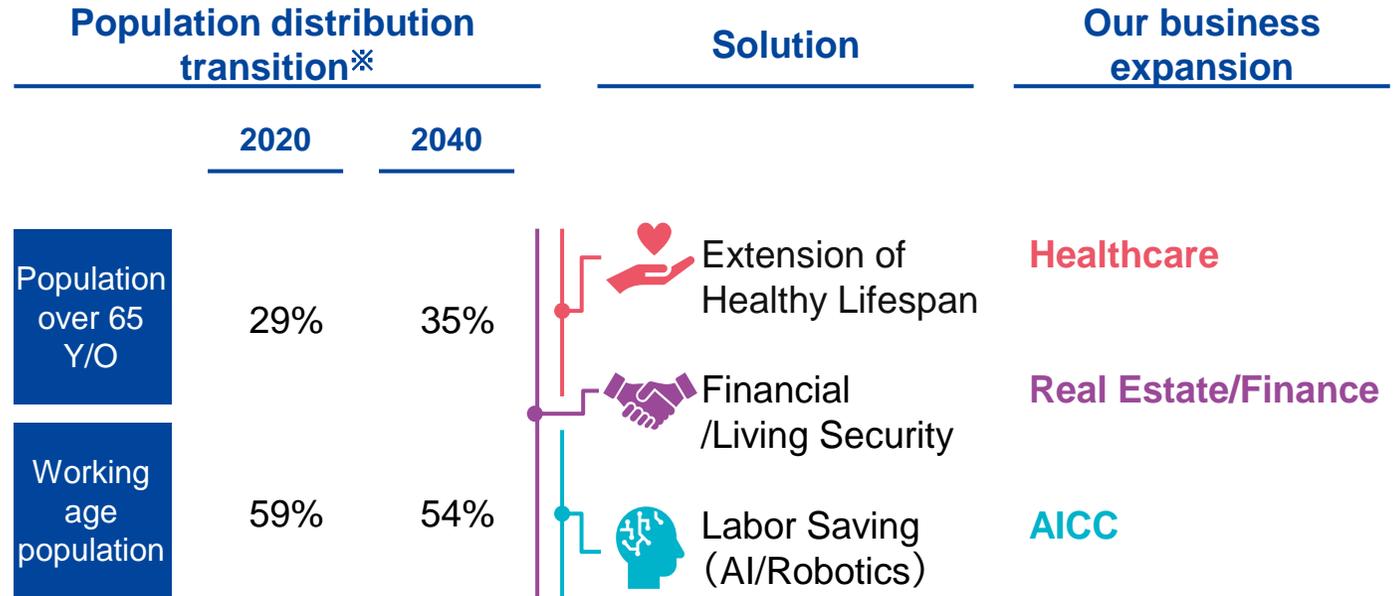
(¥ 100M)



As the aging population with fewer children progresses, expand our “Highly Practical Technologies Backed by Real Business” approach, which has been centered on the Real Estate domain, into the Healthcare/Financial domains. This allows to broaden our response to the social issue of ‘aging population with fewer children’, which represents a significant business opportunity



Life Tech Company Supporting AX × Healthcare × Lifestyle



* Calculated by our company based on the population pyramid data from the National Institute of Population and Social Security Research

Business Overview

Revenue Model

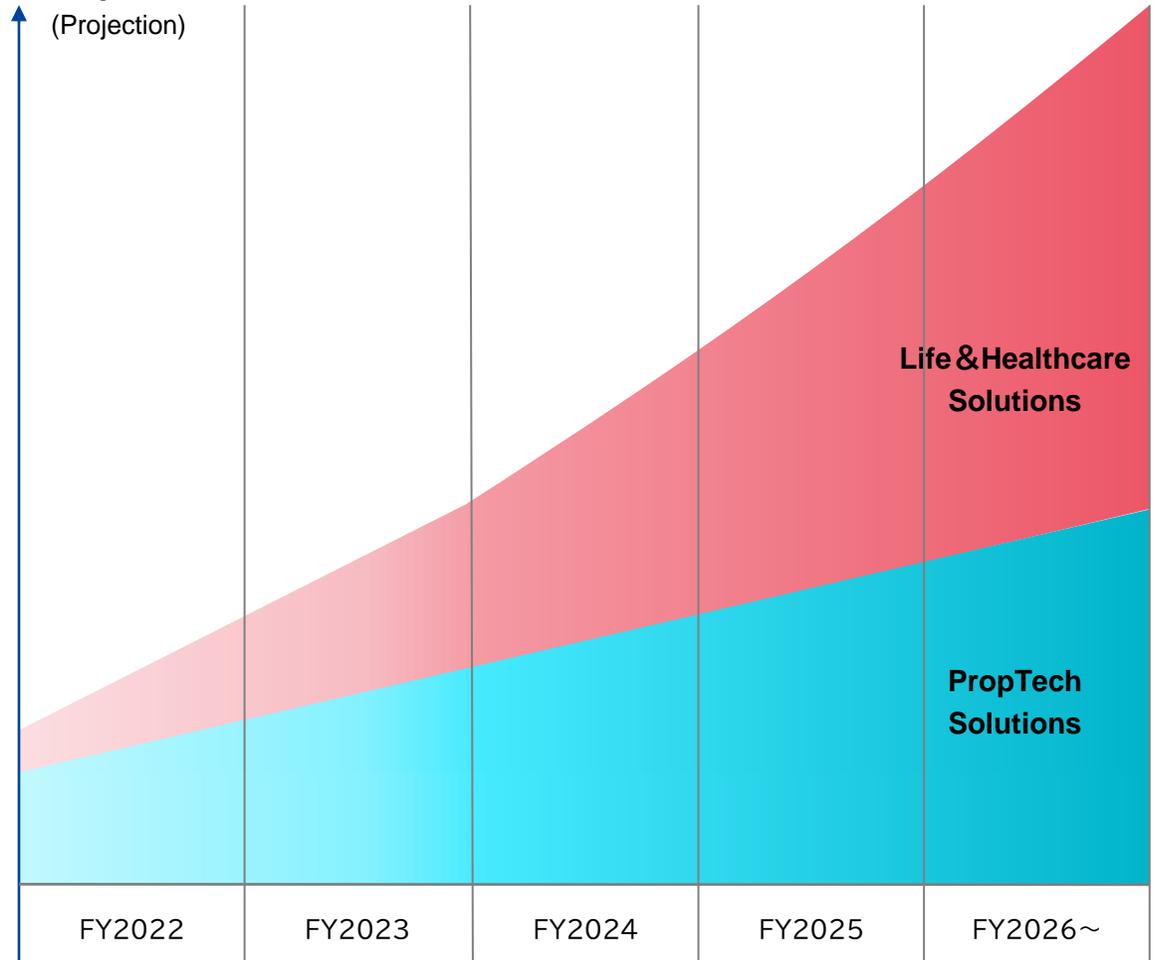


Promoting the expansion and sales of highly practical products based on “Real x Technology”, with the Life&Healthcare Solutions (LH), which have a high ARPC and profitability, as the core, and driving sustainable revenue growth

【Each TAM*】

Healthcare	¥3.3 Trillion (By 2026)
AI	¥2.2 Trillion (By 2026)
Finance	¥4.0 Trillion (By 2026)
Real estate	¥1.7 Trillion (By 2026)

Our recurring revenue scale
(Projection)



* Our estimation based on desktop research

Product lineup for Life&Healthcare Solution

Generative AI chatbot for Healthcare domain	Always supports attentive customer service with natural dialogue, and enables nurturing such as encouraging follow-up examination/re-visit
Digital Marketing Solution	A digital marketing solution that supports new patient acquisition, branding for clinics, and strengthening customer management
Management Support Tool for Clinic	A cloud tool that supports the efficiency/streamlining of clinic management and tedious back-office tasks.
Sales Tech Tool	Enables target company analysis/list extraction and KPI visualization/analysis for inside sales.
Home Valuation CLOUD for Financial Industries	A tool that adapts SRE Home Valuation CLOUD for financial institutions and enhances/optimizes real estate collateral valuation and other processes

Product lineup for PropTech Solution

SRE Home Valuation CLOUD	AI assesses real estate by using actual transaction data and auto-generates appraisal reports with higher accuracy than expert. Also, reducing working time from 180 to 5 minutes
SRE Marketing CLOUD	A one-stop digital marketing service with AI appraisal and nurturing features
SRE Contract Creation CLOUD	Contracts/documents creation tool that reduces working time by 60%, in addition to lowers omission risk by referencing history and templates
SRE Appraisal API CLOUD	Companies can integrate their systems/websites with our real estate valuation engine via API to utilize high-precision AI appraisals
AI Chatbot Integrated with an Appraisal System	A generative AI chatbot capable of handling specialized contents, and the first in the real estate industry to incorporate the appraisal function

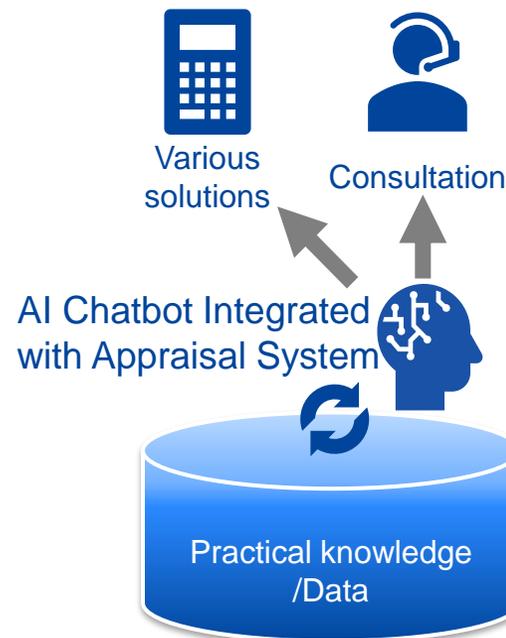
Expanding our AI chatbot, which is specialized in the Real estate domain, into the Healthcare domain.

In the healthcare field, in addition to AI chatbots, we offer digital marketing solutions, management support tools, and some BPO services.

SaaS + BPO = BPaaS deployment enables price increases and minimal churn rates.

AI Chatbot specialized in Real estate domain

By training a generative AI with the insights and data accumulated through the Real business, **it is possible to answer** customer support during outside of business hours **specialized content.** This enables and tech-touch customer management



Expansion into the healthcare domain



Generative AI chatbot for Healthcare domain



Digital Marketing Solution



Management Support Tool for Healthcare domain

Reconfigure real estate products and solutions for healthcare and expand horizontally

In the healthcare field, we offer a package of multiple products so that highly specialized personnel can focus on their highly specialized work.

In addition to our expertise in identifying issues and developing solutions by immersing ourselves in our customers' business environments, we create BPaaS solutions based on the data and insights gained through the identification and resolution of those issues, and continuously enhance their added value.

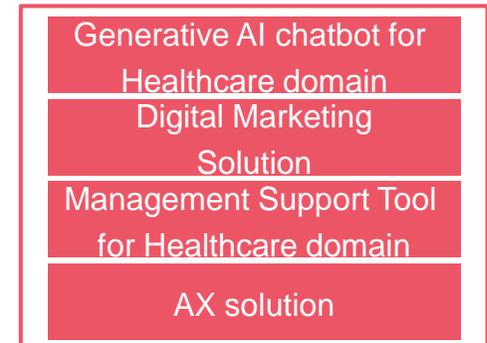
Life & Healthcare solution

◆ Healthcare (priority area)



In highly specialized areas such as medical care and treatment centers, highly specialized personnel are devoting resources to other tasks.

Offering products as a package

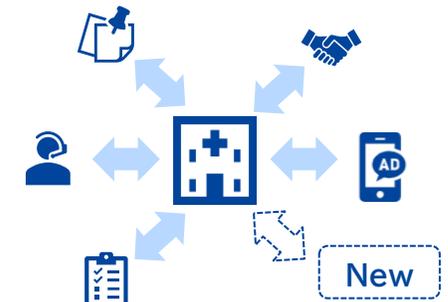


Continue to develop new products and strengthen cross-selling

Our competitive advantages



Specialize in getting involved in the field, identifying issues, and building solutions.

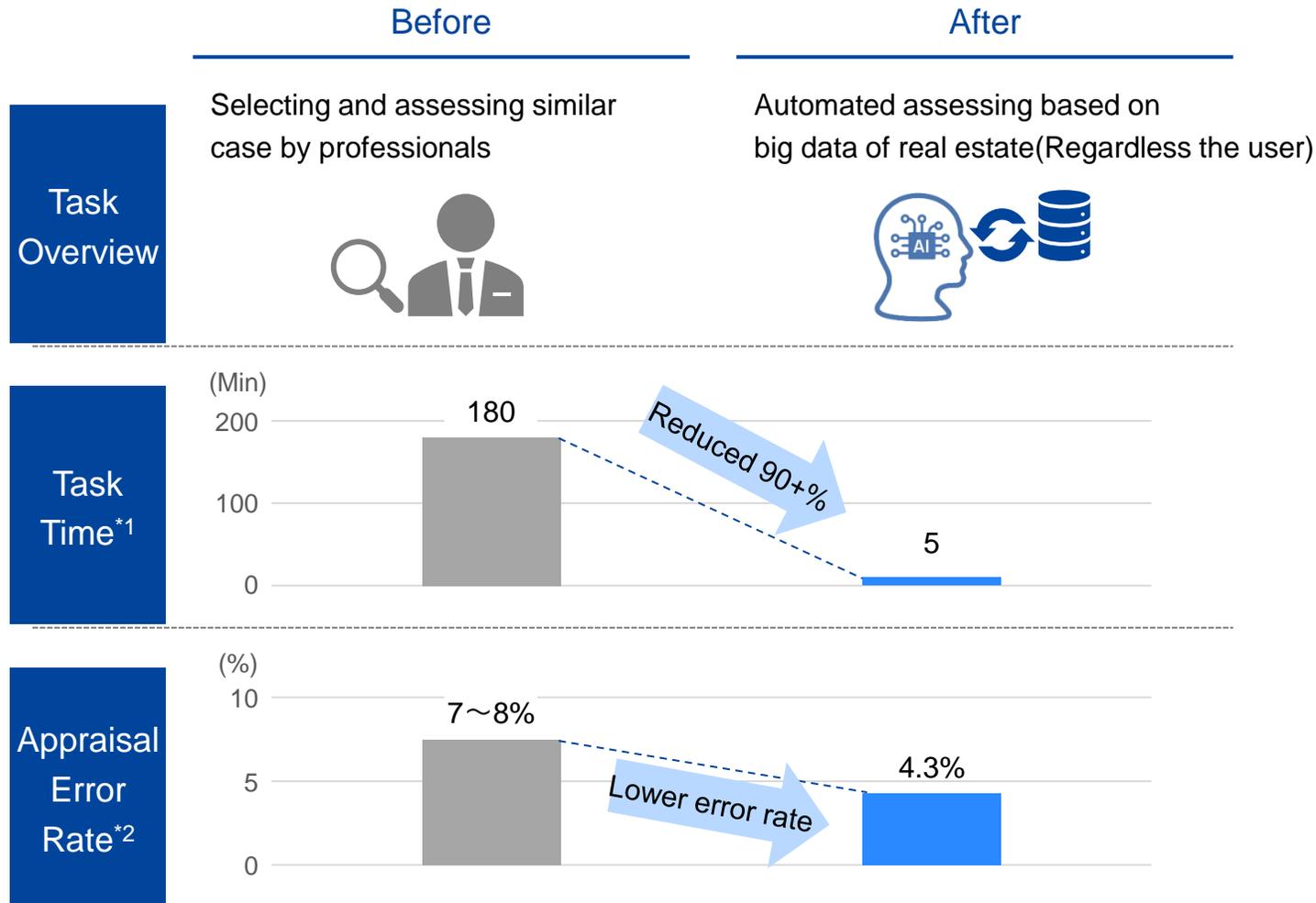


Enhance the added value of BPaaS solutions by identifying and resolving issues and utilizing the data obtained.

SRE CLOUD AI 査定

In SRE Home Valuation CLOUD, AI examines a very large dataset from past transactions in a short period of time to create very accurate real estate appraisals and reports automatically.

Expanding to financial institutions such as banks and insurance companies in addition to real estate agencies

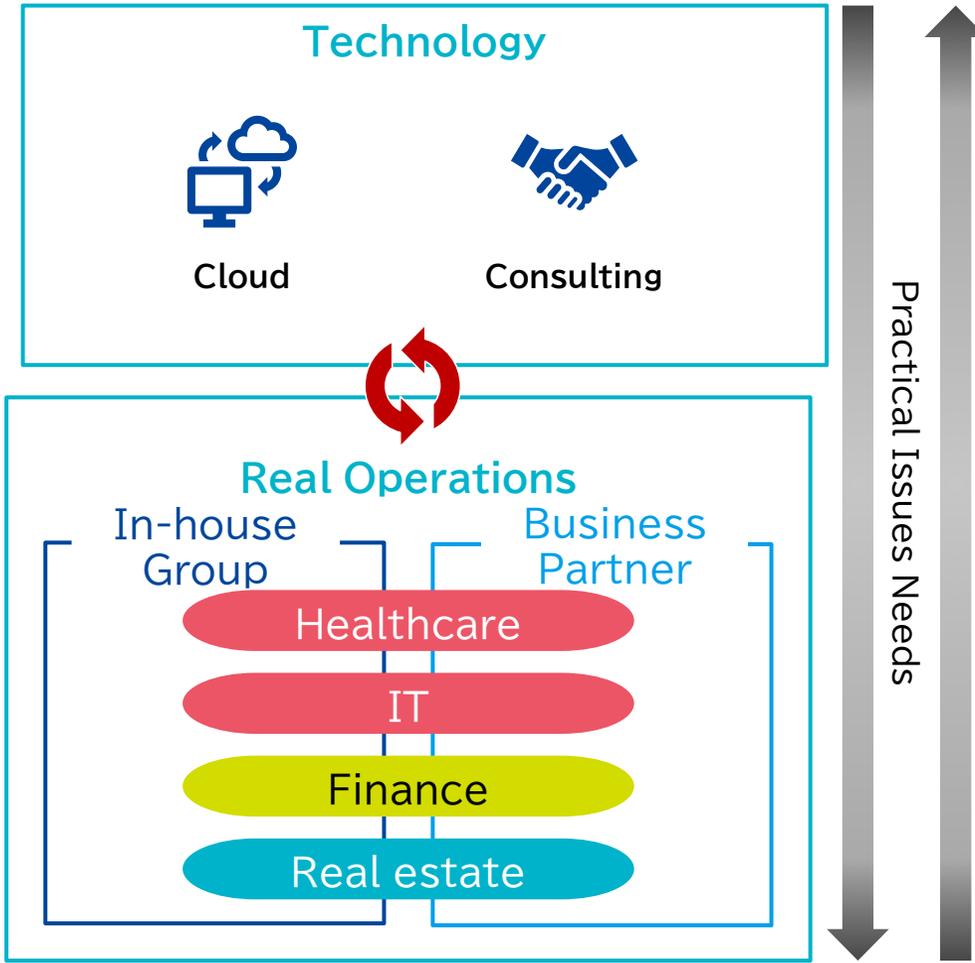


*1 Actual values measured in our operations

*2 The appraisal error rate is the median deviation between the valuation results by our agents or by SRE Home Valuation CLOUD and the actual transaction price for condominiums in the 23 wards of Tokyo (as of March 2022).

Competitive advantage of AICC segment, KPI

Competitive advantage (real x technology)



Refine based on feedback

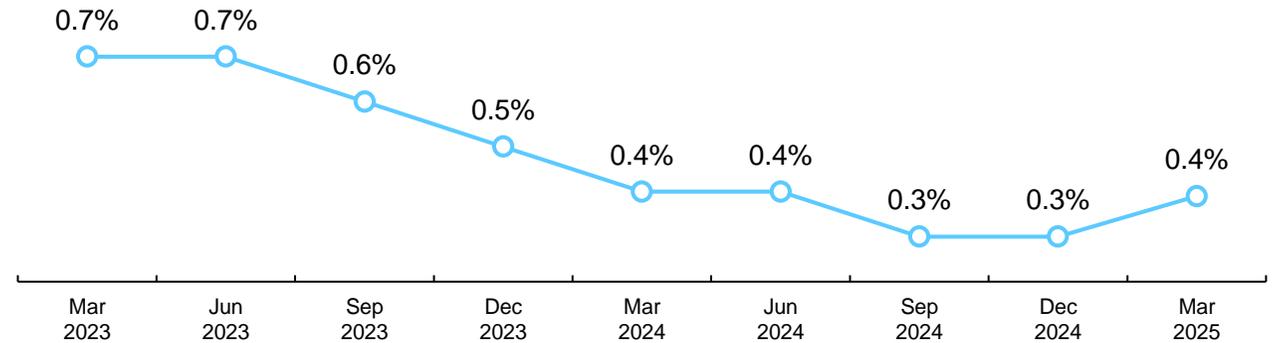
		TAM	KPI ^{※2}
LH	Health care	3.3 trillion yen ^{※1}	No. of Contracts 359 (+62 QoQ)
	IT, etc.	2.2 trillion yen ^{※1}	570 thousand yen/month (▲79 thousand yen/ QoQ)
	Finance	4.0 trillion yen ^{※1}	
PT	Real estate	1.7 trillion yen ^{※1}	No. of Contracts 4,640 (+213 QoQ) 61 thousand yen/month (+10 thousand yen QoQ)

※1 Our estimation based on desktop research

※2 ARPC is calculated by dividing the average monthly recurring revenue of the second quarter (July -September) in LH by the average number of contracts during the same quarter

The average churn rate over the past 12 months has remained low at 0.4% due to the provision of solutions enhanced in terms of practical usefulness.

Churn rate over the last 12 months



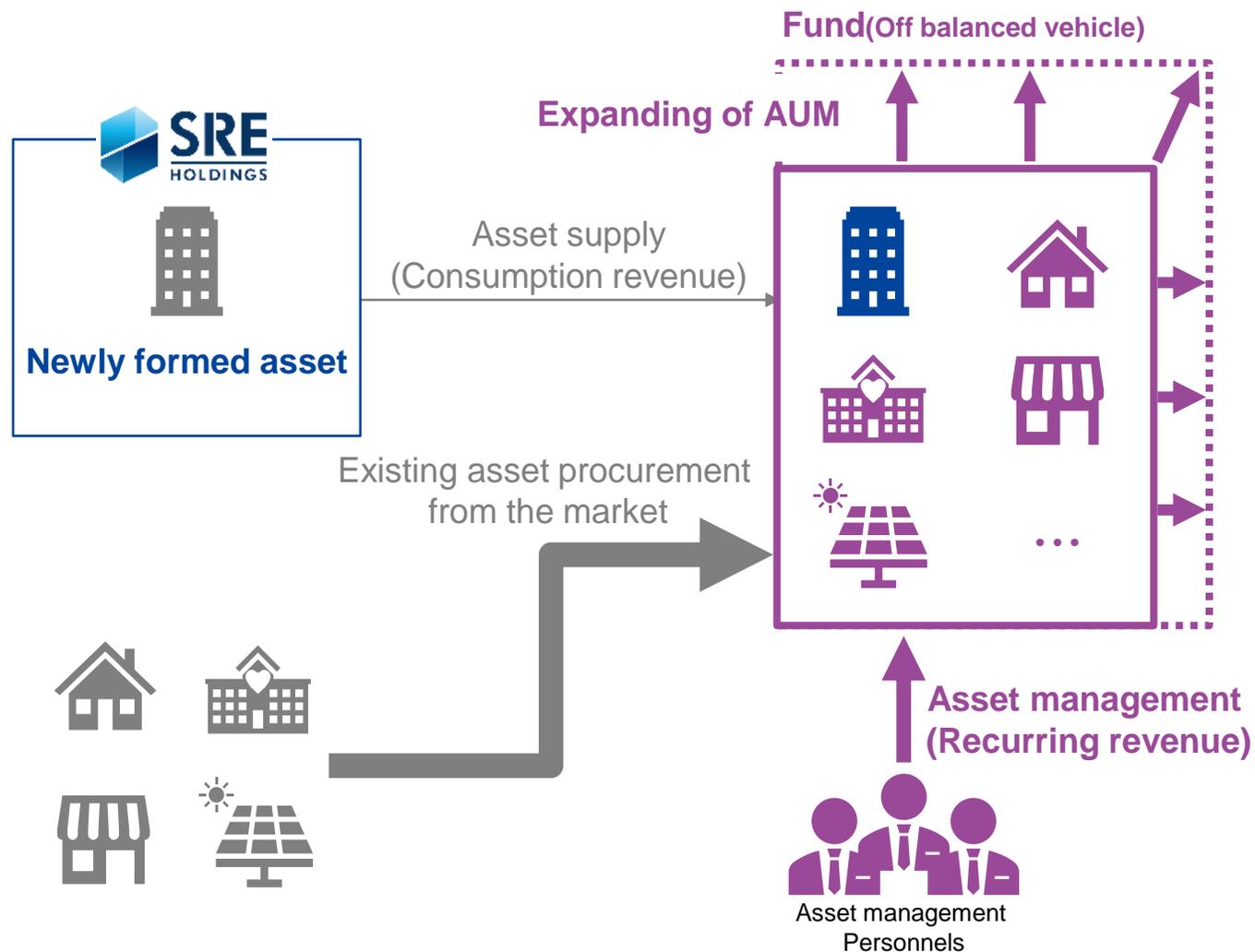
Our competitive advantages

- ▶ Ability to continuously improve added value by using our unique data ecosystem
- ▶ Ability to utilize knowledge and data accumulated through the implementation of technology and systemization of operations within the group to develop solutions

In L&P, to expand the recurring revenue, accelerating the scaling of the assets under management(AUM) of the fund, primarily through external procurement, at our asset management subsidiary

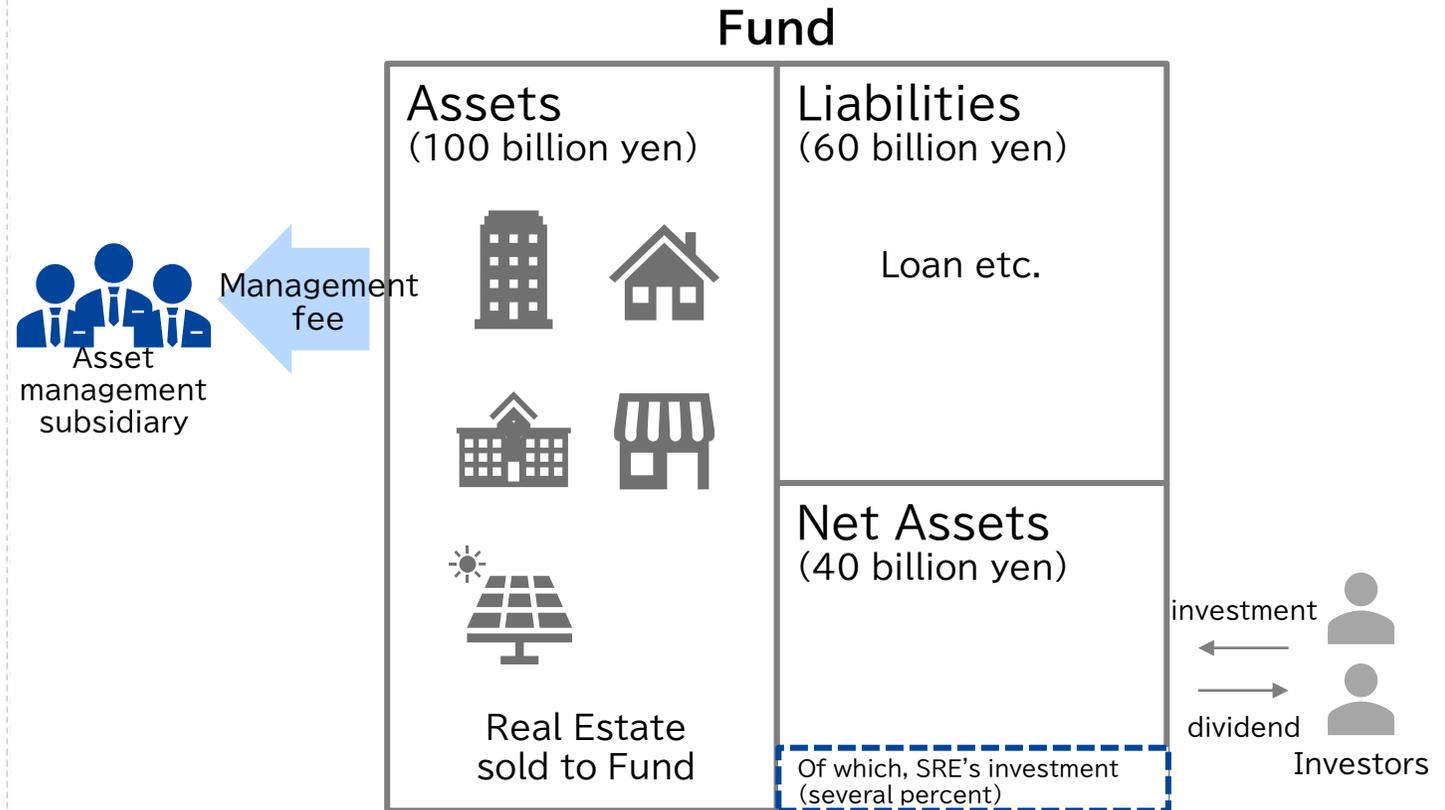
Furthermore, supplying assets that carefully selected for profitability from SREHD and differentiated by DX to the fund

Since the increase in the number of personnel is moderate compared to the expansion of AUM, profitability will continue to be enhanced over the medium to long term



By selling real estate developed in-house to non-consolidated funds, we minimize real estate price fluctuation risks and other risks while avoiding real estate ownership, and enable our asset management subsidiary to earn monthly recurring fees as operating fees.

We will invest a few percent in funds established by our asset management subsidiary, but the risk is limited to that extent.



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