

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

November 11, 2025

Company name	SRE Holdings Corporation			Stock exchange listings: Tokyo Prime
Securities code	2980	URL	https://sre-group.co.jp/	
Representative (Title)	President & Chief Executive Officer	Kazuo Nishiyama		
Inquiries (Title)	Executive Officer, Department Director, Planning Dept.	Tetsu Matsui	Tel 03-6274-6550	
Semi-annual statement filing date (as planned)	November 13, 2025	Dividend payable date (as planned)	—	
Supplemental material of results : Yes				
Convening briefing of results : Yes				

(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 (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	8,095	(20.3)	309	(76.0)	185	(84.5)	26	(96.1)
September 30, 2024	10,152	35.4	1,289	112.0	1,195	123.6	663	80.2

Note:
Comprehensive income For the six months ended September 30, 2025 59 Millions of yen ((91.7)%)) For the six months ended September 30, 2024 720 Millions of yen (81.9%)

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2025	Yen 1.62	Yen 1.62
September 30, 2024	41.24	40.71

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	35,804	14,233	37.7
March 31, 2025	30,470	14,346	44.8
Reference: Equity capital	As of September 30, 2025 13,489 Millions of yen	As of March 31, 2025 13,652 Millions of yen	

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ended March 31, 2025	Yen —	Yen 0.00	Yen —	Yen 15.00	Yen 15.00
Fiscal year ending March 31, 2026	—	0.00	—	—	—
Fiscal year ending March 31, 2026 (Forecast)	—	—	—	18.00	18.00

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

3. Consolidated financial forecast 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
Fiscal year ending March 31, 2026	Millions of yen 35,000	% 31.1	Millions of yen 4,050	% 30.3	Millions of yen 3,650	% 25.7	Millions of yen 2,220	% 30.8	Yen 137.88

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

* 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)

① Number of issued and outstanding shares at the period end (including treasury stock)
② Number of treasury stock at the period end
③ Average number of shares

As of September 30, 2025	16,249,135 shares	As of March 31, 2025	16,233,785 shares
As of September 30, 2025	134,223 shares	As of March 31, 2025	132,546 shares
Six months ended September 30, 2025	16,106,870 shares	Six months ended September 30, 2024	16,085,534 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

(Note on forward-looking statements)

Forward-looking statements such as results forecasts provided in this document are prepared based on currently available information and assumptions that are deemed reasonable, but the Company does not intend to guarantee its achievement. A variety of factors could cause actual results to differ materially from forecasts. Please refer to "1. Overview of Operating Results, (3) Explanation of forward-looking statements such as consolidated earnings forecasts" on page 6 for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

(Availability of supplementary financial results materials and the contents of the financial results presentation meeting)

The Company plans to hold a briefing on financial results (online conference) for institutional investors and analysts on November 12, 2025 (Wednesday). The Company plans to disclose the supplementary explanatory documents used on the day of the financial results briefing via TDnet on November 11, 2025 (Tuesday) as well as publishing them on the Company's website.

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1. Overview of operating results

SRE Holdings Corporation and its consolidated subsidiaries (“the Group”), as a Life Tech Company, conducts two main businesses under its stated mission: Providing today’s cutting-edge technology to shape the next 10 years: A Decade Ahead. For the current fiscal year, we have set the slogan ‘Updating Lifestyles and Healthcare using Technology’.

The first of these businesses is AI Cloud & Consulting (AICC), through which the Group offers cloud tool packages and tailor-made algorithms, based on modules using machine learning and other technologies, for the implementation of digital transformation (DX) in many industries ranging from the real estate and finance industries to information technology (IT) and healthcare sectors. The second of the businesses is Life & Property Solutions (L&P), comprising asset management, real estate brokerage consulting, and development businesses that aim to provide reliable value to customers and actively use technology.

By engaging in real businesses such as real estate, finance, IT, and healthcare, in which we have ourselves encountered operational inefficiencies and challenges, the Group has identified potential applications for machine learning and other advanced technologies. We work to increase our efficiency and competitiveness by introducing these technologies in our internal operations, while also creating tools that promote and streamline business. After we use the tools internally and incorporate our own experience into them to make them more useful, we offer them to operators in the same sectors. In addition, the Group leverages this track record to pursue collaboration with various other companies to jointly develop solutions.

Generative AI has evolved from a mere tool into a core infrastructure supporting business operations, and a lot of companies have already adopted it. In addition to the emergence of autonomous AI agents capable of executing tasks independently, generative AI is no longer limited to improving operational efficiency; it is also beginning to contribute to the creation of new revenue and enhanced customer experience, driven by reduced costs for new business development.

In this business environment, we believe that the strength and resilience of our Group—built on the ability to accumulate data through real business operations in collaboration with internal teams and JV/alliance partners—will become even more pronounced. Data obtained from real businesses serves as high-quality training data aligned with the context of actual business and healthcare/care settings, enabling more accurate responses and decisions than those provided by general-purpose models.

Specifically, general-purpose generative AI can deliver natural, conversational answers by learning from vast amounts of information available on the internet, achieving high accuracy in answering questions in specialized fields—where information is either unavailable or only fragmentary online—requires preparing and training on primary data from those fields. Moreover, in today’s rapidly changing business environment, even once-trained primary data risks becoming outdated. In contrast, information derived from real businesses is not only contextually relevant but also continuously updated, allowing us to maintain a repository of the latest data and thereby strengthen our competitive advantage.

As the importance of primary information for generative AI learning and referencing grows, engaging in real-world businesses functions closely and effectively in delivering AI solutions and cloud tools with high practical utility to customers. Pursuing this unique value proposition—being a “tech provider embedded with real business”—is contributing to digital transformation and business expansion across various industries. Our Group will continue to leverage the superiority of “technology with high practical utility embedded in real-world business,” expand horizontally, and accumulate primary data through real-world operations in healthcare, finance, and real estate, while creating practical AI-driven solutions that incorporate generative AI.

We are identifying potential applications for machine learning and other advanced technologies in our real estate business where we encounter operational inefficiencies and problems. We are working to increase efficiency and competitiveness by introducing these technologies in the internal operations. At the same time, we are creating tools that promote and streamline the industry. These tools, born out of digital innovation in the real estate business and polished by the feedback of internal use, are provided to other customers in the real estate and financial industry. We are also developing a distinct business model to provide differentiated consulting services to customers in a wide range of industries, by applying the modules, which are the basis of the tools.

Close involvement in its own real estate business practices help effectively us provide very useful AI solutions and cloud tools. We contribute to the DX and expansion of businesses in many industries, including real estate and finance, by maximizing customer value through the utilization of "highly practical technology backed by real business".

Looking at the business environment surrounding the Group’s AICC segment, as the decline in Japan’s birthrate and aging of the population rapidly progress, there is increasing emphasis on extending healthy life expectancy and greater interest in

insured medical care and preventive medicine. A projected decline in the working-age population and other factors is exacerbating social issues such as the shortage of specialized human resources, while AI technology is evolving day by day. As a result, there is strong momentum for cross-industry AI and digital transformation (AX/DX) using technology to reduce manpower demand and increase profit, and this serves as a tailwind for the Group's businesses, which provide highly practical AX/DX solutions. Looking at the business environment of the L&P segment, we continue to see increasing investment needs for various asset types.

Under these business conditions, our Group is steadily advancing business growth in the healthcare, financial, and real estate sectors, while delivering AX/DX solutions that leverage our proprietary AI modules. In addition, we are implementing price revisions in collaboration with customers based on their satisfaction with the value we provide.

Specifically, in the healthcare domain, the post-merger integration (PMI) of Medix Co., Ltd., which offers cloud-based medical billing systems for clinics and supports medical claim processing, is progressing smoothly. We have significantly improved management and business operations, which in turn is accelerating collaboration with other companies in the same industry. In the real estate domain, revenue improvement is also underway through price revisions of our AI-based property valuation cloud service.

As a result of the above, for the second quarter of the current fiscal year, in the AICC segment, sales of Life & Healthcare Solutions (LH) expanded to exceed those of Prop Tech Solutions (PT), and ARR (Annual Recurring Revenue) grew as planned. However, in the L&P segment, the timing of sales of self-developed properties was skewed toward the second half of the fiscal year, Net sales amounted to 8,095,904 thousand yen (down 2,056,883 thousand yen, or 20.3%, from the same period of the previous year), operating profit was 309,090 thousand yen (down 980,865 thousand yen, or 76.0%, year-on-year), ordinary profit was 185,033 thousand yen (down 1,010,379 thousand yen, or 84.5% year-on-year), and net profit attributable to parent company shareholders was 26,146 thousand yen (down 637,242 thousand yen, or 96.1% year-on-year).

Operating results by segment for the first quarter of the current fiscal year are as follows

<AI Cloud & Consulting Segment>

In Life & Healthcare Solutions segment (LH: providing cloud-based business support tools and DX solutions mainly for the healthcare, IT, and finance sectors), revenue growth was driven not only by contributions from Medix Co., Ltd., which became a subsidiary in April 2024, but also by steady progress in customer acquisition. From the third quarter onward, we aim to expand horizontally into large-scale medical and welfare facilities, while advancing multiple initiatives to develop new products and add new features, primarily in the healthcare domain.

In Prop Tech Solutions segment (PT: providing cloud-based business support tools and DX solutions mainly for the real estate sector), revenue and profit growth were supported by price revisions for our AI-based property valuation cloud service, as well as by contract cancellations remaining significantly below expectations following the price adjustments, which contributed to the expansion of recurring revenue.

Within this segment, we are accelerating investments in product development and related areas to drive medium- to long-term growth in recurring revenue. Furthermore, in addition to our unique strength as a "tech provider embedded with real business," we have attracted highly skilled talent who resonate with our vision of horizontally expanding domains centered on LifeTech. Building on this organizational reinforcement, we are combining real-world operations with technology not only in our existing healthcare, financial, and IT domains but also in new areas, thereby advancing business expansion.

As a result, net sales for the AI Cloud & Consulting segment for the first quarter of the current fiscal year amounted to 3,825,510 thousand yen (up 538,347 thousand yen or 16.4%, compared to the year-on-year), and the segment's operating profit amounted to 1,530,314 thousand yen (up 596,791 thousand yen or 63.9%, year-on-year).

<Life & Property Solutions Segment>

In this segment, we are promoting a shift to a layered business model that accumulates highly profitable recurring fees. But sales of properties developed in-house are expected to be concentrated in the second half of the current fiscal year.

Consequently, net sales for the Life & Property Solutions segment for the first quarter of the current fiscal year amounted to 5,225,298 thousand yen (down 2,022,423 thousand yen or 27.9%, year on year), and segment loss was 944,865 thousand yen (compared to segment profit of 520,262 thousand yen in the same period of the previous fiscal year).

<Other Segment>

In this segment, the Group develops new products on a trial basis, working to create "highly practical technologies backed by real business" while aiming for medium- to long-term sustainable growth.

As a result, net sales in the Other segment for the second quarter of the current fiscal year amounted to 39,229 thousand yen (down 2,291 thousand yen or 5.5%, year on year) due to the operations of the Healthcare business, and segment loss amounted to 215,242 thousand yen (compared to a segment loss of 113,181 thousand yen in the same period of the previous fiscal year) due to investment in new product development.

(2) Overview of Financial Position

① Assets, Liabilities and Net Assets

(Assets)

Total consolidated assets at the end of the second quarter of the current fiscal year increased by 5,334,449 thousand yen compared to the end of the previous consolidated fiscal year, to 35,804,754 thousand yen.

Current assets increased by 4,873,816 thousand yen from the end of the previous consolidated fiscal year to 29,366,232 thousand yen. This increase is primarily due to an increase of 4,348,839 thousand yen in inventory.

Non-current assets increased by 460,633 thousand yen from the end of the previous consolidated fiscal year to 6,438,522 thousand yen. This primarily reflects an increase of 456,540 thousand yen in investments and other assets.

(Liabilities)

Total liabilities as of the end of the second quarter of this consolidated fiscal year increased by 5,447,178 thousand yen compared to the end of the previous consolidated fiscal year, to 21,571,236 thousand yen.

Current liabilities increased by 846,055 thousand yen from the end of the previous consolidated fiscal year to 7,774,608 thousand yen. This was mainly due to a decrease of 782,661 thousand yen in accounts payable, offset by an increase of 1,750,006 thousand yen in short-term borrowings.

Non-current liabilities increased by 4,601,123 thousand yen from the end of the previous consolidated fiscal year, reaching 13,796,627 thousand yen. This was primarily due to an increase of 4,568,441 thousand yen in long-term borrowings.

(Net Assets)

Total consolidated net assets at the end of the second quarter of the current consolidated fiscal year decreased by 112,729 thousand yen from the end of the previous consolidated fiscal year to 14,233,518 thousand yen. This was mainly due to a decrease of 215,384 thousand yen in retained earnings because of dividend payments and other factors.

The equity ratio was 37.7%.

② Overview of Cash Flows for the Interim Period

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the interim consolidated accounting period increased by 712,207 thousand yen compared to the end of the previous consolidated fiscal year, to 5,046,767 thousand yen.

The situation and factors related to cash flows for the interim period under review are as follows:

(Cash Flows from Operating Activities)

Cash used in operating activities was 4,859,955 thousand yen (3,854,017 thousand yen used in the previous fiscal year). This was mainly due to factors that decreased cash, such as an increase in inventories of 4,348,839 thousand yen.

(Cash Flows from Investing Activities)

Cash used in investing activities was 504,394 thousand yen (1,329,060 thousand yen used in the previous fiscal year). This was primarily due to expenditures for the acquisition of intangible fixed assets amounting to 280,009 thousand yen and other factors that decreased cash.

(Cash Flows from Financing Activities)

Cash obtained from financing activities was 6,076,557 thousand yen (4,409,111 thousand yen obtained in the previous fiscal year). This was mainly due to factors that increased cash, such as proceeds from long-term borrowings of 5,360,050 thousand yen, exceeding factors that decreased cash, such as expenditures for repayment of long-term borrowings of 530,023 thousand yen.

(3) Explanation of forward-looking statements such as consolidated earnings forecasts

There are no changes to the consolidated earnings forecast for the fiscal year ending March 2026, which was announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31", 2025 on May 13, 2025.

2. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	4,384,560	5,096,767
Accounts receivable - trade, and contract assets	2,119,412	2,235,057
Operating investments in capital	3,289,759	3,214,487
Inventories	13,808,977	18,157,816
Other	893,017	664,293
Allowance for doubtful accounts	(3,312)	(2,190)
Total current assets	<u>24,492,416</u>	<u>29,366,232</u>
Non-current assets		
Property, plant and equipment	846,500	929,249
Intangible assets		
Software	965,248	1,028,873
Goodwill	2,443,326	2,292,922
Other	10,378	18,499
Total intangible assets	<u>3,418,953</u>	<u>3,340,295</u>
Investments and other assets	<u>1,712,435</u>	<u>2,168,976</u>
Total non-current assets	<u>5,977,889</u>	<u>6,438,522</u>
Total assets	<u>30,470,305</u>	<u>35,804,754</u>
Liabilities		
Current liabilities		
Accounts payable - trade	928,172	145,510
Short-term borrowings	3,803,364	5,553,370
Accounts payable - other	354,044	379,550
Accrued expenses	450,075	462,204
Income taxes payable	591,765	456,135
Provision for bonuses	262,462	258,989
Other	538,667	518,846
Total current liabilities	<u>6,928,553</u>	<u>7,774,608</u>
Non-current liabilities		
Long-term borrowings	8,330,998	12,899,440
Retirement benefit liability	67,974	64,347
Other	796,530	832,838
Total non-current liabilities	<u>9,195,503</u>	<u>13,796,627</u>
Total liabilities	<u>16,124,057</u>	<u>21,571,236</u>
Net assets		
Shareholders' equity		
Share capital	4,246,400	4,272,812
Capital surplus	4,119,452	4,145,865
Retained earnings	5,788,701	5,573,317
Treasury shares	(502,520)	(502,615)
Total shareholders' equity	<u>13,652,034</u>	<u>13,489,380</u>
Share acquisition rights	129,414	145,498
Non-controlling interests	564,798	598,639
Total net assets	<u>14,346,248</u>	<u>14,233,518</u>
Total liabilities and net assets	<u>30,470,305</u>	<u>35,804,754</u>

(2) Quarterly Consolidated statements of income and consolidated statements of comprehensive income
 (Quarterly Consolidated statements of income)

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	10,152,787	8,095,904
Cost of sales	5,695,101	4,601,033
Gross profit	4,457,686	3,494,871
Selling, general and administrative expenses	3,167,731	3,185,781
Operating profit	1,289,955	309,090
Non-operating income		
Interest income	2,116	5,327
Other	982	4,444
Total non-operating income	3,098	9,771
Non-operating expenses		
Interest expenses	67,824	114,130
Other	29,815	19,697
Total non-operating expenses	97,639	133,827
Ordinary profit	1,195,413	185,033
Extraordinary income		
Gain on sale of investment securities	6,237	—
Total extraordinary income	6,237	—
Extraordinary losses		
Loss on retirement of non-current assets	22,869	4,705
Other	1,496	767
Total extraordinary losses	24,365	5,472
Profit before income taxes	1,177,285	179,561
Income taxes - current	347,487	436,465
Income taxes - deferred	105,556	(316,891)
Total income taxes	453,044	119,574
Profit	724,240	59,987
Profit attributable to non-controlling interests	60,851	33,841
Profit attributable to owners of parent	663,388	26,146

(Quarterly Consolidated statements of comprehensive income)

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	724,240	59,987
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,930)	—
Total other comprehensive income	(3,930)	—
Comprehensive income	720,310	59,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	659,458	26,146
Comprehensive income attributable to non-controlling interests	60,851	33,841

(3) Quarterly Consolidated statements 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	1,177,285	179,561
Depreciation	192,334	224,591
Amortization of goodwill	124,893	149,915
Increase (decrease) in allowance for doubtful accounts	(659)	(1,032)
Increase (decrease) in provision for bonuses	18,135	(3,472)
Increase (decrease) in retirement benefit liability	(8,144)	(3,626)
Interest income	(2,116)	(5,327)
Interest expenses	67,824	114,130
Loss (gain) on sale of investment securities	(6,237)	—
Loss on retirement of non-current assets	22,869	4,705
Decrease (increase) in accounts receivable - trade, and contract assets	125,088	(115,644)
Decrease (increase) in Operating investments in capital	(1,433,590)	75,272
Decrease (increase) in inventories	(2,378,706)	(4,348,839)
Increase (decrease) in trade payables	(458,378)	(782,661)
Increase (decrease) in accounts payable - other, and accrued expenses	(994,749)	296,890
Other, net	387,241	(10,893)
Subtotal	(3,166,910)	(4,226,432)
Interest received	3,993	4,167
Interest paid	(69,701)	(107,471)
Income taxes paid	(621,398)	(530,219)
Net cash provided by (used in) operating activities	(3,854,017)	(4,859,955)
Cash flows from investing activities		
Payments into time deposits	(50,000)	—
Proceeds from withdrawal of time deposits	30,000	—
Purchase of property, plant and equipment	(56,929)	(126,304)
Purchase of intangible assets	(217,212)	(280,009)
Purchase of investment securities	(14,000)	(80,360)
Proceeds from sale of investment securities	23,293	—
Proceeds from sale of shares of subsidiaries and associates	127,350	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(673,870)	—
Loan advances	(500,000)	—
Payments of leasehold and guarantee deposits	—	(33,555)
Proceeds from refund of leasehold and guarantee deposits	—	2,379
Other, net	2,309	13,456
Net cash provided by (used in) investing activities	(1,329,060)	(504,394)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	355,413	1,488,421
Proceeds from long-term borrowings	5,468,499	5,360,050
Repayments of long-term borrowings	(1,170,564)	(530,023)
Proceeds from issuance of shares	12,243	838
Purchase of treasury shares	(309,637)	(94)
Dividends paid	—	(241,097)
Other, net	53,155	(1,537)
Net cash provided by (used in) financing activities	4,409,111	6,076,557
Net increase (decrease) in cash and cash equivalents	(773,966)	712,207
Cash and cash equivalents at beginning of period	3,329,547	4,334,560
Cash and cash equivalents at end of period	2,555,581	5,046,767

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Segment Information, etc.)

I. For the six months ended September 30, 2024

1. Information on net sales and profit or loss amounts by reportable segment

(Thousands of yen)

	Reportable segments				Reconciling items (Note 1)	Per semi-annual consolidated financial statements (Note 2)
	AI Cloud & Consulting	Life & Property Solutions	Other	Total		
Sales						
Revenues from external customers	2,869,137	7,242,129	41,521	10,152,787	—	10,152,787
Transactions with other segments	418,025	5,593	—	423,618	(423,618)	—
Net sales	3,287,163	7,247,722	41,521	10,576,406	(423,618)	10,152,787
Operating profit (loss)	933,522	520,262	(113,181)	1,340,603	(50,648)	1,289,955

(Notes)

1. The adjustment to segment profit of (50,648) thousand yen represents the elimination of intersegment transactions.
2. The segment profit or loss has been adjusted to the operating profit stated in the quarterly consolidated income statement.

2. Information on assets by reportable segment

In the six months of the FYE March 31, 2025, the Company acquired shares of Medix Corporation, etc., which were newly included in the scope of consolidation. As a result, the amount of assets in the reporting segment "AI Cloud & Consulting" increased by 3,977,224 thousand yen in the six months of the FYE March 31, 2025, compared to the end of the previous consolidated fiscal year.

In addition, the amount of assets in the reporting segment "Life & Property Solutions" increased by 3,136,916 thousand yen in the six months of the FYE March 31, 2025 compared to the end of the previous consolidated fiscal year due to an increase in inventories and other factors.

3. Information on Impairment Loss on Noncurrent Assets or Goodwill, etc. by Reportable Segment

(Significant changes in the amount of goodwill)

In the "AI Cloud & Consulting" segment, the amount of goodwill increased by 1,787,998 thousand yen due to the Company's acquisition of shares of Medix Corporation, etc. and their inclusion in the scope of consolidation.

II. For the six months ended September 30, 2025

1. Information on net sales and profit or loss amounts by reportable segment

(Thousands of yen)

	Reportable segments				Reconciling items (Note 1)	Per semi-annual consolidated financial statements (Note 2)
	AI Cloud & Consulting	Life & Property Solutions	Other	Total		
Sales						
Revenues from external customers	2,831,376	5,225,298	39,229	8,095,904	—	8,095,904
Transactions with other segments	994,134	—	—	994,134	(994,134)	—
Net sales	3,825,510	5,225,298	39,229	9,090,038	(994,134)	8,095,904
Operating profit (loss)	1,530,314	(944,865)	(215,242)	370,206	(61,116)	309,090

(Notes)

1. The adjustment to segment profit of (61,116) thousand yen represents the elimination of intersegment transactions.
2. The segment profit or loss has been adjusted to the operating profit stated in the quarterly consolidated income statement.

2. Information on assets by reportable segment

During the interim consolidated accounting period, due to an increase in inventories and other factors, the amount of assets in the reportable segment “Life & Property Solutions” increased by 4,299,947 thousand yen compared to the end of the previous consolidated fiscal year.

3. Information on Impairment Loss on Noncurrent Assets or Goodwill, etc. by Reportable Segment

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Note to going concern assumptions)

Not applicable.

Notes on Significant Subsequent Events

At the meeting of the Board of Directors held on November 11, 2025, and passed a resolution regarding the issuance of Stock Acquisition Rights to its directors and employees.

1. Purpose of Issuance of the Stock Acquisition Rights

The purpose of issuing the Stock Acquisition Rights is to further strengthen the commitment of our directors and employees, including the founding president, to improving the Company's performance and corporate value over the medium to long term. In addition, the issuance aims to provide incentives for share price appreciation and to promote greater value sharing with our shareholders.

2. Terms of Issuance of Stock Acquisition Rights

(1) Date of Issuance of Stock Acquisition Rights

November 28, 2025

(2) Persons to be allotted the Stock Acquisition Rights, the number of such persons

Directors: 2

Employees: 11 (planned)

(3) Number of Stock Acquisition Rights to Be Issued

7,315 (planned)

(4) Payment Amount for Stock Acquisition Rights

1,300 yen per stock acquisition right (13 per share)

(5) Type and Number of Shares Underlying the Stock Acquisition Rights

731,500 shares of the Company's common stock (100 shares per stock acquisition right) (planned)

(6) Exercise Price upon Exercise of Stock Acquisition Rights

2,818 yen per share

(7) Amount of Increase in Capital and Capital Reserve upon Issuance of Shares through Exercise of Stock Acquisition Rights

1) The amount of capital to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be one half (1/2) of the maximum amount of increases of the capital, etc. to be calculated according to Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any amount less than one yen arising from such calculation to be rounded up.

2) The amount of capital reserve to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the amount of capital to be increased set forth in 1) above, from the maximum amount of increases of the capital, etc. set forth in 1) above.

(8) Conditions for the exercise of the Stock Acquisition Rights

1) If, in any of the fiscal years specified in items (a) through (c) below (hereinafter referred to as the "Performance Evaluation Fiscal Year"), the Company's operating profit exceeds the target level (hereinafter referred to as the "Target Operating Profit"), the holder of the stock acquisition rights may exercise, up to the prescribed percentage (hereinafter referred to as the "Exercisable Percentage") of the allocated stock acquisition rights, starting from the first day of the month following the submission date of the annual securities report that confirms such condition has been met. Any fractional number of stock acquisition rights less than one shall be rounded down.

(a) Performance Evaluation Fiscal Years: Fiscal years ending March 2027 through March 2031

Target Operating Profit: 7.75 billion yen

Exercisable Percentage: 33%

(b) Performance Evaluation Fiscal Years: Fiscal years ending March 2027 through March 2033

Target Operating Profit: 8.75 billion yen

Exercisable Percentage: 66%

(c) Performance Evaluation Fiscal Years: Fiscal years ending March 2027 through March 2036

Target Operating Profit: 10.0 billion yen

Exercisable Percentage: 100%

For the determination of operating profit as described above, reference shall be made to the amount stated in the consolidated statement of income included in the annual securities report submitted by the Company (or the statement of income if a consolidated statement of income is not prepared), plus the amount of goodwill amortization stated in the consolidated statement of cash flows (or the statement of cash flows if a consolidated statement of cash flows is not prepared). If there is a significant change in the concept of the reference indicator due to changes in applicable accounting standards, or if an event such as a major acquisition occurs that has a substantial impact on the Company's performance and the Board of Directors determines that it is inappropriate to make the determination based solely on the actual figures stated in the annual securities report, the Company may make appropriate adjustments within a reasonable scope to eliminate such impact.

2) Holders of the stock acquisition rights shall not be required to be officers or employees of the Company or its affiliates at the time of exercising such rights. However, if the holder has been dismissed or terminated for disciplinary reasons, or if the Board of Directors of the Company determines that it is inappropriate for the holder to retain the stock acquisition rights, the holder shall not be permitted to exercise such rights.

3) It is not permitted to inherit the Stock Acquisition Rights.

4) In the case that, through the exercise of the Stock Acquisition Rights, the total number of issued shares of SRE Holdings exceeds the total number of authorized shares of SRE Holdings, the Right holder may not exercise the Stock Acquisition Rights.

5) The exercise of less than one stock acquisition right shall not be permitted.

(9) Period during which the Stock Acquisition Rights are exercisable

Period during which the Stock Acquisition Rights are exercisable (the "Exercise Period") is from July 1, 2027 through November 30, 2037