

January 13, 2026

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Notice Concerning Formulation of the 6th Medium-Term Management Plan

SALA Corporation (hereinafter, the “Company” or “we/our”) hereby announces that it formulated its 6th Medium-Term Management Plan (fiscal year ending November 30, 2026 to fiscal year ending November 30, 2030) as follows.

1. Coverage period

Five years from the fiscal year ending November 30, 2026 to the fiscal year ending November 30, 2030

2. Overview of the 6th Medium-Term Management Plan

The Company’s 6th Medium-Term Management Plan (fiscal year ending November 30, 2026 to fiscal year ending November 30, 2030) defines “X (Cross)” as the creation of new value through intersection, collaboration, co-creation, and transformation. As the Company approaches its 120th anniversary and aims for a 2030 Vision target of a consolidated operating profit of ¥12 billion, it combines this “120” to establish the basic policy of “X (Cross) 120” for the plan. We have set out five key strategies: establish business models for “SALA in Life” and “SALA in Business,” create new value to generate business, improve profitability of current businesses and transform management, recruit, develop, retain, and enhance engagement of human resources, the source from which value is derived in an era of population decline (labor shortages) and wage increases, and promote digital transformation to enhance productivity and create new customer value. The Company’s aim is to further promote initiatives to transform its business models and create new value to realize sustainable growth that will establish SALA Corporation as a trusted community brand that customers rely on in their lives and businesses so that the Company may achieve its 2030 Vision.

3. Numerical management targets

Category	24th fiscal year actual (fiscal year ended November 30, 2025)	29th fiscal year targets (fiscal year ending November 30, 2030)
Net sales	¥251.5 billion	¥300.0 billion
Operating profit	¥7.3 billion	¥12.0 billion
Profit	¥5.8 billion	¥8.4 billion
Ratio of operating profit to net sales	2.9%	4.0%
ROE (Return on Equity)	6.7%	10.0%
ROIC (Return on Invested Capital)	3.8%	6.0%

Note: The effects of gain or loss on valuation of derivatives on forward exchange contract are not included in the 29th fiscal year targets.

6th Medium-Term Management Plan (2026-2030)



SALA Group's Ideal Image & 2030 Vision

SALA Group Fundamental Principles

Our goals are to realize an enriched society as a corporate group trusted by regional communities, through our creations of beautiful and comfortable living spaces.

SALA Group 2030 Vision

“SALA in my town, SALA with people’s lives”

- As society undergoes significant changes, the SALA Group will make thorough efforts to realize quality lifestyles, providing new and enjoyable value on top of safety, security, comfort, and convenience.
- We aim to establish the SALA brand as a symbol of trust among customers, local communities, suppliers, and shareholders and to be the company that brings employees the greatest job satisfaction.
- We also aim to continue sustainable growth with all stakeholders and establish SALA brand as trustworthy in local communities.

Ideal Image for 2030

Establish the SALA brand

Boost quality

Achieve dramatic growth in the housing business

Nurture people who think and act on their own initiative

Enhance social value

Consolidated numerical targets for 2030*

Net sales	Operating profit	Ratio of operating profit to net sales
¥280 billion	¥12 billion	4.3%

*At the time of formulating the 2030 Vision

Review of the 5th Medium-Term Management Plan

Focusing on collaborating and co-creating with parties inside and outside the Group, the SALA Group has strived to transform our business models to achieve greater growth, create new value, and implement other key aspects of our business strategy. Meanwhile, results fell short in terms of our numerical targets, presenting a challenge to enhancing profitability.

Key Strategies

Key strategy 1.

Service and business development in the Life Creative Business Unit and transformation of the business format

Key strategy 2.

Enhancing brand value through “customer experience” that exceeds expectations

Key strategy 3.

Business creation through “co-creation” with parties inside and outside the Group

Key strategy 4.

Improving profitability in existing business fields

Key strategy 5.

Transforming into an organizational culture that attracts people who “think and act on their own initiative”

Progress and Key Achievements

- In the housing field, entered into a capital and business alliance with YASUE CORPORATION and started building an optimal and competitive customer-focused stock housing business model
- Newly launched agribusiness, grid storage battery business, and real estate investment business

- Developed digital channels and established a call center to offer customers greater convenience with the goal of enhancing customer satisfaction
- Established the Institute for Living and Housing Research, and, in collaboration with outside organizations, promoted research that improves livability

- Invested in venture capital funds and startups offering potential for collaboration that will in time create new businesses
- Launched the SALA Business Creation Challenge, a program encouraging all employees to initiate development of businesses and services contributing to solving issues affecting customers and communities

- Took up initiatives to improve operational processes affecting all businesses and enhanced productivity utilizing digital technologies

- Introduced behavioral assessments, training, and promotion evaluations aligned with the Six Actions as action agenda applicable to all employees of the SALA Group
- Bolstered recruitment programs (internal and external secondment) as well as education and training programs that encourage employees to demonstrate initiative

Progress of Numerical Plan

Operating profit expected to come in at 7.3 billion yen, falling short of the initial 8-billion-yen plan. Operating profit margin estimated to remain at 2.9%, also below plan.

	Actual	Plan
Net sales	¥251.5 billion	¥270 billion
Operating profit	¥7.3 billion	¥8 billion
Operating profit margin	2.9%	3.0%
ROE*	6.7%	8.0%

*The effects of loss (gain) on valuation of derivatives are not included in the plan.

Initiatives for Dramatic Growth in the Housing Field



Capital alliance with YASUE CORPORATION



Started offering a reverse mortgage service “Yutorian”



Started offering “SINKA KIWAMI,” which features the highest level (grade 7)* of thermal insulation in Japan

*Based on energy-saving standards in SALA HOUSE CO., LTD.'s construction areas

Initiatives for Expanding the Electric Power Business

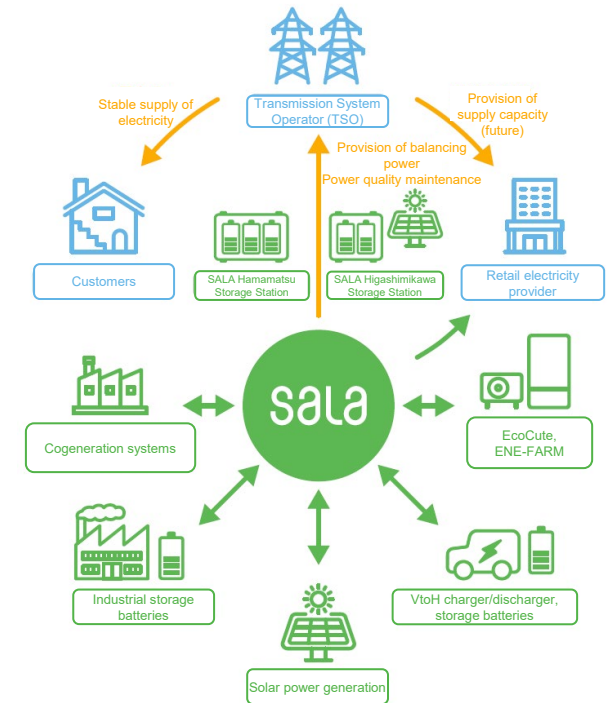


SALA Higashimikawa Solar-combined Storage Station



SALA Hamamatsu Storage Station

Business expansion image



Noteworthy Changes in the SALA Group's External Environment

Challenges for sustainable growth are expected to become more apparent, including the simultaneous progression of a declining working-age population and market contraction, driven by Japan's declining population and aging society. It is imperative that we create new added value and transform our business model, taking into account environmental changes, to offer solutions to customers and local communities and achieve sustainable growth.

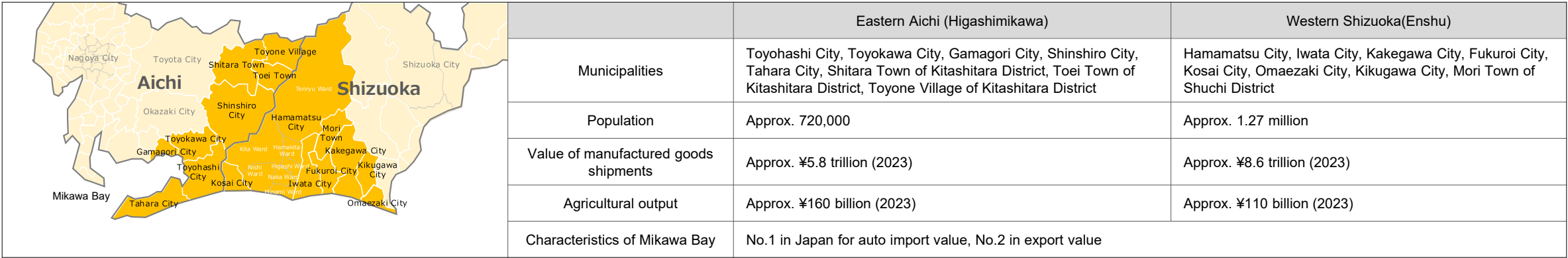
Major Environmental Changes

Society	<ul style="list-style-type: none"> • Repercussions from a declining population and aging society starting to show (e.g. working-age population reducing as well as industries and markets shrinking, and vacant housing problem worsening) • Renewal and maintenance costs rising as social infrastructure deteriorates nationwide • Working styles diversifying (greater variety in employee age, gender, workplaces, and employment types)
Economy	<ul style="list-style-type: none"> • Capital markets demanding higher terms (1x PBR, minimum 8% ROE) • Wages continually increasing • Interest rates rising as monetary policy shifts
Technology	<ul style="list-style-type: none"> • Generative AI and other technologies evolving • Data utilization increasingly sophisticated
Environment	<ul style="list-style-type: none"> • Society transitioning to carbon-neutral • Extreme weather and natural disasters intensifying • Water resource and biodiversity conservation taking on greater importance

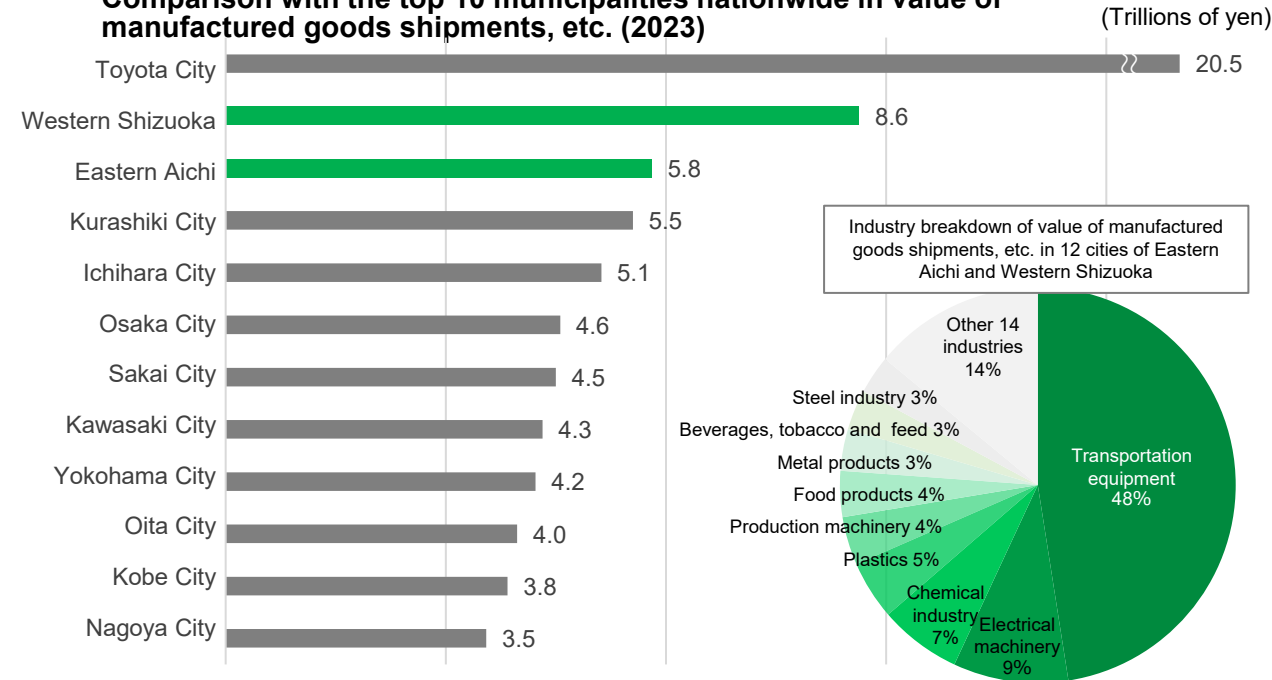
Impact on the SALA Group's Business

- Creating new value and expanding business areas for growing sustainably
 - Securing human resources, the root of SALA's competitiveness (particularly construction workers, craftspeople, and delivery personnel all of whom are expected to be in short supply)
 - Solving social issues through business operations
-
- Capital cost- and stock price-conscious managers increasingly in demand
 - Creating added value that exceeds the rise in personnel and financing costs
-
- Productivity improvement and added value creation through digital transformation promotion
 - Greater gap in competitive advantage among companies due to capability to leverage technology
-
- Reducing CO₂ emissions across business operations and supply chains
 - Proactive disclosure of non-financial information to enhance corporate value

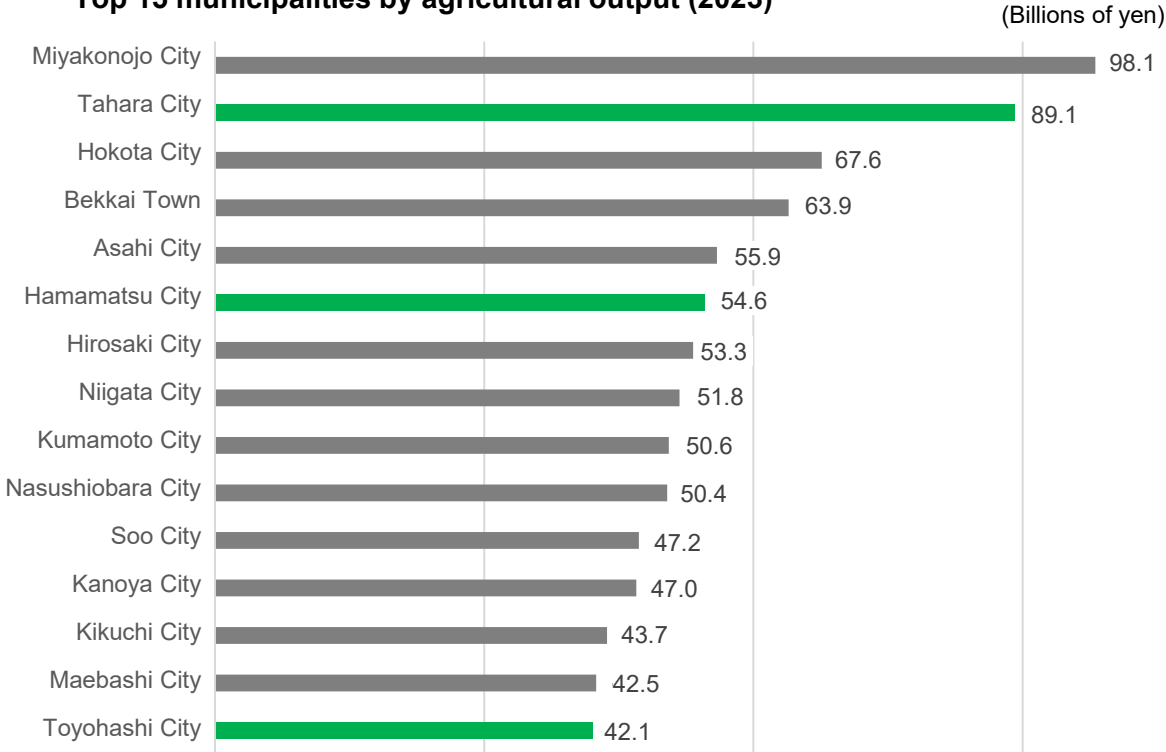
(Reference) Regional Strengths of Our Main Business Areas: Eastern Aichi and Western Shizuoka



Comparison with the top 10 municipalities nationwide in value of manufactured goods shipments, etc. (2023)



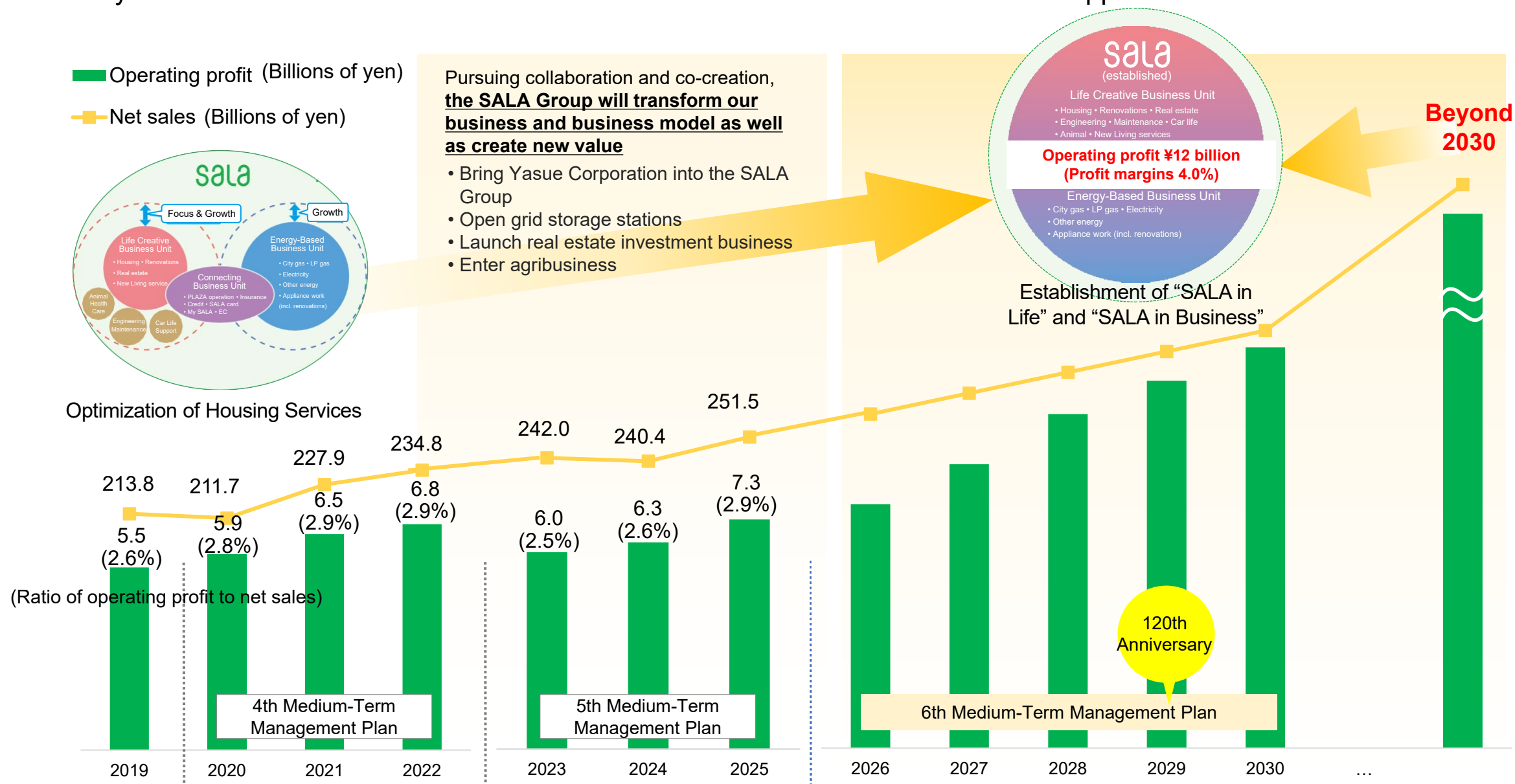
Top 15 municipalities by agricultural output (2023)



Source: Annual Business Survey 2024 (Questionnaire for manufacture), Ministry of Agriculture, Forestry and Fisheries/Agricultural Output by Municipality 2023

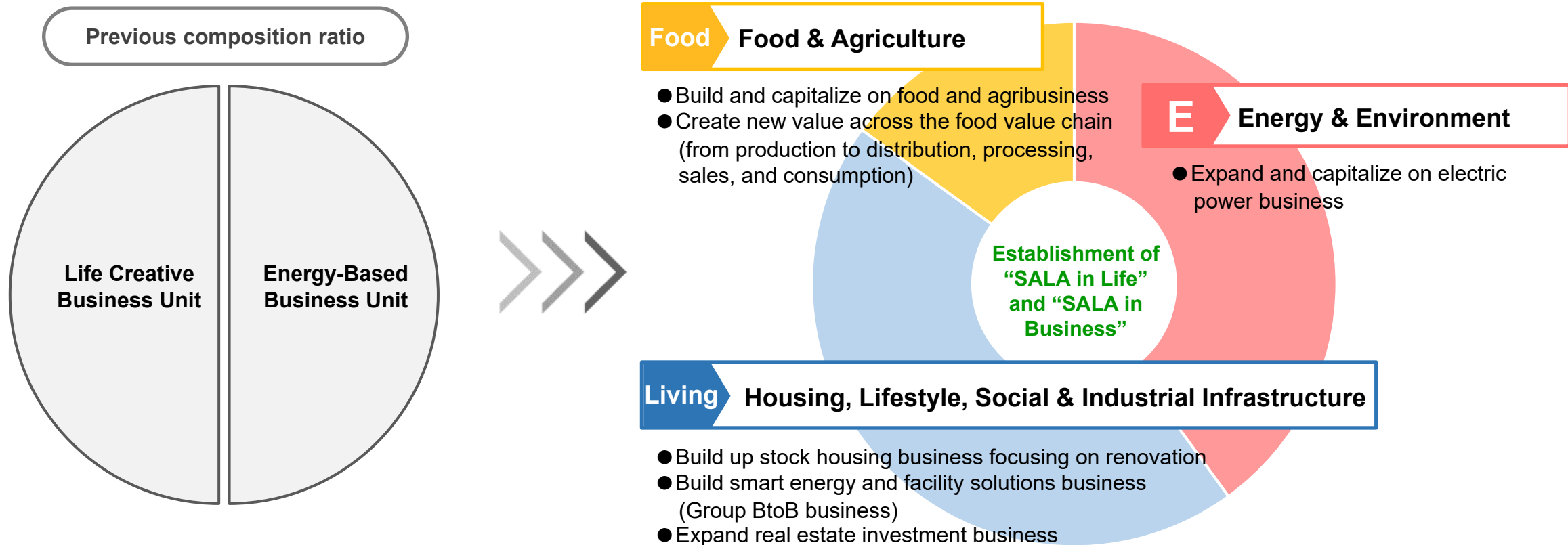
How 6th Medium-Term Management Plan Situated (Backcasting: Working Backward from the Ideal Future)

So as to achieve the 2030 Vision, the aim is to further accelerate the 5th Medium-Term Management Plan's initiatives and look ahead beyond the 2030 Vision to achieve transformation rather than extend the current approach.



6th Medium-Term Management Plan Goals

Ever since our founding, the SALA Group has pursued solutions to challenges local communities face, contributing to the advancement of lifestyles and industries. Our success in continually meeting local communities' expectations has earned their trust and will enable us to celebrate our 120th anniversary in 2029. To continue to grow sustainably together with communities, we will adapt to the rapidly-changing environment whether it involve carbon neutrality, labor shortages, or even vacant housing and inheritance issues. By clearly defining our areas of focus and establishing "SALA in Life" and "SALA in Business," we will solidify our status as the most trusted and number one community brand for both our customers' lives and businesses.



Basic Policy

X (Cross) 120

X (Cross)

The SALA Group will **“X: CROSS”** (intersect, collaborate, co-create) to transcend our traditional boundaries to transform and create new value.

120

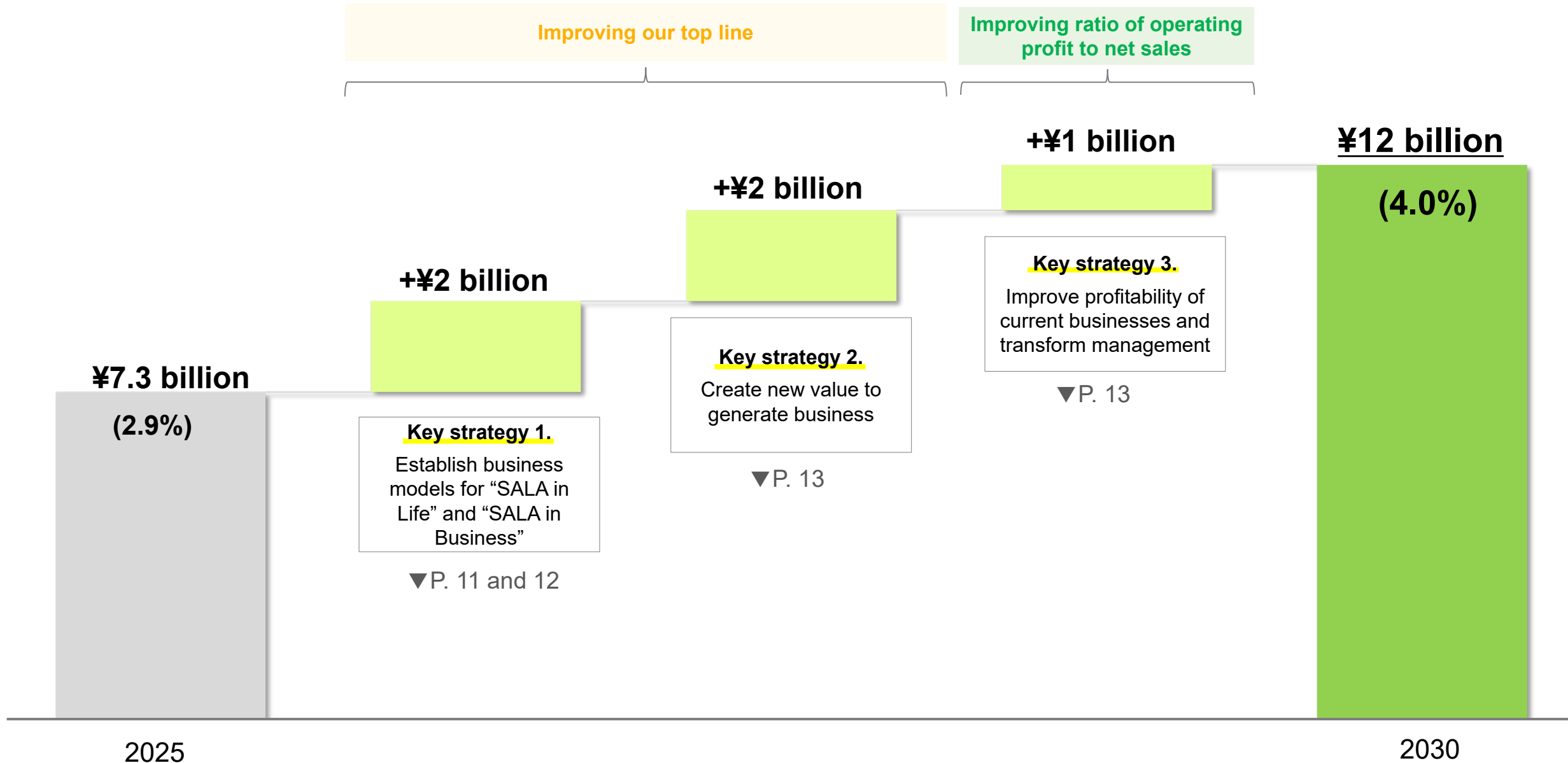
- **120th Anniversary** (October 10, 2029)
- **Operating profit of ¥12 billion** (2030 Vision target)

6th Medium-Term Management Plan Strategic Approach

Our aim is to maximize group synergies by leveraging our customer base and assets and expand our customer base by refining sectors where we currently operate and expand into new ones. Furthermore, we will strive to create new value applicable to developing core businesses in the E (Energy & Environment), Food (Food & Agriculture), and Living (Housing, Lifestyle, Social & Industrial Infrastructure) sectors. In conjunction with these business strategies, we will strengthen initiatives to enhance our digital and human resources that serve as the foundation upon which we will transform.



6th Medium-Term Management Plan Growth Scenario (Operating Profit)



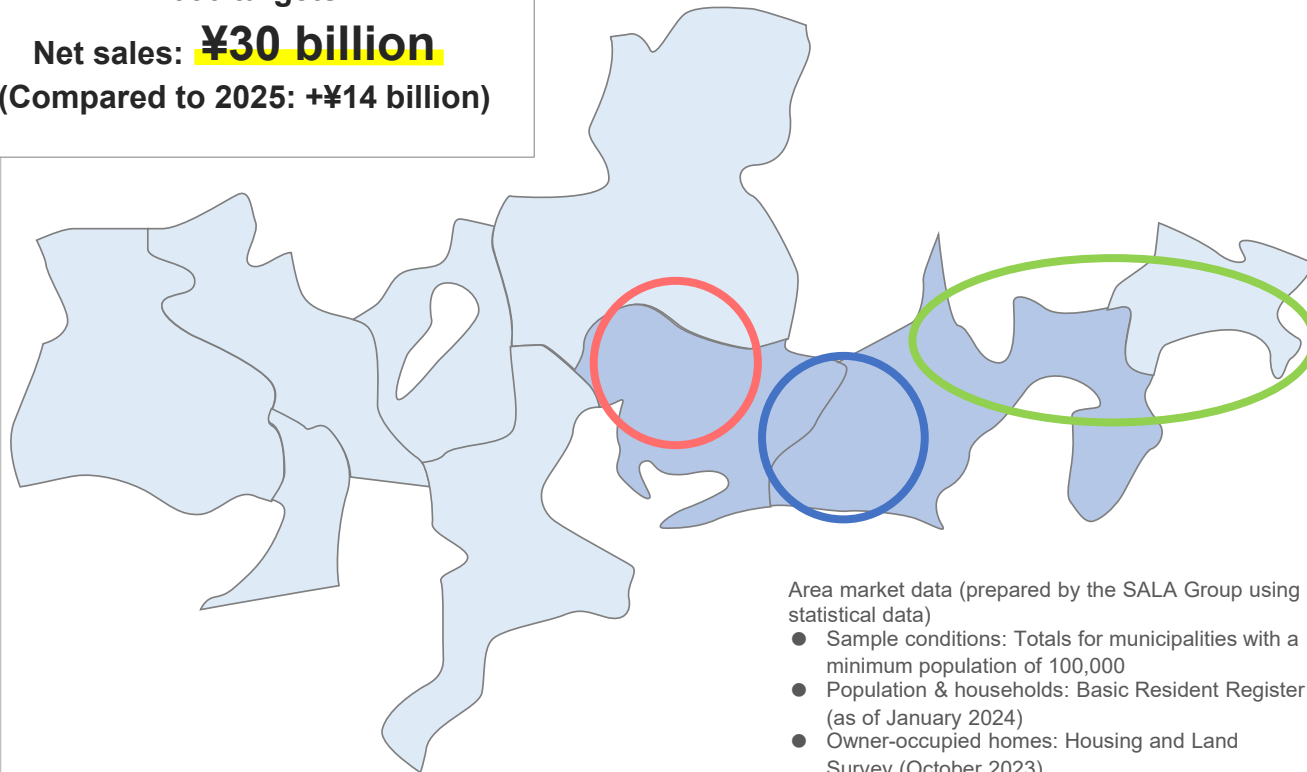
Business Strategy / Build Business Models Optimal from Our Customers' Perspective (Stock Housing Business)

The SALA Group will integrate our housing businesses so as to construct a stock housing business model focused on renovation that is optimal from our customers' perspective. The business model fusing the strengths possessed by the SALA Group companies and YASUE CORPORATION will first be built and rolled out in the Nagoya and Nishimikawa areas with our ultimate aim to be the No. 1 independent renovation company nationwide after 2030.

Key strategy 1 Establish business models for “SALA in Life” and “SALA in Business”

Renovation Business 2030 targets

Net sales: **¥30 billion**
(Compared to 2025: +¥14 billion)



Area market data (prepared by the SALA Group using statistical data)

- Sample conditions: Totals for municipalities with a minimum population of 100,000
- Population & households: Basic Resident Register (as of January 2024)
- Owner-occupied homes: Housing and Land Survey (October 2023)

All areas

Roll out YASUE CORPORATION's business model which has garnered high customer satisfaction to ensure high profit margins

Nagoya area (Nishimikawa & Owari)

Prioritize housing business integration
(establish new business model)

Market data
Population: 3.84 million
Households: 1.85 million
Owner-occupied homes: 920,000

Eastern Aichi & Hamamatsu areas

In addition to utilizing customer channels, SALA Plaza, and other engagement avenues, roll out new customer acquisition methods and business models across the SALA Group companies to improve our top line and profitability

Market data
Population: 1.63 million
Households: 720,000
Owner-occupied homes: 430,000

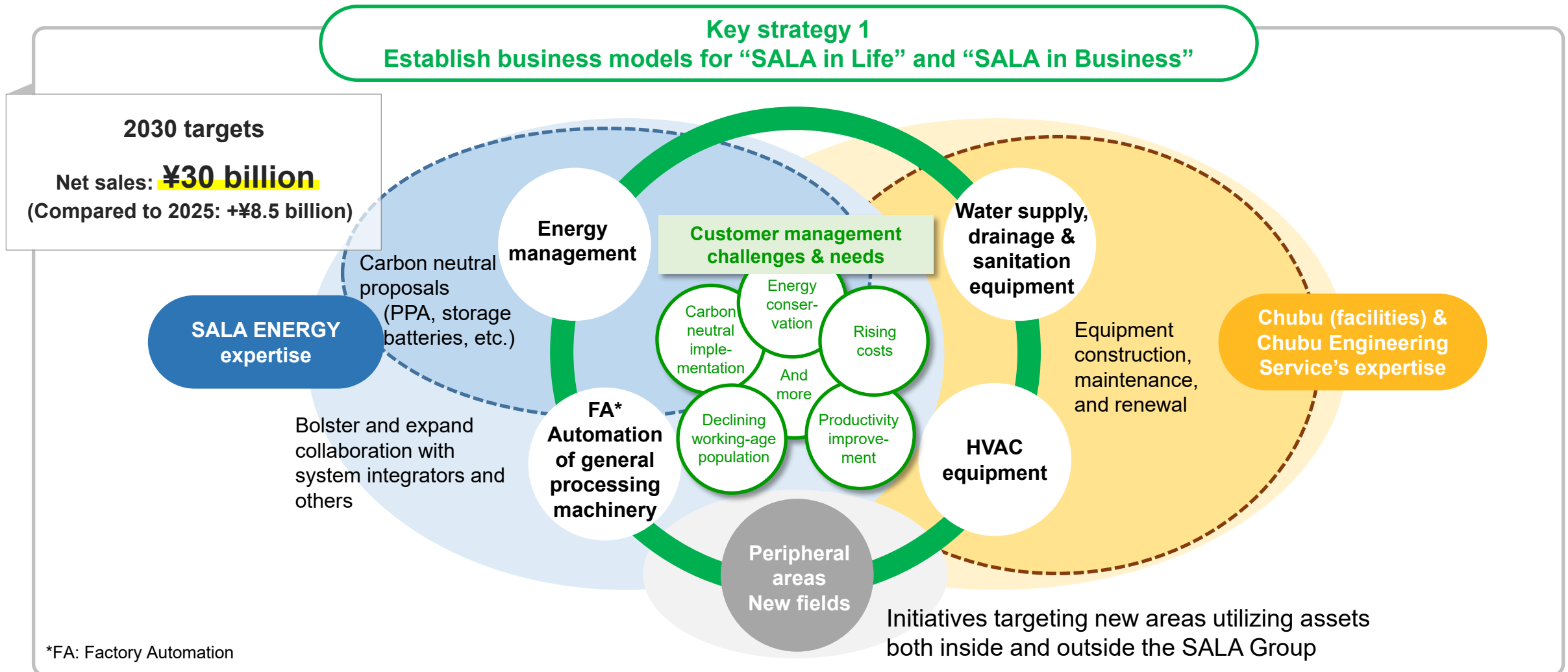
Shizuoka & Kanto areas

The SALA Group companies to collaborate in studying and deploying business model

Market data
Population: 10.32 million
Households: 5.08 million
Owner-occupied homes: 2.79 million

Business Strategy / Build Business Models Optimal from Our Customers' Perspective (Group BtoB Business)

We are united to build a smart energy and facility solutions business that closely supports our customers' management and provides not only equipment installation but also solutions for post-installation maintenance, renewal, and other management issues by addressing their challenges and needs.



The SALA Group will take up the challenge of creating new value that contributes to resolving social and customer issues as well as enhancing well-being. Our businesses will strive to improve product appeal and service quality so that we are customers' "the first choice."

Key strategy 2

Create new value to generate business

2-1. Expand into areas around and related to our current businesses

- (1) Expand electric power business
 - Situate the electric power business as a pillar of the energy sector to be our next growth area
 - Optimize our power procurement portfolio and construct an organizational structure for monetizing retail power sales
- (2) Expand real estate investment business
 - Increase investment and expand the investment area to put together a 25-billion-yen real estate portfolio
 - Enter the real estate securitization business utilizing SPCs

Creating new
business
opportunities



Strengthening
the business
foundation

2-2. Develop food and agribusiness & take up challenge to advance into new business areas

- Strive to create value across the food value chain from production to distribution and processing through consumption (food and agribusiness)
- Co-create with parties both inside and outside the SALA Group to develop new businesses contributing solutions to social and customer issues as well as enhancing well-being

Key strategy 3

Improve profitability of current businesses and transform management

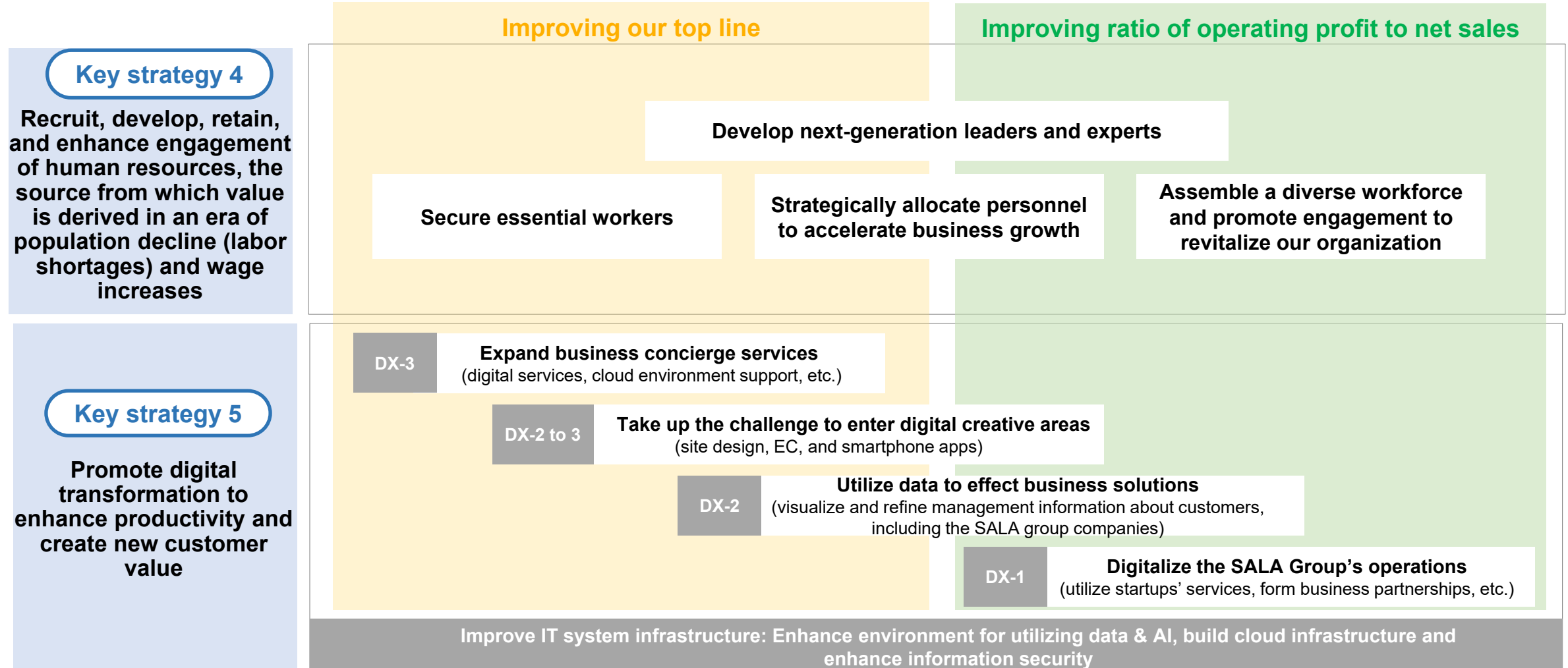
3-1. Achieve an operating profit margin that exceeds the industry standard

- Visualize business processes and reform specific operations to improve profitability
- Strive to improve customer experience (CX) based on customer feedback
- Optimally allocate management resources in a manner that considers return on invested capital (ROIC)



Foundation for Transformation / Strengthening the Management Foundation to Transform in Line with Business Strategy

To advance our business strategy, we will develop talent capable of driving transformation, secure personnel for sustainable growth, and optimize the allocation of our human resources. In addition, to realize our business strategy, we will utilize digital technologies, generative AI, and vertical AI to transform the “way of working,” thereby shifting toward high-value-added operations and improving customer experience (CX).

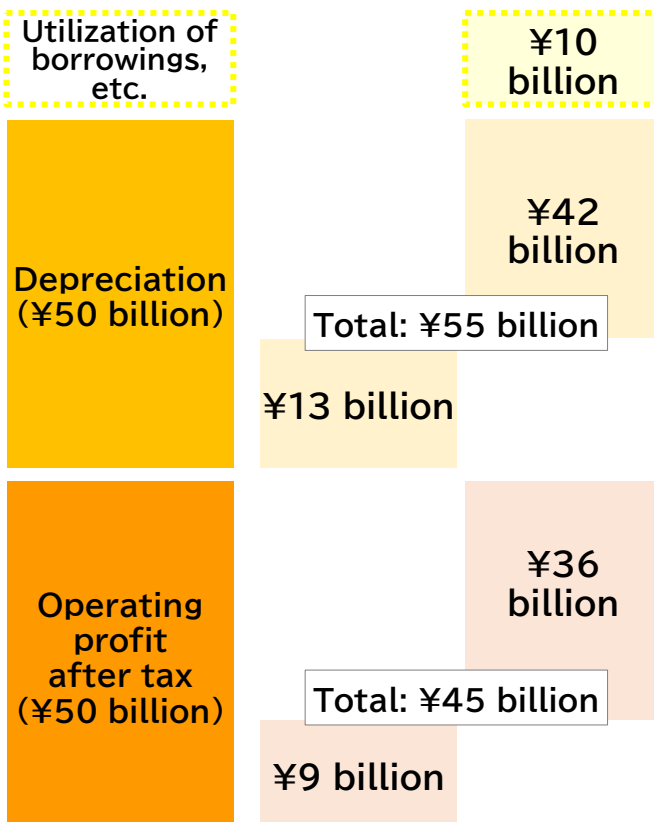


Financial Strategy / Capital Allocation for Growth

Based on the capital allocation policy announced in July 2024, we will carry out growth investments totaling ¥45 billion over five years. These investments will include investment for growth areas for business transformation, M&A with companies possessing high-profitability business know-how, new business investments, and DX and human resource investments, which are sources of competitiveness. Along with strengthening shareholder returns, we aim to improve capital profitability.

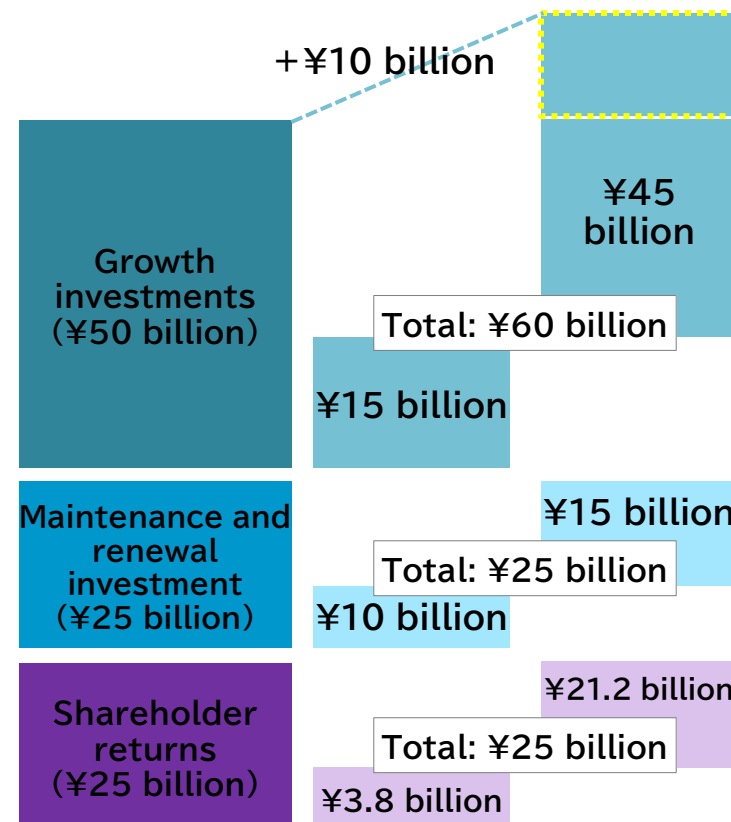
Cash-in

Announced in July 2024 Actual 2024-25 Plan 2026-30



Cash-out

Announced in July 2024 Actual 2024-25 Plan 2026-30



Business transformation with an eye on Beyond 2030

- Investment in key growth areas/existing business-related areas
- M&A Investment for Business Model Transformation
- Investment in new business areas

Establishing a foundation for new growth

- DX investment for reshaping working styles
- Decarbonization promotion investment for carbon neutrality
- Human resource investment for strengthening competitiveness

- Continuous investment in strengthening the foundations of existing business areas, etc.

- Implementation of progressive dividends, consolidated payout ratio of 40% or more
- Flexible purchase of treasury shares
- The equity-to-asset ratio is controlled to be around 40%.

Numerical Targets for the 6th Medium-Term Management Plan

1. Consolidated numerical targets

	2025 (actual)	2026 (first-year plan)	2028 (third-year plan)	2030 (fifth-year plan)
Net sales* ¹ (Billions of yen)	251.5	260.0	280.0	300.0
Operating profit (Billions of yen)	7.3	7.5	10.0	12.0
Profit* ² (Billions of yen)	5.8	5.2	7.0	8.4
Ratio of operating profit to net sales	2.9%	2.9%	3.6%	4.0%
ROE* ^{2*3}	6.7%	5.6%	7.6%	10.0%
ROIC	3.8%	3.6%	4.4%	6.0%

*1 Net sales plan for 2030 has been revised upward from the initial plan of ¥280 billion established at the time of formulating the 2030 Vision, taking into account the surge in energy and raw material prices.

*2 The effects of loss (gain) on valuation of derivatives are not included in the plan. The actual results for 2025 include gain on valuation of derivatives of ¥1.8billion.

*3 The equity-to-asset ratio is controlled to be around 40%.

2. Numerical targets for CO₂ emissions (scope 1 and 2)

	2025 (actual)	2026 (first-year plan)	2028 (third-year plan)	2030 (fifth-year plan)
Company-wide	25,760 t	25,000 t	22,000 t	17,000 t
Comparison with base year 2021	△24.5%	△27%	△36%	△50%

(Caution concerning forward-looking statements)

The forward-looking statements, including numerical plans, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors.

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