May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: SRE Holdings Corporation :
Stock exchange listings: Tokyo Prime
Securities code: 2980
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Date of general shareholders' meeting (as planned): June 25, 2026
Dividend payable date (as planned): June 10, 2026
Annual securities report filing date (as planned): June 24, 2026
Supplemental material of annual results : Yes
Convening briefing of annual results : Yes (for institutional investors, analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	32,858	23.1	4,180	34.5	3,841	32.3	1,840	8.5
March 31, 2025	26,690	10.2	3,107	40.5	2,903	41.1	1,697	22.2

Note:Comprehensive income For the fiscal year ended March 31, 2026 1,939Millions of yen (5.3%)
For the fiscal year ended March 31, 2025 1,842Millions of yen (26.4%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	114.25	113.57	12.7	9.6	12.7
March 31, 2025	105.46	104.87	13.2	10.7	11.6

Reference:Investment profit (loss) on equity method For the fiscal year ended March 31, 2026 -Millions of yen
For the fiscal year ended March 31, 2025 -Millions of yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	49,212	16,281	31.1	949.89
March 31, 2025	30,470	14,346	44.8	847.89

Reference:Owner's equity As of March 31, 2026 15,308Millions of yen
As of March 31, 2025 13,652Millions of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	(8,540)	(604)	13,115	8,304
March 31, 2025	435	(1,366)	1,935	4,334

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	15.00	15.00	241	14.2	1.9
Fiscal year ended March 31, 2026	-	0.00	-	18.00	18.00	290	15.8	2.0
Fiscal year ending March 31, 2027 (Forecast)	-	0.00	-	20.00	20.00		11.9	

3. Consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	41,800	27.2	5,230	25.1	4,500	17.2	2,830	53.8	167.58

Note: For details, please refer to "1. Overview of Operating Results, (4) Future Outlook" on page 5.

* Notes

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

(2) 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

(3) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the end of fiscal year (including treasury stock)	As of March 31, 2026	16,251,235shares	As of March 31, 2025	16,233,785shares
(ii) Number of treasury stock at the end of fiscal year	As of March 31, 2026	135,289shares	As of March 31, 2025	132,546shares
(iii) Average number of shares	Fiscal year ended March 31, 2026	16,111,271shares	Fiscal year ended March 31, 2025	16,091,456shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	26,520	28.5	947	4.7	1,200	74.4	335	(32.0)
March 31, 2025	20,645	(1.1)	904	(5.7)	688	(47.6)	492	(54.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	20.80	20.67
March 31, 2025	30.61	30.43

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	45,902	11,403	24.2	688.37
March 31, 2025	28,794	11,072	38.0	679.64

Reference:Owner's equity
As of March 31, 2026 11,093Millions of yen
As of March 31, 2025 10,942Millions of yen

* Financial results reports are exempt from audit 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 their achievement. A variety of factors could cause actual results to differ materially from forecasts. Please refer to "1. Overview of Operating Results, (4) Future Outlook" on page 5 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 May 14, 2026 (Thursday). The Company plans to disclose the supplementary explanatory documents used on the day of the financial results briefing via TDnet on May 13, 2026 (Wednesday) as well as publishing them on the Company’s website.

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1. Overview of Operating Results

(1) Overview of operating results

The Group has pursued its mission of "updating daily life and healthcare through technology" and, as a life-tech company, has developed its business around two pillars: the AI Cloud & Consulting business and the Life & Property Solution business.

In Life & Property Solution (L&P), the Group accumulates extensive property data and market know-how through real estate brokerage and consulting, while leveraging customer networks held by major alliance partners such as the Sony Group to drive the sourcing and development of properties that accurately reflect tenant needs. Properties acquired and developed in this manner are marketed efficiently through these networks to maximize occupancy and are then sold to real estate funds. After the sale, the Group converts earnings into recurring revenue through operation fees, thereby achieving a stable and sustainable earnings structure. In recent years, the Group has also expanded into the development of healthcare-related facilities, including senior residences.

Meanwhile, in AI Cloud & Consulting (AICC), the Group systematizes property data accumulated daily at L&P sites, operational know-how, and experts' decision logic, and translates them into AI and cloud tools tailored to specific industries such as healthcare, finance, and real estate. These industry-specific AI solutions create new revenue streams through external sales and also enhance productivity in the Group's own operations by being deployed internally. Through a cycle of "elevating on-site operational insights into AI and returning enhanced AI to the field," the Group has built a unique business model in which the two businesses reinforce each other's competitiveness.

Regarding the business environment during the fiscal year under review, the economy followed a moderate recovery trend supported by improvements in employment and income conditions; however, uncertainty persisted due to rising prices, interest rate trends, and heightened geopolitical risks driven by escalating tensions in the Middle East. The volatility in crude oil and energy prices resulting from developments in the Middle East has heightened uncertainty within the global economy and may affect corporate business environments. At the same time, driven by rapid advances in generative AI, demand for AX/DX that fundamentally rethinks business processes, continued to expand. In areas requiring responses to industry-specific regulations and business practices, demand has further increased for industry-specific solutions that cannot be substituted by general-purpose AI.

Under these conditions, the Group continues to improve its AI solutions by feeding back on-site data and operational understanding obtained through operating real businesses, and by using the enhanced AI solutions in its own operations on a paid basis. By sustaining this cycle, the Group has promoted the delivery of products and services with high practical utility. In the AI Cloud & Consulting segment, adoption of industry-specific AI progressed in areas such as healthcare, finance, and real estate, and profitability improved through new customer acquisition and operational efficiencies. In the Life & Property Solution segment, development/sales and asset management progressed steadily, supported by resilient demand in the real estate market and increasing investment demand for healthcare-related assets.

In addition, while increases in raw material prices and energy costs associated with the situation in the Middle East had a limited direct impact on the Group's results for the fiscal year under review due to the Group's business structure, the Group will continue to closely monitor potential impacts on the business environment going forward.

As an extraordinary loss, the Group recorded an impairment loss of 579,464 thousand yen on certain assets in connection with a reorganization of its business portfolio aimed at improving ROE over the medium to long term.

As a result, for the consolidated fiscal year under review, net sales were 32,858,624 thousand yen (up 6,167,764 thousand yen, or 23.1% YoY), operating profit was 4,180,577 thousand yen (up 1,072,595 thousand yen, or 34.5% YoY), ordinary profit was 3,841,252 thousand yen (up 937,471 thousand yen, or 32.3% YoY), and profit attributable to owners of parent was 1,840,651 thousand yen (up 143,598 thousand yen, or 8.5% YoY), resulting in increased sales and profits.

Operating results by segment for the consolidated fiscal year under review were as follows.

<AI Cloud & Consulting Segment>
The AI Cloud & Consulting segment (AICC), positioned as a core domain driving the Group's medium-term growth, continued to deliver steady results in the fiscal year under review, supported by the Group's unique business model that cycles industry-specific AI and data generated from real business operations.

During the fiscal year under review, the Group proceeded with the consolidation of operating companies and the acquisition of related operations mainly in the healthcare domain. As a result, the Group further strengthened its data foundation rooted in real-world operations, including operational data and billing-related data. This improved both the quality and quantity of data required for AI training, contributing to higher accuracy of industry-specific AI and expansion of the scope of coverage.

The Group's focus areas—healthcare, finance, and real estate—are characterized by complex regulations and business practices, where general-purpose generative AI is less suited to driving fundamental transformation of business processes. By operating real businesses itself, the Group has the advantage of deeply understanding on-site decision logic and workflows and feeding them directly into AI, thereby establishing a highly replicable growth structure in which accuracy improves as AI models are used more extensively.

Throughout the fiscal year under review, the number of client companies under contract in the Life & Healthcare solutions (LH) domain increased steadily, and the operating profit margin improved due to more efficient support operations, leading to a steady improvement in earnings quality. In addition, through initiatives with Sony Financial Group Inc. targeting senior residences and related areas, the Group established a framework to obtain operational data from both medical and nursing-care sites, further expanding training data for its specialized AI.

In the Prop Tech solutions (PT) domain, the full-year impact of price revisions for key products contributed to revenue. AI trained on on-site decision logic functioned effectively in complex processes unique to real estate operations—such as appraisal and various administrative procedures—resulting in steady accumulation of recurring revenue. The segment also strengthened its position as an AX/DX partner supporting end-to-end process redesign and operational sophistication, rather than providing single-function solutions.

Across the AI Cloud & Consulting segment, the "real business × AI" growth eco-cycle accelerated throughout the fiscal year under review: the Group continued investing in AI development and functional enhancement funded by stable earnings generated by its real businesses and then applied the refined AI back to those businesses. In this cycle, solutions are provided to the business units operating the real businesses on a paid basis, enabling the Group to obtain more rigorous feedback as an internal user. By deepening this cycle, both higher barriers to entry and rising switching costs progressed simultaneously, further strengthening the foundation supporting the replicability of the Group's growth model.

As a result, for the consolidated fiscal year under review, net sales in the AI Cloud & Consulting segment were 8,689,622 thousand yen (up 1,163,678 thousand yen, or 15.5% YoY), and operating profit was 3,474,962 thousand yen (up 1,010,219 thousand yen, or 41.0% YoY).

<Life & Property Solution Segment>
The Life & Property Solution segment (L&P) has achieved stable and continuous earnings growth by combining AI-enabled real estate brokerage services, property selection aimed at increasing rents and value, and fund management, benefiting from resilient demand in the real estate market and rising property prices in an inflationary environment.

During the fiscal year under review, the segment executed planned sales of developed properties and fund formation, while also expanding assets under management in the asset management business. Rent-increase initiatives the Group has pursued continuously proved effective, and value enhancement of owned/managed properties directly contributed to earnings growth.

Investment demand for healthcare-related assets such as senior residences remained high amid demographic aging and a declining birthrate, and inquiries increased for properties in which the Group is involved in development and operations. For these healthcare-related facilities, the segment is building an operating framework that incorporates the industry-specific AI developed and operated by the AI Cloud & Consulting segment, enabling more accurate occupancy forecasting and continuous improvements in operational efficiency.

In this way, the Life & Property Solution segment functions not only as an earnings base but also as a field where real business and technology mutually enhance value. By feeding operational data back into AI training, the segment is building a structure that improves both the quality and quantity of property value, enhancing cash generation and earnings visibility.

As a result, for the consolidated fiscal year under review, net sales in the Life & Property Solution segment were 26,272,422 thousand yen (up 5,739,691 thousand yen, or 28.0% YoY), and operating profit was 1,196,733 thousand yen (up 156,915 thousand yen, or 15.1% YoY).

<Other Segment>
The Other segment promotes the development of new products and services while advancing pilot projects related to real businesses, with a view to achieving sustainable growth over the medium to long term. During the fiscal year under review, the Group continued upfront investments in future growth areas.

As a result, for the consolidated fiscal year under review, net sales in the Other segment were 78,962 thousand yen (down 146,092 thousand yen, or 64.9% YoY), and the segment loss was 418,039 thousand yen due to investments in new product development (compared with a segment loss of 289,167 thousand yen in the previous fiscal year).

(2) Overview of Financial Position
Assets, Liabilities and Net Assets
(Assets)
Total consolidated assets at the end of the current consolidated fiscal year increased by 18,742,306 thousand yen compared to the end of the previous consolidated fiscal year, to 49,212,611 thousand yen.
Current assets increased by 17,434,296 thousand yen from the end of the previous consolidated fiscal year to 41,926,713 thousand yen. This increase was primarily due to an increase of 11,496,010 thousand yen in inventories and an increase of 3,969,851 thousand yen in cash and deposits.
Non-current assets increased by 1,308,009 thousand yen from the end of the previous consolidated fiscal year to 7,285,898 thousand yen. This was mainly attributable to an increase of 760,172 thousand yen in deferred tax assets and an increase of 256,354 thousand yen in goodwill.

(Liabilities)
Total liabilities at the end of the current consolidated fiscal year increased by 16,807,003 thousand yen compared to the end of the previous consolidated fiscal year, to 32,931,060 thousand yen.
Current liabilities increased by 16,347,569 thousand yen from the end of the previous consolidated fiscal year to 23,276,123 thousand yen. This was mainly due to an increase of 14,709,908 thousand yen in short-term borrowings.
Non-current liabilities increased by 459,433 thousand yen from the end of the previous consolidated fiscal year, reaching 9,654,937 thousand yen. This was primarily due to an increase of 707,500 thousand yen in lease obligations.

(Net Assets)
Total consolidated net assets at the end of the current consolidated fiscal year increased by 1,935,302 thousand yen compared to the end of the previous consolidated fiscal year, to 16,281,551 thousand yen. This was mainly due to an increase of 1,599,121 thousand yen in retained earnings.
The equity ratio was 31.1%.

(3) Overview of Cash Flows for the Current Fiscal Year
Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current consolidated fiscal year increased by 3,969,851 thousand yen compared to the end of the previous consolidated fiscal year, to 8,304,412 thousand yen.
The situation and factors related to cash flows for the consolidated fiscal year under review are as follows:

(Cash Flows from Operating Activities)
Cash used in operating activities amounted to 8,540,755 thousand yen (cash obtained of 435,297 thousand yen in the previous

fiscal year). This was mainly because cash inflows, including profit before income taxes of 3,336,173 thousand yen, were outweighed by cash outflows, such as an increase of 10,952,248 thousand yen in inventories.

(Cash Flows from Investing Activities)
Cash used in investing activities amounted to 604,882 thousand yen (cash used of 1,366,219 thousand yen in the previous fiscal year). This was mainly because cash inflows, including proceeds of 419,836 thousand yen from the acquisition of shares of subsidiaries resulting in changes in the scope of consolidation, were more than offset by cash outflows, such as expenditures of 452,565 thousand yen for the acquisition of intangible assets and payments of 337,829 thousand yen related to such share acquisitions.

(Cash Flows from Financing Activities)
Cash obtained from financing activities amounted to 13,115,489 thousand yen (cash obtained of 1,935,934 thousand yen in the previous fiscal year). This was mainly because cash inflows, such as proceeds of 14,385,301 thousand yen from long-term borrowings, exceeded cash outflows, such as expenditures of 7,894,499 thousand yen for the repayment of long-term borrowings.

(4) Future Outlook
Regarding the business environment going forward, while a moderate recovery in the domestic economy is expected, supported by improvements in employment and income conditions, uncertainty is expected to persist due to rising prices, interest rate trends, and heightened geopolitical risks associated with escalating tensions in the Middle East. Fluctuations in crude oil and energy prices and disruptions in international logistics stemming from the situation in the Middle East could affect the global economy and therefore require continued close monitoring.

Even under such conditions, demand for improving operational efficiency, reducing labor requirements, and enhancing sophistication in corporate activities is expected to continue expanding, driven by the rapid advancement of generative AI and the decline in the working-age population. In particular, in sectors such as healthcare, finance, and real estate—where regulations and business practices are complex—general-purpose AI and cloud tools are often insufficient. Demand for industry-specific solutions capable of deeply addressing sector-specific challenges is therefore expected to remain solid over the medium to long term.

Based on this recognition, the Group is promoting the vertical integration of industry-specific AI and BPaaS (AI × operational support) in social infrastructure domains (including real estate, healthcare, and finance), leveraging its "Real Business × Technology" cyclical model. This model enhances AI starting from primary data obtained through real business operations and continuously increases product value through on-site implementation and data accumulation.

In the AI Cloud & Consulting business, the Group aims to enhance growth visibility by expanding its addressable customer range through the full-scale rollout of support for large-scale clients, particularly in the healthcare domain, as well as through the full launch of newly developed solutions. The Group intends to achieve growth while maintaining a high-profit model by increasing the proportion of high-margin projects and providing high value-added solutions.

In the Life & Property Solution business, the Group will accelerate the accumulation of stable revenues such as asset management fees while controlling financial risk through the expansion of asset-light (off-balance) operations utilizing external capital. In addition, through collaboration with AICC, the Group will implement trial introductions of AI/modules to enhance asset value and improve productivity.

It should be noted that if constraints related to procurement of materials or logistics arise due to heightened geopolitical uncertainty, there is a possibility that the timing of construction commencement and completion of development projects may fluctuate, which could impact the timing of property sales and revenue recognition. The Group will seek to minimize such impacts and appropriately manage risks through measures such as diversification of procurement sources and project management processes.

Through these initiatives, the Group aims to establish a highly replicable growth model that is resilient to short-term fluctuations in the external environment, while steadily advancing efforts to enhance corporate value over the medium to long term.

Based on the above, for the fiscal year ending March 31, 2027, the Group forecasts consolidated net sales of 41,800 million yen, operating profit of 5,230 million yen, ordinary profit of 4,500 million yen, and profit attributable to owners of parent of 2,830 million yen.

(Note) The above forecasts are based on information currently available. Actual results may differ materially due to various factors, including changes in domestic and international economic conditions, interest rate trends, real estate market conditions, material prices and supply constraints, and the AI/IT market environment.

2. Basic Policy for Selecting Accounting Standards

The Group uses Japanese accounting standards to facilitate comparison with sector peer companies in Japan.

3.Consolidated Financial Statements and Important Notes

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	4,384,560	8,354,412
Accounts receivable - trade, and contract assets	2,119,412	1,983,278
Operating investments in capital	3,289,759	3,694,828
Inventories	13,808,977	25,304,987
Investments in leases	—	1,112,153
Other	893,017	1,512,618
Allowance for doubtful accounts	(3,312)	(35,565)
Total current assets	24,492,416	41,926,713
Non-current assets		
Property, plant and equipment		
Buildings	467,925	631,832
Accumulated depreciation	(77,954)	(186,362)
Buildings, net	389,970	445,470
Machinery and equipment	341,178	344,127
Accumulated depreciation	(77,640)	(105,281)
Machinery and equipment, net	263,537	238,846
Other	285,094	557,135
Accumulated depreciation	(92,102)	(290,168)
Other, net	192,991	266,966
Total property, plant and equipment	846,500	951,283
Intangible assets		
Software	965,248	917,030
Goodwill	2,443,326	2,699,680
Other	10,378	17,551
Total intangible assets	3,418,953	3,634,263
Investments and other assets		
Investment securities	45,000	125,360
Long-term loans receivable	500,000	500,051
Deferred tax assets	381,501	1,141,674
Other	785,934	933,265
Total investments and other assets	1,712,435	2,700,351
Total non-current assets	5,977,889	7,285,898
Total assets	30,470,305	49,212,611

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	928,172	653,886
Short-term borrowings	3,803,364	18,513,272
Accounts payable - other	354,044	530,879
Accrued expenses	450,075	921,965
Income taxes payable	591,765	1,097,912
Provision for bonuses	262,462	356,711
Other	538,667	1,201,493
Total current liabilities	6,928,553	23,276,123
Non-current liabilities		
Long-term borrowings	8,330,998	7,551,193
Lease liabilities	20,700	728,201
Retirement benefit liability	67,974	503,014
Other	775,830	872,528
Total non-current liabilities	9,195,503	9,654,937
Total liabilities	16,124,057	32,931,060
Net assets		
Shareholders' equity		
Share capital	4,246,400	4,275,062
Capital surplus	4,119,452	4,148,115
Retained earnings	5,788,701	7,387,823
Treasury shares	(502,520)	(502,634)
Total shareholders' equity	13,652,034	15,308,366
Share acquisition rights	129,414	309,328
Non-controlling interests	564,798	663,855
Total net assets	14,346,248	16,281,551
Total liabilities and net assets	30,470,305	49,212,611

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

(Consolidated statements of income)

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	26,690,860	32,858,624
Cost of sales	17,158,948	21,450,365
Gross profit	9,531,912	11,408,259
Selling, general and administrative expenses	6,423,929	7,227,681
Operating profit	3,107,982	4,180,577
Non-operating income		
Interest income	7,257	12,435
Foreign exchange gains	6,628	8,327
Gain on reversal of share acquisition rights	16,428	3,381
Subsidy income	1,299	18,064
Other	6,543	8,679
Total non-operating income	38,156	50,889
Non-operating expenses		
Interest expenses	161,213	328,653
Financing expenses	28,071	29,084
Loss on extinguishment share-based compensation expenses	47,569	10,678
Other	5,503	21,797
Total non-operating expenses	242,358	390,214
Ordinary profit	2,903,781	3,841,252
Extraordinary income		
Gain on sale of investment securities	266,877	80,189
Other	19,072	1,096
Total extraordinary income	285,950	81,286
Extraordinary losses		
Loss on retirement of non-current assets	69,432	6,133
Loss on valuation of investment securities	134,399	—
Impairment losses	—	579,464
Other	14,182	767
Total extraordinary losses	218,015	586,365
Profit before income taxes	2,971,716	3,336,173
Income taxes - current	1,011,182	1,376,467
Income taxes - deferred	113,885	19,997
Total income taxes	1,125,068	1,396,464
Profit	1,846,647	1,939,708
Profit attributable to non-controlling interests	149,593	99,057
Profit attributable to owners of parent	1,697,053	1,840,651

(Consolidated statements of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	1,846,647	1,939,708
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,930)	—
Total other comprehensive income	(3,930)	—
Comprehensive income	1,842,717	1,939,708
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,693,123	1,840,651
Comprehensive income attributable to non-controlling interests	149,593	99,057

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,185,621	4,058,673	4,091,647	(192,677)	12,143,265
Changes during period					
Dividends of surplus					
Issuance of new shares	60,779	60,779			121,558
Profit attributable to owners of parent			1,697,053		1,697,053
Purchase of treasury shares				(309,842)	(309,842)
Net changes in items other than shareholders' equity					
Total changes during period	60,779	60,779	1,697,053	(309,842)	1,508,769
Balance at end of period	4,246,400	4,119,452	5,788,701	(502,520)	13,652,034

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	3,930	3,930	122,677	190,591	12,460,464
Changes during period					
Dividends of surplus					
Issuance of new shares					121,558
Profit attributable to owners of parent					1,697,053
Purchase of treasury shares					(309,842)
Net changes in items other than shareholders' equity	(3,930)	(3,930)	6,736	374,207	377,013
Total changes during period	(3,930)	(3,930)	6,736	374,207	1,885,783
Balance at end of period			129,414	564,798	14,346,248

Consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,246,400	4,119,452	5,788,701	(502,520)	13,652,034
Changes during period					
Dividends of surplus			(241,530)		(241,530)
Issuance of new shares	28,662	28,662	–	–	57,324
Profit attributable to owners of parent	–	–	1,840,651	–	1,840,651
Purchase of treasury shares	–	–	–	(113)	(113)
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	28,662	28,662	1,599,121	(113)	1,656,332
Balance at end of period	4,275,062	4,148,115	7,387,823	(502,634)	15,308,366

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	129,414	564,798	14,346,248
Changes during period			
Dividends of surplus			(241,530)
Issuance of new shares	–	–	57,324
Profit attributable to owners of parent	–	–	1,840,651
Purchase of treasury shares	–	–	(113)
Net changes in items other than shareholders' equity	179,913	99,057	278,970
Total changes during period	179,913	99,057	1,935,302
Balance at end of period	309,328	663,855	16,281,551

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,971,716	3,336,173
Depreciation	430,416	490,408
Impairment losses	—	579,464
Amortization of goodwill	275,505	294,000
Increase (decrease) in provision for bonuses	12,758	(147,052)
Increase (decrease) in allowance for doubtful accounts	(9,972)	26,042
Increase (decrease) in retirement benefit liability	(5,842)	(118)
Interest income	(7,257)	(12,435)
Interest expenses	161,213	328,653
Gain on reversal of share acquisition rights	(16,428)	(3,381)
Subsidy income	(1,299)	(18,064)
Share-based payment expenses	52,178	185,086
Loss on extinguishment share-based compensation expenses	47,569	10,678
Loss (gain) on sale of investment securities	(266,877)	(80,189)
Loss (gain) on valuation of investment securities	134,399	—
Loss on retirement of non-current assets	69,432	6,133
Decrease (increase) in accounts receivable - trade, and contract assets	234,030	953,836
Decrease (increase) in Operating investments in capital	(1,988,989)	(405,068)
Decrease (increase) in inventories	135,437	(10,952,248)
Decrease (increase) in investments in leases	—	(700,783)
Increase (decrease) in trade payables	299,225	(269,436)
Increase (decrease) in accounts payable - other, and accrued expenses	(1,304,761)	(862,615)
Other, net	469,807	115,546
Subtotal	1,692,265	(7,125,371)
Interest received	7,257	12,435
Interest paid	(161,213)	(327,651)
Subsidies received	1,299	18,064
Income taxes paid	(1,104,310)	(1,118,232)
Net cash provided by (used in) operating activities	435,297	(8,540,755)
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	(249,982)	(181,414)
Purchase of intangible assets	(449,293)	(452,565)
Purchase of investment securities	(16,500)	(80,360)
Proceeds from sale of investment securities	391,433	80,190
Proceeds from sale of shares of subsidiaries and associates	127,350	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(695,541)	(337,829)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	419,836
Loan advances	(500,000)	—
Proceeds from collection of loans receivable	55,855	—
Payments of leasehold and guarantee deposits	—	(8,105)
Proceeds from refund of leasehold and guarantee deposits	27,871	2,379
Purchase of insurance funds	(33,267)	(56,756)
Other, net	(4,145)	9,742
Net cash provided by (used in) investing activities	(1,366,219)	(604,882)

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(72,155)	6,879,193
Proceeds from long-term borrowings	9,460,805	14,385,301
Repayments of long-term borrowings	(7,205,043)	(7,894,499)
Repayments of finance lease liabilities	(3,718)	(27,539)
Proceeds from issuance of shares	53,452	4,789
Purchase of treasury shares	(309,842)	(113)
Proceeds from issuance of share acquisition rights	—	9,509
Dividends paid	—	(241,150)
Other, net	12,436	—
Net cash provided by (used in) financing activities	1,935,934	13,115,489
Net increase (decrease) in cash and cash equivalents	1,005,012	3,969,851
Cash and cash equivalents at beginning of period	3,329,547	4,334,560
Cash and cash equivalents at end of period	4,334,560	8,304,412

(5) Notes to Consolidated Financial Statements

(Note to going concern assumptions)

Not applicable

(Segment information, etc.)

1. Overview of Reportable Segments

The Company's reportable segments are internal monitoring units for which separate financial information is available and for which the Board of Directors makes decisions regarding the allocation of management resources and evaluates performance.

The Group has three reportable segments.

The “AI Cloud & Consulting Business” provides real business promotion services by leveraging packaged cloud tools, tailor-made algorithms, and cloud-based platforms to promote DX across a wide range of industries, including real estate, finance, IT, and healthcare.

The “Life & Property Solution Business” comprises asset management, brokerage consulting, and development businesses, and aims to achieve both the delivery of reliable value to customers and the proactive use of technology.

In addition to the above businesses, the Group classifies other businesses as the “Other Businesses” segment.

2. Method of calculating sales, profit or loss by reportable segment

The accounting method applied to the reported business segments is in accordance with the accounting policies adopted to prepare the consolidated financial statements.

Inter-segment sales or transfers are determined by reference to prevailing market prices and are subject to negotiation on a case-by-case basis.

In certain inter-segment transactions, services related to product development and enhancement are provided, and such transactions are conducted at prices agreed upon between the segments.

3. Information on net sales and income amounts by reportable segment

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Reportable segments			Operating segments total	Reconciling items	Per consolidated financial statements
	AI Cloud and Consulting	Life and Property solutions	Other			
Sales						
Revenues from external customers	6,259,828	20,205,977	225,054	26,690,860	—	26,690,860
Transactions with other segments	1,266,115	326,754	—	1,592,869	(1,592,869)	—
Net sales	7,525,944	20,532,731	225,054	28,283,730	(1,592,869)	26,690,860
Operating profit (loss)	2,464,742	1,039,818	(289,167)	3,215,393	(107,411)	3,107,982

(Notes) 1. The adjustment to segment profit or loss of (107,411) thousand yen represents the elimination of inter-segment transactions.
2. The segment profit or loss has been adjusted to the operating profit stated in the quarterly consolidated income statement.

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Reportable segments			Operating segments total	Reconciling items	Per consolidated financial statements
	AI Cloud and Consulting	Life and Property solutions	Other			
Sales						
Revenues from external customers	6,507,239	26,272,422	78,962	32,858,624	-	32,858,624
Transactions with other segments	2,182,382	-	-	2,182,382	(2,182,382)	-
Net sales	8,689,622	26,272,422	78,962	35,041,007	(2,182,382)	32,858,624
Operating profit (loss)	3,474,962	1,196,733	(418,039)	4,253,656	(73,079)	4,180,577

(Notes) 1. The adjustment to segment profit or loss of (73,079) thousand yen represents the elimination of inter-segment transactions.
2. The segment profit or loss has been adjusted to the operating profit stated in the quarterly consolidated income statement.

(Per share information)

(yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	847.89	949.89
Basic earnings per share	105.46	114.25
Diluted earnings per share	104.87	113.57

(Notes) The basis for calculating “Basic earnings per share” and “Diluted earnings per share” is as follows.

(Thousands of yen/Shares)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
(i) Basic earnings per share		
Profit attributable to owners of parent	1,697,053	1,840,651
Amounts not attributable to common shareholders	-	-
Profit attributable to owners of parent attributable to common shares	1,697,053	1,840,651
Average number of common shares outstanding during the period	16,091,456	16,111,271
(ii) Diluted earnings per share		
Adjustment to profit attributable to owners of parent	-	-
Increase in number of common shares	91,732	95,513
(of which share acquisition rights)	(91,732)	(95,513)
Overview of dilutive shares that were not included in the calculation of diluted earnings per share due to the absence of a dilutive effect	-	-

(Significant subsequent event)

Not applicable