Consolidated Financial Results for the Three Months Ended June 30, 2026
(Under Japanese GAAP)

August 5, 2026

Company name	SRE Holdings Corporation	Stock exchange listings: Tokyo Prime
Securities code	2980	URL https://sre-group.co.jp/
Representative	Representative Director, President & CEO	Kazuo Nishiyama
Inquiries	Executive Officer, Head of Corporate Division	Tetsu Matsui Tel +81-3-6274-6550

Dividend payable date (as planned) -

Supplemental material of results: Yes

Convening briefing of results: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	8,488	100.2	1,812	-	1,681	-	1,113	-
June 30, 2025	4,240	(16.3)	92	(89.1)	31	(96.1)	(19)	-

Note: Comprehensive income For the three months ended June 30, 2026 1,131Millions of yen (-%)

For the three months ended June 30, 2025 10Millions of yen ((98.1)%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	69.08	68.73
June 30, 2025	(1.21)	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	51,814	17,127	31.1
March 31, 2026	49,212	16,281	31.1

Reference: Equity capital As of June 30, 2026 16,131 Millions of yen As of March 31, 2026 15,308 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	18.00	18.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00	-	20.00	20.00

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

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: 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 quarterly 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)

(i) Number of issued and outstanding shares at the period end (including treasury stock)	As of June 30, 2026	16,251,235 shares	As of March 31, 2026	16,251,235 shares
(ii) Number of treasury stock at the period end	As of June 30, 2026	140,409 shares	As of March 31, 2026	135,289 shares
(iii) Average number of shares	Three months ended June 30, 2026	16,115,490 shares	Three months ended June 30, 2025	16,101,203 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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. For the assumptions underlying the earnings forecasts and precautions for the use of the earnings forecasts, please refer to "1. Overview of Operating Results (3) Explanation of forward-looking information such as the consolidated earnings forecast" on page 4 of the attached materials.

Index for Supplementary Information

1. Overview of Operating Results

(1) Overview of operating results for the quarter

Effective the first quarter of the current fiscal year, the Group changed its reportable segments, reflecting the management structure that followed the organizational change of April 1, 2026. It moved from three segments − AI Cloud & Consulting, Life & Property Solutions, and Other − to two: AI & Life Solutions and Life & Property Solutions.

This change follows the integration of the real estate consulting business and the cloud solutions business into a new business division, effective April 1, 2026. The Group recognizes that providing general-purpose AI alone cannot resolve the labor-dependent, person-reliant inefficiencies that persist across industries. It has therefore shifted to a structure that promotes, as a company-wide core strategy, industry-specific AI embedded in business processes together with BPaaS (Business Process as a Service) − which combines AI and human operation as one − and this segment change is intended to align its reportable segments with that structure.

In connection with this change, the former "AI Cloud & Consulting business" has been renamed the "AI & Life Solutions business" after integrating the real estate consulting business and others, and new business investments, which were previously classified in the "Other business," have also been included in the "AI & Life Solutions business" in light of their business substance. This change has no impact on the Group's consolidated results, its full-year consolidated results forecast, or its dividend policy.

The following discussion, and the year-on-year comparison for each segment, use prior-year figures reclassified under the new segment structure.

The Group operates under the mission of "Updating Lifestyles and Healthcare using Technology." As a life-tech company that fuses the real world with AI, it runs its business on two pillars: the AI & Life Solutions (AI&LS) business and the Life & Property Solutions (L&P) business. These two business domains are closely related, and that connection is the Group's distinctive characteristic − and its core strength.

In the AI & Life Solutions domain, the Group systematizes the data, know-how, and expert judgment accumulated daily at its healthcare and real estate front lines, and provides them as industry-specific AI cloud solutions. Since this first quarter, the real estate consulting business has been integrated into this domain, creating a structure in which primary data from real business operations directly sharpens AI accuracy. Beyond providing AI itself, the Group is aiming to develop BPaaS, in which it takes on entire business processes − a model now in development and field testing. The model first established in real estate is being extended and deepened into other specialized fields such as healthcare, generating new revenue through external sales.

In the Life & Property Solutions domain, the Group works with the customer networks of leading alliance partners such as the Sony Group to plan and develop a range of properties, including healthcare facilities like senior residences. It raises their occupancy rates and values through marketing and alliances, then sells them and books the resulting earnings.

With respect to the business environment during the first quarter under review, while the economy continued on a moderate recovery trend backed by factors such as improvement in the employment and income environment, the outlook remained uncertain due to rising prices and interest rate trends, as well as heightened geopolitical risks arising from the situation in the Middle East. On the other hand, against the backdrop of the rapid evolution of generative AI, demand for AX/DX that fundamentally rethinks business processes continued to expand, and in domains where compliance with industry-specific laws, regulations, and business practices is required, needs for industry-specific solutions that cannot be substituted by general-purpose AI have grown further.

Against this backdrop, the Group kept delivering highly practical products and services by feeding front-line data and operational insight from its own real businesses back into AI, then continuously refining the resulting AI solutions through paid use in those same businesses. In the AI & Life Solutions segment, industry-specific AI advanced further into healthcare, finance, and real estate, driving new customer acquisition and stock-revenue growth. In the Life & Property Solutions segment, firm real estate demand and rising investment needs for healthcare-related assets supported on-plan progress in selling properties developed since the previous fiscal year.

Net sales for the first quarter came to 8,488,900 thousand yen, up 4,248,532 thousand yen, or 100.2%, year on year; operating profit reached 1,812,423 thousand yen (up 1,719,978 thousand yen); ordinary profit was 1,681,492 thousand yen (up 1,649,965 thousand yen); and profit attributable to owners of parent was 1,113,337 thousand yen, compared with a loss of 19,416 thousand yen a year earlier. These results reflect continued progress in self-developed-property sales in the Life & Property Solutions segment, together with further stock-revenue accumulation in the AI & Life Solutions segment. In the Life & Property Solutions segment, property sales have traditionally been weighted toward specific quarters, but efforts to spread the timing of sales have paid off: sales were front-loaded this first quarter, and the quarterly imbalance is steadily improving.

Segment results for the first quarter are as follows.

<AI & Life Solutions segment>

The AI & Life Solutions segment is the core domain driving the Group's medium-term growth, and it again delivered steady results this first quarter through its unique business model that circulates industry-specific AI and data obtained from real business operations. Industry-specific AI deeply embedded in business processes lets the Group build low-churn, sticky recurring revenue, while primary data accumulated through operations forms a virtuous cycle that continuously sharpens the AI's accuracy and value. The segment is also moving toward BPaaS, in which it takes on entire business processes − a model now in the stage of being brought to reality.

Life & Healthcare Solutions (LH) provides operational-support cloud tools and DX solutions mainly for the healthcare, IT, and finance fields. Beyond the sales contribution from MEDIX Co., Ltd., a subsidiary since April 2024, the number of contracts kept climbing steadily. Average revenue per customer rose year on year, though it dipped temporarily from the prior fourth quarter due to factors such as the mix of contracts won. Looking ahead, the Group is developing new products and features and running test marketing, mainly in the medical and welfare domains, to broaden the base for future stock revenue.

Prop Tech Solutions (PT) provides operational-support cloud tools and AX/DX solutions mainly for the real estate field. Customer acquisition progressed at a pace exceeding the plan, and stock revenue kept building through more contracts plus upselling and cross-selling; average revenue per customer also rose, reflecting the addition of the real estate consulting business to this segment under the reportable-segment change. The mainstay AI Appraisal Cloud and other products performed solidly, further strengthening the Group's position as an AX/DX partner that supports not just single functions but the redesign and sophistication of entire operations.

In this segment, the Group is continuing − and accelerating − investment in product development, test marketing, and related initiatives to drive medium- to long-term stock-revenue growth.

AI & Life Solutions segment net sales came to 3,703,197 thousand yen for the first quarter, up 1,087,562 thousand yen, or 41.6%, year on year. Segment profit was 641,896 thousand yen, up 234,565 thousand yen, or 57.6%.

<Life & Property Solutions segment>

The Life & Property Solutions segment underpins the Group's stable earnings base, acquiring and developing properties through its proprietary sourcing capability and raising their occupancy and value.

In the first quarter, the sale of part of a large property developed since the previous fiscal year pushed net sales well above the same period a year earlier. Investment demand for healthcare-related assets such as senior residences, driven by the declining birthrate and aging population, also stayed high. Earnings in this segment do fluctuate quarter to quarter, since they depend on the timing of self-developed-property sales, and this quarter's front-loaded sales lifted progress against the full-year plan to a high level; even so, the full-year consolidated forecast remains unchanged.

Life & Property Solutions segment net sales came to 4,978,565 thousand yen for the first quarter, up 3,123,305 thousand yen, or 168.3%, year on year. Segment profit was 1,174,381 thousand yen, compared with a segment loss of 279,692 thousand yen in the same period a year earlier.

(2) Overview of financial position for the quarter

Status of assets, liabilities, and net assets

(Assets)

Total assets at the end of the first quarter of the current fiscal year increased by 2,601,761 thousand yen from the end of the previous fiscal year to 51,814,373 thousand yen.

Current assets increased by 2,790,812 thousand yen from the end of the previous fiscal year to 44,717,525 thousand yen. This was mainly due to a decrease of 2,272,072 thousand yen in cash and deposits, while inventories increased by 5,395,412 thousand yen.

Non-current assets decreased by 189,051 thousand yen from the end of the previous fiscal year to 7,096,847 thousand yen. This was mainly due to decreases of 68,162 thousand yen in goodwill and 112,324 thousand yen in investments and other assets.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year increased by 1,756,196 thousand yen from the end of the previous fiscal year to 34,687,257 thousand yen.

Current liabilities decreased by 3,909,733 thousand yen from the end of the previous fiscal year to 19,366,389 thousand yen. This was mainly due to a decrease of 3,333,942 thousand yen in short-term borrowings.

Non-current liabilities increased by 5,665,930 thousand yen from the end of the previous fiscal year to 15,320,867 thousand yen. This was mainly due to an increase of 5,720,308 thousand yen in long-term borrowings.

(Net assets)

Total net assets at the end of the first quarter of the current fiscal year increased by 845,564 thousand yen from the end of the previous fiscal year to 17,127,116 thousand yen. This was mainly due to an increase of 823,250 thousand yen in retained earnings resulting from the recording of profit attributable to owners of parent, among other factors.

The equity ratio was 31.1%.

(3) Explanation of forward-looking information such as the consolidated earnings forecast

With respect to the consolidated financial forecast, there is no change to the full-year consolidated financial forecast announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Kessan Tanshin)" on May 13, 2026.

2. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly consolidated balance sheets

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	8,354,412	6,082,339
Accounts receivable - trade, and contract assets	1,983,278	1,948,701
Operating investments in capital	3,694,828	3,661,513
Inventories	25,304,987	30,700,400
Investments in leases	1,112,153	1,060,528
Other	1,512,618	1,297,425
Allowance for doubtful accounts	(35,565)	(33,381)
Total current assets	41,926,713	44,717,525
Non-current assets		
Property, plant and equipment	951,283	947,580
Intangible assets		
Software	917,030	912,734
Goodwill	2,699,680	2,631,518
Other	17,551	16,985
Total intangible assets	3,634,263	3,561,239
Investments and other assets	2,700,351	2,588,027
Total non-current assets	7,285,898	7,096,847
Total assets	49,212,611	51,814,373
Liabilities		
Current liabilities		
Accounts payable - trade	653,886	679,184
Short-term borrowings	18,513,272	15,179,330
Accounts payable - other	530,879	620,988
Accrued expenses	921,965	811,051
Income taxes payable	1,097,912	644,334
Provision for bonuses	356,711	211,986
Other	1,201,493	1,219,514
Total current liabilities	23,276,123	19,366,389
Non-current liabilities		
Long-term borrowings	7,551,193	13,271,501
Lease liabilities	728,201	668,716
Retirement benefit liability	503,014	418,975
Other	872,528	961,674
Total non-current liabilities	9,654,937	15,320,867
Total liabilities	32,931,060	34,687,257
Net assets		
Shareholders' equity		
Share capital	4,275,062	4,275,062
Capital surplus	4,148,115	4,148,115
Retained earnings	7,387,823	8,211,073
Treasury shares	(502,634)	(502,634)
Total shareholders' equity	15,308,366	16,131,616
Share acquisition rights	309,328	313,635
Non-controlling interests	663,855	681,863
Total net assets	16,281,551	17,127,116
Total liabilities and net assets	49,212,611	51,814,373

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

(Quarterly consolidated statements of income)

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	4,240,368	8,488,900
Cost of sales	2,629,639	4,788,015
Gross profit	1,610,728	3,700,884
Selling, general and administrative expenses	1,518,283	1,888,461
Operating profit	92,445	1,812,423
Non-operating income		
Interest income	2,254	2,162
Gain on reversal of share acquisition rights	182	13,394
Subsidy income	-	7,184
Other	495	3,162
Total non-operating income	2,932	25,903
Non-operating expenses		
Interest expenses	49,679	118,565
Other	14,171	38,268
Total non-operating expenses	63,850	156,834
Ordinary profit	31,526	1,681,492
Extraordinary losses		
Loss on retirement of non-current assets	1,471	-
Total extraordinary losses	1,471	-
Profit before income taxes	30,055	1,681,492
Income taxes - current	177,406	457,333
Income taxes - deferred	(157,466)	92,813
Total income taxes	19,940	550,147
Profit	10,115	1,131,344
Profit attributable to non-controlling interests	29,531	18,007
Profit (loss) attributable to owners of parent	(19,416)	1,113,337

(Quarterly consolidated statements of comprehensive income)

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	10,115	1,131,344
Comprehensive income	10,115	1,131,344
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(19,416)	1,113,337
Comprehensive income attributable to non-controlling interests	29,531	18,007

(3) Notes to the quarterly consolidated financial statements

(Notes on segment information, etc.)

I. Three months ended June 30, 2025 (April 1, 2025 – June 30, 2025)

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

(Thousands of yen)

	Reportable segments			Reconciling items	Per quarterly consolidated financial statements
	AI & Life solutions	Life & Property solutions	Total		
Sales					
Revenues from external customers	2,385,108	1,855,259	4,240,368	-	4,240,368
Transactions with other segments	230,526	-	230,526	(230,526)	-
Net sales	2,615,635	1,855,259	4,470,894	(230,526)	4,240,368
Segment profit (loss)	407,330	(279,692)	127,638	(35,193)	92,445

Note 1: The "Reconciling items" of (35,193) thousand yen for segment profit (loss) represents the elimination of inter-segment transactions.

Note 2: Segment profit (loss) is reconciled with operating profit in the quarterly consolidated statement of income.

2. Information on assets by reportable segment: Not applicable.

3. Information on impairment losses on non-current assets, goodwill, etc., by reportable segment: Not applicable.

II. Three months ended June 30, 2026 (April 1, 2026 – June 30, 2026)

1. Information on net sales and profit by reportable segment

(Thousands of yen)

	Reportable segments			Reconciling items	Per quarterly consolidated financial statements
	AI & Life solutions	Life & Property solutions	Total		
Sales					
Revenues from external customers	3,510,484	4,978,415	8,488,900	-	8,488,900
Transactions with other segments	192,713	150	192,863	(192,863)	-
Net sales	3,703,197	4,978,565	8,681,763	(192,863)	8,488,900
Segment profit (loss)	641,896	1,174,381	1,816,278	(3,855)	1,812,423

Note 1: The "Reconciling items" of (3,855) thousand yen for segment profit represents the elimination of inter-segment transactions.

Note 2: Segment profit is reconciled with operating profit in the quarterly consolidated statement of income.

2. Information on assets by reportable segment: Not applicable.
3. Information on impairment losses on non-current assets, goodwill, etc., by reportable segment: Not applicable.
4. Matters concerning changes in reportable segments, etc.

From the first quarter of the current fiscal year, based on the management structure following the organizational change effective April 1, 2026, the Group has changed its segment classification from the perspective of the management approach, from the previous three segments (the AI Cloud & Consulting business, the Life & Property Solutions business, and the Other business) to two segments (the AI & Life Solutions business and the Life & Property Solutions business).

In connection with this change, the former "AI Cloud & Consulting business" has been renamed the "AI & Life Solutions business" after integrating the real estate consulting business and others, and new business investments, which were previously classified in the "Other business," have also been included in the "AI & Life Solutions business" in light of their business substance.

Segment information for the three months ended June 30, 2025 is presented based on the classification method after the change.

(Note to significant changes in shareholders' equity)

Not applicable.

(Note to going concern assumptions)

Not applicable.

(Notes to the quarterly consolidated statement of cash flows)

A quarterly consolidated statement of cash flows for the first quarter of the fiscal year under review has not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first quarter are as follows.

(Thousands of yen)

	Three months ended June 30, 2025 (April 1, 2025 - June 30, 2025)	Three months ended June 30, 2026 (April 1, 2026 - June 30, 2026)
Depreciation	114,354	115,538
Amortization of goodwill	75,016	68,162