Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

November 11, 2026

Company name	SRE Holdings Corporation			Stock exchange listings: Tokyo Prime
Securities code	2980	URL https://sre-group.co.jp/		
Representative	(Title)	Representative Director, President & CEO	(Name) Kazuo Nishiyama	
Inquiries	(Title)	Executive Officer, Head of Corporate Division	(Name) Tetsu Matsui	Telephone: +81-3-6274-6550
Semi-annual statement filing date (as planned)	November 13, 2026		Dividend payable date (as planned)	-

Supplemental material of results: Yes

Convening briefing of results: Yes (for institutional investors and analysts)

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

1. Consolidated results for the six months ended September 30, 2026 (April 1, 2026 - September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2026	13,708	69.3	1,947	530.1	1,674	804.8	1,054	-
Six months ended September 30, 2025	8,095	(20.3)	309	(76.0)	185	(84.5)	26	(96.1)

Note: Comprehensive income Six months ended September 30, 2026 1,087 million yen (- %) Six months ended September 30, 2025 59 million yen ((91.7)%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2026	65.43	65.16
Six months ended September 30, 2025	1.62	1.62

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2026	55,752	17,147	28.9
As of March 31, 2026	49,212	16,281	31.1

Reference: Owners' equity As of September 30, 2026 16,123 million yen As of March 31, 2026 15,308 million 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	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)			-	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 (April 1, 2026 - 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
Full year	41,800	27.2	5,230	25.1	4,500	17.2	2,830	53.8	175.60

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)

(i) Number of issued and outstanding shares at the period end (including treasury shares)	As of September 30, 2026	16,273,215 shares	As of March 31, 2026	16,251,235 shares
(ii) Number of treasury shares at the period end	As of September 30, 2026	141,529 shares	As of March 31, 2026	135,289 shares
(iii) Average number of shares	Six months ended September 30, 2026	16,121,502 shares	Six months ended September 30, 2025	16,106,870 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. 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.

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

The Company plans to hold a financial results briefing (online conference) for institutional investors and analysts on November 12, 2026 (Thursday). The supplementary financial results materials to be used at the briefing will be disclosed via TDnet and posted on the Company's website on November 11, 2026 (Wednesday).

Index for Supplementary Information

1. Overview of Operating Results ····· 2
(1) Overview of operating results ····· 2
(2) Overview of financial position ····· 4
(3) Explanation of forward-looking information such as the consolidated earnings forecast ····· 4
2. Semi-annual Consolidated Financial Statements and Important Notes ····· 5
(1) Semi-annual consolidated balance sheets ····· 5
(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income ····· 6
Semi-annual consolidated statements of income ····· 6
Semi-annual consolidated statements of comprehensive income ····· 7
(3) Semi-annual consolidated statements of cash flows ····· 8
(4) Notes to the semi-annual consolidated financial statements ····· 9
(Notes on segment information, etc.) ····· 9
(Note to significant changes in shareholders' equity) ····· 11
(Note to going concern assumptions) ····· 11

1. Overview of Operating Results

(1) Overview of operating results

Effective the current interim period, SRE Holdings Corporation and its consolidated subsidiaries (“the Group”) changed its reportable segments from the perspective of the management approach, 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, on April 1, 2026, of the real estate consulting business and the cloud solutions business into a newly launched business division. The Group recognizes that the inefficiencies caused by dependence on manual labor and on specific individuals, which remain deeply rooted in each industry, cannot be resolved simply by providing general-purpose AI. On that basis, it has shifted to a structure that pursues, as its company-wide core strategy, industry-specific AI embedded in business processes together with BPaaS (Business Process as a Service), under which it undertakes operations run jointly by AI and people. The change is intended to align the reportable segments with this structure.

In connection with this change, the former "AI Cloud & Consulting business" was renamed "AI & Life Solutions business" after absorbing the real estate consulting business and others. New business investments previously classified under "Other business" were also included in the "AI & Life Solutions business," reflecting their actual business substance. This change has no impact on the Group's consolidated results, its full-year consolidated 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 classification.

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 business domains are closely related, and that connection is the Group's distinctive characteristic and strength.

In the AI & Life Solutions domain, the Group systematizes the data, know-how, and expert decision-making logic accumulated daily at healthcare and real estate front lines, and provides them as industry-specific AI cloud solutions. Since the beginning of the current interim period, the business responsible for real estate consulting operations has been integrated into this domain, creating a structure in which primary data obtained from real business operations is used to improve AI accuracy. Going beyond providing AI itself, the Group also offers BPaaS, under which it undertakes entire business processes jointly through AI and people. BPaaS is already offered in the healthcare domain, and in the real estate domain the Group is developing and refining the service through its in-house AX (AI Transformation). Going forward, the Group aims to raise revenue per customer and acquire new customers by offering these services in combination with its existing cloud services, starting with AI Home Valuation CLOUD.

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 such as senior residences. It raises the occupancy rates and value of the properties it acquires and develops through marketing and alliances, then sells them and books the resulting earnings.

During the interim period under review, the economy continued on a moderate recovery path, supported by improving employment and income conditions. Even so, the outlook remained uncertain amid rising prices, interest-rate trends, and heightened geopolitical risk stemming from the situation in the Middle East. At the same time, the rapid evolution of generative AI continued to expand demand for AX/DX that fundamentally rethinks business processes. In fields that must address industry-specific laws, regulations, and business practices, needs grew further for industry-specific solutions that general-purpose AI cannot replace.

Against this backdrop, the Group kept a continuous improvement cycle in motion: it feeds front-line data and operational understanding gained from running real businesses itself back into AI, then keeps improving the resulting AI solutions by using them on those same front lines. Through this cycle, the Group has continued to deliver products and services of high practical value. In the AI & Life Solutions segment, the provision of industry-specific AI advanced in the healthcare, finance, and real estate domains, driving new customer acquisition and the accumulation of recurring revenue. In the Life & Property Solutions segment, investors became more selective against the backdrop of rising interest rates and other factors, but investment demand for high-quality properties such as offices, hotels, and well-located residential properties remained firm. In this market environment, sales of the office buildings and residential properties under development since the previous fiscal year progressed according to plan.

Net sales for the six months came to 13,708,435 thousand yen, up 5,612,531 thousand yen, or 69.3%, year on year; operating profit reached 1,947,560 thousand yen, up 1,638,469 thousand yen, or 530.1%; ordinary profit was 1,674,144 thousand yen, up 1,489,110 thousand yen, or 804.8%; and profit attributable to owners of parent was 1,054,793 thousand yen, up 1,028,647 thousand yen. These results reflect progress in sales of self-developed properties in the Life & Property Solutions segment, together with further accumulation of recurring revenue in the AI & Life Solutions segment.

Segment results for the six months are as follows.

<AI & Life Solutions segment>
The AI & Life Solutions segment is the core domain driving the Group's medium-term growth. In the interim period under review, it again delivered steady results 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 segment build low-churn, sticky recurring revenue, while primary data accumulated through operations forms a virtuous cycle that continuously enhances the AI's accuracy and value. The segment is also expanding the range of operations and domains covered by BPaaS. Life & Healthcare Solutions (LH) provides operational-support cloud tools and DX solutions mainly for the healthcare, IT, and finance fields. In addition to the consolidated contribution from a company that became a subsidiary in the previous fiscal year, the number of contracts increased year on year. Average revenue per customer rose both year on year and quarter on quarter, reflecting changes in the service mix and other factors. To broaden the base for future recurring revenue, the Group is also developing new products and additional features and conducting test marketing, mainly in the medical and welfare domains. Prop Tech Solutions (PT) provides operational-support cloud tools and AX/DX solutions mainly for the real estate field. The mainstay AI Home Valuation CLOUD and other products performed solidly, and customer acquisition for cloud services progressed. Recurring revenue built up steadily on the back of a growing number of contracts as well as upselling and cross-selling. Average revenue per customer, however, declined quarter on quarter. This was partly because transactions in the real estate consulting business were sluggish as the number of real estate sales transactions fell, mainly in the waterfront area, against the backdrop of rising interest rates. Going forward, the Group will go beyond single-function offerings and combine services developed through its in-house AX. By enhancing its value as an AX/DX partner that supports the redesign of entire operations and the advancement of how they are run, it aims to raise revenue per customer.
In this segment, the Group is continuing − and accelerating − investment in the product development, test marketing, and related initiatives described above to drive medium- to long-term recurring revenue growth.
AI & Life Solutions segment net sales came to 6,835,733 thousand yen for the six months, up 985,010 thousand yen, or 16.8%, year on year. Segment profit was 1,031,896 thousand yen, up 182,720 thousand yen, or 21.5%.

<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 interim period under review, the sale of part of the large-scale properties under development since the previous fiscal year pushed net sales well above the same period a year earlier. Development and leasing of each property are also progressing according to plan toward sales in the second half. Earnings in this segment fluctuate from quarter to quarter, since they depend on the timing of sales of self-developed properties. The full-year consolidated forecast remains unchanged.
Life & Property Solutions segment net sales came to 7,331,015 thousand yen for the six months, up 4,634,493 thousand yen, or 171.9%, year on year. Segment profit was 917,353 thousand yen, compared with a segment loss of 505,502 thousand yen in the same period a year earlier.

(2) Overview of financial position

(i) Status of assets, liabilities, and net assets

(Assets)

Total assets at the end of the interim period under review increased by 6,539,552 thousand yen from the end of the previous fiscal year to 55,752,164 thousand yen.

Current assets increased by 6,256,789 thousand yen from the end of the previous fiscal year to 48,183,502 thousand yen. This was mainly because inventories increased by 10,589,495 thousand yen, while cash and deposits decreased by 3,362,003 thousand yen.

Non-current assets increased by 282,763 thousand yen from the end of the previous fiscal year to 7,568,662 thousand yen. This was mainly because property, plant and equipment increased by 409,352 thousand yen, while goodwill decreased by 136,324 thousand yen.

(Liabilities)

Total liabilities at the end of the interim period under review increased by 5,673,724 thousand yen from the end of the previous fiscal year to 38,604,784 thousand yen.

Current liabilities decreased by 3,836,157 thousand yen from the end of the previous fiscal year to 19,439,965 thousand yen. This was mainly due to a decrease of 3,320,129 thousand yen in short-term borrowings.

Non-current liabilities increased by 9,509,881 thousand yen from the end of the previous fiscal year to 19,164,818 thousand yen. This was mainly due to an increase of 8,382,300 thousand yen in long-term borrowings.

(Net assets)

Total net assets at the end of the interim period under review increased by 865,828 thousand yen from the end of the previous fiscal year to 17,147,379 thousand yen. This was mainly due to an increase of 764,706 thousand yen in retained earnings, resulting from the recording of profit attributable to owners of parent, among other factors.

The equity ratio was 28.9%.

(ii) Status of cash flows

Cash and cash equivalents (hereinafter "cash") at the end of the interim period under review decreased by 3,362,003 thousand yen from the end of the previous fiscal year to 4,942,408 thousand yen.

The status of each category of cash flows for the interim period under review, and the factors behind them, are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 7,342,082 thousand yen (compared with 4,859,955 thousand yen used in the same period a year earlier). This was mainly because cash outflows, including an increase in inventories of 9,043,409 thousand yen, exceeded cash inflows, including profit before income taxes of 1,673,279 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities was 719,382 thousand yen (compared with 504,394 thousand yen used in the same period a year earlier). This was mainly due to cash outflows, including purchase of property, plant and equipment of 479,308 thousand yen and purchase of intangible assets of 210,192 thousand yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 4,700,155 thousand yen (compared with 6,076,557 thousand yen provided in the same period a year earlier). This was mainly because cash inflows, including proceeds from long-term borrowings of 10,568,287 thousand yen, exceeded cash outflows, including repayments of long-term borrowings of 4,956,059 thousand yen.

(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 on October 22, 2026 in "(Correction / Correction of Numerical Data) Notice Concerning Partial Correction of 'Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)'."

2. Semi-annual Consolidated Financial Statements and Important Notes

(1) Semi-annual consolidated balance sheets

(Thousands of yen)

	Previous fiscal year (As of March 31, 2026)	Interim period of the current fiscal year (As of September 30, 2026)
Assets		
Current assets		
Cash and deposits	8,354,412	4,992,408
Accounts receivable - trade, and contract assets	1,983,278	1,955,225
Operating investments in capital	3,694,828	3,631,183
Inventories	25,304,987	35,894,483
Investments in leases	1,112,153	1,006,053
Other	1,512,618	739,079
Allowance for doubtful accounts	(35,565)	(34,931)
Total current assets	41,926,713	48,183,502
Non-current assets		
Property, plant and equipment	951,283	1,360,635
Intangible assets		
Software	917,030	947,464
Goodwill	2,699,680	2,563,356
Other	17,551	16,434
Total intangible assets	3,634,263	3,527,255
Investments and other assets	2,700,351	2,680,770
Total non-current assets	7,285,898	7,568,662
Total assets	49,212,611	55,752,164
Liabilities		
Current liabilities		
Accounts payable - trade	653,886	457,954
Short-term borrowings	18,513,272	15,193,143
Accounts payable - other	530,879	482,006
Accrued expenses	921,965	753,688
Income taxes payable	1,097,912	560,873
Provision for bonuses	356,711	346,416
Other	1,201,493	1,645,883
Total current liabilities	23,276,123	19,439,965
Non-current liabilities		
Long-term borrowings	7,551,193	15,933,493
Lease liabilities	728,201	1,847,455
Retirement benefit liability	503,014	404,014
Other	872,528	979,854
Total non-current liabilities	9,654,937	19,164,818
Total liabilities	32,931,060	38,604,784
Net assets		
Shareholders' equity		
Share capital	4,275,062	4,300,412
Capital surplus	4,148,115	4,173,464
Retained earnings	7,387,823	8,152,529
Treasury shares	(502,634)	(502,634)
Total shareholders' equity	15,308,366	16,123,772
Share acquisition rights	309,328	327,055
Non-controlling interests	663,855	696,552
Total net assets	16,281,551	17,147,379
Total liabilities and net assets	49,212,611	55,752,164

(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income

(Semi-annual consolidated statements of income)

(Thousands of yen)

	Six months ended September 30, 2025 (April 1, 2025 - September 30, 2025)	Six months ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Net sales	8,095,904	13,708,435
Cost of sales	4,601,033	7,999,551
Gross profit	3,494,871	5,708,884
Selling, general and administrative expenses	3,185,781	3,761,323
Operating profit	309,090	1,947,560
Non-operating income		
Interest income	5,327	9,248
Gain on reversal of share acquisition rights	1,371	17,676
Subsidy income	760	10,604
Other	2,313	5,076
Total non-operating income	9,771	42,605
Non-operating expenses		
Interest expenses	114,130	265,423
Other	19,697	50,597
Total non-operating expenses	133,827	316,020
Ordinary profit	185,033	1,674,144
Extraordinary losses		
Loss on retirement of non-current assets	4,705	-
Other	767	865
Total extraordinary losses	5,472	865
Profit before income taxes	179,561	1,673,279
Income taxes - current	436,465	531,495
Income taxes - deferred	(316,891)	54,293
Total income taxes	119,574	585,789
Profit	59,987	1,087,489
Profit attributable to non-controlling interests	33,841	32,696
Profit attributable to owners of parent	26,146	1,054,793

(Semi-annual consolidated statements of comprehensive income)

(Thousands of yen)

	Six months ended September 30, 2025 (April 1, 2025 - September 30, 2025)	Six months ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Profit	59,987	1,087,489
Comprehensive income	59,987	1,087,489
(Breakdown)		
Comprehensive income attributable to owners of parent	26,146	1,054,793
Comprehensive income attributable to non-controlling interests	33,841	32,696

(3) Semi-annual consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2025 (April 1, 2025 - September 30, 2025)	Six months ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Cash flows from operating activities		
Profit before income taxes	179,561	1,673,279
Depreciation	224,591	239,014
Amortization of goodwill	149,915	136,324
Increase (decrease) in allowance for doubtful accounts	(1,032)	(634)
Increase (decrease) in provision for bonuses	(3,472)	(10,295)
Increase (decrease) in retirement benefit liability	(3,626)	(99,000)
Interest income	(5,327)	(9,248)
Interest expenses	114,130	265,423
Gain on reversal of share acquisition rights	(1,371)	(17,676)
Subsidy income	(760)	(10,604)
Loss on retirement of non-current assets	4,705	-
Decrease (increase) in accounts receivable - trade, and contract assets	(115,644)	28,900
Decrease (increase) in operating investments in capital	75,272	63,645
Decrease (increase) in inventories	(4,348,839)	(9,043,409)
Decrease (increase) in investments in leases	-	28,883
Decrease (increase) in other current assets	166,478	694,348
Increase (decrease) in trade payables	(782,661)	(195,932)
Increase (decrease) in accounts payable - other, and accrued expenses	296,890	(221,941)
Increase (decrease) in other liabilities	(192,191)	265,300
Other, net	16,190	68,158
Subtotal	(4,227,192)	(6,145,462)
Interest received	4,167	6,381
Interest paid	(107,471)	(263,889)
Subsidies received	760	10,604
Income taxes paid	(530,219)	(949,715)
Net cash provided by (used in) operating activities	(4,859,955)	(7,342,082)
Cash flows from investing activities		
Purchase of property, plant and equipment	(126,304)	(479,308)
Purchase of intangible assets	(280,009)	(210,192)
Purchase of investment securities	(80,360)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	11,716
Payments of leasehold and guarantee deposits	(33,555)	(3,333)
Proceeds from refund of leasehold and guarantee deposits	2,379	23
Other, net	13,456	(38,286)
Net cash provided by (used in) investing activities	(504,394)	(719,382)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,488,421	(568,637)
Proceeds from long-term borrowings	5,360,050	10,568,287
Repayments of long-term borrowings	(530,023)	(4,956,059)
Proceeds from issuance of shares	838	120
Purchase of treasury shares	(94)	-
Dividends paid	(241,097)	(289,797)
Other, net	(1,537)	(53,758)
Net cash provided by (used in) financing activities	6,076,557	4,700,155
Effect of exchange rate change on cash and cash equivalents	-	(692)
Net increase (decrease) in cash and cash equivalents	712,207	(3,362,003)
Cash and cash equivalents at beginning of period	4,334,560	8,304,412
Cash and cash equivalents at end of period	5,046,767	4,942,408

(4) Notes to the semi-annual consolidated financial statements

(Notes on segment information, etc.)

I. Six months ended September 30, 2025 (April 1, 2025 – September 30, 2025)

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

(Thousands of yen)

	Reportable segments			Reconciling items (Note 1)	Per semi-annual consolidated statement of income (Note 2)
	AI & Life Solutions	Life & Property Solutions	Total		
Net sales					
Revenues from external customers	5,399,382	2,696,521	8,095,904	-	8,095,904
Inter-segment sales or transfers	451,339	-	451,339	(451,339)	-
Total	5,850,722	2,696,521	8,547,244	(451,339)	8,095,904
Segment profit (loss)	849,175	(505,502)	343,673	(34,583)	309,090

Note 1: The "Reconciling items" of (34,583) 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 semi-annual 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. Six months ended September 30, 2026 (April 1, 2026 - September 30, 2026)

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

(Thousands of yen)

	Reportable segments			Reconciling items (Note 1)	Per semi-annual consolidated statement of income (Note 2)
	AI & Life Solutions	Life & Property Solutions	Total		
Net sales					
Revenues from external customers	6,377,720	7,330,715	13,708,435	-	13,708,435
Inter-segment sales or transfers	458,012	300	458,312	(458,312)	-
Total	6,835,733	7,331,015	14,166,748	(458,312)	13,708,435
Segment profit	1,031,896	917,353	1,949,250	(1,690)	1,947,560

Note 1: The "Reconciling items" of (1,690) thousand yen for segment profit represents the elimination of inter-segment transactions.

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

2. Information on assets by reportable segment

In the interim period under review, the amount of assets of the "Life & Property Solutions" reportable segment increased by 7,826,182 thousand yen from the end of the previous fiscal year, mainly due to an increase in inventories.

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 current interim period, 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 six months ended September 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.