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November 9, 2026

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

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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	41,694	12.0	1,088	(32.6)	1,017	(36.5)	2,090	143.0
September 30, 2025	37,212	18.2	1,613	1.0	1,600	5.9	860	(8.9)

Note: Comprehensive income For the six months ended September 30, 2026: 2,251 million yen [114.5%]
For the six months ended September 30, 2025: 1,049 million yen [21.3%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2026	50.56	45.18
September 30, 2025	20.81	18.69

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	53,757	20,278	36.6
March 31, 2026	47,145	18,441	37.8

Reference: Shareholders' equity
As of September 30, 2026: 19,666 million yen
As of March 31, 2026: 17,839 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	10.00	10.00
Fiscal year ending March 31, 2027	-	0.00			
Fiscal year ending March 31, 2027 (forecast)			-	10.00	10.00

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

3. Consolidated earnings forecasts 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	94,300	23.4	2,600	(14.8)	2,400	(19.8)	2,500	47.5

Note: Revisions to the consolidated earnings forecast most recently announced: Yes

Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Two companies KYOTARU CO., LTD.
KANZAN CO., LTD.

Note: For details, please refer to "2. Semi-Annual Consolidated Financial Statements and Notes (4) Notes to Semi-Annual Consolidated Financial Statements (Changes in the Scope of Consolidation or Application of the Equity Method)" on page 12 of the Attachments.

(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) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	41,470,184 shares
As of March 31, 2026	41,470,184 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	115,558 shares
As of March 31, 2026	116,058 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	41,354,555 shares
Six months ended September 30, 2025	41,351,171 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

Forecasts regarding future performance in this document are based on certain assumptions judged to be valid and information currently available to us. Actual performance may differ significantly from these forecasts for a number of factors.

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1. Overview of Operating Results

(1) Semi-Annual Operating Results

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)			First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)		
	Results	YoY change (Amount)	YoY change (%)	Results	YoY change (Amount)	YoY change (%)
Net sales	37,212	5,731	18.2	41,694	4,481	12.0
Operating profit	1,613	16	1.0	1,088	(525)	(32.6)
Ordinary profit	1,600	88	5.9	1,017	(583)	(36.5)
Profit attributable to owners of parent	860	(83)	(8.9)	2,090	1,230	143.0

During the first half of the fiscal year, the Japanese economy has been recovering moderately against the backdrop of improvements in the employment and income environment. However, the outlook remains uncertain due to the continued depreciation of the yen, the impact of the unstable international situation, heightened geopolitical risks, and growing budget-consciousness among consumers resulting from prolonged price hikes. In the restaurant industry, there is a need to closely monitor consumer confidence trends as real personal consumption remains weak, despite positive growth in real wages, and in many months, the number of foreign tourists visiting Japan is down year on year. In addition, the business environment remained challenging due to rising raw materials prices as well as increases in logistics, construction, and personnel costs.

Under these circumstances, the Group continued to promote the key strategies set forth in “SRS VISION 2030,” the five-year Medium-term Business Plan that began in the fiscal year ending March 31, 2026, this fiscal year, which is the second year of the plan.

The basic policy of this Medium-term Business Plan is “Dramatically develop existing businesses and establish a new earnings base to become the unrivaled No. 1 Japanese restaurant chain” and we are promoting four key strategies: (1) establishing “Washoku Sato” as a national brand, (2) achieving the overwhelming No. 1 position in the gourmet sushi chain segment centered on “Nigiri Chojiro” and “Umai Sushikan,” (3) establishing businesses as the third and fourth pillars of earnings, and (4) strengthening group functions and promote sustainable management to support net sales of more than 100 billion yen.

During the first half of the fiscal year, in addition to strengthening competitiveness in existing restaurants and promoting new restaurant openings to achieve each of our key strategies, we positioned the number of customers as the most important indicator this fiscal year. In each business segment, we implemented a variety of measures, including improving merchandise appeal and service quality. To strengthen our gourmet sushi and home-meal replacement businesses and our operating base in the Tokyo metropolitan area, we made KYOTARU CO., LTD., which operates the gourmet sushi restaurant “Kaiten Sushi Misaki” and the take-out sushi specialty restaurant “Kyotaru” mainly in the Tokyo metropolitan area, into a subsidiary on September 1, 2026.

In terms of sales, although the number of customers at existing restaurants was sluggish due to the approach of typhoons and prolonged rain, net sales increased year on year due to the contribution of M&As, new restaurant openings and an improvement in the average sales per customer. On the other hand, operating profit decreased year on year as the effect of increased sales was unable to absorb cost increases mainly in raw materials and personnel expenses. Profit attributable to owners of parent was 2,090 million yen, up significantly year on year, due to the recording of gain on negative goodwill from the acquisition of KYOTARU CO., LTD.

Specific initiatives and overviews of each major business category are as follows.

Washoku Sato restaurants

We sold limited-time all-you-can-eat courses such as “Beef Tongue” and “Matsutake Mushroom & Salmon” and fair menus such as a “Meat Fair” and “Nagoya Cuisine” to promote the fun of all-you-can-eat and the appeal of

set meal dishes and enhance “a cozy and happy time through meals.” In addition, we worked to expand demand during the summer vacation period by implementing campaigns such as the “Summer Bargain Campaign” and campaigns for app members. In addition to increasing awareness of the extended business hours from March 2026, we implemented the “Late-Night Discount” campaign, in which customers can enjoy alcoholic products and a la carte dishes at a reasonable price when visiting the store after 21:00, to attract customers. As a result, net sales increased by 5.1% year on year, to 14,803 million yen.

Nigiri Chojiro restaurants

We held fairs such as “Summer Yui-zushi” and “Autumn Yui-zushi” using seasonal ingredients as merchandise measures. As this year marks the 25th anniversary of the opening of the Neyagawa Main Store (Neyagawa City, Osaka Prefecture), we held a “25th Anniversary Thanksgiving Festival” and sold popular products at a special price. In July 2026, we opened our first restaurant in Gifu prefecture, the Gifu Jotodori store (Gifu City, Gifu Prefecture). As a result, net sales increased by 5.3% year on year, to 7,867 million yen.

Kazokutei restaurants

We held the “Eel Fair” in July 2026, the “Summer Food Fair” in August and the Shikoku fair “Bounty from the Island – Precious Gifts from Shikoku” in September to promote the deliciousness and joy of seasonal ingredients and unique ingredients from each production region. We also renovated and reopened the Santica store (Kobe City, Hyogo Prefecture) in July 2026. As a result, net sales decreased by 2.8% year on year, to 2,760 million yen.

Amino sushi business restaurants

We held the “Umai Sushikan Summer Festival Fair” in July 2026 and the “Hint of Autumn Fair” in August, selling satisfying and seasonal sushi toppings selected by our own purchasing team for a limited time. In September 2026, we opened our second store in Gunma Prefecture, the Umai Sushikan Yutorogi Ota Iizuka store (Ota City, Gunma Prefecture). As a result, net sales increased by 8.8% year on year, to 3,664 million yen.

Segment information is not provided because the SRS Group has only the food service business segment.

SRS Group: Opening and closure of restaurants (Number of restaurants)

		FY3/26 (As of Mar. 31, 2026)	Increase/ decrease due to M&A	Newly opened restaurants	Closed restaurants	First six months of FY3/27 (As of Sep. 30, 2026)	Restaurants planned to open during FY3/27
No. of restaurants (domestic)		614 (70)	84 (-)	11 (1)	2 (1)	707 (70)	40
Japanese-style family restaurants	Washoku Sato	201 (-)	- (-)	1 (-)	- (-)	202 (-)	5
Gourmet sushi	Nigiri Chojiro/CHOJIRO	73 (-)	- (-)	2 (-)	- (-)	75 (-)	5
	Kaiten Sushi Misaki*1	- (-)	84 (-)	- (-)	- (-)	84 (-)	-
	Amino sushi business (Umai Sushikan, etc.)*1	33 (-)	- (-)	1 (-)	- (-)	34 (-)	3
	Kaiten Sushi Hokkaido/ Sushi Benkei	6 (-)	- (-)	- (-)	- (-)	6 (-)	1
Soba and udon	Kazokutei*1	59 (7)	- (-)	- (-)	2 (1)	57 (6)	2
	Tokutoku*1	59 (43)	- (-)	3 (-)	- (-)	62 (43)	5
Rice bowls, set meals and others	Katsuya	52 (18)	- (-)	3 (1)	- (-)	55 (19)	8
	Tendon Tempura Honpo Santen	35 (1)	- (-)	- (-)	- (-)	35 (1)	2
	Miyamoto Munashi	24 (-)	- (-)	- (-)	- (-)	24 (-)	-
	Karayama	12 (-)	- (-)	1 (-)	- (-)	13 (-)	2
	Tamagoyaki and Dashi Himawari	8 (-)	- (-)	- (-)	- (-)	8 (-)	2
	Beefsteak Ushinofuku (restaurant)	5 (-)	- (-)	- (-)	- (-)	5 (-)	-
	M&S FC Business*2	35 (1)	- (-)	- (-)	- (-)	35 (1)	5
	Others*3	12 (-)	- (-)	- (-)	- (-)	12 (-)	-
No. of restaurants (overseas)		23 (23)	- (-)	8 (8)	2 (2)	29 (29)	-
Overseas	Overseas restaurants	23(23)	- (-)	8 (8)	2 (2)	29 (29)	-
No. of home meal replacement restaurants		143 (131)	88 (-)	4 (4)	13 (13)	222 (122)	33
Home meal replacement	Torisho	131 (130)	-(-)	4 (4)	13 (13)	122 (121)	30
	Kyotaru*1	- (-)	88 (-)	- (-)	- (-)	88 (-)	-
	Sushi delivery business	9 (1)	- (-)	- (-)	- (-)	9 (1)	-
	Beefsteak Ushinofuku (home meal replacement)	3 (-)	- (-)	- (-)	- (-)	3 (-)	3
No. of Group restaurants	Group total	780 (224)	172 (-)	23 (13)	17 (16)	958 (221)	73
	Group total (directly managed restaurants only)	556 (-)	172 (-)	10 (-)	1 (-)	737 (-)	40

Note: Numbers in parentheses include franchised, leased-band and joint venture restaurants.
*1 Include multiple brands.
*2 Popolamama, Mister Donut, Doutor Coffee, Oogamaya and Shinpachi Shokudo restaurants.
*3 Tokutoku highway service area business is included in “Others”.

(2) Semi-Annual Financial Position

Total assets at the end of the first six months increased by 6,612 million yen from the end of the previous fiscal year to 53,757 million yen.
Current assets decreased by 940 million yen from the end of the previous fiscal year to 18,378 million yen. This was mainly due to a decrease of 2,402 million yen in cash and deposits and increases of 1,156 million yen in accounts receivable – trade and 250 million yen in other current assets.
Non-current assets increased by 7,567 million yen from the end of the previous fiscal year to 35,309 million yen. This was mainly due to increases of 3,999 million yen in land, 1,671 million yen in guarantee deposits and 1,220 million yen in buildings, net.
Current liabilities increased by 2,388 million yen from the end of the previous fiscal year to 14,448 million yen. This was mainly due to increases of 1,306 million yen in accounts payable - other and 1,044 million yen in accounts payable - trade.
Non-current liabilities increased by 2,386 million yen from the end of the previous fiscal year to 19,030 million yen. This was mainly due to increases of 2,260 million yen in long-term borrowings, 529 million yen in asset retirement obligations, and a decrease of 386 million yen in bonds payable.
Net assets increased by 1,837 million yen from the end of the previous fiscal year to 20,278 million yen.

(3) Semi-Annual Cash Flows

At the end of the first six months, cash and cash equivalents (hereinafter, “net cash”) decreased by 2,402 million yen from the end of the previous fiscal year to 10,884 million yen.

Cash flows and the factors contributing to them during the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 1,401 million yen, compared with 2,014 million yen provided in the same period of the previous fiscal year. This was mainly due to profit before income taxes of 2,492 million yen, gain on negative goodwill of 1,477 million yen and depreciation of 1,152 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 5,193 million yen, compared with 1,669 million yen used in the same period of the previous fiscal year. This was mainly due to purchase of shares of subsidiaries resulting in change in scope of consolidation of 2,756 million yen, purchase of property, plant and equipment of 2,188 million yen and purchase of intangible assets of 251 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 1,388 million yen, compared with 1,766 million yen used in financing activities in the same period of the previous fiscal year. This was mainly due to proceeds from long-term borrowings of 3,500 million yen, repayments of long-term borrowings of 946 million yen and redemption of bonds of 663 million yen.

(4) Consolidated Earnings Forecasts and Other Forward-looking Statements

The full-year consolidated earnings forecast for the fiscal year ending March 31, 2027 that was announced on May 15, 2026 in the Consolidated Financial Results has been revised.
For details, please refer to the “Notice of Recording of Extraordinary Income (Gain on Negative Goodwill) and Revision of Full-Year Consolidated Earnings Forecasts” announced on November 9, 2026.

2. Semi-Annual Consolidated Financial Statements and Notes

(1) Semi-Annual Consolidated Balance Sheet

(Thousands of yen)

	FY3/26 (As of Mar. 31, 2026)	First six months of FY3/27 (As of Sep. 30, 2026)
Assets		
Current assets		
Cash and deposits	13,287,030	10,884,036
Accounts receivable - trade	3,460,740	4,617,635
Merchandise and finished goods	53,258	75,251
Raw materials and supplies	1,503,120	1,537,816
Current portion of long-term loans receivable	69,292	67,070
Other	946,349	1,197,347
Allowance for doubtful accounts	(429)	(510)
Total current assets	19,319,362	18,378,648
Non-current assets		
Property, plant and equipment		
Buildings, net	5,438,881	6,658,954
Land	3,438,760	7,437,760
Other, net	3,457,595	4,352,402
Total property, plant and equipment	12,335,237	18,449,117
Intangible assets		
Goodwill	5,387,205	5,148,269
Trademark rights	2,440,243	2,341,350
Other	309,788	580,838
Total intangible assets	8,137,237	8,070,458
Investments and other assets		
Investment securities	900,569	1,223,991
Long-term loans receivable	607,068	582,727
Guarantee deposits	4,369,558	6,041,457
Deferred tax assets	746,753	281,010
Other	654,913	669,093
Allowance for doubtful accounts	(8,996)	(8,457)
Total investments and other assets	7,269,867	8,789,823
Total non-current assets	27,742,342	35,309,398
Deferred assets	83,918	69,583
Total assets	47,145,623	53,757,629

(Thousands of yen)

	FY3/26 (As of Mar. 31, 2026)	First six months of FY3/27 (As of Sep. 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	2,348,377	3,393,019
Current portion of bonds payable	1,147,500	870,000
Current portion of long-term borrowings	1,867,683	2,160,299
Accounts payable - other	3,418,677	4,724,759
Income taxes payable	652,310	342,839
Provision for bonuses	606,641	877,700
Provision for loss on store closings	1,575	-
Other	2,017,615	2,079,969
Total current liabilities	12,060,380	14,448,589
Non-current liabilities		
Bonds payable	7,683,750	7,297,500
Long-term borrowings	5,513,111	7,773,849
Deferred tax liabilities for land revaluation	85,305	85,305
Deferred tax liabilities	119,419	253,095
Provision for retirement benefits for directors (and other officers)	228,203	27,753
Provision for share awards for directors (and other officers)	68,590	76,120
Retirement benefit liability	196,835	210,918
Asset retirement obligations	1,509,554	2,038,676
Other	1,239,082	1,266,912
Total non-current liabilities	16,643,852	19,030,131
Total liabilities	28,704,232	33,478,720
Net assets		
Shareholders' equity		
Share capital	11,077,683	11,077,683
Capital surplus	4,482,172	4,482,172
Retained earnings	2,706,295	4,382,402
Treasury shares	(116,715)	(116,212)
Total shareholders' equity	18,149,436	19,826,046
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	485,695	687,806
Deferred gains or losses on hedges	120,548	78,483
Revaluation reserve for land	(926,256)	(926,256)
Foreign currency translation adjustment	9,583	-
Total accumulated other comprehensive income	(310,428)	(159,966)
Share acquisition rights	3,986	3,986
Non-controlling interests	598,396	608,843
Total net assets	18,441,390	20,278,909
Total liabilities and net assets	47,145,623	53,757,629

(2) Semi-Annual Consolidated Statements of Income and Comprehensive Income

(Semi-Annual Consolidated Statement of Income)

(Thousands of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Net sales	37,212,524	41,694,039
Cost of sales	12,671,996	14,384,514
Gross profit	24,540,528	27,309,525
Selling, general and administrative expenses	22,927,322	26,221,472
Operating profit	1,613,206	1,088,052
Non-operating income		
Interest income	4,213	5,006
Dividend income	22,448	16,647
Rental income from buildings	23,588	22,463
Foreign exchange gains	12,183	6,393
Miscellaneous income	63,745	66,209
Total non-operating income	126,178	116,720
Non-operating expenses		
Interest expenses	76,015	95,513
Rental expenses on real estate	14,919	13,506
Miscellaneous losses	47,535	78,692
Total non-operating expenses	138,470	187,712
Ordinary profit	1,600,914	1,017,060
Extraordinary income		
Gain on sales of non-current assets	42	-
Reversal of foreign currency translation adjustments	-	14,029
Gain on negative goodwill	-	1,477,011
Total extraordinary income	42	1,491,041
Extraordinary losses		
Loss on retirement of non-current assets	10,704	15,365
Impairment losses	8,323	-
Loss on store closings	641	-
Loss on cancellation of rental contracts	612	-
Total extraordinary losses	20,282	15,365
Profit before income taxes	1,580,675	2,492,735
Income taxes - current	405,809	169,393
Income taxes - deferred	275,007	222,090
Total income taxes	680,816	391,483
Profit	899,858	2,101,251
Profit attributable to non-controlling interests	39,384	10,447
Profit attributable to owners of parent	860,473	2,090,804

(Semi-Annual Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Profit	899,858	2,101,251
Other comprehensive income		
Valuation difference on available-for-sale securities	131,665	202,110
Deferred gains or losses on hedges	28,388	(42,064)
Foreign currency translation adjustment	(9,954)	(9,583)
Total other comprehensive income	150,098	150,462
Comprehensive income	1,049,957	2,251,714
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,010,572	2,241,267
Comprehensive income attributable to non-controlling interests	39,384	10,447

(3) Semi-Annual Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Cash flows from operating activities		
Profit before income taxes	1,580,675	2,492,735
Depreciation	1,035,086	1,152,813
Amortization of goodwill	223,160	238,935
Gain on negative goodwill	-	(1,477,011)
Impairment losses	8,323	-
Reversal of foreign currency translation adjustments	-	(14,029)
Increase (decrease) in provision for bonuses	(64,067)	60,245
Increase (decrease) in allowance for doubtful accounts	6,405	(457)
Increase (decrease) in provision for loss on store closings	(1,463)	(1,575)
Increase (decrease) in retirement benefit liability	7,632	9,652
Interest and dividend income	(26,661)	(21,653)
Interest expenses	76,015	95,513
Gain on sale of non-current assets	(42)	-
Loss on retirement of non-current assets	10,704	15,365
Decrease (increase) in trade receivables	175,640	(12,706)
Decrease (increase) in inventories	(4,604)	77,750
Decrease (increase) in accounts receivable - other	(29,933)	13,515
Increase (decrease) in trade payables	(243,628)	(282,828)
Increase (decrease) in accounts payable - other	(340,622)	(19,956)
Increase (decrease) in accrued consumption taxes	(94,716)	(207,945)
Decrease (increase) in consumption taxes refund receivable	(3,093)	(8,229)
Other, net	88,096	(47,704)
Subtotal	2,402,907	2,062,428
Interest and dividends received	23,180	17,903
Interest paid	(75,302)	(114,304)
Income taxes paid	(359,355)	(564,206)
Income taxes refund	23,051	107
Net cash provided by (used in) operating activities	2,014,482	1,401,928
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,275,051)	(2,188,648)
Proceeds from sale of property, plant and equipment	43	-
Purchase of intangible assets	(37,650)	(251,024)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(313,764)	(2,756,669)
Payments for asset retirement obligations	(20,238)	(23,917)
Payments of guarantee deposits	(72,468)	(62,478)
Proceeds from refund of guarantee deposits	25,428	34,362
Payments of construction assistance fund receivables	(15,000)	(6,000)
Proceeds from collection of construction assistance fund receivables	37,481	39,168
Other, net	2,036	22,089
Net cash provided by (used in) investing activities	(1,669,182)	(5,193,117)

(Thousands of yen)

	First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	3,500,000
Repayments of long-term borrowings	(814,957)	(946,811)
Repayments of finance lease liabilities	(96,635)	(86,591)
Redemption of bonds	(543,750)	(663,750)
Dividends paid	(311,023)	(414,697)
Net cash provided by (used in) financing activities	(1,766,367)	1,388,149
Effect of exchange rate change on cash and cash equivalents	827	45
Net increase (decrease) in cash and cash equivalents	(1,420,240)	(2,402,993)
Cash and cash equivalents at beginning of period	12,567,643	13,287,030
Cash and cash equivalents at end of period	11,147,403	10,884,036

(4) Notes to Semi-Annual Consolidated Financial Statements

Changes in the Scope of Consolidation or Application of the Equity Method

Significant changes in the scope of consolidation

During the interim period under review, the Company acquired all of the shares of KYOTARU CO., LTD. and made it a subsidiary. As a result, the company and its consolidated subsidiary, KANZAN CO., LTD., are included in the scope of consolidation.

Significant Changes in Shareholders' Equity

I. First six months of FY3/26 (Apr. 1, 2025 – Sep. 30, 2025)

1. Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date	Source of funds
Board of Directors Meeting on May 20, 2025	Common shares	311,023	7.50	March 31, 2025	June 27, 2025	Retained earnings

Note: Total dividends paid in accordance with a resolution approved by the SRS Holdings Board of Directors on May 20, 2025 includes a payment of 890 thousand yen for shares held by Custody Bank of Japan, Ltd. (trust account) as trust assets of the Officers' Share Benefit Trust.

2. Significant changes in shareholders' equity

Not applicable.

II. First six months of FY3/27 (Apr. 1, 2026 – Sep. 30, 2026)

1. Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date	Source of funds
Board of Directors Meeting on May 19, 2026	Common shares	414,697	10.00	March 31, 2026	June 26, 2026	Retained earnings

Note: Total dividends paid in accordance with a resolution approved by the SRS Holdings Board of Directors on May 19, 2026 includes a payment of 1,156 thousand yen for shares held by Custody Bank of Japan, Ltd. (trust account) as trust assets of the Officers' Share Benefit Trust.

2. Significant changes in shareholders' equity

Not applicable.

Going Concern Assumption

Not applicable.

This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.