



May 9, 2025

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(Securities code: 8163, TSE Prime Market)
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Notice of Recording of Non-operating Income and Extraordinary Losses and Difference Between Full-Year Consolidated Earnings Forecasts and Actual Results

SRS HOLDINGS CO., LTD. (the “Company”) hereby announces that it has recorded non-operating income and extraordinary losses in its financial results for the fiscal year ended March 31, 2025, and that there is a difference between the full-year consolidated earnings forecasts for the fiscal year ended March 31, 2025, which was announced on May 15, 2024, and the actual results for the fiscal year ended March 31, 2025, which was announced today, as follows.

1. Details of Non-operating Income

Considering the financial condition of KAZOKUTEI CO., LTD., one of the Company's consolidated subsidiaries, the Company has recorded allowance for doubtful accounts on loans to the said company in previous fiscal years. However, as the performance of the said company recovered in the current fiscal year, the Company has decided to reverse the entire amount of allowance for doubtful accounts as a result of a review of the valuation.

As a result, in the non-consolidated financial statements for the fiscal year ended March 31, 2025, the Company recorded 870 million yen of reversal of allowance for doubtful accounts as non-operating income.

Since this reversal of allowance for doubtful accounts is eliminated in the consolidated financial statements, there is no impact on the consolidated results.

2. Details of Extraordinary Losses

(1) Recording of impairment losses on goodwill

Regarding NIS CO., LTD., which is one of the Company's consolidated subsidiaries, the unamortized balance of goodwill of 517 million yen and the unamortized balance of other intangible assets of 7 million yen in the consolidated financial statements have been recorded as impairment losses after considering the said company's financial conditions and future earnings forecasts.

(2) Recording of loss on valuation of shares of subsidiaries and associates

For the same reason as “(1) Recording of impairment losses on goodwill” above, the book value of NIS CO., LTD., one of the Company's consolidated subsidiaries, has been reduced to its actual value, and loss on valuation of shares of subsidiaries and associates of 760 million yen has been recorded in the non-consolidated financial statements.

Since this loss on valuation of shares of subsidiaries and associates is eliminated in the consolidated financial statements, there is no impact on the consolidated results.

3. Impact on Financial Results

The above information has been reflected in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]” announced today.

4. Difference Between Consolidated Earnings Forecasts and Actual Results

- (1) Difference between full-year consolidated earnings forecasts and actual results for the fiscal year ended March 31, 2025
(April 1, 2024 to March 31, 2025)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)
Previous forecast (A)	64,000	2,400	2,300	1,500
Actual results (B)	67,478	2,678	2,539	925
Difference (B-A)	3,478	278	239	(574)
Difference (%)	5.4%	11.6%	10.4%	(38.3%)
(Reference) Actual results for the previous fiscal year (Fiscal year ended March 31, 2024)	60,228	2,157	2,162	1,798

- (2) Reason for the difference

Regarding the full-year consolidated results for the fiscal year ended March 31, 2025, net sales, operating profit, and ordinary profit exceeded the previous forecast due to solid demand for eating out on the back of an improvement in the income and employment environment, in addition to an increase in the flow of people and demand from inbound tourists, as well as a favorable number of customers and average spending per customer resulting from successful merchandise and marketing measures in each business category. On the other hand, as stated in “2. Details of Extraordinary Losses” above, impairment losses on goodwill of 517 million yen were recorded. As a result, profit attributable to owners of parent fell below the previous forecast.