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July 8, 2025

Consolidated Financial Results for the Six Months Ended May 31, 2025 (Under Japanese GAAP)

Company name: SALA Corporation
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 2734
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 Scheduled date to file semi-annual securities report: July 10, 2025
 Scheduled date to commence dividend payments: July 31, 2025
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended May 31, 2025 (from December 1, 2024 to May 31, 2025)

(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	%
May 31, 2025	131,253	10.4	5,886	20.4	5,732	(6.4)	4,051	(5.9)
May 31, 2024	118,897	(5.6)	4,889	(2.6)	6,127	7.9	4,304	(9.3)

Note: Comprehensive income For the six months ended May 31, 2025: ¥3,896 million [(24.4)%]
 For the six months ended May 31, 2024: ¥5,151 million [8.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
May 31, 2025	63.12	—
May 31, 2024	67.25	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2025	209,080	88,410	41.5
November 30, 2024	202,281	85,618	41.5

Reference: Equity

As of May 31, 2025: ¥86,670 million
 As of November 30, 2024: ¥83,985 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended November 30, 2024	Yen —	Yen 13.00	Yen —	Yen 17.00	Yen 30.00
Fiscal year ending November 30, 2025	—	16.00			
Fiscal year ending November 30, 2025 (Forecast)			—	16.00	32.00

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

3. Consolidated earnings forecasts for the fiscal year ending November 30, 2025 (from December 1, 2024 to November 30, 2025)

(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 November 30, 2025	263,000	9.4	7,200	14.1	7,700	(6.0)	5,100	(2.8)	79.47

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

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

Newly included: five companies (Company name) YASUE Corp., 4 other companies

Excluded: companies

Note: For details, please refer to “(4) Notes to semi-annual consolidated financial statements, Significant changes in the scope of consolidation during the period” of “2. Semi-annual consolidated financial statements and significant notes thereto” on page 16 of the attachment.

- (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: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “(4) Notes to semi-annual consolidated financial statements, Notes on changes in accounting policies” of “2. Semi-annual consolidated financial statements and significant notes thereto” on page 12 of the attachment.

- (4) Number of issued shares (common shares)

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

As of May 31, 2025	66,041,147 shares
As of November 30, 2024	66,041,147 shares

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

As of May 31, 2025	1,823,987 shares
As of November 30, 2024	1,863,033 shares

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

Six months ended May 31, 2025	64,189,510 shares
Six months ended May 31, 2024	64,012,685 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors.

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1. Overview of operating results, etc.

(1) Overview of operating results for the period

During the first six months of the fiscal year ending November 30, 2025, although the Japanese economy saw progress in the improvement in corporate earnings and followed a moderate trend of recovery, the economic outlook remained uncertain because of increased geopolitical risks with the further escalation of tensions in the Middle East, and also concerns about the impact of trade policy trends of the U.S. administration.

Under these conditions, the SALA Group focused on initiatives on the key strategies of the fifth medium-term management plan, which started from fiscal year ended November 30, 2023. The key strategies are “service and business development in the Life Creative Business Unit* and transformation of the business format,” “enhancing brand value through ‘customer experience’ that exceeds expectations,” “business creation through ‘co-creation’ with parties inside and outside the Group,” “improving profitability in existing business fields,” and “transforming into an organizational culture that attracts people who ‘think and act on their own initiative.’” In the current fiscal year, the final year of the plan, while advancing collaboration and co-creation among companies within and outside the Group and new value creation through proactive investment in growth, the Company has set our sights on making a quantum leap in growth in the housing and daily living related business field, beginning with the reform business.

During the first six months of the current fiscal year, SALA ENERGY CO., LTD., which is the Energy & Solutions business, proceeded with the structuring and preparations to introduce the next version of its core system to transform operations through the use of digital technology and to provide high-quality services tailored to each individual customer.

The Engineering & Maintenance business proactively developed solutions related to equipment for saving and generating energy and the conversion of buildings to ZEBs (net-Zero Energy Buildings), and promoted business expansion by cultivating new customers.

SALA HOUSE CO., LTD., which is the Housing business, commenced sales of the new product SINKA KIWAMI, a flagship product which satisfies grade 7 insulation performance, the highest level in Japan, as the top-end model of the “SINKA” series, custom-built house products that conform with the Net-zero Energy House (ZEH) standard in January 2025.

ASCO Co., Ltd., which operates the Animal Health Care business, has entrusted warehouse operations and delivery operations to SALA Logistics, and has been working to strengthen its organizational sales capabilities through the separation of the delivery operations from the sales activities.

As one of the new growth investment initiatives, the Company made a takeover bid (TOB) for YASUE Corp. which mainly operates a home renovation business, and made it a consolidated subsidiary in December 2024. We have launched a project to realize synergies, and currently started mutual utilization of customer base, review of the organizational structure, and other measures, aiming for further growth in the housing and daily living related business field.

As for operating results for the first six months of the current fiscal year, net sales increased by 10.4% year on year to ¥131,253 million due to increases in revenue in the Energy & Solutions business and other businesses. As for profit, operating profit increased by 20.4% year on year to ¥5,886 million due to the Energy & Solutions business and the Engineering & Maintenance business posting an increased profit. Ordinary profit decreased by 6.4% year on year to ¥5,732 million due to recording of loss on valuation of derivatives on forward exchange contracts of ¥430 million in non-operating expenses, and profit attributable to owners of parent decreased by 5.9% year on year to ¥4,051 million.

* “Life Creative Business Unit” refers to business areas for daily living other than the energy business.

Operating results of each segment are as follows.

Energy & Solutions business

Net sales ¥68,010 million (up 5.7% year on year)

Operating profit ¥5,080 million (up 27.0% year on year)

The sales volume of city gas increased mainly for home use and commercial use. Consequently, net sales increased. As for profit, in addition to an increase in sales volume of gas, the steady operation of biomass power plants made a contribution. In addition, operating profit increased due to the efforts to reduce selling, general and administrative expenses.

Engineering & Maintenance business

Net sales ¥17,210 million (up 16.6% year on year)

Operating profit ¥1,971 million (up 49.8% year on year)

Orders were strong in all departments, including equipment work, civil engineering, and construction and maintenance, and the number of completed projects increased, leading to an increase in net sales. As for profit, operating profit increased due to an increase in the net sales of completed projects, and an increase in the profit margin of completed projects of each department as a result of continuous efforts to improve process management.

Housing business

Net sales ¥20,417 million (up 31.6% year on year)

Operating loss ¥56 million (operating loss of ¥180 million for the same period of the previous fiscal year)

In the housing sales department, although the number of custom-built houses sold decreased, in the housing components and materials processing and sales department, orders from clients, including home builders and construction companies, increased. In addition to the above, net sales increased and operating loss narrowed due to the inclusion of the financial results of YASUE Corp. from the current fiscal year.

Car Life Support business

Net sales ¥9,006 million (up 12.2% year on year)

Operating loss ¥693 million (operating loss of ¥238 million for the same period of the previous fiscal year)

The number of Volkswagen new cars sold increased as a result of a recovery in shipments of imported cars received in Japan. In addition, net sales increased due to the progress in disposing of inventory of used cars previously purchased for sale. As for profit, operating loss was recorded due to the impact of the inventory disposal stated above, as well as a decrease in the number of Volkswagen used cars sold.

Animal Health Care business

Net sales ¥12,376 million (down 5.3% year on year)

Operating loss ¥83 million (operating profit of ¥170 million for the same period of the previous fiscal year)

In the livestock farming department, orders for veterinary medical products, etc. were steady, but in the pet-related department, there was a loss of the handling of therapeutic foods due to a change in the commercial distribution of suppliers. As a result, net sales decreased. As for profit, operating loss was recorded due to a decrease in gross profit of the pet-related department and an increase in selling, general and administrative expenses following the business restructuring.

Properties business

Net sales ¥3,279 million (up 44.9% year on year)

Operating loss ¥3 million (operating profit of ¥6 million for the same period of the previous fiscal year)

In the real estate properties department, net sales increased as the delivery of apartments in a condominium apartment building that was completed in the previous fiscal year progressed, and sale transactions of company-owned assets and purchase and resale transactions increased. As for profit, operating loss was recorded mainly due to the sluggish trend in the number of wedding ceremonies for bridal services in the hospitality department.

(2) Overview of financial position for the period**(i) Assets, liabilities and net assets****Assets**

Assets were ¥209,080 million, up ¥6,799 million from November 30, 2024. This was mainly due to increases in “cash and deposits” by ¥3,464 million, “property, plant and equipment” by ¥2,404 million, “intangible assets” by ¥1,956 million, and “merchandise and finished goods” by ¥1,378 million, despite decreases in “notes and accounts receivable - trade, and contract assets” by ¥1,983 million, and “other” under current assets by ¥689 million.

Liabilities

Liabilities were ¥120,670 million, up ¥4,007 million from November 30, 2024. This was mainly due to increases in “long-term borrowings (including current portion)” by ¥7,197 million, “electronically recorded obligations - operating” by ¥2,696 million and “other” under current liabilities by ¥1,317 million, despite decreases in “notes and accounts payable - trade” by ¥6,148 million and “provision for bonuses” by ¥1,059 million.

Net assets

Net assets were ¥88,410 million, up ¥2,791 million from November 30, 2024. This was mainly due to an increase in “retained earnings” of ¥2,866 million (increased by ¥4,051 million due to recording of profit attributable to owners of parent, decreased by ¥1,122 million due to payment of dividends and decreased by ¥62 million due to change in scope of consolidation).

(ii) Cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) in the six months ended May 31, 2025 increased by ¥3,466 million in total, resulting from net cash provided by operating activities of ¥6,507 million, net cash used in investing activities of ¥7,499 million, and net cash provided by financing activities of ¥4,458 million. As a result, cash and cash equivalents at the end of the six months ended May 31, 2025 were ¥29,490 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥6,507 million (¥5,650 million provided in the same period of the previous fiscal year). This was mainly due to increase factors such as “profit before income taxes” of ¥5,720 million, “decrease in trade receivables” of ¥3,320 million, “depreciation” of ¥3,199 million and “other” under cash flows from operating activities of ¥726 million, and decrease factors including “decrease in trade payables” of ¥3,992 million, “income taxes paid” of ¥1,431 million and “decrease in provision for bonuses” of ¥1,217 million.

Cash flows from investing activities

Net cash used in investing activities was ¥7,499 million (¥5,990 million used in the same period of the previous fiscal year). This was mainly due to decrease factors such as “purchase of property, plant and equipment” of ¥5,225 million, “purchase of shares of subsidiaries resulting in change in scope of consolidation” of ¥1,670 million and “purchase of intangible assets” of ¥1,114 million, and increase factors including “proceeds from collection of loans receivable” of ¥471 million.

Cash flows from financing activities

Net cash provided by financing activities was ¥4,458 million (¥3,068 million provided in the same period of the previous fiscal year). This was mainly due to an increase factor, which is “proceeds from long-term borrowings” of ¥10,400 million, and decrease factors including “repayments of long-term borrowings” of ¥4,340 million, “dividends paid” of ¥1,117 million and “net decrease in short-term borrowings” of ¥367 million.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

There is no change to the consolidated earnings forecasts for the full-year earnings forecasts announced on April 7, 2025.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of November 30, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	26,396	29,860
Notes and accounts receivable - trade, and contract assets	35,400	33,416
Electronically recorded monetary claims - operating	2,206	2,482
Merchandise and finished goods	13,897	15,275
Work in process	4,496	5,308
Raw materials and supplies	535	303
Other	6,592	5,902
Allowance for doubtful accounts	(288)	(193)
Total current assets	89,235	92,357
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,931	21,889
Machinery, equipment and vehicles, net	6,539	6,392
Gas pipe, net	14,774	13,879
Land	32,750	33,722
Construction in progress	3,742	5,243
Other, net	1,471	1,487
Total property, plant and equipment	80,210	82,615
Intangible assets		
Goodwill	401	1,208
Other	4,168	5,318
Total intangible assets	4,570	6,526
Investments and other assets		
Investment securities	10,374	10,837
Long-term loans receivable	1,616	1,218
Retirement benefit asset	5,579	5,603
Deferred tax assets	3,251	3,103
Other	7,875	7,246
Allowance for doubtful accounts	(432)	(428)
Total investments and other assets	28,265	27,580
Total non-current assets	113,045	116,722
Total assets	202,281	209,080

(Millions of yen)

	As of November 30, 2024	As of May 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,190	21,042
Electronically recorded obligations - operating	3,096	5,793
Short-term borrowings	5,990	5,805
Current portion of long-term borrowings	8,234	8,580
Income taxes payable	1,577	1,625
Provision for bonuses	2,549	1,489
Provision for bonuses for directors (and other officers)	6	3
Provision for warranties for completed construction	53	93
Provision for loss on construction contracts	41	61
Provision for point card certificates	238	233
Other	13,963	15,280
Total current liabilities	62,943	60,009
Non-current liabilities		
Long-term borrowings	40,386	47,238
Deferred tax liabilities	1,156	1,196
Provision for retirement benefits for directors (and other officers)	171	165
Provision for share-based payments	468	533
Provision for repairs	90	99
Retirement benefit liability	8,519	8,600
Other	2,926	2,826
Total non-current liabilities	53,718	60,661
Total liabilities	116,662	120,670
Net assets		
Shareholders' equity		
Share capital	8,025	8,025
Capital surplus	25,307	25,321
Retained earnings	45,859	48,726
Treasury shares	(1,231)	(1,205)
Total shareholders' equity	77,959	80,866
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,555	1,756
Deferred gains or losses on hedges	466	215
Remeasurements of defined benefit plans	4,003	3,832
Total accumulated other comprehensive income	6,025	5,803
Non-controlling interests	1,633	1,739
Total net assets	85,618	88,410
Total liabilities and net assets	202,281	209,080

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

(Millions of yen)

	Six months ended May 31, 2024	Six months ended May 31, 2025
Net sales	118,897	131,253
Cost of sales	88,823	98,397
Gross profit	30,074	32,856
Selling, general and administrative expenses	25,185	26,969
Operating profit	4,889	5,886
Non-operating income		
Interest income	22	26
Dividend income	43	44
Gain on valuation of derivatives	892	–
Share of profit of entities accounted for using equity method	216	203
Other	241	258
Total non-operating income	1,415	533
Non-operating expenses		
Interest expenses	97	169
Loss on valuation of derivatives	–	430
Other	80	86
Total non-operating expenses	177	687
Ordinary profit	6,127	5,732
Extraordinary income		
Gain on sale of non-current assets	62	22
Gain on reversal of share acquisition rights	–	71
Gain on sale of investment securities	–	3
Total extraordinary income	62	96
Extraordinary losses		
Loss on sale and retirement of non-current assets	79	102
Loss on sale of investment securities	1	7
Total extraordinary losses	81	109
Profit before income taxes	6,108	5,720
Income taxes - current	1,405	1,436
Income taxes - deferred	328	165
Total income taxes	1,734	1,602
Profit	4,374	4,117
Profit attributable to non-controlling interests	69	66
Profit attributable to owners of parent	4,304	4,051

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended May 31, 2024	Six months ended May 31, 2025
Profit	4,374	4,117
Other comprehensive income		
Valuation difference on available-for-sale securities	595	201
Deferred gains or losses on hedges	252	(250)
Remeasurements of defined benefit plans, net of tax	(69)	(172)
Total other comprehensive income	777	(221)
Comprehensive income	5,151	3,896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,082	3,830
Comprehensive income attributable to non-controlling interests	69	66

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended May 31, 2024	Six months ended May 31, 2025
Cash flows from operating activities		
Profit before income taxes	6,108	5,720
Depreciation	3,234	3,199
Amortization of goodwill	62	130
Increase (decrease) in allowance for doubtful accounts	(34)	(101)
Increase (decrease) in provision for bonuses	(1,152)	(1,217)
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	(2)
Increase (decrease) in provision for warranties for completed construction	2	2
Increase (decrease) in provision for loss on construction contracts	(19)	19
Increase (decrease) in provision for point card certificates	(2)	(4)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	(5)
Increase (decrease) in provision for share-based payments	(92)	64
Increase (decrease) in provision for repairs	10	10
Increase (decrease) in retirement benefit liability	151	62
Decrease (increase) in retirement benefit asset	(22)	(23)
Interest and dividend income	(66)	(71)
Interest expenses	97	167
Share of loss (profit) of entities accounted for using equity method	(216)	(203)
Loss (gain) on valuation of derivatives	(892)	430
Loss (gain) on sale and retirement of non-current assets	(39)	6
Loss (gain) on sale of investment securities	1	3
Gain on reversal of share acquisition rights	–	(71)
Decrease (increase) in trade receivables	4,395	3,320
Decrease (increase) in inventories	(2,683)	(145)
Increase (decrease) in trade payables	(4,099)	(3,992)
Increase (decrease) in long-term accounts payable - other	(162)	(2)
Other, net	1,191	726
Subtotal	5,769	8,022
Interest and dividends received	67	73
Interest paid	(94)	(157)
Income taxes paid	(90)	(1,431)
Net cash provided by (used in) operating activities	5,650	6,507

(Millions of yen)

	Six months ended May 31, 2024	Six months ended May 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,254)	(5,225)
Proceeds from sale of property, plant and equipment	272	137
Purchase of intangible assets	(558)	(1,114)
Purchase of investment securities	(128)	(44)
Proceeds from sale of investment securities	120	34
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	100	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,670)
Loan advances	(20)	(10)
Proceeds from collection of loans receivable	420	471
Other, net	57	(77)
Net cash provided by (used in) investing activities	(5,990)	(7,499)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,009)	(367)
Proceeds from long-term borrowings	8,609	10,400
Repayments of long-term borrowings	(3,682)	(4,340)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	153	26
Dividends paid	(855)	(1,117)
Dividends paid to non-controlling interests	(5)	(6)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3)	(5)
Repayments of finance lease liabilities	(136)	(130)
Net cash provided by (used in) financing activities	3,068	4,458
Net increase (decrease) in cash and cash equivalents	2,728	3,466
Cash and cash equivalents at beginning of period	22,547	26,024
Cash and cash equivalents at end of period	25,276	29,490

(4) Notes to semi-annual consolidated financial statements**Notes on changes in accounting policies**

Application of the “Accounting Standard for Current Income Taxes,” etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the first half of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first half of the current fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the semi-annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the semi-annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Notes on segment information, etc.**I For the six months ended May 31, 2024****1. Disclosure of sales and profit (loss) for each reportable segment and disaggregation of revenue**

(Millions of yen)

	Reportable segments				
	Energy & Solutions business	Engineering & Maintenance business	Housing business	Car Life Support business	Animal Health Care business
Net sales					
City gas	24,781	—	—	—	—
LP gas	16,781	—	—	—	—
Electric power	7,447	—	—	—	—
Civil engineering work, construction work, equipment work	—	14,759	—	—	—
Housing, construction materials	—	—	15,511	—	—
Automotive sales and maintenance	—	—	—	8,030	—
Veterinary medical products	—	—	—	—	13,067
Lease, sale and purchase, and brokerage of real estate, hotel	—	—	—	—	—
Other	15,315	—	—	—	—
Revenue from contracts with customers	64,326	14,759	15,511	8,030	13,067
Other revenue (Note 4)	—	—	—	—	—
Sales to external customers	64,326	14,759	15,511	8,030	13,067
Intersegment sales or transfers	1,095	2,452	5	3	0
Total	65,421	17,212	15,516	8,033	13,068
Segment profit (loss)	3,998	1,316	(180)	(238)	170

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Properties business	Total				
Net sales						
City gas	—	24,781	—	24,781	—	24,781
LP gas	—	16,781	—	16,781	—	16,781
Electric power	—	7,447	—	7,447	—	7,447
Civil engineering work, construction work, equipment work	—	14,759	—	14,759	—	14,759
Housing, construction materials	—	15,511	—	15,511	—	15,511
Automotive sales and maintenance	—	8,030	—	8,030	—	8,030
Veterinary medical products	—	13,067	—	13,067	—	13,067
Lease, sale and purchase, and brokerage of real estate, hotel	2,263	2,263	—	2,263	—	2,263
Other	—	15,315	749	16,065	74	16,140
Revenue from contracts with customers	2,263	117,958	749	118,708	74	118,783
Other revenue (Note 4)	—	—	114	114	—	114
Sales to external customers	2,263	117,958	864	118,822	74	118,897
Intersegment sales or transfers	245	3,802	971	4,773	(4,773)	—
Total	2,508	121,761	1,835	123,596	(4,699)	118,897
Segment profit (loss)	6	5,073	49	5,122	(233)	4,889

(Notes) 1. The “other” category represents operating segments that are not included in reportable segments, and includes manufacturing auto parts, installment sale and lease.

- Adjustment to segment profit (loss) of ¥(233) million includes intersegment eliminations of ¥547 million and corporate expenses of ¥(781) million. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.
- Segment profit (loss) was adjusted with operating profit in the semi-annual consolidated statement of income.
- “Other revenue” includes revenue on lease, etc.

- Disclosure of impairment losses on non-current assets or goodwill for each reportable segment

Not applicable.

II For the six months ended May 31, 2025

1. Disclosure of sales and profit (loss) for each reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable segments				
	Energy & Solutions business	Engineering & Maintenance business	Housing business	Car Life Support business	Animal Health Care business
Net sales					
City gas	25,099	—	—	—	—
LP gas	18,312	—	—	—	—
Electric power	7,854	—	—	—	—
Civil engineering work, construction work, equipment work	—	17,210	—	—	—
Housing, construction materials	—	—	16,017	—	—
Automotive sales and maintenance	—	—	—	9,006	—
Veterinary medical products	—	—	—	—	12,376
Lease, sale and purchase, and brokerage of real estate, hotel	—	—	—	—	—
Other	16,743	—	4,399	—	—
Revenue from contracts with customers	68,010	17,210	20,417	9,006	12,376
Other revenue (Note 4)	—	—	—	—	—
Sales to external customers	68,010	17,210	20,417	9,006	12,376
Intersegment sales or transfers	1,302	2,120	10	4	2
Total	69,312	19,331	20,428	9,010	12,379
Segment profit (loss)	5,080	1,971	(56)	(693)	(83)

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Properties business	Total				
Net sales						
City gas	—	25,099	—	25,099	—	25,099
LP gas	—	18,312	—	18,312	—	18,312
Electric power	—	7,854	—	7,854	—	7,854
Civil engineering work, construction work, equipment work	—	17,210	—	17,210	—	17,210
Housing, construction materials	—	16,017	—	16,017	—	16,017
Automotive sales and maintenance	—	9,006	—	9,006	—	9,006
Veterinary medical products	—	12,376	—	12,376	—	12,376
Lease, sale and purchase, and brokerage of real estate, hotel	3,279	3,279	—	3,279	—	3,279
Other	—	21,143	722	21,865	89	21,954
Revenue from contracts with customers	3,279	130,300	722	131,023	89	131,112
Other revenue (Note 4)	—	—	141	141	—	141
Sales to external customers	3,279	130,300	863	131,164	89	131,253
Intersegment sales or transfers	260	3,701	936	4,637	(4,637)	—
Total	3,540	134,001	1,800	135,802	(4,548)	131,253
Segment profit (loss)	(3)	6,214	43	6,257	(371)	5,886

- (Notes) 1. The “other” category represents operating segments that are not included in reportable segments, and includes manufacturing auto parts, installment sale and lease.
2. Adjustment to segment profit (loss) of ¥(371) million includes intersegment eliminations of ¥575 million and corporate expenses of ¥(946) million. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.
3. Segment profit (loss) was adjusted with operating profit in the semi-annual consolidated statement of income.
4. “Other revenue” includes revenue on lease, etc.

2. Disclosure of impairment losses on non-current assets or goodwill for each reportable segment

(Significant changes in the amount of goodwill)

In “Housing business,” goodwill increased by ¥918 million since the Company acquired shares of YASUE Corp. and made it a consolidated subsidiary of the Company.

Notes on significant changes in the amount of shareholders’ equity

Not applicable.

Notes on uncertainties of entity’s ability to continue as going concern

Not applicable.

Significant changes in the scope of consolidation during the period

During the six months ended May 31, 2025, the Company acquired shares of YASUE Corp. and as a result, YASUE Corp. and its four subsidiaries have been included in the scope of consolidation.

Notes on business combinations

(Acquisition of shares of YASUE Corp.)

1. Outline of business combination

(1) Name and business activities of the acquired company

Name	YASUE Corp. and other four companies
Business Activities	Home reform and renovation, development and sales of original construction materials, design and construction of custom-built houses, sale and purchase and brokerage of real estate, etc.

(2) Main reason for business combination

In the fifth medium-term management plan (from the fiscal year ended November 30, 2023 to the fiscal year ending November 30, 2025), the Group is focusing on service and business development and transformation of the business format as key strategies to achieve dramatic growth in the Life Creative Business Unit, which is centered on housing and daily living related businesses. The main areas of the Group are the Higashi Mikawa and Hamamatsu regions, and in the housing-related business, we are engaged in contracting of custom-built homes, sale of lot houses, contracting of building renovations, sale and purchase, lease, brokerage and management of real estate, and processing and sale of housing components and materials, among others, and in particular, we are focusing on the construction and promotion of a stock business model for existing housing. As YASUE Corp. has a high level of expertise in the field of home renovation and is expanding its business in western Japan centered on the Nagoya and Owari regions, the Company has determined that YASUE Corp. is a partner that is highly complementary to the Group in terms of business areas, and that it will contribute to the realization of the Group's strategy.

Moreover, in order to quickly improve the system for dealing with customers and the quality and efficiency of the business, and to aim for business expansion with both companies working as one, the Company deemed it necessary to develop flexible and agile measures under a consistent management policy, and therefore the Company acquired the shares of YASUE and made it a consolidated subsidiary.

(3) Date of business combination

December 26, 2024 (deemed acquisition date: December 1, 2024)

(4) Period of the acquired company's financial results included in the consolidated financial statements

Since the deemed acquisition date is December 1, 2024, financial results in the period from December 1, 2024 to May 31, 2025 are included.

(5) Legal form of business combination

Share acquisition in consideration for cash

(6) Name of company after combination

There is no change in the name of company after combination.

(7) Ratio of voting rights acquired

Ratio of voting rights acquired on the business combination date	94.46%
Ratio of voting rights additionally acquired by demand for sale	5.54%
Ratio of voting rights after the acquisition	100.00%

(Note) On January 14, 2025, the Company made a demand to sell all the shares of YASUE Corp. based on Article 179, paragraph (1) of the Companies Act to non-controlling shareholders excluding the said company. Following the approval of the said company's Board of Directors, it became a wholly owned subsidiary of the Company on February 14, 2025.

(8) Main reason for deciding the acquiring company

The Company is the acquiring company as it acquired the shares in consideration for cash.

2. Acquisition cost for the acquired company and components thereof by consideration type

(1) Consideration for acquisition

Consideration for acquisition	Cash	¥3,641 million
Acquisition cost		¥3,641 million

The amount shown above represents the total of ¥3,439 million of consideration for the acquisition related to shares acquired as of December 26, 2024 through the takeover bid, and ¥201 million of consideration for the acquisition related to shares acquired as of February 14, 2025 by the demand for sale of shares.

(2) Details and amounts of major acquisition-related expenses

Advisory fees, etc.	¥311 million
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3. Amount of goodwill recognized, reason for recognition, amortization method and amortization period

(1) Amount of goodwill recognized

¥918 million

Though the provisional accounting treatment was applied for the first quarter of the current fiscal year, the allocation of acquisition cost has been completed in the six months ended May 31, 2025.

(2) Reason for recognition

It arose due to future excess earnings power expected from business development going forward.

(3) Method and period of amortization

Straight-line method over seven years

4. Amount of assets to be received and liabilities to be assumed on the date of business combination, and main components thereof

	(Millions of yen)
Current assets	4,276
Non-current assets	1,599
Total assets	5,875
Current liabilities	2,446
Non-current liabilities	916
Total liabilities	3,363

5. Allocation of acquisition cost

Type	Amount	Amortization period
Intangible assets related to trademarks	¥652 million	7 years

Notes on significant events after reporting period

Not applicable.