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Notice Concerning Transfer of Fixed Assets, Recognition of Extraordinary Income, and Revisions to the Consolidated and Non-Consolidated Earnings Forecasts

December 11, 2025

To Whom It May Concern:

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Shinagawa Refra Co.,Ltd. (the "Company") hereby announces that it has resolved its own transfer of fixed assets at the Board of Directors meeting on December 11, 2025.

As a result, the Company has revised the full year consolidated and non-consolidated earnings forecast for the fiscal year ended March 31, 2026, announced on November 11, 2025, as follows.

Notation

1. Transfer of Fixed Assets and Recording of Extraordinary Income

(1) Reason for transfer

The transferred assets had been operated as rental properties. However, the Company decided to transfer them in order to strengthen its financial position by repaying interest-bearing debt and to secure investment funds for sustainable growth.

(2) Details of the assets to be transferred

| Details and location of assets | Gain on transfer | Current status |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------|
| Land (Land area: 4,059 m ²) / Buildings (Floor area: 9,962 m ²) 5-2, Jingumae 5-chome, Shibuya-ku, Tokyo | Approx. 28,000 million yen | Leasing Land |

- The transfer price and book value are not disclosed in the agreement with the transferee, but are transferred at an appropriate price reflecting the market price.
- The gain on transfer is approximate amount obtained by deducting the book value and the estimated costs related to the transfer from the transfer value.

(3) Overview of the transferee

The transfer partner (domestic corporation) will not be disclosed in accordance with the arrangement with the other party. There are no notable capital, personal or business relationships between the transferee and the Company.

(4) Schedule of the transfer

| | |
|-------------------------------------------------------------|-------------------|
| Date of decision | December 11, 2025 |
| Date of conclusion of transfer agreement (scheduled) | December 12, 2025 |
| Date of handover of the asset to be transferred (scheduled) | December 19, 2025 |

(5) Impact on financial results

As a result of this transfer of fixed assets, the Company expects to record approximately 28,000 million yen of gain on sale of fixed assets to be included in extraordinary income in the consolidated and non-consolidated financial statements for the fiscal year ended March 31, 2026.

2. Revisions to the Consolidated Earnings Forecasts

Figures for the consolidated earnings forecasts in full year for the fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

| | Sales | EBITDA | Operating profit | Ordinary profit | Net income attributable to owners of the parent | Net income Per share |
|----------------------------------------------------------------------------------------------------------------|-------------|-------------|------------------|-----------------|-------------------------------------------------|----------------------|
| | Million yen | Million yen | Million yen | Million yen | Million yen | Yen |
| Previous forecast (A) | 176,000 | 23,000 | 14,500 | 14,900 | 13,000 | 284.88 |
| Revised forecast (B) | 176,000 | 23,000 | 14,500 | 14,900 | 31,000 | 679.33 |
| Change (B-A) | 0 | 0 | 0 | 0 | 18,000 | 394.45 |
| Change (%) | 0 | 0 | 0 | 0 | 138.5 | - |
| (Reference) Consolidated Results for the Previous Fiscal Year (Full year for the Fiscal Year Ended March 2025) | 144,072 | 17,953 | 13,278 | 13,655 | 9,778 | 214.48 |

⟨Reasons for the revisions⟩

Regarding full-year consolidated earnings for the fiscal year ended March 31, 2026, as described in "1. Transfer of Fixed Assets and Recording of Extraordinary Income," the gain on sale of fixed assets is expected to be recorded as extraordinary income, so net income attributable to owners of the parent is expected to exceed the previous forecast. In light of these factors, the Company has decided to revise its earnings forecasts.

As mentioned above, the Company plans to use the proceeds from this transfer of fixed assets for the repayment of interest-bearing debt and for investment toward sustainable growth. Therefore, the Company will not change the annual dividend forecast of 90 yen announced on May 15, 2025.

Going forward, the Company will continue to maintain a sound financial position by promoting the sale of assets. At the same time, the Company will aim to steadily implementation its growing strategy and further improve our corporate value.

3. Revisions to the Non-Consolidated Earnings Forecasts

Figures for the non-consolidated earnings forecasts in full year for the fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

| | Sales | Operating profit | Ordinary profit | Net income | Net income Per share |
|---------------------------------------------|-------------|------------------|-----------------|-------------|----------------------|
| | Million yen | Million yen | Million yen | Million yen | Yen |
| Previous forecast (A) | 85,500 | 7,500 | 10,500 | 12,500 | 273.92 |
| Revised Forecast (B) | 85,500 | 7,500 | 10,500 | 32,500 | 712.20 |
| Change (B-A) | 0 | 0 | 0 | 20,000 | 438.28 |
| Change (%) | 0 | 0 | 0 | 160.0 | - |
| Actual results for the previous fiscal year | 85,410 | 7,367 | 8,666 | 7,493 | 164.38 |

⟨Reasons for the revisions⟩

Regarding full-year non-consolidated earnings for the fiscal year ended March 31, 2026, as described above, gain on sale of fixed assets is expected to be recorded as extraordinary income, so net income is expected to exceed the previous forecast. In light of these factors, the Company has decided to revise its earnings forecasts.