

November 11, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: SERENDIP HOLDINGS CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 7318
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 Scheduled date to file semi-annual securities report: November 12, 2025
 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, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(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, 2025	19,290	96.9	699	139.8	585	47.3	3,064	-
September 30, 2024	9,795	3.2	291	(26.7)	397	(15.3)	177	(53.0)

Note: Comprehensive income For the six months ended September 30, 2025: ¥2,852 million [-%]
 For the six months ended September 30, 2024: ¥(544) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	673.77	662.03
September 30, 2024	39.45	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	55,051	14,231	20.1
March 31, 2025	32,241	8,132	24.8

Reference: Equity
 As of September 30, 2025: ¥11,077 million
 As of March 31, 2025: ¥7,989 million

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, 2025	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)				0.00	0.00

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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 March 31, 2026	50,000	99.0	2,250	206.3	2,180	196.6	3,900	86.8	853.38

Note: Revisions to the earnings forecasts most recently announced: Yes

2. The total number of shares outstanding used to calculate the expected net income per share is the currently projected average number of shares during the period.

* **Notes**

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

Newly included: 8 companies (Surtech Kariya Group (Surtech Kariya Co., Ltd. and 7 other companies))

Excluded: 5 companies (Iwa Co., Ltd., Excel Holdings Co., Ltd., Excel Manufacturing Co., Ltd., Excel Engineering Co., Ltd., Excel Logistics Co., Ltd.)

Note: For details, please refer to Appendix P.10 "2. Please refer to Interim Consolidated Financial Statements and Main Notes (4) Notes on Interim Consolidated Financial Statements (Changes in the Scope of Consolidation or Scope of Application by the Equity Method).

(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, 2025	4,764,479 shares
As of March 31, 2025	4,751,365 shares

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

As of September 30, 2025	173,280 shares
As of March 31, 2025	234,942 shares

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

Six months ended September 30, 2025	4,549,001 shares
Six months ended September 30, 2024	4,512,279 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

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P.4 "1. Qualitative Information on the Interim Financial Results (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	6,502,528	12,270,618
Notes and accounts receivable - trade, and contract assets	5,100,138	8,524,135
Operational investment securities	180,000	180,000
Merchandise and finished goods	731,693	1,150,948
Work in process	305,820	640,702
Raw materials and supplies	1,963,545	2,872,198
Accounts receivable - other	559,172	597,657
Other	883,090	857,036
Allowance for doubtful accounts	(32,086)	(27,514)
Total current assets	16,193,903	27,065,784
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,209,919	18,021,115
Machinery, equipment and vehicles	10,635,809	29,431,383
Tools, furniture and fixtures	10,287,924	12,154,089
Land	3,510,447	9,355,427
Leased assets	470,167	485,749
Construction in progress	2,231,115	1,296,333
Accumulated depreciation	(23,075,393)	(48,335,087)
Total property, plant and equipment	11,269,990	22,409,012
Intangible assets		
Software	53,970	72,112
Goodwill	1,018,742	954,445
Intangible assets	5,250	1,750
Other	15,000	30,000
Total intangible assets	1,092,963	1,058,308
Investments and other assets		
Investment securities	2,421,890	2,645,893
Shares of subsidiaries and associates	23,490	21,404
Long-term prepaid expenses	222,952	331,807
Retirement benefit asset	175,431	173,559
Deferred tax assets	112,615	441,765
Insurance funds	480,987	542,306
Other	250,165	428,717
Allowance for doubtful accounts	(2,569)	(67,439)
Total investments and other assets	3,684,964	4,518,016
Total non-current assets	16,047,918	27,985,337
Total assets	32,241,822	55,051,121

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,551,976	7,499,877
Electronically recorded obligations - operating	887,769	1,214,679
Short-term borrowings	2,700,000	5,040,000
Current portion of long-term borrowings	1,196,727	4,163,264
Accounts payable - other	1,617,250	1,374,616
Accrued expenses	394,927	455,265
Advances received	283,972	956,848
Income taxes payable	1,012,629	758,328
Accrued consumption taxes	152,121	203,524
Provision for bonuses	547,371	757,788
Provision for product warranties	9,613	20,672
Provision for loss on orders received	29,887	11,119
Notes payable - facilities	368,516	324,268
Other	346,767	372,785
Total current liabilities	13,099,530	23,153,039
Non-current liabilities		
Long-term borrowings	9,312,869	14,768,225
Provision for environmental measures	-	314,400
Provision for retirement benefits for directors (and other officers)	-	129,321
Retirement benefit liability	317,772	707,230
Deferred tax liabilities	1,028,780	1,322,310
Other	350,841	424,902
Total non-current liabilities	11,010,264	17,666,390
Total liabilities	24,109,794	40,819,429
Net assets		
Shareholders' equity		
Share capital	1,142,734	1,163,625
Capital surplus	2,024,733	2,218,125
Retained earnings	3,799,638	6,867,537
Treasury shares	(104,892)	(77,300)
Total shareholders' equity	6,862,214	10,171,987
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	729,039	875,883
Foreign currency translation adjustment	398,574	29,246
Total accumulated other comprehensive income	1,127,614	905,129
Share acquisition rights	20,719	30,159
Non-controlling interests	121,479	3,124,415
Total net assets	8,132,027	14,231,691
Total liabilities and net assets	32,241,822	55,051,121

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	9,795,832	19,290,564
Cost of sales	8,052,133	16,354,088
Gross profit	1,743,698	2,936,475
Selling, general and administrative expenses	1,452,014	2,236,920
Operating profit	291,683	699,555
Non-operating income		
Interest income	6,309	5,702
Dividend income	42,457	48,037
Share of profit of entities accounted for using equity method	7,017	-
Foreign exchange gains	13,593	-
Compensation income	63,962	80,600
Other	24,314	22,975
Total non-operating income	157,654	157,315
Non-operating expenses		
Interest expenses	34,131	133,107
Share of loss of entities accounted for using equity method	-	1,585
Commission of payment outside business	1,001	118,694
Foreign exchange losses	-	3,910
Litigation expenses	9,713	8,601
Other	6,641	4,999
Total non-operating expenses	51,487	270,899
Ordinary profit	397,850	585,971
Extraordinary income		
Gain on sale of non-current assets	179	390
Gain on bargain purchase	-	2,846,848
Subsidy income	-	300,000
Total extraordinary income	179	3,147,239
Extraordinary losses		
Loss on sale of non-current assets	29	-
Loss on tax purpose reduction entry of non-current assets	4,416	296,121
Total extraordinary losses	4,446	296,121
Profit before income taxes	393,584	3,437,089
Income taxes - current	171,090	331,393
Income taxes - deferred	44,503	30,574
Total income taxes	215,593	361,967
Profit	177,991	3,075,121
Profit attributable to non-controlling interests	-	10,128
Profit attributable to owners of parent	177,991	3,064,992

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	177,991	3,075,121
Other comprehensive income		
Valuation difference on available-for-sale securities	(722,458)	146,843
Foreign currency translation adjustment	-	(369,328)
Total other comprehensive income	(722,458)	(222,485)
Comprehensive income	(544,467)	2,852,636
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(544,467)	2,842,507
Comprehensive income attributable to non-controlling interests	-	10,128

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	393,584	3,437,089
Depreciation	569,747	783,030
Amortization of goodwill	59,271	64,296
Increase (decrease) in provision for bonuses	(90,523)	(58,038)
Increase (decrease) in retirement benefit liability	10,679	11,067
Increase (decrease) in provision for loss on orders received	7,105	(18,768)
Interest and dividend income	(48,766)	(53,739)
Interest expenses	34,131	133,107
Share of loss (profit) of entities accounted for using equity method	(7,017)	1,585
Gain on bargain purchase	-	(2,846,848)
Loss (gain) on sale of non-current assets	(150)	(390)
Loss on tax purpose reduction entry of non-current assets	4,416	296,121
Subsidy income	-	(300,000)
Decrease (increase) in trade receivables	397,614	(81,608)
Decrease (increase) in inventories	(4,723)	(136,308)
Decrease (increase) in accounts receivable - other	38,437	(36,591)
Increase (decrease) in trade payables	(514,015)	(5,863)
Increase (decrease) in accounts payable - other	(171,942)	(97,511)
Increase (decrease) in accrued expenses	(88,980)	(123,554)
Increase (decrease) in advances received	(108,520)	671,972
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(118,699)	72,116
Decrease (increase) in long-term prepaid expenses	82,612	51,881
Other, net	(71,689)	17,714
Subtotal	372,571	1,780,759
Interest and dividends received	48,766	52,142
Interest paid	(34,763)	(124,443)
Income taxes refund (paid)	(91,519)	(657,146)
Subsidies received	5,586	303,548
Net cash provided by (used in) operating activities	300,641	1,354,860

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(946,065)	(1,875,789)
Proceeds from sale of property, plant and equipment	572	3,662
Purchase of intangible assets	(3,709)	(6,867)
Proceeds from collection of short-term loans receivable	400,028	175
Purchase of insurance funds	(2,082)	(2,082)
Proceeds from cancellation of insurance funds	-	5,338
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(27,447)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	700,956
Other, net	1,713	4,399
Net cash provided by (used in) investing activities	(576,990)	(1,170,209)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	500,000	2,340,000
Proceeds from long-term borrowings	501,000	3,900,000
Repayments of long-term borrowings	(452,757)	(1,132,306)
Proceeds from sale of treasury shares	-	200,272
Purchase of treasury shares	-	(167)
Proceeds from share issuance to non-controlling shareholders	-	500,000
Repayments of lease liabilities	(23,686)	(26,526)
Net cash provided by (used in) financing activities	524,555	5,781,272
Effect of exchange rate change on cash and cash equivalents	(1,074)	(412,863)
Net increase (decrease) in cash and cash equivalents	247,132	5,553,060
Cash and cash equivalents at beginning of period	3,953,645	6,502,528
Cash and cash equivalents at end of period	4,200,777	12,055,589

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (April 1, 2024 to September 30, 2024)

Information on sales and the amount of profit or loss for each reported segment

(Thousands of yen)

	Reportable segments				Reconciling items	Interim Consolidated Statements of Income (Note)
	Innovative Manufacturing Business	Solution business	Investment business	Total		
Sales						
Revenues from external customers	9,088,138	632,760	74,932	9,795,832	-	9,795,832
Transactions with other segments	80	273,728	20,000	293,808	(293,808)	-
Total	9,088,218	906,489	94,932	10,089,641	(293,808)	9,795,832
Segment profit or loss (loss)	320,214	(39,630)	11,099	291,683	-	291,683

Note: Segment profit or loss (loss) is consistent with operating income in the interim consolidated statements of income.

II. The Interim Consolidated Accounting Period (April 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Thousands of yen)

	Reportable segments				Adjustment amount (Note) 1	Interim Consolidated Statements of Income (Note)2
	Innovative Manufacturing Business	Solution business	Investment business	Total		
Sales						
Revenues from external customers	18,267,685	908,208	114,670	19,290,564	-	19,290,564
Transactions with other segments	9,064	369,058	-	378,123	(378,123)	-
Total	18,276,749	1,277,267	114,670	19,668,687	(378,123)	19,290,564
Segment profit	631,421	60,860	6,811	699,093	462	699,555

Note: 1. The adjustment amount of 462 thousand yen for segment profit is the elimination of inter-segment transactions.

2. Segment profit is adjusted to operating income in the interim consolidated statements of income.