



December 15, 2025

To Whom This May Concern:

Company name: MIGALO HOLDINGS Inc.
Representative: Sei Nakanishi
Listing: Tokyo Stock Exchange Prime Market
Securities code: 5535
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Q&A: Financial Results for the Six Months **Ended September 30, 2025**

In this document, we provide various inquiries and comments received from shareholders, investors, and other stakeholders since the November 14, 2025 announcement of the financial results for the six months ended September 30, 2025, and our response to them as follows.

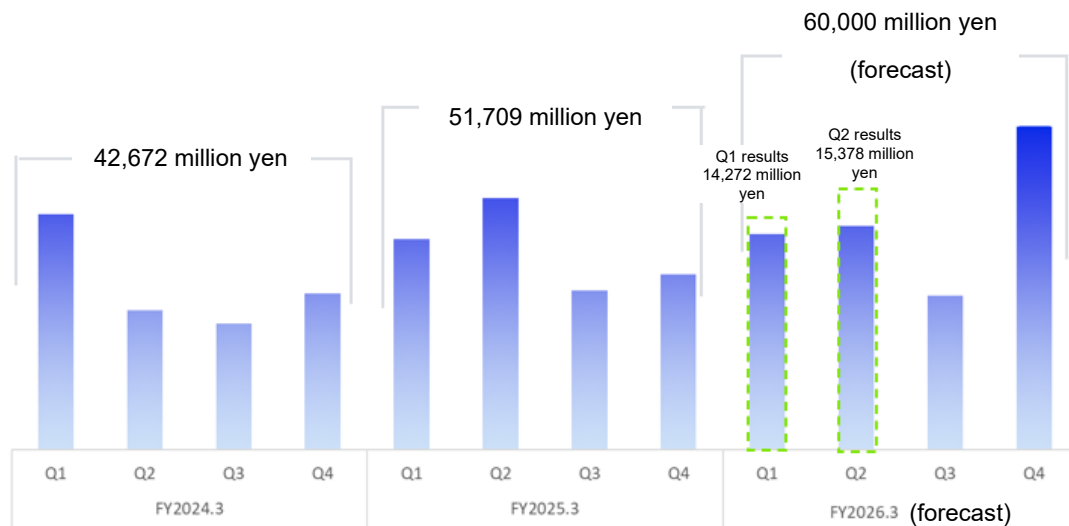
This disclosure is made voluntarily for the purpose of further deepening the understanding of market participants. For details, please refer to the documents listed under “Reference” at the end of this document.

Q1. You mentioned that net sales performance in the first and second quarters of the fiscal year ending March 31, 2026 was better than expected; do you expect steady growth in the third quarter and beyond?

A1. In the DX Real Estate Business, which is the main earnings driver for the Company, revenue is recognized when properties are delivered. Therefore, net sales tend to be skewed based on the timing of completion and delivery of new properties. In the first and second quarters of the fiscal year ending March 31, 2026, while the number of properties sold were generally in line with plans, a relatively large number of new properties were delivered and their sales prices were higher than expected, resulting in higher-than-expected revenue. Going forward, there will be relatively less new property deliveries in the third quarter, while these deliveries are to be concentrated in the fourth quarter. Therefore, we expect net sales to modulate upward the most in the fourth quarter of the fiscal year ending March 31, 2026, as shown in the illustration below.

In addition, as disclosed today, the Company expects to record profits even more steadily than at the time of the revision of the full-year consolidated financial results forecast announced on November 14, 2025. In particular, in the DX Promotion Business, which is taking on the challenge of achieving the 5.0-billion-yen net sales target ahead of schedule, improved profitability is expected to result in positive business profit, continuing from the previous fiscal year. In light of these factors, we have decided to revise our consolidated financial results forecast for the fiscal year ending March 31, 2026 after a comprehensive review of our sales, personnel, and advertising strategies in the DX Real Estate Business, as well as our investment strategy in the DX Promotion Business.

[FY3/2026 quarterly net sales]



Q2. The timing of the Daiwa House implementation release felt late compared to other companies; what was the reason for the delay in release?

A2. We have been working with Daiwa House Industry on the content of the release in consideration of sales and branding strategies. The timing of this release was due to the timing at which permission was given to us by Daiwa House Industry.

Q3. President Nakanishi sold his shares in February, and it now appears that he has jumped ship from his previous ownership stake. It seems that this action and attitude is disrespectful to other shareholders. What is the justification, appropriateness, and attitude toward the shareholders for this sale of shares?

A3. We believe that the sale of the representative's holdings was justified and appropriate. The sale had been under consideration for some time as a means of improving liquidity and was executed in February, taking into account the review and measurement for TOPIX index inclusion scheduled for the end of March.

Q4. Regarding the capital increase that was carried out after President Nakanishi sold his shares in February, even though the share price was falling, the timing of this capital increase appears to be disrespectful to shareholders. Could you explain why this timing was chosen?

A4. We will, no matter what, take your comments about the proximity of the timing of the capital increase to the sale of the representative's shares very seriously. In the current environment of accelerating demand for investment and funds to achieve our net sales targets for the fiscal year ending March 31, 2029—specifically, 10.0 billion yen in the DX Promotion Business and 100.0 billion yen in the DX Real Estate Business—we have made the

management decision that early fundraising is essential as we formulate our business plan for the current fiscal year and beyond. For example, we believe that breakthroughs will occur in the facial recognition ID platform business in the next few years, and we are in a critical phase with respect to making immediate upfront investments. In the DX Real Estate Business, the development period for new condominiums is becoming longer due to factors pertaining to the construction industry, and the period between investing funds and reaping profits is trending longer. Therefore, our immediate funding situation has become a key factor in achieving our medium-term targets. In addition, this new round of fundraising will be used for investment toward business expansion. Under an environment of continuing uncertainty in both interest rates and international affairs, we have decided to conduct the public offering at this timing because we believe that failing to procure the funds during this period and missing the opportunity to invest in the business would lead to a medium-term loss of shareholder value.

Q5. Regarding the method of fundraising, please tell us why you opted for a capital increase.

A5. We carefully considered multiple funding method options. As a result, we determined that a capital increase through public offering is the most appropriate way to invest in growth and ensure financial soundness. This is because of several factors: the enhancement of our equity ratio will be a key point in a future growth phase, we must maintain certain level of borrowing capacity to be able to constantly consider M&A deals, and while the current real estate market is strong, domestic interest rates are high and we should prepare for future uncertainty at this time (there are many examples of capital increases in other real estate companies this fiscal year, including by LA Holdings, AZoom, and Hoosiers).

Q6. Please tell us about the Company's current stock price and your future stock price measures.

A6. Though we cannot comment on the stock price, as it depends on the supply and demand in the market, we believe that our stock price going forward will depend on our efforts to recover and increase this price by utilizing newly-raised funds to improve profitability through further business expansion, etc., and by continuing aggressive investor relations activities in conjunction with this. In addition, we will continue to position shareholder returns as one of our important management issues and work to increase stock value in this regard as well.

Q7. Will there be a repurchase of the President's shares in the future? And do you intend to conduct more fundraising going forward?

A7. Improving the liquidity of our stock and the market capitalization of our tradable shares remains an important aspect for us. With that in mind, we are not considering a buyback of the President's shares. In addition, the new capital increase has allowed us to enhance our capital to a certain degree. Our resulting understanding is that we are now in the phase of steadily implementing our current investment plans and striving to achieve our mid-term plan.

Given this, we are not currently considering raising new funds in the near future.

Q8. There was no explanation at all to shareholders and investors after the announcement of the capital increase, and it feels as if shareholders were disrespected. Why didn't the Company release investor relations materials immediately?

A8. The reason for temporarily refraining from sending out investor relations after announcing the capital increase is due to certain restrictions imposed to ensure fairness for all investors. During the financing period, there were restrictions on the dissemination of certain information in accordance with laws and regulations to prevent certain disclosures from attracting suspicion of insider trading or appearing to be improper solicitation. This is not disrespect for our shareholders, but rather a measure to ensure strict adherence to a fair disclosure process. We deeply apologize for the lack of explanation in this matter. Now that the restrictions have been lifted, we will actively hold briefings and other events to carefully fulfill our responsibility to explain how the capital increase will enhance our corporate value over the medium to long term.

Q9. Why did you choose Nomura Securities as the underwriter for the capital increase?

A9. The lead managing underwriter for the Company's listing was Nomura Securities, and the decision was based on comprehensive consideration of communication costs, underwriting conditions, and other factors.

Reference

- Message from the President on Capital Procurement, announced September 29, 2025
- Supplementary Materials for the Issuance of New Shares, announced September 29, 2025
- Notice Regarding Issuance of New Shares and Secondary Offering of Shares, and Changes in Parent Company and Other Affiliates, announced September 29, 2025
- Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP), announced November 14, 2025
- Financial Results for Q2 Fiscal Year Ending March 31, 2026, announced November 14, 2025
- Notice of Revision of Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026, announced December 15, 2025

End

Disclaimer

- The purpose of this document is to provide information regarding corporate briefings and financial results, and is not intended as an inducement or invitation to invest in securities issued by the Company.
- This document is based on inquiries and comments received regarding the financial results for the six months ended September 30, 2025, which were announced on November 14, 2025, and statements have been partially edited.
- The information contained in this document contains forward-looking statements that are based on management's assumptions and beliefs in light of the information available at the time of publication. Actual results may differ materially due to various factors in the future.