

October 14, 2026

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Notice Regarding IR Q&A for the First Quarter of the Fiscal Year Ending May 31, 2027

We would like to express our sincere gratitude for your continued interest in SEIWA Holdings. To provide greater clarity and address the specific points of interest raised by our investors, we have compiled the following frequently asked questions in a Q&A format. Please be advised that while minor discrepancies may arise due to the timing of information updates, the following responses are provided based on our most current management policies and outlook.

Q. Please summarize the financial results for the first quarter of the fiscal year ending May 31, 2027.

A. Revenue increased 11.6% year on year to JPY 2,100 million. Adjusted Operating Profit rose 10.1% to JPY 330 million, Adjusted EBITDA increased 9.0% to JPY 411 million, and Adjusted Profit for the Period increased 9.3% to JPY 274 million. All of the adjusted measures that the Company focuses on exceeded the prior-year level. Our existing businesses grew revenue and profit organically and are progressing in line with plan.

Operating profit decreased 62.9% to JPY 151 million and profit for the period decreased 62.0% to JPY 106 million, mainly due to acquisition-related costs associated with M&A transactions (please see the next question).

Because the Company did not disclose quarterly results for the first quarter of the previous fiscal year, the prior-year figures are provided for reference only and have not been reviewed by the audit firm.

Q. Why did operating profit and profit for the period decline year on year?

A. There were two main factors. Both are accounting effects associated with M&A and do not reflect any deterioration in the earnings power of our existing businesses.

(1) Increase in acquisition-related costs: We recorded JPY 226 million of acquisition-related costs for the M&A transactions executed in the first quarter (JPY 14 million in the same period of the previous year).

(2) Decrease in gain on a bargain purchase: JPY 90 million in the first quarter, compared with JPY 168 million in the same period of the previous year.

Excluding these effects, Adjusted Operating Profit increased 10.1% year on year to JPY 330 million.

Q. Why did the Company revise its full-year earnings forecast upward?

A. Our existing businesses are progressing in line with plan, and the revision reflects the results of companies that have newly joined the Group.

The initial forecast announced on July 15, 2026 included the two transactions that had already been executed at that time (the acquisition of the plating business of Mitaka Kinzoku Kogyo Co., Ltd. and Oba Toso Kogyosho Co., Ltd.), but did not include M&A transactions that had not yet been announced. Since then, Daiei Parker Co., Ltd., Hoan Doro Kikaku, Incorporated and Eishin Denki Co., Ltd. have joined the Group, and the forecast has been revised to reflect the contribution of these three companies.

The revised full-year forecast is revenue of JPY 11,000 million (+12.2% versus the initial forecast), Adjusted Operating Profit of JPY 2,000 million (+11.1%), Adjusted EBITDA of JPY 2,350 million (+11.9%), and Adjusted Profit for the Year of JPY 1,350 million (+10.6%). The outlook for our existing businesses is unchanged from the initial forecast.

Q. How is first-quarter progress against the full-year forecast?

A. Progress against the initial forecast was 21.4% for revenue, 18.4% for Adjusted Operating Profit, 19.6% for Adjusted EBITDA, and 22.5% for Adjusted Profit for the Year. Our existing businesses are progressing in line with plan.

The newly consolidated subsidiaries reflected in the upward revision had only just been consolidated, and their contribution to first-quarter results was minimal. We expect them to contribute mainly from the second quarter onward.

Q. Why was Adjusted Profit for the Year for the fiscal year ended May 31, 2026 corrected?

A. In the financial results presentation published on July 15, 2026, Adjusted Profit for the Year for the fiscal year ended May 31, 2026 was stated as JPY 968 million. However, the tax effect (JPY 91 million) on the gain on a bargain purchase arising from a business acquisition had not been reflected. The figure has therefore been corrected to JPY 1,059 million.

There is no change to reported figures such as revenue, operating profit and profit for the year, or to Adjusted Operating Profit and Adjusted EBITDA.

Q. Please describe your M&A activity in the fiscal year ending May 31, 2027.

A. We have executed five M&A transactions since the beginning of the fiscal year (four in the first quarter and one in September).

- Acquisition of the metal surface treatment (plating) business of Mitaka Kinzoku Kogyo Co., Ltd. by our consolidated subsidiary Fuji Mekki Kogyosho Co., Ltd. (June 2026)
- Oba Toso Kogyosho Co., Ltd. (metal product coating and assembly; June 2026)
- Daiei Parker Co., Ltd. (chemical conversion coating for aluminum alloy products; August 2026)

- Hoan Doro Kikaku, Incorporated (manufacture and sale of road safety products; August 2026)
- Eishin Denki Co., Ltd. (specialty wire harness processing; September 2026)

Niche companies in growth fields such as defense, semiconductors, and disaster prevention and safety have joined the Group.

Our investment guideline is an EV/EBITDA multiple of around 5x or less, and all five transactions were executed at 5x or less.

Q. Are you continuing to secure M&A opportunities?

A. Yes. Demand from business owners seeking succession solutions remains strong due to the increasing number of companies without successors, while the number of qualified acquirers remains limited. Inquiries to the Company are also on an increasing trend.

Q. What is your leverage policy and investment capacity?

A. We maintain a Net Debt / EBITDA ceiling of 3x–4x. As of the end of August 2026, Net Debt was JPY 3,284 million and Net Debt / EBITDA was 1.4x (based on Adjusted EBITDA in the revised full-year forecast), giving us investment capacity of approximately JPY 3.7–6.1 billion.

Q. What is your policy regarding future equity financing?

A. We aim to avoid shareholder dilution and currently have no plans to issue new shares. Our Net Debt / EBITDA ratio is below our ceiling, allowing us to finance future growth through existing cash resources and debt financing.

Q. What are your key risks and how do you manage them?

A. Rising raw material prices, labor shortages, and geopolitical risks continue to create an uncertain environment for small and medium-sized manufacturers.

We mitigate these risks by promoting price pass-through initiatives, improving productivity, investing in automation, strengthening continuous improvement activities, and diversifying our business portfolio through M&A.

We remain committed to maintaining constructive dialogue with investors and providing timely and appropriate disclosures.