

June 12, 2026

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Name of representative: Sawada Hidetaka, President
(Securities code: 9603; Prime Market)
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Notice of Recording of Extraordinary Loss (Loss on Cancellation of Lease) and Revision of Consolidated Financial Forecast for the Fiscal Year Ending October 31, 2026

H.I.S. Co., Ltd. (the "Company") hereby announce that we expect to record an extraordinary loss (Loss on cancellation of Lease) for the fiscal year ending October 31, 2026, and in light of this event, that we have revised consolidated financial forecast for the fiscal year ending October 31, 2026, that were announced on March 13, 2026, in our release "Consolidated Financial Results for the Three Months Ended January 31, 2026 (Under Japanese GAAP)",.

1. Recording of extraordinary loss

The Company's Board of Directors resolved, at a meeting of the Board held today, to purchase the land leased by a consolidated subsidiary of the Company, GUAM REEF HOTEL, INC. As a result, the Company expects to record an extraordinary loss of approximately 6 billion yen in the 3rd Quarter of the current fiscal year in connection with the termination of the existing real estate lease contract.

2. Full-year consolidated financial forecast for fiscal year ending October 31, 2026 (November 1, 2025 to October 31, 2026)

| | 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 |
| Previous forecast (A) | 420,000 | 14,000 | 14,000 | 9,000 | 120.42 |
| Revised forecast (B) | 395,000 | 12,000 | 11,500 | (1,000) | (13.38) |
| Change (B-A) | (25,000) | (2,000) | (2,500) | (10,000) | (133.80) |
| Change (%) | (6.0) | (14.3) | (17.9) | — | — |
| (Reference) Results for the previous fiscal year ended October 31, 2025 | 373,106 | 11,627 | 11,381 | 4,719 | 63.16 |

3. Reasons for revisions of financial forecasts

We have revised downwards the financial forecasts for consolidated results for the fiscal year ending October 31, 2026, as shown above, expecting net sales, operating profit, ordinary profit and profit attributable to owners of parent to fall below the previous forecasts, as a result of the current interim results, as well as the slowdown in new bookings caused by prolonged tension in the Middle East, the sharp rise in fuel surcharges, and the extraordinary loss described above.

* The above forecasts are based on information available as of the date of publication of this document, and actual results may vary due to various factors.

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