Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

July 31, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under IFRS)

Company name: Members Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2130
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	5,750	5.2	(395)	–	(345)	–	(252)	–
June 30, 2025	5,467	8.6	(70)	–	(43)	–	(41)	–

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2026	(252)	–	(256)	–	(19.73)	(19.73)
June 30, 2025	(41)	–	(55)	–	(3.22)	(3.22)

Note: The Company transitioned to consolidated accounting from the fourth quarter of the fiscal year ended March 31, 2026, and has prepared consolidated financial statements from the fiscal year ended March 31, 2026. Accordingly, the figures for the first quarter of the fiscal year ended March 31, 2026 represent non-consolidated results and are presented for reference purposes.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2026	11,567	5,962	5,962	51.5
March 31, 2026	12,771	6,640	6,640	52.0

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, 2026	–	0.00	–	33.00	33.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		0.00	–	35.00	35.00

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

3. Consolidated financial results forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate changes from the previous fiscal year for the full-year figures and changes from the same period of the previous fiscal year for the quarterly figures.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (cumulative)	12,593	10.0	320	21.6	320	1.2	224	14.5	224	14.5	17.52
Full year	26,866	10.0	2,500	56.2	2,480	51.1	1,736	43.1	1,736	43.1	135.79

Note: Revisions to the forecast of consolidated financial results most recently announced: None

1. The above forecasts are calculated based on IFRS.
2. “Basic earnings per share” is calculated based on 12,784,542 shares, the average number of shares during the fiscal year ended March 31, 2026.
3. The Company transitioned to consolidated accounting from the fourth quarter of the fiscal year ended March 31, 2026. Accordingly, the figures for the first quarter of the fiscal year ended March 31, 2026 represent non-consolidated results and are presented for reference purposes.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	13,423,300 shares
As of March 31, 2026	13,423,300 shares

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

As of June 30, 2026	605,305 shares
As of March 31, 2026	605,257 shares

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

Three months ended June 30, 2026	12,818,027 shares
Three months ended June 30, 2025	12,768,295 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Note regarding forward-looking statements)

Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and on certain assumptions that the Company considers reasonable, and are not intended as a guarantee that they will be achieved. Actual results may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and precautions regarding their use, please refer to "1. Summary of Business Results, (3) Explanation of Forward-looking Information such as Consolidated Financial Results Forecast" in the attached materials.

(How to obtain supplementary financial results materials and the content of the financial results briefing)

Supplementary materials for the financial results will be posted on the Company's website on Friday, July 31, 2026.

○Contents of the Attached Materials

1. Summary of Business Results

The Group transitioned to consolidated financial reporting (IFRS) from the previous fiscal year (the fiscal year ended March 31, 2026). As the first quarter of the previous fiscal year was reported on a non-consolidated IFRS basis, the year-on-year changes for the three months ended June 30, 2026 are presented for reference, calculated based on a comparison with the non-consolidated IFRS results for the same period of the previous fiscal year.

(1) Summary of Business Results for the Current Quarter

<Management's Explanation and Analysis of Business Results>

At the 30th session of the Conference of the Parties to the UNFCCC (COP30) held in November 2025, the "Belem Political Package" was adopted, and comprehensive initiatives were decided upon, centered on accelerating mitigation, adaptation, finance, and international cooperation to achieve the 1.5-degree target.

In Japan as well, based on the "7th Strategic Energy Plan" looking toward the realization of carbon neutrality by 2050, efforts aiming for a reduction in greenhouse gas emissions of 60% by FY2035 and 73% by FY2040 compared to FY2013 are gaining momentum. In February 2025, the "GX2040 Vision" was formulated to set the medium- to long-term direction of decarbonization and industrial policies against a backdrop of growing uncertainty, including the destabilization of the international situation and increasing demand for electricity. The vision points out the importance of balancing GX (*1) with DX, including the use of AI, and of developing human resources to realize GX. Companies must recognize GX as an opportunity for growth and, by leveraging digital technology, fundamentally transform their organizational structures and business models themselves into ones that are decarbonized and that solve social issues, thereby achieving sustainable value creation.

The Group has established the mission "to create a spiritually rich society through 'MEMBERSHIP'," and as a Digital Implementation Partner for client companies, we aim to realize a spiritually rich society by transforming not only marketing, services, and products, but also the management style and way of being of companies themselves into something that "makes society a better place and is sustainable."

To this end, digital creators (hereinafter "DCs") with diverse specialized skills accompany client companies on-site and, in addition to DX and GX initiatives, significantly accelerate business and operational transformation through the use of AI (AI transformation, hereinafter "AX"), thereby contributing strongly to the transformation of our client companies' businesses and of society. Going forward, by keeping mission- and vision-driven management at the core of our management, we will balance social contribution with the business development of client companies and strive to improve corporate value over the medium to long term.

Against the backdrop of the practical deployment of generative AI and AI agents, corporate use of AI has shifted from a trial stage centered on PoCs (proofs of concept) to a stage in which operational implementation and governance are called into question. Accordingly, the AX-related market is expected to expand rapidly, and the domestic AI systems market is forecast to grow to a scale of 4,187.3 billion yen in FY2029 (Source: IDC Japan, Inc., "Japan AI Systems Market Forecast"). At the same time, competition in the market is intensifying rapidly as diverse players enter. In terms of market structure, we recognize that demand is shifting from "introduction" to "results and establishment," that supply is shifting from "contract-based development" to "support for in-house development," that the source of competitive advantage is changing to the "implementation capability" to create results at the client's site, and that the boundaries between players such as consulting firms, systems integrators, and AI-specialized boutiques are dissolving. In this market, which is still in its formative stage, the Group aims to establish a competitive advantage as a Digital Implementation Partner for companies by responding to these changes quickly and accurately.

As a Digital Implementation Partner for our client companies, the Group will develop accompanying support for the internalization of DX and AX. At the core of this competitive advantage is "ATAKAMO-SHAIN®" (*2), the Group's own distinctive concept of talent that, rather than being merely an external contractor, proactively drives business and organizational transformation from the same perspective as the client. This is an embedded, on-site accompanying support model in which we become deeply involved in client companies and see through everything from requirements definition to implementation and operational establishment together at the client's site, and we position it as a concept equivalent to the FDE (Forward Deployed Engineer) (*3) model that has become widespread in recent years. The Group's distinctiveness lies in being embedded within the client's organization, translating higher-level strategy into execution processes, and seeing through the continuous creation of results through AI implementation at the client's site.

To accelerate our evolution as a Digital Implementation Partner, the Group will further enhance three core capabilities: (i) a deep understanding of the client's domain, data, users, and decision-making; (ii) the implementation capability to complete initiatives through to the creation of results rather than stopping at PoCs; and (iii) the learning agility to respond quickly to technological change. While many companies have begun to introduce AI, challenges remain in bringing it into full-scale operation and establishing it on-site. By filling this "gap between conception and implementation" through continuous accompanying support by on-site embedded personnel, we will capture demand in the AX domain, including AI-driven development.

<Outline of Business>

As client companies' DX and AX needs grow, the Group provides DCs, who are experts in digital technology. In response to the strong internal production demands of client companies, these DCs provide a client-accompanying support model called "DGT (Digital Growth Team)," which features hands-on, agile execution support, continuous assistance from dedicated client teams through our "ATAKAMO-SHAIN®" approach, and appropriate cost performance in the planning and execution phases. Through this model, we aim to expand the scale of transactions per client company.

In the three months ended June 30, 2026, in accordance with the policy for the current fiscal year (the fiscal year ending March 31, 2027), which is positioned as the final year of the "Mid-term Growth Strategy," we continued to set three key strategies—"human resource development," "services/sales," and "future investment"—and aimed to evolve into the Digital Implementation Partner position and to establish field-centric All-Hands Management, toward the establishment of highly profitable and high-growth businesses. In addition to our existing DX accompanying support position, the Group has accelerated, from the first quarter, its entry into the AX domain, in which we support business and operational transformation through the use of AI as a Digital Implementation Partner for companies.

<Summary of Financial Results>

In the three months ended June 30, 2026, revenue was 5,750 million yen (up 5.2% YoY), operating loss was 395 million yen (compared to an operating loss of 70 million yen in the same period of the previous year), loss before tax was 345 million yen (compared to a loss before tax of 43 million yen in the same period of the previous year), and loss attributable to owners of parent was 252 million yen (compared to a loss of 41 million yen in the same period of the previous year).

Value added Sales (sales generated by in-house resources, calculated as revenue less outsourcing and procurement costs), a key indicator, was 5,546 million yen (up 4.8% YoY), setting a new record for a first quarter. While we strategically promoted the shift to the DX domain, focusing on UI/UX design, product and service development, data utilization support, and PMO (*4) services, the growth rate of Value added Sales slowed as a result of the withdrawal from low-unit-price projects, the reduction of investment by some clients due to the impact of the situation in the Middle East, and a decline—greater than anticipated—in demand, owing to AI, for specialized personnel whose work was limited to the execution of specific skills. In addition, the ratio of the DX domain to total Value added Sales (DX revenue ratio) was 58.3% (up 6.2pt YoY), but the growth fell short of our expectations. On the other hand, in the AX domain, into which we entered in earnest from the first quarter, projects are expanding rapidly, and we will further accelerate the shift to high-value-added areas with this as the starting point.

With respect to profitability, the gross profit margin was 18.4% (down 0.6pt YoY), and the ratio of selling, general and administrative expenses to revenue was 25.3% (up 5.0pt YoY). The operating loss for the first quarter was 395 million yen (compared to an operating loss of 70 million yen in the same period of the previous year), reflecting the up-front personnel expenses and education and training expenses associated with the 247 new graduates who joined the Group in April 2026, significantly more than in the previous year, as well as the decline in the growth rate and the utilization rate.

The number of DCs as of the end of the first quarter was 2,666 (an increase of 210 from the end of the previous fiscal year). In addition to the change in personnel composition accompanying the joining of new graduates, and partly due to the business environment described above, the overall utilization rate for the first quarter was 74.2% (down 1.9pt YoY), and the utilization rate of DCs excluding first- and second-year new graduates was 79.9% (down 2.3pt YoY). On the other hand, the utilization rate of second-year new graduate DCs improved significantly to 71.8% (up 19.3pt YoY), and the early development of new graduates into an effective workforce through our distinctive training programs is progressing steadily. We regard the decline in the overall utilization rate as resulting from the planned withdrawal from low-unit-price, low-growth projects and from the decline, owing to AI, in demand for specialized personnel whose work was limited to the execution of specific skills. While the unit sales price improved by 7.8% YoY, the contraction of operating volume, which comprises the number of DCs and the utilization rate, led to the slowdown in the growth rate in the first quarter.

The Group regards this decline in the utilization rate as an opportunity to transform its business structure, and will boldly shift its business and human resources to the AX domain. We will focus on shifting DCs to high-value-added areas and, through deeper penetration of existing clients, aim to achieve higher unit prices and higher growth.

The major strategies set forth in the “Mid-term Growth Strategy” and in the key policies and strategies for the fiscal year ending March 31, 2027, and the progress of KPIs as of the end of the first quarter, are as follows.

Evolution into the Digital Implementation Partner Position

As client companies’ efforts toward DX internalization make significant progress, the Group is further strengthening its services in the “execution planning and promotion” phase of projects. By accelerating initiatives in the AX domain, into which we newly entered from the first quarter, and by promoting human resource development, the service/sales strategy, and the establishment of the decarbonization DX business as set forth in the “Mid-term Growth Strategy,” as well as investment in human capital through All-Hands Management, we will steadily establish a system in which DCs, as dedicated client teams, provide accompanying support for the internalization of DX and AX projects, and will accelerate our evolution into the Digital Implementation Partner position.

(i) Entry into the AX domain

As the practical deployment of generative AI and AI agents accelerates, the Group has begun, from the first quarter, to enter the AX domain, in which—in addition to our existing DX accompanying support position—we support business and operational transformation through the use of AI as a Digital Implementation Partner for companies. Building on the embedded, internalization-oriented accompanying support model cultivated through on-site DX support, we are developing a structure to provide end-to-end support that takes the use of AI, which tends to stop at PoCs (proofs of concept), through to full-scale operation and establishment on-site by means of AI-driven development and the operational implementation of AI agents.

As a result of these initiatives, the growth rate of AI/data-related revenue in the first quarter was 83.6%, and the ratio of AI/data-related revenue to revenue rose to 15.0% (up 6.4pt YoY). Projects ranging from the formulation of AI utilization concepts through to implementation and support for internalization are increasing across a wide range of industries, including major IT companies, major infrastructure and energy companies, major financial institutions, major manufacturers and home appliance makers, major character-IP businesses, and government agencies.

In addition, in order to accelerate initiatives in the AX domain from an organizational perspective, we established the AX Division, which specializes in the AX domain, as of July 1, 2026. We will expand our service delivery structure by developing libraries of AX-related services for horizontal deployment and by establishing new specialized companies responsible for the AX domain.

The replacement by AI of areas such as conventional web operations is progressing at a pace exceeding our initial expectations. In light of these changes, the Group is proceeding with the planned withdrawal from low-unit-price, low-growth projects and is reallocating DCs with a focus on the high-value-added DX and AX domains. At present, the contraction of these areas is partly offsetting the boost from the expansion of AX projects; we will address this by advancing the transformation of our business structure.

We will continue to strengthen the development of human resources and the organizational structure responsible for the AX domain, including AI-driven development, and will further improve the revenue growth rate of AX projects, thereby aiming to establish our position as a Digital Implementation Partner for companies.

(ii) Human resource development

The Group is working to raise its unit sales price through the shift to the high-value-added DX and AX domains. Through the planned withdrawal from low-unit-price, low-growth projects and the accompanying personnel rotation, we are focusing on shifting DCs to high-value-added areas while advancing the sophistication of projects. As the foundation supporting these efforts, we are promoting the “SINCA90” project set forth in the “Mid-term Growth Strategy,” which aims to develop more than 90% of all DCs company-wide into DX talent in the fiscal year ending March 31, 2027. At the same time, in the AX domain, we will accelerate the development of AX consultants, who design the use of AI starting from clients’ management issues, and AX service engineers, who are responsible for its implementation, and will build an AI service supply capability on the scale of 3,000 people by developing all employees into AI-capable talent.

By deploying practical programs premised on project assignments in addition to the acquisition of specialized skills, we will accelerate the transition to a 90% DX talent ratio, and through the strategic utilization of AI and the fostering of a learning culture, we aim for a utilization rate of 85% as of the end of the fiscal year ending March 31, 2027 for DCs excluding first- and second-year new graduates.

The DX talent ratio as of the end of the first quarter was 74.3% (up 2.3pt from the end of the previous fiscal year), and the shift to high-value-added DX and AX talent through the “SINCA90” project is progressing steadily. The unit sales price improved steadily to 958 thousand yen (up 7.8% YoY), reflecting the planned withdrawal from low-unit-price, low-growth projects and the concentration on the DX and AX domains, as well as the shift to highly specialized personnel and the increasing sophistication of projects. We will continue to seek further increases in the unit sales price through the shift to high-value-added DX and AX talent.

(iii) Services/Sales

We will design the service portfolio we aim for in each of the four business domains and cross-sell services in the DX domain centered on our specialized companies, thereby evolving the services we provide to client companies and leading to strong support from clients and the expansion of the scale of transactions. For major clients, we will strengthen ABM (Account Based Marketing) (*5)-type account management and maximize the value we provide across business domains, thereby maximizing revenue per client company and seeking a net increase in the number of large-scale transactions with annual revenue of 300 million yen or more as a benchmark. The specialized company system is intended to enable rapid responses to specialized services and the latest technologies in line with the times, the recruitment and development of highly skilled specialized personnel, and a deeper understanding of clients through the development of management talent who drive businesses themselves. It also serves as the foundation supporting the promotion of DX and AX and the realization of high growth, by flexibly accommodating the expansion of services into the AX domain, such as the implementation of generative AI and AI agents, no-code/low-code development, and data preparation.

Through these initiatives, we will boldly promote our evolution into the high-value-added Digital Implementation Partner position and achieve both high growth and high profitability.

With respect to our evolution into the Digital Implementation Partner position, the DX revenue ratio for the three months ended June 30, 2026 was 58.3% (up 6.2 pt YoY). The growth rate of Value added Sales in the DX domain was 17.2%, remaining below our expectations partly due to the impact of replacement by AI. Toward the year-end target of 70%, we will further advance the planned withdrawal from low-unit-price, low-growth projects and the reallocation of DCs to high-value-added areas, and will continue to accelerate this evolution. In addition, Value added Sales of the specialized companies was 2,927 million yen (up 22.3% YoY). While support for the internalization of advertising operations and the data domain drove growth, growth slowed in the UI/UX and digital service development domains, which were likewise affected by replacement by AI. The specialized company system is intended to enable rapid responses to a rapidly changing market and to the latest technologies, as well as the development of highly specialized personnel and management talent. Through this, we will further deepen our understanding of clients’ businesses and enhance our accompanying support capabilities. In the AI domain, we newly established the “AI-PROX Company,” which is responsible for the implementation of AI agents and operational transformation, and we are flexibly expanding services into the AX domain, including specialization in generative AI, no-code/low-code development, and data preparation. In light of these circumstances, we will accelerate the establishment of new specialized companies that drive high growth and will promote a higher-value-added business portfolio.

With respect to maximizing revenue per client company, the total number of client companies was 412 (an increase of 9 YoY), the number of client companies with annual revenue of 100 million yen or more was 51 (an increase of 2 YoY), and of these, the number with 300 million yen or more was 11 (an increase of 2 YoY). In addition, Value added Sales per company for the top 50 DGT companies was 66.29 million yen (up 2.7% YoY), and higher value-added through continuous transactions with major clients is progressing steadily.

(iv) Establishing the Decarbonization DX Business / Developing Decarbonization Talent

To realize the Group’s mission and vision, we are developing multiple related services centered on decarbonization DX (*6) and building a business foundation, thereby supporting the establishment of a foundation for sustainable management at our client companies. To this end, we are promoting the development of decarbonization DX talent equipped with both GX literacy and digital skills, aiming to train and produce 1,000 decarbonization DX professionals in the fiscal year ending March 31, 2027.

Against the backdrop of the expansion of the GX market, we are strengthening our support structure for client companies by developing our organizational framework, including the Circular DX Company, expanding services through collaboration with external companies, and increasing the number of decarbonization DX personnel.

(v) Establishing All-Hands Management / Investing in Human Capital

The Group is establishing a field-centric style of All-Hands Management, pursuing a culture of challenge and the happiness of our employees. We have set the employee engagement score as a key indicator to measure the degree to which All-Hands Management has been established, and the score for the first quarter was 3.54 (up 0.02 points from the previous fiscal year). We recognize that challenges remain with respect to younger employees' sense of growth, and we will strive to further improve employee engagement and the turnover rate by promoting mission- and vision-driven management, strengthening the mechanism to appropriately reflect productivity improvements in compensation, and fostering an organizational culture that values challenges.

We recognize that corporate digital investment will accelerate further due to the further evolution of digital technology, global decarbonization efforts, and the impact of Japan's declining population, while the shortage of IT and digital talent will become even more severe. In this environment, the Group will continue to focus on expanding its human capital, such as improving the skills of our DCs—the source of value creation for our client companies—through human resource investments including the development of specialized skills.

With respect to new graduate recruitment, 247 new employees joined the Group in April 2026 (compared to 87 in April 2025). In light of the improvement in our earnings base and the progress of our evolution into the Digital Implementation Partner position, our policy is to expand the scale of recruitment in line with our growth rate from the fiscal year ending March 31, 2027 onward. In addition, based on our "Creator's Value 1.6" guideline to increase annual income by 1.6 times by 2030, in April 2026 we implemented a wage increase of 8.1% in total, combining a base salary increase and regular salary increases. As a result of such investment in human capital and the promotion of All-Hands Management, the turnover rate for the first quarter was 2.3% (an improvement of 0.2pt YoY). We will continue to seek to retain human resources and improve employee engagement by supporting diverse career development for DCs and by raising compensation.

By steadily executing these policies and initiatives, the consolidated financial results forecast for the fiscal year ending March 31, 2027 is expected to be revenue of 26,866 million yen (up 10.0% YoY), operating profit of 2,500 million yen (up 56.2% YoY), profit before tax of 2,480 million yen (up 51.1% YoY), and profit for the period of 1,736 million yen (up 43.1% YoY). By more boldly accelerating our evolution into the Digital Implementation Partner position and by driving the expansion of the AX domain, into which we entered in earnest from the first quarter, we will raise our growth rate and aim to achieve the Value added Sales growth rate of 15% and the operating profit margin target of 10% set forth in the "Mid-term Growth Strategy."

(*1) GX (Green Transformation): This refers to the transformation for utilizing clean energy while avoiding the use of fossil fuels as much as possible, and activities aimed at achieving this goal. The Ministry of Economy, Trade and Industry defines GX as the transformation of the entire economic and social system toward the goal of reducing emissions and improving industrial competitiveness, based on the belief that efforts to achieve carbon neutrality by 2050 and the national greenhouse gas emission reduction target for 2030 are opportunities for economic growth.

(*2) "ATAKAMO-SHAIN" is our registered trademark (Registered trademark No. 6923667).

(*3) FDE = Forward Deployed Engineer. A specialized professional who is embedded at the client's site and completes everything from requirements definition to implementation and operational establishment together with the client, and the embedded accompanying support model itself.

(*4) PMO (Project Management Office): Refers to a department or system that supervises project management across departmental boundaries in order to smoothly advance projects in companies and organizations. The PM (Project Manager) is in a position to oversee the project and make various decisions, and the PMO supports the PM in project management by collecting information and coordinating with related parties so that the PM can make decisions smoothly.

(*5) ABM (Account Based Marketing): A marketing and sales method that aims to improve customer satisfaction and deepen business relationships by taking a strategic individual approach to specific target companies (accounts).

(*6) Decarbonization DX: Refers to the realization, through the power of digital technology, of a "decoupling model" in which economic growth continues while GHG (Greenhouse Gas = carbon dioxide, methane, and other greenhouse gases) emissions are reduced.

(2) Summary of Financial Position for the Current Quarter

(i) Assets, Liabilities and Equity

Total assets as of the end of the first quarter stood at 11,567 million yen (a decrease of 1,204 million yen from the end of the previous fiscal year). This was mainly due to decreases of 695 million yen in cash and cash equivalents, 678 million yen in trade receivables and other receivables, and 135 million yen in right-of-use assets, despite increases of 112 million yen in deferred tax assets and 108 million yen in other current assets.

Total liabilities stood at 5,604 million yen (a decrease of 526 million yen from the end of the previous fiscal year). This was mainly due to decreases of 376 million yen in income taxes payable and 137 million yen in lease liabilities.

Total equity stood at 5,962 million yen (a decrease of 677 million yen from the end of the previous fiscal year). This was mainly due to a decrease of 675 million yen in retained earnings.

(ii) Cash Flows

Cash and cash equivalents (hereinafter, “funds”) as of the end of the first quarter decreased by 695 million yen from the end of the previous fiscal year to 3,739 million yen. The status of each cash flow and its factors during the three months ended June 30, 2026 are as follows.

(Cash Flows from Operating Activities)

Funds used in operating activities in the three months ended June 30, 2026 were 123 million yen (compared to 271 million yen provided in the same period of the previous year). The main inflow was a decrease of 682 million yen in trade and other receivables. The main outflows were a loss before tax of 345 million yen, income taxes paid of 320 million yen, and other outflows of 154 million yen.

(Cash Flows from Investing Activities)

Funds used in investing activities in the three months ended June 30, 2026 were 15 million yen (compared to 22 million yen used in the same period of the previous year). The main inflow was 3 million yen in proceeds from the sale of property, plant and equipment. The main outflows were 14 million yen for the acquisition of property, plant and equipment and 2 million yen for the acquisition of intangible assets.

(Cash Flows from Financing Activities)

Funds used in financing activities in the three months ended June 30, 2026 were 557 million yen (compared to 531 million yen used in the same period of the previous year). The main outflows were 409 million yen in dividends paid and 147 million yen in repayments of lease liabilities.

(3) Explanation of Forward-looking Information such as Consolidated Financial Results Forecast

Taking into account the results for the three months ended June 30, 2026 and the outlook at the present time, there is no change at this time to the financial results forecasts for the second quarter (first half) of the fiscal year ending March 31, 2027 and for the fiscal year ending March 31, 2027 (full year), which were announced on May 14, 2026. The growth rate in the first quarter slowed against the background of the withdrawal from low-unit-price projects, the reduction of investment by some clients due to the impact of the situation in the Middle East, and a decline—greater than anticipated—in demand, owing to AI, for specialized personnel whose work was limited to the execution of specific skills. The full-year financial forecast also incorporates the continuation of the planned withdrawal from low-unit-price, low-growth projects and the slowdown in growth in the conventional web operations domain accompanying the progress of replacement by generative AI. At this stage, we judge the impact on the full-year outlook to be limited; however, we believe that continued attention is required with respect to changes in the business environment, including the pace at which replacement by AI progresses. Should any revision become necessary in light of future developments, we will announce it promptly.

(Regarding the Dividend Forecast)

From the perspective of enhancing profit returns to shareholders and further improving corporate value, the Group’s basic policy is to maintain internal reserves to prepare for new business investments and business expansion for long-term profit growth, while distributing results in line with the growth of business results and continuously increasing dividend amounts. Over the medium term, we target a ratio of dividends to equity attributable to owners of parent (DOE) of 5% or more and a payout ratio of 25% or more.

With respect to dividends for the fiscal year ending March 31, 2027, in accordance with the capital policy set forth in FUTURE VISION, our policy is to determine dividends after comprehensively taking into account DOE and the payout ratio. At this time, there is no change from the previously announced forecast of 35.00 yen per share (year-end dividend).

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(unit: thousand yen)

	Previous fiscal year (March 31, 2026)	1st quarter of the current fiscal year (June 30, 2026)
Assets		
Current assets		
Cash and cash equivalents	4,435,308	3,739,588
Trade receivables and other receivables	4,301,854	3,622,924
Inventories	26,507	73,383
Other current assets	195,124	303,631
Total current assets	8,958,795	7,739,528
Non-current assets		
Property, plant and equipment	352,955	347,228
Right-of-use assets	978,474	843,469
Goodwill	251,499	251,499
Intangible assets	66,844	62,959
Other financial assets	1,551,813	1,601,419
Deferred tax assets	600,371	712,509
Other non-current assets	10,958	8,964
Total non-current assets	3,812,917	3,828,050
Total assets	12,771,713	11,567,578

(unit: thousand yen)

	Previous fiscal year (March 31, 2026)	1st quarter of the current fiscal year (June 30, 2026)
Liabilities and Equity		
Liabilities		
Current liabilities		
Lease liabilities	479,725	396,650
Trade and other liabilities	1,021,133	964,733
Income taxes payable	441,619	65,480
Contract liabilities	3,129	7,085
Other current liabilities	3,660,191	3,699,375
Total current liabilities	5,605,800	5,133,325
Non-current liabilities		
Lease liabilities	262,040	207,166
Provisions	263,500	264,240
Total non-current liabilities	525,540	471,406
Total liabilities	6,131,340	5,604,732
Equity		
Share capital	1,059,191	1,059,191
Share premium	768,083	769,727
Treasury share	(645,261)	(645,312)
Other components of equity	13,591	10,355
Retained earnings	5,444,766	4,768,884
Total equity attributable to owners of parent	6,640,372	5,962,846
Total equity	6,640,372	5,962,846
Total liabilities and equity	12,771,713	11,567,578

(2) Condensed Quarterly Consolidated Statement of Profit or Loss

(unit: thousand yen)

	1Q FY2026 (April 1, 2025 to June 30, 2025)	1Q FY2027 (April 1, 2026 to June 30, 2026)
Revenue	5,467,673	5,750,433
Cost of sales	4,426,296	4,694,842
Gross profit	1,041,377	1,055,591
Selling, general and administrative expenses	1,112,448	1,452,199
Other income	4,837	4,314
Other expenses	4,103	3,316
Operating profit (loss)	(70,336)	(395,609)
Finance income	30,758	53,263
Finance costs	4,031	3,353
Profit (loss) before tax	(43,610)	(345,699)
Income tax expense	(2,540)	(92,812)
Profit (loss) for the quarter	(41,069)	(252,887)
Profit (loss) for the quarter attributable to		
Owners of parent	(41,069)	(252,887)
Profit (loss) for the quarter	(41,069)	(252,887)
Earnings per share		
Basic earnings (loss) per share (yen)	(3.22)	(19.73)
Diluted earnings (loss) per share (yen)	(3.22)	(19.73)

(3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(unit: thousand yen)

	1Q FY2026 (April 1, 2025 to June 30, 2025)	1Q FY2027 (April 1, 2026 to June 30, 2026)
Profit (loss) for the quarter	(41,069)	(252,887)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(14,519)	(3,235)
Total items that will not be reclassified to profit or loss	(14,519)	(3,235)
Other comprehensive income after tax	(14,519)	(3,235)
Total comprehensive income for the quarter	(55,589)	(256,123)
Comprehensive income for the quarter attributable to		
Owners of parent	(55,589)	(256,123)
Total comprehensive income for the quarter	(55,589)	(256,123)

(4) Condensed Quarterly Consolidated Statement of Changes in Equity

First quarter of the previous fiscal year (from April 1, 2025 to June 30, 2025)

(unit: thousand yen)

	Share capital	Share premium	Treasury share	Other components of equity	Retained earnings	Total equity
As of April 1, 2025	1,057,867	761,913	(698,155)	57,802	4,628,888	5,808,317
Profit (loss) for the quarter	–	–	–	–	(41,069)	(41,069)
Other comprehensive income	–	–	–	(14,519)	–	(14,519)
Total comprehensive income for the quarter	–	–	–	(14,519)	(41,069)	(55,589)
Exercise of stock acquisition rights	1,324	1,324	–	(304)	–	2,344
Forfeiture of stock acquisition rights	–	–	–	(10,906)	10,906	–
Stock compensation transactions	–	3,071	–	–	–	3,071
Dividends	–	–	–	–	(408,538)	(408,538)
Total amount of transactions with owners	1,324	4,395	–	(11,210)	(397,632)	(403,122)
As of June 30, 2025	1,059,191	766,309	(698,155)	32,072	4,190,186	5,349,605

First quarter of the current fiscal year (from April 1, 2026 to June 30, 2026)

(unit: thousand yen)

	Equity attributable to owners of parent						Total equity
	Share capital	Share premium	Treasury share	Other components of equity	Retained earnings	Total	
As of April 1, 2026	1,059,191	768,083	(645,261)	13,591	5,444,766	6,640,372	6,640,372
Profit (loss) for the quarter	–	–	–	–	(252,887)	(252,887)	(252,887)
Other comprehensive income	–	–	–	(3,235)	–	(3,235)	(3,235)
Total comprehensive income for the quarter	–	–	–	(3,235)	(252,887)	(256,123)	(256,123)
Stock compensation transactions	–	1,643	–	–	–	1,643	1,643
Purchase of treasury shares	–	–	(50)	–	–	(50)	(50)
Dividends	–	–	–	–	(422,995)	(422,995)	(422,995)
Total amount of transactions with owners	–	1,643	(50)	–	(422,995)	(421,402)	(421,402)
As of June 30, 2026	1,059,191	769,727	(645,312)	10,355	4,768,884	5,962,846	5,962,846

(5) Condensed Quarterly Consolidated Statement of Cash Flows

(unit: thousand yen)

	1Q FY2026 (April 1, 2025 to June 30, 2025)	1Q FY2027 (April 1, 2026 to June 30, 2026)
Cash flows from operating activities		
Profit (loss) before tax	(43,610)	(345,699)
Depreciation and amortization	149,396	156,740
Finance income	(30,586)	(53,263)
Finance costs	4,031	3,353
(Increase) decrease in inventories	(39,935)	(46,875)
(Increase) decrease in trade and other receivables	785,901	682,976
Increase (decrease) in trade and other payables	(104,989)	(42,630)
Other	(297,268)	(154,951)
Subtotal	422,939	199,650
Interest payments	(3,361)	(2,341)
Proceeds from insurance income	3,000	-
Income taxes paid	(151,924)	(320,429)
Corporate income tax refund	403	-
Cash flows from operating activities	271,057	(123,120)
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,567)	(14,700)
Proceeds from sale of property, plant and equipment	-	3,058
Purchase of intangible assets	-	(2,500)
Purchase of investments	(6,897)	-
Proceeds from sale of investments	11,160	-
Payments for leasehold deposits and guarantee deposits	-	(1,068)
Cash flows from investing activities	(22,304)	(15,210)
Cash flows from financing activities		
Repayments of lease liabilities	(141,198)	(147,991)
Proceeds from exercise of stock acquisition rights	2,344	-
Purchase of treasury shares	-	(49)
Dividends paid	(392,569)	(409,348)
Cash flows from financing activities	(531,424)	(557,389)
Net increase (decrease) in cash and cash equivalents	(282,671)	(695,720)
Cash and cash equivalents at beginning of period	4,014,913	4,435,308
Cash and cash equivalents at end of quarter	3,732,241	3,739,588

(6) Notes to Condensed Quarterly Consolidated Financial Statements

(Additional Information)

In the first quarter of the previous fiscal year, the Company had no subsidiaries and therefore prepared non-consolidated condensed quarterly financial statements. Following the acquisition of ajike Co., Ltd. on January 1, 2026, which thereby became a subsidiary of the Company, the Company transitioned to consolidated financial reporting in the previous fiscal year.

Accordingly, the comparative information for the condensed quarterly consolidated statement of profit or loss, the condensed quarterly consolidated statement of comprehensive income, the condensed quarterly consolidated statement of changes in equity, and the condensed quarterly consolidated statement of cash flows presents figures based on the non-consolidated IFRS financial statements.

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information)

As the Group has a single segment, the DX accompanying support service business, segment information has been omitted.

(Subsequent Events)

(Disposal of Treasury Shares as Restricted Stock Compensation)

At the meeting of the Board of Directors held on June 19, 2026, the Company resolved to dispose of treasury shares as restricted stock compensation (the “Disposal”). The Company implemented the Disposal on July 17, 2026 as set out below, and the payment procedures have been completed.

Outline of the Disposal

(1) Class and number of shares disposed of: 20,722 ordinary shares of the Company

(2) Disposal price: 1,073 yen per share

(3) Total disposal amount: 22,234,706 yen

(4) Allottees, number of allottees, and number of shares disposed of:

Two Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors): 7,357 shares

Nine Executive Officers who do not concurrently serve as Directors of the Company: 13,365 shares

(5) Disposal date: July 17, 2026