



Consolidated Financial Statements for the Six Months Ended June 30, 2025 (IFRS)

These financial statements have been prepared for reference only.

August 12, 2025

Link and Motivation Inc.

Stock exchange listing: Tokyo, Prime Market

Code number: 2170

<http://www.lmi.ne.jp/english>

Representative: Ozasa Yoshihisa, Chairman and Representative Director

Contact: Yokoyama Hiroaki, Managing Executive Officer and

Manager of Group Design Office

Filing of Semiannual Securities Report (*Hanki Hokokusho*) (scheduled):

Start of distribution of dividends (scheduled):

Financial results briefing presentation materials:

Financial results briefing:

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August 12, 2025

September 25, 2025

Yes

Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million.)

1. Consolidated Results for the Six Months Ended June 30, 2025

(January 1, 2025 - June 30, 2025)

(1) Revenues and Income (Percentages represent change compared with the same period of the previous year.)

	Revenues (¥ million)	Change (%)	Operating income (¥ million)	Change (%)	Income before income taxes (¥ million)	Change (%)	Net income (¥ million)	Change (%)
Six months ended June 30, 2025	19,937	10.7	3,163	18.5	3,205	21.7	2,078	13.5
Six months ended June 30, 2024	18,003	7.7	2,668	20.5	2,634	20.3	1,831	28.7

	Net income attributable to owners of the parent (¥ million)	Change (%)	Comprehen- sive income (¥ million)	Change (%)	Basic earnings per share (¥)	Diluted earnings per share (¥)
Six months ended June 30, 2025	1,799	7.3	2,286	11.6	16.90	16.89
Six months ended June 30, 2024	1,677	33.6	2,049	(12.1)	15.50	15.50

(2) Financial Position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Ratio of equity attributable to owners of the parent to total assets (%)
As of June 30, 2025	34,639	15,485	12,388	35.8
As of December 31, 2024	33,178	14,384	11,285	34.0

2. Dividends

	Dividends per share				
	1st Qtr.	2nd Qtr.	3rd Qtr.	Year-end	Total
2024	2.90	3.00	3.00	3.30	12.20
2025	3.90	3.90			
2025 (est.)			4.10	4.10	16.00

Note: Revisions since the most recently announced dividend forecast: Yes

3. Forecast of Consolidated Results for 2025 (January 1, 2025 - December 31, 2025)

(Percentages represent change compared with the previous fiscal year.)

	Revenues		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share (¥)
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	
Full-year	41,200	10.0	6,220	13.4	4,280	5.6	3,879	5.1	36.43

Note: Revisions since the most recently announced forecast of results: No

Notes

- (1) Changes in Scope of Consolidation during the Period: No
- (2) Changes in Accounting Policies and Changes in Accounting Estimates
 - (a) Changes in accounting policies required by IFRS: No
 - (b) Changes in accounting policies other than (a) above: No
 - (c) Changes in accounting estimates: No
- (3) Number of Shares Issued and Outstanding (Common Stock)
 - (a) Number of shares at the end of the period (including treasury stock)
Six months ended June 30, 2025: 109,000,000; Year ended December 31, 2024: 109,000,000
 - (b) Number of treasury shares at the end of the period:
Six months ended June 30, 2025: 2,500,017; Year ended December 31, 2024: 2,521,017
 - (c) Average number of shares outstanding (cumulative with earlier quarters):
Six months ended June 30, 2025: 106,471,011; Six months ended June 30, 2024: 108,224,825

*** These 2nd Quarter (Interim) Financial Statements Are Not Subject to Review by a Certified Public Accountant or Auditing Firm**

*** Explanation of the Proper Use of Performance Forecasts and Other Special Instructions**

Note regarding forward-looking statements:

Consolidated forecasts and other statements regarding the future contained in this document are based on information currently available to the Company and certain reasonable assumptions. Actual performance may differ substantially due to numerous factors.

How to obtain quarterly financial information:

Financial results briefing materials are disclosed on the same day on TDnet and the Company website.

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1. Overview of Results of Operations and Other Information

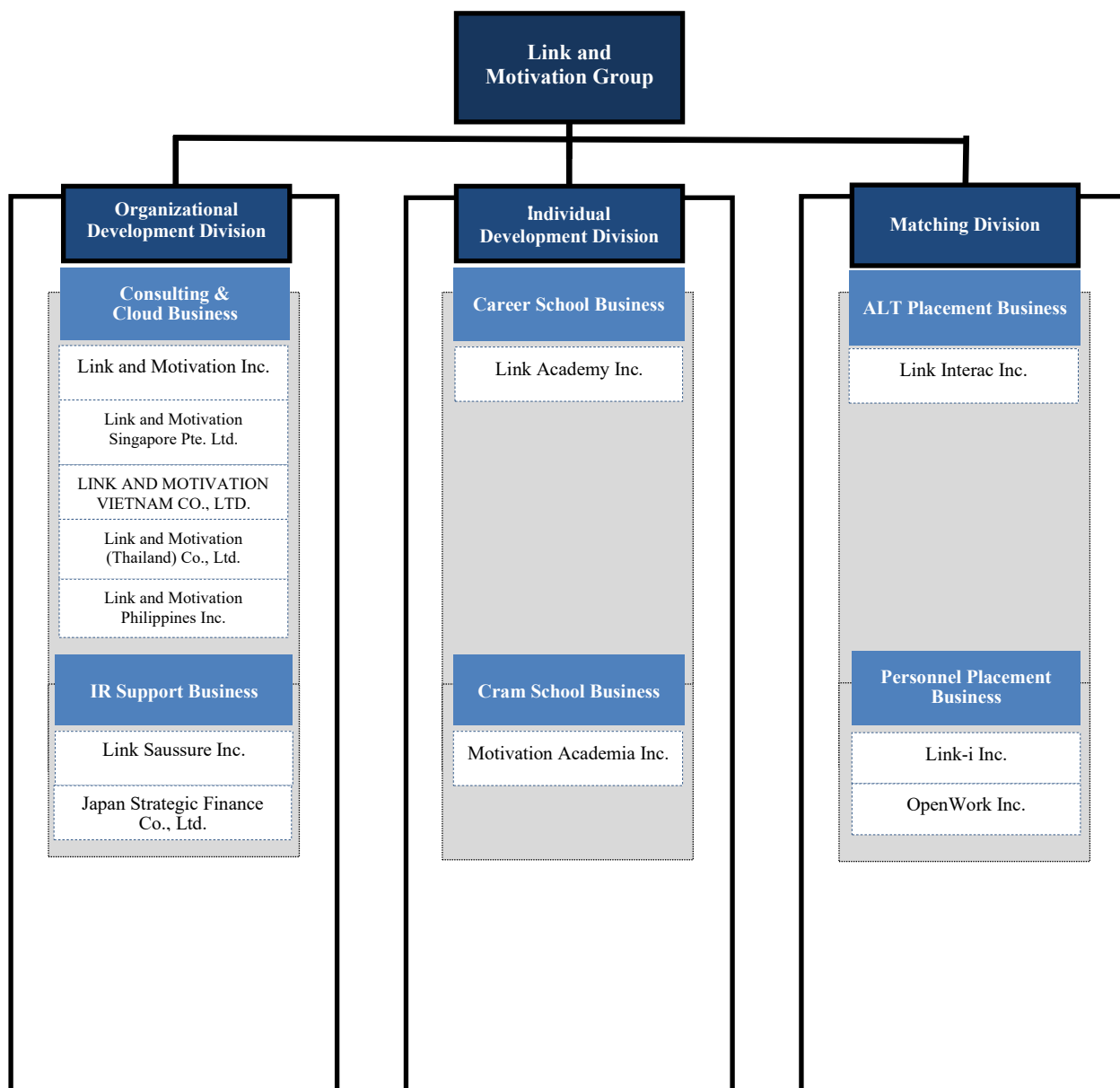
Forward-looking statements in the following text are based on judgments as of June 30, 2025, the last day of the consolidated accounting period under review.

(1) Overview of Results of Operations for the Six Months Ended June 30, 2025

The Group supports the transformation of numerous organizations and individuals using “Motivation Engineering” (the Group’s core technology), incorporating academic results in business administration, social systems theory, behavioral economics, psychology and other disciplines, under its mission: “Through Motivation Engineering, we provide opportunities to transform organizations and individuals and create a more meaningful society.” During the six months ended June 30, 2025, the Japanese economy gradually recovered with the improvement of the employment and income environment. However, the economic outlook remains unclear due to the impact of political trends including U.S. tariff policies on the global economy, as well as geopolitical risks stemming from ongoing international instability. In these economic conditions, the Group perceives a growing need for companies to promote human capital management in order to deal with change, and more specifically, a need to improve employee engagement (the degree of mutual understanding and affinity between a company and its employees), and to secure and develop human resources.

In this economic environment, the Group’s revenues for the first half of 2025 were ¥19,937 million, (a 10.7% increase compared with the same period of the previous year), gross profit was ¥10,990 million (an 11.1% increase), operating income was ¥3,163 million (an 18.5% increase) and net income attributable to owners of the parent was ¥1,799 million (a 7.3% increase). Revenues, gross profit and operating profit increased substantially year on year due mainly to growth in the high-margin Consulting & Cloud business and the Personnel Placement business, which includes OpenWork Inc. (“OpenWork”). Net income attributable to owners of the parent also increased. All items are progressing in line with expectations.

The segment and business classifications of the Group are as shown below, and an overview of the first half of 2025 by segment and business follows. As of the first half of 2025, the business activities of the Consulting & Cloud business and the IR Support business have changed. Year-on-year comparisons are made after reclassifying the figures for the same period of the previous year to conform to the new classification.



Organizational Development Division

The Organizational Development Division provides support for the creation of companies that are chosen by individuals (“Motivation Companies”). In concrete terms, it offers services that provide support for increasing engagement with a company’s stakeholders (employees, job applicants, customers, shareholders) by applying “Motivation Engineering,” which is the core technology of the Group.

In this segment, segment revenues for the first half of 2025 were ¥7,652 million (a 12.4% increase), and segment income was ¥5,327 million (an 8.5% increase). An overview of operating results by business for the first half of 2025 is as follows.

Consulting & Cloud Business

The Consulting & Cloud business supports the practice of human capital management through diagnosis and transformation by providing consulting and cloud services to corporate clients. Specifically, it provides one-stop services that include diagnosing organizations using its original diagnostic framework, as well as transformation solutions for organizational and personnel issues in the areas of recruiting, training, systems and corporate culture. In cloud-based services, it provides HR Tech (human resources combined with technology) called Motivation Cloud that supports organizational human resources issues such as improving human resource capabilities and engagement.

In this business, revenues for the first half of 2025 were ¥6,417 million (a 13.5% increase) and gross profit was ¥4,773 million (an 11.2% increase). Results by product in the Consulting & Cloud business were as follows.

Table 1. Revenues by Product

Product (¥ million) (Figures in brackets are gross profit)	Six months ended June 30, 2024	Six months ended June 30, 2025	YoY change (%)
Consulting & Cloud Business	5,652 [4,294]	6,417 [4,773]	13.5% 11.2%
Consulting	2,901	3,117	7.4%
Cloud	2,751	3,300	20.0%

In the first half of 2025, both revenues and gross profit increased substantially compared with the same period of the previous year as a result of the strong growth of Motivation Cloud.

In consulting, revenues and revenues per customer increased as expected compared with the same period of the previous year due to a focus on existing customers in providing comprehensive support for human capital management. The business will continue to improve revenues per customer by deepening customer relationships and work to increase consulting service capacity by improving productivity.

Monthly fee revenue increased substantially compared with the same period of the previous year for Motivation Cloud, which is a cloud product and priority service. The number of deliveries and monthly fee revenue were as follows.

Table 2. Number of Deliveries and Monthly Fee Revenue for Motivation Cloud at Quarter-End

	2024				2025	
	March	June	September	December	March	June
Number of deliveries	883	915	962	1,017	1,012	1,057
Monthly fee revenue (¥ thousand)	424,550	458,130	493,684	515,823	520,827	536,566

Since its founding in 2000, the Group has not only diagnosed the engagement status of companies and employees but has also supported their transformation. Motivation Cloud is a cloud-based service in the field of HR Tech (human resources combined with technology) that supports solving organizational and personnel issues such as improving human resource capabilities and engagement through diagnosis and transformation of organizations. In March 2025, the Group integrated all of its cloud services into Motivation Cloud. Currently, in addition to providing Motivation Cloud Engagement, which enables improvement of employee engagement, Motivation Cloud Sharing for revitalizing organizational culture, and Motivation Cloud Role Development for improving human resource capabilities, the Group has also added services for supporting digital transformation (DX), including RPA Robo-Pat DX and FCE Prompt Gate, which are provided by FCE, with which the Group concluded a business alliance agreement in August 2024. Among these services, Motivation Cloud Engagement is currently ranked No. 1 in share of sales by vendor in the employee engagement market (the seventh consecutive year: fiscal 2017 to fiscal 2023 forecast) in *ITR Market View: Human Resources Management Market 2024*, a market research report published by ITR Corporation.

Monthly fee revenue from Motivation Cloud at the end of June 2025 was ¥536,566 thousand (a 17.1% increase), achieving significant growth. Please refer to (4) Forecast for information on future strategies.

IR Support Business

The IR Support business mainly supports disclosure of human capital management initiatives by providing planning and production services for printed, web-based and visual media and events to corporate clients. Specifically, this business supports internal branding through events and media, produces voluntary disclosure materials such as integrated reports and shareholder reports for shareholders and investors, and creates video content for financial results briefings and other events, including attracting guests and live streaming.

In this business, revenues for the first half of 2025 were ¥1,401 million (a 2.5% increase) and gross profit was ¥651 million (an 11.4% decrease). Revenues increased compared with the previous year, but gross profit was down from the same period of the previous year due to a decrease in the gross profit margin resulting from an increase in the proportion of orders for events.

This business is currently expanding its customer base and enhancing its IR services. Following the acquisition of Japan Strategic Finance Co., Ltd. as a wholly owned subsidiary in April 2025, it acquired Chorus Call Asia Co., Ltd. (CCA) as a wholly owned subsidiary on August 1, 2025. In 2022, CCA acquired E-Associates Inc., a company that supports corporate clients in implementing investor and shareholder relations activities through the use of audio and video communication technologies by providing planning, operation and streaming services for IR briefings and shareholder meetings, while also promoting digital transformation. While Japan Strategic Finance has established a solid market share among small and medium-sized listed companies in Japan, CCA has a high market share among large, listed companies in Japan that are included in the JPX400. The two companies will share their customer bases and create new cross-selling opportunities and synergy, aiming to further expand their market share in IR briefing planning and management services. CCA's business results are scheduled to be included in the scope of consolidation from the third quarter of 2025.

Individual Development Division

The Individual Development Division supports the creation of individuals who are chosen by organizations (“i-Companies”). Specifically, it applies “Motivation Engineering,” which is the core technology of the Group, to businesses in areas including career schools and cram schools, to provide one-stop services to customers from elementary school students to working adults. These services range from helping to set goals to understanding individual issues and formulating and implementing study plans.

In this segment, segment revenues for the first half of 2025 were ¥3,086 million (a 4.0% decrease) and segment income was ¥1,472 million (a 0.1% increase). An overview of operating results by business for the first half of 2025 is as follows.

Career School Business

The Career School business supports career advancement by providing development courses for IT and language skills as well as qualifications programs for university students and working adults. It provides five services: “Aviva” personal computer schools, “Daiei” qualification schools, “Rosetta Stone Learning Center,” “Rosetta Stone Premium Club” and “Hummingbird” foreign language schools.

In this business, revenues for the first half of 2025 were ¥2,684 million (a 5.4% decrease) and gross profit was ¥1,297 million (a 1.7% decrease).

In the first half of 2025, revenues and gross profit both decreased compared with the same period of the previous year as a result of sluggish new enrollment in courses. On the other hand, revenues from online courses, a priority service, rose significantly, increasing 23.1% to ¥332 million. In 2025, the business will use its strength in providing support that helps people stay engaged as a base for its ongoing focus on expanding its online services, such as by offering online courses at co-working spaces under franchise agreements. It will also continue to address diverse needs that include developing courses on generative AI that accommodate the workstyle improvement requirements of individuals.

Cram School Business

The Cram School business provides educational opportunities in the form of cram schools for elementary, junior high and high school students to support them in acquiring skills to improve their academic performance and play an active role in society. The business operates two cram schools in both in-person and online formats—“SS-1,” an individualized instruction school for students preparing for junior high school entrance exams, and “Motivation Academia” cram schools for junior high and high school students.

In this business, revenues for the first half of 2025 were ¥402 million (a 6.6% increase) and gross profit was ¥174 million (a 15.6% increase).

In the first half of 2025, revenues increased and gross profit increased substantially compared with the same period of the previous year as enrollment and revenues per enrollee each increased in line with expectations. This business will continue to grow by increasing enrollment rates and the number of students who transition from SS-1, a cram school for elementary school students, to Motivation Academia, a cram school for junior and senior high school students, and by providing learning opportunities through online courses to a wide range of students, not just those in areas where they can attend physical schools.

Matching Division

The Matching Division operates the ALT (assistant language teacher) Placement business and the Personnel Placement business in order to provide opportunities to connect organizations and individuals. It creates matches with a high retention rate by applying “Motivation Engineering,” the core technology of the Group, to go beyond the skill requirements of companies and local governments and provide support for matching organizations and individuals based on the characteristics of each individual and other relevant data.

In this segment, segment revenues for the first half of 2025 were ¥9,624 million (a 15.2% increase) and segment income was ¥4,573 million (an 18.6% increase). An overview of operating results by business for the first half of 2025 is as follows.

ALT Placement Business

The ALT Placement business supports high-quality English language education by providing high-engagement matching opportunities between local governments and talented individuals from overseas seeking to work in Japan. Specifically, it dispatches non-Japanese assistant language teachers (ALTs) to elementary, junior high and high schools throughout Japan and provides English-language instruction services on contract. In this business, barriers to entry are extremely high due to the importance placed on relationships of trust with customers and a company’s track record, and the Group has established the predominant No. 1 share among private companies.

In this business, revenues for the first half of 2025 were ¥7,059 million (a 10.8% increase) and gross profit was ¥2,088 million (a 9.9% increase).

In the first half, the number of ALTs dispatched increased as expected, resulting in a significant increase in revenues and an increase in gross profit compared with the same period of the previous year. The Group will continue working to further expand market share by shifting some services online and utilizing ICT, while leveraging its strength in dispatching high-quality ALTs.

Personnel Placement Business

The Personnel Placement business helps to find the right fit between job applicants and companies by providing an information platform and matching opportunities with high engagement for people looking to find or change jobs. Specifically, it provides a wide range of matching opportunities, including OpenWork, one of Japan’s largest employee review platforms, as well as employment referrals for university students.

In this business, revenues for the first half of 2025 were ¥2,590 million (a 29.1% increase) and gross profit was ¥2,511 million (a 27.1% increase).

In the first half, OpenWork, which has a particularly high growth rate, continued to steadily accumulate registered users as well as employee online reviews and evaluation scores. In the direct recruiting service (OpenWork Recruiting), the cumulative number of online resume registrations (working adults and students) continued to increase steadily to approximately 1,510,000. As a result of efforts to stimulate recruiting activity among existing customers and increase employment opportunities, recruiting by employers and applications from job seekers expanded, and revenues from this service were ¥1,553 million (a 36.2% increase).

This business will continue to expand synergy with the Organizational Development Division, and will ramp up its matching services.

Venture Incubation

In addition to its divisions, the Group conducts venture incubation. In venture incubation, the Group provides its know-how in organizational and personnel consulting in addition to funding, as well as support on an organizational level for growing venture companies that aim to list their stock. The two main criteria for selection of investees are sympathy with the idea of “creation of Motivation Companies” and aim to list stock. Gains on sales and other results generated from venture incubation are recorded in retained earnings on the condensed consolidated statements of financial position, or under other income or other expenses on the condensed consolidated statements of operations.

To date, the Group has helped 12 companies successfully list their stock. We will continue to support investees to create “Motivation Companies” and accelerate the promotion of human capital management.

(2) Overview of Financial Position for the Six Months Ended June 30, 2025

Total assets as of June 30, 2025 were ¥34,639 million, an increase of ¥1,461 million from the end of the previous year. This was mainly due to factors included a ¥890 million increase in trade and other receivables and a ¥416 million increase in goodwill.

Total liabilities as of June 30, 2025 were ¥19,154 million, an increase of ¥361 million from the end of the previous year. This was mainly due to factors including a ¥389 million decrease in trade and other payables, which was offset by a ¥730 million increase in interest-bearing and other financial liabilities.

Total equity as of June 30, 2025 was ¥15,485 million, an increase of ¥1,100 million from the end of the previous year. This was mainly because the Group posted net income, offset by a decrease in dividends from surplus.

(3) Overview of Cash Flow for the Six Months Ended June 30, 2025

Cash and cash equivalents (“cash”) as of June 30, 2025 were ¥8,704 million, an increase of ¥97 million during the period.

Cash flow during the six months ended June 30, 2025 was as follows.

Cash Flow from Operating Activities

Net cash provided by operating activities was ¥1,863 million, a decrease of ¥403 million compared with the same period of the previous year. The principal factors increasing cash included a ¥570 million increase in income before income taxes. This was offset by a ¥489 million decrease in trade and other payables and the absence of a non-recurring income tax refund in the same period of the previous year.

Cash Flow from Investing Activities

Net cash used in investing activities was ¥769 million (compared with net cash provided totaling ¥10 million in the same period of the previous year). The principal factors decreasing cash included payment for purchase of subsidiary shares resulting in change in the scope of consolidation totaling ¥415 million and a ¥871 million decrease in proceeds from sale of investment securities, while the principal factors increasing cash included a ¥265 million decrease in payments for acquisition of investment securities.

Cash Flow from Financing Activities

Net cash used in financing activities was ¥980 million, a decrease of ¥1,160 million compared with the same period of the previous year. The principal factors decreasing cash included a ¥3,390 million decrease in proceeds from long-term financial liabilities and payments for acquisition of interests in subsidiaries from non-controlling interests of ¥455 million. The principal factors increasing cash included a ¥3,798 million net increase in short-term financial liabilities and the absence of payments for acquisition of treasury shares recorded in the same period of the previous year.

(4) Forecast

In the first half of 2025, revenues and operating income both increased substantially due mainly to growth in the high-margin Consulting & Cloud business and the Personnel Placement business, which includes OpenWork. The Company is progressing on schedule toward its performance forecasts for the fiscal year ending December 31, 2025 with revenues of ¥41,200 million (a 10.0% increase) and operating income of ¥6,220 million (a 13.4% increase).

Given the current decline in Japan’s workforce and the rapidly shift in industries toward knowledge- and service-based models, human capital management continues to attract increasing attention, and we believe that investment in human capital for corporate growth will accelerate even further in the future. As such, the Group will continue to focus on the Consulting & Cloud business, which has high growth potential. We have a unique competitive advantage because we are able to comprehensively support human capital management by providing one-stop support for organizational diagnosis and transformation, and can also provide public disclosure support through the IR Support business. The Group will further accelerate growth by focusing on increasing the number of companies for which it provides diagnostic support, and on expanding its transformation services through internal development, M&As and business partnerships.

Table 3. Type of Support Provided by the Consulting & Cloud Business

Type of support	Diagnose the state of the organization and implement transformation based on the identified issues	
	Diagnosis	Transformation
	(1) Major companies in Japan (2) Small and medium-sized enterprises in Japan (3) Local governments in Japan (4) Increasing number of engagements outside Japan	Internal development, M&As and business partnerships to expand service offerings

An overview of specific initiatives is described below.

Diagnosis

(1) Further Expand Relationships with Major Companies in Japan

We are currently expanding relationships with major companies in Japan, primarily targeting approximately 4,000 companies with over 1,000 employees. Our initiatives have generated significant growth compared with the same period of the previous year for Motivation Cloud, and sales to major companies in Japan with over 1,000 employees now account for approximately 60% of revenues. We will continue to promote adoption across a wide range of industries to accelerate growth.

(2) Accelerate Expansion of Relationships with Small and Medium-Sized Enterprises in Japan

We are expanding relationships with approximately 100,000 small and medium-sized enterprises in Japan, primarily those with 50 or more employees, through business partnerships. Building on agreements with FCE Inc. and The San-in Godo Bank, Ltd., we initiated a business partnership with The Awa Bank, Ltd. in July 2025 that will enable us to approach approximately 36,000 companies. We will expand the support we provide by leveraging the customer base of our business partners to sell Motivation Cloud Basic, a new service for small and medium-sized enterprises in Japan.

(3) Accelerate Expansion of Relationships with Local Governments in Japan

Local governments in Japan also have a growing need for organizational diagnosis and transformation, and we are introducing our system to local governments by deploying the knowledge we have gained through corporate transformation. Among the approximately 1,700 local governments nationwide, we have steadily introduced our system in major jurisdictions including the city of Sapporo, Miyagi Prefecture, Osaka Prefecture, and Hyogo Prefecture, and will continue to expand the support we provide in the future.

(4) Expansion Outside Japan

We have begun expanding outside Japan by building our presence in the ASEAN region, primarily by targeting the approximately 7,000 local subsidiaries of Japanese companies. We have already established subsidiaries in four countries in Asia (Singapore, Vietnam, Thailand and the Philippines) and began operations in January 2025. Monthly fee revenue has grown by over 210% compared with the same period of the previous year, and the number of contracts has increased by approximately 200%. We plan to achieve further growth by expanding our service area with the establishment of a subsidiary in Indonesia in January 2026.

Transformation

In our transformation business, we are focusing on expanding the transformation services available on Motivation Cloud. In 2024, we partnered with FCE to add digital transformation support services such as RPA Robo-Pat DX and FCE Prompt Gate. In March 2025, we consolidated all cloud services into Motivation Cloud. We have also acquired Unipos Inc. ("Unipos"), which became a wholly owned subsidiary as of August 1, 2025. Unipos provides the enterprise-level participation platform Peer Bonus® Unipos, which helps companies improve engagement. Adding Peer Bonus® Unipos as a transformation service to Motivation Cloud and offering it to customers working to improve engagement will create opportunities to upsell within Motivation Cloud and improve its transformation capabilities.

With the addition of this service, we also revised the monthly fee revenue target for Motivation Cloud by the end of December 2025 upward to ¥650 million, a 26.0% year-on-year increase. We will establish a dominant competitive advantage and achieve accelerated growth by using M&As and business partnerships to further expand transformation services, and by providing comprehensive support ranging from organizational diagnosis to transformation within Motivation Cloud.

In addition to significant growth in revenues in the Personnel Placement Business, including OpenWork, we will accelerate growth throughout the Group by expanding the IR Support business and increasing market share in the ALT Placement business.

2. Condensed Consolidated Financial Statements and Main Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen, rounded down to the nearest million)

	As of December 31, 2024	As of June 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	8,607	8,704
Trade and other receivables	4,100	4,990
Inventories	297	317
Other current financial assets	17	37
Other current assets	918	818
Total current assets	13,940	14,868
Non-current assets		
Property, plant and equipment	653	676
Right-of-use assets	3,065	2,935
Goodwill	9,346	9,763
Intangible assets	2,066	2,008
Investments accounted for using the equity method	1,981	2,078
Other non-current financial assets	1,339	1,542
Deferred tax assets	721	703
Other non-current assets	63	63
Total non-current assets	19,237	19,771
Total assets	33,178	34,639

(Millions of yen, rounded down to the nearest million)

	As of December 31, 2024	As of June 30, 2025
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Trade and other payables	2,111	1,721
Contract liabilities	1,188	1,387
Interest-bearing and other financial liabilities	2,776	3,771
Lease liabilities	887	876
Income tax payable	1,214	1,183
Provisions	2	14
Other current liabilities	1,936	1,904
Total current liabilities	10,115	10,859
Non-current liabilities		
Interest-bearing and other financial liabilities	5,778	5,514
Lease liabilities	2,188	2,061
Provisions	370	378
Deferred tax liabilities	223	227
Other non-current liabilities	116	113
Total non-current liabilities	8,677	8,295
Total liabilities	18,793	19,154
EQUITY		
Equity attributable to owners of the parent		
Share capital	1,380	1,380
Capital surplus	2,680	2,519
Treasury shares	(1,182)	(1,161)
Retained earnings	9,447	10,503
Other components of equity	(1,040)	(853)
Total equity attributable to owners of the parent	11,285	12,388
Non-controlling interests	3,099	3,096
Total equity	14,384	15,485
Total liabilities and equity	33,178	34,639

(2) Condensed Consolidated Statements of Operations and Comprehensive Income
Condensed Consolidated Statements of Operations

(Millions of yen, rounded down to the nearest million)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Revenues	18,003	19,937
Cost of sales	8,114	8,947
Gross profit	9,889	10,990
Selling, general and administrative expenses	7,123	7,798
Other income	20	32
Other expenses	117	61
Operating income	2,668	3,163
Financial revenues	7	5
Financial expenses	41	60
Equity in earnings of affiliates	—	97
Income before income taxes	2,634	3,205
Income taxes	803	1,126
Net income	1,831	2,078
(Attributable to)		
Owners of the parent	1,677	1,799
Non-controlling interests	153	279
Total	1,831	2,078

(Yen)

Earnings per share attributable to owners of the parent		
Basic earnings per share	15.50	16.90
Diluted earnings per share	15.50	16.89

Condensed Consolidated Statements of Comprehensive Income

(Millions of yen, rounded down to the nearest million)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net income	1,831	2,078
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	219	222
Total of items that will not be reclassified to profit or loss	219	222
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(1)	(14)
Total of items that may be reclassified to profit or loss	(1)	(14)
Total other comprehensive income	218	207
Total comprehensive income	2,049	2,286
(Attributable to)		
Owners of the parent	1,895	2,007
Non-controlling interests	153	279
Comprehensive income	2,049	2,286

(3) Condensed Consolidated Statements of Changes in Equity
Six months ended June 30, 2024

(Millions of yen, rounded down to the nearest million)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total equity attributable to owners of the parent		
January 1, 2024	1,380	4,619	(1,539)	7,396	(1,690)	10,165	2,774	12,940
Net income	—	—	—	1,677	—	1,677	153	1,831
Other comprehensive income	—	—	—	—	218	218	—	218
Total comprehensive income	—	—	—	1,677	218	1,895	153	2,049
Acquisition of treasury shares	—	—	(1,193)	—	—	(1,193)	—	(1,193)
Change in ownership interest in subsidiaries	—	(38)	—	—	—	(38)	22	(16)
Dividends from surplus	—	—	—	(631)	—	(631)	—	(631)
Exercise of stock options	—	5	—	—	(5)	—	—	—
Share-based payment transactions	—	6	10	—	(1)	15	—	15
Transfer from other components of equity to retained earnings	—	—	—	(400)	400	—	—	—
Total transactions with the owners	—	(27)	(1,182)	(1,031)	394	(1,848)	22	(1,825)
June 30, 2024	1,380	4,591	(2,722)	8,042	(1,078)	10,213	2,951	13,164

Six months ended June 30, 2025

(Millions of yen, rounded down to the nearest million)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total equity attributable to owners of the parent		
January 1, 2025	1,380	2,680	(1,182)	9,447	(1,040)	11,285	3,099	14,384
Net income	—	—	—	1,799	—	1,799	279	2,078
Other comprehensive income	—	—	—	—	207	207	—	207
Total comprehensive income	—	—	—	1,799	207	2,007	279	2,286
Change in ownership interest in subsidiaries	—	(172)	—	19	—	(152)	(281)	(434)
Dividends from surplus	—	—	—	(766)	—	(766)	—	(766)
Exercise of stock options	—	9	—	—	(9)	—	—	—
Share-based payment transactions	—	1	21	—	(8)	14	—	14
Transfer from other components of equity to retained earnings	—	—	—	3	(3)	—	—	—
Total transactions with the owners	—	(161)	21	(743)	(21)	(904)	(281)	(1,186)
June 30, 2025	1,380	2,519	(1,161)	10,503	(853)	12,388	3,096	15,485

(4) Condensed Consolidated Statements of Cash Flow

(Millions of yen, rounded down to the nearest million)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flow from operating activities		
Income before income taxes	2,634	3,205
Depreciation and amortization	851	869
Loss on impairment	40	54
Loss (gain) on sales of fixed assets	(0)	—
Financial revenues and financial expenses	34	54
Equity in earnings (losses) of affiliates	—	(97)
Decrease (increase) in trade and other receivables	(826)	(879)
Decrease (increase) in inventories	(149)	(20)
Increase (decrease) in trade and other payables	91	(398)
Other	186	346
Subtotal	2,861	3,136
Interest and dividends received	4	4
Interest paid	(39)	(62)
Income tax refund	485	—
Income taxes paid	(1,044)	(1,214)
Net cash provided by (used in) operating activities	2,267	1,863
Cash flow from investing activities		
Payments for acquisition of property, plant and equipment	(156)	(62)
Proceeds from sale of property, plant and equipment	0	—
Payments for acquisition of intangible assets	(336)	(264)
Payment for purchase of subsidiary shares resulting in change in the scope of consolidation	—	(415)
Payments for acquisition of investment securities	(300)	(34)
Proceeds from sale of investment securities	879	7
Payments for security deposits and guarantees	(22)	(14)
Proceeds from recovery of security deposits and guarantees	70	46
Payments for fulfillment of asset retirement obligations	(90)	(19)
Other	(33)	(11)
Net cash provided by (used in) investing activities	10	(769)
Cash flow from financing activities		
Net increase (decrease) in short-term financial liabilities	(2,900)	898
Proceeds from long-term financial liabilities	4,200	810
Repayment of long-term financial liabilities	(884)	(982)
Proceeds from exercise of stock options	10	—
Payments of cash dividends	(631)	(765)
Repayment of lease liabilities	(525)	(504)
Proceeds from payments from non-controlling interests	—	20
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(455)
Payments for acquisition of treasury shares	(1,193)	—
(Increase) decrease in deposits	(216)	—
Net cash provided by (used in) financing activities	(2,141)	(980)
Cash and cash equivalents translation adjustment	3	(15)
Net increase (decrease) in cash and cash equivalents	139	97
Cash and cash equivalents at beginning of quarter	7,389	8,607
Cash and cash equivalents at end of quarter	7,529	8,704

(5) Notes to Condensed Consolidated Financial Statements

(Change in Accounting Policies)

None applicable

(Significant Accounting Policies)

The significant accounting policies applied in these condensed consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year except for those noted in “Change in Accounting Policies.”

Income tax expense for the six months ended June 30, 2025 was calculated using the estimated average annual effective tax rate.

(Notes Regarding Significant Accounting Estimates and Judgements)

In preparing the condensed consolidated financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The results of accounting estimates may differ from actual results.

The estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of a review of accounting estimates are recognized in the accounting period in which the estimates are reviewed as well as in future periods.

Estimates and estimate-related judgments that have a significant impact on these condensed consolidated financial statements are the same as those in the condensed consolidated financial statements for the same period of the previous fiscal year.

(Notes Regarding Assumption of Going Concern)

None applicable

(Significant Subsequent Events)

Acquisition of Subsidiary Through Simplified Share Exchange

Unipos Inc. became a wholly owned subsidiary as of August 1, 2025, through a simplified share exchange. The transaction was based on a share exchange agreement entered into with Unipos on May 22, 2025, under which Link and Motivation Inc. became the parent company and Unipos became a wholly owned subsidiary.

Prior to the effective date of the share exchange, we executed a share transfer on July 1, 2025, acquiring 3,800 Class A preferred shares and 366,200 common shares of Unipos from Sansan Inc.

In addition, Unipos was delisted from the Tokyo Stock Exchange Growth Market as of July 30, 2025 (with the final trading date being July 29, 2025). The share exchange was approved at both the Unipos Annual General Meeting of Shareholders and the Class Shareholders Meeting. On our side, the share exchange was carried out as a simplified share exchange that did not require shareholder approval, in accordance with Article 796, Paragraph 2 of the Companies Act.

We are currently reviewing the potential impact of this share exchange on our business performance for the year ending December 31, 2025 and beyond. We will promptly disclose any relevant material information should disclosure become necessary.