

This is an unofficial translation. In the event of any discrepancy between the original Japanese text and this English translation, the Japanese text shall prevail.

Consolidated Summary Report under Japanese GAAP for the first nine months of the fiscal year ending June 30, 2025

April 30, 2025

Company Name: AVANT GROUP CORPORATION
Code Number: 3836
Representative: (Title) Group CEO & Founder (Name) Tetsuji Morikawa
For inquiry: (Title) Director, Group CFO (Name) Naoyoshi Kasuga

Stock Exchange Listing: Tokyo
URL: <https://www.avantgroup.com/>

Tel: (03) 6388-6739

Dividend payment date: -
Supplementary information for financial statements: Yes
Explanatory meeting to be held: No

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

1. Consolidated results for the nine months ended March 31, 2025 (July 1, 2024 - March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%		%
First nine months of the fiscal year ending June 30, 2025	20,938	17.6	3,996	15.2	3,625	17.9	3,620	17.1	2,270	15.0
ended June 30, 2024	17,806	10.0	3,470	7.0	3,075	5.3	3,091	6.2	1,974	5.5

Comprehensive income (loss) First nine months of the fiscal year ending June 30, 2025 1,482 million yen (16.5%) First nine months of the fiscal year ended June 30, 2024 1,272 million yen (11.1%)

	Net profit per share	Diluted net profit per share
	yen	yen
First nine months of the fiscal year ending June 30, 2025	62.24	-
ended June 30, 2024	52.90	-

(Note) EBITDA is derived by adding depreciation and amortization of goodwill to operating profit.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of			%
March 31, 2025	21,360	14,550	68.0
June 30, 2024	21,896	13,293	60.7

(Reference) Net assets attributable to owners of parent As of March 31, 2025 13,912 million yen As of June 30, 2024 13,293 million yen

2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended June 30, 2024	-	0.00	-	19.00	19.00
Fiscal year ending June 30, 2025	-	0.00			
Fiscal year ending June 30, 2025 (Forecast)			-	25.00	25.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2025

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Fiscal year ending June 30, 2025	28,800	17.9	4,900	19.5	4,900	18.9	3,350	17.5	91.46

(Notes) Revisions to the most recently announced earnings forecast: None

Notes

- (1) Changes in significant subsidiaries during the period (changes in “Specified Subsidiaries” (Tokutei Kogaisha) resulting in change in scope of consolidation): Yes

Newly added to the scope of consolidation: 2 companies, DivaCygnet Private Limited, VISTA CORPORATION

Newly deleted from the scope of consolidation: Nil

- (2) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements: none

- (3) Changes in accounting policies, accounting estimates and restatement:

(i) Changes in accounting policies due to revision of accounting standards: Yes

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

- (4) Number of issued shares (common shares)

- (i) Total number of shares issued including treasury shares

As of March 31, 2025	37,645,851 shares	As of June 30, 2024	37,645,851 shares
As of March 31, 2025	1,150,177 shares	As of June 30, 2024	1,019,398 shares
First nine months of the fiscal year ending June 30, 2025	36,474,662 shares	First nine months of the fiscal year ended June 30, 2024	37,318,563 shares

- (ii) Number of treasury shares held

- (iii) Average number of shares

(Note) The Company introduced the "Stock Delivery Trust for Employees and Executive Officers" in the fiscal year ended June 30, 2024 (28th fiscal year) and the "Stock Delivery Trust for Directors" in the fiscal year ending June 30, 2025 (29th fiscal year). The Company's shares held by the trust are included in the number of treasury shares at the end of the period and the average number of treasury shares during the period.

*Review of the quarterly consolidated financial statements by a certified public accountant or an audit corporation: No

* Explanation of the appropriate use of earnings forecasts and other special notes

Forward-looking statements in this report, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not represent any guarantee by the Company regarding future performance. Actual results may differ materially from the forecast depending on a range of factors. Please refer to “Earnings Forecasts” on page 8 regarding assumptions for earnings forecasts and notes for using earnings forecasts.

Accompanying Materials – Table of Contents

1. Overview of Operating Results, etc.....	1
(1) Operating Results.....	1
(2) Financial Position.....	5
(3) Earnings Forecasts	7
2. Quarterly Consolidated Financial Statements and Notes.....	8
(1) Quarterly Consolidated Balance Sheet.....	8
(2) Quarterly Consolidated Statement of Income and Statement of Comprehensive Income.....	10
(3) Quarterly Consolidated Statement of Cash Flows	12
(4) Notes to Quarterly Consolidated Financial Statements	14
(Notes on Going Concern Assumption)	14
(Notes on Significant Changes in Shareholders' Equity)	14
(Change in Accounting Policy)	14
(Additional Information)	14
(Segment Information)	15
(Revenue Recognition)	16
(Significant Subsequent Events)	16

1. Overview of Operating Results, etc.

(1) Operating Results

Consolidated financial results for the nine months of the current fiscal year are as follows.

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

	Fiscal year ended June 30, 2024 Nine months	Fiscal year ending June 30, 2025 Nine months	Year-on-year change	
			Amount	%
Net sales	17,806	20,938	3,132	17.6
Operating profit	3,075	3,625	550	17.9
Ordinary profit	3,091	3,620	528	17.1
Profit attributable to owners of parent	1,974	2,270	295	15.0

In terms of consolidated net sales, investment needs to maintain and strengthen competitiveness by "upgrading corporate management and corporate activities through the use of data and digital technology," which is becoming a medium- to long-term trend among Japanese companies, remained strong, and sales growth was achieved in all three of our businesses of Consolidated Financial Disclosure, Digital Transformation Promotion, and Management Solutions. Including a reaction to the restrained sales growth in the Management Solutions Business due to business reorganization in the same period of the previous fiscal year, sales increased to 20,938 million yen, up 17.6% year-on-year.

In terms of profits, personnel and IT expenses increased due to business expansion, outsourced processing expenses rose to meet order growth, and investment-related expenses to realize future growth centered on the strengthening of the software business weighed on profits, but were offset by an improved profit margin from the growth of the software business and a rebound from low profit levels in the Management Solutions Business in the same period of the previous fiscal year. As a result, year-on-year, operating profit increased 17.9% to 3,625 million yen, ordinary profit increased 17.1% to 3,620 million yen, and profit attributable to owners of parent increased 15.0% to 2,270 million yen.

The status of each reportable segment is as follows.

(i) Net sales

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

	Fiscal year ended June 30, 2024 Nine months	Fiscal year ending June 30, 2025 Nine months	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	5,512	6,449	937	17.0
Digital Transformation Promotion Business	6,640	7,729	1,089	16.4
Management Solutions Business	6,049	7,023	974	16.
Elimination of inter-segment transactions	(395)	(263)	131	-33.3
Consolidated net sales	17,806	20,938	3,132	17.6

(ii) Operating profit

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

	Fiscal year ended June 30, 2024 Nine months	Fiscal year ending June 30, 2025 Nine months	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	1,437	1,776	339	23.6
Digital Transformation Promotion Business	1,300	1,312	12	1.0
Management Solutions Business	845	1,291	445	52.7
Corporate expenses and elimination of inter-segment transactions	(507)	(755)	(247)	48.8
Consolidated operating profit	3,075	3,625	550	17.9

In the Consolidated Financial Disclosure Business, the outsourcing business continued to maintain a high growth rate and contributed to revenue growth, and the software business made improvements by reviewing its pricing strategy and contract development, resulting in a 17.0% year-on-year increase in net sales to 6,449 million. In terms of profits, although there were factors that increased costs, such as an increase in personnel and office expenses due to an increase in headcount and office space, an increase in research and development expenses to strengthen the software business, thanks to an improved profit margin resulting from the effects of improvements in the software business, including reviewing its pricing strategies, operating profit increased 23.6% year-on-year to 1,776 million yen, significantly exceeding net sales growth.

In the Digital Transformation Promotion Business, although a large-scale-project was cancelled, the need to utilize data for decision-making related to management and business promotion remained strong, and an increase in projects centered on "cloud data platform construction" drove net sales growth, resulting in a 16.4% year-on-year increase in net sales to 7,729 million yen. In terms of profitability, operating profit slightly increased 1.0% year-on-year to 1,312 million yen, due to personnel expenses increased due to an increase in headcount to support sales growth, higher compensation levels intended to strengthen the competitiveness of recruitment, continued increase in outsourcing expenses to supplement in-house resources, and cancelation of the afore-mentioned large-scale-project.

In the Management Solutions Business, while the transformation of the profit structure centered on the software business is still in progress, the Group Management Solutions business area is beginning to produce results, and sales growth was restrained in the same period of the previous year due to restrictions on sales activities resulting from business reorganization, and net sales result increased 16.1% year-on-year to 7,023 million yen. In terms of profits, despite factors that increased costs, such as higher personnel, outsourcing, and IT expenses in response to business expansion, operating profit increased 52.7% year-on-year to 1,291 million yen, significantly higher than the year earlier period, due to the aforementioned increase in net sales and a reaction to the strong profit decline in the year earlier period due to stagnant sales growth.

The number of employees on a consolidated basis was 1,600 at the end of the third quarter, up 78 from the end of the previous fiscal year.

Number of Employees of the Group (quarterly)



Orders received and sales by segment for the nine months of the current fiscal year are as follows.

(i) Orders received

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

	Fiscal year ended June 30, 2024 Nine months		Fiscal year ending June 30, 2025 Nine months		Year-on-year change	
					Amount	
	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Consolidated Financial Disclosure Business	5,398	3,835	6,686	4,918	1,288	1,082
Digital Transformation Promotion Business	6,466	1,531	7,358	1,698	892	167
Management Solutions Business	5,609	2,674	6,349	3,332	739	658
Elimination of inter-segment transactions	(324)	(1,676)	(312)	(2,023)	12	(347)
Total	17,149	6,364	20,082	7,926	2,932	1,561

(ii) Sales

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

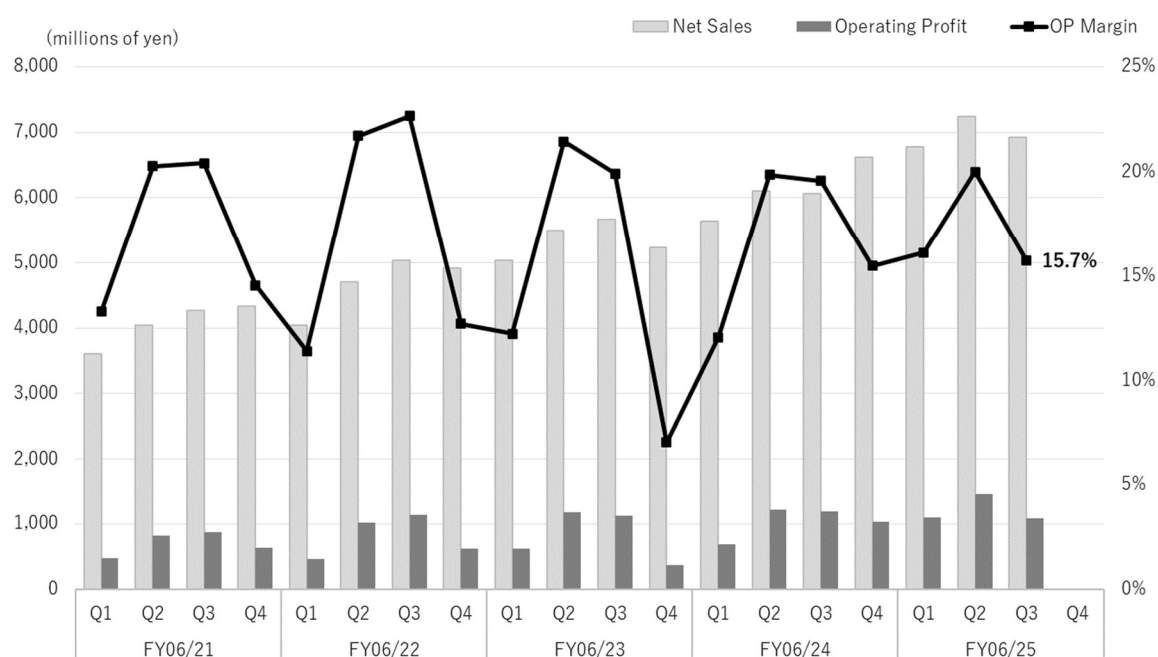
	Fiscal year ended June 30, 2024 Nine months	Fiscal year ending June 30, 2025 Nine months	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	5,512	6,449	937	17.0
Digital Transformation Promotion Business	6,640	7,729	1,089	16.4
Management Solutions Business	6,049	7,023	974	16.1
Elimination of inter-segment transactions	(395)	(263)	131	(33.3)
Total	17,806	20,938	3,132	17.6

Quarterly trends in net sales and operating profit are as follows.
Net sales and operating profit for the last four quarters

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

	Fiscal year ended June 30, 2024	Fiscal year ending June 30, 2025		
	Fourth quarter	First quarter	Second quarter	Third quarter
Net sales	6,613	6,776	7,235	6,927
Operating profit	1,023	1,091	1,446	1,088
Operating profit ratio (%)	15.5	16.1	20.0	15.7

Net sales, operating profit and operating profit margin (quarterly)



(2) Financial Position

(i) Assets, liabilities and net assets

Total assets at the end of the third quarter were 21,360 million yen, down 536 million yen from the end of the previous fiscal year. This was mainly due to a 983 million yen increase in cash and deposits, a 125 million yen decrease in notes and accounts receivable – trade and contract assets, a 1,131 million yen decrease in other current assets including an income tax refund, as well as a 222 million yen decrease in software.

On the other hand, total liabilities were 6,809 million yen, down 1,793 million yen from the end of the previous fiscal year. This was mainly due to a 412 million yen decrease in income taxes payable, a 676 million yen decrease in contract liabilities, and a 593 million yen decrease in provision for bonuses.

Total net assets were 14,550 million yen, up 1,257 million yen from the end of the previous fiscal year, mainly due to the recording of 2,270 million yen in profit attributable to owners of parent and payment of 708 million yen of dividends from surplus. As a result, the equity ratio is 68.0% up 7.3 point from the end of the previous fiscal year (60.7% at the end of the previous fiscal year), and we believe we maintain a highly stable financial balance with low interest-bearing debt.

(ii) Cash Flow

Cash and cash equivalents (“funds”) at the end of the end of the third quarter increased 452 million yen from the end of the previous fiscal year to 12,429 million yen. The status of each cash flow and their factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 1,827 million yen. (1,260 million yen provided in the same period of the previous year)

The main sources were profit before income taxes of 3,788 million yen, depreciation and amortization of 371 million yen, and income taxes refunded of 339 million yen, while the main uses were a decrease in contract liabilities of 676 million yen, a decrease in provision for bonuses of 593 million yen, and income taxes paid of 1,726 million yen.

(Cash flows from investing activities)

Funds used in investing activities totaled 288 million yen. (605 million yen used in the same period of the previous year)

The main uses of funds were 70 million yen for purchase of property, plant and equipment, 44 million yen for purchase of intangible assets, 346 million yen for payments of leasehold and guarantee deposits, and 190 million yen for purchase of investment securities, while the main sources of funds were 218 million yen from the sale of investment securities and 149 million yen from refund of leasehold and guarantee deposits.

(Cash flows from financing activities)

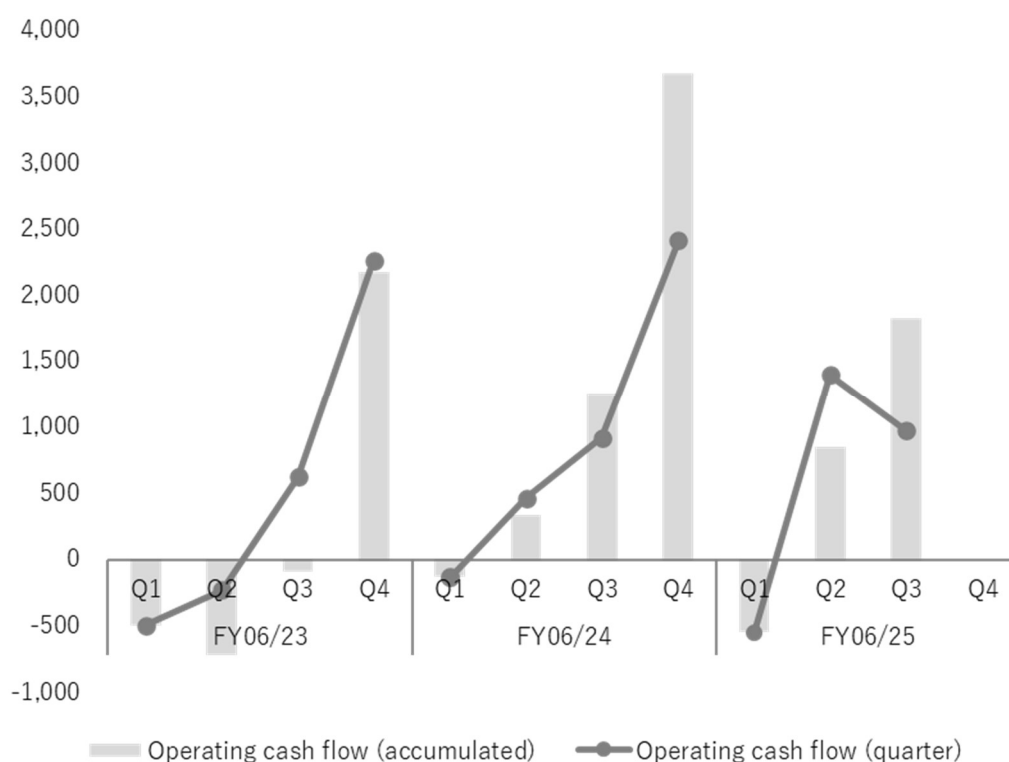
Net cash used in financing activities amounted to 1,056 million yen. (1,498 million yen used in the same period of the previous year)

The main uses of funds were purchase of treasury shares of 701 million yen and dividends paid of 708 million yen and the main source of funds was sale of treasury shares of 349 million yen.

The Group's cash flow from operating activities is usually low in the first quarter due to payment of income taxes and performance-linked bonuses to executives and employees, and gradually increases from the second quarter onward, resulting in a positive cash flow for the full year.

Maintenance fees in the Management Solutions Business and fees paid in the Outsourcing business are paid in advance for the year before the services are provided, making the business a model that requires very little working capital to begin with. On the other hand, since the Digital Transformation Promotion Business requires payment of outsourcing expenses, etc., in advance, increased working capital needs will arise as sales grow. In addition to smooth inter-group funds transactions which are available by concentrating our group's surplus funds into the holding company, and the total cash position, the Group as a whole has established commitment lines of 3.5 billion yen in total with banks with which it does business, and rather than be concerned about cashflow, we intend to use surplus funds for strategic investments.

Operating cash flow (Quarterly, Millions of yen)



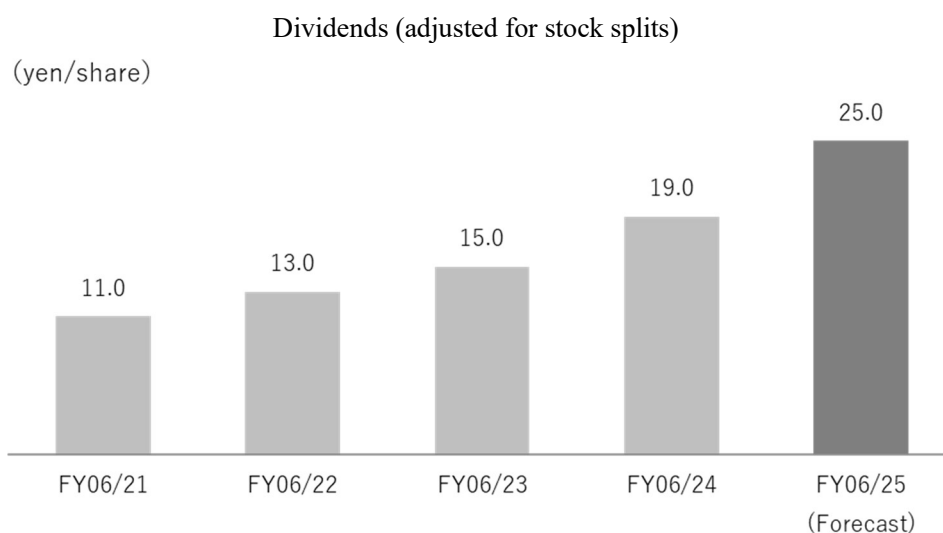
(3) Earnings Forecasts

In August 2023, we announced a new medium-term management plan, a five-year plan through the fiscal year ending June 30, 2028, with targets to be achieved in five years. In the fiscal year ending June 30, 2025, the second year of the plan, we will continue to promote measures to realize the materiality of the Avant Group ("Becoming a software company that contributes to enhancing corporate value"), mainly by strengthening the software business. On the other hand, in the early stage of the new medium-term management plan period, we are not yet at the stage of reaping the full benefits of the group reorganization, and we expect that the effects will gradually become apparent over the five-year period. In addition, although we have already completed the organizational arrangements associated with the group reorganization, we intend to continue to make the growth investments necessary to realize materiality in a continuous and flexible manner, mainly at the group operating companies.

Although external factors such as exchange rate fluctuations and downside risks in overseas economies may affect our group's performance, we believe that the needs of our group's business will continue to increase over the medium to long term, as more companies seek to enhance management sophistication and strengthen group governance through the use of data.

As a result, we expect to achieve net sales of 28,800 million yen and operating profit of 4,900 million yen for the current fiscal year.

In accordance with our existing dividend policy, we will raise the ratio of dividends to net assets, always keeping in mind that it should be higher than the average of all listed companies, while at the same time keeping in mind stable dividends (in principle, dividends per share should not fall below the level of the previous fiscal year). For the current fiscal year, the above policy itself remains unchanged, and we forecast dividends of 25 yen per share, aiming to achieve the 8% ratio of dividends to net assets that we have set as a target to be achieved by the end of the new medium-term management plan period.



2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	Prior fiscal year (As of June 30, 2024)	Current nine months (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	10,874,892	11,858,532
Notes and accounts receivable – trade and contract assets	4,440,280	4,314,988
Securities	500,000	500,000
Work in progress	5,880	6,394
Raw materials and supplies	81,871	180,371
Prepaid expenses	1,120,837	1,068,575
Other	1,181,924	50,262
Provision for doubtful accounts	(4,141)	(3,957)
Total current assets	18,201,545	17,975,166
Non-current assets		
Property, plant and equipment	488,987	466,391
Intangible assets		
Software	609,376	386,876
Other	42,753	39,209
Total intangible assets	652,129	426,085
Investments and other assets		
Investment securities	1,037,000	964,811
Long-term prepaid expenses	19,118	11,722
Leasehold and guarantee deposits	630,981	824,719
Deferred tax assets	728,290	582,758
Other	138,853	108,606
Total investments and other assets	-	2,492,617
Total non-current assets	2,554,243	2,492,617
Total non-current assets	3,695,360	3,385,093
Total assets	21,896,905	21,360,260

(Thousands of yen)

	Prior fiscal year (As of June 30, 2024)	Current nine months (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	801,391	815,684
Lease liabilities	6,005	6,182
Accounts payable - other and accrued expenses	850,208	869,201
Income taxes payable	984,232	571,912
Contract liabilities	3,345,483	2,669,202
Asset retirement obligations	-	26,735
Provision for bonuses	1,319,768	726,741
Provision for bonuses to directors (and other officers)	170,155	116,366
Provision for loss on orders received	17,912	5,297
Provision for stock benefits	129,618	107,168
Other	683,037	567,393
Total current liabilities	8,307,815	6,481,885
Non-current liabilities		
Lease liabilities	-	30,067
Asset retirement obligations	295,362	288,715
Deferred tax liabilities	-	8,616
Total non-current liabilities	295,362	327,399
Total liabilities	8,603,177	6,809,284
Net assets		
Shareholders' equity		
Share capital	345,113	345,113
Capital surplus	281,913	417,417
Retained earnings	13,763,738	15,325,492
Treasury shares	(1,396,622)	(1,688,845)
Total shareholders' equity	12,994,141	14,399,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	224,019	93,485
Deferred gains or losses on hedges	2,862	(1,223)
Foreign currency translation adjustments	72,704	40,338
Total accumulated other comprehensive income	299,586	132,600
Non-controlling interests	-	19,197
Total net assets	13,293,728	14,550,957
Total liabilities and net assets	21,896,905	21,360,260

(2) Quarterly Consolidated Statement of Income and Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

(Thousands of yen)

	Prior nine months (From July 1, 2023 to March 31, 2024)	Current nine months (From July 1, 2024 to March 31, 2025)
Net sales	17,806,215	20,938,513
Cost of sales	9,976,941	11,630,040
Gross profit	7,829,274	9,308,473
Selling, general and administrative expenses	4,753,717	5,682,574
Operating profit	3,075,557	3,625,898
Non-operating income		
Interest income	108	9,044
Dividend income	6,273	7,324
Gain on investments in investment partnerships	17,781	-
Foreign exchange gains	-	1,118
Subsidy income	9,404	4,139
Other	5,201	797
Total non-operating income	38,769	22,425
Non-operating expenses		
Interest expense	206	1,108
Loss on investments in investment partnerships	10,752	14,740
Commission expenses	5,632	11,874
Foreign exchange loss	6,154	-
Stock issuance expenses	-	91
Total non-operating expenses	22,745	27,814
Ordinary profit	3,091,580	3,620,508
Extraordinary gains		
Gain on sales of investment securities	-	167,968
Insurance income	-	300
Total extraordinary gains	-	168,268
Extraordinary losses		
Loss on disposal of non-current assets	-	140
Loss on cancellation of leases	-	86
Total extraordinary losses	-	227
Profit before income taxes	3,091,580	3,788,549
Income taxes - current	1,115,712	1,310,395
Income taxes - deferred	1,614	211,586
Total income taxes	1,117,327	1,521,982
Profit	1,974,253	2,266,567
Loss attributable to non-controlling interests	-	(3,482)
Profit attributable to owners of parent	1,974,253	2,270,050

Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Prior nine months (From July 1, 2023 to March 31, 2024)	Current nine months (From July 1, 2024 to March 31, 2025)
Profit	1,974,253	2,266,567
Other comprehensive income		
Valuation difference on available-for-sale securities	35,891	(130,534)
Deferred gains or losses on hedges	43	(4,086)
Foreign currency translation adjustment	7,642	(32,365)
Total other comprehensive income	43,577	(166,985)
Comprehensive income	2,017,830	2,099,581
(Breakdown)		
Comprehensive income attributable to owners of parent	2,017,830	2,103,064
Comprehensive income attributable to non-controlling interests	-	(3,482)

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Prior nine months (From July 1, 2023 to March 31, 2024)	Current nine months (From July 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	3,091,580	3,788,549
Depreciation and amortization	407,397	371,086
Stock compensation expense	13,071	8,715
Insurance income	-	(300)
Increase (decrease) in provision for doubtful accounts	445	(184)
Increase (decrease) in provision for bonuses	(208,408)	(593,026)
Increase (decrease) in provision for bonuses for directors (and other officers)	(77,626)	(53,788)
Increase (decrease) in provision for loss on orders received	(46,263)	(12,615)
Increase (decrease) in provision for stock benefits	81,625	(22,450)
Interest and dividend income	(6,381)	(16,369)
Interest expense	206	1,108
Loss (gain) on sales and disposal of property, plant and equipment	-	140
Commission expenses	5,632	11,874
Stock issuance expenses	-	91
Loss (gain) on sales of investment securities	(148)	(167,968)
Loss (gain) on investments in investment partnerships	(7,028)	14,740
Subsidy income	(9,404)	(4,139)
Decrease (increase) in notes and accounts receivable – trade and contract assets	(1,082,125)	125,097
Decrease (increase) in inventories	28,104	(99,013)
Increase (decrease) in notes and accounts payable – trade	7,407	14,285
Increase (decrease) in accounts payable - other and accrued expenses	277,464	60,035
Increase (decrease) in accrued consumption taxes	17,452	(12,516)
Increase (decrease) in contract liabilities	(542,652)	(676,281)
Increase (decrease) in deposits received	17,380	(111,637)
Other	(81,608)	571,897
Subtotal	1,886,119	3,197,330
Interest and dividends received	6,381	13,295
Interest paid	(206)	(1,108)
Subsidies received	9,404	4,139
Insurance income received	-	300
Income taxes paid	(1,206,874)	(1,726,608)
Income taxes refunded	565,680	339,657
Net cash provided by (used in) operating activities	1,260,505	1,827,005
Cash flows from investing activities		
Purchase of property, plant and equipment	(155,317)	(70,757)
Purchase of intangible assets	(271,855)	(44,756)
Purchase of investment securities	(144,720)	(190,154)
Proceeds from sales of investment securities	1,213	218,342
Payments of leasehold and guarantee deposits	(27,634)	(346,161)
Proceeds from refund of lease and guarantee deposits	-	149,529
Payments made to insurance reserve funds	(4,459)	(4,459)
Other	(2,265)	173
Net cash provided by (used in) investing activities	(605,039)	(288,245)

	(Thousands of yen)	
	Prior nine months (From July 1, 2023 to March 31, 2024)	Current nine months (From July 1, 2024 to March 31, 2025)
Cash flows from financing activities		
Repayments of finance lease liabilities	(9,391)	(7,619)
Commission expense paid	(5,605)	(11,699)
Purchase of treasury shares	(918,379)	(701,263)
Dividends paid	(564,642)	(708,296)
Proceeds from payments from non-controlling interests	-	22,680
Sale of treasury shares	-	349,911
Other	-	(56)
Net cash provided by (used in) financing activities	(1,498,019)	(1,056,378)
Effect of exchange rate changes on cash and cash equivalents	(4,601)	(29,861)
Net increase (decrease) in cash and cash equivalents	(837,951)	452,520
Cash and cash equivalents at beginning of period	10,881,311	11,976,585
Cash and cash equivalents at end of period	10,043,360	12,429,105

(4) Notes to Quarterly Consolidated Financial Statements

(Note on Going Concern Assumption)

Not applicable.

(Note on Significant Changes in Shareholders' Equity)

Not applicable.

(Change in Accounting Policy)

<Application of "Accounting Standard for Current Income Taxes", etc.>

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022. Hereinafter referred to as the "2022 Revised Accounting Standard") is applied from the beginning of the first quarter of the current fiscal year. The revision regarding the classification of income taxes (taxation on other comprehensive income) is a transitional treatment prescribed in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of paragraph 65-2 of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policy has no impact on the quarterly consolidated financial statements.

(Additional Information)

<Transaction for the delivery of the Company's shares to employees and executive officers through a trust>

The Company has introduced a stock grant trust as an incentive for its employees and executive officers ("Employees, etc.") to provide benefits and to enhance the Company's corporate value.

1. Outline of the transaction

Under this scheme, points are granted to employees, etc. who meet certain requirements based on the Share Delivery Regulations established by the Company in advance, and the Company shares corresponding to the number of points granted to such beneficiaries will be delivered to those employees, etc. who meet the requirements to become beneficiaries as stipulated in the Share Delivery Regulations. The shares to be provided to the employees are acquired in accordance with the amount set in the trust in advance, including the future portion, and are segregated and managed as trust assets.

2. Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value (excluding the amount of incidental expenses). The book value and number of such treasury shares amounted to 788,116 thousand yen and 559,778 shares, respectively, at the end of the current period.

<Performance-linked stock compensation plan for directors>

The Company has introduced a stock compensation plan using a trust (the "Plan") for its directors (excluding directors who are members of the Audit Committee and outside directors) effective from the fiscal year ending June 30, 2025 (the 29th fiscal year).

The purpose of this plan is to give directors (excluding directors who are members of the Audit Committee and outside directors) a longer-term incentive to improve corporate value, including the period after shares are delivered.

1. Outline of the transaction

This plan is based on a trust (hereinafter referred to as the "Trust") established by the Company through monetary contribution by the Company, to acquire common shares of the Company (the "Company's shares"), and the Company's shares equivalent to the number of points granted by the Company to each director are delivered to each director through the Trust.

2. Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value (excluding the amounts of ancillary expenses). The book value and number of such treasury shares amounted to 349,911 thousand yen and 178,800 shares, at the end of the current period.

(Segment Information)

Prior nine months (From July 1, 2023 to March 31, 2024)

1. Information on net sales and profits or losses by reportable segment

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total		
Net sales						
Net sales to external customers	5,224,988	6,617,673	5,963,554	17,806,215	-	17,806,215
Inter-segment net sales or transfers	287,115	22,501	85,815	395,432	(395,432)	-
Total	5,512,103	6,640,175	6,049,369	18,201,648	(395,432)	17,806,215
Segment profit	1,437,072	1,300,189	845,845	3,583,106	(507,549)	3,075,557

(Note) 1. Adjustment of segment profit of (507,549) thousand yen includes elimination of inter-segment transactions of 658,319 thousand yen, corporate expenses of (1,158,246) thousand yen not allocated to each reportable segment, and adjustment of non-current assets of (7,622) thousand yen. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

2. Segment profit is adjusted to operating profit in the quarterly consolidated statements of income.

2. Matters related to changes in reportable segments, etc.

Effective from the first quarter of the prior fiscal year, the Company reviewed its business segment classification method and changed its reportable segments from "Group Governance Business," "Digital Transformation Promotion Business," and "Outsourcing Business" to "Consolidated Financial Disclosure Business," "Digital Transformation Promotion Business," and "Management Solutions Business".

Current nine months (From July 1, 2024 to March 31, 2025)

1. Information on net sales and profits or losses by reportable segment

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total		
Net sales						
Net sales to external customers	6,230,796	7,712,303	6,995,414	20,938,513	-	20,938,513
Inter-segment net sales or transfers	218,825	16,895	28,010	263,730	(263,730)	-
Total	6,449,621	7,729,198	7,023,424	21,202,244	(263,730)	20,938,513
Segment profit	1,776,774	1,312,576	1,291,831	4,381,182	(755,284)	3,625,898

(Note) 1. Adjustment of segment profit of (755,284) thousand yen includes elimination of inter-segment transactions of 783,591 thousand yen, corporate expenses of (1,543,544) thousand yen not allocated to each reportable segment and adjustment of non-current assets of 4,657 thousand yen. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

2. Segment profit is adjusted to operating profit in the quarterly consolidated statements of income.

(Revenue Recognition)

Breakdown of net sales from contracts with customers

Prior nine months (From July 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segments			Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	
Goods or services transferred at a point in time	131,952	31,129	108,541	271,623
Goods or services transferred over a period of time	5,093,035	6,586,544	5,855,012	17,534,592
Net sales to external customers	5,224,988	6,617,673	5,963,554	17,806,215

Current nine months (From July 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segments			Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	
Goods or services transferred at a point in time	180,317	30,011	58,300	268,630
Goods or services transferred over a period of time	6,050,478	7,682,291	6,937,113	20,669,883
Net sales to external customers	6,230,796	7,712,303	6,995,414	20,938,513

(Significant Subsequent Events)

Not applicable.