



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2025 (Japanese GAAP)

May 13, 2025

Company name Kanamic Network Co., Ltd. Stock exchange listings: Tokyo
 Securities code 3939 URL <http://www.kanamic.net/>
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 Scheduled semi-annual statement filing date May 14, 2025 Scheduled dividend payable date —
 Availability of supplementary briefing material on quarterly financial results : Yes
 Quarterly financial results briefing : Yes (for securities analysts and institutional investors)

(Figures are rounded down to the nearest million yen, unless otherwise noted.)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year ending September 30, 2025 (from October 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Second Quarter ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	2,661	8.8	964	14.2	764	14.3	764	13.2	518	13.2
March 31, 2024	2,446	40.8	844	21.5	668	19.6	675	19.5	458	12.9

Note: Comprehensive Second Quarter ended March 31, 2025 income 519 Million JPY (12.7%) Second quarter ended March 31, 2024 460 Million JPY (13.9%)

*EBITDA=Operating profit + Depreciation (property, plant and equipment; intangible assets)+ Amortization of goodwill

	Basic profit per share	Basic diluted profit per share
Second Quarter ended	Yen	Yen
March 31, 2025	10.93	—
March 31, 2024	9.65	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	6,156	4,054	65.8
September 30, 2024	6,175	3,834	62.1

Reference (Shareholder's equity) As of March 31, 2025 4,054 Million s of yen As of September 30, 2024 3,834 Million s of yen

2. Dividends

	Annual cash dividends per share				
	First Quarter End	Second Quarter End	Third Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	0.00	—	6.50	6.50
Fiscal year ending September 30, 2025	—	—			
Fiscal year ending September 30, 2025 (Forecast)			—	7.50	7.50

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

3. Consolidated Financial Forecast for the Fiscal Year Ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes.)

	Net Sales		EBITDA*		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit Per Share
Fiscal Year Ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
September 30, 2025	5,600	11.8	2,000	11.4	1,600	11.2	1,600	10.5	1,100	19.6	23.18

(Note) Revisions to the earnings forecasts most recently announced : None

*EBITDA=Operating profit + Depreciation (property, plant and equipment; intangible assets)+ Amortization of goodwill

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 1 company (Company name)THE WORLD MANAGEMENT PTE LTD、 Excluded: — companies (Company name)—

(2) Special accounting methods adopted for the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

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

(iii) Changes in accounting estimates : None

(iv) Restatements : None

(4) Number of issued shares (common shares)

① Number of issued shares at the end of the period (including treasury shares)

② Number of treasury shares at the end of the period

③ Average number of shares during the 6 month period (quarter-to-date)

As of March 31, 2025	48,132,000 shares	As of September 30, 2024	48,132,000 shares
As of March 31, 2025	674,706 shares	As of September 30, 2024	674,706 shares
Second quarter ended March 31, 2025	47,457,294 shares	Six months ended March 31, 2024	47,467,570 shares

* This quarterly financial results report is not subject to quarterly review by a certified public accountant or auditing corporation.

* Explanation of appropriate use of performance forecasts and other special notes.

The statements regarding future performance forecasts and other matters mentioned in this report are based on information that is currently available to the company and certain premises that we believe to be reasonable; they do not imply a commitment from the company to achieve these results. Additionally, actual performance may vary significantly due to various factors. For conditions underlying the performance forecasts and cautions to consider when using the performance forecasts, please refer to the attached document P.4 "1. Qualitative Information on This Interim Settlement (4) Explanations of Future Forecast Information such as Consolidated Performance Forecasts".

(Obtaining Financial Results Supplementary and Briefing Material)

The Company plans to hold a financial results briefing for securities analysts and institutional investors on Monday, May 19, 2025.

The materials will be published on the Company's website.

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1. Qualitative Information on Financial Results for the Second Quarter of the current Fiscal Year

(1) Explanation of Operating Results

During this interim accounting period, while our country's economy is gradually recovering, there is a situation marked by uncertainty due to U.S. trade policies, among other factors.

In the environment surrounding our group, the arrival of a super-aged society has led to an increase in nursing care costs, the number of users of nursing care insurance services, and the number of service providers, resulting in a continuous uplift of the entire nursing care industry. The reforms to the nursing care insurance system planned for the 2024 fiscal year will further deepen and promote the community-based integrated care system that connects medical care and nursing care, scientific nursing care utilizing LIFE, and initiatives for rehabilitation, functional training, oral care, and nutrition that support independence and prevent severe conditions. While there is an increasing demand for collaboration between medical and nursing care along with the efficiency of nursing care services, there is also a requirement for creating a more comfortable workplace environment through improvements in the treatment of nursing staff and productivity (including add-ons related to medical DX and nursing DX), making this reform focused on the sustainability of the nursing care sector.

In this situation, our group, which provides a system to realize community-based integrated care connecting medical and nursing services, participates in joint projects with various ministries, striving to become a system development company aligned with national policies. We are also preparing to respond to reforms in the nursing care insurance system, continuously making timely system updates to reduce the burden on system users, thereby enhancing user convenience. Through the Ministry of Internal Affairs and Communications' "IoT Service Creation Support Project" demonstration, we are advancing the utilization and collaboration of various data in nursing care based on the "Kanamic Cloud Service". Additionally, through the "Tokyo Metropolitan Multi-Professional Collaboration Portal Site", we contribute to a broader home care promotion system at the prefectural level compared to conventional municipalities. The know-how gained from our group's "Kanamic Cloud Service" contributes to regional medical and nursing collaboration. Alongside these elderly support initiatives, as part of our efforts towards realizing multigenerational integrated care, we are contributing to the efficient operation of municipal child-rearing support projects through the "Child-Rearing Support System".

In addition, to expand our business scale in the future, we have acquired all shares of THE WORLD MANAGEMENT PTE LTD, an IT consulting company in Singapore, as of November 29, 2024, making it our wholly owned subsidiary. THE WORLD MANAGEMENT PTE LTD provides consulting and maintenance services for the implementation of backend systems such as sales management, inventory management, and accounting management to many companies within Singapore. By combining the backend systems of the company with the development capabilities of the frontend systems held by our group, we can offer a comprehensive IT system to Singapore companies, including their clients. We also believe that the company will be a significant driving force in providing highly value-added services as part of our group's healthcare and health tech businesses. This acquisition marks a serious commitment to our group's growth strategy 'Kanamic Vision 2030', specifically to 'Phase 4: Overseas Expansion,' with plans to expand into ASEAN countries from our base in Singapore. Going forward, we will continue to select new M&A candidates and develop new business initiatives to expand the scale of our group's operations.

Furthermore, as our group's system adapts to platformization, we analyze the information obtained from patients and caregivers to find evidence required by the government, local authorities, and insurance companies through the deployment of AI services. This will further promote regional collaboration in the healthcare and nursing care fields and we are also conducting research activities to provide solutions to patients, caregivers, and all healthcare and nursing care providers.

As a result, during this interim consolidated accounting period, the performance was as follows: net sales of 2,661,188 thousand yen (an increase of 214,821 thousand yen compared to the same period last year, a 8.8% increase), operating profit of 764,704 thousand yen (an increase of 95,712 thousand yen compared to the same period last year, a 14.3% increase), ordinary profit of 764,435 thousand yen (an increase of 89,152 thousand yen compared to the same period last year, a 13.2% increase), and interim net profit attributable to the parent company's shareholders of 518,485 thousand yen (an increase of 60,414 thousand yen compared to the same period last year, a 13.2% increase).

The operating results by segment are as follows.

(Medical and Nursing Care Cloud Platform Business)

The net sales for each service in this segment is as follows.

i Kanamic Cloud Service

This service is primarily a recurring revenue business. As a result of recurring revenue from existing customers combined with continued acquisition of new customers, net sales was 1,490,666 thousand yen (an increase of 215,270 thousand yen compared to the same period last year, a 16.9% increase).

ii Platform Services

Website development work requested by major nursing care providers and the contracted production and management of websites for nursing care businesses through the Public Interest Incorporated Foundation for Nursing Care Labor Stability Center have formed a stable revenue base. Furthermore, the internet advertising service that provides nursing care-related information and the talent matching service in the nursing care industry have performed well, resulting in net sales of 222,720,000 yen (an increase of 10,057,000 yen compared to the same period last year, a 4.7% increase).

iii Other Services

Sales increased to 67,296 thousand yen (an increase of 3,132 thousand yen from the same period last year, a 4.9% increase) due to contract-based customized development for large clients.

As a result, the segment sales amounted to 1,780,683 thousand yen (an increase of 228,460 thousand yen compared to the same period last year, a 14.7% increase), and due to the rise in the cost of sales, such as personnel expenses for platform services, as well as selling and general administrative expenses, the segment profit was 737,027 thousand yen (an increase of 95,643 thousand yen compared to the same period last year, a 14.9% increase).

(Healthy Lifespan Extension Business)

The net sales for each service in this segment is as follows.

i Healthy Lifespan Extension Services

This service involves the operation and franchising of 24-hour fitness gyms and the provision of services that contribute to extending healthy lifespans through these physical stores. In our directly operated stores, the number of users at existing locations has been steadily increasing along with new store openings, leading to an increase in both stores and users. However, in some franchise affiliates, the sales have decreased to 550,555 thousand yen (a decrease of 62,233 thousand yen from the same period last year, down 10.2%) due to delays in the timing of new store openings.

This segment consists only the above-mentioned service, and the segment's revenue is the same as that of the health extension service. Although temporary costs increased due to new store openings and an increase in headquarters personnel aimed at expanding the business scale in the future, efforts to reduce operating costs such as the digital transformation of store operations resulted in net sales of 57,298 thousand yen (an increase of 42,602 thousand yen compared to the same period last year, a 289.9% increase).

(Solution Development Business)

The net sales for each service in this segment is as follows.

i Solution Services

In addition to offering planning and development services for web services using Ruby language, consulting and maintenance services for backend systems such as sales management, inventory management, and accounting management for THE WORLD MANAGEMENT PTE LTD, which has been included in the scope of consolidation since the current interim accounting period are included. While the planning and development of web services and implementation consulting and maintenance services are performing steadily, the revision of engineer assignments within our group resulted in net sales of 329,949 thousand yen (an increase of 48,595 thousand yen, a 17.3% increase).

This segment consists solely of the above-mentioned one service, and the segment profit, which is the revenue of the solution services minus the cost of goods sold and selling, general and administrative expenses, amounted to 44,261 thousand yen (an increase of 10,283 thousand yen compared to the same period last year, a rise of 30.3%).

(Overview of Profits)

While net sales increased, the cost of goods sold for THE WORLD MANAGEMENT PTE LTD, which was included in the consolidated scope from this interim consolidated accounting period, was recorded, resulting in an increase of 1,495 thousand yen compared to the same period last year, reaching 955,099 thousand yen. As a result, gross profit was 1,706,089 thousand yen (an increase of 213,326 thousand yen compared to the same period last year, a 14.3% increase). Additionally, the performance of THE WORLD MANAGEMENT PTE LTD, which was included in the consolidated scope from this interim consolidated accounting period, added selling, general, and administrative expenses, causing those expenses to increase by 117,613 thousand yen compared to the same period last year, totaling 941,385 thousand yen. Consequently, operating profit was 764,704 thousand yen (an increase of 95,712 thousand yen compared to the same period last year, a 14.3% increase).

Non-operating income decreased by 5,228 thousand yen compared to the same period last year, resulting in 9,612 thousand yen. Non-operating expenses increased by 1,330 thousand yen to 9,881 thousand yen due to the occurrence of losses from the

disposal of fixed assets. As a result, ordinary profit was 764,435 thousand yen (an increase of 89,152 thousand yen from the same period last year, a 13.2% increase). No special income or special losses were recorded.

Consequently, the interim net profit before tax adjustments was 764,435 thousand yen (an increase of 80,440 thousand yen from the same period last year, an 11.8% increase), and total corporate taxes increased by 20,026 thousand yen to 245,950 thousand yen compared to the same period last year, resulting in interim net profit attributed to shareholders of the parent company of 518,485 thousand yen (an increase of 60,414 thousand yen from the same period last year, a 13.2% increase).

(2) Explanation on the Financial Situation

At the end of this interim consolidated accounting period, total assets decreased by 18,580 thousand yen compared to the end of the previous consolidated accounting year, amounting to 6,156,984 thousand yen. This decrease was primarily due to a 40,572 thousand yen increase in tangible fixed assets from the opening of new fitness gym locations and a 375,924 thousand yen increase in goodwill from the acquisition of THE WORLD MANAGEMENT PTE LTD, while cash and deposits decreased by 482,685 thousand yen due to expenditures related to the acquisition of THE WORLD MANAGEMENT PTE LTD, corporate taxes, dividend payments, and loan repayments.

At the end of this interim consolidated accounting period, liabilities decreased by 238,041 thousand yen compared to the end of the previous consolidated accounting fiscal year, totaling 2,102,709 thousand yen. This was mainly due to a decrease in borrowings by 142,434 thousand yen from repayments, and a decrease in contract liabilities by 25,157 thousand yen due to revenue recognized in this interim consolidated accounting period.

At the end of this interim consolidated accounting period, net assets increased by 219,461 thousand yen compared to the end of the previous consolidated accounting year, totaling 4,054,275 thousand yen. This was primarily due to an increase of 518,485 thousand yen in retained earnings attributable to interim net income for the parent company's shareholders, offset by a decrease of 308,472 thousand yen due to dividend payments.

(3) Cash Flow Situation

During this interim accounting period, cash and cash equivalents (hereinafter referred to as "funds") amounted to 2,947,365 thousand yen.

(Cash flow from operating activities)

The funds obtained as a result of sales activities amounted to 551,497 thousand yen (compared to 438,481 thousand yen in the same period last year). The main breakdown of revenue is as follows: pre-tax interim net profit of 764,435 thousand yen and non-cash items such as depreciation expenses of 162,051 thousand yen. The main breakdown of expenses is: a decrease in accounts payable of 56,589 thousand yen, a decrease in contract liabilities of 82,166 thousand yen, and corporate tax payments of 240,313 thousand yen.

(Cash Flow from Investment Activities)

The funds used for investment activities amounted to 538,822 thousand yen (compared to 194,314 thousand yen used in the same period last year). The main breakdown of expenditures includes 355,141 thousand yen related to the acquisition of THE WORLD MANAGEMENT PTE LTD, which became a consolidated subsidiary from this interim consolidated accounting period, 67,703 thousand yen for the acquisition of tangible fixed assets associated with the opening of new stores by Urban Fit Co., Ltd., and 103,757 thousand yen for the acquisition of intangible fixed assets due to the addition of new features to Kanamic Cloud Services.

(Cash Flow from Financing Activities)

The funds used as a result of financial activities amounted to 486,194 thousand yen (compared to 433,673 thousand yen used in the same period last year). The main breakdown of expenses includes 142,434 thousand yen for repayments of long-term borrowings and 308,472 thousand yen for dividend payments.

(4) Explanation Regarding Future Forecast Information Such As Consolidated Performance Forecasts

There are no changes to the consolidated performance forecast for the fiscal year ending September 2025, which was announced on November 14, 2024 as of now.

2 . Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	3,430,050	2,947,365
Accounts receivable - trade	223,727	222,207
Contract assets	25,951	41,271
Merchandise	463	824
Work in process	6,239	356
Supplies	499	349
Prepaid expenses	74,730	93,759
Current portion of long-term loans receivable	1,236	1,242
Other	105,144	110,477
Allowance for doubtful accounts	(8,641)	(8,693)
Total current assets	3,859,400	3,409,162
Non-current assets		
Property, plant and equipment		
Buildings, net	576,287	623,243
Vehicles, net	7,584	6,141
Tools, furniture and fixtures, net	303,423	274,374
Leased assets, net	17,596	42,955
Construction in progress	1,250	—
Total property, plant and equipment	906,141	946,714
Intangible assets		
Software	622,292	627,462
Goodwill	470,030	845,954
Other	76	76
Total intangible assets	1,092,399	1,473,493
Investments and other assets		
Investments in capital	500	500
Long-term loans receivable	24,798	24,175
Distressed receivables	2,212	2,277
Long-term prepaid expenses	6,375	4,589
Deferred tax assets	56,129	54,442
Leasehold and guarantee deposits	209,435	222,720
Insurance funds	20,384	21,121
Allowance for doubtful accounts	(2,212)	(2,212)
Total investments and other assets	317,622	327,613
Total non-current assets	2,316,164	2,747,822
Total assets	6,175,564	6,156,984

(Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	87,490	34,625
Current portion of bonds payable	50,000	35,000
Current portion of long-term borrowings	280,518	275,298
Lease liabilities	3,742	7,730
Accounts payable - other	108,357	122,218
Accrued expenses	80,128	76,210
Income taxes payable	253,401	254,867
Accrued consumption taxes	106,997	69,209
Contract liabilities	483,674	458,516
Deposits received	19,679	18,259
Provision for bonuses	61,223	56,573
Asset retirement obligations	16,000	16,000
Other	27,545	31,070
Total current liabilities	1,578,757	1,455,579
Non-current liabilities		
Bonds payable	15,000	—
Long-term borrowings	580,437	443,223
Lease liabilities	2,318	23,690
Deferred tax liabilities	75,090	77,571
Asset retirement obligations	88,348	101,845
Other	800	800
Total non-current liabilities	761,993	647,129
Total liabilities	2,340,750	2,102,709
Net assets		
Shareholders' equity		
Share capital	192,060	192,060
Capital surplus	132,060	132,060
Retained earnings	3,906,669	4,116,682
Treasury shares	(404,938)	(404,938)
Total shareholders' equity	3,825,850	4,035,863
Accumulated other comprehensive income		
Foreign currency translation adjustment	8,963	18,411
Total accumulated other comprehensive income	8,963	18,411
Total net assets	3,834,813	4,054,275
Total liabilities and net assets	6,175,564	6,156,984

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

(Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Net sales	2,446,366	2,661,188
Cost of sales	953,603	955,099
Gross profit	1,492,762	1,706,089
Selling, general and administrative expenses	823,771	941,385
Operating profit	668,991	764,704
Non-operating income		
Interest income	259	1,625
Gain on sale of goods	2,502	1,537
Commission income	4,281	4,600
Surrender value of insurance policies	6,548	—
Miscellaneous income	1,249	1,848
Total non-operating income	14,841	9,612
Non-operating expenses		
Interest expenses	3,303	3,059
Foreign exchange losses	586	430
Loss on retirement of non-current assets	716	6,270
Loss on cancellation of leases	3,852	—
Miscellaneous losses	91	120
Total non-operating expenses	8,550	9,881
Ordinary profit	675,282	764,435
Extraordinary income		
Gain on sale of non-current assets	2,814	—
Gain on sale of shares of subsidiaries and associates	5,897	—
Total extraordinary income	8,712	—
Profit before income taxes	683,994	764,435
Income taxes - current	220,937	241,958
Income taxes - deferred	4,986	3,991
Total income taxes	225,923	245,950
Profit	458,071	518,485
Profit attributable to owners of parent	458,071	518,485

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Profit	458,071	518,485
Other comprehensive income		
Foreign currency translation adjustment	2,580	619
Total other comprehensive income	2,580	619
Comprehensive income	460,651	519,104
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	460,651	519,104
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	683,994	764,435
Depreciation	148,064	162,051
Amortization of goodwill	27,483	37,532
Increase (decrease) in allowance for doubtful accounts	1,315	(152)
Interest income	(259)	(1,625)
Surrender value of insurance policies	(6,548)	—
Interest expenses	3,303	3,059
Loss on cancellation of leases	3,852	—
Loss (gain) on sale of non-current assets	(2,814)	—
Loss on retirement of non-current assets	716	6,270
Loss (gain) on sale of shares of subsidiaries and associates	(5,897)	—
Decrease (increase) in trade receivables	(129,944)	8,652
Decrease (increase) in inventories	409	6,031
Increase (decrease) in trade payables	63,705	(56,589)
Increase (decrease) in contract liabilities	(133,743)	(82,166)
Increase (decrease) in provision for bonuses	1,139	(4,712)
Other, net	(20,974)	(49,487)
Subtotal	633,801	793,298
Interest received	122	1,492
Interest paid	(3,240)	(2,980)
Income taxes paid	(195,470)	(240,313)
Income taxes refund	3,268	—
Net cash provided by (used in) operating activities	438,481	551,497
Cash flows from investing activities		
Purchase of property, plant and equipment	(119,060)	(67,703)
Proceeds from sale of property, plant and equipment	4,202	—
Purchase of intangible assets	(102,509)	(103,757)
Payments of leasehold and guarantee deposits	—	(27,845)
Proceeds from refund of leasehold and guarantee deposits	1,590	15,611
Proceeds from sale of shares of subsidiaries and associates	9,637	—
Proceeds from collection of long-term loans receivable	625	750
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(355,141)
Purchase of insurance funds	(916)	(736)
Proceeds from cancellation of insurance funds	12,116	—
Net cash provided by (used in) investing activities	(194,314)	(538,822)
Cash flows from financing activities		
Proceeds from long-term borrowings	60,000	—
Repayments of long-term borrowings	(195,018)	(142,434)
Redemption of bonds	(30,000)	(30,000)
Repayments of lease liabilities	(7,559)	(5,288)
Dividends paid	(261,096)	(308,472)
Net cash provided by (used in) financing activities	(433,673)	(486,194)
Effect of exchange rate change on cash and cash equivalents	2,502	(9,165)
Net increase (decrease) in cash and cash equivalents	(187,003)	(482,685)
Cash and cash equivalents at beginning of period	2,872,526	3,430,050
Cash and cash equivalents at end of period	2,685,522	2,947,365

(4) Notes on the Interim Consolidated Financial Statements

(Note on the Assumption of Going Concern)

There are no applicable items

(Note on Changes to the Scope of Consolidation)

(Significant changes to the scope of the consolidation)

As of November 29, 2024, we have acquired shares of THE WORLD MANAGEMENT PTE LTD, and consequently, the company is included in the scope of consolidation.

(Notes on Significant Fluctuations in the Amount of Shareholders' Equity.)

There are no applicable items

(Notes on Segment Information and Others)

【Segment Information】

I The period of interim consolidated accounting (from October 1, 2023 to March 31, 2024)

1. Information on sales and profit or loss amounts by reportable segment.

(Thousands of yen)

	Reportable segments			Total	Reconciling items*1	Per semi-annual consolidated financial statements*2
	Medical and Nursing Care Cloud Platform Business	Healthy Lifespan Extension Business	Solutions Development Business			
Sales						
Revenues from external customers	1,552,223	612,789	281,354	2,446,366	—	2,446,366
Transactions with other segments	1,440	—	3,720	5,160	(5,160)	—
Net sales	1,553,664	612,789	285,074	2,451,527	(5,160)	2,446,366
Operating profit (loss)	641,383	14,696	33,978	690,058	(21,066)	668,991

(Note) 1. The adjustment amount for segment profit of -21,066 thousand yen includes inter-segment transaction eliminations of 6,416 thousand yen and goodwill amortization of -27,483 thousand yen.

2. Segment profit or loss is adjusted with the operating profit in the interim consolidated income statement.

2. Matters concerning changes to reporting segments

From this interim accounting period, the reporting segment "Cloud Platform Business" has a service called "Health Longevity Extension Service" that utilizes physical stores as a business. Given the increasing significance of the amounts and the expected expansion of its scale in the future, we have established a new reporting segment for this service, naming it "Health Longevity Extension Business" to present the information clearly. Consequently, we have changed the name of the previous "Cloud Platform Business" to "Medical and Nursing Care Cloud Platform Business" to better reflect the actual situation.

Furthermore, the segment information for the previous interim consolidated accounting period has been disclosed based on the revised classification method.

II Current intermediate consolidated accounting period (from October 1, 2024, to March 31, 2025)

1. Information on sales and profit or loss amounts by reportable segment.

(Thousands of yen)

	Reportable segments			Total	Reconciling items ^{*1}	Per semi-annual consolidated financial statements ^{*2}
	Medical and Nursing Care Cloud Platform Business	Healthy Lifespan Extension Business	Solutions Development Business			
Sales						
Revenues from external customers	1,780,683	550,555	329,949	2,661,188	—	2,661,188
Transactions with other segments	4,698	—	13,737	18,435	(18,435)	—
Net sales	1,785,382	550,555	343,686	2,679,624	(18,435)	2,661,188
Operating profit (loss)	737,027	57,298	44,261	838,587	(73,883)	764,704

(Note) 1. The adjustment amount for segment profit of -73,883 thousand yen includes inter-segment transaction elimination of 9,431 thousand yen, goodwill amortization of -37,532 thousand yen, and various expenses related to investments of -45,782 thousand yen.

2. Segment profit or loss is adjusted with the operating profit in the interim consolidated income statement.

2. Matters concerning assets in the reporting segment

During this interim consolidation accounting period, we have acquired shares of THE WORLD MANAGEMENT PTE LTD and newly included it in the scope of consolidation. As a result of including THE WORLD MANAGEMENT PTE LTD in the scope of consolidation, the amount of assets in the reportable segment for this interim consolidation accounting period has increased by 295,468 thousand yen compared to the end of the previous consolidated accounting year in the 'Solution Development Business'.

3. Information on impairment losses of fixed assets or goodwill, etc. by reporting segment.

((Significant fluctuations in the amount of goodwill))

In the 'Solution Development Business', we have included THE WORLD MANAGEMENT PTE LTD in the scope of consolidation due to the acquisition of its shares during the current interim consolidated accounting period. The resulting increase in goodwill is 403,407 thousand yen.

Furthermore, the amount of goodwill has been provisionally calculated as the allocation of the acquisition cost has not been completed at the end of the interim consolidated accounting period.

(Corporate Mergers and Related Matters)

Corporate Mergers through Acquisition

The company resolved at the board meeting held on October 29, 2024, to acquire shares of THE WORLD MANAGEMENT PTE LTD (headquartered in Singapore) and to make it a wholly-owned subsidiary. We entered into a stock transfer agreement and acquired all shares on the same day, November 29, 2024.

1. Corporate merger overview

(1) Name of the acquired company and the content of its business

Name of the acquired company: THE WORLD MANAGEMENT PTE LTD

Business content: IT Consulting

(2) Main reasons for corporate merger

THE WORLD MANAGEMENT PTE LTD (hereinafter referred to as "TWM") is an IT consulting company based in Singapore. TWM primarily offers consulting and maintenance services for the implementation of backend systems such as sales management, inventory management, and accounting management to many companies within Singapore. By combining TWM's backend systems with the development capabilities of the frontend systems owned by our group, we can provide comprehensive IT systems not only to TWM's clients but also to other companies in Singapore. Among TWM's clients are several businesses involved in caregiving and medical clinics, and we believe that this client base will serve as a significant driving force for further enhancing the high-value services we provide as a healthcare and health tech company. We also anticipate expansion into Southeast Asian countries, including ASEAN nations, based on our base in Singapore.

(3) Date of corporate merger: December 31, 2024

(4) Legal forms of corporate merger: Acquisition of shares in exchange for cash

(5) Name of merged company: THE WORLD MANAGEMENT PTE LTD

(6) Acquired voting rights ratio: 100%

(7) Main grounds for deciding on acquiring the company:

Due to the company acquiring all shares in exchange for cash.

2. The period of performance of the acquired company included in the interim consolidated income statement:

From Jan 1, 2025 to March 31, 2025

3. Breakdown of the acquisition cost and types of consideration for the acquired enterprise

Acquisition through a stock transfer agreement

Acquisition compensation : Cash 5,000,000 SGD (Approximately 565,850 thousand yen)

Acquisition cost: 5,000,000 SGD (Approximately 565,850 thousand yen)

※Exchange rate of acquisition cost in Japanese yen is based on 1SGD=113.17yen (as of November 29, 2024)

4. Details and amounts of major acquisition-related costs

Compensation and fees for advisory services 45,782 thousand yen

5. The amount of goodwill that occurred, the cause of occurrence, the amortization method and period

(1) The amount of goodwill occurred

413,456 thousand yen

Note that the amount of goodwill is a provisional amount because the allocation of the acquisition cost has not been completed as of the end of the interim consolidated accounting period.

(2) Cause of occurrence

It is the expected excess profitability through the efficiency of indirect operations in the regions where THE WORLD MANAGEMENT PTE LTD primarily conducts IT consulting.

(3) Amortization method and period

Straight-line amortization over 10 years

6. The amount of assets accepted and liabilities assumed on the date of business combination, and main breakdown.

Current assets 237,524 thousand yen

Non-current assets 1,897 thousand yen

Total assets 239,421 thousand yen

Current liabilities 70,143 thousand yen

Non-current liabilities 184 thousand yen

Total liabilities 70,328 thousand yen

(Important Subsequent Events)

There are no applicable items.