



Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under IFRS)

February 12, 2026

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 Securities code 3962 URL <https://www.changeholdings.co.jp/>
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 Dividend payable date (as planned) -

Stock exchange listings:
 Tokyo Prime

Supplemental material of results : Yes

Convening briefing of results : Yes (For institutional investors, personal investors and analysts)

(Yen amounts are rounded down to millions.)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended												
December 31, 2025	41,527	18.9	10,586	(18.8)	10,772	(13.9)	6,965	(17.9)	6,882	(16.2)	7,758	(8.5)
December 31, 2024	34,937	21.3	13,044	27.9	12,511	22.7	8,484	22.5	8,208	18.1	8,476	23.5

	Basic earnings per share	Diluted earnings per share
Nine Months ended	Yen	Yen
December 31, 2025	98.92	98.90
December 31, 2024	116.87	115.93

(Note): 1. At the end of the consolidated fiscal year ended March 2025, the provisional accounting treatment for business combinations was finalized, and the figures for the cumulative third quarter of the consolidated fiscal year ended March 2025 reflect the finalization of the provisional accounting treatment.

2. During the interim period of the consolidated fiscal year ending March 2026, the provisional accounting treatment for business combinations has been finalized, and the figures for the cumulative third quarter of the consolidated fiscal year ended March 2025 reflect the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
December 31, 2025	126,350	55,162	47,252	37.4
March 31, 2025	104,861	49,611	41,191	39.3

(Note): During the interim period of the consolidated fiscal year ending March 2026, the provisional accounting treatment for business combinations has been finalized, and the figures for the consolidated fiscal year ended March 2025 reflect the finalization of the provisional accounting treatment.

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	20.90	20.90
Fiscal year ending March 31, 2026	-	0.00	-		
Fiscal year ending March 31, 2026 (Forecast)				23.00	23.00

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

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

[Notes of caution] This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

(Percentages indicate year-on-year changes.)

Fiscal year ending	Sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
March 31, 2026	55,000	18.6	14,000	3.6	13,223	3.8	8,359	4.4	7,904	4.9	Yen 113.60

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

* Notes

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

Newly included: 5 companies (Company name) Grivity, Inc., Thirdly Inc., G-Gravity Co.,Ltd., PERF, Inc. , and Onwords, Inc.

Excluded: 1 company (Company name) Orb, inc.

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

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

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

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

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

As of December 31, 2025	73,852,362 shares	As of March 31, 2025	73,852,362 shares
As of December 31, 2025	4,273,415 shares	As of March 31, 2025	4,273,415 shares
As of December 31, 2025	69,578,947 shares	As of December 31, 2024	70,236,710 shares

② Number of treasury share at the period end

③ Average number of shares

* Quarterly financial results reports subject to the review conducted by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements contained in this report are prepared based on information currently available to the Company and on certain assumptions deemed to be reasonable, but they are not promised by the Company regarding future performance. Actual results may differ significantly from these forecasts due to several factors. For future forecasts and assumptions, please refer to "1. Overview of operating results (3) Explanation about future outlook including consolidated financial forecasts, etc." on page 4 hereof.

Accompanying Materials

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1. Overview of operating results

Forward-looking statements herein are based on the judgment of the CHANGE Group (hereinafter the “Group” or simply, “we”) as of the end of this third quarter of the consolidated fiscal year ending March 31, 2026.

The provisional accounting treatment for the business combination with IdealRoute Consulting Inc. in March 2024 was applied at the end of the third quarter of the previous consolidated fiscal year. However, this provisional treatment was finalized at the end of the previous consolidated fiscal year, so the finally revised amount due to the finalization of the provisional accounting treatment was used hereunder for comparison and analysis with the cumulative third quarter of the previous consolidated fiscal year.

The provisional accounting treatment for the business combination with fundbook, inc. in December 2024 was applied during the third quarter of the previous consolidated fiscal year. However, this provisional treatment was finalized in the second quarter of the current consolidated fiscal year, so the finally revised amount due to the finalization of the provisional accounting treatment was used hereunder for comparison and analysis with the cumulative third quarter of the previous consolidated fiscal year.

(1) Overview of operating results for the cumulative third quarter of the current fiscal year

In the future, we expect to see a super-aging society in which about one out of every 2.4 people in Japan will be 65 years old or over in 2070. Population is continuing to be centralized in Tokyo area, and local governments are faced with the difficult financial condition and the issue of decreasing population. Despite the decrease in the number of their employees, the workload is increasing, and it is essential for them to streamline operations by using DX to fulfill their administrative services. In addition, with the launch of the Takaichi Administration, new policies have been indicated, including "crisis management investments" for strategic investment in risk in various areas such as defense, cyber security, food security, etc. and in social issues, and "regional future strategies" for bringing out the potential of regional areas. As a result, domestic investments and initiatives for next-generation growth are beginning to take on a full scale.

Under these circumstances, the Group has been developing businesses such as digitization of business models and business processes and support for the development of digital human resources in order to dramatically improve productivity in Japan through the equation of "People multiplied by Technology" and to make Japan a sustainable society under the vision of "Change Productivity" and the mission of "Change People, Change Business, Change Japan" even though it is facing with a decreasing population. Since the inception, we have been providing solutions to the digitization needs of many customers.

Specifically, we have the following two businesses: the NEW-IT Transformation Business, which is responsible for supporting the development of digital human resources, the innovation and digitization of business processes, M&A brokering, and the cyber security, and the Publitech Business, which is committed to promoting the creation of localities through the hometown tax donation platform and digitization services for local governments.

On May 15, 2025, we announced the Mid-term Business Plan called “Digitize & Digitalize Japan (Phase3)” (from the fiscal years ending March 2026 to March 2028). In order to realize regional revitalization, we, as a company responsible for regional revitalization, will use our digital technologies and promote the activation and collaboration with local governments, regional financial institutions, companies of the region, media, universities and educational institutions, and other players. We are working to further increase corporate value by constructing a unique regional revitalization that our Group can only do and resolving various local issues. In addition, we have shifted to a company with an audit and supervisory committee to further strengthen corporate governance, and is working to strengthen its management foundation.

Operating results for the cumulative third quarter of the current consolidated fiscal year are as follows:

In the NEW-IT Transformation Business, the Group is deepening intercompany collaboration to enhance synergies within the Group. At the same time, we are continuing to make growth-oriented investments, centered on M&A and capital and business alliances. In Private-sector DX and M&A brokerage field, we have been strengthening group-wide collaboration for BPO businesses, and strengthening project structuring for the future through alliances with major financial institutions for M&A brokerage business. In the robotics and beacon businesses, the acquisition of customers has progressed and sales has been steady, and in M&A business, revenue in the cumulative third quarter of the current fiscal year has increased compared with the same period of the previous fiscal year due to the consolidation of fundbook, inc. In the cyber security field, we are making steady progress in strengthening our sales channels and service lines, centered on capital and business alliances, and awareness of clients in cyber security is further increasing due to a series of incidents at major domestic companies, and we will promote this business to capture this trend. During the same period of the previous consolidated fiscal year, we recorded a one-time gain on revaluation of shares of 1,569 million yen due to the conversion of Digital Growth Academia, INC. into our equity-method affiliate.

In the Publitech Business, we are promoting DX of local governments and regional revitalization through efforts to promote regional economic cycles. In the regional revitalization field, regardless of the impact of the abolishment of the “reward point program” for hometown tax donation in October 2025, the amount of hometown tax donations was steady and approximately the same level as the same period of the previous fiscal year. In the logistics-related business, transactions increased in line with increased hometown tax donations, and our "Connecting School Meals Business” (regional school lunch alliance project where we connect schools, producers, distributors and related local governments) proceeded steadily. In inbound tourism filed, Onwords, Inc. was included in our consolidated subsidiaries. In the carbon credit business, we concluded agreements with forestry associations in five prefectures in the Tohoku Region to support the creation of “J-Credits.” We have made steady progress in these fields. In the public DX area, LoGo chat and LoGo forms, which are SaaS businesses for local governments, continue to receive a strong reputation among customers, and the total number of local governments using LoGo chat (including both paid and free) has exceeded 1,550. In the same way, the number of LoGo forms exceeded 800. In addition, in services for government agencies on which we are focusing, our efforts toward future growth are beginning to be accelerated such as providing DX support for the JGSDF (Japan Ground Self-Defense Force).

As a result, revenue for the cumulative third quarter of the current consolidated fiscal year was 41,527 million yen (up 18.9% from the same period of the previous fiscal year), operating profit was 10,586 million yen (down 18.8%), profit before tax was 10,772 million yen (down 13.9%), and profit attributable to owners of the parent was 6,882 million yen (down 16.2%).

(a) NEW-IT Transformation Business

In the NEW-IT Transformation Business, the Group is deepening intercompany collaboration to enhance synergies within the Group. At the same time, we are continuing to make growth-oriented investments, centered on M&A and capital and business alliances. In Private-sector DX and M&A brokerage field, we have been strengthening group-wide collaboration for BPO businesses, and

strengthening project structuring for the future through alliances with major financial institutions for M&A brokerage business. In the robotics and beacon businesses, the acquisition of customers has progressed and sales has been steady, and in M&A business, revenue in the cumulative third quarter of the current fiscal year has increased compared with the same period of the previous fiscal year due to the consolidation of fundbook, inc. In the cyber security field, we are making steady progress in strengthening our sales channels and service lines, centered on capital and business alliances, and awareness of clients in cyber security is further increasing due to a series of incidents at major domestic companies, and we will promote this business to capture this trend. During the same period of the previous consolidated fiscal year, we recorded a one-time gain on revaluation of shares of 1,569 million yen due to the conversion of Digital Growth Academia, INC. into our equity-method affiliate.

Consequently, revenue in the NEW-IT Transformation Business for the cumulative third quarter of the current consolidated fiscal year was 17,936 million yen (up 31.5% from the same period of the previous consolidated fiscal year), and segment profit was 2,428 million yen (down 39.6%).

(b) Publitech Business

In the Publitech Business, we are promoting DX of local governments and regional revitalization through efforts to promote regional economic cycles. In the regional revitalization field, regardless of the impact of the abolishment of the “reward point program” for hometown tax donation from October 2025, the amount of hometown tax donations was steady and approximately the same level as the same period of the previous fiscal year. In the logistics-related business, transactions increased in line with increased hometown tax donations, and our “Connecting School Meals Business” (regional school lunch alliance project where we connect schools, producers, distributors and related local governments) proceeded steadily. In inbound tourism filed, Onwords, Inc. was included in our consolidated subsidiaries. In the carbon credit business, we concluded agreements with forestry associations in five prefectures in the Tohoku Region to support the creation of “J-Credits.” We have made steady progress in these fields. In the public DX area, LoGo chat and LoGo forms, which are SaaS businesses for local governments, continue to receive a strong reputation among customers, and the total number of local governments using LoGo chat (including both paid and free) has exceeded 1,550. In the same way, the number of LoGo forms exceeded 800. In addition, in services for government agencies on which we are focusing, our efforts toward future growth are beginning to be accelerated such as providing DX support for the JGSDF (Japan Ground Self-Defense Force).

As a result, revenue in the Publitech Business for the cumulative third quarter of the current consolidated accounting year was 24,063 million yen (up 10.9% from the same period in the previous consolidated fiscal year) and segment profit was 12,626 million yen (down 2.6%).

(2) Outline of the financial position of for the cumulative third quarter of the current consolidated fiscal year

(i) Assets, Liabilities, and Shareholder Equity

(Assets)

Current assets at the end of the third quarter of the current consolidated fiscal year were 68,509 million yen, an increase of 18,686 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 23,091 million yen in trade and other receivables. Non-current assets were 57,840 million yen, an increase of 2,802 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,642 million yen in other financial assets due to an increase in the valuation of investment securities, etc.

As a result of the above, total assets increased by 21,489 million yen from the end of the previous consolidated fiscal year to 126,350 million yen.

(Liabilities)

Current liabilities at the end of the third quarter of the current consolidated fiscal year were 43,693 million yen, an increase of 20,281 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 18,780 million yen in trade and other payables. Non-current liabilities decreased by 4,344 million yen from the end of the previous consolidated fiscal year to 27,494 million yen. This was mainly due to a decrease of 3,861 million yen in bonds and borrowings.

As a result of the above, total liabilities increased by 15,937 million yen from the end of the previous consolidated fiscal year to 71,187 million yen.

(Equity)

Equity at the end of the third quarter of the current consolidated fiscal year was 55,162 million yen, an increase of 5,551 million yen from the end of the previous consolidated fiscal year. This is mainly due to the recording of the cumulative quarterly profit attributable to the owner of the parent company of 6,882 million yen and the payment of dividends of 1,454 million yen.

(ii) Cash Flows

Cash and cash equivalents at the end of the third quarter of the current consolidated fiscal year were 25,524 million yen, a decrease of 4,661 million yen from the end of the previous consolidated fiscal year.

The status of each cash flow and main factors are as follows:

(Cash flows from operating activities)

The increase in cash from operating activities during the cumulative third quarter of the current consolidated fiscal year was 4,543 million yen (a decrease of 238 million yen for the same period of the previous fiscal year). This was mainly due to profit before tax of 10,772 million yen, an increase in trade and other payable of 18,784 million yen and an increase in trade and other receivable of 22,475 million yen.

(Cash flows from investing activities)

The decrease in cash from investing activities during the cumulative third quarter of the current consolidated fiscal year was 2,275 million yen (a decrease of 13,264 million yen for the same period of the previous fiscal year). This was mainly due to the purchase of subsidiaries resulting in a change in scope of consolidation of 990 million yen.

(Cash flows from financing activities)

The decrease in cash from financing activities during the cumulative third quarter of the current consolidated fiscal year was 6,931 million yen (an increase of 9,226 million yen for the same period of the previous consolidated fiscal year). This was mainly due to a repayment of bonds and borrowings of 4,760 million yen.

(3) Explanation about future outlook including consolidated financial forecasts, etc.

The financial forecast has not changed from the consolidated financial forecast announced on May 15, 2025.

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2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	30,185	25,524
Trade and other receivables	17,760	40,852
Inventories	437	592
Other financial assets	472	553
Other current assets	966	987
Total current assets	<u>49,823</u>	<u>68,509</u>
Non-current assets		
Property, plant and equipment	1,152	1,151
Right-of-use assets	1,647	1,366
Goodwill	28,307	29,293
Intangible assets	9,472	8,818
Investments accounted for using equity method	4,926	4,991
Other financial assets	7,460	10,103
Deferred tax assets	1,987	2,067
Other non-current assets	84	50
Total non-current assets	<u>55,038</u>	<u>57,840</u>
Total assets	<u><u>104,861</u></u>	<u><u>126,350</u></u>

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(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,140	30,920
Borrowings	5,838	5,943
Lease liabilities	882	785
Other financial liabilities	282	259
Income taxes payable	2,028	2,261
Provisions	-	279
Other current liabilities	2,239	3,244
Total current liabilities	<u>23,411</u>	<u>43,693</u>
Non-current liabilities		
Bonds and borrowings	26,883	23,021
Lease liabilities	865	646
Provisions	415	429
Deferred tax liabilities	3,100	3,356
Other non-current liabilities	574	40
Total non-current liabilities	<u>31,838</u>	<u>27,494</u>
Total liabilities	55,250	71,187
Equity		
Share capital	1,042	1,042
Capital surplus	22,081	21,922
Retained earnings	24,054	29,483
Treasury shares	(5,882)	(5,882)
Other components of equity	(104)	686
Total equity attributable to owners of parent	<u>41,191</u>	<u>47,252</u>
Non-controlling interests	8,419	7,910
Total equity	<u>49,611</u>	<u>55,162</u>
Total liabilities and equity	<u><u>104,861</u></u>	<u><u>126,350</u></u>

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

[Condensed Quarterly Consolidated Statements of Income]

(Millions of yen)

	Nine Months ended December 31, 2024	Nine Months ended December 31, 2025
Revenue	34,937	41,527
Cost of sales	14,247	17,486
Gross profit	20,690	24,041
Selling, general and administrative expenses	9,428	13,549
Impairment Losses	-	27
Gain on loss of control of subsidiary	1,569	-
Other income	138	147
Other expenses	34	90
Share of profit of investments accounted for using equity method	108	64
Operating profit	13,044	10,586
Finance income	7	606
Finance costs	539	420
Profit before tax	12,511	10,772
Income tax expense	4,027	3,806
Profit	8,484	6,965
Profit attributable to		
Owners of parent	8,208	6,882
Non-controlling interests	275	83
Profit	8,484	6,965
Earnings per share		
Basic earnings per share (yen)	116.87	98.92
Diluted earnings per share (yen)	115.93	98.90

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[Condensed Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Nine Months ended December 31, 2024	Nine Months ended December 31, 2025
Profit	8,484	6,965
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(0)	788
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(7)	4
Other comprehensive income, net of tax	<u>(7)</u>	<u>792</u>
Comprehensive income	<u>8,476</u>	<u>7,758</u>
Comprehensive income attributable to		
Owners of parent	8,205	7,673
Non-controlling interests	<u>271</u>	<u>84</u>
Comprehensive income	<u>8,476</u>	<u>7,758</u>

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Previous cumulative nine months (From April 1, 2024 to December 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	1,006	22,048	17,937	(1,405)	(106)
Profit			8,208		
Other comprehensive income					(0)
Comprehensive income	-	-	8,208	-	(0)
Issuance of new shares	35	34			
Issuance of share acquisition rights		2			
Dividends			(1,353)		
Purchase of treasury shares		(6)		(4,476)	
Loss of control of subsidiaries					
Changes in ownership interest in subsidiaries		0			
Change in equities for companies accounted for by the equity method					0
Share-based payment transactions of consolidated subsidiaries					
Total transactions with owners	35	31	(1,353)	(4,476)	0
Balance at end of period	1,042	22,079	24,793	(5,882)	(106)

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	3	(102)	39,483	10,439	49,923
Profit		-	8,208	275	8,484
Other comprehensive income	(3)	(3)	(3)	(3)	(7)
Comprehensive income	(3)	(3)	8,205	271	8,476
Issuance of new shares		-	70		70
Issuance of share acquisition rights		-	2		2
Dividends		-	(1,353)	(181)	(1,534)
Purchase of treasury shares		-	(4,482)		(4,482)
Loss of control of subsidiaries		-	-	(2,398)	(2,398)
Changes in ownership interest in subsidiaries	0	0	0	(0)	(0)
Change in equities for companies accounted for by the equity method		0	0		0
Share-based payment transactions of consolidated subsidiaries		-	-	14	14
Total transactions with owners	0	0	(5,762)	(2,566)	(8,329)
Balance at end of period	0	(106)	41,926	8,144	50,070

Current cumulative nine months (from April 1, 2025, to December 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	1,042	22,081	24,054	(5,882)	(106)
Profit			6,882		
Other comprehensive income					788
Comprehensive income	-	-	6,882	-	788
Dividends			(1,454)		
Changes in ownership interest in subsidiaries		(158)			
Obtaining of control of subsidiaries					
Share-based payment transactions of consolidated subsidiaries					
Total transactions with owners	-	(158)	(1,454)	-	-
Balance at end of period	1,042	21,922	29,483	(5,882)	681

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	2	(104)	41,191	8,419	49,611
Profit		-	6,882	83	6,965
Other comprehensive income	2	790	790	1	792
Comprehensive income	2	790	7,673	84	7,758
Dividends		-	(1,454)	(207)	(1,661)
Changes in ownership interest in subsidiaries	(0)	(0)	(158)	(441)	(600)
Obtaining of control of subsidiaries		-	-	47	47
Share-based payment transactions of consolidated subsidiaries		-	-	7	7
Total transactions with owners	(0)	(0)	(1,613)	(593)	(2,206)
Balance at end of period	5	686	47,252	7,910	55,162

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine Months ended December 31, 2024	Nine Months ended December 31, 2025
Cash flows from operating activities		
Profit before tax	12,511	10,772
Depreciation and amortization	1,746	2,025
Gain on loss of control of subsidiary	(1,569)	-
Share of loss (profit) of investments accounted for using equity method	(108)	(64)
Impairment losses (reversal of impairment losses)	-	27
Finance income and finance costs	532	(186)
Decrease (increase) in inventories	(1)	(154)
Decrease (increase) in trade and other receivables	(42,049)	(22,475)
Increase (decrease) in trade and other payables	35,228	18,784
Other	(1,322)	(108)
Subtotal	4,967	8,621
Interest and dividends received	4	39
Interest paid	(156)	(292)
Income taxes paid	(5,053)	(3,823)
Net cash provided by (used in) operating activities	(238)	4,543
Cash flows from investing activities		
Purchase of property, plant and equipment	(174)	(171)
Purchase of intangible assets	(716)	(492)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(12,585)	(990)
Proceeds from shares of subsidiaries resulting in change in scope of consolidation	420	8
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,405	-
Purchase of investment securities	(688)	(651)
Other	(925)	21
Net cash provided by (used in) investing activities	(13,264)	(2,275)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	18,500	-
Proceeds from long-term borrowings	40	884
Redemption of bond and repayments of long-term borrowings	(2,761)	(4,760)
Repayments of lease liabilities	(700)	(797)
Proceeds from issuance of shares	70	-
Dividends paid to non-controlling interests	(181)	(207)
Dividends paid	(1,350)	(1,454)
Purchase of treasury shares	(4,485)	-
Other	97	(597)
Net cash provided by (used in) financing activities	9,226	(6,931)
Net increase (decrease) in cash and cash equivalents	(4,276)	(4,663)
Cash and cash equivalents at beginning of period	38,403	30,185
Effect of exchange rate changes on cash and cash equivalents	0	2
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(4,068)	-
Net increase (decrease) in cash and cash equivalents included in assets held for sale	773	-
Cash and cash equivalents at end of period	30,832	25,524

[Notes of caution]

This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

**(5) Notes to Condensed Consolidated Financial Statements
(Applied Financial Reporting Framework)**

Our Condensed Quarterly Consolidated Financial Statements (Condensed Quarterly Consolidated Statement of Financial Position, Condensed Quarterly Consolidated Profit and Loss Statement, Condensed Quarterly Comprehensive Profit Statement, and Condensed Quarterly Consolidated Statements of Changes in Equity, Condensed Quarterly Consolidated Statements of Cash Flows, and Notes) are prepared in accordance with Section 5, Item 2 of the Standard for Preparing the Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. (provided, abbreviation of description as defined in Section 5, Item 5 thereof is applied), and some of the disclosure items and notes required by International Accounting Standards No. 34, "Quarterly Financial Reports" are omitted.

(Notes on the Going Concern Assumption)

Not applicable.

[Notes of caution]

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(Segment Information)

(1) Description of reportable segments

The Group's reportable segments are decided based on the operating segments of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Company's Board of Directors to make decisions about the allocation of management resources to the segments and assess their performance. No operating segments have been aggregated in determining the reportable segments.

The Group consists of segments categorized by the nature of services. We have two reportable segments: the NEW-IT Transformation Business, and the Publitech Business.

The NEW-IT Transformation Business provides Japanese companies with solutions that improve productivity and added value by transforming their business operations and business models through the development of innovative technologies and digital human resources, services related to internet security, and M&A brokerage service. Publitech Business provides a platform service for hometown tax donation and solutions for government agencies.

(2) Information regarding reportable segments

The accounting policies of the reportable segments are the same as those of the Group.

Segment profit in the reportable segments is based on operating profit.

Intersegment revenue is based on prevailing market prices.

Previous cumulative third quarter (From April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segments			Reconciling items	Consolidated
	NEW-IT transformation business	Publitech business	Total		
Revenue					
Revenue from external customers	13,272	21,664	34,937	-	34,937
Intersegment revenue	366	39	406	(406)	-
Total	13,639	21,704	35,343	(406)	34,937
Operating profit (loss)	4,020	12,958	16,979	(3,934)	13,044
Finance income	-	-	-	-	7
Finance costs	-	-	-	-	539
Profit (loss) before tax	-	-	-	-	12,511

(Note) 1. The adjustment (3,934) million yen comprises company-wide expenses not allocable to any reportable segment and mostly consists of general and administrative expenses of 3,934 million yen that are not attributable to the reportable segments.

2. This segment's profit is adjusted for operating income in the condensed quarterly consolidated statements of income.

[Notes of caution]

This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

Current cumulative third quarter (From April 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segments			Reconciling items	Consolidated
	NEW-IT transformation business	Publitech business	Total		
Revenue					
Revenue from external customers	17,491	23,963	41,455	72	41,527
Intersegment revenue	445	100	545	(545)	-
Total	17,936	24,063	42,000	(472)	41,527
Operating profit (loss)	2,428	12,636	15,055	(4,468)	10,586
Finance income	-	-	-	-	606
Finance costs	-	-	-	-	420
Profit (loss) before tax	-	-	*	-	10,772

(Note) 1. Adjustments to segment income include revenue not attributable to reportable segments, corporate expenses not allocated to reportable segments, and corporate expenses are primarily general and administrative expenses not attributable to reportable segments.

2. Segment income is adjusted with operating income in the condensed quarterly consolidated statements of income.