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

August 7, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: SOURCENEXT CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 4344
URL: https://sourcenext.co.jp
Representative: Noriyuki Matsuda Representative Director, President and CEO
Inquiries: Fumihiko Aoyama Director & CFO
Telephone: +81-3-5797-7165
Scheduled date to file semi-annual securities report: August 7, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

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

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

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	5,364	-	(805)	-	(867)	-	(775)	-
September 30, 2025	5,916	14.1	(985)	-	(1,128)	-	(764)	-

Note: Comprehensive income For the six months ended June 30, 2026: ¥ (1,156) million [-%]
For the six months ended September 30, 2025: ¥ (1,053) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	(5.61)	-
September 30, 2025	(5.53)	-

Note: Effective from the fiscal year ended December 31, 2025, the Company changed its fiscal year-end from March 31 to December 31. Due to this change, the periods covered by the interim period of the current and previous fiscal years are different as follows. Accordingly, the percentage changes from the previous year are not presented.

- Six months ended June 30, 2026: January 1, 2026 to June 30, 2026
- Six months ended September 30, 2025: April 1, 2025 to September 30, 2025

[Reference] The following percentage changes (adjusted) are calculated by comparing the results for the current interim period with the results of the same period of the previous year (January 1, 2025 to June 30, 2025). (Millions of yen, %)

Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
5,515	(2.7)%	(2,014)	- %	(2,619)	- %	(2,621)	- %

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	12,815	5,835	36.9	34.15
December 31, 2025	14,544	6,787	38.3	40.33

Reference: Equity
As of June 30, 2026: ¥ 4,723 million
As of December 31, 2025: ¥ 5,577 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2026	-	0.00			
Fiscal year ending December 31, 2026 (Forecast)			-	-	-

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

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

Regarding the consolidated earnings forecast for the fiscal year ending December 31, 2026, we have chosen not to disclose the figures at this time because it is difficult to provide a highly accurate forecast.

*** Notes**

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

Newly included: - companies( )

Excluded: - companies( )

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

(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) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	139,115,100 shares
As of December 31, 2025	139,115,100 shares

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

As of June 30, 2026	800,124 shares
As of December 31, 2025	800,112 shares

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

Six months ended June 30, 2026	138,314,980 shares
Six months ended September 30, 2025	138,310,188 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(1) Statements regarding the future, such as performance forecasts, contained in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable.Actual results may differ significantly due to various factors.

(2) The financial results briefing materials will be promptly posted on our website today, August 7.

(URL of the Company's website) https://sourcenext.co.jp/ir-english/library/settlement

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	4,918,066	4,571,177
Accounts receivable - trade	1,592,216	1,157,961
Merchandise and finished goods	2,953,520	2,642,154
Raw materials and supplies	50,322	44,029
Advance payments to suppliers	410,696	232,235
Income taxes refund receivable	668	-
Other	379,201	326,342
Allowance for doubtful accounts	(1,870)	(1,448)
Total current assets	10,302,820	8,972,452
Non-current assets		
Property, plant and equipment		
Property, plant and equipment	289,290	317,688
Accumulated depreciation	(164,408)	(207,364)
Total property, plant and equipment	124,882	110,323
Intangible assets		
Software	1,201,002	1,059,543
Goodwill	-	270,074
Contract based intangible assets	457,201	-
Other	45,281	319,838
Total intangible assets	1,703,486	1,649,456
Investments and other assets		
Investment securities	2,372,989	2,054,336
Other	40,764	28,803
Total investments and other assets	2,413,754	2,083,140
Total non-current assets	4,242,123	3,842,921
Total assets	14,544,943	12,815,373

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	461,758	455,874
Short-term borrowings	3,100,000	2,600,000
Current portion of long-term borrowings	318,912	291,024
Accounts payable - other	936,768	743,800
Income taxes payable	35,900	33,605
Unearned revenue	607,352	564,151
Provision for bonuses	8,707	-
Other	453,178	326,454
Total current liabilities	5,922,576	5,014,911
Non-current liabilities		
Bonds payable	-	250,000
Long-term borrowings	1,314,164	1,243,108
Long-term unearned revenue	451,473	420,805
Deferred tax liabilities	23,759	7,862
Other	45,446	42,947
Total non-current liabilities	1,834,844	1,964,723
Total liabilities	7,757,421	6,979,635
Net assets		
Shareholders' equity		
Share capital	4,009,527	4,009,527
Capital surplus	11,596,643	11,693,808
Retained earnings	(10,085,337)	(10,861,303)
Treasury shares	(163,142)	(163,144)
Total shareholders' equity	5,357,690	4,678,887
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,376	(145,830)
Foreign currency translation adjustment	170,832	190,394
Total accumulated other comprehensive income	220,208	44,563
Share acquisition rights	497,202	551,900
Non-controlling interests	712,420	560,386
Total net assets	6,787,522	5,835,738
Total liabilities and net assets	14,544,943	12,815,373

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended June 30, 2026
Net sales	5,916,839	5,364,828
Cost of sales	2,806,877	2,534,345
Gross profit	3,109,961	2,830,483
Selling, general and administrative expenses	4,095,658	3,636,418
Operating loss	(985,697)	(805,935)
Non-operating income		
Interest income	8,326	9,081
Dividend income	500	500
Foreign exchange gains	5,950	115,898
Gain on investments in silent partnerships	-	34,510
Interest subsidy	3,859	1,595
Other	1,877	4,928
Total non-operating income	20,513	166,514
Non-operating expenses		
Interest expenses	42,834	57,626
Share of loss of entities accounted for using equity method	119,917	123,480
Loss on investments in silent partnerships	-	45,201
Other	75	1,374
Total non-operating expenses	162,828	227,683
Ordinary loss	(1,128,012)	(867,104)
Extraordinary income		
Gain on reversal of share acquisition rights	20,391	15,541
Total extraordinary income	20,391	15,541
Extraordinary losses		
Business restructuring expenses	-	100,194
Loss on sale of businesses	-	12,920
Total extraordinary losses	-	113,114
Loss before income taxes	(1,107,621)	(964,677)
Income taxes - current	4,874	3,670
Total income taxes	4,874	3,670
Loss	(1,112,495)	(968,347)
Loss attributable to non-controlling interests	(347,941)	(192,381)
Loss attributable to owners of parent	(764,554)	(775,966)

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended June 30, 2026
Loss	(1,112,495)	(968,347)
Other comprehensive income		
Valuation difference on available-for-sale securities	98,052	(195,207)
Foreign currency translation adjustment	(38,966)	7,074
Total other comprehensive income	59,085	(188,133)
Comprehensive income	(1,053,409)	(1,156,481)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(692,044)	(951,611)
Comprehensive income attributable to non-controlling interests	(361,365)	(204,869)

Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended June 30, 2026
Cash flows from operating activities		
Loss before income taxes	(1,107,621)	(964,677)
Depreciation	219,921	173,194
Amortization of software	544,062	160,697
Amortization of goodwill	-	18,004
Share-based payment expenses	51,970	56,524
Amortization of trademark right	1,812	150
Increase (decrease) in allowance for doubtful accounts	260	(1,182)
Increase (decrease) in provision for bonuses	67,191	(8,707)
Interest and dividend income	(8,826)	(9,581)
Interest expenses	42,834	57,626
Share of loss (profit) of entities accounted for using equity method	119,917	123,480
Gain on reversal of share acquisition rights	(20,391)	(15,541)
Business restructuring expenses	-	100,194
Loss (gain) on sale of businesses	-	12,920
Decrease (increase) in trade receivables	33,229	439,266
Decrease (increase) in inventories	(65,663)	345,209
Decrease (increase) in advance payments to suppliers	(66,669)	16,222
Increase (decrease) in trade payables	(29,617)	(3,594)
Increase (decrease) in accounts payable - other	39,829	(171,150)
Increase (decrease) in unearned revenue	107,353	(38,219)
Increase (decrease) in long-term unearned revenue	61,130	(30,668)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	136,901	(28,926)
Other, net	77,896	(156,807)
Subtotal	205,523	74,432
Interest and dividends received	9,083	9,601
Interest paid	(41,683)	(57,173)
Income taxes paid	(6,734)	(5,225)
Income taxes refund	626	668
Payments for business restructuring expenses	-	(18,611)
Net cash provided by (used in) operating activities	166,815	3,691
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,090)	(50,261)
Purchase of software	(606,507)	(434,959)
Proceeds from sale of investment securities	-	19,800
Payments for acquisition of businesses	-	(288,079)
Proceeds from sale of businesses	-	540,273
Payments of leasehold and guarantee deposits	(25,222)	-
Proceeds from refund of leasehold and guarantee deposits	-	13,549
Loan advances	-	(180,000)
Proceeds from collection of loans receivable	-	180,000
Other, net	-	(3,000)
Net cash provided by (used in) investing activities	(640,821)	(202,676)

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended June 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(500,000)	(500,000)
Proceeds from long-term borrowings	-	50,000
Repayments of long-term borrowings	(297,156)	(148,944)
Proceeds from issuance of bonds	-	250,000
Purchase of treasury shares	-	(1)
Proceeds from share issuance to non-controlling shareholders	-	149,825
Net cash provided by (used in) financing activities	(797,156)	(199,120)
Effect of exchange rate change on cash and cash equivalents	14,816	45,386
Net increase (decrease) in cash and cash equivalents	(1,256,345)	(352,719)
Cash and cash equivalents at beginning of period	5,858,654	4,761,506
Cash and cash equivalents at end of period	4,602,309	4,408,787