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Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]



August 13, 2025

Company name: Core Concept Technologies Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4371
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 Scheduled date of filing semi-annual securities report: August 13, 2025
 Scheduled date of commencing dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(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 | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| June 30, 2025 | 10,168 | 10.9 | 1,073 | 3.0 | 1,074 | 2.2 | 762 | 3.6 |
| June 30, 2024 | 9,164 | 22.4 | 1,042 | 30.9 | 1,051 | 29.6 | 735 | 26.8 |

Note: Comprehensive income Six months ended June 30, 2025: 762 million yen (3.6%)
 Six months ended June 30, 2024: 735 million yen (26.8%)

| | Basic earnings per share | Diluted earnings per share |
|------------------|--------------------------|----------------------------|
| Six months ended | Yen | Yen |
| June 30, 2025 | 45.51 | 43.81 |
| June 30, 2024 | 43.02 | 41.22 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity capital ratio |
|-------------------------|--------------|-------------|----------------------|
| | Million yen | Million yen | % |
| As of June 30, 2025 | 7,966 | 4,962 | 62.3 |
| As of December 31, 2024 | 8,009 | 4,195 | 52.4 |

Reference: Equity As of June 30, 2025: 4,961 million yen
 As of December 31, 2024: 4,194 million yen

2. Dividends

| | Annual dividends per share | | | | |
|---|----------------------------|--------------------|--------------------|-------------|-------------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| Fiscal year ended December 31, 2024 | Yen - | Yen 0.00 | Yen - | Yen 0.00 | Yen 0.00 |
| Fiscal year ending December 31, 2025 | - | 0.00 | | | |
| Fiscal year ending December 31, 2025 (Forecast) | | | - | 19.00 | 19.00 |

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|------|------------------|------|-----------------|------|--|-----|-----------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 21,800 | 13.7 | 2,300 | 14.6 | 2,307 | 12.8 | 1,576 | 9.5 | 94.31 |

Note: Revisions to the financial results forecast most recently announced: None

* Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
Note: For details, please refer to “2. Semi-annual Consolidated Financial Statements and Primary Notes (4) Notes to the Semi-annual Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements)” on page 8 of the attachments.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
 Note: For details, please refer to “2. Semi-annual Consolidated Financial Statements and Primary Notes (4) Notes to the Semi-annual Consolidated Financial Statements (Notes on changes in accounting policies)” on page 8 of the attachments.
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
As of June 30, 2025: 17,557,200 shares
As of December 31, 2024: 17,487,600 shares
 - 2) Total number of treasury shares at the end of the period:
As of June 30, 2025: 776,288 shares
As of December 31, 2024: 776,288 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
Six months ended June 30, 2025: 16,741,190 shares
Six months ended June 30, 2024: 17,092,104 shares

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

* Proper use of earnings forecasts and other special matters

(Cautionary statement regarding forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee that they will be achieved by the Company. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions used as the basis for the earnings forecasts and precautions regarding their use, please refer to “1. Overview of Operating Results, etc. (3) Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attachments.

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1. Overview of Operating Results, etc

(1) Overview of Operating Results for the Semi-annual Period Under Review

During the six months ended June 30, 2025, the Japanese economy recovered slowly, due to improvements in the labor situation and increased wages, as well as steady capital investment. On the other hand, for the global economy, the outlook remained uncertain due to risks of a downward swing in the economy, such as trade policy directions in the United States.

Although the tariff measures by the United States remain partially in a state of flux, the short-term impact on IT investments by customers in Japan is limited, and the Group believes that its impact on the Group's performance for the current fiscal year will be small.

In the information service industry to which the Group belongs, with the scale of the system integration (SI) market expected to expand moderately over the medium to long term, the share attributable to the digital transformation (DX) market, in which the Group provides services, is expected to expand. The Group is focusing on the manufacturing, construction, and logistics industries. These industries are facing substantial business challenges, including responding to workforce shortages, passing on know-how from veteran employees, and engaging in decarbonization. Not only the digitalization of some operations up to now, but companywide DX investment is accelerating, mainly among large corporations, and this is driving market expansion.

Moreover, the IT industry is also experiencing an expansion in the scale of the business process outsourcing (BPO) market. Meanwhile, in a situation of tight supply and demand due to a shortage of IT engineers, the Group is leveraging "Ohgi," its database of small- and medium-sized IT enterprises and their employees, to respond swiftly to the IT staffing demands of its clients. Further, the Group brings another of its strengths to bear by using "Ohgi" to build a project system capable of receiving orders for a larger number of DX projects than the number of its employees.

Under these conditions, as a result of the Group's efforts to follow up with existing clients, net sales in the area of DX support were 4,788,903 thousand yen (up 11.6% year on year), and net sales in the area of IT personnel staffing support were 5,379,193 thousand yen (up 10.3% year on year).

For the six months ended June 30, 2025, net sales were 10,168,097 thousand yen (up 10.9% year on year), operating profit was 1,073,298 thousand yen (up 3.0% year on year), ordinary profit was 1,074,444 thousand yen (up 2.2% year on year), and profit attributable to owners of parent was 762,010 thousand yen (up 3.6% year on year).

Since the Group operates in a single segment of DX-related business, segment information is not presented.

(2) Overview of Financial Position for the Semi-annual Period Under Review

1) Status of financial position

(Assets)

Total assets as of June 30, 2025 decreased by 42,941 thousand yen from the end of the previous year to 7,966,340 thousand yen. This is mainly attributable to decreases in notes and accounts receivable - trade, and contract assets of 347,422 thousand yen following the collection of accounts receivable - trade, and investments and other assets of 67,307 thousand yen in line with a return of contributions from REVA Investment Limited Partnership No. 1., despite an increase in cash and deposits of 387,567 thousand yen due to an increase in net cash provided by operating activities.

(Liabilities)

Liabilities as of June 30, 2025 decreased by 810,172 thousand yen from the end of the previous year to 3,004,060 thousand yen. This is mainly attributable to a decrease in short-term borrowings of 730,000 thousand yen as the Company has reached a position where it can cover working capital with its own funds, and a decrease in other current liabilities of 143,723 thousand yen due to payment of accounts payable - other.

(Net assets)

Net assets as of June 30, 2025 increased by 767,230 thousand yen from the end of the previous year to 4,962,280 thousand yen. This is mainly attributable to an increase in retained earnings by 762,010 thousand yen from the posting of profit attributable to owners of parent. As a result, equity capital ratio stood at 62.3% (52.4% at the end of the previous year).

2) Status of cash flows

Cash and cash equivalents (hereinafter referred to as “capital”) for the six months ended June 30, 2025 increased by 514,706 thousand yen from the same period of the previous fiscal year to 2,401,878 thousand yen. The status of each cash flows and their factors during the six months ended June 30, 2025 are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,142,047 thousand yen (149,694 thousand yen provided in the same period of the previous fiscal year). The main items of cash inflows were profit before income taxes of 1,074,444 thousand yen, depreciation of 76,592 thousand yen, and a decrease in trade receivables of 347,422 thousand yen. The main items of cash outflows were a decrease in accounts payable - other of 111,195 thousand yen, a decrease in accrued consumption taxes of 71,677 thousand yen, and income taxes paid of 254,991 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 71,728 thousand yen (780,162 thousand yen used in the same period of the previous fiscal year). The main item of cash outflows was the purchase of property, plant and equipment and intangible assets of 70,174 thousand yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 732,768 thousand yen (697,740 thousand yen provided in the same period of the previous fiscal year). The main item of cash outflows was a decrease in short-term borrowings of 730,000 thousand yen as the Company has reached a position where it can cover working capital with its own funds.

(3) Consolidated Financial Results Forecast and Other Forward-looking Information

The current financial results forecast remains unchanged from that announced on February 13, 2025.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Thousand yen)

| | As of December 31, 2024 | As of June 30, 2025 |
|--|-------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,195,129 | 2,582,696 |
| Notes and accounts receivable - trade, and contract assets | 3,273,287 | 2,925,864 |
| Work in process | 28,590 | 28,429 |
| Other | 338,826 | 365,161 |
| Allowance for doubtful accounts | (7,682) | (7,012) |
| Total current assets | 5,828,151 | 5,895,139 |
| Non-current assets | | |
| Property, plant and equipment | 277,209 | 260,145 |
| Intangible assets | | |
| Goodwill | 641,792 | 606,235 |
| Customer-related assets | 244,521 | 231,162 |
| Other | 247,874 | 271,229 |
| Total intangible assets | 1,134,187 | 1,108,628 |
| Investments and other assets | 769,735 | 702,427 |
| Total non-current assets | 2,181,131 | 2,071,201 |
| Total assets | 8,009,282 | 7,966,340 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,138,578 | 1,133,866 |
| Short-term borrowings | 830,000 | 100,000 |
| Current portion of bonds payable | 10,000 | 10,000 |
| Current portion of long-term borrowings | 4,356 | 2,856 |
| Income taxes payable | 281,370 | 350,548 |
| Provision for bonuses | 337,866 | 336,482 |
| Reserve for quality assurance | 11,636 | 12,600 |
| Provision for loss on orders received | 25,244 | 37,132 |
| Other | 943,517 | 799,793 |
| Total current liabilities | 3,582,568 | 2,783,278 |
| Non-current liabilities | | |
| Bonds payable | 25,000 | 20,000 |
| Long-term borrowings | 37,144 | 35,716 |
| Retirement benefit liability | 25,000 | 25,499 |
| Asset retirement obligations | 57,414 | 57,452 |
| Other | 87,105 | 82,113 |
| Total non-current liabilities | 231,663 | 220,781 |
| Total liabilities | 3,814,232 | 3,004,060 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 566,028 | 568,638 |
| Capital surplus | 530,310 | 532,920 |
| Retained earnings | 4,558,536 | 5,320,546 |
| Treasury shares | (1,460,874) | (1,460,874) |
| Total shareholders' equity | 4,194,000 | 4,961,230 |
| Share acquisition rights | 1,050 | 1,050 |
| Total net assets | 4,195,050 | 4,962,280 |
| Total liabilities and net assets | 8,009,282 | 7,966,340 |

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Thousand yen)

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 |
|---|---|---|
| Net sales | 9,164,913 | 10,168,097 |
| Cost of sales | 6,651,730 | 7,388,498 |
| Gross profit | 2,513,182 | 2,779,598 |
| Selling, general and administrative expenses | 1,470,809 | 1,706,300 |
| Operating profit | 1,042,373 | 1,073,298 |
| Non-operating income | | |
| Interest income | 9 | 1,118 |
| Share of profit of entities accounted for using equity method | 6,589 | — |
| Subsidy income | 15,557 | 10,384 |
| Surrender value of insurance policies | — | 8,000 |
| Other | 2,285 | 1,414 |
| Total non-operating income | 24,441 | 20,916 |
| Non-operating expenses | | |
| Interest expenses | 1,011 | 2,044 |
| Share of loss of entities accounted for using equity method | — | 2,485 |
| Loss on investments in investment partnerships | — | 2,765 |
| Commission expenses | 14,066 | 12,175 |
| Other | 353 | 299 |
| Total non-operating expenses | 15,430 | 19,770 |
| Ordinary profit | 1,051,383 | 1,074,444 |
| Profit before income taxes | 1,051,383 | 1,074,444 |
| Income taxes | 315,947 | 312,433 |
| Profit | 735,436 | 762,010 |
| Profit attributable to owners of parent | 735,436 | 762,010 |

Semi-annual Consolidated Statements of Comprehensive Income

(Thousand yen)

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 |
|--|---|---|
| Profit | 735,436 | 762,010 |
| Comprehensive income | 735,436 | 762,010 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 735,436 | 762,010 |

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousand yen)

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,051,383 | 1,074,444 |
| Depreciation | 59,420 | 76,592 |
| Amortization of goodwill | 15,462 | 35,557 |
| Increase (decrease) in provisions | (265,589) | 11,297 |
| Loss (gain) on investments in investment partnerships | — | 2,765 |
| Interest and dividend income | (10) | (1,124) |
| Interest expenses on borrowings and bonds | 1,011 | 2,044 |
| Share of loss (profit) of entities accounted for using equity method | (6,589) | 2,485 |
| Subsidy income | (14,039) | (10,384) |
| Surrender value of insurance policies | — | (8,000) |
| Decrease (increase) in work in process | (41,015) | 161 |
| Decrease (increase) in trade receivables | (329,538) | 347,422 |
| Increase (decrease) in trade payables | 156,055 | (4,712) |
| Increase (decrease) in contract liabilities | 11,351 | 46,799 |
| Increase (decrease) in accounts payable - other | (6,625) | (111,195) |
| Increase (decrease) in accrued consumption taxes | (71,106) | (71,677) |
| Increase (decrease) in income taxes payable - factor based tax | (25,590) | 1,856 |
| Other, net | (53,360) | (37,973) |
| Subtotal | 481,219 | 1,356,360 |
| Interest and dividends received | 23,296 | 22,823 |
| Interest paid | (1,011) | (2,044) |
| Subsidies received | 14,039 | 11,899 |
| Proceeds from surrender value of insurance policies | — | 8,000 |
| Income taxes paid | (367,849) | (254,991) |
| Net cash provided by (used in) operating activities | 149,694 | 1,142,047 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (73,738) | (70,174) |
| Purchase of investment securities | (121,949) | (35,200) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (616,632) | — |
| Proceeds from distributions from investment partnerships | 32,263 | 83,769 |
| Other, net | (105) | (50,122) |
| Net cash provided by (used in) investing activities | (780,162) | (71,728) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (4,065) | (2,928) |
| Redemption of bonds | (5,000) | (5,000) |
| Proceeds from issuance of shares | 7,290 | 5,220 |
| Purchase of treasury shares | (111) | — |
| Net increase (decrease) in short-term borrowings | 700,000 | (730,000) |
| Repayments of lease liabilities | (373) | (60) |
| Net cash provided by (used in) financing activities | 697,740 | (732,768) |
| Net increase (decrease) in cash and cash equivalents | 67,273 | 337,550 |
| Cash and cash equivalents at beginning of period | 1,819,899 | 2,064,328 |
| Cash and cash equivalents at end of period | 1,887,172 | 2,401,878 |

(4) Notes to the Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

Not applicable.

(Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the current fiscal year, including the first half ended June 30, 2025, and multiplying interim profit before income taxes by the estimated effective tax rate.

(Notes on changes in accounting policies)

(Application of the "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 "Revised Accounting Standard 2022"), etc. have been applied effective from the beginning of the first half ended June 30, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Guidance 2022"). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the Revised Guidance 2022 has been applied effective from the beginning of the six months ended June 30, 2025. This change in accounting policies has no impact on the semi-annual consolidated financial statements for the six months ended June 30, 2024 and the consolidated financial statements for the previous fiscal year.

(Notes on segment information, etc.)

[Segment information]

Segment information is not presented, as the Company operates in a single segment of DX-related business.