

Consolidated Financial Report for the Second Quarter (Interim Period) of Fiscal 2025 Ending March 31, 2026 [Japanese GAAP]

November 7, 2025

Company name: **TDC SOFT Inc.**
 Listing: Tokyo Stock Exchange
 Code number: 4687
 URL: <https://www.tdc.co.jp/>
 Representative: Hiroyoshi Kobayashi, President and Representative Director
 Inquiries: Shuichi Ozaki, Director and Executive Officer
 Phone: +81-3-6730-8111
 Scheduled date of filing semiannual report: November 10, 2025
 Scheduled date of dividend payment: —
 Preparation of explanatory materials for annual financial results: Yes
 Holding of a briefing on annual financial results : Yes (video streaming)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter (Interim Period) of Fiscal 2025 Ending March 31, 2026 (April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages represent year-on-year changes from the previous interim period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Fiscal year ending March 31, 2026 (interim period)	23,343	9.3	2,647	10.2	2,756	12.9	1,984	20.1
Fiscal year ended March 31, 2025 (interim period)	21,349	13.2	2,401	29.2	2,442	26.5	1,652	26.1

Note: Comprehensive income

Fiscal year ending March 31, 2026 (interim period) ¥2,291 million [49.3%]

Fiscal year ended March 31, 2025 (interim period) ¥1,534 million [1.3%]

	Earnings per share	Diluted earnings per share
	Yen Sen	Yen Sen
Fiscal year ending March 31, 2026 (interim period)	42.04	—
Fiscal year ended March 31, 2025 (interim period)	35.06	—

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	(Millions of yen)	(Millions of yen)	%
Fiscal year ending March 31, 2026 (interim period)	28,615	21,935	76.7
Fiscal year ended March 31, 2025	28,286	20,881	73.8

Reference: Owners' equity

As of September 30, 2025: ¥21,935 million

As of March 31, 2025: ¥20,881 million

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
Fiscal year ended March 31, 2025	—	0.00	—	27.00	27.00
Fiscal year ending March 31, 2026	—	0.00			
Fiscal year ending March 31, 2026 (forecast)			—	30.00	30.00

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

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages represent year-on-year changes)									
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full year	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	Yen Sen
	48,000	8.1	5,100	6.9	5,200	6.6	3,520	2.5	74.67

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

*Notes

(1) Material Changes in the Scope of Consolidation During the Interim Period

New: — (company name(s))

Excluded: None — (company name(s))

(2) Application of Special Accounting Methods for Presenting Interim Consolidated Financial Statements : Yes

Note: For details, please refer to “(4) Interim Notes on Consolidated Financial Statements (Application of Special Accounting Methods for Presenting Interim Consolidated Financial Statements)” under “2. Interim Consolidated Financial Statements and Primary Notes” on Page 11 of the appendix.

(3) Changes in accounting policies and accounting-based estimates, and restatements

- a. Changes in accounting policies due to revisions in accounting standards, etc. : None
- b. Changes in accounting policies other than a. above : None
- c. Changes in accounting-based estimates : None
- d. Restatements : None

(4) Number of shares outstanding (common stock)

- a. Number of shares outstanding at the end of period (including treasury stock)
- b. Number of treasury shares at the end of period
- c. Average number of shares during the interim period

Fiscal year ending March 31, 2026 (interim period)	50,227,200 shares	Fiscal year ended March 31, 2025	50,227,200 shares
Fiscal year ending March 31, 2026 (interim period)	2,916,105 shares	Fiscal year ended March 31, 2025	3,088,605 shares
Fiscal year ending March 31, 2026 (interim period)	47,206,300 shares	Fiscal year ended March 31, 2025 (interim period)	47,125,068 shares

Note: The number of treasury shares at the end of period includes the Company’s shares (527,900 shares as of September 30, 2025; 700,400 shares as of March 31, 2025) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets in a Board Benefit Trust (BBT) and an Employee Stock Ownership Plan (J-ESOP). In addition, the Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in the treasury shares deducted from the calculation of the average number of shares during the period (As of September 30, 2025: 632,695 shares; as of September 30, 2024: 713,974 shares).

* The second quarter (interim) consolidated financial report is exempt from reviews by certified public accountants or audit firms.

* Explanation about the proper use of financial results forecasts and other noteworthy items

The report contains statements about the future such as forecasts for financial results that are based on information available to the Company at the time of disclosure and certain assumptions the Company believes to be reasonable. The Company gives no assurance that these statements will prove to be accurate. Actual results may differ significantly from these forecasts due to various factors. Refer to page 5 of the appendix for information about the above forecasts.

Please see the “(3) Explanation about Information on Projections Including Consolidated Forecasts.”

○ Table of Contents - Appendix

1. Qualitative Information about the Interim Financial Results	2
(1) Explanation about Operating Results.....	2
(2) Explanation about Financial Status.....	4
(3) Explanation about Information on Projections Including Consolidated Forecasts.....	5
2. Interim Consolidated Financial Statements and Primary Notes	6
(1) Interim Consolidated Balance Sheet.....	6
(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income.....	8
Interim Consolidated Statement of Income	
Interim Consolidated Accounting Period	8
Interim Consolidated Statement of Comprehensive Income	
Interim Consolidated Accounting Period	9
(3) Interim Consolidated Statement of Cash Flows.....	10
(4) Interim Notes on Consolidated Financial Statements	11
(Notes on Going Concern Assumption)	11
(Notes on Substantial Changes in the Amount of Shareholders' Equity)	11
(Application of Special Accounting Methods for Presenting Interim Consolidated Financial Statements)	11
(Segment Information and Related Matters)	11

1. Qualitative Information about the Interim Financial Results

(1) Explanation about Operating Results

During the Current Consolidated Interim Accounting Period (April 1, 2025 to September 30, 2025), Japan's economy maintained a moderate recovery trend, driven by improved employment and income conditions that supported a recovery in personal consumption, as well as increased inbound demand. However, the outlook remains uncertain due to rising prices, volatility in raw material costs, and increasing difficulty in forecasting overseas economic trends.

In the information services industry, investment in digital transformation (hereinafter "DX") aimed at strengthening corporate competitiveness continued to perform solidly. Demand has expanded across a broad range of areas, particularly in cloud service adoption, operational efficiency improvements using generative AI, and system upgrades to enhance productivity.

Amid this environment, our Group has formulated the medium-term management plan "Be a Visionary System Integrator" covering the period from April 2025 to March 2028. As customer issues grow increasingly complex and diverse due to further changes in social conditions and technological trends, with demands for essential and high-value contributions intensifying, this medium-term management plan establishes a vision to be an unparalleled partner for our customers by enhancing TDC's foresight for the future and delivering exceptional development technologies and services while pursuing long-term growth. To make this vision a reality, we have two Group-wide core strategies.

The first strategy, "diversification and enhancement of expertise and knowledge," aims to enhance our capacity to address increasingly complex customer issues by possessing a broader range of highly specialized fields.

The second strategy, "enhancement of our ability to create proposals that deliver value for customers," aims to enhance our capability to create proposals that maximize customer value through effective IT utilization, based on a deep understanding of both the characteristics of elemental technologies and our customers' situations and strategies.

During this interim consolidated accounting period, each business field performed well and proceeds exceeded the plan, achieving an increase in revenue. On the profit side, we encountered unexpected man-hour cost overruns in certain projects where we took on new business areas with high technical complexity, resulting in some unprofitable projects. However, overall profit increased due to higher revenue.

SG&A expenses increased due to continued aggressive investments for future business expansion. However, these costs were absorbed by the effects of increased revenue, resulting in higher operating profit. With regard to specific investment initiatives, we are implementing a variety of human capital investments, such as expanding recruitment efforts, including mid-career professionals, and strengthening educational initiatives, including career development. Additionally, as business investments, we are promoting the acquisition of new technologies aimed at expanding our high-value-added business and marketing activities to expand sales of proprietary products.

Additionally, extraordinary profit has been recorded due to the sale of shares in NTT DATA Group Corporation following the reorganization of the NTT Group.

As a result, for the current interim consolidated accounting period, proceeds amounted to ¥23,343 million (up 9.3% YOY), operating profit was ¥2,647 million (up 10.2% YOY), ordinary profit was ¥2,756 million (up 12.9% YOY), and interim profit attributable to owners of parent was ¥1,984 million (up 20.1% YOY).

Status of activities by field

<IT consulting and services>

In the IT consulting and services field, we offer services that include developing IT strategies and systemization planning to facilitate customers' DX and providing technical consulting and educational services about the latest technologies and development methodologies. We also provide our internally developed cloud application services, along with solution services, such as BI (Note 1)/DWH (Note 2) and ERP (Note 3)/CRM (Note 4). During this quarter, the Group made solid progress on SaaS (Note 5) solution service projects related to IT service management and cloud managed services for financial institutions and the manufacturing industry. As a result, proceeds in this field increased 18.3% year on year to ¥4,140 million.

<IT solutions for financial services>

In the field of IT solutions for financial services, we offer integrated IT solutions for the financial sector, including systemization planning, design, development, and maintenance. During this quarter, the Group made solid progress on development projects for bank- and insurance-related systems. As a result, proceeds in this field increased 3.0% year on year to ¥9,814 million.

<IT solutions for public corporations>

In the field of IT solutions for public corporations, we offer integrated IT solutions for the logistics, manufacturing, and service industries as well as the public sector, including systemization planning, design, development, and maintenance. During this fiscal year, the Group made solid progress on development projects for the steel sector and public agencies. As a result, proceeds in this field increased 10.6% year on year to ¥6,384 million.

<Platform solutions>

In the field of platform solutions, we offer services such as the environmental design and construction of IT infrastructure, along with operational support, network product development, and network integration. During this quarter, the Group made solid progress on projects to build cloud-related infrastructure for businesses in the bank, insurance, and transportation sectors. As a result, proceeds in this field increased 17.8% year on year to ¥3,004 million.

(Unit: Millions of yen)

Field	Previous Interim Consolidated Accounting Period		Current Interim Consolidated Accounting Period		Year-on-year percentage change
	Amount	Share	Amount	Share	
IT consulting and services	3,498	16.4%	4,140	17.7%	+18.3%
IT solutions for financial services	9,526	44.6%	9,814	42.0%	+3.0%
IT solutions for public corporations	5,774	27.0%	6,384	27.4%	+10.6%
Platform solutions	2,550	12.0%	3,004	12.9%	+17.8%
Total	21,349	100.0%	23,343	100.0%	+9.3%

- Notes: 1. BI: Business intelligence. A process for analyzing a company's internal information to harness it in business management.
 2. DWH: Data warehouse. An integrated database that collects necessary data from multiple systems, including core systems, to sort the data by objective and accumulate it chronologically for data analysis and decision-making.
 3. ERP: Enterprise resource planning. A core information system.
 4. CRM: Customer relationship management. A customer management system.
 5. SaaS: Software as a Service. A model in which software that runs on a server is provided as a service.

(2) Explanation about Financial Status

State of assets, liabilities, and net assets

Total assets at the end of this interim consolidated accounting period increased by ¥329 million from the end of the previous consolidated fiscal year to ¥28,615 million.

Current assets decreased by ¥1,142 million from the end of the previous consolidated fiscal year to ¥22,105 million. This is mainly due to a decrease of ¥3,716 million in cash and deposits despite increases of ¥2,198 million in securities, ¥203 million in work in process, and ¥202 million in notes and accounts receivable - trade, and contract assets.

Non-current assets increased by ¥1,471 million from the end of the previous consolidated fiscal year to ¥6,510 million. This is mainly due to an increase of ¥1,574 million in investment securities.

Current liabilities decreased by ¥636 million from the end of the previous consolidated fiscal year to ¥6,233 million. This is mainly due to decreases of ¥406 million in accounts payable - other, ¥329 million in accrued expenses, and ¥186 million in short-term borrowings, despite increases of ¥180 million in income taxes payable and ¥142 million in advances received included in Other.

Non-current liabilities decreased by ¥88 million from the end of the previous consolidated fiscal year to ¥446 million. This is mainly due to decreases of ¥36 million in provision for share-based remuneration for directors (and other officers) and ¥31 million in long-term accrued expenses included in Other.

Net assets increased by ¥1,054 million from the end of the previous consolidated fiscal year to ¥21,935 million. This is mainly due to increases of ¥693 million in retained earnings and ¥306 million in valuation difference on available-for-sale securities.

Cash flow conditions

The balance of cash and cash equivalents at the end of this interim consolidated accounting period decreased by ¥2,616 million from the end of the previous consolidated fiscal year to ¥12,633 million (¥13,410 million in the same period of the previous fiscal year). Cash flow conditions during this interim consolidated accounting period and their factors are as stated below:

(Cash flows from operating activities)

While income taxes paid were ¥759 million, a decrease in accounts payable - other was ¥406 million, and a decrease in accrued expenses was ¥360 million, interim profit before income taxes was ¥2,922 million, among other factors, and cash flows from operating activities amounted to ¥874 million (¥1,035 million in the same period of the previous fiscal year).

(Cash flows from investing activities)

While proceeds from sales of investment securities were ¥200 million, purchase of investment securities was ¥1,203 million and purchase of securities was ¥1,098 million. As a result, cash flows from investing activities amounted to negative ¥2,005 million (¥5 million in the same period of the previous fiscal year).

(Cash flows from financing activities)

Dividends paid totaled ¥1,292 million, and there was a net decrease in short-term borrowings of ¥186 million. As a result, cash flows from financing activities amounted to negative ¥1,485 million (negative ¥1,009 million in the same period of the previous fiscal year).

(3) Explanation about Information on Projections Including Consolidated Forecasts

There is no change to the financial results forecast announced in the “Consolidated Financial Report for Fiscal 2024 Ended March 31, 2025” dated May 12, 2025.

2. Interim Consolidated Financial Statements and Primary Notes**(1) Interim Consolidated Balance Sheet**

(Thousands of yen)

	Fiscal 2024 (as of March 31, 2025)	Current Interim Consolidated Accounting Period (as of September 30, 2025)
Assets		
Current assets		
Cash and deposits	13,250,091	9,533,416
Notes and accounts receivable - trade, and contract assets	7,474,236	7,676,444
Securities	2,000,000	4,198,250
Work in process	95,290	298,938
Other	428,081	397,975
Total current assets	23,247,699	22,105,025
Non-current assets		
Property, plant and equipment	916,212	852,938
Intangible fixed assets	90,312	146,514
Investments and other assets:		
Investment securities	3,077,253	4,651,965
Deferred tax assets	138,650	40,044
Guarantee deposits	779,597	779,597
Other	37,095	39,881
Total investments and other assets	4,032,597	5,511,489
Total non-current assets	5,039,122	6,510,943
Total assets	28,286,821	28,615,968
Liabilities		
Current liabilities		
Accounts payable – trade	1,885,043	1,978,441
Short-term borrowings	531,000	345,000
Accounts payable – other	656,804	250,517
Accrued expenses	2,124,663	1,795,637
Income taxes payable	848,043	1,028,876
Accrued consumption taxes	507,999	346,392
Provision for bonuses for directors (and other officers)	156,272	46,620
Provision for loss on orders received	—	111,757
Other	160,515	330,727
Total current liabilities	6,870,341	6,233,970
Non-current liabilities		
Provision for share-based remuneration for employees	48,259	33,807
Provision for share-based remuneration for directors (and other officers)	89,720	52,940
Retirement benefit liabilities	41,563	41,563
Asset retirement obligations	233,322	234,498
Other	122,335	83,393
Total non-current liabilities	535,201	446,202
Total liabilities	7,405,542	6,680,173

TDC SOFT Inc. (4687) Consolidated Financial Report for the Second

(Thousands of yen)

	Fiscal 2024 (as of March 31, 2025)	Current Interim Consolidated Accounting Period (as of September 30, 2025)
Net assets		
Shareholders' equity		
Share capital	970,400	970,400
Capital surplus	986,256	986,256
Retained earnings	18,588,901	19,281,984
Treasury shares	(1,278,964)	(1,224,411)
Total shareholders' equity	19,266,592	20,014,229
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,614,686	1,921,565
Total accumulated other comprehensive income	1,614,686	1,921,565
Total net assets	20,881,279	21,935,795
Total liabilities and net assets	28,286,821	28,615,968

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

Interim Consolidated Statement of Income

(Thousands of yen)

	Previous interim consolidated accounting period (from April 1, 2024 to September 30, 2024)	Current interim consolidated accounting period (from April 1, 2025 to September 30, 2025)
Proceeds	21,349,844	23,343,335
Cost of sales	16,770,473	18,342,471
Gross profit	4,579,370	5,000,864
Selling, general and administrative expenses	2,177,805	2,353,444
Operating profit	2,401,565	2,647,419
Non-operating income		
Interest income	1,210	8,468
Interest on securities	—	10,166
Dividend income	41,033	61,492
Gain on investments in partnerships	—	22,771
Other	7,311	8,695
Total non-operating income	49,555	111,595
Non-operating expenses		
Interest expenses	2,562	2,386
Loss on investments in partnerships	6,248	—
Other	—	147
Total non-operating expenses	8,811	2,534
Ordinary profit	2,442,310	2,756,480
Extraordinary profit		
Gain on sales of investment securities	—	166,275
Total extraordinary profit	—	166,275
Interim profit before income taxes	2,442,310	2,922,755
Income taxes	789,960	938,018
Interim profit	1,652,349	1,984,736
Profit attributable to non-controlling interests (interim)	—	—
Profit attributable to owners of parent (interim)	1,652,349	1,984,736

Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Previous interim consolidated accounting period (from April 1, 2024 to September 30, 2024)	Current interim consolidated accounting period (from April 1, 2025 to September 30, 2025)
Interim profit	1,652,349	1,984,736
Other comprehensive income		
Valuation difference on available-for-sale securities	(117,635)	306,879
Total other comprehensive income	(117,635)	306,879
Interim comprehensive income	1,534,713	2,291,616
Breakdown:		
Interim comprehensive income attributable to owners of parent	1,534,713	2,291,616
Interim comprehensive income attributable to non-controlling interests	—	—

(3) Interim Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous interim consolidated accounting period (from April 1, 2024 to September 30, 2024)	Current interim consolidated accounting period (from April 1, 2025 to September 30, 2025)
Cash flows from operating activities		
Interim profit before income taxes	2,442,310	2,922,755
Depreciation and amortization	76,523	68,726
Amortization of goodwill	11,631	11,631
Increase (decrease) in provision for bonuses for directors (and other officers)	(90,608)	(109,652)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	2,498	3,447
Increase (decrease) in provision for share-based remuneration for employees	237	(126)
Increase (decrease) in provision for loss on orders received	—	111,757
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(15,000)	—
Interest and dividend income	(42,243)	(69,960)
Interest expenses	2,562	2,386
Loss (gain) on sales of investment securities	—	(166,275)
Loss (gain) on investments in partnerships	6,248	(22,771)
Decrease (increase) in notes and accounts receivable – trade and contract assets	(31,745)	(202,208)
Decrease (increase) in inventories	(169,269)	(203,648)
Increase (decrease) in notes and accounts payable-trade	52,969	93,397
Increase (decrease) in accounts payable – other	(293,063)	(406,287)
Increase (decrease) in accrued expenses	(331,165)	(360,822)
Increase (decrease) in accrued consumption taxes	(112,583)	(161,606)
Other	138,695	122,423
Subtotal	1,647,997	1,633,166
Income taxes paid	(612,028)	(759,015)
Cash flows from operating activities	1,035,968	874,150
Cash flows from investing activities		
Purchase of securities	—	(1,098,250)
Purchase of property, plant and equipment	(5,290)	(631)
Purchase of intangible fixed assets	(16,955)	—
Purchase of investment securities	(15,449)	(1,203,512)
Proceeds from sales of investment securities	—	200,000
Proceeds of dividend distributions from partnerships	2,683	23,827
Payments of loans receivable to employees	(3,780)	(5,320)
Collection of loans receivable from employees	1,631	1,643
Interest and dividend income received	42,211	77,106
Cash flows from investing activities	5,050	(2,005,136)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	147,000	(186,000)
Interest expenses	(2,653)	(2,304)
Dividend payment	(1,148,137)	(1,292,652)
Repayments of lease obligations	(5,695)	(4,732)
Cash flows from financing activities	(1,009,486)	(1,485,689)
Net increase (decrease) in cash and cash equivalents	31,532	(2,616,675)
Balance of cash and cash equivalents at the beginning of the period	13,378,515	15,250,091
Balance of cash and cash equivalents at the end of the interim period	13,410,048	12,633,416

(4) Interim Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption) Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity) Not applicable.

(Application of Special Accounting Methods for Presenting Interim Consolidated Financial Statements)

Calculation of tax expenses

To calculate tax expenses, we reasonably estimate the effective tax rate after tax effect accounting is applied to profit for the period before taxes for the consolidated fiscal year that includes this interim consolidated accounting period, and multiply profit for the interim period before taxes by the estimated effective tax rate.

(Segment Information and Related Matters)

Current Interim Consolidated Accounting Period (from April 1, 2025 to September 30, 2025)

The TDC SOFT Group runs an information system development business that integrates the sale of information system products with system development services spanning the whole process from development to operation and maintenance. The Group is thus classified into the single segment of information system development, and thus we have provided no statement in this section.