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In the event a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.

July 30, 2025

Consolidated Financial Results for the Second Quarter of Fiscal Year Ending December 31, 2025 (Japanese GAAP)

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Listed Exchange: Tokyo
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Date of scheduled filing of securities report: August 4, 2025

Date of scheduled payment of dividends: September 1, 2025

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes (For analysts, institutional investors, etc.)

(Amounts less than one million yen are rounded down.)

1. Consolidated Business Performance for the Second Quarter of FY2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (Cumulative)

Percentages indicate year-on-year increase/(decrease)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss)*	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Second Quarter of FY2025	80,239	8.1	10,661	2.9	11,109	8.2	7,684	6.0
Second Quarter of FY2024	74,235	6.3	10,360	(2.7)	10,262	(4.9)	7,248	(2.7)

* Profit attributable to owners of parent

Note: Comprehensive profit: Second Quarter of FY2025: 7,481 million yen (down1.6%); Second Quarter of FY2024: 7,604 million yen (down0.3%)

	Net profit (loss) per share	Net profit per share after dilution
	(yen)	(yen)
Second Quarter of FY2025	118.08	—
Second Quarter of FY2024	111.38	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(million yen)	(million yen)	(%)
As of June 30, 2025	150,440	94,854	63.1
As of December 31, 2024	147,331	91,194	61.9

Reference: Total shareholders' equity: As of June 30, 2025: 94,854 million yen; As of December 31, 2024: 91,194 million yen

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Full year
	(yen)	(yen)	(yen)	(yen)	(yen)
FY2024	—	54.00	—	54.00	108.00
FY2025	—	58.00			
FY2025 (forecast)			—	58.00	116.00

Note: Revision to the dividend forecasts from the latest announcement: No

3. Consolidated Forecasts for FY2025(from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year increase/(decrease)

	Net sales		Operating profit		Ordinary profit		Net profit *		EPS
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
FY2025	168,000	10.1	23,000	9.3	23,500	11.4	16,200	7.2	248.95

* Profit attributable to owners of parent

Note: Revision to the consolidated forecasts from the latest announcement: Yes

Notes

- Changes in the scope of consolidation for significant subsidiaries (Changes in specified subsidiaries resulting in change in the scope of consolidation): None
- Application of special accounting practices in the preparation of the quarterly consolidated financial statements: None
- Changes in accounting policies, changes in accounting estimates and restatements:
 - Changes in accounting policies in accordance with revision of accounting standards: Yes
 - Changes in accounting policies other than 1) above: None
 - Changes in accounting estimate: None
 - Restatements: None

4. Issued and outstanding common stock

- 1) Number of shares issued and outstanding at the end of the period, including treasury stock

June 30, 2025:	65,182,480 shares	December 31, 2024:	65,182,480 shares
June 30, 2025:	123,317 shares	December 31, 2024:	107,821 shares
Six months ended June 30, 2025:	65,084,854 shares	Six months ended June 30, 2024:	65,072,442 shares

- 2) Number of treasury stock at the end of the period

- 3) Average number of shares outstanding for each period

This financial report is outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act.

Explanation regarding the appropriate use of forecasts of business results

Forecast figures are projections based on information available at the time of release and are not intended as a guarantee that the Company will achieve these targets. Actual results may differ significantly from the above forecasts as a result of changes in the business environment and other factors.

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I. Qualitative Information on the Consolidated Financial Results for the Subject Period

1. Explanation of Business Results

(Millions of yen)

	Second quarter of FY2024 (cumulative)	Second quarter of FY2025 (cumulative)	YoY	
			Variance	% change
Net sales	74,235	80,239	6,004	8.1
Operating profit	10,360	10,661	301	2.9
Operating profit margin	14.0%	13.3%	(0.7p)	-
Ordinary profit	10,262	11,109	847	8.2
Profit attributable to owners of parent	7,248	7,684	436	6.0

During the second quarter of the current consolidated fiscal year (January 1, 2025 to June 30, 2025), the Japanese economy continued to show a moderate recovery trend with improvement in the employment and income environment. The business environment surrounding our group also remained firm, with strong corporate appetite for digital investment. Looking ahead, however, the outlook remains uncertain due to concerns about the impact of U.S. policy trends, fluctuations in financial and capital markets, and geopolitical risks surrounding the Middle East region on the domestic economy.

Amid these circumstances, we started a three-year medium-term management plan "Contributing to Progress in Society 2027," the second phase of our efforts to realize our long-term management vision "Vision 2030" from the current consolidated fiscal year. The title, "Contributing to Progress in Society," is the name of the business concept established by our group for 2024 and summarizes a new form of business in which think tank, consulting, and system integration functions will work together to create a cycle from the proposal of issues to their resolution through technology. This medium-term management plan is built around three basic policies of "Addition of value to corporate and social transformation," "Enhancement of competitive solutions," and "Strengthening of management" and seven priority measures, the medium-term management plan sets five quantitative targets (net sales of ¥210 billion, operating profit of ¥31.5 billion, operating profit margin of 15.0%, and ROE of 18.0% or higher for the year ending December 2027, with a total number of 6,000 employees). We will aim for further growth through more aggressive challenges than ever before, taking advantage of the business base expanded under the previous medium-term management plan.

In the Second quarter of the current consolidated fiscal year, net sales were ¥80,239 million (up 8.1% year on year), operating profit was ¥10,661 million (up 2.9% year on year), ordinary profit was ¥11,109 million (up 8.2% year on year) and profit attributable to owners of parent was ¥7,684 million (up 6.0% year on year).

Net sales increased mainly in the Business Solutions, Manufacturing Solutions and Communication IT segments. Despite increased costs associated with the retirement of intangible assets related to in-house software, all profit items increased due to the effect of higher sales.

In order to implement the growth strategy in the current medium-term management plan, from the beginning of the current fiscal year, the business classifications under the reporting segments have been changed. As a result, the results for the same period of the previous fiscal year are compared and analyzed with the figures reclassified into the new classification.

Net sales, operating profit, and business results by reportable segment are as follows.

Net sales and operating profit (loss) by reportable segment

(Millions of yen)

Reportable segment	Second quarter of FY2024 (cumulative)			Second quarter of FY2025 (cumulative)			Variance	
	Net sales	Operating profit	Operating margin	Net sales	Operating profit	Operating margin	Net sales	Operating profit
Financial Solutions	17,177	2,199	12.8%	16,355	1,905	11.6%	(822)	(294)
Business Solutions	11,863	2,701	22.8%	13,105	2,930	22.4%	1,242	229
Manufacturing Solutions	29,324	4,158	14.2%	31,002	4,121	13.3%	1,678	(37)
Communication IT	15,870	1,301	8.2%	19,775	1,703	8.6%	3,905	402
Total	74,235	10,360	14.0%	80,239	10,661	13.3%	6,004	301

Status of business operations by reportable segment

Financial Solutions

The main business of this segment is providing solutions that support business transformation in the financial industry and the utilization of financial services functions by general operating companies.

Net sales and operating profit decreased due to a decrease in implementation projects of third-party software in the accounting area, despite an increase in sales and implementation projects for Stream-R, a BOJ settlement management system, and third-party software in the customer contact reform area.

Business Solutions

The main business of this segment is providing solutions that support the sophistication of business management operations of corporates, centered on human resources and accounting.

Net sales and operating profit increased, driven by a rise in the number of implementation projects of STRAVIS, a consolidated accounting solution, primarily among trading companies, as well as an increase in implementation projects of POSITIVE, an integrated human capital management solution, within the insurance and service industries.

Manufacturing Solutions

The main business of this segment is providing solutions that support the enhancement of business processes and value chains in the manufacturing industry.

Net sales increased due to the expansion for the transportation equipment industry of consulting services supporting the development of SDV* and marketing, NX, 3D CAD, various CAE software, and Teamcenter, a PLM solution. Operating profit declined due to a decrease in profitable third-party software add-on development projects and higher personnel expenses resulting from an increase in headcount.

* SDV: Software Defined Vehicle, a vehicle whose functions are defined and controlled by software.

Communication IT

The main business of this segment is providing solutions that support corporate marketing transformation and digital reform initiatives for government agencies and municipalities.

Net sales and operating profit increased due to the expansion of business for the public sector and the contribution of Mitsue-Links Co., Ltd. which was included in the scope of consolidation from the third quarter of the previous fiscal year.

2. Explanation of Financial Position

Status of Assets, Liabilities and Net Assets

(1) Assets

Total assets at the end of the second quarter of the current consolidated fiscal year increased by ¥3,108 million from the end of the previous consolidated fiscal year to ¥150,440 million. Current assets increased by ¥3,770 million from the end of the previous consolidated fiscal year to ¥122,828 million, due to an increase in funds (deposits paid) resulting from an increase in contract liabilities and progress collection of trade receivables. Non-current assets decreased by ¥662 million from the end of the previous consolidated fiscal year to ¥27,611 million, mainly due to a decrease in amortization exceeding the increase in acquisition of software, etc.

(2) Liabilities

Total liabilities at the end of the second quarter of the current consolidated fiscal year decreased by ¥551 million from the end of the previous consolidated fiscal year to ¥55,586 million. Current liabilities decreased by ¥623 million from the end of the previous consolidated fiscal year to ¥51,921 million mainly due to a decrease in trade payables and accrued consumption taxes, despite an increase in contract liabilities associated with the provision of maintenance and subscription-based services. Non-current liabilities increased by ¥72 million from the end of the previous consolidated fiscal year to ¥3,664 million.

(3) Net assets

Net assets at the end of the second quarter of the current consolidated fiscal year increased by ¥3,660 million from the end of the previous consolidated fiscal year to ¥94,854 million, mainly as a result of an increase in retained earnings due to the recording of profit attributable to owners of parent, despite the payment of dividends from retained earnings.

3. Explanation of Consolidated Financial Results Forecasts

Based on recent performance trends, we have revised its consolidated financial forecast announced on February 12, 2025, as follows.

Revision to consolidated financial forecast for the fiscal year ending December 31, 2025 (January 1, 2025 – December 31, 2025)

	Net sales	Operating profit	Ordinary profit	Net profit*	Net profit per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous Forecast (A)	170,000	23,000	23,000	16,000	245.87
Revised Forecast (B)	168,000	23,000	23,500	16,200	248.95
Variance (B – A)	(2,000)	-	500	200	
Percentage Change (%)	(1.2) %	-	2.2%	1.3%	
(Ref.) Previous fiscal year (Ended December 31, 2024)	152,642	21,039	21,093	15,117	232.32

* Profit attributable to owners of parent

Reasons for the Revision

Although the Financial Solutions and Business Solutions segments have made progress in securing large-scale orders that exceeded initial forecasts, the performance for the first half of the current consolidated fiscal year fell below expectations. As a result, we have revised downward our full-year net sales forecast. On the other hand, operating profit will be in line with the previous forecast in order to cover the impact of the downward revision to net sales by increasing the net sales forecast for the second half of the fiscal year from the initial forecast and improving productivity per employee. Furthermore, ordinary profit and profit attributable to owners of the parent have been upwardly revised based on the results for the first half of the current consolidated fiscal year.

Note: Forecast figures are projections based on information available at the time of release and are not intended as a guarantee that we will achieve these targets. Actual results may differ significantly from the above forecasts because of changes in the business environment.

II. Consolidated Financial Statement

1. Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	6,354	5,636
Notes and accounts receivable - trade, and contract assets	33,560	30,275
Merchandise and finished goods	106	44
Raw materials and supplies	14	10
Advance payments to suppliers	21,629	22,094
Deposits paid	55,961	62,668
Other	1,430	2,098
Total current assets	119,058	122,828
Non-current assets		
Property, plant and equipment	3,572	3,694
Intangible assets		
Goodwill	5,532	5,192
Other	9,164	8,689
Total intangible assets	14,696	13,881
Investments and other assets		
Investments and other assets	10,005	10,036
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	10,004	10,035
Total non-current assets	28,273	27,611
Total assets	147,331	150,440
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,083	13,164
Income taxes payable	3,721	3,773
Contract liabilities	18,939	21,708
Provision for loss on orders received	98	67
Asset retirement obligations	—	10
Provision for share awards	256	—
Other	14,445	13,197
Total current liabilities	52,544	51,921
Non-current liabilities		
Retirement benefit liability	103	103
Asset retirement obligations	954	943
Provision for share awards	—	75
Other	2,534	2,542
Total non-current liabilities	3,592	3,664
Total liabilities	56,137	55,586

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	8,180	8,180
Capital surplus	15,270	15,270
Retained earnings	66,858	71,025
Treasury shares	(389)	(692)
Total shareholders' equity	89,920	93,782
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222	291
Foreign currency translation adjustment	1,051	779
Total accumulated other comprehensive income	1,274	1,071
Total net assets	91,194	94,854
Total liabilities and net assets	147,331	150,440

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
[Consolidated Statements of Income]

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	74,235	80,239
Cost of sales	47,159	51,453
Gross profit	27,076	28,785
Selling, general and administrative expenses	16,715	18,123
Operating profit	10,360	10,661
Non-operating income		
Interest and dividend income	55	226
Share of profit of entities accounted for using equity method	—	52
Foreign exchange gains	—	96
Dividend income of insurance	51	21
Subsidy income	10	30
Gain on investments in investment partnerships	—	24
Miscellaneous income	12	18
Total non-operating income	130	470
Non-operating expenses		
Interest expenses	18	18
Share of loss of entities accounted for using equity method	83	—
Loss on investments in investment partnerships	18	—
Foreign exchange losses	102	—
Miscellaneous losses	6	4
Total non-operating expenses	228	22
Ordinary profit	10,262	11,109
Extraordinary income		
Gain on sale of investment securities	320	—
Total extraordinary income	320	—
Extraordinary losses		
Impairment losses	25	—
Total extraordinary losses	25	—
Profit before income taxes	10,557	11,109
Income taxes - current	2,922	3,322
Income taxes - deferred	386	101
Total income taxes	3,309	3,424
Profit	7,248	7,684
Profit attributable to owners of parent	7,248	7,684

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	7,248	7,684
Other comprehensive income		
Valuation difference on available-for-sale securities	3	68
Foreign currency translation adjustment	353	(272)
Total other comprehensive income	356	(203)
Comprehensive income	7,604	7,481
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,604	7,481

3. Notes on Quarterly Consolidated Financial Statement

(Notes on Changes in Accounting Policies)

(Application of “Accounting Treatment and Disclosure for Corporate Taxes Related to the Global Minimum Tax Regime”)

We have applied the “Accounting Treatment and Disclosure for Corporate Taxes Related to the Global Minimum Tax Regime” (Accounting Practice Report No. 46, issued on March 22, 2024; hereinafter referred to as “this Practice Report”) from the beginning of the current consolidated fiscal year.

In accordance with paragraph 7 of this Practice Report, corporate taxes related to the global minimum tax regime are not recognized in the consolidated financial statements for the first half of the current consolidated fiscal year.

(Notes regarding Assumption of a Going Concern)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Segment Information and other)

Segment Information

(1) The Second quarter cumulative period of FY2024 (from January 1, 2024 to June 30, 2024)

1) Information on net sales and operational profit or loss by reportable segment

(Millions of yen)

	Reportable segment				
	Financial Solutions	Business Solutions	Manufacturing Solutions	Communication IT	Total
Net sales					
Sales to customers	17,177	11,863	29,324	15,870	74,235
Inter-segment sales and transfers	-	-	-	-	-
Total	17,177	11,863	29,324	15,870	74,235
Segment profit	2,199	2,701	4,158	1,301	10,360

Note: Total values for segment profit match those for the operating profit on the “Consolidated Statements of Income.”

2) Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

In the "Communication IT" segment, goodwill was incurred due to the acquisition of all shares of Mitsue-Links Co., Ltd. in the current interim consolidated accounting period and its inclusion in the scope of consolidation. The increase in goodwill due to this event was ¥5,760 million for the same period.

The amount of goodwill is after reflecting the significant review of the initial allocation of the acquisition cost due to the finalization of the provisional accounting treatment for business combinations.

(2) The Second quarter cumulative period of FY2025 (from January 1, 2025 to June 30, 2025)

1) Information on net sales and operational profit or loss by reportable segment

(Millions of yen)

	Reportable segment				
	Financial Solutions	Business Solutions	Manufacturing Solutions	Communication IT	Total
Net sales					
Sales to customers	16,355	13,105	31,002	19,775	80,239
Inter-segment sales and transfers	-	-	-	-	-
Total	16,355	13,105	31,002	19,775	80,239
Segment profit	1,905	2,930	4,121	1,703	10,661

Notes: Total values for segment profit match those for the operating profit on the “Consolidated Statements of Income.”

2) Information on changes in reportable segments

In order to implement the growth strategy in the current medium-term management plan, from the beginning of the current fiscal year, the business classifications under the reporting segments have been changed. As a result, the results for the same period of the previous fiscal year are compared and analyzed with the figures reclassified into the new classification.