

Summary of Financial Results for Second Quarter of the Year Ending December 2025  
(Interim Period)  
[Japan GAAP] (Consolidated)

August 14, 2025

Name of Company: LTS, Inc. Stock Exchange Listing: Tokyo  
 Stock Code: 6560 URL <http://lt-s.jp/en/>  
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 Date of filing of H1 report: August 14, 2025  
 Date of commencement of dividend payment: –  
 Preparation of supplementary materials: Yes  
 Convening of a results meeting: Yes

(Amounts less than one million are rounded down)

1. Financial results for second quarter of fiscal year ending December 2025 (interim period)  
(January 1, 2025 - June 30, 2025)

(1) Operating results (consolidated) (Percentage figures represent year-on-year change)

|   | Net sales   |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |       |
|---|-------------|------|------------------|------|-----------------|------|---|-------|
|   | million yen | %    | million yen      | %    | million yen     | %    | million yen                             | %     |
| Interim period of the year ending December 2025 | 8,572       | 6.9  | 473              | 16.6 | 525             | 23.9 | 226                                     | -36.1 |
| Interim period of the year ended December 2024  | 8,020       | 45.6 | 406              | 2.6  | 424             | -8.2 | 354                                     | 12.0  |

(Note) Comprehensive income FY2025 interim period: 207 million yen (-43.6 %)  
 FY2024 interim period: 367 million yen (15.7%)

|   | Profit per share | Profit per share fully diluted |
|---|------------------|--------------------------------|
|   | yen              | yen                            |
| Interim period of the year ending December 2025 | 49.68            | 49.48                          |
| Interim period of the year ended December 2024  | 79.05            | 77.49                          |

(Note) In the fiscal year ending December 2024, the provisional accounting treatment for business combinations has been finalized. Accordingly, the figures for interim period of the fiscal year ending December 2024 have been adjusted to reflect the finalized accounting treatment.

(2) Financial position (consolidated)

|   | Total assets | Net assets  | Capital adequacy ratio |
|---|--------------|-------------|------------------------|
|   | million yen  | million yen | %                      |
| Interim period of the year ending December 2025 | 9,716        | 4,637       | 46.6                   |
| Year ended December 2024                        | 11,402       | 4,566       | 39.1                   |

(Reference) Shareholders' equity FY2025 interim period: 4,524 million yen FY2024: 4,452 million yen

2. Dividends

|                                      | Dividend per share |           |           |           |       |
|--------------------------------------|--------------------|-----------|-----------|-----------|-------|
|                                      | End of Q1          | End of Q2 | End of Q3 | End of FY | Total |
|                                      | yen                | yen       | yen       | yen       | yen   |
| Year ended December 2024             | —                  | 0.00      | —         | 30.00     | 30.00 |
| Year ending December 2025            | —                  | 0.00      |           |           |       |
| Year ending December 2025 (forecast) |                    |           | —         | 35.00     | 35.00 |

(Note) Revision to the most recently announced dividend forecast: No

3. Forecast for the fiscal year ending December 2025 (January 1, 2025 - December 31, 2025)

(Percentage figures represent year-on-year change)

|           | Net sales   |      | Operating profit |     | Ordinary profit |      | Profit attributable to owners of parent |       | Profit per share |
|-----------|-------------|------|------------------|-----|-----------------|------|---|-------|------------------|
|           | million yen | %    | million yen      | %   | million yen     | %    | million yen                             | %     | yen              |
| Full year | 18,280      | 10.2 | 1,180            | 6.5 | 1,230           | 15.0 | 650                                     | -33.2 | 140.30           |

(Note) Revisions to the most recently announced earnings forecast: Yes

\* Notice

(1) Material changes in the scope of consolidation during the interim period of the current fiscal year: Yes

New consolidations: company (ies) (Company name(s)); Exclusions: 1 company (Company name) ISIS, Inc.

(2) Application of accounting treatment specific to the preparation of the interim period consolidated financial statements: No

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

(a) Changes in accounting policies due to revision of accounting standards: Yes

(b) Changes in accounting policies other than those in (a): No

(c) Changes in accounting estimates: No

(d) Restatements: No

(4) Number of shares outstanding (common shares)

(a) Shares outstanding (including treasury shares) at end of period

(b) Treasury shares at end of period

(c) Average number of shares during period

|   |                  |  |                  |
|---|------------------|--|------------------|
| Interim period of the year ending December 2025 | 4,658,575 shares | Year ended December 2024                       | 4,657,375 shares |
| Interim period of the year ending December 2025 | 90,641 shares    | Year ended December 2024                       | 90,621 shares    |
| Interim period of the year ending December 2025 | 4,567,489 shares | Interim period of the year ended December 2024 | 4,489,246 shares |

\* Second quarter (interim period) financial results summaries are not subject to audit.

\* Cautionary statement regarding business results forecasts and special notes

The financial forecasts and other forward-looking statements herein are based on currently available information and assumptions considered by the Company to be reasonable and do not represent a commitment from the Company that they will be achieved. Actual results may differ substantially due to various factors.

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# 1. Analysis of Operating Performance and Financial Position

## (1) Explanation of Operating Results

During the interim period of the current fiscal year (January 1 to June 30, 2025), the Japanese economy showed a gradual recovery trend as the employment and income environment continued to improve, despite some remaining signs of stagnation. On the other hand, risks of a downturn in the economy are increasing due to the impact on personal consumption from factors such as U.S. trade policy and weakening consumer sentiment caused by continued price increases. Attention is also required with regard to the effects of fluctuations in the financial and capital markets, and uncertainty continues to prevail.

In the information services industry, which is the main business domain of our Group, digital transformation (DX) initiatives are in full swing to respond to changes in the social environment. Demand for diversified project support remained steady due to the continued high-priority need for services to support internal reform activities, including introducing task performing robots such as AI and RPA (robotic process automation) and promoting telecommuting and other work style reform.

Under these business circumstances, the Group sought to become the “Best Partner for the Digital Era” by not only supporting individual reform projects but also providing services beyond the framework of consulting to help our customers implement change as a partner in creating people, businesses, and organizations that can respond to change and pave the way for the future. We have been developing a Professional Services Business that offers one-stop support catered to the customer’s unique challenges and reform objectives and a Platform Business that supports reform by connecting the IT industry through a platform. In our Professional Services Business, we established the Strategic Consulting Business Headquarters and focused on providing support services that address a wide range of challenges faced by customers, particularly at the CXO level, and contribute to enhancing corporate value, leveraging expertise in strategy, data, AI, and macroeconomic analysis. We also continued proactive hiring and human resource development activities, promoting initiatives to further expand our stable service delivery capabilities. However, project management issues arose in certain a case, and the estimated costs of resolving them were recorded as a provision for loss on contracts. In our Platform Business, we strengthened our organizational structure and focused on expanding existing services, with a particular emphasis on the Professional Hub service.

As a result of the above, during the interim period of the current fiscal year, we achieved net sales of ¥8,572 million (up 6.9% year on year), operating profit of ¥473 million (up 16.6% year on year), ordinary profit of ¥525 million (up 23.9% year on year), and profit attributable to owners of parent of ¥226 million (down 36.1% year on year).

A summary of financial results by segment (net sales includes internal sales) is provided below.

### (Professional Services Business)

In our Professional Services Business, although earnings were pressured by costs incurred to address management issues in certain system development a project as the environment surrounding the IT division continues to evolve, favorable conditions created by robust demand for DX provided a boost for us to steadily acquire traditional consulting projects (operational analysis/design, IT introduction support, onsite deployment) based on our strength of visualizing and improving operations utilizing business process management. We also strengthened collaboration with external companies by providing consulting services and DX support for local governments and companies, mainly in Shizuoka Prefecture, through a business partnership with Suzuyo System Technology Co., Ltd., and by fully launching consulting services for the implementation of SAP S/4HANA Cloud as an SAP Service Partner. In addition, we actively pursued initiatives to expand our service offerings in cutting-edge fields, including the launch of Product Climb, a consulting service that provides advanced IT finance support and collaborative support for product planning and development, and the receipt of the Grand Prize at the Satellite Data Utilization Awards 2024 by ME-Lab Japan, Inc. for its Wide-Area Blue Carbon Potential Estimation Service Using Satellite Data and Transfer Learning, which supports companies in Green Transformation (GX) initiatives such as addressing climate change.

As a result, net sales in the Professional Services Business came to ¥7,795 million (up 7.9% year on year) and segment profit (operating profit) came to ¥470 million (up 25.6% year on year).

#### (Platform Business)

In the Platform Business, the number of members in the Assign Navi platform, which provides business matching and a learning forum specialized for the IT industry, grew to 14,618 including both corporate and individual members as of June 30, 2025. This steady growth represents a 395-member increase over the end of the previous year. Although platform services based on connecting IT business operators with professional human resources, such as continued support for the introduction and operation of subscription platforms in the cloud business, remained steady, the number of active personnel through Professional Hub stagnated, leading to a decline in profitability. As a result, we implemented structural reforms aimed at improving profitability, including strengthening the organizational structure such as reviewing the sales structure and streamlining existing operations.

As a result, net sales in the Platform Business came to ¥1,083 million (up 2.9% year on year), and the segment profit (operating profit) came to ¥3 million (down 89.0% year on year).

### (2) Explanation of Financial Position

Total assets at the end of the interim period of the current fiscal year were ¥9,716 million, down ¥1,685 million from the end of the previous fiscal year. This was primarily due to a ¥124 million increase in deferred tax assets, offset by a ¥1,479 million decrease in cash and deposits, a ¥294 million decrease in accounts receivable and contract assets, a ¥106 million decrease in investment securities, and a ¥36 million decrease in goodwill.

Liabilities came to ¥5,078 million, down ¥1,756 million from the end of the previous fiscal year. This was primarily due to increases of ¥188 million in the provision for loss on contracts, ¥101 million in accounts payable – trade, ¥80 million in contract liabilities, and ¥34 million in the provision for loss on order received, offset by decreases of ¥1,488 million in long-term borrowings, ¥288 million in income taxes payable, and ¥162 million in accounts payable – other.

Net assets amounted to ¥4,637 million, an increase of ¥71 million from the end of the previous fiscal year. This was primarily due to a ¥89 million increase in retained earnings. The equity ratio was 46.6%.

### (3) Explanation of Consolidated Earnings Forecasts and Other Future Projections

In regard to the consolidated earnings forecast for the fiscal year ending December 2025, we have revised the full-year consolidated earnings forecast that was announced on February 13, 2025.

For details, please refer to the “Notice Concerning the Recording of Extraordinary Losses and Revision of Full-Year Earnings Forecast,” which was announced separately today (August 14, 2025).

## 2. Interim Period Consolidated Financial Statements and Main Notes

### (1) Interim Period Consolidated Balance Sheet

(Millions of yen)

|   | Previous consolidated<br>fiscal year<br>(ended December 31, 2024) | Interim period of the current<br>fiscal year<br>(ended June 30, 2025) |
|---|---|---|
| <b>Assets</b>                                       |   |   |
| Current assets                                      |   |   |
| Cash and deposits                                   | 5,447   | 3,968   |
| Accounts receivable and contract assets             | 2,462   | 2,167   |
| Electronically recorded monetary claims - operating | 129   | 170   |
| Work in process                                     | 30  | 27  |
| Other   | 213   | 319   |
| Allowance for doubtful accounts                     | (1)   | (1)   |
| Total current assets                                | 8,281   | 6,651   |
| Non-current assets                                  |   |   |
| Property, plant and equipment                       |   |   |
| Land  | 645   | 645   |
| Other   | 592   | 571   |
| Total property, plant and equipment                 | 1,237   | 1,216   |
| Intangible fixed assets                             |   |   |
| Goodwill  | 561   | 524   |
| Customer-related assets                             | 194   | 180   |
| Software  | 78  | 104   |
| Software in progress                                | 39  | 17  |
| Other   | 2   | 1   |
| Total intangible fixed assets                       | 876   | 828   |
| Investments and other assets                        |   |   |
| Leasehold and guarantee deposits                    | 291   | 279   |
| Deferred tax assets                                 | 85  | 210   |
| Investment securities                               | 560   | 453   |
| Other   | 70  | 76  |
| Total investments and other assets                  | 1,006   | 1,019   |
| Total non-current assets                            | 3,120   | 3,065   |
| Total assets  | 11,402  | 9,716   |

(Millions of yen)

|  | Previous consolidated<br>fiscal year<br>(ended December 31, 2024) | Interim period of the current<br>fiscal year<br>(ended June 30, 2025) |
|--|---|---|
| <b>Liabilities</b>                                       |   |   |
| Current liabilities                                      |   |   |
| Accounts payable - trade                                 | 921   | 1,023   |
| Short-term borrowings                                    | 40  | 10  |
| Current portion of long-term borrowings                  | 860   | 762   |
| Accounts payable - other                                 | 502   | 340   |
| Income taxes payable                                     | 573   | 285   |
| Provision for bonuses                                    | 187   | 193   |
| Provision for bonuses for directors (and other officers) | 4   | 1   |
| Contract liabilities                                     | 27  | 107   |
| Provision for loss on order received                     | 3   | 37  |
| Provision for loss on contracts                          | –   | 188   |
| Other  | 531   | 343   |
| Total current liabilities                                | 3,653   | 3,294   |
| Non-current liabilities                                  |   |   |
| Long-term borrowings                                     | 2,981   | 1,591   |
| Retirement benefit liabilities                           | 141   | 152   |
| Deferred tax liabilities                                 | 45  | 34  |
| Other  | 13  | 5   |
| Total non-current liabilities                            | 3,182   | 1,784   |
| Total liabilities  | 6,835   | 5,078   |
| <b>Net assets</b>  |   |   |
| Shareholders' equity                                     |   |   |
| Share capital  | 767   | 767   |
| Capital surplus  | 1,019   | 1,020   |
| Retained earnings  | 2,944   | 3,034   |
| Treasury shares  | (293)   | (293)   |
| Total shareholders' equity                               | 4,438   | 4,529   |
| Accumulated other comprehensive income                   |   |   |
| Valuation difference on available-for-sale securities    | 12  | (5)   |
| Foreign currency translation adjustment                  | 1   | 1   |
| Total accumulated other comprehensive income             | 14  | (4)   |
| Subscription rights to shares                            | 112   | 112   |
| Non-controlling interests                                | 1   | 0   |
| Total net assets   | 4,566   | 4,637   |
| Liabilities and net assets                               | 11,402  | 9,716   |

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

Interim period consolidated statement of income

(Millions of yen)

|   | Interim period of<br>the previous fiscal year<br>(January 1 - June 30, 2024) | Interim period of<br>the current fiscal year<br>(January 1 - June 30, 2025) |
|---|--|---|
| Net sales   | 8,020  | 8,572   |
| Cost of sales   | 5,206  | 5,690   |
| Gross profit  | 2,814  | 2,881   |
| Selling, general and administrative expenses                  | 2,407  | 2,408   |
| Operating profit  | 406  | 473   |
| Non-operating income  |  |   |
| Subsidy income  | 14   | 18  |
| Share of profit of entities accounted for using equity method | 8  | 40  |
| Rent on real estate   | 43   | 32  |
| Other   | 10   | 10  |
| Total non-operating income                                    | 76   | 101   |
| Non-operating expenses  |  |   |
| Interest expenses   | 24   | 22  |
| Real estate rental expense                                    | 19   | 23  |
| Other   | 14   | 4   |
| Total non-operating expenses                                  | 58   | 49  |
| Ordinary profit   | 424  | 525   |
| Extraordinary income  |  |   |
| Gain on change in equity                                      | –  | 10  |
| Share acquisition rights                                      | –  | 3   |
| Total extraordinary income                                    | –  | 14  |
| Extraordinary losses  |  |   |
| Loss on sale of investment securities                         | –  | 9   |
| Loss on retirement of non-current assets                      | –  | 11  |
| Provision for loss on contracts                               | –  | 188   |
| Total Extraordinary losses                                    | –  | 209   |
| Profit before income taxes                                    | 424  | 329   |
| Income taxes-current  | 109  | 264   |
| Income taxes-deferred   | (37)   | (160)   |
| Total income taxes  | 72   | 103   |
| Profit  | 352  | 226   |
| Loss attributable to non-controlling interests                | (2)  | (0)   |
| Profit attributable to owners of parent                       | 354  | 226   |



## Interim period consolidated statement of comprehensive income

(Millions of yen)

|  | Interim period of<br>the previous fiscal year<br>(January 1 - June 30, 2024) | Interim period of<br>the current fiscal year<br>(January 1 - June 30, 2025) |
|--|--|---|
| Profit   | 352  | 226   |
| Other comprehensive income                                     |  |   |
| Valuation difference on available-for-sale securities          | 15   | (18)  |
| Foreign currency translation adjustment                        | 0  | (0)   |
| Total other comprehensive income                               | 15   | (18)  |
| Comprehensive income   | 367  | 207   |
| (Breakdown)  |  |   |
| Comprehensive income attributable to owners of parent          | 370  | 208   |
| Comprehensive income attributable to non-controlling interests | (2)  | (0)   |

## (3) Interim Period Consolidated Statement of Cash Flows

(Millions of yen)

|   | Interim period of<br>the previous fiscal year<br>(January 1 - June 30, 2024) | Interim period of<br>the current fiscal year<br>(January 1 - June 30, 2025) |
|---|--|---|
| <b>Cash flows from operating activities</b>   |  |   |
| Profit before income taxes  | 424  | 329   |
| Depreciation and amortization   | 73   | 90  |
| Amortization of goodwill  | 47   | 36  |
| Amortization of customer-related assets   | 14   | 14  |
| Interest expenses   | 24   | 22  |
| Share of loss (profit) of entities accounted for using equity method                        | (8)  | (40)  |
| Loss (gain) on changes in equity  | –  | (10)  |
| Share acquisition rights  | –  | (3)   |
| Loss (gain) on sale of investment securities  | –  | 9   |
| Loss on retirement of non-current assets  | –  | 11  |
| Decrease (increase) in trade receivables  | 126  | 219   |
| Decrease (increase) in inventories  | 3  | 2   |
| Increase (decrease) in trade payables   | (11)   | 104   |
| Increase (decrease) in accounts payable - other   | (144)  | (156)   |
| Increase (decrease) in accrued consumption taxes  | (41)   | (207)   |
| Increase (decrease) in contract liabilities   | 0  | 101   |
| Increase (decrease) in provision for bonuses  | (35)   | 2   |
| Increase (decrease) in order loss provision   | (14)   | 34  |
| Increase (decrease) in contract loss provision  | –  | 188   |
| Increase (decrease) in net defined benefit liability  | 11   | 11  |
| Other   | (23)   | (78)  |
| Subtotal  | 446  | 683   |
| Interest and dividends received   | 1  | 2   |
| Interest paid   | (24)   | (20)  |
| Income taxes paid   | (283)  | (554)   |
| Income taxes refund   | –  | 0   |
| Net cash provided by (used in) operating activities   | 141  | 112   |
| <b>Cash flows from investing activities</b>   |  |   |
| Payments into time deposits   | (1)  | (1)   |
| Proceeds from withdrawal of time deposits   | –  | 6   |
| Purchase of property, plant and equipment   | (13)   | (54)  |
| Purchase of intangible assets   | (49)   | (26)  |
| Payment for retirement of non-current assets  | –  | (6)   |
| Payments of leasehold and guarantee deposits  | (0)  | (1)   |
| Proceeds from refund of leasehold and guarantee deposits                                    | 0  | 0   |
| Payments of loans receivable  | –  | (0)   |
| Purchase of investment securities   | (17)   | (29)  |
| Proceeds from sale of investment securities   | –  | 184   |
| Proceeds from sales of shares of subsidiaries and associates                                | 124  | –   |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | (9)  | 3   |
| Purchase of insurance funds   | (5)  | (4)   |
| Proceeds from cancellation of insurance funds   | 0  | 0   |
| Net cash provided by (used in) investing activities   | 27   | 71  |

(Millions of yen)

|   | Interim period of<br>the previous fiscal year<br>(January 1 - June 30, 2024) | Interim period of<br>the current fiscal year<br>(January 1 - June 30, 2025) |
|---|--|---|
| Cash flows from financing activities  |  |   |
| Proceeds from short-term borrowings   | 220  | –   |
| Repayments of short-term borrowings   | (270)  | (30)  |
| Proceeds from long-term borrowings  | 500  | –   |
| Repayments of long-term borrowings  | (365)  | (1,488)   |
| Proceeds from issuance of shares  | 4  | 0   |
| Purchase of treasury shares   | (92)   | (0)   |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (1)  | –   |
| Payments of dividends   | –  | (136)   |
| Repayments of lease obligations   | (0)  | (0)   |
| Net cash provided by (used in) financing activities   | (5)  | (1,655)   |
| Effect of exchange rate change on cash and cash equivalents   | 0  | (0)   |
| Net increase (decrease) in cash and cash equivalents  | 163  | (1,471)   |
| Cash and cash equivalents at beginning of period  | 3,840  | 5,439   |
| Cash and cash equivalents at end of interim period  | 4,003  | 3,968   |

#### (4) Notes to the Interim Period Consolidated Financial Statements

(Notes Related to Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standards for Corporate Income Taxes, Inhabitant Taxes, and Enterprise Taxes)

The Accounting Standard for Corporate Income Taxes, Inhabitant Taxes, and Enterprise Taxes (ASBJ Statement No. 27, issued on October 28, 2022; hereinafter the "2022 Revised Accounting Standard") and related standards have been applied from the beginning of the interim period of the current fiscal year.

With respect to the revisions concerning the classification of income taxes (taxation on other comprehensive income), we have followed the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard, as well as the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter the "2022 Revised Implementation Guidance"). There is no impact on the interim period consolidated financial statements from this change in accounting policy.

In addition, with respect to the revisions related to the review of accounting treatment in the consolidated financial statements when deferring, for tax purposes, gains or losses arising from the sale of subsidiary shares and similar transactions between consolidated companies, the 2022 Revised Implementation Guidance has been applied from the beginning of the interim period of the current fiscal year. This change in accounting policy has been applied retrospectively, and the interim consolidated financial statements for the previous interim period and the consolidated financial statements for the previous fiscal year have been prepared reflecting the retrospective application. There is no impact on the interim consolidated financial statements for the previous interim period or the consolidated financial statements for the previous fiscal year from this change in accounting policy.

(Additional Information)

| Interim period of the current fiscal year<br>(January 1 - June 30, 2025)   |
|--|
| (Important Changes in Scope of Consolidation)<br>During the interim period of the current fiscal year, Hibiya Computer System Co., Ltd., a consolidated subsidiary of the Company, resolved to transfer all shares of its consolidated subsidiary, Isis CO., LTD., and executed the share transfer on April 1, 2025. Isis CO., LTD., which had been a consolidated subsidiary, was excluded from the scope of consolidation with March 31, 2025, as the deemed date of sale. |

(Segment Information)

Interim period of the previous fiscal year (January 1 - June 30, 2024)

1. Information Regarding Amounts of Net Sales, Profit, and Loss for Each Reporting Segment

(Millions of yen)

|                                     | Reporting Segment              |                   |       | Adjustment | Total Shown in Quarterly Consolidated Statement of Income (Note) |
|-------------------------------------|--------------------------------|-------------------|-------|------------|--|
|                                     | Professional Services Business | Platform Business | Total |            |  |
| Net sales                           |                                |                   |       |            |  |
| Net sales to unaffiliated customers | 7,218                          | 802               | 8,020 | —          | 8,020  |
| Transactions with other segments    | 5                              | 250               | 256   | (256)      | —  |
| Total                               | 7,224                          | 1,053             | 8,277 | (256)      | 8,020  |
| Segment profit                      | 374                            | 32                | 406   | —          | 406  |

(Note) Segment profit is reconciled to operating profit presented in the quarterly consolidated statement of income.

2. Impairment Loss or Goodwill on Non-current Assets for Each Reporting Segment

(Important Changes in Amount of Goodwill)

In the interim period of the current fiscal year, Busy Bee, Inc., which was previously a consolidated subsidiary of the Company, was removed from the scope of consolidation and became an equity-method affiliate. As a result, goodwill in the Professional Services Business decreased by ¥105 million.

Interim period of the current fiscal year (January 1 - June 30, 2025)

1. Information Regarding Amounts of Net Sales, Profit, and Loss for Each Reporting Segment

(Millions of yen)

|                                     | Reporting Segment              |                   |       | Adjustment | Total Shown in Interim Period Consolidated Statement of Income (Note) 1 |
|-------------------------------------|--------------------------------|-------------------|-------|------------|---|
|                                     | Professional Services Business | Platform Business | Total |            |   |
| Net sales                           |                                |                   |       |            |   |
| Net sales to unaffiliated customers | 7,787                          | 785               | 8,572 | —          | 8,572   |
| Transactions with other segments    | 8                              | 298               | 307   | (307)      | —   |
| Total                               | 7,795                          | 1,083             | 8,879 | (307)      | 8,572   |
| Segment profit                      | 470                            | 3                 | 473   | —          | 473   |

(Note) 1. Segment profit is reconciled to operating profit presented in the interim period consolidated statement of income.

2. In line with the material revision of the initial allocation of acquisition costs described in “Material revision of the initial allocation of acquisition costs in comparative information” under “Business Combinations,” the segment information for the previous interim consolidated accounting period is presented to reflect this revision.

(Business Combinations)

(Material revision of the initial allocation of acquisition costs in comparative information)

Regarding the business combination with HCS Holdings Corporation (now Hibiya Computer System Co., Ltd.) on October 23, 2023, provisional accounting treatment was applied in the previous interim consolidated accounting period. This accounting treatment was finalized in the previous consolidated fiscal year.

With the finalization of this provisional accounting treatment, the initial allocation of acquisition costs was reviewed, and as a result, a material revision to the initial allocation of acquisition costs has been reflected in the comparative information included in the interim consolidated financial statements for the interim period of the current fiscal year.

As a result, in the consolidated statement of income for the previous interim consolidated accounting period, operating profit, ordinary profit, and profit before income taxes each decreased by ¥8 million, while net profit and profit attributable to owners of parent decreased by ¥3 million.

(Revenue Recognition)

Breakdown of revenue from contracts with customers

Interim period of the previous fiscal year (January 1 - June 30, 2024)

(Millions of yen)

|                                       | Reporting Segment              |                   | Total |
|---------------------------------------|--------------------------------|-------------------|-------|
|                                       | Professional Services Business | Platform Business |       |
| Business Process & Technology         | 6,718                          | —                 | 6,718 |
| Strategy & Innovation                 | 423                            | —                 | 423   |
| Social & Public                       | 76                             | —                 | 76    |
| Assign Navi                           | —                              | 23                | 23    |
| Professional Hub                      | —                              | 773               | 773   |
| Growth Company Club                   | —                              | 1                 | 1     |
| Other                                 | —                              | 3                 | 3     |
| Revenue from contracts with customers | 7,218                          | 802               | 8,020 |
| Net sales to unaffiliated customers   | 7,218                          | 802               | 8,020 |

(Note) Other includes net sales from new services.

Interim period of the current fiscal year (January 1 - June 30, 2025)

(Millions of yen)

|                                       | Reporting Segment              |                   | Total |
|---------------------------------------|--------------------------------|-------------------|-------|
|                                       | Professional Services Business | Platform Business |       |
| Business Process & Technology         | 6,515                          | —                 | 6,515 |
| Strategy & Innovation                 | 811                            | —                 | 811   |
| Social & Public                       | 460                            | —                 | 460   |
| Assign Navi                           | —                              | 23                | 23    |
| Professional Hub                      | —                              | 729               | 729   |
| Growth Company Club                   | —                              | 1                 | 1     |
| Other                                 | —                              | 30                | 30    |
| Revenue from contracts with customers | 7,787                          | 785               | 8,572 |
| Net sales to unaffiliated customers   | 7,787                          | 785               | 8,572 |

(Note) Other includes net sales from new services.

(Significant Subsequent Events)

Significant Borrowings

The Company resolved to borrow funds at the meeting of the Board of Directors held on August 14, 2025.

Long-term borrowings

Use of funds: working capital

Lenders: MUFG Bank, Ltd., Mizuho Bank, Ltd., The Shizuoka Bank, Ltd.

Amount borrowed: ¥1.0 billion

Interest rate: Fixed and variable rates

Loan execution date: August 2025 (tentative)

Term of loan: 5 years

Collateral: None

Purchase of treasury shares

At the meeting of the Board of Directors held on August 14, 2025, the Company resolved on matters relating to the purchase of treasury shares pursuant to Article 156 of the Companies Act as applied mutatis mutandis under Article 165, Paragraph 3 of the same Act.

1. Reason for purchase of treasury shares

This is to enhance shareholder return and improve capital efficiency, while also enabling flexible capital policies and financial strategies in response to future changes in the business environment.

2. Matters related to purchase of treasury shares

- |  |   |
|--|---|
| (1) Type of shares purchased:              | Ordinary shares of the Company  |
| (2) Total number of shares purchased:      | 240,000 (upper limit)   |
|  | (Equivalent to 5.18% of the total number of shares outstanding excluding treasury shares) |
| (3) Total amount of shares to be acquired: | ¥500 million (upper limit)  |
| (4) Period of purchase:                    | August 15 to December 30, 2025  |
| (5) Method of purchase:                    | Market purchase on the Tokyo Stock Exchange   |