

## UNOFFICIAL TRANSLATION

The formal official document is in Japanese



## Summary of Consolidated Financial Results for the First Three Quarters of Fiscal Year ending September 30, 2025 (Japanese Accounting Standards)

August 8, 2025

Listed Company Name: MTI Ltd. Listing Exchanges: Tokyo Stock Exchange  
 Securities Code: 9438 URL: <https://ir.mti.co.jp/eng/>  
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 Scheduled date of dividend payment: None  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes (for securities analysts and institutional investors (online))

(Figures less than one millions of yen are omitted)

### 1. Consolidated business results for the nine months ended June 30, 2025

(October 1, 2024– June 30, 2025)

(1) Consolidated operating results (cumulative total)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three quarters of fiscal year ending September 30, 2025	22,306	8.6	2,343	33.8	2,376	0.6	2,061	(8.1)
First three quarters of fiscal year ended September 30, 2024	20,536	2.0	1,752	—	2,363	—	2,243	353.0

(Note) Comprehensive income Nine months ended June 30, 2025: 2,146 millions of yen ((7.5)%)  
 Nine months ended June 30, 2024: 2,322 millions of yen (395.1%)

	Net income per share	Net income per share/diluted
	Yen	Yen
First three quarters of fiscal year ending September 30, 2025	37.34	37.29
First three quarters of fiscal year ended September 30, 2024	40.88	40.86

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	32,070	20,798	52.4
As of September 30, 2024	29,686	19,144	52.0

(Reference) Shareholders' equity: As of June 30, 2025: 16,817 millions of yen  
 As of September 30, 2024: 15,446 millions of yen

### 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	8.00	—	9.00	17.00
Fiscal year ending September 30, 2025	—	9.00	—		
Fiscal year ending September 30, 2025 (forecast)				9.00	18.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast for consolidated business results for the fiscal year ending September 30, 2025  
(October 1, 2024 – September 30, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	29,400	6.3	2,800 ~ 3,200	16.9 ~ 33.7	2,900 ~ 3,300	2.6 ~ 16.7	2,660 ~ 2,940	12.5 ~ 24.4	48.06 ~ 53.12

(Note) Revisions to forecasts for consolidated business results published most recently: Yes

\* Note:

(1) Important changes of subsidiaries during the term

(changes in specified subsidiaries resulting in change in scope of consolidation): None

New: –

Exception: –

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and changes or restatement of accounting estimates

- |   |      |
|---|------|
| (i) Changes in accounting policies due to the modification in accounting methods: | Yes  |
| (ii) Changes in accounting policies other than (i):                               | None |
| (iii) Changes in accounting estimates:  | None |
| (iv) Restatement:   | None |

(4) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury shares):

As of June 30, 2025: 60,290,800 shares

As of September 30, 2024: 61,429,600 shares

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

As of June 30, 2025: 4,947,414 shares

As of September 30, 2024: 6,361,273 shares

(iii) Average number of shares during the period (quarterly consolidated cumulative period)

Nine months ended June 30, 2025: 55,204,286 shares

Nine months ended June 30, 2024: 54,885,667 shares

\* Status of a quarterly review

This earnings release is not subject to an audit.

\* Cautionary statement with respect to forward-looking statements

The forward-looking statements included in this material are based on the Company's judgments, assumptions, and convictions based on information available to the Company at the time of publication of this document and may differ materially from actual results for a range of factors, including conditions of Japanese and overseas economies, changes in the situation of operations in Japan and overseas, and uncertainties and potential risks inherent in forward-looking statements. The risks and uncertainties include unforeseeable effects of future events. The information on consolidated earnings forecasts and other future forecasts on page 4 of the Accompanying Materials describes notes on the assumptions of the earnings forecasts and the use of the earnings forecasts.

The company plans to hold an online earnings briefing (Japanese) for institutional investors and analysts on Friday, August 8, 2025. The materials for the earnings briefing will be posted on the company's IR website. Additionally, the video of the briefing and a summary of the Q&A session will be made available on the company's IR website later.

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## 1. Qualitative information on financial results for the current quarterly settlement

### (1) Explanation on operating results

#### Overview for the first three quarters of fiscal year ending September 30, 2025

##### (Period from October 1, 2024 to June 30, 2025)

The Group has been actively engaged in the healthcare business and the school DX business, both of which are expected to expand in the future, in order to enhance its corporate value over the medium to long term.

Net sales increased to ¥22,306 million (up 8.6% year-on-year), mainly due to sales growth in the healthcare and school DX businesses, and gross profit increased to ¥16,619 million (up 10.1% year-on-year) due to higher net sales.

Operating income increased ¥2,343 million (up 33.8% year-on-year) as a result of an increase in gross profit, which offset an increase in selling, general and administrative expenses (SG&A) due to higher advertising expenses.

Operating income also increased significantly to ¥1,752 million (an operating loss of ¥17 million in the same period of the previous year). This increase was due to the growth in gross profit and a reduction in selling, general, and administrative expenses, primarily resulting from a decrease in personnel and outsourcing expenses, despite an increase in advertising expenses.

Ordinary income increased to ¥2,376 million (up 0.6% year-on-year). In the same period of the previous fiscal year, the company recorded ¥615 million in equity in earnings of affiliates, primarily due to the recognition of extraordinary income by Shobunsha Holdings, Inc., an equity-method affiliate. However, for the third quarter (cumulative) of the current fiscal year, equity in earnings of affiliates declined significantly to ¥60 million, resulting in only a moderate increase in ordinary income.

Profit attributable to owners of parent decreased to ¥2,061 million (down 8.1% year-on-year), mainly due to an increase in income taxes - current compared to the same period of the previous year.

#### Consolidated business results

##### (Period from October 1, 2024 to June 30, 2025)

	First three quarters of the fiscal year ending September 30, 2025	First three quarters of the fiscal year ended September 30, 2024	Change	
			Amount	Percentage
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	22,306	20,536	+1,769	+8.6
Cost of sales	5,686	5,443	+242	+4.5
Gross profit	16,619	15,093	+1,526	+10.1
SG&A	14,275	13,340	+934	+7.0
Operating income	2,343	1,752	+591	+33.8
Ordinary income	2,376	2,363	+13	+0.6
Profit attribute to owners of parent	2,061	2,243	(182)	(8.1)

#### Breakdown of SG&A

##### (Period from October 1, 2024 to June 30, 2025)

	First three quarters of the fiscal year ending September 30, 2025	First three quarters of the fiscal year ended September 30, 2024	Change	
			Amount	Percentage
	Millions of yen	Millions of yen	Millions of yen	%
Total	14,275	13,340	+934	+7.0
Advertising expense	2,802	2,012	+789	+39.2
Personnel expenses	5,501	5,409	+92	+1.7
Commission fee	2,294	2,135	+159	+7.5
Subcontract expenses	1,267	1,319	(51)	(3.9)
Depreciation	913	998	(85)	(8.6)
Other	1,496	1,466	+30	+2.1

Operating results by segment are as follows.

**(i) Content business**

The content business includes B2C monthly billing services (excluding the *Luna-Luna* healthcare service for women and the *CARADA medica* health Q&A service in cooperation with healthcare professionals) and the B2B original comic distribution business that offers original comic content to comic distributors.

The number of paid subscribers in this segment increased to 3.23 million (an increase of 150,000 from the end of September 2024), driven by the impact of the acquisition of a company engaged in music distribution and related services, as well as strong performance in new subscriptions via carrier shops. Even excluding the impact of the acquisition, the number of paid subscribers slightly increased, supported by continued growth in services such as the security-related app *AdGuard*.

Net sales increased to ¥12,932 million (up 2.3% year-on-year).

Operating income decreased to ¥3,039 million (down 8.5% year-on-year) due to an increase in advertising and promotional expenses associated with efforts to promote subscriptions to services such as *AdGuard*.

**(ii) Healthcare business**

The healthcare business includes B2C monthly billing services under the *Luna-Luna* and *CARADA medica* brands and B2B and B2B2C healthcare services for medical institutions and local governments, such as the cloud drug record service, the maternal health record book app and the childcare DX service.

The number of monthly paid subscribers in this segment stood at 480,000 (a slight decrease of 30,000 from the end of September 2024). Meanwhile, the number of pharmacies implementing the cloud-based medication history service reached a record high on a quarterly basis, as the company focused on expanding installations at medium- to large-sized pharmacy chains. As of the end of June 2025, the number of such pharmacies totaled 3,421, an increase of 893 from the end of September 2024.

Net sales increased to ¥4,888 million (up 21.5% year-on-year), mainly due to the growth in cloud-based medication history sales.

As for operating income, while revenue from cloud-based medication history expanded, an increase in development expenses for pharmacy DX and childcare DX resulted in a decrease in profit to ¥75 million (down 72.9% year-on-year).

**(iii) School DX business**

The school DX business includes school DX business developed for educational institutions by the consolidated subsidiary Motivation Works Inc.

Net sales increased significantly to ¥1,357 million (up 53.2% year-on-year), driven by an increase in monthly subscription sales from the cloud-based school affairs support system *BLEND*, which had been introduced at 1,067 schools as of April 2025 (an increase of 292 schools compared to April 2024), as well as initial development revenue from public school projects.

Operating income increased significantly to ¥384 million (loss of ¥91 million in the same period of the previous year), reflecting the substantial increase in net sales.

**(iv) Other business**

Other business includes the B2B AI business operated by Automagi Inc., a consolidated subsidiary, and the corporate DX support business and solution business.

Net sales increased to ¥4,229 million (up 3.9% year-on-year), supported by steady growth in orders from the corporate DX support business.

Operating income increased significantly to ¥824 million (up 551.1% year-on-year), reflecting the increase in net sales.

**(2) Explanation on financial position**

At the end of the first three quarters under review, total assets increased ¥2,383 million from the end of September 2024, to ¥32,070 million.

Regarding liabilities, current liabilities increased by ¥1,173 million, mainly due to an increase in contract liabilities and income taxes payable, while non-current liabilities decreased by ¥443 million, primarily due to a decrease in long-term borrowings.

Regarding net assets, although there was a payment of dividends, net assets increased by ¥2,061 million due to the recording of profit attributable to owners of parent, and by ¥1,653 million due to capital increases and other factors at consolidated subsidiaries.

**(3) Explanation of future forecast information including consolidated forecast**

The Company will focus on expanding sales and profits in the healthcare business and school DX business, which are expected to drive future growth. Additionally, in the content business, we will work to maintain profitability by increasing the number of paid subscribers for the security-related app *AdGuard* and expanding our original comics business.

The consolidated earnings forecast for the fiscal year ending September 2025 incorporates the reduction in amortization expenses due to the completion of amortization for goodwill and customer-related assets of the music distribution business acquired on December 1, 2019.

The healthcare business, which we have been engaged in over the medium- and long-term, has great future growth potential, more than that of the B2C type. This business may move toward a more stable stock-type business through the establishment of long-term business relationships with customers. Therefore, we will commit to implementing a variety of measures to achieve sales growth.

In the cloud-based medication history, interest from dispensing pharmacies remains strong, contributing to sustainable sales and profit growth for this business. We aim to further expand the number of adopting stores by strengthening our collaboration with our partner, Medipal Holdings Corporation. Additionally, we will promote the expanded sales of our AI-powered medication history input support service, which utilizes ChatGPT and has seen high demand due to its contribution to improving pharmacists' work efficiency. Through these initiatives, we will work to increase the number of adopting stores and further enhance profitability.

In the childcare DX initiatives, amidst the government's promotion of digitalizing maternal and child health information, we will work to expand the adoption of the maternal and child health app *Boshimo* among municipalities. Our strategy includes vigorously promoting the expansion of our childcare DX services, particularly in municipalities that have already implemented *Boshimo*. Furthermore, we aim to advance our *Boshimo* platform strategy by facilitating digital collaboration among municipalities, hospitals, and residents. Through these efforts, we intend to establish this business as one of our cores, profit-contributing segments over the medium to long term.

In the School DX business, the company aims to achieve sustainable growth by actively expanding operations in response to government-led initiatives promoting DX of school administration at the prefectural level. Demand for the cloud-based school affairs support system *BLEND* remains strong, with the number of schools scheduled to implement the system increasing to 1,067 as of April 2025, a rise of 292 schools compared to April 2024. While sales activities had previously focused mainly on private schools, the company has begun to strengthen efforts in the public school sector as well, following the signing of a system implementation contract with the Yamanashi Prefectural Board of Education in August 2024 for use in prefectural high schools. Through this expansion, the company aims to further grow both revenue and profit.

The full-year consolidated earnings forecast for the fiscal year ending September 30, 2025 has been revised as announced today in the "Notice Regarding Revision of Consolidated Earnings Forecast for the Full Fiscal Year".

[Assumptions for forecast values]

The impact of undetermined new businesses and low-probability mergers and acquisitions in the Group are not taken into account and are not incorporated in the forecast figures. The Company will promptly disclose any deviation between forecasts and results that should be disclosed.

**Earnings forecast for the fiscal year ending September 30, 2025**

(Period from October 1, 2024 to September 30, 2025)

	(Millions of yen)	YoY(%)
Net sales	29,400	+6.3
Operating income	2,800~3,200	+16.9~+33.7
Ordinary income	2,900~3,300	+2.6~+16.7
Profit attributable to owners of parent	2,660~2,940	+12.5~+24.4

## 2. Quarterly consolidated financial statements and important notes

### (1) Quarterly consolidated balance sheet

	(Unit: Thousands of yen)	
	Previous fiscal year (As of September 30, 2024)	The current first half of the fiscal year (As of June 30, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	14,828,744	16,871,220
Notes and accounts receivable - trade, and contract assets	4,183,929	4,139,086
Others	1,171,051	1,417,683
Allowance for doubtful accounts	(31,173)	(16,618)
Total current assets	20,152,552	22,411,371
Non-current assets		
Property, plant and equipment	203,088	214,256
Intangible assets		
Software	1,929,051	2,077,372
Goodwill	27,139	30,369
Customer-related assets	70,200	65,582
Other	249,419	233,690
Total intangible assets	2,275,810	2,407,014
Investments and other assets		
Investment securities	4,466,864	4,625,570
Leasehold and guarantee deposits	293,206	289,829
Deferred tax assets	2,248,082	2,072,932
Others	57,550	61,434
Allowance for doubtful accounts	(10,704)	(12,004)
Total investment and other assets	7,054,998	7,037,762
Total non-current assets	9,533,897	9,659,033
Total assets	29,686,449	32,070,404

	(Unit: Thousands of yen)	
	Previous fiscal year (As of September 30, 2024)	The current first half of the fiscal year (As of June 30, 2025)
<b>Liabilities</b>		
Current liabilities		
Account payable-trade	1,100,083	992,671
Current portion of long-term borrowings	737,500	737,500
Accounts payable - other	1,331,851	1,541,899
Income taxes payable	94,542	680,397
Contract liabilities	2,667,056	3,305,744
Provision for bonuses	-	237,592
Others	1,020,485	629,458
Total current liabilities	6,951,519	8,125,262
Non-current liabilities		
Long-term borrowings	1,693,750	1,140,625
Retirement benefit liability	1,828,998	1,949,230
Other	67,411	56,693
Total non-current liabilities	3,590,159	3,146,549
Total non-current liabilities	10,541,679	11,271,812
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,310,108	5,451,273
Capital surplus	6,376,663	6,251,648
Retained earnings	6,626,029	7,366,729
Treasury shares	(3,207,144)	(2,596,900)
Total shareholders' equity	15,105,656	16,472,750
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	136,358	176,757
Foreign currency translation adjustment	80,126	56,831
Remeasurements of defined benefit plans	124,327	111,011
Total accumulated other comprehensive income	340,813	344,600
Subscription rights to shares	22,732	18,100
Non-controlling interests	3,675,568	3,963,141
Total net assets	19,144,770	20,798,592
Total liabilities and net assets	29,686,449	32,070,404



**(2) Quarterly consolidated statements of income and quarterly consolidated statement of comprehensive income**  
**Quarterly consolidated statement of income**  
**For the first three quarters**

	(Unit: Thousands of yen)	
	For the first three quarters of the previous fiscal year (from Oct 1, 2023 to Jun 30, 2024)	For the first three quarters of the current fiscal year (from Oct 1, 2024 to Jun 30, 2025)
Net sales	20,536,806	22,306,293
Cost of sales	5,443,547	5,686,404
Gross profit	15,093,259	16,619,888
Selling, general and administrative expenses	13,340,975	14,275,890
Operating income	1,752,283	2,343,997
Non-operating income		
Interest income	69	1,442
Dividend income	3,729	2,294
Foreign exchange gains	48,753	-
Share of profit of entities accounted for using equity method	615,856	60,505
Other	12,040	19,751
Total non-operating income	680,450	83,994
Non-operating expenses		
Interest expenses	7,846	13,880
Foreign exchange losses	-	17,434
Delinquency taxes, etc.	8,112	6,639
Other investment loss	48,395	-
Other	5,278	13,375
Total non-operating expenses	69,634	51,329
Ordinary income	2,363,100	2,376,661
Extraordinary income		
Gain on sale of non-current assets	330	441
Gain on sale of investment securities	-	22,500
Consumption taxes refund	889,323	945,310
Gain on liquidation of subsidiaries	-	7,495
Gain on transfer of business	-	45,000
Total extraordinary income	889,654	1,020,746
Extraordinary losses		
Loss on sale of non-current assets	-	48
Loss on retirement of non-current assets	9,290	604
Impairment losses	39,446	-
Loss on valuation of investment securities	31,672	207,671
Loss on sale of businesses	-	3,113
Other	-	3,089
Total extraordinary losses	80,409	214,527
Profit before income taxes	3,172,344	3,182,881
Income taxes - current	676,073	866,148
Income taxes-deferred	183,120	173,556
Total income taxes	859,193	1,039,704
Profit	2,313,150	2,143,176
Profit attributable to non-controlling interests	69,412	82,045
Profit attributable to owners of parent	2,243,737	2,061,131

**Quarterly consolidated statement of comprehensive income**  
**For the first three quarters**

(Unit: Thousands of yen)

	For the first three quarters of the previous fiscal year (from Oct 1, 2023 to Jun 30, 2024)	For the first three quarters of the current fiscal year (from Oct 1, 2024 to Jun 30, 2025)
Profit	2,313,150	2,143,176
Other comprehensive income		
Valuation difference on available-for-sale securities	4,670	(2,579)
Foreign currency translation adjustment	17,957	(23,176)
Remeasurements of defined benefit plans, net of tax	(4,903)	(13,315)
Share of other comprehensive income of entities accounted for using equity method	(8,636)	42,859
Total other comprehensive income	9,086	3,787
Comprehensive income	2,322,237	2,146,964
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,252,824	2,064,919
Comprehensive income attributable to non-controlling interests	69,412	82,045

### **3) Notes concerning quarterly consolidated financial statements**

(Notes concerning going concern assumption)

Not applicable.

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

Not applicable.

(Changes in accounting policies)

The "Accounting Standard for Income Taxes - Current, etc." (ASBJ Statement No. 27, October 28, 2022), the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022), and the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) have been applied from the beginning of the first quarter of the consolidated fiscal period. There is no impact on the quarterly consolidated financial statements as a result of this change in accounting policy.

In addition, regarding the revision related to the treatment in consolidated financial statements of deferred tax on gains or losses arising from the sale of shares of subsidiaries among consolidated companies, the 2022 revised application guidelines have been applied from the beginning of the first quarter of the consolidated fiscal period. There is no impact on the quarterly consolidated financial statements as a result of this change in accounting policy.

(Segment information, etc.)

## 【Segment information】

## I First three quarters of previous fiscal year (period from October 1, 2023 to June 30, 2024)

## 1. Information on net sales, profit or loss for each reporting segment and revenue breakdown information

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the quarterly consolidated statement of income (Note)2
	Content business	Healthcare business	School DX business	Other business	Total		
Net sales							
Goods or services transferred at a point in time	12,459,879	3,985,408	825,220	2,811,124	20,081,634	-	20,081,634
Goods or services transferred over time	55,113	31,470	45,760	322,828	455,172	-	455,172
Revenue from contracts with customers	12,514,993	4,016,878	870,980	3,133,953	20,536,806	-	20,536,806
Sales to outside customers	12,514,993	4,016,878	870,980	3,133,953	20,536,806	-	20,536,806
Internal sales between segments or transfers	114,644	6,261	15,000	936,436	1,072,342	(1,072,342)	-
Total	12,629,638	4,023,139	885,980	4,070,390	21,609,148	(1,072,342)	20,536,806
Segment income	3,320,732	279,346	(91,396)	126,572	3,635,254	(1,882,970)	1,752,283

(Note) 1. The segment income (loss) adjustment of ¥ (1,882,970) thousand includes the elimination of inter-segment transactions of ¥(13,000) thousand and corporate expenses not allocated to each reporting segment of ¥ (1,869,970) thousand.

Corporate expenses are composed largely of general and administrative expenses not attributed to any reporting segment.

2. The segment income (loss) represents the result of adjustment to operating income reported on the quarterly consolidated statement of income.

## 2. Information on impairment loss on non-current assets or goodwill and others for each reporting segment

(Important impairment losses related to fixed assets)

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the quarterly consolidated statement of income
	Content business	Healthcare business	School DX business	Other business	Total		
Impairment loss	39,446	—	—	—	39,446	—	39,446

## II First three quarters of current fiscal year (period from October 1, 2024 to June 30, 2025)

## 1. Information on net sales, profit or loss for each reporting segment and revenue breakdown information

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the quarterly consolidated statement of income (Note)2
	Content business	Healthcare business	School DX business	Other business	Total		
Net sales							
Goods or services transferred at a point in time	12,701,545	4,854,435	1,198,558	3,017,253	21,771,792	-	21,771,792
Goods or services transferred over time	54,075	26,073	159,000	295,351	534,500	-	534,500
Revenue from contracts with customers	12,755,620	4,880,508	1,357,558	3,312,604	22,306,293	-	22,306,293
Sales to outside customers	12,755,620	4,880,508	1,357,558	3,312,604	22,306,293	-	22,306,293
Internal sales between segments or transfers	168,159	7,861	-	917,327	1,093,347	(1,093,347)	-
Total	12,923,780	4,888,370	1,357,558	4,229,932	23,399,641	(1,093,347)	22,306,293
Segment income (loss)	3,039,359	75,673	384,213	824,124	4,323,371	(1,979,373)	2,343,997

(Note) 1. The segment income (loss) adjustment of ¥ (1,979,373) thousand includes the elimination of inter-segment transactions of ¥53,760 thousand and corporate expenses not allocated to each reporting segment of ¥ (2,033,134) thousand.

Corporate expenses are composed largely of general and administrative expenses not attributed to any reporting segment.

2. The segment income (loss) represents the result of adjustment to operating income reported on the quarterly consolidated statement of income.

## 2. Information on impairment loss on non-current assets or goodwill and others for each reporting segment

Not applicable.

## 3. Matters related to changes in reportable segments

In response to the expansion of the school DX business, and in order to more appropriately understand the performance of each reporting segment within our group, we have reorganized the business classifications for certain transactions that were previously recorded under "Other" as part of the DX support business. From the first quarter of the current consolidated fiscal period, these transactions are now recorded under the "school DX" business.

The segment information for the previous nine months is presented based on the revised classifications.

(Notes to the statements of cash flows)

The quarterly consolidated statement of cash flows for the current third quarter consolidated cumulative period has not been prepared. Depreciation and amortization (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the current third quarter consolidated cumulative period are as follows:

	For the first three quarters of the previous fiscal year (from Oct 1, 2023 to Jun 30, 2024)	For the first three quarters of the current fiscal year (from Oct 1, 2024 to Jun 30, 2025)
Depreciation	1,121,687 thousand yen	975,882 thousand yen
Amortization of goodwill	137,911 thousand yen	33,894 thousand yen

(Significant subsequent events)

(Recording of consumption tax refund)

Starting from the fiscal year ended September 2022, the Company has revised its treatment of consumption taxes related to expired points in point-based transactions, and has classified the Net sales corresponding to expired points as non-taxable transactions. In connection with this, regarding the treatment of consumption taxes for the fiscal year ended September 2020, the Company received a correction decision (refund) from the Shinjuku Tax Office, and the refund of the relevant consumption taxes has been finalized. Accordingly, in the fourth quarter of the fiscal year ending September 2025, the Company expects to record a Consumption taxes refund (Extraordinary income) of ¥823,677 thousand, as well as Income taxes - current of ¥252,210 thousand as the corresponding tax expense.