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October 28, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Japanese standard)

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 Listing: Tokyo Stock Exchange
 Securities code: 9742
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 Scheduled date to file semi-annual securities report: November 12, 2025
 Scheduled date to commence dividend payments: December 5, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (Figures in percentages denote year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	16,486	(11.5)	(920)	—	(801)	—	(601)	—
September 30, 2024	18,631	(5.0)	876	2.4	898	0.9	537	13.5

Note: Comprehensive income For the six months ended September 30, 2025: ¥(455) million [-%]
 For the six months ended September 30, 2024: ¥557 million [(9.0)%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Six months ended September 30, 2025	(28.92)	—
September 30, 2024	25.83	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	50,669	38,134	75.3
March 31, 2025	56,727	39,192	69.1

Reference: Shareholders' equity
 As of September 30, 2025: ¥38,134 million
 As of March 31, 2025: ¥39,192 million

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	25.00	—	30.00	55.00
Fiscal year ending March 31, 2026	—	25.00			
Fiscal year ending March 31, 2026 (Forecast)			—	30.00	55.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

The Company has decided to pay a second quarter-end dividend of ¥25 for the fiscal year ending March 31, 2026 (forecast). In addition, the annual dividend forecast, including the year-end dividend, was revised to ¥55. For details, please refer to the “Notice Concerning Revision of Earnings Forecasts, Determination of Dividends of Surplus (Interim Dividend) and Revision of Year-End Dividend Forecast” released today (October 28, 2025).

3. Forecasts for consolidated financial results for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Figures in percentages denote year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	39,000	(3.9)	1,400	(60.4)	1,500	(58.4)	1,000	(59.0)	48.05

Note: Revisions to the earnings forecasts most recently announced: Yes

For details on the revisions to the consolidated earnings forecasts, please refer to the “Notice Concerning Revision of Earnings Forecasts, Determination of Dividends of Surplus (Interim Dividend) and Revision of Year-End Dividend Forecast” released today (October 28, 2025).

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to page 10 of the accompanying materials “2. Semi-annual consolidated financial statements and significant notes thereto, (4) Notes to Semi-annual Consolidated Financial Statements, (Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements).”

- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies associated with the revision of accounting standards, etc.: No
- (ii) Changes in accounting policies other than (i): No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	20,900,000 shares
As of March 31, 2025	20,900,000 shares

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

As of September 30, 2025	86,907 shares
As of March 31, 2025	99,687 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	20,809,533 shares
Six months ended September 30, 2024	20,803,927 shares

* Semi-annual consolidated financial statements are placed outside the scope of reviews performed by certified public accountants or audit corporations.

* Explanation regarding the proper use of results forecasts and other important notes
(Disclaimer regarding forward-looking statements)

Forward-looking statements such as results forecasts provided in this document are prepared based on currently available information and assumptions that are deemed reasonable, but the Company does not intend to guarantee their achievement. Actual results may differ significantly from the above forecasts for various reasons. For conditions regarding the assumptions for results forecasts and notes on the use of results forecasts, etc., please refer to page 3 of the accompanying materials “1. Outline of Operating Results, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements.”

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1. Outline of Operating Results

During the first half of the fiscal year under review, the Japanese economy continued to recover gradually. However, the outlook remained uncertain due to factors such as increasing geopolitical risks and rising raw material prices.

In the domestic IT market, system investments centered on digital transformation (DX) and AI utilization to achieve sustained corporate growth are progressing steadily.

In this business environment, the Group promoted the following initiatives in the second year of the 2026 Medium-Term Management Plan.

“Standardization of local government information systems”

In standardization of local government information systems, we have revised the transition method to ensure accurate and reliable system transitions across multiple municipalities. Locations nationwide are working as one to execute the plan according to a transition schedule that prioritizes safety and security.

“Development of next-generation solutions”

The Group is continuing work on developing a system that will be the next generation of our flagship product, the WebRings administration system for local governments. We will add AI agent functions and customizable general-purpose functions for local government employees to our service menu, aiming to differentiate from solutions of other companies. Additionally, we have started to provide AI-powered rapid development services to accelerate companies’ promotion of DX.

“Enhancement of business foundations”

To smoothly advance these business strategies, we continue to strengthen our collaboration with partner companies and strive to enhance our business foundations. Through our project to utilize generative AI, we are also working to improve productivity and quality company-wide.

In investment into human capital, we will appropriately evaluate engineers’ expertise and establish mechanisms where each employee’s challenges and growth strengthen our technological foundation and organizational capabilities as we work to achieve sustainable management. In financial and capital strategies, we will work to optimize capital efficiency and enhance engagement across the entire Group with an aim of increasing corporate value.

(1) Outline of Operating Results for the First Half Ended September 30, 2025

Consolidated net sales for the first half of the fiscal year under review decreased 11.5% year on year, to ¥16,486 million (please refer to “Consolidated net sales by sector,” which are shown in the table below). Net sales in the Public sector stood at ¥6,913 million (down 18.1% year on year), mainly reflecting lower sales due to the extension of local government system standardization and review of its transition method, as well as the revision to the legal system. Net sales in the Private sector stood at ¥9,573 million (down 6.1% year on year), mainly reflecting a decline in the development of a system for finance business and lower sales due to the partial withdrawal of the outsourcing business in the Group company.

On the profit front, operating loss came to ¥920 million (compared to operating profit of ¥876 million in the same period of the previous year) and the ordinary loss was ¥801 million (compared to an ordinary profit of ¥898 million in the same period of the previous year), mainly reflecting lower net sales in each field and worsening cost ratio for the project as a whole associated with the review of the transition method for the local government system standardization. As a result, the Company recorded a loss attributable to owners of parent of ¥601 million (compared with profit attributable to owners of parent of ¥537 million in the same period of the previous year).

Consolidated net sales by sector

(Millions of yen)

Category/Term	Six months ended September 30, 2024		Six months ended September 30, 2025		YoY change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	
Public	8,437	45.3%	6,913	41.9%	(18.1)%
Private	10,193	54.7%	9,573	58.1%	(6.1)%
Total	18,631	100.0%	16,486	100.0%	(11.5)%

Consolidated net sales by product/service

(Millions of yen)

Category/Term	Six months ended September 30, 2024		Six months ended September 30, 2025		YoY change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	
System development	8,179	43.8%	6,605	40.1%	(19.2)%
System operation	6,555	35.2%	6,450	39.1%	(1.6)%
System Maintenance	2,451	13.2%	2,397	14.5%	(2.2)%
Sales of information equipment	424	2.3%	268	1.6%	(36.9)%
Other	1,020	5.5%	765	4.7%	(25.0)%
Total	18,631	100.0%	16,486	100.0%	(11.5)%

(2) Outline of Financial Position for the First Half Ended September 30, 2025

Looking at the financial position as of September 30, 2025, total assets stood at ¥50,669 million, a decrease of ¥6,057 million from the end of the previous fiscal year.

Current assets decreased ¥5,862 million, to ¥18,901 million, reflecting decreases mainly in notes and accounts receivable-trade, and contract assets. Non-current assets decreased ¥194 million, to ¥31,768 million, due to a decrease in investment securities for the redemption of bonds, despite an increase in investment in software assets.

Current liabilities decreased ¥4,089 million to ¥5,875 million, reflecting decreases mainly in short-term borrowings. Non-current liabilities decreased ¥909 million to ¥6,660 million, reflecting decreases in long-term borrowings and retirement benefit liability.

Net assets decreased ¥1,058 million from the end of the previous fiscal year, to ¥38,134 million mainly due to the posting of loss attributable to owners of parent and dividends paid.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

The Company has revised the forecast for net sales due to factors such as the extension of local government system standardization and review of the transition method in the Public sector.

The Company has revised the forecasts for operating profit, ordinary profit, and profit attributable to owners of parent due to a decrease in net sales and worsening cost ratio for local government system standardization.

[Revisions of the forecasts for consolidated financial results for the fiscal year ending March 31, 2026
(April 1, 2025 to March 31, 2026)]

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Before revision (A) (Announced on April 30, 2025)	43,000	4,000	4,100	2,800	134.61
After revision (B)	39,000	1,400	1,500	1,000	48.05
Amount of change (B-A)	(4,000)	(2,600)	(2,600)	(1,800)	
Change (%)	(9.3)	(65.0)	(63.4)	(64.3)	
Actual results for the previous fiscal year (Fiscal year ended March 31, 2025)	40,563	3,536	3,608	2,436	117.13

With respect to the payment of dividends, the Company has revised the annual dividend forecast per share from ¥60 to ¥55, a decrease of ¥5, in line with the aforementioned revisions of the financial results forecasts.

	(Yen)		
	Dividends per share		
	End of Q2	Fiscal year end	Total
Previous forecasts (Announced on April 30, 2025)	To be determined	To be determined	60.00
Revised forecasts	—	30.00	55.00
Actual results for the current fiscal year	25.00	—	—

(Caution on future forecast information)

Forward-looking statements such as results forecasts provided in this document are prepared based on currently available information and assumptions that are deemed reasonable, but the Company does not intend to guarantee their achievement. Actual results may differ significantly from the above forecasts for various reasons.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	8,205	9,963
Notes and accounts receivable - trade, and contract assets	15,473	6,837
Securities	—	201
Work in process	399	796
Raw materials and supplies	55	54
Prepaid expenses	505	766
Other	139	290
Allowance for doubtful accounts	(15)	(7)
Total current assets	24,764	18,901
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,951	6,033
Accumulated depreciation	(665)	(816)
Buildings and structures, net	5,286	5,216
Tools, furniture and fixtures	4,020	4,016
Accumulated depreciation	(2,951)	(3,113)
Tools, furniture and fixtures, net	1,068	903
Land	5,299	5,299
Total property, plant and equipment	11,654	11,419
Intangible assets		
Software	3,216	4,062
Other	22	23
Total intangible assets	3,238	4,085
Investments and other assets		
Investment securities	11,836	10,802
Long-term prepaid expenses	503	397
Deferred tax assets	3,514	3,933
Other	1,215	1,130
Total investments and other assets	17,069	16,263
Total non-current assets	31,963	31,768
Total assets	56,727	50,669

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,639	1,733
Short-term borrowings	3,000	—
Current portion of long-term borrowings	833	833
Accrued expenses	960	839
Income taxes payable	253	429
Accrued consumption taxes	571	104
Advances received	136	272
Provision for bonuses	925	888
Provision for bonuses for directors (and other officers)	107	57
Provision for loss on orders received	—	48
Asset retirement obligations	10	26
Other	526	641
Total current liabilities	9,965	5,875
Non-current liabilities		
Long-term borrowings	3,749	3,332
Provision for retirement benefits for directors (and other officers)	35	22
Retirement benefit liability	2,866	2,391
Asset retirement obligations	146	142
Other	772	770
Total non-current liabilities	7,569	6,660
Total liabilities	17,535	12,535
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	10,102	10,108
Retained earnings	13,835	12,609
Treasury shares	(120)	(105)
Total shareholders' equity	38,816	37,611
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	153	288
Remeasurements of defined benefit plans	222	234
Total accumulated other comprehensive income	375	522
Total net assets	39,192	38,134
Total liabilities and net assets	56,727	50,669

(2) Semi-annual consolidated statement of income and consolidated statement of comprehensive income**Semi-annual consolidated statement of income**

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	18,631	16,486
Cost of sales	14,626	14,286
Gross profit	4,004	2,199
Selling, general and administrative expenses	3,128	3,119
Operating profit (loss)	876	(920)
Non-operating income		
Interest income	26	21
Dividend income	7	14
Compensation income	–	90
Other	11	27
Total non-operating income	45	155
Non-operating expenses		
Interest expenses	15	29
Loss on investments in investment partnerships	1	–
Other	6	7
Total non-operating expenses	23	36
Ordinary profit (loss)	898	(801)
Extraordinary income		
Gain on sale of membership	–	3
Total extraordinary income	–	3
Extraordinary losses		
Loss on retirement of non-current assets	17	6
Special retirement benefits	82	–
Other	22	–
Total extraordinary losses	122	6
Profit (loss) before income taxes	776	(805)
Income taxes	238	(203)
Profit (loss)	537	(601)
Profit (loss) attributable to owners of parent	537	(601)

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit (loss)	537	(601)
Other comprehensive income		
Valuation difference on available-for-sale securities	5	135
Remeasurements of defined benefit plans, net of tax	14	11
Total other comprehensive income	20	146
Comprehensive income	557	(455)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	557	(455)

(3) Semi-annual consolidated statement of cash flow

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	776	(805)
Depreciation	934	858
Increase (decrease) in provision for bonuses	(45)	(36)
Increase (decrease) in provision for bonuses for directors (and other officers)	(27)	(50)
Increase (decrease) in provision for loss on orders received	15	48
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(54)	(12)
Increase (decrease) in retirement benefit liability	(269)	(458)
Loss on retirement of non-current assets	17	6
Loss (gain) on sale of membership	–	(3)
Special retirement benefits	82	–
Decrease (increase) in trade receivables	3,002	8,772
Decrease (increase) in inventories	(229)	(395)
Decrease (increase) in other assets	(163)	(265)
Increase (decrease) in trade payables	283	(861)
Increase (decrease) in other liabilities	(86)	(705)
Other, net	(19)	14
Subtotal	4,216	6,105
Income taxes refund	396	101
Income taxes paid	(718)	(127)
Net cash provided by (used in) operating activities	3,893	6,079
Cash flows from investing activities		
Net decrease (increase) in time deposits	1,000	–
Purchase of property, plant and equipment	(860)	(199)
Proceeds from sale of property, plant and equipment	–	24
Purchase of intangible assets	(795)	(1,178)
Purchase of long-term prepaid expenses	(38)	(25)
Purchase of investment securities	(1)	(0)
Proceeds from redemption of investment securities	–	1,000
Proceeds from sale of membership	–	6
Payments of leasehold and guarantee deposits	(242)	(12)
Proceeds from refund of leasehold and guarantee deposits	200	93
Payments for asset retirement obligations	(228)	(10)
Other, net	2	20
Net cash provided by (used in) investing activities	(963)	(280)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(3,000)
Repayments of long-term borrowings	–	(416)
Repayments of lease liabilities	(1)	(0)
Purchase of treasury shares	(1)	(0)
Dividends paid	(519)	(622)
Net cash provided by (used in) financing activities	(522)	(4,041)
Net increase (decrease) in cash and cash equivalents	2,408	1,757
Cash and cash equivalents at beginning of period	5,265	7,991
Cash and cash equivalents at end of period	7,673	9,749

(4) Notes to Semi-annual Consolidated Financial Statements**Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements***Calculation of tax expense*

Tax expense is calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the first half of the fiscal year under review, and multiplying profit before income taxes by this estimated effective tax rate.

Notes when there are significant changes in amounts of equity

Dividends of surplus

Regarding the year-end dividends for the previous fiscal year, the Company resolved the following at the Ordinary General Meeting of Shareholders held on June 25, 2025.

- | | |
|--------------------------------|-------------------|
| (1) Types of shares: | Common stocks |
| (2) Total amount of dividends: | ¥624 million |
| (3) Dividends per share: | ¥30 |
| (4) Record date: | March 31, 2025 |
| (5) Effective date: | June 26, 2025 |
| (6) Source of dividends: | Retained earnings |

Notes on premise of going concern

Not applicable.