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Consolidated Financial Results for the Three Months Ended November 30, 2025 [Japanese GAAP]

January 14, 2026

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 Stock exchange listing: Tokyo Stock Exchange Code number: 3697
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Scheduled date for commencement of dividend payments: None

Availability of supplementary briefing material on financial results: Available

Financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended November 30, 2025 (September 1, 2025 to November 30, 2025)

(1) Consolidated Operating Results (cumulative) (Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended November 30, 2025	34,845	15.5	2,817	(19.9)	2,778	(16.2)	1,795	(9.2)
November 30, 2024	30,174	20.3	3,517	94.0	3,313	76.0	1,976	80.7

(Note) Comprehensive income: For the three months ended November 30, 2025: ¥1,743 million (-14.1%)

For the three months ended November 30, 2024: ¥2,029 million (92.2%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2025	6.82	6.81
November 30, 2024	7.50	7.49

(Notes) 1. In calculating the average number of shares of the Company's common stock during the period, which is used to determine the basic earnings per share and diluted earnings per share, the Company excludes the treasury share count that includes the average number of the Company shares held in the stock benefit-type ESOP trust account during the period.

2. The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the stock split had taken effect at the beginning of the previous fiscal year.

(Percentages indicate rates of year-on-year change)

	Adjusted operating profit		Adjusted ordinary profit		Adjusted profit attributable to owners of parent		Adjusted basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Three months ended November 30, 2025	3,316	(18.4)	3,277	(15.2)	2,294	(9.2)	8.71
November 30, 2024	4,067	—	3,863	—	2,527	—	9.58

(Notes) 1. From the consolidated fiscal year ending August 31, 2026, the Company has decided to disclose actual figures for each adjusted indicator, including adjusted operating profit.

- Adjusted operating profit: Operating profit + goodwill amortization + amortization of customer-related assets + M&A-related expenses
 - Adjusted ordinary profit: Ordinary profit + goodwill amortization + amortization of customer-related assets + M&A-related expenses
 - Adjusted profit attributable to owners of parent: Profit attributable to owners of parent + goodwill amortization + amortization of customer-related assets + M&A-related expenses
 - Adjusted basic earnings per share: Adjusted profit attributable to owners of parent / average number of shares of common stock during the period
2. Adjusted operating profit and other adjusted indicators have been calculated since the previous fiscal year; therefore, year-on-year changes for the same quarter of the previous fiscal year are not provided.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2025	79,102	42,862	53.5
As of August 31, 2025	77,001	41,037	52.7

(Reference) Shareholders' equity: As of November 30, 2025: ¥42,347 million

As of August 31, 2025: ¥40,598 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2025	—	0.00	—	0.00	0.00
Fiscal year ending August 31, 2026	—				
Fiscal year ending August 31, 2026 (Forecast)		0.00	—	0.00	0.00

(Note) Changes in dividend forecast from the most recent announcement: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2026 (September 1, 2025 to August 31, 2026)

(Percentages indicate rates of year-on-year change)

	Net sales		Adjusted operating profit		Adjusted ordinary profit		Adjusted profit attributable to owners of parent		Adjusted basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	150,000	15.5	20,000	13.4	20,000	16.3	13,500	24.3	51.27

	Basic earnings per share
	Yen
Full year	43.67

(Notes) 1. Changes in financial results forecast from the most recent announcement: None

2. From the consolidated fiscal year ending August 31, 2026, the Company has decided to disclose forecasts for each adjusted profit indicator, including adjusted operating profit.

- Adjusted operating profit: Operating profit + goodwill amortization + amortization of customer-related assets + M&A-related expenses
- Adjusted ordinary profit: Ordinary profit + goodwill amortization + amortization of customer-related assets + M&A-related expenses
- Adjusted profit attributable to owners of parent: Profit attributable to owners of parent + goodwill amortization + amortization of customer-related assets + M&A-related expenses
- Adjusted basic earnings per share: Adjusted profit attributable to owners of parent / average number of shares of common stock during the period

Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: None

Excluded: None

(2) Application of special accounting treatment in preparing the quarterly financial statements: Yes

(Note) For details, please see the attached materials on page 12, "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Application of special accounting treatment in preparing the quarterly financial statements)."

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2025: 267,500,670 shares

August 31, 2025: 267,500,670 shares

2) Total number of treasury shares at the end of the period:

November 30, 2025: 4,208,457 shares

August 31, 2025: 4,215,507 shares

3) Average number of shares outstanding during the period:

Three months ended November 30, 2025: 263,291,593 shares

Three months ended November 30, 2024: 263,682,564 shares

- (Notes) 1. The total number of treasury shares at the end of the period includes shares in the Company held in the stock benefit-type ESOP trust account (3,291,450 shares as of November 30, 2025; 3,298,500 shares as of August 31, 2025). In calculating the average number of shares outstanding during the period, the Company excludes the treasury share count, which includes the average number of Company shares held in the subject ESOP trust account during the period (3,292,070 shares in the three months ended November 30, 2025; 3,398,850 shares in the three months ended November 30, 2024).
2. The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. The total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been calculated assuming that the stock split had taken effect at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Cautionary note on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from the forecasts due to a wide range of factors.

Contents of Attached Materials

1. Overview of Business Results.....	2
(1) Overview of Business Results for the Quarterly Consolidated Period Under Review	2
(2) Overview of Financial Condition During the Quarterly Consolidated Period Under Review.....	8
(3) Explanation of Financial Results Forecast and Other Forward-Looking Information	8
2. Quarterly Consolidated Financial Statements and Primary Notes	9
(1) Quarterly Consolidated Balance Sheets.....	9
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	10
Quarterly Consolidated Statements of Income.....	10
Three months ended November 30.....	10
Quarterly Consolidated Statements of Comprehensive Income.....	11
Three months ended November 30.....	11
(3) Notes to Quarterly Consolidated Financial Statements	12
(Notes on going concern assumption).....	12
(Notes in the event of significant changes in shareholders' equity)	12
(Application of special accounting treatment in preparing the quarterly financial statements).....	12
(Segment information, etc.)	12
(Notes regarding quarterly consolidated statements of cash flows)	13

1. Overview of Business Results

All matters relating to the future in the sections below reflect the current views of the SHIFT Group as of November 30, 2025.

(1) Overview of Business Results for the Quarterly Consolidated Period Under Review

1) Results for the three months ended November 30, 2025

During the three months ended November 30, 2025, the Japanese economy continued to recover gradually as various initiatives to reinvigorate the economy bore fruit amid improving employment and incomes, despite signs of impact from US tariff policies. However, the economic outlook in Japan and overseas remained clouded due to volatility in financial and capital markets and economic slowdown abroad.

In the software market the SHIFT Group serves, demand for digital transformation (DX), which is revolutionizing the entire industry, is continuing to grow. In particular, the adoption of new technologies such as generative AI is attracting increasing attention. To realize the co-creation and co-prosperity of people and AI under this environment, we believe it is becoming increasingly important to secure and develop talent, as well as to upskill existing employees.

As societal focus increasingly shifts toward security, particularly in networks and applications, the emergence of security risks such as malware infections and attacks exploiting software vulnerabilities has become more pronounced, further highlighting the critical importance of robust security measures.

In this business environment, the SHIFT Group has set forth its “SHIFT3000” growth strategy, targeting annual net sales of ¥300 billion (¥3,000 *oku* in Japanese). With the IT market expected to grow increasingly dynamic, the Group is working to expand its business and achieve growth by enhancing corporate value through DX initiatives. This effort combines the strengths the Group has cultivated since its founding, including its sales capabilities, high-quality services, expertise in recruitment and human resources, and proficiency in M&A and post-merger integration (PMI).

Our results in the three months ended November 30, 2025 were as follows.

(Millions of yen)				
Three months ended	November 30, 2024	November 30, 2025	Change	Change (%)
Net sales	30,174	34,845	4,670	15.5 %
Operating profit	3,517	2,817	(699)	(19.9) %
EBITDA*	4,317	3,642	(674)	(15.6) %
Profit attributable to owners of parent	1,976	1,795	(181)	(9.2) %

(Note) EBITDA is calculated by adding depreciation on non-current assets, including intangible assets excluding goodwill, and goodwill amortization to operating profit. The SHIFT Group monitors EBITDA as we believe it to be a useful indicator of cash generation ability, which is the source of investments for our future growth.

2) Progress versus earnings forecast and major KPIs

Based on the corporate philosophy of “We seek out new value concepts and work sincerely to provide value to the world,” the SHIFT Group aims to become a company that continuously resolves social issues. We have set sales targets as milestones toward realizing this vision—specifically, SHIFT2000, in which we aim to achieve sales of ¥200 billion yen from the fiscal year ending August 2026 to the fiscal year ending August 2027, and SHIFT3000, under which we aim to achieve sales of ¥300 billion between the fiscal year ending August 2028 and the fiscal year ending August 2030. We will strive to fulfill our corporate philosophy and maximize corporate value. The progress rates as of November 30, 2025, versus the full-year earnings forecast for the fiscal year ending August 31, 2026, are as follows.

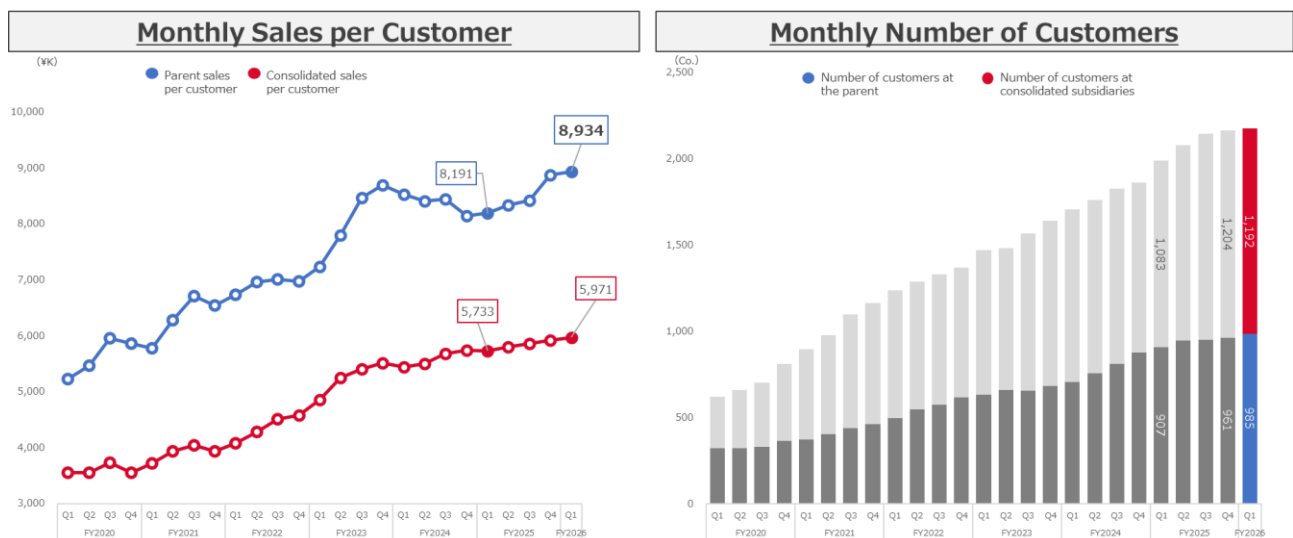
(Millions of yen)	Forecast for the fiscal year ending August 31, 2026	Results for the three months ended November 30, 2025	Progress rates
Net sales	150,000	34,845	23.2 %
Adjusted operating profit*	20,000	3,316	16.6 %
Adjusted ordinary profit*	20,000	3,277	16.4 %
Adjusted profit attributable to owners of parent*	13,500	2,294	17.0 %

(Note) The calculation methods for each adjusted indicator, including adjusted operating profit, are as follows.

- Adjusted operating profit:
Operating profit + goodwill amortization + amortization of customer-related assets + M&A-related expenses
- Adjusted ordinary profit:
Ordinary profit + goodwill amortization + amortization of customer-related assets + M&A-related expenses
- Adjusted profit attributable to owners of parent:
Profit attributable to owners of parent + goodwill amortization + amortization of customer-related assets + M&A-related expenses

In the three months ended November 30, 2025, net sales were in line with the earnings projections made based on anticipated sales growth. However, operating profit, ordinary profit, and profit attributable to owners of the parent did not grow at the same rate as sales during the period. This was primarily due to increased hiring expenses rose due to the normalization of hiring activities that had been strategically restrained in the first half of the previous fiscal year.

Meanwhile, the trend of rising KPIs such as sales per customer, number of customers, unit price per engineer, and number of engineers continued during the period. Actual figures for these indicators for the three months ended November 30, 2025 and quarterly trend since the fiscal year ended August 31, 2020 are provided below.



Monthly sales per customer and monthly number of customers are calculated as follows. When calculating these figures, we exclude sales and number of customers from some businesses for which we deem it inappropriate to manage performance with sales per customer or number of customers as KPIs (license sales, training services and sales promotion services, etc.).

(a) Monthly sales per customer (parent)

$$\text{Monthly sales per customer (parent)} = \frac{\text{Parent sales}}{\text{Number of customers at the parent (sum)}}$$

Parent sales	Three-month sum (for the corresponding quarter) of monthly sales and expected sales (projects started but at pre-acceptance stage, to be recorded in future) based on actual results during the corresponding three months
Number of customers at the parent (sum)	Three-month sum (for the corresponding quarter) of the monthly number of customers that were active (but from whom no sales were recorded) or from whom sales were recorded during the corresponding three months

(b) Monthly sales per customer (consolidated)

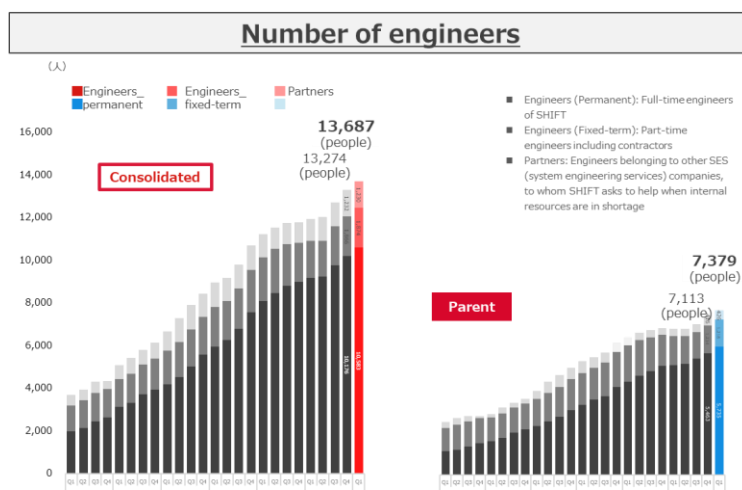
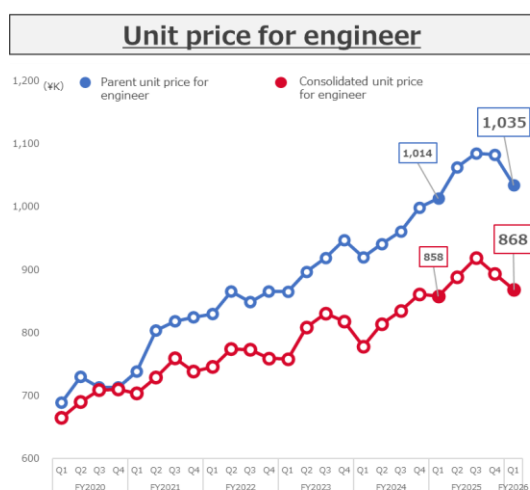
$$\text{Monthly sales per customer (consolidated)} = \frac{\text{Parent sales} + \text{sales of consolidated subsidiaries}}{\text{Number of customers at the parent (sum)} + \text{number of customers at consolidated subsidiaries (sum)}}$$

Parent sales	As noted in (a) above
Sales of consolidated subsidiaries	Quarterly sales obtained by adding up monthly sales for the corresponding three months
Number of customers at the parent (sum)	As noted in (a) above
Number of customers at consolidated subsidiaries (sum)	Quarterly number of customers obtained by adding up the monthly number of customers from whom sales were recorded on a monthly basis during the corresponding three months

(c) Monthly number of customers

$$\text{Monthly number of customers} = \frac{\text{Number of customers at the parent (average)} + \text{Number of customers at consolidated subsidiaries (average)}}{2}$$

Number of customers at the parent (average)	Three-month average of the number of customers who were active (but from whom no sales were recorded) or from whom sales were recorded on a monthly basis during the corresponding three months
Number of customers at consolidated subsidiaries (average)	Three-month average of the number of customers from whom sales were recorded on a monthly basis during the corresponding three months



Unit price for engineer and number of engineers are calculated as follows. When calculating these figures, we exclude sales and number of engineers from some businesses for which we deem it inappropriate to manage performance with unit price for engineer (license sales, training services and sales promotion services, etc.).

(a) Unit price for engineer (parent)

$$\text{Unit price for engineer (parent)} = \frac{\text{Parent sales}}{\text{Number of engineers at the parent}}$$

Parent sales	Sales excluding projects where engineers were not involved
Number of engineers at the parent	Monthly equivalent of the person-hours of engineers that worked on projects from which sales were recorded during the month, plus the person-hours of personnel involved in the management of the projects

(b) Unit price for engineer (consolidated)

$$\text{Unit price for engineer (consolidated)} = \frac{\text{Parent sales} + \text{sales of consolidated subsidiaries}}{\text{Number of engineers at the parent} + \text{number of engineers at consolidated subsidiaries}}$$

Parent sales	As noted in (a) above
Sales of consolidated subsidiaries	Quarterly sales obtained by adding up monthly sales for the corresponding three months
Number of engineers at the parent	As noted in (a) above
Number of engineers at consolidated subsidiaries	Quarterly number of registered engineers obtained by adding up the monthly number of registered engineers for the corresponding three months

(c) Number of engineers

The number of engineers above is the sum of the SHIFT Group's full-time employees, contract employees, and part-time employees, as well as contract employees at partner companies, who have an employment contract at the end of each quarter.

3) Segment results

Segment results are as follows.

(a) Software Testing Related Services

(Millions of yen)				
Three months ended	November 30, 2024	November 30, 2025	Change	Change (%)
Net sales	19,279	22,649	3,370	17.5 %
Gross profit	6,779	7,694	914	13.5 %
Selling, general and administrative expenses	2,019	3,431	1,412	69.9 %
Of which, acquisition-related expenses	—	20	20	— %
Of which, goodwill amortization	0	8	7	— %
Of which, amortization of customer-related intangible assets	—	—	—	— %
Operating profit	4,760	4,262	(497)	(10.4) %
EBITDA	4,806	4,339	(466)	(9.7) %

In Software Testing Related Services, the SHIFT Group mainly provides services such as software testing and quality assurance, consulting and PMO, customer support, and security.

In the three months ended November 30, 2025, sales in Software Testing Related Services grew to ¥22,649 million (+17.5% year-on-year), while operating profit declined to ¥4,262 million (-10.4% year-on-year). While sales increased as the Company strengthened its customer-centric proposal efforts, hiring expenses rose due to the normalization of hiring activities that had been strategically restrained in the first half of the previous fiscal year. Acquisition-related expenses associated with M&A activities amounted to ¥20 million (none in the three months ended November 30, 2024) in the Software Testing Related Services segment during the period.

Of the general and administrative expenses, ¥2,266 million (¥1,993 million in the three months ended November 30, 2024) is not allocated to the Software Testing Related Services segment but to companywide expenses.

(b) Software Development Related Services

(Millions of yen)				
Three months ended	November 30, 2024	November 30, 2025	Change	Change (%)
Net sales	9,696	10,471	775	8.0 %
Gross profit	2,429	2,624	194	8.0 %
Selling, general and administrative expenses	1,718	2,185	467	27.2 %
Of which, acquisition-related expenses	2	32	30	— %
Of which, goodwill amortization	217	208	(8)	(3.7) %
Of which, amortization of customer-related intangible assets	20	20	(0)	(1.0) %
Operating profit	711	438	(272)	(38.4) %
EBITDA	979	703	(276)	(28.2) %

In Software Development Related Services, the SHIFT Group primarily provides services directly involved in the software development process, including system development, system performance enhancement, IT strategy formulation, system planning and design, engineer matching platform, and data analysis.

In the three months ended November 30, 2025, sales in Software Development Related Services increased to ¥10,471 million (+8.0% year-on-year), while operating profit declined to ¥438 million (-38.4% year-on-year). Although

sales grew following the normalization of hiring activities that had been strategically restrained in the first half of the previous fiscal year, front-loaded hiring expenses weighed on operating profit. Acquisition-related expenses associated with M&A activities, which are included in the Software Development Related Services segment's selling, general and administrative expenses, totaled ¥32 million (16.0x the amount recorded in the three months ended November 30, 2024).

(c) Other Proximate Services

(Millions of yen)				
Three months ended	November 30, 2024	November 30, 2025	Change	Change (%)
Net sales	2,321	3,227	906	39.0 %
Gross profit	1,080	1,426	346	32.1 %
Selling, general and administrative expenses	1,044	1,091	47	4.5 %
Of which, acquisition-related expenses	89	—	(89)	(100.0) %
Of which, goodwill amortization	142	120	(21)	(15.0) %
Of which, amortization of customer-related intangible assets	75	67	(7)	(9.8) %
Operating profit	35	334	299	838.9 %
EBITDA	367	691	323	88.0 %

In Other Proximate Services, the SHIFT Group mainly provides services in adjacent markets to software testing and development, such as web planning and production, marketing, kitting, cloud services, localization, and M&A/PMI, using a business model distinct from SHIFT's existing businesses.

In the three months ended November 30, 2025, sales in Other Proximate Services increased to ¥3,227 million (+39.0% year-on-year), while operating profit totaled ¥334 million (+838.9% year-on-year). This growth was driven in part by strong performance at some group companies, supported by replacement demand for PCs equipped with Windows 11.

No acquisition-related expenses associated with M&A activities were incurred in the Other Proximate Services segment in the three months ended November 30, 2025.

Note that segments are generally classified by individual company. However, in response to the diversification of services provided by the SHIFT group in recent years, we disclose net sales information by individual company's service category separately from segment information for reference purposes. The information for the three months ended November 30, 2025 are as follows.

Three months ended November 30, 2025

(Millions of yen)							
	Consulting	Development	Testing	BPaaS	Other	Adjustments	Total
Consolidated Net sales	3,839	12,188	15,066	943	2,591	216	34,845
Of which, AI-related (Note 1)	212	1,080	461	4	3	—	1,763
Non-consolidated Net sales	3,160	3,535	14,446	783	85	227	22,238

(Note 1) AI-related refers to projects in which the Company participates in customers' AI projects or initiatives where AI is utilized in the delivery process.

(Note 2) Adjustment consists of adjustments to the cost recovery method and principal-agent considerations, among other items for certain sales.

(Note 3) Services included in each category are as below.

Category	Service description
Consulting	Consulting services related to strategy, operational improvement, and digital transformation
Development	Services such as system development and package software implementation
Testing	Quality assurance Services
BPaaS	Customer success, help desk, and various back office support operations
Other	Services not included in the categories above

(2) Overview of Financial Condition During the Quarterly Consolidated Period Under Review

(Assets)

Total assets as of November 30, 2025 were ¥79,102 million, increasing by ¥2,101 million compared to total assets as of August 31, 2025. This was mainly due to a ¥1,592 million increase in cash and deposits resulting from borrowings.

(Liabilities)

Total liabilities as of November 30, 2025 were ¥36,239 million, increasing by ¥276 million compared to total liabilities as of August 31, 2025. This was mainly due to a ¥4,000 million increase in short-term borrowings to secure funds for working capital. These increases offset a ¥2,141 million decrease in income taxes payable due to payment of income taxes and an ¥897 million reduction in long-term borrowings (including the current portion of long-term borrowings) owing to scheduled repayments.

(Net assets)

Net assets as of November 30, 2025 were ¥42,862 million, increasing by ¥1,824 million compared to net assets as of August 31, 2025. This was mainly attributable to a ¥1,795 million increase in retained earnings, owing to the recording of profit attributable to owners of parent.

(3) Explanation of Financial Results Forecast and Other Forward-Looking Information

The consolidated earnings forecast for the fiscal year ending August 31, 2026 remains unchanged from the forecast announced on October 14, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of August 31, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	23,726	25,318
Notes and accounts receivable - trade, and contract assets	15,400	15,230
Inventories	1,626	2,145
Other	2,390	2,455
Allowance for doubtful accounts	(20)	(55)
Total current assets	43,123	45,092
Non-current assets		
Property, plant and equipment	7,923	8,173
Intangible assets		
Goodwill	7,866	7,674
Other	4,321	4,282
Total intangible assets	12,188	11,956
Investments and other assets		
Investment securities	9,583	9,515
Other	4,316	4,420
Allowance for doubtful accounts	(134)	(57)
Total investments and other assets	13,765	13,878
Total non-current assets	33,877	34,009
Total assets	77,001	79,102
Liabilities		
Current liabilities		
Accounts payable - trade	2,054	1,823
Short-term borrowings	—	4,000
Current portion of long-term borrowings	3,532	3,671
Accrued expenses	7,308	6,994
Income taxes payable	3,158	1,016
Provision for bonuses	423	622
Provision for share-based payments	80	75
Other provisions	16	5
Other	8,453	7,868
Total current liabilities	25,028	26,076
Non-current liabilities		
Long-term borrowings	8,504	7,468
Retirement benefit liability	136	130
Asset retirement obligations	705	707
Other	1,589	1,856
Total non-current liabilities	10,935	10,162
Total liabilities	35,963	36,239
Net assets		
Shareholders' equity		
Share capital	21	21
Capital surplus	14,365	14,365
Retained earnings	31,964	33,759
Treasury shares	(5,834)	(5,829)
Total shareholders' equity	40,516	42,316
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71	8
Foreign currency translation adjustment	10	22
Total accumulated other comprehensive income	81	30
Share award rights	413	489
Share acquisition rights	25	25
Total net assets	41,037	42,862
Total liabilities and net assets	77,001	79,102

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income
Three months ended November 30

(Millions of yen)

	For the three months ended November 30, 2024	For the three months ended November 30, 2025
Net sales	30,174	34,845
Cost of sales	20,150	23,525
Gross profit	10,024	11,319
Selling, general and administrative expenses	6,507	8,502
Operating profit	3,517	2,817
Non-operating income		
Interest income	0	1
Subsidy income	25	33
Reversal of allowance for doubtful accounts	0	45
Other	14	19
Total non-operating income	40	100
Non-operating expenses		
Interest expenses	15	38
Commission expenses	1	1
Share of loss of entities accounted for using equity method	—	64
Loss on investments in capital	224	20
Other	2	14
Total non-operating expenses	243	139
Ordinary profit	3,313	2,778
Extraordinary income		
Gain on change in equity	—	0
Total extraordinary income	—	0
Extraordinary losses		
Loss on valuation of investment securities	163	—
Total extraordinary losses	163	—
Profit before income taxes	3,150	2,778
Income taxes	1,134	983
Profit	2,016	1,795
Profit attributable to non-controlling interests	39	—
Profit attributable to owners of parent	1,976	1,795

Quarterly Consolidated Statements of Comprehensive Income
Three months ended November 30

(Millions of yen)

	For the three months ended November 30, 2024	For the three months ended November 30, 2025
Profit	2,016	1,795
Other comprehensive income		
Valuation difference on available-for-sale securities	12	(62)
Foreign currency translation adjustment	0	11
Total other comprehensive income	12	(51)
Comprehensive income	2,029	1,743
(Breakdown)		
Comprehensive income attributable to owners of parent	1,989	1,743
Comprehensive income attributable to non-controlling interests	39	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Application of special accounting treatment in preparing the quarterly financial statements)

Tax expenses are estimated using a rational effective tax rate on profit before income taxes for the fiscal year including the first quarter under review after the application of tax-effect accounting. Tax expenses are calculated by multiplying profit before income taxes by this estimated effective tax rate.

(Segment information, etc.)

Segment information

I. Three months ended November 30, 2024 (From September 1, 2024 to November 30, 2024)

Sales and profit by reportable segment

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total		
Net sales						
Net sales to external customers	19,122	9,074	1,977	30,174	—	30,174
Intersegment net sales and transfers	156	621	343	1,122	(1,122)	—
Total	19,279	9,696	2,321	31,297	(1,122)	30,174
Segment profit	4,760	711	35	5,507	(1,990)	3,517

(Notes) 1. The adjustment of ¥(1,990) million to segment profit mainly comprises companywide expenses not attributable to reportable segments, such as general and administrative expenses.

2. Segment profit is adjusted to operating profit in the quarterly consolidated statements of income.

II. Three months ended November 30, 2025 (From September 1, 2025 to November 30, 2025)

Sales and profit by reportable segment

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total		
Net sales						
Net sales to external customers	22,486	9,560	2,798	34,845	—	34,845
Intersegment net sales and transfers	163	910	429	1,503	(1,503)	—
Total	22,649	10,471	3,227	36,349	(1,503)	34,845
Segment profit	4,262	438	334	5,036	(2,218)	2,817

(Notes) 1. The adjustment of ¥(2,218) million to segment profit mainly comprises companywide expenses not attributable to reportable segments, such as general and administrative expenses.

2. Segment profit is adjusted to operating profit in the quarterly consolidated statements of income.

(Notes regarding quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows were not prepared for the three months ended November 30, 2025. However, depreciation (including amortization of intangible assets other than goodwill) and goodwill amortization for the period are as follows.

	For the three months ended November 30, 2024		For the three months ended November 30, 2025	
Depreciation	440	million yen	486	million yen
Amortization of goodwill	359	million yen	338	million yen