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Consolidated Financial Results for the Three Months Ended April 30, 2026 [Under Japanese GAAP]



June 11, 2026

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 Listing: Tokyo Stock Exchange
 Securities code: 3921
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: No

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

1. Consolidated Financial Results for the Three Months Ended April 30, 2026 (February 1, 2026–April 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended April 30, 2026	2,077	4.1	683	6.2	713	9.0	487	9.0
April 30, 2025	1,996	18.3	644	47.6	654	39.6	447	41.7

(Note) Comprehensive income: Three months ended April 30, 2026: ¥525 million [39.8%]
 Three months ended April 30, 2025: ¥376 million [12.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended April 30, 2026	34.78	–
April 30, 2025	31.97	31.91

(Note) Diluted earnings per share for the three months ended April 30, 2026 is not presented as no diluted shares exist.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2026	10,366	7,573	73.0
As of January 31, 2026	10,693	7,482	69.9

(Reference) Equity: As of April 30, 2026: ¥7,565 million
 As of January 31, 2026: ¥7,474 million

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2026	–	21.00	–	31.00	52.00
Fiscal year ending January 31, 2027	–				
Fiscal year ending January 31, 2027 (Forecast)		27.00	–	27.00	54.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2027 (February 1, 2026–January 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	8,619	4.7	2,680	7.3	2,742	5.1	1,876	3.7	133.88

(Note) Revisions to the financial results forecasts most recently announced: None

* Notes:

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

Newly included: – (), Excluded: – ()

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

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

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

As of April 30, 2026: 14,087,600 shares

As of January 31, 2026: 14,087,600 shares

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

As of April 30, 2026: 69,727 shares

As of January 31, 2026: 69,727 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Three months ended April 30, 2026: 14,017,873 shares

Three months ended April 30, 2025: 13,993,868 shares

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

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Group and certain premises that the Group deems to be reasonable, and are not guarantees of future performance. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

The Japanese economy in the three months ended April 30, 2026 continued on the gradual path to recovery against a backdrop of improving corporate earnings, employment and income. The economy is expected to continue its gradual recovery; however, there are certain factors which require noting, including the situation in the Middle East, rising prices, trade policy in the U.S., trends in financial markets, and supply constraints caused by semiconductor shortages.

The IT industry, to which the Group belongs, continues to witness an increase in software investment, and is expected to continue to see solid investments in IT on the back of corporate earnings improvement and labor shortages, among other factors. Meanwhile, the competitive environment for products and services caused by the rapid advancement of AI technology is becoming increasingly intense, and companies are facing a critical moment where their responsiveness is being tested.

Under such circumstances, regarding desknet's NEO, although no version upgrades were released during the three months ended April 30, 2026, we continued efforts toward the version upgrade scheduled for release in May 2026.

In the AI-related sector, we focused on promoting the sale and utilization support of "neoAI Chat for desknet's" and expanding the deployment of "LiveX AI," an AI agent-related service. As part of these initiatives, in March 2026, the Company entered into a three-party business partnership with ZETA INC. and LIVEX AI Inc. to enhance customer experience (CX) in physical retail stores through the use of AI and to create a retail media market, thereby promoting the use of AI across a wide range of areas. In addition, in February 2026, the Company entered into a business partnership with Brains Technology, Inc. to start the provision of a generative AI-enabled full-text search system. Through the integration of desknet's NEO and full-text search technology capable of performing advanced keyword searches across multiple repositories, the Company has been promoting initiatives to improve operational efficiency and enhance the effective use of organizational knowledge.

In April 2026, our three principal products were respectively awarded "LEADER," the highest award, across five categories in the ITreview Grid Award 2026 Spring, organized by ITreview. Now desknet's NEO has received the award 28 consecutive times since 2019.

In March 2026, the Company was certified as one of the 2026 Outstanding Organizations of KENKO Investment for Health (large enterprise category), which is jointly established by the Ministry of Economy, Trade and Industry and the NIPPON KENKO KAIGI. Now the Company has been certified as one of the Outstanding Organizations of KENKO Investment for Health for seven consecutive years.

As a result, for the three months ended April 30, 2026, the Company posted net sales of ¥2,077,778 thousand (up 4.1% year on year), operating profit of ¥683,943 thousand (up 6.2% year on year), ordinary profit of ¥713,308 thousand (up 9.0% year on year), and profit attributable to owners of parent of ¥487,604 thousand (up 9.0% year on year), achieving a robust growth.

Operating results for the three months ended April 30, 2026 by segment are as follows.

(Software business)

The Software business consists of businesses operated by the Company and its subsidiary, DELCUI Inc. The status by business sector is indicated as follows.

Business sector	For the three months ended April 30, 2025		For the three months ended April 30, 2026		
	Net sales (Thousand yen)	Percentage breakdown (%)	Net sales (Thousand yen)	Percentage breakdown (%)	Change (%)
Cloud services	1,029,379	68.7	1,136,956	71.9	10.5
Packaged products	438,808	29.3	426,194	27.0	(2.9)
Technological development	31,200	2.0	18,000	1.1	(42.3)
Total	1,499,387	100.0	1,581,151	100.0	5.5

1) Cloud services

Net sales by principal cloud service are as follows.

	For the three months ended April 30, 2025	For the three months ended April 30, 2026	Change (Thousand yen)	Change (%)
	Net sales (Thousand yen)	Net sales (Thousand yen)		
desknet's NEO cloud (*1)	856,486	929,954	73,467	8.6
AppSuite cloud (*1)	86,404	117,658	31,253	36.2
ChatLuck cloud (*1)	22,686	26,488	3,801	16.8
Other monthly recurring revenue	42,809	50,852	8,042	18.8
Total monthly recurring revenue	1,008,387	1,124,953	116,565	11.6
Other services, etc.	20,992	12,003	(8,988)	(42.8)
Cloud services total	1,029,379	1,136,956	107,577	10.5

(*1) Regarding the set plan, the price of the existing plan is used to calculate the prorated amount for each service.

Net sales of desknet's NEO cloud increased by ¥73,467 thousand year on year to ¥929,954 thousand (up 8.6% year on year) due to an increase in the number of set plan users. The increase in the number of users during the three months ended April 30, 2026 was generally in line with that in the same period of the previous fiscal year, and the average number of users of the service was 87 users per company. The monthly churn rate (*2) improved to 0.21% from 0.38% in the same period of the previous fiscal year. We will continue working to keep the rate at a low level.

Net sales of AppSuite cloud increased significantly by ¥31,253 thousand year on year to ¥117,658 thousand (up 36.2% year on year), due to an increase in the number of users. The sales of the standard plan (*4) remained strong, and as of April 30, 2026, the number of users of AppSuite cloud accounted for approximately 21% of the number of desknet's NEO cloud users, increasing by approximately 4 percentage points from the same period of the previous fiscal year. We will strive to make the set plan more appealing and increase the number of users.

Net sales of ChatLuck cloud increased by ¥3,801 thousand year on year to ¥26,488 thousand (up 16.8% year on year). Although this accounts for a small proportion of overall net sales, growth is expected in the field. We will therefore strive to expand the number of ChatLuck users who also use desknet's NEO by continuously working to enhance functions. Other monthly recurring revenue increased by ¥8,042 thousand year on year to ¥50,852 thousand (up 18.8% year on year), primarily due to an increase in individual projects other than the

principal services. Net sales of other services, etc. decreased by ¥8,988 thousand year on year to ¥12,003 thousand (down 42.8% year on year). This was primarily due to a decrease in sales of data migration services.

As a result, the overall net sales of cloud services increased by ¥107,577 thousand year on year to ¥1,136,956 thousand (up 10.5% year on year).

- (*2) The churn rate for desknet's NEO cloud users is calculated by averaging the figures of "amount of MRR (*3) decreased during a month caused by cancellation of the service ÷ MRR at the end of the previous month" for the three months ended April 30, 2026.
- (*3) MRR (Monthly Recurring Revenue) is calculated based on the monthly charge for continuously billed users as of the end of the target month or the total amount of 1/12 of the annual charge.
- (*4) A set plan for the combined use of desknet's NEO cloud and AppSuite cloud.

2) Packaged products

Net sales by principal packaged product (on-premises licenses and related services, etc.) are as follows.

	For the three months ended April 30, 2025	For the three months ended April 30, 2026	Change (Thousand yen)	Change (%)
	Net sales (Thousand yen)	Net sales (Thousand yen)		
desknet's NEO	54,394	41,095	(13,299)	(24.4)
AppSuite	29,723	24,367	(5,356)	(18.0)
ChatLuck	3,740	6,366	2,625	70.2
Other license sales	2,481	2,356	(124)	(5.0)
Total license sales	90,339	74,185	(16,154)	(17.9)
Support	263,914	276,937	13,023	4.9
Customization	27,302	31,310	4,008	14.7
Other services, etc.	57,252	43,761	(13,491)	(23.6)
Packaged products total	438,808	426,194	(12,614)	(2.9)

Net sales of desknet's NEO license decreased by ¥13,299 thousand year on year to ¥41,095 thousand (down 24.4% year on year), due mainly to a decrease in mid- to large-scale licenses for 1,000 users or more, although net sales of new and additional licenses for less than 1,000 users increased. However, the sales were generally in line with the initial plan.

AppSuite license and ChatLuck license are often purchased simultaneously with desknet's NEO license.

Net sales of AppSuite license decreased by ¥5,356 thousand year on year to ¥24,367 thousand (down 18.0% year on year). As in the case with desknet's NEO license, this was due mainly to a decrease in mid- to large-scale licenses for 1,000 users or more. However, the sales were generally in line with the initial plan.

Net sales of ChatLuck license increased by ¥2,625 thousand year on year to ¥6,366 thousand (up 70.2% year on year), due mainly to an increase in new large-scale licenses for 5,000 users or more. The sales were generally in line with the initial plan.

Net sales of support increased by ¥13,023 thousand year on year to ¥276,937 thousand (up 4.9% year on year), mainly because net sales of support for desknet's NEO increased by ¥8,461 thousand year on year to ¥225,494 thousand (up 3.9% year on year). Net sales of customization increased by ¥4,008 thousand year on year to ¥31,310 thousand (up 14.7% year on year), mainly because of a year-on-year increase in the number of midsized projects. Net sales of other services, etc. decreased by ¥13,491 thousand year on year to ¥43,761 thousand (down 23.6% year on year), mainly because sales and services of other companies' ID integrated management systems decreased.

As a result, the overall net sales of packaged products decreased by ¥12,614 thousand year on year to

¥426,194 thousand (down 2.9% year on year).

3) Technological development

As it is not our policy to actively accept development contracts, net sales of technological development decreased by ¥13,200 thousand year on year to ¥18,000 thousand (down 42.3% year on year). This was mainly because of the decreased sales associated with ongoing projects from the past.

As a result, the software business posted net sales of ¥1,581,151 thousand (up 5.5% year on year) and segment profit of ¥695,145 thousand (up 6.5% year on year).

(System development service business)

The system development service business consists of businesses operated by our subsidiary, Pro-SPIRE Inc., develops engineers based on the cloud integration and system integration know-how it cultivated over the years, and mainly provides system engineering services that meet new customer needs by taking advantage of cutting edge technologies.

For the three months ended April 30, 2026, net sales increased by ¥11,769 thousand year on year to ¥494,125 thousand (up 2.4% year on year), due mainly to the expanded scale of projects for existing customers. Cost of sales decreased by ¥528 thousand overall, due mainly to a reduction in outsourcing expenses, despite an increase in personnel expenses resulting from the increased number of personnel. Selling, general and administrative expenses increased by ¥9,982 thousand year on year due mainly to an increase in personnel expenses resulting from the reinforcement of the sales structure.

As a result, the system development service business posted net sales of ¥494,125 thousand (up 2.4% year on year) and segment profit of ¥12,745 thousand (up 22.2% year on year).

(Overseas business)

The overseas business consists of businesses of three subsidiaries in the ASEAN region, primarily providing cloud services of desknet's NEO and AppSuite to local companies.

In the overseas business, we are making efforts such as training our sales staff to enhance their sales capabilities, raising awareness by opening booths at exhibitions, developing new sales agents, and engaging with the Japanese business community. At the Philippines subsidiary and Thai subsidiary, we implemented a reorganization of the management structure, strengthened the sales team, and enhanced cooperation among the ASEAN subsidiaries in the previous fiscal year. These efforts borne fruit, and for the three months ended April 30, 2026, net sales increased by ¥2,922 thousand to ¥20,608 thousand (up 16.5% year on year). Going forward, we will continue to focus on strengthening our presence among local companies.

As a result, the overseas business posted net sales of ¥20,608 thousand (up 16.5% year on year) and segment loss of ¥24,077 thousand (segment loss of ¥19,362 thousand for the same period of the previous fiscal year).

(2) Analysis of Financial Position

(Assets)

Total assets as of April 30, 2026 decreased by ¥326,946 thousand from the end of the previous fiscal year to ¥10,366,590 thousand. This was mainly due to decreases of ¥225,704 thousand in accounts receivable and contract assets mainly as a result of improved collection terms with a customer and ¥188,637 thousand in cash and deposits resulting mainly from dividends paid and income taxes paid, while other under current assets increased by ¥41,162 thousand mainly due to an increase in prepaid expenses.

(Liabilities)

Total liabilities as of April 30, 2026 decreased by ¥418,113 thousand from the end of the previous fiscal year to ¥2,793,360 thousand. This was mainly due to decreases of ¥310,339 thousand in income taxes payable resulting mainly from the payment of income taxes, ¥97,187 thousand in other under current liabilities resulting primarily from a decrease in accrued expenses, and ¥63,591 thousand in provision for bonuses, while contract liabilities for cloud services, support services, etc. increased by ¥104,062 thousand.

(Net assets)

Total net assets as of April 30, 2026 increased by ¥91,166 thousand from the end of the previous fiscal year to ¥7,573,230 thousand. This was mainly due to a recording of ¥487,604 thousand in profit attributable to owners of parent, while retained earnings increased by ¥53,050 thousand as a result of the payment of a dividend of surplus of ¥434,554 thousand and valuation difference on available-for-sale securities increased by ¥32,847 thousand as a result of the valuation of available-for-sale securities at market value.

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

The Company has made no changes to the full-year consolidated financial results forecast announced in “Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 [Japanese GAAP]” dated March 11, 2026.

The consolidated financial results forecast was prepared based on currently available information, and actual consolidated financial results may vary from the forecast due to various reasons.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2026	As of April 30, 2026
Assets		
Current assets		
Cash and deposits	6,426,616	6,237,978
Accounts receivable and contract assets	994,526	768,822
Securities	180,562	193,618
Supplies	1,043	812
Other	148,650	189,812
Allowance for doubtful accounts	(4,193)	(4,090)
Total current assets	7,747,205	7,386,952
Non-current assets		
Property, plant and equipment	184,610	181,383
Intangible assets		
Goodwill	50,714	47,256
Other	269,699	281,689
Total intangible assets	320,414	328,946
Investments and other assets		
Investment securities	1,715,837	1,758,179
Other	726,323	712,119
Allowance for doubtful accounts	(855)	(991)
Total investments and other assets	2,441,306	2,469,307
Total non-current assets	2,946,331	2,979,637
Total assets	10,693,537	10,366,590

(Thousand yen)

	As of January 31, 2026	As of April 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	153,438	142,603
Income taxes payable	546,514	236,175
Contract liabilities	1,396,297	1,500,359
Provision for bonuses	160,663	97,071
Other	520,625	423,437
Total current liabilities	2,777,539	2,399,648
Non-current liabilities		
Retirement benefit liability	406,374	390,624
Other	27,560	3,088
Total non-current liabilities	433,934	393,712
Total liabilities	3,211,473	2,793,360
Net assets		
Shareholders' equity		
Share capital	299,020	299,020
Capital surplus	293,538	293,538
Retained earnings	6,850,435	6,903,485
Treasury shares	(75,558)	(75,558)
Total shareholders' equity	7,367,434	7,420,484
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,958	145,805
Foreign currency translation adjustment	(5,612)	(343)
Total accumulated other comprehensive income	107,346	145,462
Non-controlling interests	7,282	7,282
Total net assets	7,482,063	7,573,230
Total liabilities and net assets	10,693,537	10,366,590

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended April 30

(Thousand yen)

	For the three months ended April 30, 2025	For the three months ended April 30, 2026
Net sales	1,996,382	2,077,778
Cost of sales	840,475	788,976
Gross profit	1,155,906	1,288,801
Selling, general and administrative expenses	511,870	604,857
Operating profit	644,035	683,943
Non-operating income		
Interest income	16,541	20,170
Gain on investments in investment partnerships	9,767	1,351
Foreign exchange gains	–	6,927
Other	7,564	972
Total non-operating income	33,873	29,422
Non-operating expenses		
Interest expenses	24	29
Foreign exchange losses	21,081	–
Other	2,231	28
Total non-operating expenses	23,337	57
Ordinary profit	654,572	713,308
Profit before income taxes	654,572	713,308
Income taxes	207,207	225,704
Profit	447,365	487,604
Profit attributable to owners of parent	447,365	487,604

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended April 30

(Thousand yen)

	For the three months ended April 30, 2025	For the three months ended April 30, 2026
Profit	447,365	487,604
Other comprehensive income		
Valuation difference on available-for-sale securities	(67,460)	32,847
Foreign currency translation adjustment	(3,898)	5,268
Total other comprehensive income	(71,358)	38,116
Comprehensive income	376,006	525,720
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	376,006	525,720

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting for profit before income taxes in the fiscal year that includes the first quarter of the fiscal year under review, and multiplying profit before income taxes by the estimated effective tax rate.

(Notes on segment information, etc.)

[Segment information]

I. For the three months ended April 30, 2025

1. Information on net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Software business	System development service business	Overseas business	Total		
Net sales						
Net sales to outside customers	1,496,980	481,714	17,686	1,996,382	—	1,996,382
Intersegment net sales or transfers	2,407	641	—	3,048	(3,048)	—
Total	1,499,387	482,356	17,686	1,999,430	(3,048)	1,996,382
Segment profit (loss)	652,891	10,430	(19,362)	643,959	76	644,035

(Notes) 1. The segment profit (loss) adjustment of ¥76 thousand represents elimination of intersegment transactions.

2. Segment profit (loss) was adjusted based on operating profit reported on the quarterly consolidated statements of income.

II. For the three months ended April 30, 2026

1. Information on net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Software business	System development service business	Overseas business	Total		
Net sales						
Net sales to outside customers	1,577,837	479,331	20,608	2,077,778	—	2,077,778
Intersegment net sales or transfers	3,313	14,793	—	18,107	(18,107)	—
Total	1,581,151	494,125	20,608	2,095,885	(18,107)	2,077,778
Segment profit (loss)	695,145	12,745	(24,077)	683,813	130	683,943

(Notes) 1. The segment profit (loss) adjustment of ¥130 thousand represents elimination of intersegment transactions.

2. Segment profit (loss) was adjusted based on operating profit reported on the quarterly consolidated statements of income.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended April 30, 2026. Depreciation (including depreciation related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended April 30, 2025 and 2026, are as follows.

(Thousand yen)

	Three months ended April 30, 2025	Three months ended April 30, 2026
Depreciation	86,400	78,705
Amortization of goodwill	3,457	3,457

(Revenue recognition accounting)

Disaggregation of revenue from contracts with customers

For the three months ended April 30, 2025

(Thousand yen)

	Reportable segment			Total
	Software business	System development service business	Overseas business	
Recurring revenue (Note 1)	1,271,720	448,831	9,360	1,729,912
One-time revenue (Note 2)	225,260	32,883	8,325	266,469
Revenue from contracts with customers	1,496,980	481,714	17,686	1,996,382
Net sales to outside customers	1,496,980	481,714	17,686	1,996,382

(Notes) 1. Main contents of recurring revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from usage fees for cloud services provided, packaged software support fees, ASP license fees, etc.	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts and dispatching contracts (including contracts covering 12 months or longer through the renewal of contracts) under which sales are recognized for the same customer for consecutive 12 months or longer immediately before the last day of each accounting period	Over a certain period of time

2. Main contents of one-time revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from packaged products license fees	At a point in time
	Revenue from service contracts such as product customization and services including product installation, data migration and education	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts, dispatching contracts, and service contracts, which does not fall under the category of recurring revenue	Over a certain period of time

For the three months ended April 30, 2026

(Thousand yen)

	Reportable segment			Total
	Software business	System development service business	Overseas business	
Recurring revenue (Note 1)	1,400,077	449,967	15,696	1,865,741
One-time revenue (Note 2)	177,760	29,364	4,912	212,036
Revenue from contracts with customers	1,577,837	479,331	20,608	2,077,778
Net sales to outside customers	1,577,837	479,331	20,608	2,077,778

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(Significant subsequent events)

Not applicable.