Consolidated Financial Statements for the Six Months Ended June 30, 2026 (IFRS)

These financial statements have been prepared for reference only.

August 10, 2026

Link and Motivation Inc.
Stock exchange listing: Tokyo, Prime Market
Code number: 2170
http://www.lmi.ne.jp/english

Representative: Ozasa Yoshihisa, Chairman and Representative Director
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Filing of Semiannual Securities Report (*Hanki Hokokusho*) (scheduled): August 10, 2026
Start of distribution of dividends (scheduled): September 25, 2026
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million.)

1. Consolidated Results for the Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)

(1) Revenues and Income (Percentages represent change compared with the same quarter of the previous year.)

	Revenues (¥ million)	Change (%)	Operating income (¥ million)	Change (%)	Income before income taxes (¥ million)	Change (%)	Net income (¥ million)	Change (%)
Six months ended June 30, 2026	22,269	11.7	3,234	2.2	3,248	1.3	2,181	5.0
Six months ended June 30, 2025	19,937	10.7	3,163	18.5	3,205	21.7	2,078	13.5

	Net income attributable to owners of the parent (¥ million)	Change (%)	Comprehensive income (¥ million)	Change (%)	Basic earnings per share (¥)	Diluted earnings per share (¥)
Six months ended June 30, 2026	1,823	1.4	2,438	6.6	16.83	16.81
Six months ended June 30, 2025	1,799	7.3	2,286	11.6	16.90	16.89

(2) Financial Position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Ratio of equity attributable to owners of the parent to total assets (%)
As of June 30, 2026	42,357	15,883	12,278	29.0
As of December 31, 2025	40,999	16,817	13,590	33.1

2. Dividends

	Dividends per share				
	1st Qtr.	2nd Qtr.	3rd Qtr.	Year-end	Total
2025	3.90	3.90	4.10	4.10	16.00
2026	4.10	4.10			
2026 (est.)			4.10	4.10	16.40

Note: Revisions since the most recently announced dividend forecast: No

3. Forecast of Consolidated Results for 2026 (January 1, 2026 - December 31, 2026)

(Percentages represent change compared with the previous fiscal year.)

	Revenues		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Full-year	46,700	12.5	6,310	50.1	3,930	94.5	3,470	114.0	32.03

Note: Revisions since the most recently announced forecast of results: No

Notes

(1) Changes in Scope of Consolidation during the Period: No
(2) Changes in Accounting Policies and Changes in Accounting Estimates
 (a) Changes in accounting policies required by IFRS: No
 (b) Changes in accounting policies other than (a) above: No
 (c) Changes in accounting estimates: No

(3) Number of Shares Issued and Outstanding (Common Stock)
 (a) Number of shares at the end of the period (including treasury stock)
  Six months ended June 30, 2026: 110,937,011; Year ended December 31, 2025: 110,937,011
 (b) Number of treasury shares at the end of the period:
  Six months ended June 30, 2026: 4,352,644; Year ended December 31, 2025: 259
 (c) Average number of shares outstanding (cumulative with earlier quarters):
  Six months ended June 30, 2026: 108,376,845; Six months ended June 30, 2025: 106,471,011

*** These Second Quarter (Interim) Financial Statements Are Not Subject to Review by a Certified Public Accountant or Auditing Firm**

*** Explanation of the Proper Use of Performance Forecasts and Other Special Instructions**

Note regarding forward-looking statements:
Consolidated forecasts and other statements regarding the future contained in this document are based on information currently available to the Company and certain reasonable assumptions. Actual performance may differ substantially due to numerous factors.

How to obtain financial information:
Financial results presentation materials are released through TDnet and made available on the Company’s website on the same day.

Contents of Attachments

1. Overview of Results of Operations and Other Information

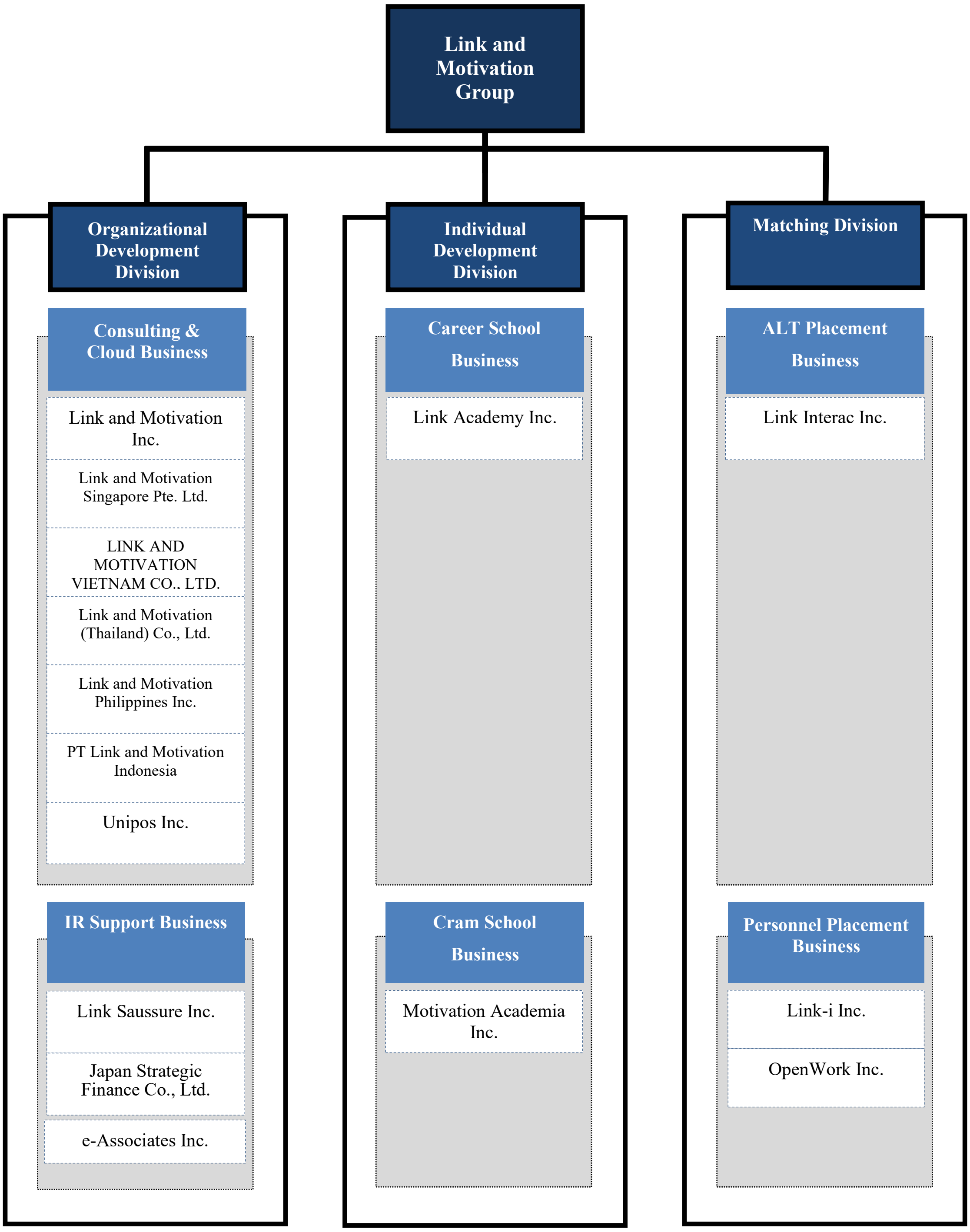
Forward-looking statements in the following text are based on judgments as of June 30, 2026, the last day of the consolidated accounting period under review.

(1) Overview of Results of Operations for the Six Months Ended June 30, 2026

The Group supports the transformation of numerous organizations and individuals using “Motivation Engineering” (the Group’s core technology), incorporating academic results in business administration, social systems theory, behavioral economics, psychology and other disciplines, under its mission: “Through Motivation Engineering, we provide opportunities to transform organizations and individuals and create a more meaningful society.” During the six months ended June 30, 2026, the Japanese economy gradually recovered with the improvement of the employment and earnings environment. However, the economic outlook remains unclear due to the inflation accompanying the weakening of the yen, the situation in the Middle East and other geopolitical risks, and the impact of U.S. political trends on the global economy. In these economic conditions, the Group perceives a growing need for companies to promote human capital management in order to deal with change, and more specifically, a need to improve employee engagement (the degree of mutual understanding and affinity between a company and its employees), and to secure and develop human resources.

In this economic environment, the Group’s revenues for the first half of 2026 were ¥22,269 million, (an 11.7% increase compared with the same period of the previous year), gross profit was ¥12,596 million (a 14.6% increase), operating income was ¥3,234 million (a 2.2% increase) and net income attributable to owners of the parent was ¥1,823 million (a 1.4% increase). Growth was centered on the core Consulting & Cloud business. In addition, the Group recorded revenues from three companies that became wholly owned consolidated subsidiaries during the previous year, resulting in substantial increases in revenues and gross profit compared with the same period of the previous year, with both progressing as expected. Operating income increased only slightly compared with the same period of the previous year due to an increase in selling, general and administrative expenses associated with the acquisitions of the three wholly owned subsidiaries, but progressed smoothly as the rate of progress toward the full-year performance forecast was 51.3%. Net income attributable to owners of the parent increased slightly compared with the same period of the previous year.

The segment and business classifications of the Group are as shown below, and an overview of the first six months of 2026 by segment and business follows.


Link and Motivation Group
Organizational Development Division
Consulting & Cloud Business
Link and Motivation Inc.
Link and Motivation Singapore Pte. Ltd.
LINK AND MOTIVATION VIETNAM CO.. LTD.
Link and Motivation (Thailand) Co., Ltd.
Link and Motivation Philippines Inc.
PT Link and Motivation Indonesia
Unipos Inc.
IR Support Business
Link Saussure Inc.
Japan Strategic Finance Co., Ltd.
e-Associates Inc.
Individual Development Division
Career School Business
Link Academy Inc.
Cram School Business
Motivation Academia Inc.
Matching Division
ALT Placement Business
Link Interac Inc.
Personnel Placement Business
Link-i Inc.
OpenWork Inc.

Organizational Development Division

The Organizational Development Division provides support for the creation of companies that are chosen by individuals ("Motivation Companies"). In concrete terms, it offers services that provide support for increasing engagement with a company's stakeholders (employees, job applicants, customers, shareholders) by applying "Motivation Engineering," which is the core technology of the Group.

Segment revenues for the first half of 2026 were ¥8,772 million (a 14.6% increase), and segment income was ¥6,095 million (a 14.4% increase). An overview of operating results by business for the first six months of 2026 is as follows.

Consulting & Cloud Business

The Consulting & Cloud business supports the practice of human capital management through diagnosis and transformation based on the provision of consulting and cloud services to corporate clients. Specifically, it provides one-stop services that include diagnosing organizations using cloud services, as well as transformation solutions for organizational and personnel issues through consulting and cloud services in the areas of recruiting, training, systems and corporate culture. In cloud-based services, it provides Motivation Cloud.

In this business, revenues for the first half of 2026 were ¥7,008 million (a 9.2% increase) and gross profit was ¥5,194 million (an 8.8% increase). Results by product in the Consulting & Cloud business were as follows.

Table 1. Revenues by Product

Product (¥ million) (Figures in brackets are gross profit)	Six months ended June 30, 2025	Six months ended June 30, 2026	YoY change (%)
Consulting & Cloud Business	6,417 [4,773]	7,008 [5,194]	9.2% 8.8%
Consulting	3,117	3,083	-1.1%
Cloud	3,300	3,924	18.9%

In the first half of 2026, both revenues and gross profit increased compared with the same period of the previous year as a result of growth driven by Motivation Cloud.

Monthly fee revenue increased substantially compared with the same period of the previous year for Motivation Cloud, which is a cloud product and priority service. The number of deliveries and monthly fee revenue were as follows.

Table 2. Number of Deliveries and Monthly Fee Revenue for Motivation Cloud at Quarter-End

	2025				2026	
	March	June	September	December	March	June
Number of deliveries	1,012	1,057	1,366	1,370	1,393	1,379
Monthly fee revenue (¥ thousand)	520,827	536,566	625,338	627,382	625,130	650,982

Since its founding in 2000, the Group has not only diagnosed the engagement status of companies and employees but has also supported their transformation. Motivation Cloud is a cloud-based service in the field of HR Tech (human resources combined with technology) that supports solving organizational and personnel issues such as improving human resource capabilities and engagement through diagnosis and transformation of organizations. In the diagnosis category, we visualize the condition of the organization, and provide Motivation Cloud Engagement, which supports improvement of engagement. This service is currently ranked No. 1 in vendor sales and market share in the employee engagement market (the ninth consecutive year: fiscal 2017 to fiscal 2025 forecast) in *ITR Market View: Workplace Optimization Market 2025*, a market research report published by ITR Corporation. In the transformation category, in addition to Motivation Cloud Sharing for revitalizing corporate culture and Motivation Cloud Role Development for improving human resource capabilities, the Group added services for supporting digital transformation (DX), including Robo-Pat AI and FCE Prompt Gate (provided by equity-method affiliate FCE Inc.) in August 2024, and Peer Bonus® Unipos (provided by wholly owned subsidiary Unipos Inc.) in August 2025. Furthermore, the Group began providing Motivation Cloud Entry Management, a recruiting support service, in April 2026, and plans to release Motivation Cloud Management, a management support service, in August 2026. These additions will expand the Group's lineup of services that comprehensively support organizational transformation. The Group also offers Motivation Cloud Basic, which comprehensively supports diagnosis and transformation of organizational challenges for small and medium-sized enterprises.

Monthly fee revenue for Motivation Cloud at the end of June 2026 was ¥650,982 thousand (a 21.3% increase). In the first half, monthly fee revenue grew steadily as a result of introductions at medium-sized companies and the release of Motivation Cloud Entry Management, a new service in the field of recruiting. In response to that, we revised our

Motivation Cloud monthly fee revenue target for the end of December 2026 upward from ¥700 million to ¥730 million (a 16.4% increase year on year). We will accelerate growth by continuing to promote introduction of the service at medium-sized companies in addition to major corporations.

IR Support Business

The IR Support business mainly supports disclosure of human capital management initiatives by providing planning and production services for printed, web-based and visual media and events to corporate clients. Specifically, this business produces voluntary disclosure materials such as integrated reports and shareholder reports for shareholders and investors, creates video content for financial results briefings and other events, which includes soliciting attendees and live streaming, and supports internal branding through events and media.

In this business, revenues for the first half of 2026 were ¥1,875 million (a 33.8% increase) and gross profit was ¥967 million (a 48.6% increase).

In the first half of 2026, revenues and gross profit increased substantially compared with the same period of the previous year, reflecting the acquisition of two IR support companies during and after the second quarter of 2025 and revenues from the high-margin video streaming services operated by those companies.

This business is currently expanding its customer base and its streaming video service and other recurring revenue services. In 2025, it acquired Japan Strategic Finance Co., Ltd. in April (merged with Link Saussure Inc. on July 1, 2026), and e-Associates Inc. in August, making them wholly owned subsidiaries. While Japan Strategic Finance has established a solid market share among small and medium-sized listed companies in Japan, e-Associates has a high market share among large, listed companies in Japan that are included in the JPX400. We will offer recurring revenue services such as video streaming of financial results briefings to their customer base of approximately 1,000 listed companies, and will create new cross-selling opportunities and synergy, expediting the shift to a recurring revenue model.

<u>Individual Development Division</u>

The Individual Development Division supports the creation of individuals who are chosen by organizations ("i-Companies"). Specifically, it applies "Motivation Engineering," which is the core technology of the Group, to businesses in areas including career schools and cram schools, to provide one-stop services to customers from elementary school students to working adults. These services range from helping to set goals to understanding individual issues and formulating and implementing study plans.

Segment revenues for the first half of 2026 were ¥2,892 million (a 6.3% decrease) and segment income was ¥1,299 million (an 11.7% decrease). An overview of operating results by business for the first half of 2026 is as follows.

Career School Business

The Career School business supports career advancement by providing development courses for IT and language skills as well as qualifications programs for university students and working adults. It provides five services: "Aviva" IT schools, "Daiei" qualification schools, "Rosetta Stone Learning Center," "Rosetta Stone Premium Club" and "Hummingbird" foreign language schools.

In this business, revenues for the first half of 2026 were ¥2,418 million (a 9.9% decrease) and gross profit was ¥1,092 million (a 15.8% decrease).

In the first half of 2026, revenues and gross profit both decreased compared with the same period of the previous year as a result of decreased enrollment in existing classes. Revenues from online courses, a priority service, were ¥299 million (a 10.1% decrease), as a result of weak performance in the qualifications area.

This business will continue to focus on expanding its online services based on its strength in providing support that helps people stay engaged. In addition, it will promote franchise agreements with co-working space operators and others, enabling learning in various locations. By doing so, it will conduct efficient class operation and expand services with high recurrence rates, such as support for ongoing learning.

Cram School Business

The Cram School business provides educational opportunities in the form of cram schools for elementary, junior high and high school students to support them in acquiring skills to improve their academic performance and play an active role in society. The business operates two types of cram schools in both in-person and online formats—"SS-1," an individualized instruction school for students preparing for junior high school entrance exams, and "Motivation Academia" cram schools for junior high and high school students.

In this business, revenues for the first half of 2026 were ¥473 million (a 17.7% increase) and gross profit was ¥207 million (an 18.6% increase).

In the first half of 2026, revenues and gross profit increased substantially compared with the same period of the previous year as enrollment and revenues per enrollee each continued to increase in line with expectations.

Currently, the business is promoting the use of the "MotiAca Method," an original instructional method based on Motivation Engineering. Specifically, it enhances learning motivation and helps establish continuous learning habits by diagnosing the personality traits of enrollees and classifying them into 16 types. Instruction is then tailored to their characteristics. In addition to promoting the "MotiAca Method," the business will continue to grow by providing learning opportunities through online courses to a wide range of students, not just those in areas where they can attend physical schools.

Matching Division

The Matching Division operates the ALT (assistant language teacher) Placement business and the Personnel Placement business in order to provide opportunities to connect organizations and individuals. It creates matches with a high retention rate by applying "Motivation Engineering," the core technology of the Group, to go beyond the skill requirements of local governments and companies and provide support for matching organizations and individuals based on the characteristics of each individual and other relevant data.

Segment revenues for the first half of 2026 were ¥10,909 million (a 13.4% increase) and segment income was ¥5,389 million (a 17.8% increase). An overview of operating results by business for the first half of 2026 is as follows.

ALT Placement Business

The ALT Placement business supports high-quality English language education by providing high-engagement matching opportunities between local governments and talented individuals from overseas seeking to work in Japan. Specifically, it dispatches non-Japanese assistant language teachers (ALTs) to elementary, junior high and high schools throughout Japan and provides English-language instruction services on contract. In this business, barriers to entry are extremely high due to the importance placed on relationships of trust with customers and a company's track record, and the Group has established the predominant No. 1 share among private companies.

In this business, revenues for the first half of 2026 were ¥7,693 million (a 9.0% increase) and gross profit was ¥2,235 million (a 7.0% increase).

In the first half of 2026, the number of ALTs dispatched increased as expected, resulting in increases in both revenues and gross profit compared with the same period of the previous year.

The Group will continue working to further expand market share by shifting some services online and utilizing ICT, while leveraging its strength in dispatching high-quality ALTs.

Personnel Placement Business

The Personnel Placement business helps to find the right fit between job applicants and companies by providing an information platform and matching opportunities with high engagement for people looking to find or change jobs. Specifically, it provides a wide range of matching opportunities, including OpenWork, one of Japan's largest employee review platforms, as well as employment referrals for university students.

In this business, revenues for the first half of 2026 were ¥3,246 million (a 25.3% increase) and gross profit was ¥3,183 million (a 26.8% increase).

In the first half of 2026, OpenWork Inc. ("OpenWork"), which has a particularly high growth rate, continued to steadily accumulate registered users as well as employee online reviews and evaluation scores. In the direct recruiting service ("OpenWork Recruiting"), the cumulative number of online resume registrations (working adults and students) continued to grow steadily, increasing to approximately 1,830,000. As a result of efforts to stimulate recruiting activity among existing customers and increase employment opportunities, recruiting by employers and applications from job seekers expanded, and revenues from this service were ¥2,164 million.

This business will continue to increase synergy with the Organizational Development Division, and will ramp up its matching services.

Note: On April 1, 2026, OpenWork Inc. acquired all shares of BNG Partners Inc., making it a wholly owned subsidiary.

Venture Incubation

In addition to its divisions, the Group conducts venture incubation. In venture incubation, the Group provides its know-how in organizational and personnel consulting in addition to funding, as well as support on an organizational level for growing venture companies that aim to list their stock. The two main criteria for selection of investees are sympathy with the idea of "creation of Motivation Companies" and aim to list stock. Gains on sales and other results generated from venture incubation are recorded in retained earnings on the condensed consolidated statements of financial position, or under other income or other expenses on the condensed consolidated statements of operations.

To date, the Group has helped 12 companies successfully list their stock. We will continue to support investees to create "Motivation Companies" and accelerate the promotion of human capital management.

(2) Overview of Financial Position for the Six Months Ended June 30, 2026

Total assets as of June 30, 2026 were ¥42,357 million, an increase of ¥1,358 million from the end of the previous year. This was mainly due to factors including a ¥3,508 million decrease in cash and cash equivalents, which was offset by a ¥3,621 million increase in other current financial assets .

Total liabilities as of June 30, 2026 were ¥26,474 million, an increase of ¥2,292 million from the end of the previous year. This was mainly due to factors including a ¥687 million decrease in trade and other payables, which was offset by a ¥3,017 million increase in interest-bearing and other financial liabilities.

Total equity as of June 30, 2026 was ¥15,883 million, a decrease of ¥934 million from the end of the previous year. While the Group posted net income attributable to owners of the parent, the decrease in equity was mainly due to the acquisition of treasury shares and the distribution of dividends from surplus.

(3) Overview of Cash Flow for the Six Months Ended June 30, 2026

Cash and cash equivalents ("cash") as of June 30, 2026 were ¥7,865 million, a decrease of ¥508 million during the period.

Cash flow during the six months ended June 30, 2026 was as follows.

Cash Flow from Operating Activities

Net cash provided by operating activities was ¥2,570 million, an increase of ¥707 million compared with the same period of the previous year. The principal factors decreasing cash included a ¥324 million decrease in trade and other payables, and the principal factors increasing cash included a ¥769 million decrease in trade and other receivables and a ¥141 million decrease in income taxes paid.

Cash Flow from Investing Activities

Net cash used in investing activities was ¥1,030 million, an increase of ¥260 million compared with the same period of the previous year. The principal factors increasing cash included proceeds from withdrawal of time deposits of ¥3,000 million and the non-recurrence of payments for acquisition of subsidiary shares resulting in change in the scope of consolidation of ¥415 million that occurred in the same period of the previous year. Principal factors decreasing cash included payments for acquisition of time deposits of ¥3,602 million.

Cash Flow from Financing Activities

Net cash used in financing activities was ¥2,045 million, an increase of ¥1,065 million compared with the same period of the previous year. The principal factors increasing cash included a ¥2,617 million increase in proceeds from long-term financial liabilities, while the principal factors decreasing cash included a ¥517 million increase in repayment of long-term financial liabilities, payments for acquisition of treasury shares of ¥2,500 million and a ¥600 million increase in deposits.

(4) Forecast

In the first half of 2026, revenues increased substantially compared with the same period of the previous year, and the rate of progress toward the full-year operating income forecast was 51.3%. The Company is making steady progress toward its performance forecasts for the fiscal year ending December 31, 2026 of revenues of ¥46,700 million (a 12.5% increase) and operating income of ¥6,310 million (a 50.1% increase).

For companies, the importance and difficulty of continuing to be chosen by employees and applicants has been rapidly increasing amid the declining working-age population, the shift toward knowledge- and service-based businesses, and the diversification of work motivation in recent years. In addition, it is expected that competition to acquire top talent will intensify further due to the advancement of AI technology. In these conditions, companies need to improve employee engagement in order to retain and attract talent, and enhance their human resource capabilities so that employees can perform at their full potential. These changes in the business environment represent a major opportunity for the Group. At the same time, interest continues to increase in human capital management, which views human resources as a form of capital and aims to enhance medium- to long-term corporate value by bringing out the full value of that capital. In light of these trends, the Group will focus in the near term on the Consulting & Cloud business of the Organizational Development Division, which has high growth potential, and is promoting a shift to a recurring revenue business model throughout the Group.

In February 2026, the Group set the goal of achieving operating income of ¥10.0 billion in 2028 and ¥15.0 billion in 2030. As the key indicator for that, we aim to achieve annual recurring revenue (ARR) of ¥15.0 billion in 2028 and ¥24.0 billion in 2030, centered on Motivation Cloud. Going forward, we will accelerate business growth through both expansion of existing services and expansion of new services in Motivation Cloud as a medium-term growth strategy for realizing this plan.

Table 3. ARR Growth Policy for Achievement of 2030 Plan

Expansion of Existing Services	Expansion of New Services
In addition to major companies, expand target to medium-sized enterprises	Promote shift to the cloud in new areas of our transformation services and develop business primarily with existing major customers

An overview of specific initiatives is described below.

Expansion of Existing Services

In the expansion of existing services, we are expanding the range of target customers of our diagnostic service Motivation Cloud Engagement to medium-sized enterprises in addition to major companies. In the transportation industry, major companies such as Kyushu Railway Company and West Japan Railway Company introduced Motivation Cloud Engagement, with five companies introducing the service during the first half of 2026. Introductions also continued steadily in other industries, including 21 in the manufacturing industry, five in the construction industry, and two in the energy industry. We will continue to leverage our track record of support to major companies and our expertise to further deepen our efforts in industries where adoption by major companies is significant.

Needs for organizational diagnosis and transformation are also increasing among local governments. As a result of expanding support, primarily for major local governments, our customer base has grown to 26 organizations, including nine government offices. During the first half of 2026, we stepped up partnerships with local governments, with new organization-wide rollouts in Tokushima Prefecture and Miyagi Prefecture. We will leverage the knowledge gained in corporate transformation to achieve further expansion of support.

Expansion of New Services

To date, the Group has worked to expand its diagnostic services with a focus on major companies, against a backdrop of disclosure of human capital information becoming mandatory. Currently, interest among major companies is expanding from "disclosure" to actual "transformation." In response to this change, the Group is working to expand its transformation services by promoting the shift of consulting services to the cloud. As a first step, we will shift to the cloud in the areas of recruiting support and management support.

In recruiting support, we began offering Motivation Cloud Entry Management in April 2026. This service will raise business efficiency by combining a virtual interview system and other functions with analysis of the attributes of target candidates using our BRIDGE aptitude survey. The service utilizes data accumulated in the recruiting process to support higher accuracy in recruiting. We are making steady progress with the service, and annual recurring revenue (ARR) has surpassed ¥200 million just three months after its release.

In management support, we have decided to release Motivation Cloud Management in August 2026. This is a service in which AI will function as a hub for management and members, and will free up time for managers and help them improve their management skills by providing everyday management support. The market size for HR development is hundreds of billions of yen or more, and with managers in Japanese companies numbering approximately 6.5 million, there is significant market potential. In addition, we recognize that with the evolution of AI, management support needs will change from the traditional model of providing know-how to individualized and direct support by AI. We have the competitive advantage of manager data based on approximately 14,400 corporate diagnoses and 6.71 million people accumulated through Motivation Cloud Engagement, in addition to expert organizational and personnel knowledge acquired over more than 25 years, and a track record of management training for a cumulative total of 4,740 companies and 650,000 individuals. Based on this advantage, we aim to further increase monthly fee revenue by deploying AI agents.

In addition, on August 10, 2026, we concluded a basic agreement on the start of discussions for making SELF Inc. ("SELF") a wholly owned subsidiary of Link and Motivation Inc. through a share exchange. SELF provides SELFBOT, an enterprise generative AI service that features security on par with that of major corporations, and applications including customer support, internal knowledge sharing and agentic AI. SELFBOT supports a wide range of tasks, from centralized management of company knowledge and information to automation of customer service and support, which reduces communication costs and increases operational efficiency. Currently, it is used by a wide range of organizations, including major companies. By making SELF a wholly owned subsidiary, we will position SELFBOT as a transformation service of Motivation Cloud that enables customers to improve productivity through more efficient access to information. By combining SELFBOT with our cloud and consulting services, we can continuously enhance customer transformation outcomes. We will also be able to cross-sell services to customers who have transformation needs.

To ensure long-term enhancement of our business value, we are developing business in overseas markets as well as the Japanese market. Currently, we conduct business in five countries in Asia, and Motivation Cloud monthly fee revenue in overseas markets has steadily grown, increasing approximately 160% from the same period of the previous year as of June 30, 2026. In the future, we will further grow our business in the five focus countries in Asia, and apply the service deployment know-how we have gained in other regions to further accelerate the growth of our overseas business. Through these initiatives, we will increase our presence as a global human capital management platform provider to achieve sustainable growth and enhancement of corporate value.

In addition to the activities discussed above, and in addition to significant growth in revenues in the Personnel Placement business, including OpenWork, we will accelerate growth throughout the Group by expanding the IR Support business and increasing market share in the ALT Placement business.

2. Condensed Consolidated Financial Statements and Main Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen, rounded down to the nearest million)

	As of December 31, 2025	As of June 30, 2026
ASSETS		
Current assets		
Cash and cash equivalents	11,374	7,865
Trade and other receivables	4,801	4,967
Inventories	238	355
Other current financial assets	15	3,636
Other current assets	1,123	1,659
Total current assets	17,553	18,485
Non-current assets		
Property, plant and equipment	667	669
Right-of-use assets	3,243	2,883
Goodwill	11,983	12,293
Intangible assets	2,667	2,746
Investments accounted for using the equity method	2,095	2,211
Other non-current financial assets	2,258	2,547
Deferred tax assets	468	457
Other non-current assets	62	61
Total non-current assets	23,445	23,872
Total assets	40,999	42,357

(Millions of yen, rounded down to the nearest million)

	As of December 31, 2025	As of June 30, 2026
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Trade and other payables	2,560	1,872
Contract liabilities	1,770	2,130
Interest-bearing and other financial liabilities	5,286	5,939
Lease liabilities	1,028	906
Income tax payable	1,097	1,091
Provisions	23	18
Other current liabilities	2,293	2,321
Total current liabilities	14,061	14,279
Non-current liabilities		
Interest-bearing and other financial liabilities	7,005	9,369
Lease liabilities	2,221	1,914
Provisions	388	382
Deferred tax liabilities	398	425
Other non-current liabilities	106	103
Total non-current liabilities	10,120	12,194
Total liabilities	24,181	26,474
EQUITY		
Equity attributable to owners of the parent		
Share capital	1,380	1,380
Capital surplus	3,658	3,618
Treasury shares	(0)	(2,475)
Retained earnings	9,424	10,377
Other components of equity	(872)	(622)
Total equity attributable to owners of the parent	13,590	12,278
Non-controlling interests	3,226	3,604
Total equity	16,817	15,883
Total liabilities and equity	40,999	42,357

(2) Condensed Consolidated Statements of Operations and Comprehensive Income
Condensed Consolidated Statements of Operations

(Millions of yen, rounded down to the nearest million)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Revenues	19,937	22,269
Cost of sales	8,947	9,673
Gross profit	10,990	12,596
Selling, general and administrative expenses	7,798	9,347
Other income	32	21
Other expenses	61	36
Operating income	3,163	3,234
Financial revenues	5	24
Financial expenses	60	126
Equity in earnings of affiliates	97	116
Income before income taxes	3,205	3,248
Income taxes	1,126	1,066
Net income	2,078	2,181
(Attributable to)		
Owners of the parent	1,799	1,823
Non-controlling interests	279	357
Total	2,078	2,181

(Yen)

Earnings per share attributable to owners of the parent		
Basic earnings per share	16.90	16.83
Diluted earnings per share	16.89	16.81

Condensed Consolidated Statements of Comprehensive Income

(Millions of yen, rounded down to the nearest million)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net income	2,078	2,181
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	222	261
Total of items that will not be reclassified to profit or loss	222	261
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(14)	(4)
Total of items that may be reclassified to profit or loss	(14)	(4)
Total other comprehensive income	207	256
Total comprehensive income	2,286	2,438
(Attributable to)		
Owners of the parent	2,007	2,080
Non-controlling interests	279	357
Comprehensive income	2,286	2,438

(3) Condensed Consolidated Statements of Changes in Equity

Six months ended June 30, 2025

(Millions of yen, rounded down to the nearest million)

	Equity attributable to owners of the parent							
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
January 1, 2025	1,380	2,680	(1,182)	9,447	(1,040)	11,285	3,099	14,384
Net income	—	—	—	1,799	—	1,799	279	2,078
Other comprehensive income	—	—	—	—	207	207	—	207
Total comprehensive income	—	—	—	1,799	207	2,007	279	2,286
Change in ownership interest in subsidiaries	—	(172)	—	19	—	(152)	(281)	(434)
Dividends from surplus	—	—	—	(766)	—	(766)	—	(766)
Exercise of stock acquisitions rights	—	9	—	—	(9)	—	—	—
Share-based payment transactions	—	1	21	—	(8)	14	—	14
Transfer from other components of equity to retained earnings	—	—	—	3	(3)	—	—	—
Total transactions with the owners	—	(161)	21	(743)	(21)	(904)	(281)	(1,186)
June 30, 2025	1,380	2,519	(1,161)	10,503	(853)	12,388	3,096	15,485

Six months ended June 30, 2026

(Millions of yen, rounded down to the nearest million)

	Equity attributable to owners of the parent							
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
January 1, 2026	1,380	3,658	(0)	9,424	(872)	13,590	3,226	16,817
Net income	—	—	—	1,823	—	1,823	357	2,181
Other comprehensive income	—	—	—	—	256	256	—	256
Total comprehensive income	—	—	—	1,823	256	2,080	357	2,438
Acquisition of treasury shares	—	(45)	(2,500)	—	—	(2,545)	—	(2,545)
Change in ownership interest in subsidiaries	—	24	—	—	—	24	19	43
Dividends from surplus	—	—	—	(897)	—	(897)	—	(897)
Exercise of stock acquisitions rights	—	6	—	—	(6)	—	—	—
Share-based payment transactions	—	(26)	25	—	—	(1)	—	(1)
Other	—	—	—	27	—	27	—	27
Total transactions with the owners	—	(40)	(2,475)	(870)	(6)	(3,392)	19	(3,373)
June 30, 2026	1,380	3,618	(2,475)	10,377	(622)	12,278	3,604	15,883

(4) Condensed Consolidated Statements of Cash Flow

(Millions of yen, rounded down to the nearest million)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flow from operating activities		
Income before income taxes	3,205	3,248
Depreciation and amortization	869	983
Loss on impairment	54	8
Valuation loss (gain) on investment securities	—	(1)
Financial revenues and financial expenses	54	101
Equity in earnings (losses) of affiliates	(97)	(116)
Decrease (increase) in trade and other receivables	(879)	(109)
Decrease (increase) in inventories	(20)	(117)
Increase (decrease) in trade and other payables	(398)	(723)
Other	346	467
Subtotal	3,136	3,742
Interest and dividends received	4	18
Interest paid	(62)	(118)
Income tax refund	—	0
Income taxes paid	(1,214)	(1,072)
Net cash provided by (used in) operating activities	1,863	2,570
Cash flow from investing activities		
Payments for acquisition of time deposits	—	(3,602)
Proceeds from withdrawal of time deposits	—	3,000
Payments for acquisition of property, plant and equipment	(62)	(42)
Payments for acquisition of intangible assets	(264)	(385)
Payments for acquisition of subsidiary shares resulting in change in the scope of consolidation	(415)	—
Proceeds from acquisition of subsidiary shares resulting in change in the scope of consolidation	—	92
Payments for acquisition of investment securities	(34)	—
Proceeds from sale of investment securities	7	2
Payments for security deposits and guarantees	(14)	(4)
Proceeds from recovery of security deposits and guarantees	46	23
Payments for fulfillment of asset retirement obligations	(19)	(33)
Other	(11)	(81)
Net cash provided by (used in) investing activities	(769)	(1,030)
Cash flow from financing activities		
Net increase (decrease) in short-term financial liabilities	898	600
Proceeds from long-term financial liabilities	810	3,427
Repayment of long-term financial liabilities	(982)	(1,500)
Payments of cash dividends	(765)	(896)
Repayment of lease liabilities	(504)	(589)
Proceeds from payments from non-controlling interests	20	13
Payments for acquisition of interests in subsidiaries from non-controlling interests	(455)	—
Payments for acquisition of treasury shares	—	(2,500)
(Increase) decrease in deposits	—	(600)
Net cash provided by (used in) financing activities	(980)	(2,045)
Cash and cash equivalents translation adjustment	(15)	(3)
Net increase (decrease) in cash and cash equivalents	97	(508)
Cash and cash equivalents at beginning of quarter	8,607	8,374
Cash and cash equivalents at end of quarter	8,704	7,865

(5) Notes to Condensed Consolidated Financial Statements

(Change in Accounting Policies)

None applicable

(Significant Accounting Policies)

The significant accounting policies applied in these condensed consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year.

Income taxes expense for the six months ended June 30, 2026 was calculated using the estimated average annual effective tax rate.

(Notes Regarding Significant Accounting Estimates and Judgements)

In preparing the consolidated financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The results of accounting estimates may differ from actual results.

The estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of a review of accounting estimates are recognized in the accounting period in which the estimates are reviewed as well as in future periods.

Estimates and estimate-related judgments that have a significant impact on these condensed consolidated financial statements are the same as those in the condensed consolidated financial statements for the same period of the previous fiscal year.

(Notes Regarding Assumption of Going Concern)

None applicable

(Significant Subsequent Events)

None applicable