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August 14, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3923
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 Scheduled date to commence dividend payments: None
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	14,210	0.9	4,756	30.1	4,872	33.2	14,631	313.6
June 30, 2025	14,081	25.5	3,656	57.1	3,657	56.4	3,537	70.8

(Note) Comprehensive income For the three months ended June 30, 2026: ¥14,795 million [496.0%]

For the three months ended June 30, 2025: ¥2,482 million [21.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	41.32	-
June 30, 2025	9.79	-

(Note) 1. The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Basic earnings per share" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.
 2. Diluted earnings per share are not stated as there are no potential shares outstanding.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	51,388	38,351	74.6
March 31, 2026	36,581	26,034	71.2

(Reference) Equity As of June 30, 2026: ¥38,351 million
 As of March 31, 2026: ¥26,034 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2026	Yen -	Yen 0.00	Yen -	Yen 7.00	Yen 7.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00	-	8.00	8.00

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	59,700	(1.0)	20,500	18.2	20,500	17.5	25,200	89.6	71.16

(Note) Revisions to the forecast of consolidated financial results most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company (RAKUS Partners Co., Ltd.)

(Note) 1. For details, please refer to page 9 of the attached materials, "2. Quarterly consolidated financial statements and principal notes (3) Notes to quarterly consolidated financial statements (Changes in the scope of consolidation or application of the equity method)."

2. Effective July 1, 2026, RAKUS Partners Co., Ltd. changed its corporate name to BREXA SOLVIA Inc.

(2) Application of specific accounting treatments for preparing quarterly consolidated financial statements: Yes

(Note) For details, please refer to page 9 of the attached materials, "2. Quarterly consolidated financial statements and principal notes (3) Notes to quarterly consolidated financial statements (Notes on accounting treatment specific to the preparation of quarterly consolidated financial statements)."

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to page 9 of the attached materials, "2. Quarterly consolidated financial statements and principal notes (3) Notes to quarterly consolidated financial statements (Notes on changes in accounting policies)."

(4) Number of issued shares (common shares)

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

As of June 30, 2026	354,391,000 shares
As of March 31, 2026	354,391,000 shares

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

As of June 30, 2026	281,659 shares
As of March 31, 2026	281,659 shares

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

Three months ended June 30, 2026	354,109,341 shares
Three months ended June 30, 2025	361,448,749 shares

(Note) The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Average number of shares outstanding during the period" has been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

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

* Explanation regarding the appropriate use of forecasts and other special notes

(Cautionary Statement Regarding Forward-Looking Statements)

Forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable. They are not intended as a guarantee of future performance by the Company. Actual results may differ significantly due to various factors. For the conditions underlying the forecasts and notes regarding the use of forecasts, please refer to the attached document, page 3, "1. Overview of operating results, etc. (3) Consolidated financial results forecast and other forward-looking statements."

(Availability of supplementary financial results materials and financial results briefing contents)

The Company plans to hold a web conference for institutional investors and analysts on August 17, 2026. The presentation materials to be distributed at this web conference will be disclosed on TDnet simultaneously with the financial results announcement and will also be posted on our website.

Table of Contents for Attached Materials

1. Overview of operating results, etc.	2
(1) Overview of operating results for the period under review	2
(2) Overview of financial position for the period under review	2
(3) Consolidated financial results forecast and other forward-looking statements	3
(4) Number of employees	3
2. Quarterly consolidated financial statements and principal notes	5
(1) Quarterly consolidated balance sheet	5
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	7
Quarterly consolidated statement of income	7
Quarterly consolidated statement of comprehensive income	8
(3) Notes to quarterly consolidated financial statements	9
(Notes on going concern assumption)	9
(Changes in the scope of consolidation or application of the equity method)	9
(Notes on changes in accounting policies)	9
(Notes on accounting treatment specific to the preparation of quarterly consolidated financial statements)	9
(Notes on significant changes in the amount of shareholders' equity)	9
(Additional information)	9
(Notes on quarterly consolidated statement of cash flows)	9
(Notes on segment information, etc.)	10
(Notes on business combinations, etc.)	10
(Revenue recognition)	11
(Significant subsequent events)	12

1. Overview of operating results, etc.

(1) Overview of operating results for the period under review

In the telecommunications service market in which the Company operates, interest in improving operational efficiency at companies has further increased against the backdrop of work style reforms and intensifying labor shortages, and the digitalization of corporate activities is progressing. As a result, IT investment by companies has remained steady.

Under these circumstances, in response to the growing corporate interest in the utilization of generative AI, the Company, as a cloud service provider, views this as an opportunity to create new value and market opportunities, and is working on implementing functions into its products and improving the productivity of internal operations.

Meanwhile, the Company recognizes that in some business areas, the market is maturing, and potential customers are becoming more cautious in evaluating implementation benefits before adoption. Moreover, the competitive environment is becoming increasingly severe due to the increase in business operators deploying similar services.

During the first three months of the current consolidated fiscal year, although consolidated net sales remained flat year-on-year due to the impact of the exclusion of the IT Outsourcing Business from the scope of consolidation, core services such as Raku Raku Seisan and Raku Raku Meisai remained robust. In terms of profit, the operating profit margin improved due to factors such as a review of the allocation of advertising costs considering the business environment. In addition, profit attributable to owners of parent increased significantly due to the recording of extraordinary income of 16,685 million yen associated with the share transfer.

As a result, during the first three months of the current consolidated fiscal year, net sales were 14,210 million yen (up 0.9% year-on-year), operating profit was 4,756 million yen (up 30.1% year-on-year), ordinary profit was 4,872 million yen (up 33.2% year-on-year), and profit attributable to owners of parent was 14,631 million yen (up 313.6% year-on-year).

In addition, from the first quarter of the current consolidated fiscal year, as the Group has changed its reportable segments to a single segment, descriptions by segment are omitted. For details, please refer to "2. Quarterly consolidated financial statements and principal notes (3) Notes to quarterly consolidated financial statements (Notes on segment information, etc.)."

(2) Overview of financial position for the period under review

(i) Assets

As of the end of the first quarter of the current consolidated fiscal year, current assets amounted to 29,645 million yen, an increase of 6,245 million yen compared to the end of the previous consolidated fiscal year. The main factors included an increase of 6,593 million yen in cash and deposits, partially offset by a decrease of 753 million yen in accounts receivable - trade. Non-current assets amounted to 21,743 million yen, an increase of 8,561 million yen compared to the end of the previous consolidated fiscal year. The main factors included an increase of 8,642 million yen in investment securities, partially offset by decreases of 256 million yen in deferred tax assets and 147 million yen in guarantee deposits.

As a result, total assets amounted to 51,388 million yen, an increase of 14,806 million yen compared to the end of the previous consolidated fiscal year.

(ii) Liabilities

As of the end of the first quarter of the current consolidated fiscal year, current liabilities amounted to 12,925 million yen, an increase of 2,539 million yen compared to the end of the previous consolidated fiscal year. The main factors included increases of 3,796 million yen in income taxes payable and 728 million yen in provision for bonuses, partially offset by decreases of 1,811 million yen in accrued expenses and 699 million yen in accrued consumption taxes. Non-current liabilities amounted to 111 million yen, a decrease of 49 million yen compared to the end of the previous consolidated fiscal year. The main factors included a decrease of 37 million yen in guarantee deposits received.

As a result, total liabilities amounted to 13,037 million yen, an increase of 2,489 million yen compared to the end of the previous consolidated fiscal year.

(iii) Net assets

As of the end of the first quarter of the current consolidated fiscal year, total net assets amounted to 38,351 million yen, an increase of 12,316 million yen compared to the end of the previous consolidated fiscal year. The main factors included an increase of 14,631 million yen in retained earnings due to the recording of profit attributable to owners of parent, partially offset by a decrease of 2,478 million yen due to dividends of surplus. In addition, valuation difference on available-for-sale securities increased by 162 million yen.

(3) Consolidated financial results forecast and other forward-looking statements

The Group has formulated a Medium-Term Management Plan covering the three fiscal years from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029.

Following the transfer of the IT Outsourcing Business in April 2026, the Company has transitioned to a pure-play Cloud Business structure. In this Medium-Term Management Plan, we aim to achieve quality growth that balances high growth and high profitability by concentrating our management resources on the Cloud Business.

Specifically, we aim to achieve the "Rule of 50" (*1) by the final year of the Medium-Term Management Plan.

The numerical targets for the Medium-Term Management Plan, with the final year being the fiscal year ending March 31, 2029, are as follows:

- Three-year organic growth in net sales of the Cloud Business: CAGR (Compound Annual Growth Rate) of 15% or more
- Achievement of the "Rule of 50" (From the fiscal year ending March 31, 2028 onward)
- Net sales per regular employee: 30 million yen or more (Fiscal year ending March 31, 2029) (*2)
- ROE excluding one-time effects such as extraordinary income and losses: Maintain 30% or higher
- Shareholder returns: Total payout ratio of 20% or higher and consecutive dividend increases every fiscal year

Based on the above, for the fiscal year ending March 31, 2027, the Group plans net sales of 59,700 million yen (down 1.0% year-on-year), operating profit of 20,500 million yen (up 18.2% year-on-year), ordinary profit of 20,500 million yen (up 17.5% year-on-year), and profit attributable to owners of parent of 25,200 million yen (up 89.6% year-on-year). This plan remains unchanged from the initial forecast.

On an organic basis for the Cloud Business alone, net sales are planned to increase by 15.3% year-on-year, and segment profit is planned to increase by 27.9% year-on-year.

Note that while the above earnings forecast for the fiscal year ending March 31, 2027 does not include the earnings forecast for the IT Outsourcing Business, it incorporates an extraordinary profit of 16,685 million yen associated with the business transfer.

In addition, we are continuing to carefully examine the impact on the earnings forecasts associated with making Plus Alpha Consulting Co., Ltd. an equity-method affiliate through the additional acquisition of its shares, the capital and business alliance with ROBOT PAYMENT Inc., and the underwriting of the disposal of treasury shares through third-party allotment. The Company will promptly disclose any matters requiring disclosure should they arise in the future. Furthermore, additional shareholder returns based on the shareholder return policy are also being considered in conjunction with the examination of the earnings forecasts, and are scheduled to be disclosed at an appropriate time.

*1 We aim to achieve a sum of 50%, exceeding the "Rule of 40" (an indicator in the cloud services industry where investors pay close attention to the sum of sales growth rate and operating margin, and a total exceeding 40% is generally considered desirable).

*2 The average number of regular employees during the period is used for the calculation.

(4) Number of employees

(i) Consolidated basis

		As of June 30, 2026	
Division		Number of employees (persons)	
Cloud Business		2,219	(127)
Corporate		177	(27)
Total		2,396	(154)

- (Note)
1. The number of employees represents the number of working employees (excluding those seconded from the Group to external entities, and including those seconded from external entities to the Group). The average number of semi-regular employees, contract employees, part-time employees, and temporary staff from staffing agencies during the first three months of the current consolidated fiscal year is shown in parentheses as a separate figure.
 2. The number of employees decreased by 1,173 compared to the end of the previous consolidated fiscal year. The main factors for this decrease included the transfer of all shares of RAKUS Partners Co., Ltd., a former consolidated subsidiary of the Company, and its exclusion from the scope of consolidation during the first quarter of the current consolidated fiscal year.
 3. From the first quarter of the current consolidated fiscal year, as the Group has changed its reportable segments to a single segment, descriptions by segment are omitted.

(ii) Non-consolidated basis

As of June 30, 2026

Division	Number of employees (persons)	
Cloud Business	2,082	(126)
Corporate	177	(27)
Total	2,259	(153)

- (Note)
1. The number of employees represents the number of working employees (excluding those seconded from the Company to external entities, and including those seconded from external entities to the Company). The average number of semi-regular employees, contract employees, part-time employees, and temporary staff from staffing agencies during the first three months of the current fiscal year is shown in parentheses as a separate figure.
 2. The number of employees increased by 69 compared to the end of the previous fiscal year. The main reason for this increase was the expansion of business operations.
 3. From the first quarter of the current fiscal year, as the Group has changed its reportable segments to a single segment, descriptions by segment are omitted.

2. Quarterly consolidated financial statements and principal notes
(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	13,894	20,487
Accounts receivable - trade	8,677	7,924
Other	873	1,256
Allowance for doubtful accounts	(44)	(24)
Total current assets	23,399	29,645
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	337	282
Tools, furniture and fixtures, net	2,036	2,368
Construction in progress	-	60
Total property, plant and equipment	2,374	2,710
Intangible assets		
Goodwill	1,057	1,015
Customer-related intangible assets	1,777	1,740
Software	90	83
Total intangible assets	2,924	2,839
Investments and other assets		
Investment securities	4,904	13,547
Guarantee deposits	1,309	1,161
Deferred tax assets	1,593	1,336
Other	124	188
Allowance for doubtful accounts	(49)	(41)
Total investments and other assets	7,882	16,193
Total non-current assets	13,181	21,743
Total assets	36,581	51,388

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	10	3
Accounts payable - other	1,909	1,876
Accrued expenses	2,037	226
Income taxes payable	3,423	7,219
Accrued consumption taxes	1,662	962
Contract liabilities	1,182	1,229
Provision for bonuses	-	728
Other	161	679
Total current liabilities	10,386	12,925
Non-current liabilities		
Long-term accrued expenses	118	111
Guarantee deposits received	37	-
Retirement benefit liability	0	0
Other	5	-
Total non-current liabilities	161	111
Total liabilities	10,547	13,037
Net assets		
Shareholders' equity		
Share capital	378	378
Capital surplus	308	308
Retained earnings	25,963	38,116
Treasury shares	(219)	(219)
Total shareholders' equity	26,430	38,583
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(446)	(283)
Deferred gains or losses on hedges	5	6
Foreign currency translation adjustment	44	45
Total accumulated other comprehensive income	(396)	(231)
Total net assets	26,034	38,351
Total liabilities and net assets	36,581	51,388

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
(Quarterly consolidated statement of income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	14,081	14,210
Cost of sales	3,502	2,619
Gross profit	10,579	11,590
Selling, general and administrative expenses	6,923	6,834
Operating profit	3,656	4,756
Non-operating income		
Interest income	2	18
Dividend income	-	93
Foreign exchange gains	-	2
Subsidy income	0	-
Other	0	0
Total non-operating income	3	116
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	0	-
Commission for purchase of treasury shares	1	-
Other	0	0
Total non-operating expenses	2	0
Ordinary profit	3,657	4,872
Extraordinary income		
Gain on sale of investment securities	1,491	-
Gain on sale of shares of subsidiaries and associates	-	16,685
Gain on transfer of business	11	-
Total extraordinary income	1,503	16,685
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	5,160	21,558
Income taxes	1,623	6,926
Profit	3,537	14,631
Profit attributable to owners of parent	3,537	14,631

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	3,537	14,631
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,045)	162
Deferred gains or losses on hedges	(6)	1
Foreign currency translation adjustment	(3)	0
Total other comprehensive income	(1,055)	164
Comprehensive income	2,482	14,795
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,482	14,795

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in the scope of consolidation or application of the equity method)

During the first quarter of the current consolidated fiscal year, the Company transferred all shares of RAKUS Partners Co., Ltd., a former consolidated subsidiary of the Company. Consequently, RAKUS Partners has been excluded from the scope of consolidation.

(Notes on changes in accounting policies)

(Change in method of calculating income taxes)

Tax expenses were previously calculated using the principle method. However, to further streamline the quarterly financial closing process, the method has been changed from the beginning of the first quarter of the current consolidated fiscal year to the method described in "(Notes on accounting treatment specific to the preparation of quarterly consolidated financial statements)". As the impact of this change is immaterial, retrospective application has not been made.

(Notes on accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of income tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to profit before income taxes for the consolidated fiscal year including the first quarter of the current consolidated fiscal year, and multiplying profit before income taxes for the quarter by this estimated effective tax rate. However, if the calculation of tax expenses using this estimated effective tax rate results in an outcome that is significantly unreasonable, the statutory effective tax rate is used.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Additional information)

(Provision for bonuses)

In the previous consolidated fiscal year, the finalized amount of employees' bonuses was recorded as accrued expenses. However, for the three months ended June 30, 2026, since the payment amount has not been finalized, the estimated payment amount is recorded as provision for bonuses. In addition, in the previous consolidated fiscal year, the finalized payment amount of 1,587 million yen was included in accrued expenses.

(Notes on quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the three months ended June 30, 2026 has not been prepared.

Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as follows.

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	220 million yen	250 million yen
Amortization of goodwill	83 million yen	42 million yen

(Notes on segment information, etc.)

I For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

As described in "II For the three months ended June 30, 2026 (Matters regarding changes in reportable segments, etc.)."

II For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

From the first quarter of the current consolidated fiscal year, the Group has changed its reportable segments to a single segment, and therefore the presentation by segment is omitted.

(Matters regarding changes in reportable segments, etc.)

In the previous consolidated fiscal year, with the aim of achieving quality growth that balances high growth and high profitability, the Company transferred all shares of RAKUS Partners Co., Ltd., a consolidated subsidiary that had been classified under the IT Outsourcing Business. As a result, there are no longer any businesses classified under the IT Outsourcing Business. Therefore, the Company determined that disclosing the reportable segment as a single segment more appropriately reflects the actual business conditions of the Group. Due to this change, the presentation of segment information for the first three months of the previous consolidated fiscal year and the first three months of the current consolidated fiscal year has been omitted.

(Notes on business combinations, etc.)

(Sale of shares of a subsidiary resulting in change in scope of consolidation)

The Company resolved at the Board of Directors meeting held on February 13, 2026, to transfer all shares of its consolidated subsidiary, RAKUS Partners Co., Ltd. (hereinafter "RAKUS Partners"), to BREXA Technology Co., Ltd. (hereinafter "BREXA Technology") (hereinafter the "Share Transfer"), and executed the transfer on April 1, 2026. Associated with this Share Transfer, RAKUS Partners has been excluded from the Company's scope of consolidation.

1. Overview of the Share Transfer

(1) Name of the transferee company

BREXA Technology Co., Ltd.

(2) Name and business description of the transferred subsidiary

Name: RAKUS Partners Co., Ltd.

Business Description: IT Outsourcing Business

(3) Main reasons for the transfer of shares

The IT Outsourcing Business, which is the founding business of the Group, had maintained steady performance.

However, amidst diluting synergies with the Cloud Business, the Company is focusing on improving the operating profit margin with the "Rule of 50" in mind in the current Mid-Term Management Plan, and has set a strategic policy to concentrate management resources on the Cloud Business.

Against this background, the Company determined that pursuing more active investment and growth opportunities under the best owner who positions the IT Outsourcing Business as a core business contributes to maximizing the corporate value of RAKUS Partners, and decided to transfer all shares.

(4) Share transfer date

April 1, 2026

(5) Other matters regarding the overview of transactions including legal forms

Share transfer with cash consideration

2. Overview of accounting procedures implemented

(1) Amount of gain or loss on transfer

Gain on sale of shares of subsidiaries and associates: 16,685 million yen

(2) Appropriate book values of assets and liabilities related to the transferred subsidiary and their main components

Current assets	2,381 million yen
Non-current assets	368 million yen
Total assets	2,750 million yen
Current liabilities	1,082 million yen
Non-current liabilities	41 million yen
Total liabilities	1,124 million yen

(3) Accounting treatment

Accounting treatment has been applied in accordance with the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, September 13, 2024).

3. Reportable segment that included the transferred business

IT Outsourcing Business

4. Estimated profit or loss related to the transferred subsidiary recorded in the quarterly consolidated statement of income

Not applicable, as the share transfer date was April 1, 2026.

(Revenue recognition)

Breakdown of revenue from contracts with customers

The Group operates in a single segment, the Cloud Business, and the breakdown of revenue from contracts with major customers by major cloud service is as follows.

Also, effective from the third quarter of the previous consolidated fiscal year, "Hai Hai Mail", a service included in the conventional "E-mail distribution services", has been renamed "Raku Raku Mail Marketing", and "Mail Dealer" has been renamed "Raku Raku Jido Otai". This change is a renaming of services and has no impact on revenue recognition. The names for the first three months of the previous consolidated fiscal year are also presented using the renamed names.

	(Millions of yen)	
	Three months ended June 30, 2025	Three months ended June 30, 2026
Raku Raku Seisan	4,928	5,449
Raku Raku Meisai	2,979	3,677
Raku Raku Hambai	1,654	2,024
E-mail distribution services	986	1,072
Raku Raku Jido Otai	828	914
Raku Raku Kintai	432	613
IT Outsourcing	2,016	-
Others	256	459
Revenue from contracts with customers	14,081	14,210
Other revenue	-	-
Net sales to external customers	14,081	14,210

(Note) The information disclosed is prepared based on the single segment after the change described in "(Notes on segment information, etc.) II For the three months ended June 30, 2026 (Matters regarding changes in reportable segments, etc.)."

(Significant subsequent events)

(Acquisition of shares resulting in a company becoming an equity-method affiliate)

The Company resolved at the Board of Directors meeting held on July 14, 2026, to conclude a share transfer agreement to additionally acquire common shares of Plus Alpha Consulting Co., Ltd. (hereinafter "PAC") from funds managed or operated by Oasis Management Company Ltd., a major shareholder of PAC, and to also conclude a memorandum of understanding regarding the capital and business alliance agreement. As a result, the Company plans to make PAC an equity-method affiliate, subject to the completion of procedures such as obtaining permits and approvals from the relevant authorities.

1. Reason for the share acquisition and conclusion of the MOU

The Company develops cloud-based SaaS solutions that realize the digitalization (DX) of the back-office area, primarily for small and medium-sized enterprises, while PAC develops HR solutions such as the talent management system "Talent Palette," which boasts the top share in the enterprise market. The two companies have promoted close collaboration through the deployment of "Raku Raku Jinji Roumu," an OEM product supplied by PAC to the Company. In order to respond quickly to changes in the market environment and accelerate the development of new services beyond the conventional framework and the co-creation of new markets, the Company has decided to additionally acquire common shares of PAC and make it an equity-method affiliate. This is aimed at maximizing synergies by deeply integrating the system development capabilities, operational know-how, and customer bases held by both companies, and enhancing corporate value over the medium to long term.

2. Details of the memorandum of understanding regarding the capital and business alliance agreement

The Company and PAC will work on the following, taking the opportunity of making PAC an equity-method affiliate through this Share Acquisition, with the aim of maximizing service sales opportunities by further deepening the collaboration between the two companies beyond the framework of the existing collaboration, and building a medium- to long-term strategic partnership.

- (1) Restrictions on additional acquisition of PAC shares by the Company
- (2) Nomination of a director from the Company to PAC and limitation of role
- (3) Prior notice and right of first refusal upon the transfer of PAC shares by the Company
- (4) Exclusion from application of the right of first refusal provisions
- (5) Respect for PAC's governance and response to company proposals
- (6) Conditions for loss of effectiveness of this MOU

3. Overview of the company becoming an equity-method affiliate

- | | |
|-----------------------------|---|
| (1) Name | Plus Alpha Consulting Co., Ltd. |
| (2) Location | 25F, Shiodome Sumitomo Bldg., 1-9-2 Higashi-Shimbashi, Minato-ku, Tokyo |
| (3) Description of business | (i) Marketing solutions business
(ii) CRM solutions business
(iii) HR platform business |
| (4) Share capital | 561,397 thousand yen (As of March 31, 2026) |
| (5) Date of establishment | December 25, 2006 |

4. Overview of the counterparty to the share acquisition

- | | |
|-----------------------------|---|
| (1) Name | Oasis Investments II Master Fund Ltd.
Oasis Japan Strategic Fund Ltd.
Oasis Japan Strategic Fund Y Ltd. |
| (2) Location | PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands |
| (3) Description of business | Funds |

5. Number of shares to be acquired, acquisition price, and status of shares held before and after the acquisition

(1) Number of shares held before the acquisition

2,505,000 shares (Percentage of voting rights held: 5.91%)

(2) Number of shares to be acquired

6,906,100 shares

(3) Acquisition price

23.1 billion yen

(4) Number of shares held after the acquisition

9,411,100 shares (Percentage of voting rights held: 22.21%)

6. Timing of share acquisition

August 21, 2026 (scheduled)

(Note) The execution of this share transfer is subject to the completion of the business combination review by the relevant authorities. Depending on the status of the review, the above schedule is subject to change.