# Consolidated Financial Results for the Six Months Ended July 31, 2026 [Under Japanese GAAP]

September 11, 2026

Company name: NEOJAPAN Inc.
Listing: Tokyo Stock Exchange
Securities code: 3921
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Scheduled date to file semi-annual securities report: September 11, 2026
Scheduled date to commence dividend payments: October 5, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors (online))

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

**1. Consolidated Financial Results for the Six Months Ended July 31, 2026 (February 1, 2026–July 31, 2026)**

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| July 31, 2026 | 4,226 | 6.4 | 1,348 | 7.9 | 1,389 | 7.3 | 947 | 6.6 |
| July 31, 2025 | 3,973 | 18.0 | 1,250 | 47.4 | 1,294 | 44.4 | 889 | 47.6 |

(Note) Comprehensive income: Six months ended July 31, 2026: ¥985 million [13.7%]
Six months ended July 31, 2025: ¥866 million [37.3%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Six months ended | Yen | Yen |
| July 31, 2026 | 67.59 | – |
| July 31, 2025 | 63.53 | 63.42 |

(Note) Diluted earnings per share for the six months ended July 31, 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 July 31, 2026 | 11,257 | 8,032 | 71.3 |
| As of January 31, 2026 | 10,693 | 7,482 | 69.9 |

(Reference) Equity: As of July 31, 2026: ¥8,025 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 | – | 27.00 | | | |
| Fiscal year ending January 31, 2027 (Forecast) | | | – | 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 |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 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 semi-annual 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 July 31, 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 July 31, 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):

| | |
|---|---|
| Six months ended July 31, 2026: | 14,017,873 shares |
| Six months ended July 31, 2025: | 13,997,567 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 six months ended July 31, 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, we released version 9.6 in May 2026, which features enhancements and improvements to basic functions, including the information function and AppSuite.

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. The Company also strove to expand the application of LiveX AI into the sports and entertainment field. In May 2026, the Company conducted field trials of AI avatar-powered fan experiences at a home game of Tokushima Vortis, a J.League football club, and at a fan appreciation event hosted by Yokohama Excellence, a professional basketball club. Through these two field trials, the Company provided new fan experiences powered by AI avatars and confirmed the potential applications of LiveX AI in the sports and entertainment field.

In addition, in July 2026, the Company started the provision of "Neuron ES for desknet's," an on-premises enterprise full-text search system. This is based on a generative AI-enabled full-text search system for which the Company has been working to enter into a business partnership with Brains Technology, Inc. since February 2026. The product is designed to improve operational efficiency and enhance the effective use of organizational knowledge by enabling fast and highly accurate searches across not only documents stored on desknet's NEO but also data stored in dispersed places, such as internal file servers and cloud storage. In July 2026, Osaka Shinkin Bank decided to adopt the product, and we are taking initiatives to expand its sales.

In May 2026, desknet's NEO ranked 10th among the top 100 products in Best Software in Japan 2026, organized by ITreview, a review site operated by ITcrowd Corp., having been selected from among the approximately 15,000 products listed on the site. It was also awarded in two categories, "Groupware" and "Workflow Systems." In July 2026, our three principal products were respectively awarded "LEADER," the highest award, across five categories in the ITreview Grid Award 2026 Summer, organized by ITreview. Now desknet's NEO has received the award 29 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. In addition, in July 2026, the Company received for the first time the Platinum Kurumin Certification from the Minister of Health, Labour and Welfare in recognition of its initiatives to support employees in balancing work and childcare.

As a result, for the six months ended July 31, 2026, the Company posted net sales of ¥4,226,783 thousand (up 6.4% year on year), operating profit of ¥1,348,456 thousand (up 7.9% year on year), ordinary profit of ¥1,389,862 thousand (up 7.3% year on year), and profit attributable to owners of parent of ¥947,503 thousand (up 6.6% year on year), achieving a robust growth.

Operating results for the six months ended July 31, 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 six months ended July 31, 2025 | | For the six months ended July 31, 2026 | | |
|---|---|---|---|---|---|
| | Net sales (Thousand yen) | Percentage breakdown (%) | Net sales (Thousand yen) | Percentage breakdown (%) | Change (%) |
| Cloud services | 2,090,569 | 70.1 | 2,320,434 | 72.1 | 11.0 |
| Packaged products | 814,719 | 27.3 | 863,867 | 26.8 | 6.0 |
| Technological development | 75,600 | 2.6 | 36,000 | 1.1 | (52.4) |
| Total | 2,980,889 | 100.0 | 3,220,302 | 100.0 | 8.0 |

1) Cloud services

Net sales by principal cloud service are as follows.

| | For the six months ended July 31, 2025 | For the six months ended July 31, 2026 | Change (Thousand yen) | Change (%) |
|---|---|---|---|---|
| | Net sales (Thousand yen) | Net sales (Thousand yen) | | |
| desknet's NEO cloud (*1) | 1,743,495 | 1,877,965 | 134,470 | 7.7 |
| AppSuite cloud (*1) | 182,174 | 249,618 | 67,443 | 37.0 |
| ChatLuck cloud (*1) | 46,453 | 53,577 | 7,123 | 15.3 |
| Other monthly recurring revenue | 90,348 | 105,868 | 15,520 | 17.2 |
| **Total monthly recurring revenue** | **2,062,471** | **2,287,029** | **224,557** | **10.9** |
| Other services, etc. | 28,097 | 33,405 | 5,307 | 18.9 |
| **Cloud services total** | **2,090,569** | **2,320,434** | **229,864** | **11.0** |

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

Net sales of desknet's NEO cloud increased by ¥134,470 thousand year on year to ¥1,877,965 thousand (up 7.7% year on year) due mainly to an increase in the number of set plan users. The increase in the number of users during the six months ended July 31, 2026 was generally in line with that in the fiscal year ended January 31, 2025, which is before the price increase, partly driven by new orders from large-scale cloud users. The average number of users of the service was 87 users per company. The monthly churn rate (*2) was 0.31% (0.34% in the same period of the previous fiscal year), remaining largely unchanged from its previous level. We will continue working to keep the rate at a low level.

Net sales of AppSuite cloud increased significantly by ¥67,443 thousand year on year to ¥249,618 thousand (up 37.0% year on year), due to an increase in the number of users. The sales of the standard plan (*4) remained strong, and as of July 31, 2026, the number of users of AppSuite cloud accounted for approximately 23% of the number of desknet's NEO cloud users, increasing by approximately 6 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 ¥7,123 thousand year on year to ¥53,577 thousand (up 15.3% year on year). Although this accounts for a small proportion of overall net sales, this service offers greater convenience to users when used in combination with desknet's NEO. We will therefore strive to expand the number of

ChatLuck users who also use desknet's NEO. Other monthly recurring revenue increased by ¥15,520 thousand year on year to ¥105,868 thousand (up 17.2% year on year), primarily due to an increase in the number of services integrated with third-party services. Net sales of other services, etc. increased by ¥5,307 thousand year on year to ¥33,405 thousand (up 18.9% year on year). This was primarily due to an increase in the number of customization projects for application service providers (ASP).

As a result, the overall net sales of cloud services increased by ¥229,864 thousand year on year to ¥2,320,434 thousand (up 11.0% 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 six months ended July 31, 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 six months ended July 31, 2025 | For the six months ended July 31, 2026 | Change (Thousand yen) | Change (%) |
|---|---|---|---|---|
| | Net sales (Thousand yen) | Net sales (Thousand yen) | | |
| desknet's NEO | 101,363 | 84,692 | (16,671) | (16.4) |
| AppSuite | 46,480 | 50,426 | 3,945 | 8.5 |
| ChatLuck | 7,025 | 53,593 | 46,568 | 662.9 |
| Other license sales | 4,169 | 2,768 | (1,401) | (33.6) |
| **Total license sales** | **159,038** | **191,480** | **32,441** | **20.4** |
| Support | 533,914 | 555,846 | 21,932 | 4.1 |
| Customization | 32,168 | 51,733 | 19,565 | 60.8 |
| Other services, etc. | 89,597 | 64,807 | (24,790) | (27.7) |
| **Packaged products total** | **814,719** | **863,867** | **49,148** | **6.0** |

Net sales of desknet's NEO license decreased by ¥16,671 thousand year on year to ¥84,692 thousand (down 16.4% year on year), due mainly to a decrease in mid-scale licenses for more than 1,000 users, although net sales of new large-scale licenses for 5,000 users or more increased. The sales were approximately 90% of the initial plan, partly due to the impact of projects whose scheduled implementation dates were changed as a result of server delivery delays caused by semiconductor shortages and other factors.

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

Net sales of AppSuite license increased by ¥3,945 thousand year on year to ¥50,426 thousand (up 8.5% year on year). As in the case with desknet's NEO license, this was due mainly to an increase in new large-scale licenses for 5,000 users or more. The sales were above the initial plan.

Net sales of ChatLuck license increased by ¥46,568 thousand year on year to ¥53,593 thousand (up 662.9% year on year), due mainly to an increase in new large-scale licenses for 5,000 users or more. The sales were above the initial plan.

Net sales of support increased by ¥21,932 thousand year on year to ¥555,846 thousand (up 4.1% year on year), mainly because net sales of support for desknet's NEO increased by ¥13,681 thousand year on year to ¥452,691 thousand (up 3.1% year on year). Net sales of customization increased by ¥19,565 thousand year on year to ¥51,733 thousand (up 60.8% year on year), mainly because of an increase in the number of midsized projects. Net sales of other services, etc. decreased by ¥24,790 thousand year on year to ¥64,807 thousand (down 27.7% 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 increased by ¥49,148 thousand year on year to ¥863,867 thousand (up 6.0% year on year).

3) Technological development

As it is not our policy to actively accept development contracts, net sales of technological development decreased by ¥39,600 thousand year on year to ¥36,000 thousand (down 52.4% year on year). This was mainly because of the decreased sales associated with the downsizing of ongoing projects from the past.

As a result, the software business posted net sales of ¥3,220,302 thousand (up 8.0% year on year) and segment profit of ¥1,367,255 thousand (up 8.3% year on year).

(System development service business)

The system development service business consists of businesses operated by our subsidiary, Pro-SPIRE Inc., which 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 six months ended July 31, 2026, net sales increased by ¥33,634 thousand year on year to ¥996,686 thousand, due mainly to the expanded scale of projects for existing customers. Cost of sales increased by ¥10,663 thousand overall, due mainly to an increase in personnel expenses exceeding the reduction in outsourcing expenses resulting from the increased number of personnel. Selling, general and administrative expenses increased by ¥22,641 thousand due to an increase in personnel expenses.

As a result, the system development service business posted net sales of ¥996,686 thousand (up 3.5% year on year) and segment profit of ¥29,449 thousand (up 1.1% 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 have borne fruit, and for the six months ended July 31, 2026, net sales increased by ¥9,105 thousand to ¥45,533 thousand. Going forward, we will continue to focus on strengthening our presence among local companies.

As a result, the overseas business posted net sales of ¥45,533 thousand (up 25.0% year on year) and segment loss of ¥48,621 thousand (segment loss of ¥41,420 thousand for the same period of the previous fiscal year).

(2) Analysis of Financial Position

[1] Status of assets, liabilities, and net assets

(Assets)

Total assets as of July 31, 2026 increased by ¥564,136 thousand from the end of the previous fiscal year to ¥11,257,673 thousand. This was mainly due to increases of ¥724,852 thousand in cash and deposits and of ¥58,432 thousand in securities and investment securities due to an increase in the market value of U.S. dollar-denominated bonds resulting from the depreciation of the yen, while accounts receivable and contract assets decreased by ¥266,451 thousand mainly as a result of a change in the collection terms with a major customer.

(Liabilities)

Total liabilities as of July 31, 2026 increased by ¥13,324 thousand from the end of the previous fiscal year to ¥3,224,798 thousand. This was mainly due to an increase of ¥230,712 thousand in contract liabilities such as cloud services, while other under current liabilities decreased by ¥91,135 thousand resulting mainly from a decrease of ¥41,383 thousand in accrued consumption taxes, income taxes payable decreased by ¥82,173 thousand, and other under non-current liabilities decreased by ¥24,431 thousand resulting mainly from a decrease of ¥24,472 thousand in long-term accounts payable - other.

(Net assets)

Total net assets as of July 31, 2026 increased by ¥550,811 thousand from the end of the previous fiscal year to ¥8,032,875 thousand. This was mainly due to an increase of ¥512,949 thousand in retained earnings, reflecting the recording of ¥947,503 thousand in profit attributable to owners of parent, partly offset by the payment of dividends of surplus of ¥434,554 thousand.

[2] Status of cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) as of July 31, 2026 were ¥7,177,481 thousand, an increase of ¥745,500 thousand compared with the end of the previous fiscal year.

The status of cash flows and their factors in the six months ended July 31, 2026 are as follows.

(Cash flows from operating activities)

Cash provided by operating activities amounted to ¥1,387,579 thousand (cash inflow of ¥1,173,393 thousand in the same period of the previous fiscal year). This was mainly due to an increase of cash resulting from the recording of profit before income taxes of ¥1,389,697 thousand, a decrease of ¥266,301 thousand in accounts receivable - trade, and contract assets, and an increase of ¥230,751 thousand in contract liabilities, despite a decrease of cash resulting from income taxes paid of ¥522,010 thousand.

(Cash flows from investing activities)

Cash used in investing activities amounted to ¥227,172 thousand (cash outflow of ¥188,713 thousand in the same period of the previous fiscal year). This was mainly due to a decrease of cash due to purchase of intangible assets of ¥176,289 thousand and purchase of property, plant and equipment of ¥28,618 thousand.

(Cash flows from financing activities)

Cash used in financing activities amounted to ¥436,286 thousand (cash outflow of ¥362,994 thousand in the same period of the previous fiscal year). This was mainly due to dividends paid of ¥434,492 thousand.

(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. Semi-annual Consolidated Financial Statements and Principal Notes

### (1) Semi-annual Consolidated Balance Sheets

(Thousand yen)

| | As of January 31, 2026 | As of July 31, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,426,616 | 7,151,468 |
| Accounts receivable and contract assets | 994,526 | 728,075 |
| Securities | 180,562 | 362,050 |
| Supplies | 1,043 | 1,131 |
| Other | 148,650 | 186,296 |
| Allowance for doubtful accounts | (4,193) | (4,025) |
| Total current assets | 7,747,205 | 8,424,996 |
| Non-current assets | | |
| Property, plant and equipment | 184,610 | 177,365 |
| Intangible assets | | |
| Goodwill | 50,714 | 43,799 |
| Other | 269,699 | 291,393 |
| Total intangible assets | 320,414 | 335,192 |
| Investments and other assets | | |
| Investment securities | 1,715,837 | 1,592,781 |
| Other | 726,323 | 728,577 |
| Allowance for doubtful accounts | (855) | (1,239) |
| Total investments and other assets | 2,441,306 | 2,320,119 |
| Total non-current assets | 2,946,331 | 2,832,676 |
| Total assets | 10,693,537 | 11,257,673 |

(Thousand yen)

| | As of January 31, 2026 | As of July 31, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 153,438 | 154,025 |
| Income taxes payable | 546,514 | 464,341 |
| Contract liabilities | 1,396,297 | 1,627,010 |
| Provision for bonuses | 160,663 | 145,972 |
| Other | 520,625 | 429,489 |
| Total current liabilities | 2,777,539 | 2,820,838 |
| Non-current liabilities | | |
| Retirement benefit liability | 406,374 | 400,831 |
| Other | 27,560 | 3,128 |
| Total non-current liabilities | 433,934 | 403,959 |
| Total liabilities | 3,211,473 | 3,224,798 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 299,020 | 299,020 |
| Capital surplus | 293,538 | 293,538 |
| Retained earnings | 6,850,435 | 7,363,384 |
| Treasury shares | (75,558) | (75,558) |
| Total shareholders' equity | 7,367,434 | 7,880,384 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 112,958 | 139,458 |
| Foreign currency translation adjustment | (5,612) | 5,750 |
| Total accumulated other comprehensive income | 107,346 | 145,208 |
| Non-controlling interests | 7,282 | 7,282 |
| Total net assets | 7,482,063 | 8,032,875 |
| Total liabilities and net assets | 10,693,537 | 11,257,673 |

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Thousand yen)

| | For the six months ended July 31, 2025 | For the six months ended July 31, 2026 |
|---|---|---|
| Net sales | 3,973,783 | 4,226,783 |
| Cost of sales | 1,682,810 | 1,624,330 |
| Gross profit | 2,290,973 | 2,602,453 |
| Selling, general and administrative expenses | 1,040,766 | 1,253,996 |
| Operating profit | 1,250,207 | 1,348,456 |
| Non-operating income | | |
| Interest income | 33,265 | 39,262 |
| Other | 19,785 | 2,942 |
| Total non-operating income | 53,051 | 42,204 |
| Non-operating expenses | | |
| Interest expenses | 48 | 50 |
| Foreign exchange losses | 6,056 | 734 |
| Loss on extinguishment share-based compensation expenses | 1,739 | – |
| Other | 498 | 13 |
| Total non-operating expenses | 8,343 | 798 |
| Ordinary profit | 1,294,914 | 1,389,862 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | – | 165 |
| Total extraordinary losses | – | 165 |
| Profit before income taxes | 1,294,914 | 1,389,697 |
| Income taxes | 405,701 | 442,193 |
| Profit | 889,213 | 947,503 |
| Profit attributable to owners of parent | 889,213 | 947,503 |

Semi-annual Consolidated Statements of Comprehensive Income

(Thousand yen)

| | For the six months ended July 31, 2025 | For the six months ended July 31, 2026 |
|---|---|---|
| Profit | 889,213 | 947,503 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (16,971) | 26,499 |
| Foreign currency translation adjustment | (5,344) | 11,362 |
| Total other comprehensive income | (22,316) | 37,862 |
| Comprehensive income | 866,896 | 985,365 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 866,896 | 985,365 |

## (3) Semi-annual Consolidated Statements of Cash Flows

(Thousand yen)

| | For the six months ended July 31, 2025 | For the six months ended July 31, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,294,914 | 1,389,697 |
| Depreciation | 164,294 | 170,739 |
| Amortization of goodwill | 6,915 | 6,915 |
| Increase (decrease) in allowance for doubtful accounts | 2,757 | 197 |
| Increase (decrease) in provision for bonuses | (27,825) | (14,691) |
| Increase (decrease) in retirement benefit liability | 6,147 | (5,543) |
| Interest and dividend income | (33,265) | (39,262) |
| Interest expenses | 48 | 50 |
| Foreign exchange losses (gains) | 4,747 | (1,370) |
| Loss (gain) on investments in investment partnerships | (9,767) | (1,351) |
| Loss (gain) on sale and retirement of non-current assets | – | 165 |
| Decrease (increase) in accounts receivable - trade, and contract assets | 46,347 | 266,301 |
| Decrease (increase) in inventories | 448 | (87) |
| Decrease (increase) in prepaid expenses | (56,650) | (39,858) |
| Increase (decrease) in trade payables | (3,286) | 587 |
| Increase (decrease) in accounts payable - other | 14,733 | 3,568 |
| Increase (decrease) in accrued expenses | 10,711 | (20,407) |
| Increase (decrease) in accrued consumption taxes | (49,700) | (43,261) |
| Increase (decrease) in deposits received | 13,048 | (9,556) |
| Increase (decrease) in contract liabilities | 200,419 | 230,751 |
| Increase (decrease) in long-term accounts payable - other | – | (24,472) |
| Other, net | 77 | 7,934 |
| Subtotal | 1,585,115 | 1,877,045 |
| Interest and dividends received | 27,854 | 32,594 |
| Interest paid | (280) | (50) |
| Income taxes paid | (439,295) | (522,010) |
| Net cash provided by (used in) operating activities | 1,173,393 | 1,387,579 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (66,281) | (28,618) |
| Purchase of intangible assets | (136,771) | (176,289) |
| Proceeds from distributions from investment partnerships | 20,000 | 1,600 |
| Payments into time deposits | (3,600) | (1,800) |
| Payments of leasehold and guarantee deposits | (450) | (15,843) |
| Purchase of insurance funds | (7,817) | (8,134) |
| Proceeds from maturity of insurance funds | 6,604 | 819 |
| Other, net | (397) | 1,094 |
| Net cash provided by (used in) investing activities | (188,713) | (227,172) |

(Thousand yen)

| | For the six months ended July 31, 2025 | For the six months ended July 31, 2026 |
|---|---|---|
| Cash flows from financing activities | | |
| Proceeds from issuance of shares | 2,151 | – |
| Dividends paid | (363,693) | (434,492) |
| Other, net | (1,452) | (1,794) |
| Net cash provided by (used in) financing activities | (362,994) | (436,286) |
| Effect of exchange rate change on cash and cash equivalents | (15,412) | 21,379 |
| Net increase (decrease) in cash and cash equivalents | 606,272 | 745,500 |
| Cash and cash equivalents at beginning of period | 5,379,660 | 6,431,981 |
| Cash and cash equivalents at end of period | 5,985,933 | 7,177,481 |

(4) Notes to Semi-annual 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 semi-annual 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 six months ended July 31, 2026, and multiplying the six-month profit before income taxes by the estimated effective tax rate.

(Notes on segment information, etc.)

[Segment information]

I. For the six months ended July 31, 2025

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

(Thousand yen)

| | Reportable segment | | | | Adjustment (Note 1) | Amount recorded in semi-annual consolidated statements of income (Note 2) |
|---|---|---|---|---|---|---|
| | Software business | System development service business | Overseas business | Total | | |
| Net sales | | | | | | |
| Net sales to outside customers | 2,975,744 | 961,611 | 36,428 | 3,973,783 | — | 3,973,783 |
| Intersegment net sales or transfers | 5,145 | 1,441 | — | 6,586 | (6,586) | — |
| Total | 2,980,889 | 963,052 | 36,428 | 3,980,370 | (6,586) | 3,973,783 |
| Segment profit (loss) | 1,262,457 | 29,120 | (41,420) | 1,250,157 | 49 | 1,250,207 |

(Notes) 1. The segment profit (loss) adjustment of ¥49 thousand represents elimination of intersegment transactions.

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

II. For the six months ended July 31, 2026

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

(Thousand yen)

| | Reportable segment | | | | Adjustment (Note 1) | Amount recorded in semi-annual consolidated statements of income (Note 2) |
|---|---|---|---|---|---|---|
| | Software business | System development service business | Overseas business | Total | | |
| Net sales | | | | | | |
| Net sales to outside customers | 3,213,748 | 967,501 | 45,533 | 4,226,783 | — | 4,226,783 |
| Intersegment net sales or transfers | 6,553 | 29,185 | — | 35,739 | (35,739) | — |
| Total | 3,220,302 | 996,686 | 45,533 | 4,262,522 | (35,739) | 4,226,783 |
| Segment profit (loss) | 1,367,255 | 29,449 | (48,621) | 1,348,083 | 372 | 1,348,456 |

(Notes) 1. The segment profit (loss) adjustment of ¥372 thousand represents elimination of intersegment transactions.

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

(Revenue recognition accounting)

Disaggregation of revenue from contracts with customers

For the six months ended July 31, 2025

(Thousand yen)

| | Reportable segment | | | Total |
|---|---|---|---|---|
| | Software business | System development service business | Overseas business | |
| Recurring revenue (Note 1) | 2,594,769 | 924,695 | 20,478 | 3,539,943 |
| One-time revenue (Note 2) | 380,974 | 36,916 | 15,949 | 433,840 |
| Revenue from contracts with customers | 2,975,744 | 961,611 | 36,428 | 3,973,783 |
| Net sales to outside customers | 2,975,744 | 961,611 | 36,428 | 3,973,783 |

(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 six months ended July 31, 2026

(Thousand yen)

| | Reportable segment | | | Total |
|---|---|---|---|---|
| | Software business | System development service business | Overseas business | |
| Recurring revenue (Note 1) | 2,839,321 | 906,883 | 40,250 | 3,786,456 |
| One-time revenue (Note 2) | 374,426 | 60,617 | 5,282 | 440,326 |
| Revenue from contracts with customers | 3,213,748 | 967,501 | 45,533 | 4,226,783 |
| Net sales to outside customers | 3,213,748 | 967,501 | 45,533 | 4,226,783 |

(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 |

(Significant subsequent events)

Not applicable.