



Consolidated Financial Results
for the six months ended December 31, 2025
(Japanese GAAP)

January 30, 2026

Company name: AVANT GROUP CORPORATION Stock exchange listing: Tokyo
Code number: 3836 URL: <https://www.avantgroup.com/>
Representative: (Title) Group CEO & Founder (Name) Tetsuji Morikawa
For inquiry: (Title) Director, Finance (Name) Naoyoshi Kasuga (Tel) 03-6388-6739
Securities report issue date: February 10, 2026 Dividend payment: -
Supplementary information for financial statements: Available
Explanatory meeting to be held: Yes (for analysts)

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

1. Consolidated financial results for the six months ended December 31, 2025 (July 1, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		EBITDA*		Operating profit		Ordinary profit		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended December 31, 2025	15,202	8.5	2,991	7.5	2,745	8.2	2,731	7.5	1,744	10.1
December 31, 2024	14,011	19.3	2,783	30.9	2,537	34.2	2,540	34.2	1,584	30.2

(Note) Comprehensive income: Six months ended December 31, 2025 1,781 million yen (20.2%)
Six months ended December 31, 2024 1,482 million yen (16.5%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2025	47.76	-
December 31, 2024	43.44	-

*EBITDA is operating profit + depreciation + amortization of goodwill

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2025	23,755	16,289	68.6
June 30, 2025	24,373	15,597	63.9

(Reference) Shareholders' equity As of December 31, 2025 16,289 million yen
As of June 30, 2025 15,582 million yen

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended June 30, 2025	-	0.00	-	25.00	25.00
FY ending June 30, 2026	-	0.00			
FY ending June 30, 2026 (forecast)			-	32.00	32.00

Change of dividend forecast from the most recent dividend forecast : No

3. Consolidated earnings forecast for the fiscal year ending June 30, 2026 (July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY ending June 2026	33,300	18.0	5,100	10.8	5,100	10.6	3,500	1.9	95.56

Change of earnings forecast from the most recent financial forecast : No

Notes

- (1) Significant changes in the scope of consolidation during the period : No
- (2) Adoption of specific accounting policies for consolidated semiannual financial statements : No
- (3) Changes in accounting policies, accounting estimates and restatement
- 1) Changes in accounting policies due to revision of accounting standards : No
- 2) Changes in accounting policies due to reasons other than item 1) above : No
- 3) Changes in accounting estimates : No
- 4) Restatement : No

(4) Number of issued shares (common stock)

1) Total number of issued shares including treasury shares	As of December 31, 2025	37,645,851 shares	As of June 30, 2025	37,645,851 shares
2) Number of treasury shares held	As of December 31, 2025	1,206,999 shares	As of June 30, 2025	1,150,177 shares
3) Average number of shares (cumulative from the beginning of the fiscal year)	Six months ended December 31, 2025	36,524,666 shares	Six months ended December 31, 2024	36,464,385 shares

Note: Beginning with the fiscal year ended June 30, 2024 (28th term), the Company introduced a share issuance trust for employees and executive officers, and from the fiscal year ending June 30, 2025 (29th term), a share issuance trust for directors. The shares of the Company held by these trusts are included in the number of treasury shares held at the end of the period and the average number of treasury shares held during the period.

* Review of attached semiannual consolidated financial statements by : No
a certified public accountant or an audit firm

* Using forecasted information and others

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. Please refer to "Explanation on forward-looking statements such as consolidated earnings forecasts" on page 8 of the quarterly financial results (attached material) for the assumptions used in forecasting business performance and matters to be noted when relying on forecasts.

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1. Overview of the operating results, etc.

(1) Operating results for the current consolidated semiannual period

Consolidated financial results for the semiannual cumulative period (hereinafter referred to as the "first half") are as follows.

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

	Six months ended December 31, 2024	Six months ended December 31, 2025	Year-on-year change	
			Amount	%
Net sales	14,011	15,202	1,191	8.5
Operating profit	2,537	2,745	207	8.2
Ordinary profit	2,540	2,731	190	7.5
Net income attributable to owners of parent	1,584	1,744	160	10.1

Regarding net sales, investment demand among our Japanese corporate clients for maintaining and strengthening competitiveness through "upgrading corporate management and business activities using data and digital technologies"—a medium- to long-term trend—has moderated somewhat following the completion of basic IT infrastructure upgrades but remains solid overall. With the Consolidated Financial Disclosure business and Digital Transformation Promotion business continuing to achieve strong sales growth, net sales increased to ¥15,202 million (8.5% increase year-on-year).

Regarding profits, despite increases in personnel, hiring and IT expenses in line with business expansion, office expenses associated with office expansion, and investment expenses to achieve future growth centered on strengthening the software business, profits increased due to improved profit margins from growth in the software business and a decrease in outsourced processing expenses to supplement inhouse resources. Operating profit was ¥2,745 million (8.2% increase year-on-year), ordinary profit was ¥2,731 million (7.5% increase year-on-year), and net income attributable to owners of parent was ¥1,744 million (10.1% increase year-on-year).

Effective from the semiannual period of the current fiscal year, the Company has reviewed its business segment classification method and has changed the classification of its operating segments so that "Consolidated Financial Disclosure Business," "Digital Transformation Promotion Business," and "Management Solutions Business" consist of one company per segment, and other small companies are categorized as "Other." In accordance with this change, results for the same period of the previous fiscal year for each segment have been restated to reflect the amended segment categories.

The status of each segment is as follows.

1) Net sales

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

	Six months ended December 31, 2024	Six months ended December 31, 2025	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	4,038	4,719	680	16.9
Digital Transformation Promotion Business	5,125	5,684	558	10.9
Management Solutions Business	4,816	4,743	(72)	(1.5)
Other	208	244	35	16.8
Elimination of inter-segment transactions	(178)	(188)	(10)	-
Consolidated net sales	14,011	15,202	1,191	8.5

2) Operating profit

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

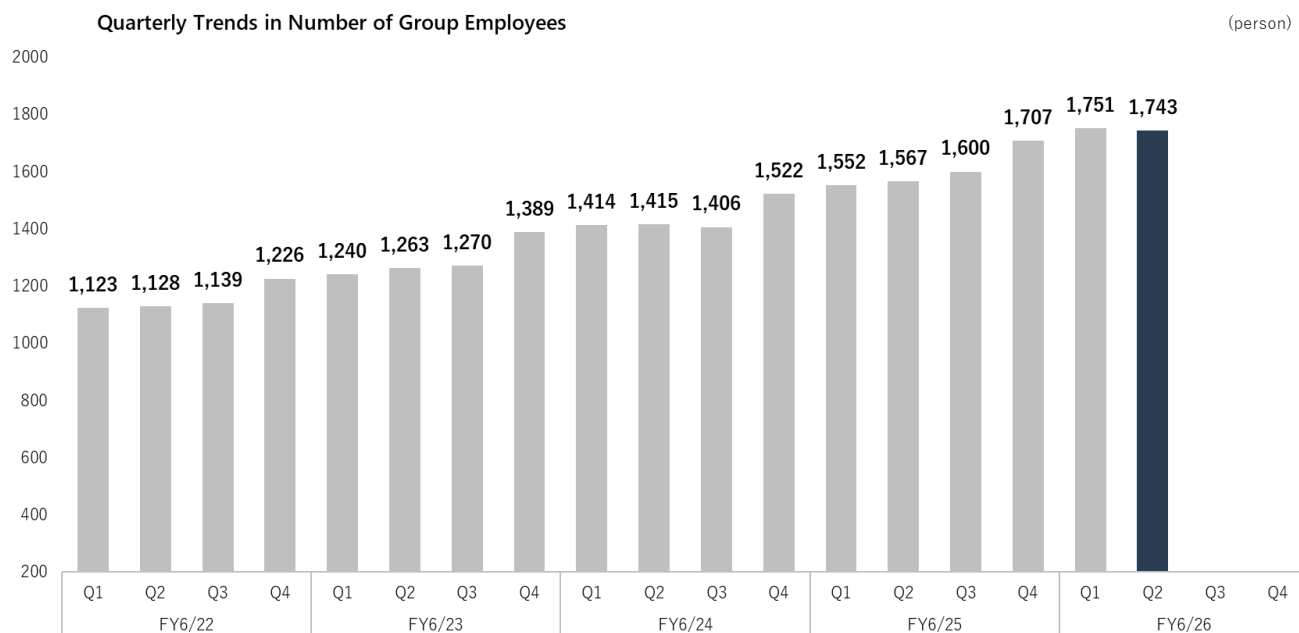
	Six months ended December 31, 2024	Six months ended December 31, 2025	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	1,075	1,535	459	42.7
Digital Transformation Promotion Business	947	1,114	166	17.6
Management Solutions Business	953	539	(413)	(43.4)
Other	48	53	4	8.9
Corporate expenses and elimination of inter-segment transactions	(487)	(496)	(9)	-
Consolidated operating profit	2,537	2,745	207	8.2

In the Consolidated Financial Disclosure Business, net sales increased to ¥4,719 million (16.9% increase year-on-year) as in addition to a transfer of some maintenance service transactions from the Management Solutions Business starting in the semiannual period of the current fiscal year, the outsourcing business continued to maintain a high growth rate. In terms of profitability, operating profit increased to ¥1,535 million (42.7% increase year-on-year), significantly outpacing net sales growth due to an improved profit margin resulting from the effects of improved productivity and a revised pricing strategy in the software business, despite factors that increased costs, such as increased personnel expenses and office expenses due to an increase in the number of employees and the expansion of office space.

In the Digital Transformation Promotion Business, while demand has moderated somewhat as client needs have become more sophisticated, demand for leveraging data in management and business decision-making remains solid. Sales growth was driven by an increase in projects centered on “cloud and data platform development”, resulting in net sales of ¥5,684 million (10.9% increase year-on-year). Although personnel expenses rose due to headcount increases to support sales growth, outsourcing costs to supplement internal resources declined, leading to operating profit of ¥1,114 million (17.6% increase year-on-year).

In the Management Solutions Business, net sales increased slightly to ¥4,743 million (1.5% decrease year-on-year), despite an increase in software business sales, due to the transfer of some maintenance service transactions to the Consolidated Financial Disclosure Business from the semiannual period of the current fiscal year. Operating profit was ¥539 million (43.4% decrease year-on-year) due to the above-mentioned factors that kept the sales growth at a low level, as well as an increase in personnel expenses to secure personnel for future growth and in research and development expenses and marketing expenses and outsourcing expenses to strengthen the software business.

The number of employees on a consolidated basis was 1,743 at the first half (second quarter)-end, an increase of 36 from the end of the previous consolidated fiscal year.



Orders and net sales by segment in the first half were as follows.

1) Orders

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

	Six months ended December 31, 2024		Six months ended December 31, 2025		Year-on-year change	
					Amount	
	Orders received	Orders backlog	Orders received	Orders backlog	Orders received	Orders backlog
Consolidated Financial Disclosure Business	4,220	4,695	5,025	5,297	805	601
Digital Transformation Promotion Business	4,975	1,919	5,863	2,191	887	271
Management Solutions Business	4,378	3,564	4,353	2,782	(25)	(781)
Other	183	146	209	164	25	18
Elimination of inter-segment transactions	(176)	(1,973)	(124)	(812)	51	1,160
Total	13,581	8,352	15,327	9,621	1,745	1,269

2) Net sales

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

	Six months ended December 31, 2024	Six months ended December 31, 2025	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	4,038	4,719	680	16.9
Digital Transformation Promotion Business	5,125	5,684	558	10.9
Management Solutions Business	4,816	4,743	(72)	(1.5)
Other	208	244	35	16.8
Elimination of inter-segment transactions	(178)	(188)	(10)	-
Total	14,011	15,202	1,191	8.5

Quarterly trends in net sales and operating profit are as follows.

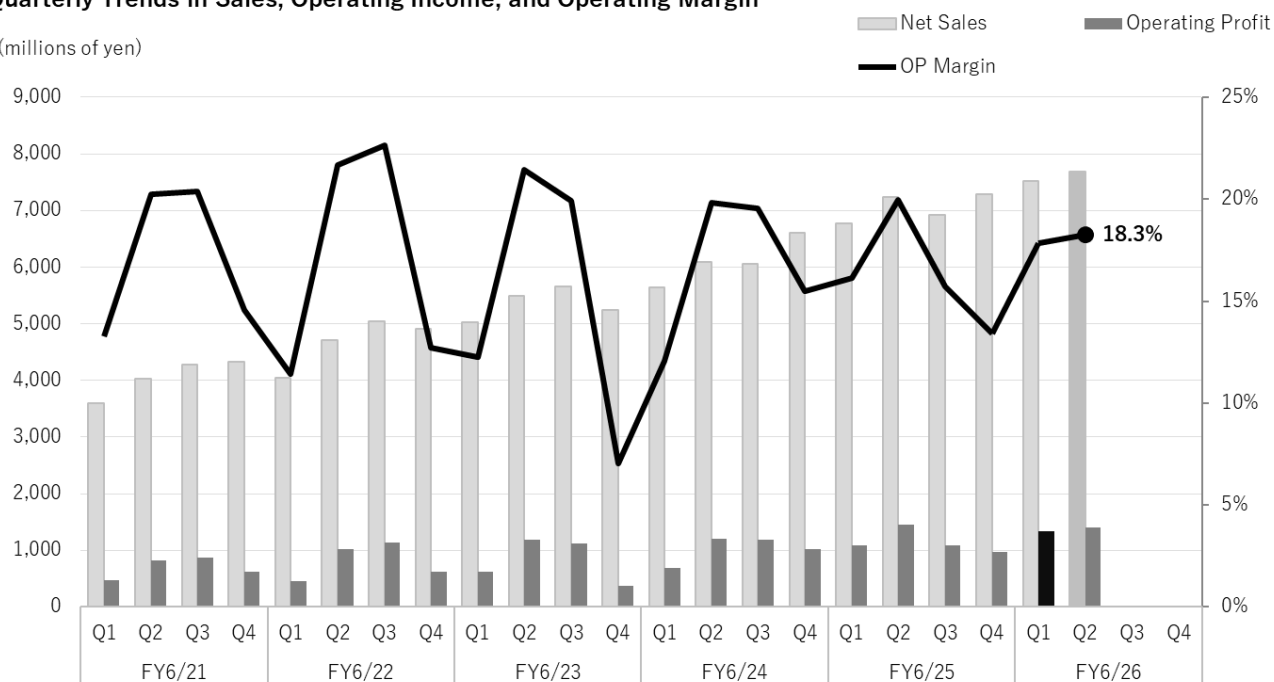
Net sales and operating profit for the last four quarters

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

	Fiscal year ended June 30, 2025		Fiscal year ending June 30, 2026	
	Third quarter	Fourth quarter	First quarter	Second quarter
Net sales	6,927	7,289	7,515	7,686
Operating profit	1,088	978	1,341	1,404
Operating profit margin (%)	15.7	13.4	17.8	18.3

Quarterly Trends in Sales, Operating Income, and Operating Margin

(millions of yen)



(2) Financial position for the current consolidated semiannual period

1) Status of assets, liabilities and net assets

Total assets at the first half-end were ¥23,755 million (¥617 million decrease from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥3,017 million in cash and deposits, an increase of ¥1,668 million in other current assets and a increase of ¥522 million in investment securities.

On the other hand, total liabilities amounted to ¥7,466 million (¥1,309 million decrease from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥150 million in accounts payable – other, and accrued expenses, a decrease of ¥456 million in contract liabilities, and a decrease of ¥511 million in provision for bonuses.

Total net assets amounted to ¥16,289 million (¥691 million increase from the end of the previous consolidated fiscal year), mainly due to net income attributable to owners of parent of ¥1,744 million for the first half and payment of dividends of surplus of ¥930 million. As a result, the equity ratio was 68.6% (63.9% at the end of the previous consolidated fiscal year), an improvement of 4.7 percentage points from the previous fiscal year, and the Company believes it maintains a highly stable financial balance with low interest-bearing liabilities.

2) Cash flows

Cash and cash equivalents ("funds") at the end of the first half decreased ¥1,322 million from the end of the previous consolidated fiscal year to ¥13,839 million. The status of each cash flow and their factors are as follows.

(Cash flows from operating activities)

Funds generated from operating activities amounted to ¥552 million. (¥851 million was generated in the first half of the previous year).

The main sources were profit before income taxes of ¥2,731 million and depreciation of ¥246 million. The main uses were a decrease of ¥511 million in provision for bonuses, an increase of ¥382 million in trade receivables and contract assets, a decrease of ¥456 million in contract liabilities, and ¥794 million in income taxes paid.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥669 million. (¥185 million was used in the first half of the previous year).

The main expenditures were purchases of property, plant and equipment of ¥165 million and purchases of investment securities of ¥502 million.

(Cash flows from financing activities)

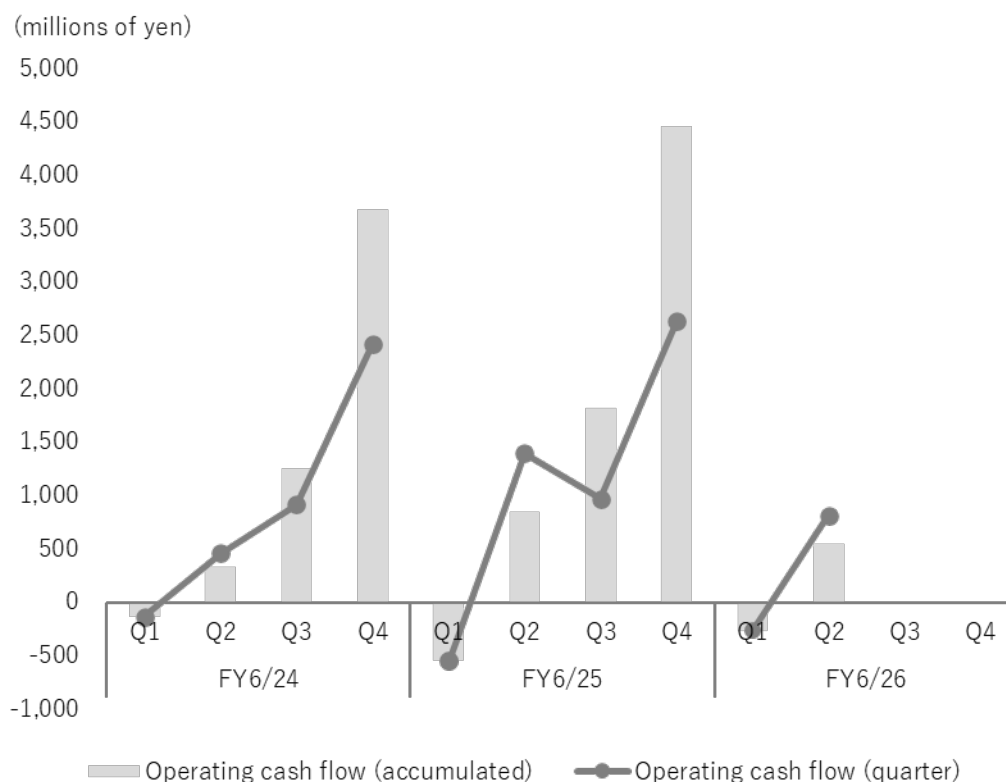
Funds used in financing activities amounted to ¥1,228 million. (¥1,052 million was used in the first half of the previous year).

The main expenditures were dividends paid of ¥930 million and purchase of treasury shares of ¥268 million.

The Group's cash flows from operating activities are usually low in the first quarter due to the payment of income taxes and performance-linked bonuses to executives and employees, and gradually increase from the second quarter onward, resulting in a positive cash flow for the full year.

Maintenance fees in the Consolidated Financial Disclosure Business and the Management Solutions Business and commissions for the outsourcing business are paid annually in advance before the services are provided, making this a business model that requires almost no working capital. On the other hand, since outsourcing expenses and other payments for the Digital Transformation Promotion Business are incurred in advance, the demand for working capital increases as sales grow. However, by concentrating on the Group's surplus funds at the holding company, smooth inter-group financing is made possible. In addition to the Group's total cash holdings, commitment lines totaling ¥3.5 billion have been established with the Group's banking partners, so there are currently no cash flow concerns. Rather, we intend to utilize surplus funds for strategic investments going forward.

Quarterly Trends in Operating Cash Flow



(3) Explanation on forward-looking statements such as consolidated earnings forecasts

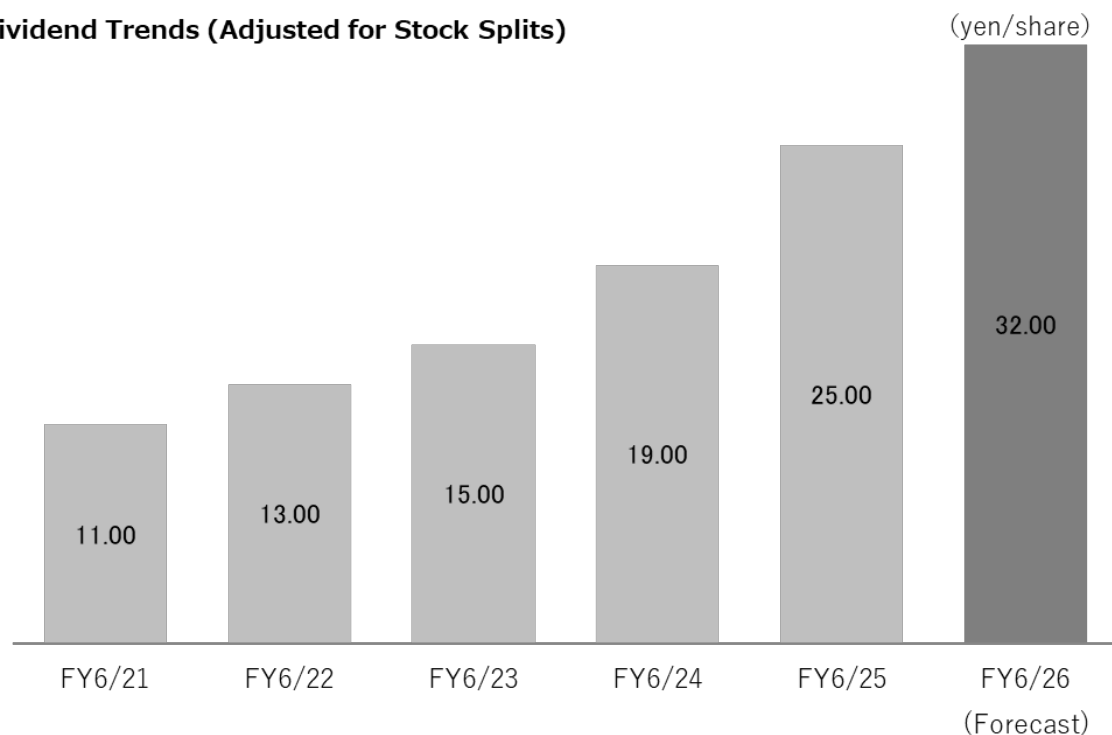
In August 2023, the Company announced a medium-term management plan, a five-year plan through the fiscal year ending June 2028, with targets to be achieved in five years. In the fiscal year ending June 2026, the third year of the plan, the Group will continue to promote measures to realize the Avant Group's materiality ('Becoming a software company that contributes to enhancing corporate value'), with a focus on strengthening the software business. We expect that the growth investments necessary to realize the Group's materiality will continue to be implemented continuously and flexibly, primarily centered on the Group operating companies, and additionally, we anticipate that R&D expenses for new product development and investment costs for launching new businesses will also be incurred at the holding company level, and expect these effects to gradually emerge over the five-year period.

Although unstable factors such as continued inflation due to soaring raw materials prices and concerns of an economic recession due to the impact of U.S. policy trends may affect the Group's performance, the Group believe that demand for the Group's businesses, such as an increase in the number of companies that want to utilize data for management and strengthen group governance, will continue to increase in the medium to long term.

As a result, the Company forecasts net sales of ¥33,300 million and operating profit of ¥5,100 million in the current consolidated fiscal year.

In accordance with the Group's existing dividend policy, we will raise the ratio of total amount of dividends to net assets (consolidated) to always exceed the average of all listed companies, while keeping in mind that we should pay stable dividends (in principle, dividends per share should not fall below the level of the previous fiscal year). For the current fiscal year, the above policy itself remains unchanged, and we forecast dividends of ¥32 per share, aiming to achieve the ratio of total amount of dividends to net assets (consolidated) of 8%, which we have set as the Group's target to achieve within the period of the medium-term management plan.

Dividend Trends (Adjusted for Stock Splits)



2. Semiannual consolidated financial statements and notes

(1) Semiannual consolidated balance sheet

(Thousands of yen)

	Previous fiscal year (June 30, 2025)	Current first half (December 31, 2025)
Assets		
Current assets		
Cash and deposits	14,593,169	11,575,214
Notes and accounts receivable - trade, and contract assets	4,228,796	4,611,833
Securities	500,000	500,000
Work in process	17,868	5,951
Raw materials and supplies	55,016	46,490
Prepaid expenses	1,163,320	1,389,308
Other	211,287	1,880,164
Allowance for doubtful accounts	(3,516)	(3,976)
Total current assets	20,765,941	20,004,985
Non-current assets		
Property, plant and equipment	549,165	510,927
Intangible assets		
Software	342,474	250,950
Other	38,028	35,665
Total intangible assets	380,502	286,616
Investments and other assets		
Investment securities	830,184	1,352,771
Long-term prepaid expenses	10,158	6,911
Leasehold and guarantee deposits	826,752	800,419
Deferred tax assets	864,785	684,740
Other	145,566	108,606
Total investments and other assets	2,677,446	2,953,448
Total non-current assets	3,607,114	3,750,992
Total assets	24,373,055	23,755,978

(Thousands of yen)

	Previous fiscal year (June 30, 2025)	Current first half (December 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	769,142	757,498
Lease liabilities	6,112	7,650
Accounts payable - other, and accrued expenses	783,077	632,647
Income taxes payable	797,648	818,842
Contract liabilities	3,766,666	3,309,700
Asset retirement obligations	49,224	22,437
Provision for bonuses	1,232,404	720,739
Provision for bonuses for directors (and other officers)	140,888	63,169
Provision for loss on orders received	11,363	20,132
Provision for share awards	131,442	68,296
Provision for share awards for directors	-	20,936
Other	752,649	682,694
Total current liabilities	8,440,619	7,124,746
Non-current liabilities		
Lease liabilities	27,111	24,429
Asset retirement obligations	305,984	314,722
Deferred tax liabilities	1,350	2,139
Total non-current liabilities	334,446	341,290
Total liabilities	8,775,065	7,466,037
Net assets		
Shareholders' equity		
Share capital	345,113	345,113
Capital surplus	417,417	405,871
Retained earnings	16,490,130	17,303,823
Treasury shares	(1,688,845)	(1,825,533)
Total shareholders' equity	15,563,815	16,229,274
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,193)	6,687
Deferred gains or losses on hedges	(2,921)	1,216
Foreign currency translation adjustment	22,354	52,762
Total accumulated other comprehensive income	18,239	60,665
Non-controlling interests	15,934	-
Total net assets	15,597,989	16,289,940
Total liabilities and net assets	24,373,055	23,755,978

(2) Semiannual consolidated statement of income and semiannual consolidated statement of comprehensive income

Semiannual consolidated statement of income

(Thousands of yen)

	Previous first half (July 1 to December 31, 2024)	Current first half (July 1 to December 31, 2025)
Net sales	14,011,426	15,202,569
Cost of sales	7,691,937	8,362,374
Gross profit	6,319,488	6,840,194
Selling, general and administrative expenses	3,781,615	4,094,408
Operating profit	2,537,873	2,745,786
Non-operating income		
Interest income	1,665	17,458
Dividend income	6,368	1,550
Gain on investments in investment partnerships	5,165	-
Subsidy income	2,809	3,212
Other	630	2,777
Total non-operating income	16,639	24,999
Non-operating expenses		
Interest expenses	44	1,217
Loss on investments in investment partnerships	3,425	22,377
Commission expenses	9,480	4,995
Foreign exchange losses	856	10,474
Other	56	138
Total non-operating expenses	13,863	39,204
Ordinary profit	2,540,650	2,731,581
Extraordinary profit		
Gain on sales of investment securities	105,990	-
Insurance income	300	-
Total extraordinary income	106,290	-
Extraordinary losses		
Loss on retirement of non-current assets	0	-
Loss on cancellation of leases	86	-
Total extraordinary losses	86	-
Profit before income taxes	2,646,853	2,731,581
Income taxes - current	848,322	816,545
Income taxes - deferred	216,107	175,646
Total income taxes	1,064,429	992,191
Net income	1,582,423	1,739,389
Net income attributable to non-controlling interests	(1,727)	(5,159)
Net income attributable to owners of parent	1,584,150	1,744,549

Semiannual consolidated statement of comprehensive income

(Thousands of yen)

	Previous first half (July 1 to December 31, 2024)	Current first half (July 1 to December 31, 2025)
Net income	1,582,423	1,739,389
Other comprehensive income		
Valuation difference on available-for-sale securities	(81,540)	7,880
Deferred gains or losses on hedges	(1,086)	4,137
Foreign currency translation adjustment	(17,555)	29,804
Total other comprehensive income	(100,182)	41,822
Comprehensive income	1,482,241	1,781,212
Comprehensive income attributable to		
Owners of parent	1,483,968	1,786,975
Non-controlling interest	(1,727)	(5,763)

(3) Semiannual consolidated statement of cash flows

(Thousands of yen)

	Previous first half (July 1 to December 31, 2024)	Current first half (July 1 to December 31, 2025)
Cash flows from operating activities		
Profit before income taxes	2,646,853	2,731,581
Depreciation	245,718	246,029
Share-based payment expenses	4,940	2,245
Insurance income	(300)	-
Increase (decrease) in allowance for doubtful accounts	6,229	460
Increase (decrease) in provision for bonuses	(587,446)	(511,665)
Increase (decrease) in provision for bonuses for directors (and other officers)	(101,715)	(77,718)
Increase (decrease) in provision for loss on orders received	43,448	8,769
Increase (decrease) in provision for share awards	(58,173)	(63,146)
Increase (decrease) in provision for share awards for directors	24	20,936
Interest and dividend income	(8,033)	(19,009)
Interest expenses	44	1,217
Commission expenses	9,480	4,995
Loss (gain) on sale of investment securities	(105,990)	-
Loss (gain) on investments in investment partnerships	(1,740)	22,377
Subsidy income	(2,809)	(3,212)
Decrease (increase) in notes and accounts receivable - trade and contract assets	(238,596)	(382,929)
Decrease (increase) in inventories	(53,291)	20,443
Increase (decrease) in trade payables	26,837	(11,634)
Increase (decrease) in accounts payable - other, and accrued expenses	(262,889)	(82,575)
Increase (decrease) in accrued consumption taxes	(55,688)	(81,614)
Increase (decrease) in contract liabilities	(391,285)	(456,965)
Increase (decrease) in deposits received	(10,252)	13,453
Other	381,486	(51,382)
Subtotal	1,486,849	1,330,656
Interest and dividends received	7,714	14,866
Interest paid	(44)	(1,217)
Subsidies received	2,809	3,212
Amount of insurance proceeds received	300	-
Income taxes paid	(985,745)	(794,909)
Income taxes refund	339,657	-
Net cash provided by (used in) operating activities	851,542	552,608
Cash flows from investing activities		
Purchase of property, plant and equipment	(90,528)	(165,443)
Payments for asset retirement obligations	-	(203)
Purchase of intangible assets	(39,481)	(21,887)
Purchase of investment securities	(161,853)	(502,857)
Payments into time deposits	-	(10,710)
Proceeds from withdrawal of time deposits	-	5,100
Payments of leasehold and guarantee deposits	(178,883)	(852)
Proceeds from refund of leasehold and guarantee deposits	148,533	27,109
Other	136,894	621
Net cash provided by (used in) investing activities	(185,319)	(669,123)

(Thousands of yen)

	Previous first half (July 1 to December 31, 2024)	Current first half (July 1 to December 31, 2025)
Cash flows from financing activities		
Repayments of finance lease liabilities	(5,077)	(3,094)
Commission fee paid	(10,230)	(5,166)
Purchase of treasury shares	(351,351)	(268,099)
Dividends paid	(708,296)	(930,856)
Proceeds from share issuance to non-controlling shareholders	22,680	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(21,717)
Other	(56)	-
Net cash provided by (used in) financing activities	(1,052,332)	(1,228,932)
Effect of exchange rate change on cash and cash equivalents	(21,528)	22,642
Net increase (decrease) in cash and cash equivalents	(407,637)	(1,322,804)
Cash and cash equivalents at beginning of period	11,976,585	15,162,045
Cash and cash equivalents at end of period	11,568,947	13,839,240

(4) Notes to semiannual consolidated financial statements

(Going concern assumption)

Not applicable.

(Significant changes in the amount of shareholders' equity)

Not applicable.

(Additional information)

(Transaction for the issuance of Company shares to employees and executive officers through a trust)

Starting from the fiscal year ending June 2024 (the 28th term), the Company has introduced a share issuance trust as an incentive for its employees and executive officers (hereinafter referred to as 'Employees, etc.') to provide benefits and to enhance the Company's corporate value.

1. Outline of the transaction

Under this scheme, in accordance with the share issuance regulations established by the Company in advance, points are granted to Employees, etc. who fulfil certain requirements, and the Company common shares (hereinafter referred to as "the Company's shares") corresponding to the number of points granted to such beneficiaries are delivered to those Employees, etc. who fulfil the requirements to be beneficiaries as stipulated in the share delivery regulations. The shares to be issued are acquired in accordance with the amount set in the trust in advance, including the future portion, and are segregated and managed as trust assets.

2. Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value (excluding the amount of incidental expenses). The book value and number of shares of such treasury shares were ¥788,116 thousand and 559,778 shares at the end of the previous consolidated fiscal year and ¥655,604 thousand and 465,799 shares at the end of the first half of the current consolidated fiscal period.

(Performance-linked stock-based compensation plan for directors (and other officers))

Starting from the fiscal year ending June 2025 (the 29th term), the Company has introduced a stock-based compensation plan utilizing a trust (the "Plan") for its directors (excluding directors who are Audit Committee Members and outside directors).

The purpose of this system is to provide directors (excluding directors who are Audit Committee Members and outside directors) with long-term incentives to enhance corporate value, including the period after stocks have been granted.

1. Outline of the transaction

The Plan is a stock compensation plan under which a trust (the "Trust") established through monetary contributions by the Company acquires shares of the Company's stock and a number of the Company's shares equivalent to the points granted to each director (excluding directors who are Audit Committee Members and outside directors) by the Company are delivered to each director (excluding directors who are Audit Committee Members and outside directors) through the Trust.

2. Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value (excluding the amount of incidental expenses). The book value and number of shares of such treasury shares were ¥ 349,911 thousand and 178,800 shares at the end of the previous consolidated fiscal year and ¥ 349,911 thousand and 178,800 shares at the end of the first half of the current consolidated fiscal period.

(Segment information)

Previous first half (July 1 to December 31, 2024)

1. Information on net sales and profit or loss by reportable segments

(Thousands of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on semiannual consolidated financial statements (Note 3)
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total				
Net sales								
Net sales to external customers	3,893,750	5,117,194	4,798,448	13,809,393	202,033	14,011,426	-	14,011,426
Inter-segment net sales or transfers	144,993	8,636	17,834	171,463	6,954	178,418	(178,418)	-
Total	4,038,743	5,125,830	4,816,283	13,980,856	208,988	14,189,844	(178,418)	14,011,426
Segment profit	1,075,772	947,829	953,223	2,976,826	48,756	3,025,582	(487,709)	2,537,873

Notes: 1. The "Other" category refers to business segments not included in the reportable segments, such as information and service businesses.

2. The segment profit adjustment of ¥(487,709) thousand includes elimination of inter-segment transactions of ¥520,389 thousand, corporate expenses ¥(1,011,314) thousand not allocated to each reportable segment and ¥3,215 thousand of non-current assets adjustment. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

3. Segment profit is adjusted with operating profit in the semiannual consolidated statement of income.

Current first half (July 1 to December 31, 2025)

1. Information on net sales and profit or loss by reportable segments

(Thousands of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on semiannual consolidated financial statements (Note 3)
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total				
Net sales								
Net sales to external customers	4,568,392	5,679,929	4,722,929	14,971,251	231,318	15,202,569	-	15,202,569
Inter-segment net sales or transfers	151,035	4,258	20,400	175,694	12,847	188,542	(188,542)	-
Total	4,719,428	5,684,187	4,743,330	15,146,946	244,166	15,391,112	(188,542)	15,202,569
Segment profit	1,535,658	1,114,362	539,650	3,189,671	53,090	3,242,761	(496,975)	2,745,786

Notes: 1. The "Other" category refers to business segments not included in the reportable segments, such as information and service businesses.

2. The segment profit adjustment of ¥(496,975) thousand includes elimination of inter-segment transactions of ¥624,309 thousand, corporate expenses ¥(1,115,186) thousand not allocated to each reportable segment and ¥(6,098) thousand of non-current assets adjustment. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

3. Segment profit is adjusted with operating profit in the semiannual consolidated statement of income.

2. Matters regarding changes, etc. in reportable segments

Effective from the first half of the current consolidated fiscal year, the Company has reviewed its performance management categories and added a new operating segment, "Other". Segment information for the first half the previous fiscal year is disclosed based on the amended segment categories.

(Revenue recognition)

Breakdown of net sales from contracts with customers

Previous first half (July 1 to December 31, 2024)

(Thousands of yen)

	Reportable segments				Other	Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total		
Goods or services transferred at a point in time	115,038	21,973	37,245	174,257	-	174,257
Goods or services that are transferred over a period of time	3,778,711	5,095,220	4,761,202	13,635,135	202,033	13,837,168
Net sales to external customers	3,893,750	5,117,194	4,798,448	13,809,393	202,033	14,011,426

Current first half (July 1 to December 31, 2025)

(Thousands of yen)

	Reportable segments				Other	Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total		
Goods or services transferred at a point in time	202,977	23,191	36,082	262,251	-	262,251
Goods or services that are transferred over a period of time	4,365,415	5,656,737	4,686,847	14,709,000	231,318	14,940,318
Net sales to external customers	4,568,392	5,679,929	4,722,929	14,971,251	231,318	15,202,569

(Subsequent events)

Not applicable.