



Consolidated Financial Results
for the three months ended September 30, 2026
(Japanese GAAP)

October 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) Group CFO (Name) Shinji Hasumi (Tel) 03-6388-6739
Scheduled dividend payment date: -
Supplementary information for financial statements: Available
Explanatory meeting to be held: No

Millions of yen, rounded down to the nearest unit

1. Consolidated financial results for the three months ended September 30, 2026 (July 1 to September 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended September 30, 2026	7,650	1.8	1,361	(7.5)	1,277	(4.8)	1,294	(3.9)	793	(6.9)
September 30, 2025	7,515	10.9	1,472	21.0	1,341	22.8	1,346	22.3	852	38.5

(Note) Comprehensive income: Three months ended September 30, 2026 767 million yen (-11.0%)
Three months ended September 30, 2025 862 million yen (48.8%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2026	23.02	-
September 30, 2025	23.34	-

* 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 September 30, 2026	22,092	14,277	64.6
June 30, 2026	24,147	14,570	60.3

(Reference) Shareholders' equity: As of September 30, 2026 14,277 million yen
As of June 30, 2026 14,570 million yen

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY ended June 2026	Yen -	Yen 0.00	Yen -	Yen 32.00	Yen 32.00
FY ending June 2027	-				
FY ending June 2027 (forecast)		0.00	-	34.00	34.00

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

3. Consolidated earnings forecast for the fiscal year ending June 30, 2027 (July 1, 2026 to June 30, 2027)

(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 2027	32,800	7.6	5,000	6.4	5,000	9.3	3,450	15.6	100.13

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

As the Company manages its operations on an annual basis, consolidated forecasts for the second quarter (cumulative) are omitted.

Notes

- (1) Significant changes in the scope of consolidation during the period : No
- (2) Adoption of specific accounting policies for the consolidated quarterly 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 September 30, 2026	35,509,251 shares	As of June 30, 2026	35,509,251 shares
2) Number of treasury shares held	As of September 30, 2026	1,010,921 shares	As of June 30, 2026	1,054,899 shares
3) Average number of shares	Three months ended September 30, 2026	34,475,845 shares	Three months ended September 30, 2025	36,517,817 shares

Note: Beginning with the fiscal year ended June 30, 2024 (28th term), the Company introduced a stock grant trust for employees and executive officers, from the fiscal year ended June 30, 2025 (29th term), a stock grant trust for directors (excluding directors who are Audit Committee Members and outside directors), and from the fiscal year ending June 30, 2027 (31st term), a stock grant trust for directors (outside directors and directors who are Audit Committee Members). 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 consolidated quarterly financial statements : No
by a certified public accountant or an audit firm

- * Notes for using forecasted information and others

Forward-looking statements in this report, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements are not guarantees by the Company regarding future performance. Actual results may differ materially from the forecast depending on a range of 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 cumulative quarter

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

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

	Three months ended September 30, 2025	Three months ended September 30, 2026	Year-on-year change	
			Amount	%
Net sales	7,515	7,650	134	1.8
Operating profit	1,341	1,277	(64)	(4.8)
Ordinary profit	1,346	1,294	(52)	(3.9)
Profit attributable to owners of parent	852	793	(58)	(6.9)

Regarding consolidated net sales, demand remained robust for IT investments aimed at maintaining and strengthening competitiveness through the “upgrading corporate management and business activities using data and digital technologies,” a trend that is becoming established among our Japanese corporate clients over the medium to long term, as well as for investments including the adoption of generative AI and the migration to cloud services. As a result of sales growth centered on the Consolidated Financial Disclosure Business and the Management Solutions Business, net sales increased to ¥7,650 million (1.8% increase year-on-year).

Regarding profits, although hiring expenses and outsourcing expenses incurred to supplement internal resources decreased, increases in personnel expenses and office expenses associated with business expansion, as well as investment-related expenses aimed at achieving future growth, particularly through the strengthening of the software business, resulted in operating profit of ¥1,277 million (4.8% decrease year-on-year), ordinary profit of ¥1,294 million (3.9% decrease year-on-year), and profit attributable to owners of parent of ¥793 million (6.9% decrease year-on-year).

The status of each segment is as follows.

1) Net sales

(Millions of yen, rounded down to the nearest unit)				
	Three months ended September 30, 2025	Three months ended September 30, 2026	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	2,331	2,588	257	11.0
Digital Transformation Promotion Business	2,844	2,531	(312)	(11.0)
Management Solutions Business	2,310	2,498	188	8.2
Other	122	169	47	39.1
Elimination of inter-segment transactions	(91)	(138)	(46)	-
Consolidated net sales	7,515	7,650	134	1.8

2) Operating profit

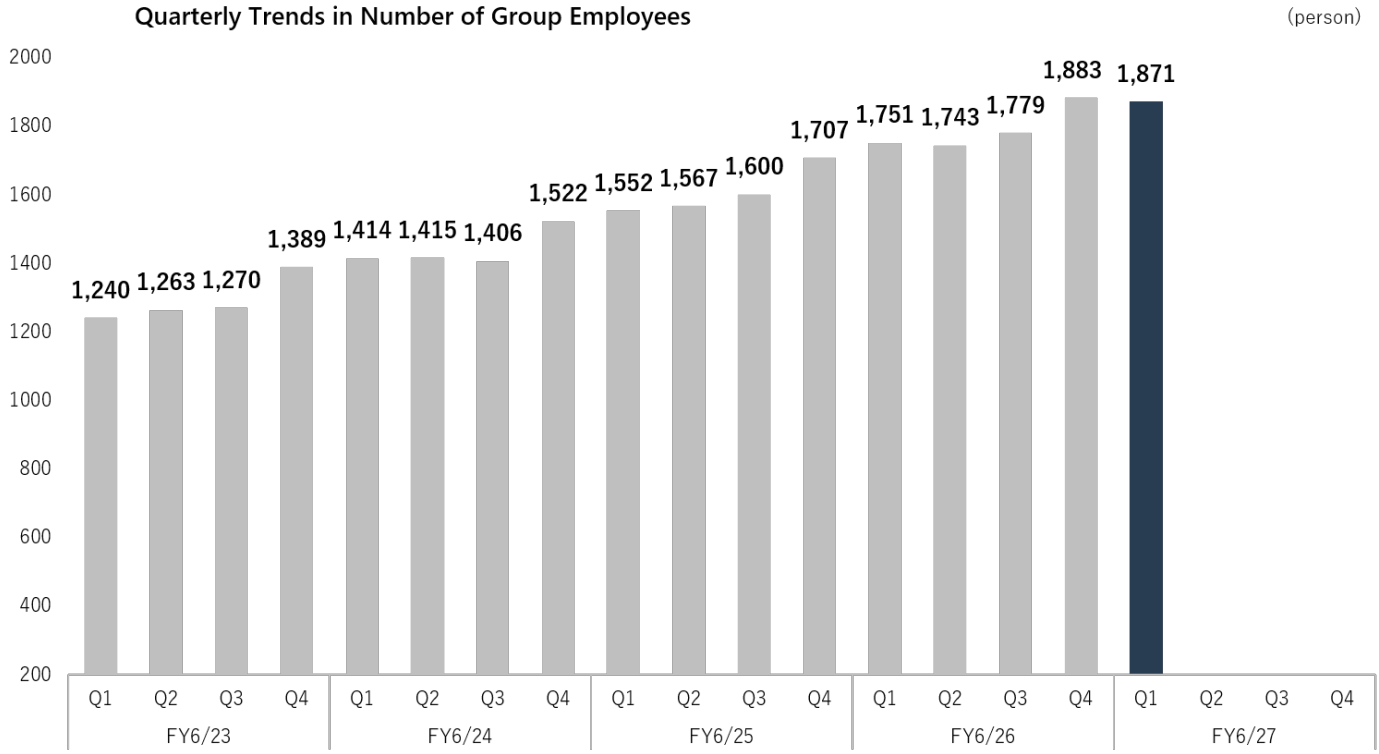
(Millions of yen, rounded down to the nearest unit)				
	Three months ended September 30, 2025	Three months ended September 30, 2026	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	737	787	50	6.8
Digital Transformation Promotion Business	598	311	(287)	(48.0)
Management Solutions Business	232	438	206	88.7
Other	28	62	34	120.1
Corporate expenses and elimination of inter-segment transactions	(255)	(322)	(67)	-
Consolidated operating profit	1,341	1,277	(64)	(4.8)

In the Consolidated Financial Disclosure Business, net sales increased to ¥2,588 million (11.0% increase year-on-year), due to revenue growth in the outsourcing and software businesses. In terms of profitability, despite an increase in costs—including higher personnel expenses due to an increase in headcount, higher outsourcing expenses to strengthen the software business, and higher IT expenses—operating profit rose to ¥787 million (6.8% increase year-on-year).

In the Digital Transformation Promotion Business, while demand for utilizing data in management and business decision-making remains strong and inquiries for generative AI-related projects are increasing, project acquisitions fell short of expectations due to more sophisticated client needs and changes in the competitive environment, resulting in net sales of ¥2,531 million (11.0% decrease year-on-year). Although outsourcing expenses to supplement in-house resources decreased, operating profit decreased to ¥311 million (48.0% decrease year-on-year) due to the decrease in net sales, as well as increases in personnel expenses and IT costs.

In the Management Solutions Business, net sales increased to ¥2,498 million (8.2% increase year-on-year), driven by higher net sales from the services and software businesses in the current period, in addition to a rebound from the revenue decline in the same quarterly period of the previous year resulting from the transfer of certain maintenance services. Although there were cost increases, such as higher personnel expenses associated with hiring staff for future growth and research and development expenses to strengthen the software business, operating profit reached ¥438 million (88.7% increase year-on-year). This profit growth rate, which significantly outpaced the increase in revenue, was due to factors including a decrease in the amortization of software, a decrease in outsourcing expenses, and a reversal of the provision for loss on orders received.

The number of employees on a consolidated basis was 1,871 at the end of the first quarter, down 12 from the end of the previous fiscal year.



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

1) Orders

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

	Three months ended September 30, 2025		Three months ended September 30, 2026		Year-on-year change	
					Amount	
	Orders received	Orders backlog	Orders received	Orders backlog	Orders received	Orders backlog
Consolidated Financial Disclosure Business	2,889	5,549	2,610	6,134	(279)	585
Digital Transformation Promotion Business	2,731	1,899	2,857	2,322	126	423
Management Solutions Business	2,203	3,064	1,779	3,042	(423)	(22)
Other	121	198	169	211	47	12
Elimination of inter-segment transactions	(111)	(896)	(18)	(843)	93	53
Total	7,833	9,815	7,398	10,866	(435)	1,051

2) Sales

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

	Three months ended September 30, 2025	Three months ended September 30, 2026	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	2,331	2,588	257	11.0
Digital Transformation Promotion Business	2,844	2,531	(312)	(11.0)
Management Solutions Business	2,310	2,498	188	8.2
Other	122	169	47	39.1
Elimination of inter-segment transactions	(91)	(138)	(46)	-
Total	7,515	7,650	134	1.8

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

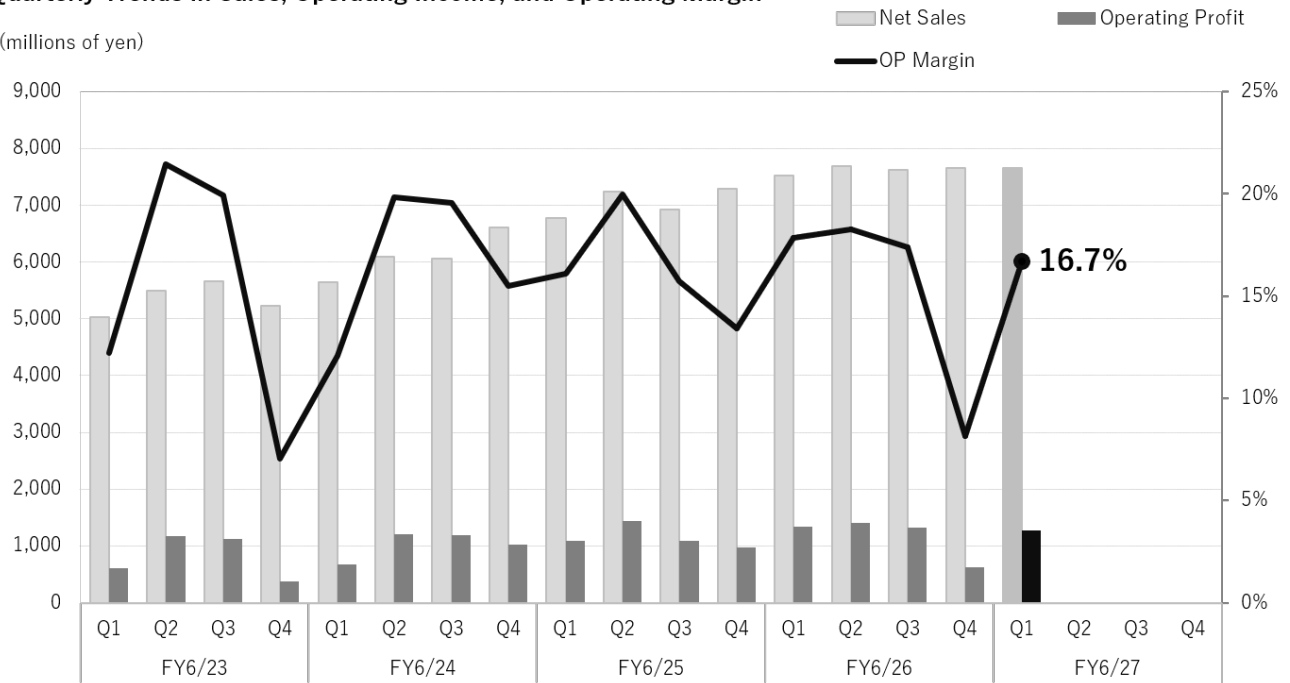
Net sales and operating profit for the last four quarters

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

	Fiscal year ended June 30, 2026			Fiscal year ending June 30, 2027
	Second quarter	Third quarter	Fourth quarter	First quarter
Net sales	7,686	7,625	7,653	7,650
Operating profit	1,404	1,326	624	1,277
Operating profit margin (%)	18.3	17.4	8.2	16.7

Quarterly Trends in Sales, Operating Income, and Operating Margin

(millions of yen)



(2) Financial position for the current consolidated cumulative quarter

1) Status of assets, liabilities and net assets

Total assets at the first quarter-end were ¥22,092 million (¥2,055 million decrease from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥1,941 million in cash and deposits and a decrease of ¥363 million in deferred tax assets.

On the other hand, total liabilities amounted to ¥7,815 million (¥1,761 million decrease from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥722 million in income taxes payable, a decrease of ¥168 million in contract liabilities, and a decrease of ¥836 million in provision for bonuses.

Total net assets amounted to ¥14,277 million (¥293 million decrease from the end of the previous consolidated fiscal year), mainly due to profit attributable to owners of parent of ¥793 million for the quarter and payment of dividends of surplus of ¥1,123 million. As a result, the equity ratio was 64.6% (60.3% at the end of the previous consolidated fiscal year), an improvement of 4.3 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 quarter decreased ¥1,933 million from the end of the previous consolidated fiscal year to ¥11,449 million. The status of each cash flow and their factors are as follows.

(Cash flows from operating activities)

Funds used in operating activities amounted to ¥628 million. (¥265 million was used in the same quarterly period of the previous year).

The main factors for the decrease were a decrease of ¥836 million in the provision for bonuses, a decrease of ¥60 million in the provision for bonuses for directors (and other officers), an increase of ¥223 million in trade receivables and contract assets, a decrease of ¥168 million in contract liabilities, and income taxes paid of ¥856 million. The main factors for the increase were quarterly profit before income taxes of ¥1,294 million and an increase in deposits received of ¥233 million.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥165 million. (¥457 million was used in the same quarterly period of the previous year).

The main expenditures were ¥73 million for the purchase of property, plant and equipment and ¥94 million for payments of leasehold and guarantee deposits.

(Cash flows from financing activities)

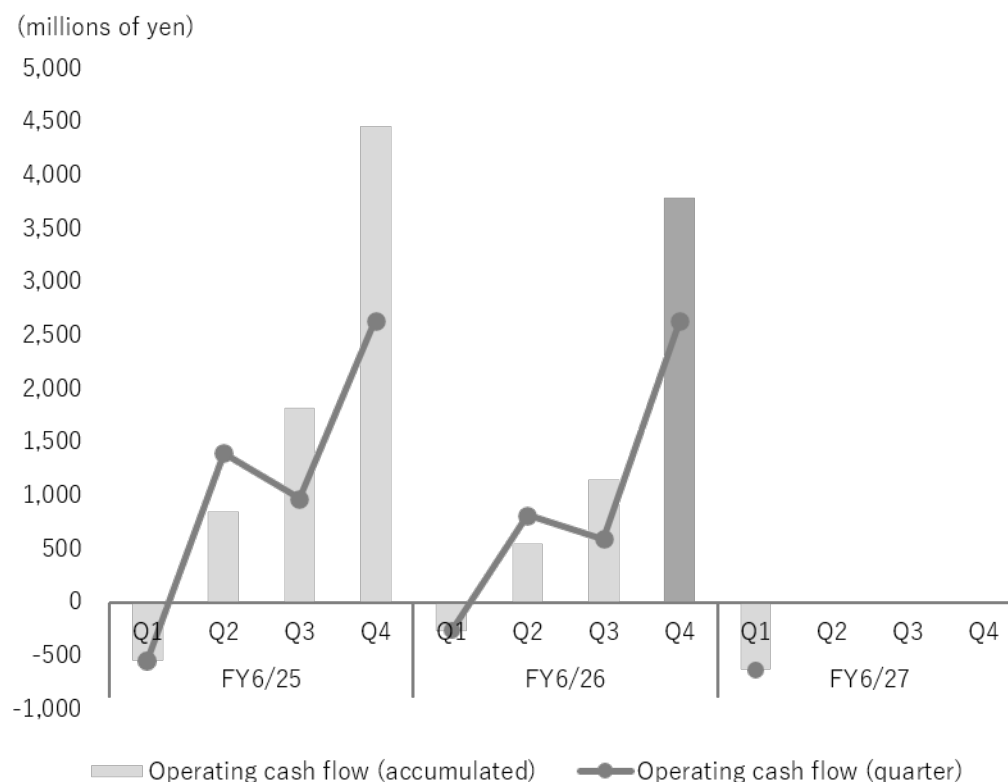
Funds used in financing activities amounted to ¥1,124 million. (¥932 million was used in the same quarterly period of the previous year).

The main expenditure was dividends paid of ¥1,123 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

There are no changes to the consolidated earnings forecast for the fiscal year ending June 30, 2027 from the forecast announced on August 5, 2026.

2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	Previous fiscal year (June 30, 2026)	Current first quarter (September 30, 2026)
Assets		
Current assets		
Cash and deposits	12,815,077	10,873,758
Notes and accounts receivable - trade, and contract assets	4,364,133	4,588,385
Securities	500,000	500,000
Work in process	6,974	9,795
Raw materials and supplies	158,640	128,266
Prepaid expenses	1,488,650	1,606,680
Other	245,293	159,337
Allowance for doubtful accounts	(3,108)	(3,493)
Total current assets	19,575,660	17,862,730
Non-current assets		
Property, plant and equipment	1,075,135	1,031,033
Intangible assets		
Software	206,816	185,210
Other	33,302	32,121
Total intangible assets	240,119	217,331
Investments and other assets		
Investment securities	877,134	877,601
Shares of subsidiaries and affiliates	386,743	383,945
Long-term prepaid expenses	8,678	11,284
Leasehold and guarantee deposits	752,258	845,756
Deferred tax assets	952,503	588,624
Other	279,590	274,155
Total investments and other assets	3,256,908	2,981,368
Total non-current assets	4,572,162	4,229,734
Total assets	24,147,822	22,092,464

(Thousands of yen)

	Previous fiscal year (June 30, 2026)	Current first quarter (September 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	673,622	631,594
Lease liabilities	2,888	5,567
Accounts payable - other, and accrued expenses	876,591	825,973
Income taxes payable	855,094	132,791
Contract liabilities	4,202,695	4,034,626
Asset retirement obligations	30,217	30,238
Provision for bonuses	1,173,888	337,626
Provision for bonuses for directors (and other officers)	79,387	18,719
Provision for loss on orders received	249,873	179,735
Provision for stock benefits	130,248	101,909
Provision for stock benefits for directors (and other officers)	-	644
Other	743,181	1,017,259
Total current liabilities	9,017,689	7,316,688
Non-current liabilities		
Lease liabilities	3,724	8,968
Asset retirement obligations	552,748	487,196
Deferred tax liabilities	2,913	2,454
Total non-current liabilities	559,386	498,619
Total liabilities	9,577,076	7,815,307
Net assets		
Shareholders' equity		
Share capital	345,113	345,113
Capital surplus	270,367	270,367
Retained earnings	15,449,311	15,119,838
Treasury shares	(1,553,512)	(1,491,491)
Total shareholders' equity	14,511,279	14,243,827
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,874	6,485
Deferred gains or losses on hedges	3,150	1,478
Foreign currency translation adjustment	43,441	25,365
Total accumulated other comprehensive income	59,466	33,328
Total net assets	14,570,746	14,277,156
Total liabilities and net assets	24,147,822	22,092,464

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

Quarterly period consolidated statement of income

First quarter consolidated cumulative period

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2025)	Current first quarter (July 1 to September 30, 2026)
Net sales	7,515,829	7,650,375
Cost of sales	4,088,767	4,137,695
Gross profit	3,427,062	3,512,679
Selling, general and administrative expenses	2,085,824	2,235,678
Operating profit	1,341,237	1,277,000
Non-operating income		
Interest income	14,834	21,395
Dividend income	940	894
Gain on investments in investment partnerships	-	6,518
Subsidy income	990	-
Other	2,087	52
Total non-operating income	18,852	28,861
Non-operating expenses		
Interest expenses	597	137
Share of loss of entities accounted for using equity method	-	6,135
Loss on investments in investment partnerships	9,631	-
Commission expenses	1,424	1,323
Foreign exchange losses	1,995	4,044
Other	0	197
Total non-operating expenses	13,649	11,838
Ordinary profit	1,346,440	1,294,023
Profit before income taxes	1,346,440	1,294,023
Income taxes - current	152,210	133,584
Income taxes - deferred	344,364	366,809
Total income taxes	496,574	500,393
Profit	849,865	793,629
Profit attributable to non-controlling interests	(2,422)	-
Profit attributable to owners of parent	852,287	793,629

Quarterly period consolidated statement of comprehensive income
First quarter consolidated cumulative period

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2025)	Current first quarter (July 1 to September 30, 2026)
Profit	849,865	793,629
Other comprehensive income		
Valuation difference on available-for-sale securities	3,263	(6,389)
Deferred gains or losses on hedges	1,467	(1,672)
Foreign currency translation adjustment	7,720	(21,414)
Share of other comprehensive income of entities accounted for using equity method	-	3,337
Total other comprehensive income	12,451	(26,137)
Comprehensive income	862,317	767,491
Comprehensive income attributable to		
Owners of parent	865,282	767,491
Non-controlling interest	(2,965)	-

(3) Quarterly consolidated statement of cash flows

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2025)	Current first quarter (July 1 to September 30, 2026)
Cash flows from operating activities		
Profit before income taxes	1,346,440	1,294,023
Depreciation	131,350	84,785
Share-based payment expenses	2,112	-
Increase (decrease) in allowance for doubtful accounts	167	384
Increase (decrease) in provision for bonuses	(868,773)	(836,261)
Increase (decrease) in provision for bonuses for directors (and other officers)	(107,391)	(60,667)
Increase (decrease) in provision for loss on orders received	(8,978)	(70,137)
Increase (decrease) in provision for stock benefits	(26,554)	(28,339)
Increase (decrease) in provision for share awards for directors (and other officers)	479	644
Interest and dividend income	(15,775)	(22,289)
Interest expenses	597	137
Commission expenses	1,424	1,323
Share of loss (profit) of entities accounted for using equity method	-	6,135
Loss (gain) on investments in investment partnerships	9,631	(6,518)
Subsidy income	(990)	-
Decrease (increase) in notes and accounts receivable trade and contract assets	(44,641)	(223,986)
Decrease (increase) in inventories	29,217	27,030
Increase (decrease) in trade payables	(14,988)	(42,057)
Increase (decrease) in accounts payable - other, and accrued expenses	80,248	(52,843)
Increase (decrease) in accrued consumption taxes	(9,062)	59,683
Increase (decrease) in contract liabilities	(215,501)	(168,068)
Increase (decrease) in deposits received	260,059	233,539
Other	(31,630)	8,894
Subtotal	517,442	205,411
Interest and dividends received	13,881	22,936
Interest paid	(597)	(137)
Subsidies received	990	-
Income taxes paid	(796,962)	(856,316)
Cash flows from operating activities	(265,245)	(628,105)

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2025)	Current first quarter (July 1 to September 30, 2026)
Cash flows from investing activities		
Purchase of property, plant and equipment	(143,153)	(73,684)
Payments for asset retirement obligations	(203)	-
Purchase of intangible assets	(14,509)	-
Purchase of investment securities	(293,463)	(25,122)
Proceeds from sales of investment securities	-	16,450
Payments into time deposits	(6,800)	-
Proceeds from withdrawal of time deposits	-	9,860
Payments of leasehold and guarantee deposits	(188)	(94,093)
Proceeds from refund of leasehold and guarantee deposits	-	437
Proceeds from collection of long-term loans receivable	-	269
Other	334	212
Cash flows from investing activities	(457,982)	(165,670)
Cash flows from financing activities		
Repayments of finance lease liabilities	(1,392)	(953)
Commission fee paid	(479)	-
Purchase of treasury shares	-	(59)
Dividends paid	(930,856)	(1,123,102)
Cash flows from financing activities	(932,728)	(1,124,115)
Effect of exchange rate change on cash and cash equivalents	6,163	(15,494)
Net increase (decrease) in cash and cash equivalents	(1,649,793)	(1,933,386)
Cash and cash equivalents at beginning of period	15,162,045	13,382,819
Cash and cash equivalents at end of period	13,512,252	11,449,432

(4) Notes to quarterly consolidated financial statements

(Going concern assumption)

Not applicable.

(Significant changes in the amount of shareholders' equity)

Not applicable.

(Additional information)

(Transaction for the grant of the Company's stock to employees through a trust)

Starting from the fiscal year ended June 2024 (the 28th term), the Company has introduced a stock grant 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 stock grant regulations established by the Company in advance, points are awarded to Employees, etc. who fulfil certain requirements, and shares of the Company's common stock (hereinafter referred to as "the Company's shares") corresponding to the number of points awarded to such beneficiaries are granted to those Employees, etc. who fulfil the requirements to be beneficiaries as stipulated in the stock grant regulations. The shares to be granted 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. The Company's stock in the trust

The Company's shares remaining in the trust are recorded as treasury stock under net assets based on the book value (excluding incidental expenses). The book value and number of shares of such treasury stock were ¥652,784 thousand and 463,799 shares at the end of the previous consolidated fiscal year and ¥590,703 thousand and 419,771 shares at the end of the first quarter of the current consolidated fiscal period.

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

Starting from the fiscal year ended June 2025 (the 29th term), the Company has introduced a stock-based remuneration 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 the stock has been granted.

1. Outline of the transaction

The Plan is a stock remuneration 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 awarded to each director (excluding directors who are Audit Committee Members and outside directors) by the Company are granted to each director (excluding directors who are Audit Committee Members and outside directors) through the Trust.

2. The Company's stock in the trust

The Company's shares remaining in the trust are recorded as treasury stock under net assets based on the book value (excluding incidental expenses). The book value and number of shares of such treasury stock 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 quarter of the current consolidated fiscal period.

(Non-performance-linked stock remuneration plan for directors (and other officers))

Starting from the fiscal year ending June 2027 (the 31st term), the Company has introduced a stock-based remuneration plan utilizing a trust (the "Plan") for its directors (outside directors and directors who are Audit Committee Members).

The purpose of this system is to provide directors (outside directors and directors who are Audit Committee Members) with an incentive to work toward the sustained enhancement of corporate value.

1. Outline of the transaction

The Plan is a stock remuneration 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 awarded to each

director (outside directors and directors who are Audit Committee Members) by the Company are granted to each director (outside directors and directors who are Audit Committee Members) through the Trust.

2. The Company's stock in the trust

As the Plan utilizes the same trust as the performance-linked stock remuneration plan for directors (and other officers), please refer to "(Performance-linked stock remuneration plan for directors (and other officers)) 2. The Company's stock in the trust" for the book value and number of shares of such treasury stock.

(Segment information)

Previous first quarter (July 1 to September 30, 2025)

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 quarterly consolidated financial statements (Note 3)
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total				
Net sales								
Net sales to external customers	2,257,242	2,843,088	2,297,976	7,398,308	117,521	7,515,829	-	7,515,829
Inter-segment net sales or transfers	73,807	979	12,434	87,221	4,634	91,855	(91,855)	-
Total	2,331,050	2,844,068	2,310,410	7,485,529	122,155	7,607,685	(91,855)	7,515,829
Segment profit	737,101	598,484	232,411	1,567,996	28,414	1,596,411	(255,173)	1,341,237

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 ¥(255,173) thousand includes elimination of inter-segment transactions of ¥309,153 thousand, corporate expenses ¥(562,288) thousand not allocated to each reportable segment and non-current assets of ¥(2,037) thousand. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segments.

3. Segment profit is adjusted to reconcile with operating profit in the quarterly consolidated statement of income.

Current first quarter (July 1 to September 30, 2026)

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 quarterly consolidated financial statements (Note 3)
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total				
Net sales								
Net sales to external customers	2,522,008	2,530,458	2,472,968	7,525,436	124,938	7,650,375	-	7,650,375
Inter-segment net sales or transfers	66,539	917	25,830	93,286	45,018	138,304	(138,304)	-
Total	2,588,548	2,531,375	2,498,798	7,618,723	169,956	7,788,680	(138,304)	7,650,375
Segment profit	787,228	311,263	438,567	1,537,060	62,550	1,599,611	(322,610)	1,277,000

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 ¥(322,610) thousand includes elimination of inter-segment transactions of ¥360,785 thousand, corporate expenses ¥(695,199) thousand not allocated to each reportable segment and ¥11,803 thousand of non-current assets adjustment. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

3. Segment profit is adjusted to reconcile with operating profit in the quarterly consolidated statement of income.

(Revenue recognition)

Information disaggregating revenue from contracts with clients

Previous first quarter (July 1 to September 30, 2025)

(Thousands of yen)

	Reportable segments				Other	Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Sub-total		
Goods or services transferred at a point in time	127,508	7,781	3,899	139,189	-	139,189
Goods or services that are transferred over a period of time	2,129,733	2,835,307	2,294,077	7,259,118	117,521	7,376,639
Net sales to external customers	2,257,242	2,843,088	2,297,976	7,398,308	117,521	7,515,829

Current first quarter (July 1 to September 30, 2026)

(Thousands of yen)

	Reportable segments				Other	Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Sub-total		
Goods or services transferred at a point in time	110,280	15,277	22,080	147,637	-	147,637
Goods or services that are transferred over a period of time	2,411,728	2,515,181	2,450,888	7,377,799	124,938	7,502,737
Net sales to external customers	2,522,008	2,530,458	2,472,968	7,525,436	124,938	7,650,375

(Subsequent events)

Not applicable.