1. Business Highlights for the Six Months of 42nd Business Period (Fiscal Year Ending March 31, 2026)

(1) Qualitative Information on Consolidated Results of Operations

The Company had applied provisional accounting treatments for the business combination in the previous fiscal year, which were finalized during the six months ended September 30, 2025. Accordingly, the figures used for comparison with the previous fiscal year have been adjusted to reflect the finalized accounting treatments.

During the six months ended September 30, 2025, the Japanese economy continued to recover moderately amid an improved employment and income environment. Meanwhile, the economic outlook continues to be uncertain due to U.S. trade policies, a slowdown in the Chinese economy, and soaring raw material and energy prices driven by such factors as the prolonged situations in the Middle East and Ukraine.

In the Information Infrastructure Business, as cyber-attacks continue to rise, the attack methods become more sophisticated and elaborate, and legal regulations and corporate governance are strengthened, cybersecurity measures are positioned as management issues. Under these circumstances, the demand for cybersecurity products and services remains high. In the Information Infrastructure Business, the Company's core business, we continued to see growing demand for cloud-based security measure products.

In the Application Services Business, business has remained strong in the CRM field thanks to collaboration with a major system integrator and telemarketing vendor. Additionally, business has been steadily increasing due to the growing adoption of subscription-based products. In collaboration with our capital and business alliance partner, Mobilus Corporation, we have launched our in-house products that utilize generative AI technology. In the Software Quality Assurance field, demand remained robust for testing tools used to ensure the quality of enterprise systems and embedded software. In particular, with the further application of IT in automobiles, there was a strong demand for improvement in the quality of embedded software such as in-vehicle software, and orders continued to be favorable. We have launched "Quomiru," a dashboard tool that visualizes progress, quality, and risks in the software development process in real time, and have received a high volume of customer inquiries. In the Business Solutions field, the accumulation of projects including bidding projects has slowed down and we are continuing to focus on accumulating orders. In the EdTech field, we are constantly receiving inquiries about our fully cloud-based school administration support system, "tsumugino," resulting in a steady increase in the number of new adoptions of our platform by both private and public schools. It has been adopted as "Benesse School Admin Cloud," the school administration support system offered by Benesse Corporation, and new projects are being created through the strengthened cooperation with Benesse.

In the Medical Systems Business, the new PSP Corporation ("PSP"), which was started on April 1, 2022, has been working to unify our customer base and integrate our products and services, as well as promoting the shift of PACS (medical imaging management) to recurring revenue business models. PSP is actively advancing a shift from the on-premise PACS offered by the pre-merger PSP Corporation to cloud-based PACS at the time of renewal. This initiative is progressing steadily, and we aim to accelerate the shift to cloud-based PACS at large medical institutions.

As a result of the above, consolidated revenue for the six months ended September 30, 2025 was ¥33,377 million, a year-on-year increase of ¥2,536 million (8.2%), achieving a record high for the first half. Gross profit amounted to ¥10,492 million, a year-on-year increase of ¥913 million (9.5%). Selling, general and administrative expenses were ¥7,326 million, a year-on-year increase of ¥781 million (11.9%), due to increases in personnel expenses and other costs. As a result, operating profit came to ¥3,174 million, a year-on-year increase of ¥151 million (5.0%).

Consequently, profit before tax was ¥3,201 million, a year-on-year increase of ¥432 million (15.6%), and profit attributable to owners of parent was ¥2,104 million, a year-on-year increase of ¥396 million (23.2%).

Results by operating segment were as follows:

1) Information Infrastructure Business

Results of the Information Infrastructure Business for the six months ended September 30, 2025 were strong thanks to orders for new projects, particularly those for subscription-based cloud cybersecurity measure products. Additionally, there was a steady accumulation of renewal orders. Revenue steadily increased thanks to the abundant order backlog accumulated in the previous fiscal year and orders for new projects. Despite the absence of flow-type(one-time) revenue from large projects for storage products in the previous fiscal year, revenue for the six months ended September 30, 2025 remained flat year on year. Operating profit also increased compared to the previous fiscal year. By product, in addition to cloud-based security measure products, e-mail security products designed to protect against attacks that use e-mail as an entry point for ransomware and solutions to manage vulnerabilities inherent in companies, are increasingly adopted.

At CROSS HEAD, orders received, revenue, and operating profit fell short of the previous fiscal year due to the absence of large projects for storage products in the previous fiscal year, but remained generally in line with the plan.

At OCH Co., Ltd., orders received, revenue, and operating profit fell short of the previous fiscal year. This is mainly due to the decrease in sales by major distributors of security products (UTM: Unified Threat Management[*1]) geared to small and medium-sized businesses. The Company is currently working to strengthen sales of new distributors.

As a result, revenue of the business amounted to ¥24,229 million, a year-on-year increase of ¥2,182 million (9.9%), achieving a record high for the first half. Operating profit amounted to ¥2,926 million, a year-on-year increase of ¥367 million (14.3%).

2) Application Services Business

Results of the Application Services Business for the six months ended September 30, 2025 exceeded those for the same period of the previous fiscal year for orders received and revenue, while operating profit fell short of the result for the same period of the previous fiscal year.

In the CRM field, both orders received and revenue exceeded those of the previous fiscal year. Revenue remained strong thanks to the accumulated sales of subscription-based services. Operating profit fell short of the previous fiscal year, due to higher personnel expenses resulting from an increased headcount and the rising cost of public cloud storage for customer data.

In the Software Quality Assurance field, strong demand continued for testing tools for in-vehicle software. In addition, orders received, revenue, and operating profit significantly exceeded those of the previous fiscal year, thanks to the accumulated sales of subscription-based services.

In the Business Solutions field, orders received exceeded those of the previous fiscal year, while revenue and operating profit fell short of the previous fiscal year. This was mainly due to a slowdown in accumulation of orders including bidding projects at the beginning of the period. At ARECCIA Fintech Corp., orders received, revenue, and operating profit fell short of the previous fiscal year, as the company did not secure a large project it had anticipated. At CASAREAL, Inc., orders received fell short of the previous fiscal year, while revenue and operating profit were on the same level as the previous fiscal year. This was mainly due to the company not securing new projects or large-scale recurring projects in the education business such as IT training.

In the EdTech field, our school communication platform continued to be adopted by national and other public schools, in addition to private advanced schools. Orders received and revenue exceeded the levels of the previous fiscal year. The deficit in operating profit grew from the initial budget, primarily due to a change in the method of recording software development costs in the first quarter, with the entire amount now recorded as selling and administrative expenses (research and development expenses). Meanwhile, investments in product development, marketing, and increasing sales and engineering staff progressed as planned.

As a result, revenue of the business amounted to ¥4,716 million, a year-on-year increase of ¥330 million (7.5%). Operating loss amounted to ¥53 million (compared to operating profit of ¥159 million in the same period of the previous fiscal year).

3) Medical Systems Business

For the six months ended September 30, 2025, the Medical Systems Business saw continued strong orders for “NOBORI,” a cloud service for medical information, and the cumulative number of contracting facilities increased. We have also secured orders for the renewal of agreements with existing users and orders received have exceeded the levels of the previous fiscal year. Revenue was on the same level as the previous fiscal year due to the impact of the shift to cloud-based medical imaging management (PACS), among others. Operating profit decreased compared to the previous fiscal year due to the shift to cloud-based PACS, the increase in personnel for the expansion of business, and aggressive investments into development. These factors had all been incorporated into the initial plan, and operating profit exceeded the planned figure. Meanwhile, upfront investments are continuing in projects such as the development of PHR*2 (Personal Health Record) services targeted at general patients and the joint development with medical institutions, AI venture companies, and external partners to launch new businesses, and they have achieved strong results.

At Ichigo LLC, our medical-related consolidated subsidiary, orders received, revenue, and operating profit significantly exceeded the levels of the previous fiscal year.

At A-Line Co., another medical-related consolidated subsidiary, orders received for MINCADI, a radiation dose management system, exceeded the levels of the previous fiscal year, as medical institutions are increasingly willing to invest in safety management systems for medical radiation, resulting in steady increases in revenue and operating profit.

As a result, revenue of the business amounted to ¥4,431 million, a year-on-year increase of ¥22 million (0.5%), while operating profit amounted to ¥301 million, a year-on-year decrease of ¥2 million (0.9%).

(2) Qualitative Information on Consolidated Financial Position

Current assets increased ¥6,332 million (7.4%) from March 31, 2025 to ¥91,779 million as of September 30, 2025. The principal factor in this change was an increase of ¥3,941 million in advance payments to suppliers. Non-current assets stood at ¥20,368 million, an increase of ¥317 million (1.6%) from March 31, 2025. The principal factor in this change was a ¥133 million increase in goodwill. As a result, total assets amounted to ¥112,147 million, an increase of ¥6,650 million (6.3%) from March 31, 2025.

Current liabilities stood at ¥73,593 million, an increase of ¥6,144 million (9.1%) from March 31, 2025. The principal factor in this change was an increase of ¥7,845 million in contract liabilities. Non-current liabilities stood at ¥7,025 million, a ¥1,030 million (12.8%) decrease from March 31, 2025. The principal factor in this change was a ¥624 million decrease in other financial liabilities. As a result, total liabilities amounted to ¥80,619 million, an increase of ¥5,113 million (6.8%) from March 31, 2025.

Total equity was ¥31,528 million, an increase of ¥1,536 million (5.1%) from March 31, 2025. The principal factor in this change was an increase of ¥1,221 million in retained earnings. As a result, the ratio of equity attributable to owners of parent to total assets was 22.8%.

(3) Qualitative Information on Consolidated Financial Results Forecast and Other Forward-looking Statements

At this point, the financial results forecast is unchanged from the figures announced on May 9, 2025.

(Glossary)

*1	UTM	UTM (Unified Threat Management) is an approach that efficiently and comprehensively protects computer networks against threats such as computer viruses and hacking.
*2	PHR	A PHR (Personal Health Record) is a tool or system that allows individuals to manage and consolidate their personal health information.

2. Condensed Semi-annual Consolidated Financial Statements and Primary Notes

(1) Condensed Semi-annual Consolidated Statement of Financial Position

(Thousand yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	27,325,233	31,040,606
Trade and other receivables	7,699,566	5,059,795
Inventories	293,804	547,417
Advance payments to suppliers	35,844,151	39,785,913
Advance payment - cost of maintenance service	12,762,530	13,624,195
Other financial assets	–	889
Other current assets	1,521,407	1,720,414
Total current assets	85,446,693	91,779,233
Non-current assets		
Property, plant and equipment	5,987,743	5,981,638
Goodwill	3,895,961	4,029,344
Intangible assets	3,509,362	3,617,139
Investments accounted for using equity method	716,997	744,430
Other financial assets	3,716,107	3,671,493
Deferred tax assets	1,715,137	1,724,509
Other non-current assets	509,927	600,209
Total non-current assets	20,051,237	20,368,766
Total assets	105,497,930	112,147,999

(Thousand yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Trade and other payables	2,166,939	1,791,638
Borrowings	510,000	400,000
Lease liabilities	749,328	747,183
Income taxes payable	1,208,343	1,049,551
Contract liabilities	57,663,116	65,508,444
Other financial liabilities	631,685	628,136
Provisions	75	–
Other current liabilities	4,520,038	3,468,771
Total current liabilities	67,449,528	73,593,725
Non-current liabilities		
Borrowings	1,750,000	1,650,000
Lease liabilities	2,593,465	2,258,516
Other financial liabilities	1,170,186	545,266
Retirement benefit liability	1,937,441	1,991,550
Provisions	167,874	168,544
Deferred tax liabilities	184,910	172,041
Other non-current liabilities	252,212	239,750
Total non-current liabilities	8,056,089	7,025,668
Total liabilities	75,505,617	80,619,394
Equity		
Share capital	1,298,120	1,298,120
Capital surplus	4,799,261	4,806,559
Treasury shares	(921,995)	(920,707)
Retained earnings	18,908,609	20,129,896
Other components of equity	118,931	305,300
Total equity attributable to owners of parent	24,202,927	25,619,169
Non-controlling interests	5,789,384	5,909,435
Total equity	29,992,312	31,528,604
Total liabilities and equity	105,497,930	112,147,999

(2) Condensed Semi-annual Consolidated Statement of Profit or Loss and Condensed Semi-annual Consolidated Statement of Comprehensive Income

Condensed Semi-annual Consolidated Statement of Profit or Loss

For the six months ended September 30

(Thousand yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Revenue	30,841,805	33,377,822
Cost of sales	(21,262,606)	(22,885,276)
Gross profit	9,579,198	10,492,546
Selling, general and administrative expenses	(6,545,011)	(7,326,127)
Other income	11,444	12,015
Other expenses	(22,408)	(3,497)
Operating profit	3,023,223	3,174,936
Finance income	83,086	44,286
Finance costs	(35,070)	(45,473)
Share of profit (loss) of investments accounted for using equity method	(302,840)	27,432
Profit before tax	2,768,399	3,201,182
Income tax expense	(943,132)	(966,130)
Profit	1,825,266	2,235,052
Profit attributable to:		
Owners of parent	1,708,634	2,104,997
Non-controlling interests	116,632	130,055
Earnings per share		
Basic earnings per share (Yen)	42.56	52.40
Diluted earnings per share (Yen)	42.44	52.24

Condensed Semi-annual Consolidated Statement of Comprehensive Income
For the six months ended September 30

(Thousand yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	1,825,266	2,235,052
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	(337)	(26,996)
Total of items that will not be reclassified to profit or loss	(337)	(26,996)
Items that may be reclassified to profit or loss		
Cash flow hedges	33,447	8,860
Exchange differences on translation of foreign operations	(377)	192,246
Total of items that may be reclassified to profit or loss	33,069	201,106
Other comprehensive income, net of tax	32,732	174,109
Comprehensive income	1,857,998	2,409,162
Comprehensive income attributable to:		
Owners of parent	1,746,653	2,279,468
Non-controlling interests	111,345	129,694

(3) Condensed Semi-annual Consolidated Statement of Changes in Equity

For the six months ended September 30, 2024

(Thousand yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Share acquisition rights	Remeasurements of defined benefit plans
Balance at April 1, 2024	1,298,120	4,767,089	(930,159)	16,037,638	147,661	–
Profit	–	–	–	1,708,634	–	–
Other comprehensive income	–	–	–	–	–	–
Comprehensive income	–	–	–	1,708,634	–	–
Dividends of surplus	–	–	–	(762,449)	–	–
Purchase of treasury shares	–	–	(296)	–	–	–
Disposal of treasury shares	–	25,678	8,460	–	–	–
Share-based payment transactions	–	1,923	–	–	12,197	–
Exercise of share acquisition rights	–	–	–	–	(34,105)	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–
Transfer to non-financial assets	–	–	–	–	–	–
Total transactions with owners, etc.	–	27,602	8,164	(762,449)	(21,908)	–
Balance at September 30, 2024	1,298,120	4,794,691	(921,995)	16,983,823	125,753	–

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity						
	Equity financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Cash flow hedges	Total	Total equity attributable to owners of parent		
Balance at April 1, 2024	428,809	2,032	(6,723)	571,780	21,744,468	5,299,038	27,043,507
Profit	–	–	–	–	1,708,634	116,632	1,825,266
Other comprehensive income	4,335	235	33,447	38,019	38,019	(5,286)	32,732
Comprehensive income	4,335	235	33,447	38,019	1,746,653	111,345	1,857,998
Dividends of surplus	–	–	–	–	(762,449)	(6,475)	(768,924)
Purchase of treasury shares	–	–	–	–	(296)	–	(296)
Disposal of treasury shares	–	–	–	–	34,139	–	34,139
Share-based payment transactions	–	–	–	12,197	14,121	–	14,121
Exercise of share acquisition rights	–	–	–	(34,105)	(34,105)	–	(34,105)
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	–
Transfer to non-financial assets	–	–	(38,688)	(38,688)	(38,688)	–	(38,688)
Total transactions with owners, etc.	–	–	(38,688)	(60,596)	(787,279)	(6,475)	(793,755)
Balance at September 30, 2024	433,145	2,268	(11,964)	549,202	22,703,842	5,403,908	28,107,751

For the six months ended September 30, 2025

(Thousand yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Share acquisition rights	Remeasurements of defined benefit plans
Balance at April 1, 2025	1,298,120	4,799,261	(921,995)	18,908,609	144,019	–
Profit	–	–	–	2,104,997	–	–
Other comprehensive income	–	–	–	–	–	–
Comprehensive income	–	–	–	2,104,997	–	–
Dividends of surplus	–	–	–	(883,710)	–	–
Purchase of treasury shares	–	–	–	–	–	–
Disposal of treasury shares	–	11,210	1,287	–	–	–
Share-based payment transactions	–	(4,131)	–	–	15,368	–
Exercise of share acquisition rights	–	–	–	–	(3,469)	–
Changes in ownership interest in subsidiaries	–	219	–	–	–	–
Transfer to non-financial assets	–	–	–	–	–	–
Total transactions with owners, etc.	–	7,298	1,287	(883,710)	11,898	–
Balance at September 30, 2025	1,298,120	4,806,559	(920,707)	20,129,896	155,917	–

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total equity attributable to owners of parent		
	Equity financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance at April 1, 2025	162,664	(177,276)	(10,475)	118,931	24,202,927	5,789,384	29,992,312
Profit	–	–	–	–	2,104,997	130,055	2,235,052
Other comprehensive income	(26,656)	192,267	8,860	174,470	174,470	(360)	174,109
Comprehensive income	(26,656)	192,267	8,860	174,470	2,279,468	129,694	2,409,162
Dividends of surplus	–	–	–	–	(883,710)	(9,424)	(893,135)
Purchase of treasury shares	–	–	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	12,498	–	12,498
Share-based payment transactions	–	–	–	15,368	11,236	–	11,236
Exercise of share acquisition rights	–	–	–	(3,469)	(3,469)	–	(3,469)
Changes in ownership interest in subsidiaries	–	–	–	–	219	(219)	(0)
Transfer to non-financial assets	–	–	–	–	–	–	–
Total transactions with owners, etc.	–	–	–	11,898	(863,226)	(9,643)	(872,870)
Balance at September 30, 2025	136,007	14,990	(1,614)	305,300	25,619,169	5,909,435	31,528,604

(4) Notes to Condensed Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information)

1) Overview of reportable segments

The Group's reportable segments are Group components for which separate financial information is available and subject to periodic review by the management to determine the allocation of management resources and evaluate business performance.

The Group has established a business division for each company's product/service, and each business division formulates comprehensive strategies for the product/service it handles and undertakes business activities based on these strategies.

Accordingly, the reportable segments of the Group comprise segments by product/service based on their business divisions, and the three reportable segments are the "Information Infrastructure Business," the "Application Services Business," and the "Medical Systems Business."

The Information Infrastructure Business comprises the Company and its subsidiaries CROSS HEAD, OCH Co., Ltd., Firmus Sdn. Bhd., Firmus Consulting Sdn. Bhd., and Firmus Pte. Ltd., and engages in the sale of network, security, storage products, etc., and provides integration as well as services involving maintenance, operations, monitoring, etc. The Application Services Business comprises the Company and its subsidiaries CASAREAL, Inc., ARECCIA Fintech Corp., TechMatrix Asia Holdings Co., Ltd., and TechMatrix Asia Co., Ltd. and provides business solutions, software quality assurance, system development for CRM face-to-face markets, application packages, cloud SaaS services, application and services with high added value such as tests. The Medical Systems Business comprises PSP Corporation, Ichigo LLC, and A-Line Co., and engages in the development/integration of medical-related software, cloud services, etc. for the medical market.

2) Information on reportable segments

The accounting methods for reportable segments are the same as the accounting policy for the preparation of the Group's Condensed Semi-annual Consolidated Financial Statements. The profit figures of reportable segments are based on operating profit. Intersegment revenues are based on market prices.

For the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Thousand yen)

	Reportable segment			Total	Adjustment (Note 1)	Amount reported in the Condensed Semi-annual Consolidated Financial Statements
	Information Infrastructure Business	Application Services Business	Medical Systems Business			
Revenue						
Revenue from outside customers	22,046,904	4,385,841	4,409,058	30,841,805	–	30,841,805
Intersegment revenue	101,979	138,595	–	240,575	(240,575)	–
Total	22,148,884	4,524,437	4,409,058	31,082,380	(240,575)	30,841,805
Segment profit (Note 2)	2,559,356	159,337	304,529	3,023,223	–	3,023,223
Finance income						83,086
Finance costs						(35,070)
Share of profit (loss) of investments accounted for using equity method						(302,840)
Profit before tax						2,768,399

Notes: 1. Adjustment of intersegment revenue is the amount of elimination of intersegment transactions.
2. Total segment profit represents the amount of operating profit in the Condensed Semi-annual Consolidated Statement of Profit or Loss.

For the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(Thousand yen)

	Reportable segment			Total	Adjustment (Note 1)	Amount reported in the Condensed Semi-annual Consolidated Financial Statements
	Information Infrastructure Business	Application Services Business	Medical Systems Business			
Revenue						
Revenue from outside customers	24,229,899	4,716,048	4,431,873	33,377,822	–	33,377,822
Intersegment revenue	127,441	154,732	–	282,174	(282,174)	–
Total	24,357,341	4,870,781	4,431,873	33,659,996	(282,174)	33,377,822
Segment profit (loss) (Note 2)	2,926,567	(53,517)	301,886	3,174,936	–	3,174,936
Finance income						44,286
Finance costs						(45,473)
Share of profit (loss) of investments accounted for using equity method						27,432
Profit before tax						3,201,182

Notes: 1. Adjustment of intersegment revenue is the amount of elimination of intersegment transactions.
2. Total segment profit (loss) represents the amount of operating profit in the Condensed Semi-annual Consolidated Statement of Profit or Loss.

(Significant Subsequent Events)

Not applicable.

3. Supplementary Information

Supplementary information on orders received and stock-type sales ratio

(1) Status of orders received

The status of orders received and order backlog of each segment during the six months ended September 30, 2025 is as follows.

Segment	Orders received (Million yen)	Order backlog (Million yen)
Information Infrastructure Business	31,806	73,943
Application Services Business	5,275	6,631
Medical Systems Business	6,560	17,846
Total	43,642	98,420

(2) Supplementary information on stock-type sales ratio

The stock-type sales ratio of each segment during the six months ended September 30, 2025 is as follows. Regarding the stock-type sales ratio, for the Information Infrastructure Business and the Application Services Business, non-consolidated figures for the Company are stated and for the Medical Systems Business, the figures for PSP Corporation, the consolidated subsidiary, are stated.

Segment	Stock type net sales (Million yen)	Flow-type net sales (Million yen)	Stock-type sales ratio (%)
Information Infrastructure Business	18,016	2,469	87.9
Application Services Business	2,874	1,117	72.0
Medical Systems Business	2,906	1,287	69.3
Total	23,797	4,874	83.0