1. Business Highlights for the Six Months of 43rd Business Period (Fiscal Year Ending March 31, 2027)

(1) Qualitative Information on Consolidated Results of Operations

During the six months ended September 30, 2026, the Japanese economy generally remained on a moderate recovery trend. Personal consumption showed a recovery trend against the backdrop of improvements in employment and income conditions, while capital investment remained firm, particularly corporate investments in labor-saving and digitalization initiatives and in response to AI-related demand. Meanwhile, the outlook for the business environment remained uncertain due to soaring crude oil prices and their impact on supply amid heightened tensions in the Middle East, rising prices against the backdrop of the yen's depreciation, the impact on companies and households due to rising interest rates following a series of interest rate hikes by the Bank of Japan, and fluctuations in overseas economies and financial and capital markets.

In the Information Infrastructure Business, the number of ransomware attacks in Japan reached a record high. While cyber-attacks continue to grow increasingly sophisticated and elaborate, the rapid evolution of high-performance AI has made the use of AI to identify vulnerabilities and launch cyber-attacks a real threat. As such, the cybersecurity risks surrounding companies are increasing further. In addition, while companies are making full-scale use of generative AI, protecting confidential information and addressing AI governance have become new management issues. Under these circumstances, as cybersecurity measures become increasingly important for companies, demand for cybersecurity products and services has remained strong. In the Information Infrastructure Business, the Company's core business, demand is also expanding, particularly for cloud-based security measure products.

In the Application Services Business, business has been developing steadily in the CRM field thanks to collaboration with a major system integrator and telemarketing vendor. Additionally, revenue 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 also launched our in-house products that utilize generative AI technology. In the Software Quality Assurance field, demand remained strong for testing tools used to ensure the quality of enterprise systems and embedded software, and orders continued to be favorable. In addition, our proprietary dashboard tool "Quomiru," which was launched in 2025, has been attracting significant market interest as a tool that visualizes progress, quality, and risks in the software development process in real time. In the Business Solutions field, we secured bidding projects, etc. for independent administrative agencies, steadily accumulating orders. In the EdTech field, inquiries about our fully cloud-based school administration support system, "tsumugino," remained strong, resulting in a steady increase in new adoptions. In addition, following the adoption of "tsumugino" for "Benesse School Admin Cloud," the school administration support system offered by Benesse Corporation, new projects are being created through strengthened cooperation with Benesse.

In the Medical Systems Business, since the business integration in April 2022, PSP Corporation ("PSP") has been working to unify with our customer base and integrate with our products and services, as well as promoting the shift of PACS (picture archiving and communication systems for 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. In addition, to promote digitalization in the pathology field, we are working to expand into new market areas, including by strengthening collaboration with Medmain Inc., which became a subsidiary in April 2026.

As a result of the above, for the six months ended September 30, 2026, consolidated revenue amounted to ¥38,999 million, a year-on-year increase of ¥5,621 million (16.8%), and gross profit amounted to ¥11,517 million, a year-on-year increase of ¥1,024 million (9.8%). Selling, general and administrative expenses were ¥8,037 million, a year-on-year increase of ¥711 million (9.7%), due to increases in personnel expenses and other costs. As a result, operating profit came to ¥3,507 million, a year-on-year increase of ¥333 million (10.5%).

Consequently, profit before tax was ¥3,569 million, a year-on-year increase of ¥368 million (11.5%), and profit attributable to owners of parent was ¥2,373 million, a year-on-year increase of ¥268 million (12.7%).

Revenue, operating profit, profit before tax and profit attributable to owners of parent all reached record highs for a six-month period ended September 30.

Results by operating segment were as follows:

1) Information Infrastructure Business

Results of the Information Infrastructure Business for the six months ended September 30, 2026 were strong thanks to orders for new projects, particularly those for subscription-based cloud cybersecurity measure products. Orders for renewals, including large-scale projects, were also steadily accumulated. In addition to those products, cross-selling progressed for AI-driven solutions that automate SOC[*1] (Security Operation Center) operations. Revenue steadily increased thanks to the order backlog accumulated through the previous fiscal year and orders for new projects. Operating profit increased compared to the previous fiscal year, as the growth of the business covered the increased selling, general and administrative expenses. By product, 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 being adopted.

At CROSS HEAD, orders received, revenue, and operating profit all exceeded the levels of the same period of the previous fiscal year, reflecting strong performance in e-mail security products.

At OCH Co., Ltd., orders received, revenue, and operating profit all exceeded the levels of the same period of the previous fiscal year, supported by orders for a new product in our UTM[*2] (Unified Threat Management) lineup for small and medium-sized businesses.

At Firmus Sdn. Bhd., orders received exceeded the level of the same period of the previous fiscal year due to the acquisition of large projects and other factors, contributing to the accumulation of recurring revenue. Accordingly, both revenue and operating profit exceeded the levels of the same period of the previous fiscal year.

As a result, revenue of the business amounted to ¥28,872 million, a year-on-year increase of ¥4,642 million (19.2%), while operating profit amounted to ¥3,220 million, a year-on-year increase of ¥294 million (10.0%). Revenue and operating profit both reached record highs for a six-month period ended September 30.

2) Application Services Business

Results of the Application Services Business for the six months ended September 30, 2026 exceeded those for the same period of the previous fiscal year for orders received, revenue, and operating profit.

In the CRM field, thanks to new orders received and the accumulation of subscription contracts secured to date, orders received increased year on year, and revenue and operating profit significantly exceeded the levels of the same period of the previous fiscal year.

In the Software Quality Assurance field, strong demand continued for testing tools, and orders received and revenue increased year on year. Operating profit was roughly on par with the same period of the previous fiscal year partly due to an increase in personnel expenses.

In the Business Solutions field, orders received significantly exceeded the level of the same period of the previous fiscal year, as bidding projects progressed smoothly. Revenue and operating profit also exceeded the levels of the same period of the previous fiscal year, reflecting strong orders at the end of the previous fiscal year. At ARECCIA Fintech Corp., orders received, revenue and operating profit all exceeded the levels of the same period of the previous fiscal year. At CASAREAL, Inc., as orders received for learning services and cloud-native promotion support services grew steadily, orders received, revenue, and operating profit all exceeded the levels of the same period of the previous fiscal year.

In the EdTech field, inquiries about our fully cloud-based school administration support system, “tsumugino,” from private advanced schools and public schools remained strong, resulting in a steady increase in new adoptions. While orders received decreased from the same period of the previous fiscal year, mainly affected by timing of public offering for bidding projects, revenue significantly exceeded the level of the same period of the previous fiscal year due to the introduction of the system at new schools, which had been progressing since the previous fiscal year. The operating loss increased as planned investments in product development, marketing, and increases in engineering and sales staff were implemented.

As a result, revenue of the business amounted to ¥5,458 million, a year-on-year increase of ¥742 million (15.7%). Operating profit amounted to ¥206 million (compared to operating loss of ¥53 million in the same

period of the previous fiscal year).

3) Medical Systems Business

For the six months ended September 30, 2026, in the Medical Systems Business, while revenue exceeded the level of the same period of the previous fiscal year, orders received and operating profit fell below those of the same period of the previous fiscal year. While the number of contracting facilities for "NOBORI," a cloud service for medical information, steadily increased and contract renewals from existing users progressed smoothly, orders received decreased from the same period of the previous fiscal year due to the absence of orders for large-scale projects in AI-related businesses in the same period of the previous fiscal year. Revenue increased as the number of contracting facilities for medical imaging management (PACS) steadily increased and subscription revenue accumulated. Operating profit was negatively affected, as initially planned, as Medmain Inc., which became a consolidated subsidiary from the first quarter of the fiscal year under review, is currently in an investment phase. Upfront investments are continuing in projects such as the development of PHR[*3] (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 and revenue were on the same level as the same period of the previous fiscal year, while operating profit fell short of that level.

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

As a result, revenue of the business amounted to ¥4,668 million, a year-on-year increase of ¥236 million (5.3%). Operating profit amounted to ¥80 million, a year-on-year decrease of ¥221 million (73.3%).

(2) Qualitative Information on Consolidated Financial Position

Current assets increased ¥2,965 million (2.9%) from March 31, 2026 to ¥104,370 million as of September 30, 2026. The principal factor in this change was an increase of ¥9,811 million in advance payments to suppliers. Non-current assets stood at ¥23,690 million, an increase of ¥3,563 million (17.7%) from March 31, 2026. The principal factor in this change was a ¥2,503 million increase in goodwill. As a result, total assets amounted to ¥128,060 million, an increase of ¥6,528 million (5.4%) from March 31, 2026.

Current liabilities stood at ¥88,752 million, an increase of ¥5,971 million (7.2%) from March 31, 2026. The principal factor in this change was an increase of ¥7,449 million in contract liabilities. Non-current liabilities stood at ¥6,397 million, an increase of ¥327 million (5.4%) from March 31, 2026. The principal factor in this change was a ¥724 million increase in lease liabilities. As a result, total liabilities amounted to ¥95,150 million, an increase of ¥6,299 million (7.1%) from March 31, 2026.

Total equity was ¥32,909 million, an increase of ¥229 million (0.7%) from March 31, 2026. The principal factor in this change was an increase of ¥1,152 million in retained earnings. As a result, the ratio of equity attributable to owners of parent to total assets was 20.6%.

(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 8, 2026.

(Glossary)

*1	SOC	A SOC (Security Operation Center) is a specialized organization that monitors a company or organization's networks and systems 24/7, collects and analyzes logs, and recommends countermeasures in response to security incidents.
*2	UTM	UTM (Unified Threat Management) is an approach that efficiently and comprehensively protects computer networks against threats such as computer viruses and hacking.
*3	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, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	35,801,807	27,313,091
Trade and other receivables	7,035,359	5,779,380
Inventories	477,208	727,582
Advance payments to suppliers	42,323,403	52,135,049
Advance payment - cost of maintenance service	14,196,747	16,012,641
Other financial assets	324	56,181
Other current assets	1,570,369	2,346,300
Total current assets	101,405,220	104,370,228
Non-current assets		
Property, plant and equipment	5,426,692	6,402,526
Goodwill	4,509,910	7,013,182
Intangible assets	3,828,440	4,335,140
Investments accounted for using equity method	772,892	793,584
Other financial assets	3,234,694	2,719,444
Deferred tax assets	1,708,365	1,702,672
Other non-current assets	645,197	723,476
Total non-current assets	20,126,193	23,690,028
Total assets	121,531,414	128,060,256

(Thousand yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Trade and other payables	2,715,336	2,315,206
Borrowings	200,000	204,800
Lease liabilities	740,470	766,496
Income taxes payable	1,485,494	1,355,431
Contract liabilities	70,433,098	77,882,620
Other financial liabilities	2,438,984	2,401,360
Provisions	–	1,086
Other current liabilities	4,767,224	3,825,303
Total current liabilities	82,780,609	88,752,306
Non-current liabilities		
Borrowings	1,550,000	1,459,600
Lease liabilities	1,678,513	2,402,595
Other financial liabilities	545,266	–
Retirement benefit liability	1,816,713	1,910,103
Provisions	169,217	169,893
Deferred tax liabilities	50,236	186,664
Other non-current liabilities	260,314	269,131
Total non-current liabilities	6,070,261	6,397,988
Total liabilities	88,850,870	95,150,295
Equity		
Share capital	1,298,120	1,298,120
Capital surplus	3,008,600	3,018,917
Treasury shares	(918,503)	(1,902,327)
Retained earnings	21,902,194	23,054,323
Other components of equity	1,036,916	866,794
Total equity attributable to owners of parent	26,327,327	26,335,828
Non-controlling interests	6,353,216	6,574,133
Total equity	32,680,543	32,909,961
Total liabilities and equity	121,531,414	128,060,256

(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, 2025	For the six months ended September 30, 2026
Revenue	33,377,822	38,999,735
Cost of sales	(22,885,276)	(27,482,406)
Gross profit	10,492,546	11,517,329
Selling, general and administrative expenses	(7,326,127)	(8,037,711)
Other income	12,015	36,701
Other expenses	(3,497)	(8,372)
Operating profit	3,174,936	3,507,947
Finance income	44,286	107,099
Finance costs	(45,473)	(46,256)
Share of profit (loss) of investments accounted for using equity method	27,432	784
Profit before tax	3,201,182	3,569,575
Income tax expense	(966,130)	(1,151,255)
Profit	2,235,052	2,418,320
Profit attributable to:		
Owners of parent	2,104,997	2,373,042
Non-controlling interests	130,055	45,277
Earnings per share		
Basic earnings per share (Yen)	52.40	59.14
Diluted earnings per share (Yen)	52.24	58.95

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

(Thousand yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	2,235,052	2,418,320
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	(26,996)	50,539
Total of items that will not be reclassified to profit or loss	(26,996)	50,539
Items that may be reclassified to profit or loss		
Cash flow hedges	8,860	(2,034)
Exchange differences on translation of foreign operations	192,246	(167,393)
Total of items that may be reclassified to profit or loss	201,106	(169,428)
Other comprehensive income, net of tax	174,109	(118,889)
Comprehensive income	2,409,162	2,299,431
Comprehensive income attributable to:		
Owners of parent	2,279,468	2,217,617
Non-controlling interests	129,694	81,814

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

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	–	–	–	–
Changes resulting from additions to consolidation	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–
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						
	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, 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)
Changes resulting from additions to consolidation	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	–
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

For the six months ended September 30, 2026

(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, 2026	1,298,120	3,008,600	(918,503)	21,902,194	159,764	–
Profit	–	–	–	2,373,042	–	–
Other comprehensive income	–	–	–	–	–	–
Comprehensive income	–	–	–	2,373,042	–	–
Dividends of surplus	–	–	–	(1,245,739)	–	–
Purchase of treasury shares	–	(493)	(986,243)	–	–	–
Disposal of treasury shares	–	16,978	2,418	–	–	–
Share-based payment transactions	–	(6,168)	–	–	16,854	–
Exercise of share acquisition rights	–	–	–	–	(6,724)	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–
Changes resulting from additions to consolidation	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	24,826	–	–
Total transactions with owners, etc.	–	10,317	(983,824)	(1,220,913)	10,130	–
Balance at September 30, 2026	1,298,120	3,018,917	(1,902,327)	23,054,323	169,895	–

	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, 2026	217,490	661,803	(2,142)	1,036,916	26,327,327	6,353,216	32,680,543
Profit	–	–	–	–	2,373,042	45,277	2,418,320
Other comprehensive income	14,809	(168,200)	(2,034)	(155,425)	(155,425)	36,536	(118,889)
Comprehensive income	14,809	(168,200)	(2,034)	(155,425)	2,217,617	81,814	2,299,431
Dividends of surplus	–	–	–	–	(1,245,739)	(7,406)	(1,253,146)
Purchase of treasury shares	–	–	–	–	(986,736)	–	(986,736)
Disposal of treasury shares	–	–	–	–	19,397	–	19,397
Share-based payment transactions	–	–	–	16,854	10,686	–	10,686
Exercise of share acquisition rights	–	–	–	(6,724)	(6,724)	–	(6,724)
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	–
Changes resulting from additions to consolidation	–	–	–	–	–	146,509	146,509
Transfer from other components of equity to retained earnings	(24,826)	–	–	(24,826)	–	–	–
Total transactions with owners, etc.	(24,826)	–	–	(14,695)	(2,209,116)	139,102	(2,070,013)
Balance at September 30, 2026	207,473	493,603	(4,177)	866,794	26,335,828	6,574,133	32,909,961

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

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

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

Not applicable.

For the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(Purchase of Treasury Shares)

Based on the resolution at the Board of Directors meeting held on July 31, 2026, the Company has purchased 415,000 treasury shares. As a result, treasury shares increased by ¥986,172 thousand during the six months ended September 30, 2026, and amounted to ¥1,902,327 thousand as of September 30, 2026.

(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 and educational 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, A-Line Co., and Medmain Inc., 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, 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.

For the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(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	28,872,835	5,458,642	4,668,257	38,999,735	—	38,999,735
Intersegment revenue	122,325	166,523	—	288,849	(288,849)	—
Total	28,995,160	5,625,166	4,668,257	39,288,584	(288,849)	38,999,735
Segment profit (Note 2)	3,220,582	206,893	80,470	3,507,947	—	3,507,947
Finance income						107,099
Finance costs						(46,256)
Share of profit (loss) of investments accounted for using equity method						784
Profit before tax						3,569,575

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.

(Business Combinations, etc.)

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

(Finalization of Provisional Accounting Treatment for Business Combinations)

During the fiscal year ended March 31, 2025, provisional accounting treatment had been applied to the business combination with Firmus Sdn. Bhd., which was carried out on November 12, 2024, and the said accounting treatment was finalized during the six months ended September 30, 2025.

In line with the finalization of the provisional accounting treatment, the initial allocation of the acquisition cost has been significantly revised. The fair value of the consideration transferred, and the recognized amounts by major type of assets acquired and liabilities assumed as of the acquisition date have been revised as follows.

(Thousand yen)

	Provisional accounting treatment	Revised	Finalized amount
Fair value of consideration paid (Cash)	5,128,650		5,128,650
Total consideration transferred			
Cash and cash equivalents	373,209		373,209
Other current assets	1,090,194	0	1,090,194
Property, plant and equipment	83,305		83,305
Intangible assets	909,594	268,407	1,178,002
Other non-current assets	202,526		202,526
Current liabilities	1,181,244		1,181,244
Non-current liabilities	386,678	64,417	451,096
Assets acquired and liabilities assumed (net)	1,090,907	203,990	1,294,897
Non-controlling interests	25,834		25,834
Goodwill	4,063,576	(203,990)	3,859,586

For the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(Business Combination through Share Acquisition)

With respect to the acquisition of shares of Medmain Inc. (hereinafter "Medmain") announced in the "Notice Concerning Basic Agreement on Acquisition of Shares in Medmain to Make It a Consolidated Subsidiary" dated February 17, 2026, the Company and its consolidated subsidiary PSP Corporation (hereinafter "PSP") resolved at a meeting of the Board of Directors held on April 24, 2026 to acquire the shares. Based on the share transfer agreement entered into on April 30, 2026, the Company and PSP additionally acquired 57.51% of Medmain's shares on a voting-rights basis and made it a consolidated subsidiary.

1) Overview of the business combination

(i) Name and business activities of the acquiree

Name of acquiree: Medmain Inc.

Business activities: Planning, development, operation, and sale of AI software and cloud services supporting pathological diagnosis

(ii) Main reasons for the business combination

Since the capital and basic agreement reached on July 26, 2022, we have encouraged service development by merging Medmain's pathological diagnosis technologies and systems, including AI development technology, with PSP's cloud-based PACS, remote diagnostic imaging, and other technologies. As a result of discussions based on continuous technology development of the two companies, we have reached an agreement on a plan to evolve the development outcomes we have gained to the development and commercialization of a digital pathological diagnosis platform that highly integrates AI technology, through an even more unified organizational operation.

With the significant change to the actual clinical use of pathological diagnosis support AI occurring soon, we aim to pursue business development at an even higher level as one, including securing a sustainable system for dealing with the medical device approval process and returning accumulated digital pathology data to medical research.

(iii) Acquisition date

April 30, 2026

(iv) Method used to obtain control of the acquiree

Acquisition of shares for cash consideration

(v) Percentage of voting equity interest acquired

Percentage of voting rights held immediately before the acquisition date 14.54%

Percentage of voting rights additionally acquired on the acquisition date 57.51%

Percentage of voting rights held after the acquisition 72.05%

2) Consideration transferred for the acquiree and breakdown by type of consideration

	(Thousand yen)
Fair value of equity interest held immediately before the business combination	701,368
Cash	2,301,567
Total consideration transferred	3,002,936

Notes: 1. Acquisition-related costs for the business combination were ¥4,173 thousand and are included in "Selling, general and administrative expenses" in the Condensed Semi-annual Consolidated Statement of Profit or Loss.

2. As a result of remeasuring the 14.54% equity interest in the acquiree held before the acquisition date at its acquisition-date fair value, the Group recognized a gain on step acquisitions of ¥72,471 thousand. This gain is included in "Equity financial assets measured at fair value through other comprehensive income" in the Condensed Semi-annual Consolidated Statement of Comprehensive Income.

3) Fair values of consideration transferred, assets acquired, and liabilities assumed at the acquisition date

	(Thousand yen)
Total consideration transferred	3,002,936
Cash and cash equivalents	135,577
Trade and other receivables (Note 1)	36,822
Property, plant and equipment	42,249
Intangible assets	549,856
Other assets	38,185
Total assets	802,691
Trade and other payables	84,692
Other liabilities	193,801
Total liabilities	278,494
Non-controlling interests (Note 2)	146,509
Goodwill (Notes 3 and 4)	2,625,249

Notes: 1. The contractual amount of trade and other receivables acquired was ¥36,822 thousand, and none of this amount is expected to be uncollectible.

2. Non-controlling interests are measured at the non-controlling shareholders' proportionate share of the fair value of the acquiree's identifiable net assets.

3. The assets acquired, liabilities assumed, and goodwill have been provisionally measured because the allocation of the consideration transferred had not been completed as of the end of the first quarter. However, they have been finalized as of September 30, 2026. There will be no change in the amounts due to this finalization of the provisional accounting treatment.

4. Goodwill mainly represents the excess earning capacity expected from expansion of the existing business resulting from the acquisition. No amount of goodwill is expected to be deductible for tax purposes.

4) Cash flows associated with the acquisition

	(Thousand yen)
Cash and cash equivalents paid for the acquisition	(2,301,567)
Cash and cash equivalents held by the acquiree at the acquisition date	135,577
Purchase of shares of the subsidiary	(2,165,990)

5) Impact on the Group's results

The Group's Condensed Semi-annual Consolidated Statement of Profit or Loss includes revenue of ¥63,028 thousand and semi-annual loss of ¥148,594 thousand generated by Medmain after the acquisition date.

Had the business combination occurred at the beginning of the period, the Group's revenue and profit for the six months ended September 30, 2026 would have been ¥39,009,195 thousand and ¥2,388,434 thousand, respectively. This pro forma information has not been audited.

(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, 2026 is as follows.

Segment	Orders received (Million yen)	Order backlog (Million yen)
Information Infrastructure Business	41,651	91,659
Application Services Business	5,969	7,636
Medical Systems Business	6,124	20,966
Total	53,745	120,262

(2) Supplementary information on stock-type sales ratio

The stock-type sales ratio of each segment during the six months ended September 30, 2026 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	21,168	3,134	87.1
Application Services Business	3,425	1,246	73.3
Medical Systems Business	3,232	1,135	74.0
Total	27,826	5,516	83.5