Consolidated Financial Results
for the three months ended September 30, 2025
(Japanese GAAP)

October 31, 2025

Company name: AVANT GROUP CORPORATION　Stock exchange listing: Tokyo
Code number: 3836　URL： https://www.avantgroup.com/
Representative: (Title) Group CEO & Founder (Name) Tetsuji Morikawa
For inquiry (Title) Director, Finance (Name) Naoyoshi Kasuga (Tel) 03-6388-6739
Dividend payment: -
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, 2025 (From July 1, 2025 to September 30, 2025)

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

	Net sales		EBITDA*		Operating profit		Ordinary profit		Net income attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	7,515	10.9	1,472	21.0	1,341	22.8	1,346	22.3	852	38.5
September 30, 2024	6,776	20.0	1,217	52.4	1,091	60.3	1,100	62.1	615	27.4

(Note) Comprehensive income: Three months ended September 30, 2025 862 million yen (48.8%)
Three months ended September 30, 2024 579 million yen (20.0%)

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2025	23.34	-
September 30, 2024	16.87	-

*EBITDA is operating profit + depreciation + amortization of goodwill

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	22,714	15,590	68.6
June 30, 2025	24,373	15,597	63.9

(Reference) Shareholders' equity: As of September 30, 2025 15,577 million yen
As of June 30, 2025 15,582 million yen

2. Dividends

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

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

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

(Percentages indicate year-on-year changes)

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

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

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

Notes

(1) Significant changes in the scope of consolidation during the period : No

(2) Applying of specific accounting of 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, 2025	37,645,851 shares	As of June 30, 2025	37,645,851 shares
2) Number of treasury shares held	As of September 30, 2025	1,106,833 shares	As of June 30, 2025	1,150,177 shares
3) Average number of shares (cumulative from the beginning of the fiscal year)	Three months ended September 30, 2025	36,517,817 shares	Three months ended September 30, 2024	36,466,136 shares

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

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

* Using forecasted information and others

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

Accompanying Materials - Table of Contents

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, 2024	Three months ended September 30, 2025	Year-on-year change	
			Amount	%
Net sales	6,776	7,515	739	10.9
Operating profit	1,091	1,341	249	22.8
Ordinary profit	1,100	1,346	245	22.3
Net income attributable to owners of parent	615	852	236	38.5

Net sales increased to ¥7,515 million (10.9% increase year-on-year) due to continued strong sales growth in the Consolidated Financial Disclosure Business and the Digital Transformation Promotion Business, reflecting continued strong investment needs among Japanese companies to maintain and enhance their competitiveness by "upgrading corporate management and business activities using data and digital technology," which is becoming a mid- to long-term trend among client companies.

Despite increases in personnel expenses and hiring expenses in line with business expansion, office expenses associated with office expansion, and investment expenses to achieve future growth centered on strengthening the software business, profits increased due to improved profit margins from growth in the software business and a decrease in outsourced processing expenses to supplement in-house resources. Operating profit was ¥1,341 million (22.8% increase year-on-year), ordinary profit was ¥1,346 million (22.3% increase year-on-year), and net income attributable to owners of parents was ¥852 million (38.5 % increase year-on-year).

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

The status of each segment is as follows.

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

	Three months ended September 30, 2024	Three months ended September 30, 2025	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	1,980	2,331	350	17.7
Digital Transformation Promotion Business	2,481	2,844	362	14.6
Management Solutions Business	2,299	2,310	10	0.5
Other	105	122	16	15.5
Elimination of inter-segment transactions	(91)	(91)	(0)	-
Consolidated net sales	6,776	7,515	739	10.9

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

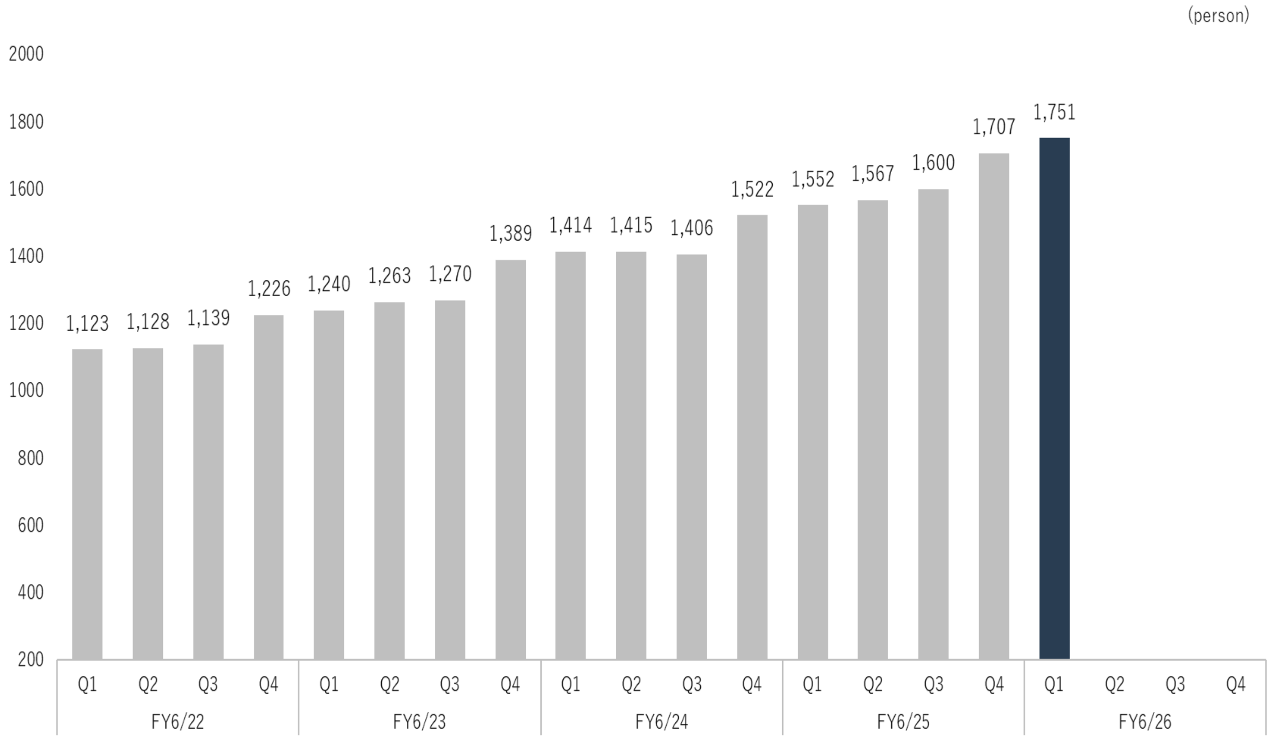
	Three months ended September 30, 2024	Three months ended September 30, 2025	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	493	737	243	49.4
Digital Transformation Promotion Business	438	598	160	36.5
Management Solutions Business	370	232	(138)	(37.3)
Other	43	28	(15)	(34.7)
Corporate expenses and elimination of inter-segment transactions	(253)	(255)	(1)	-
Consolidated operating profit	1,091	1,341	249	22.8

In the Consolidated Financial Disclosure Business, net sales increased to ¥2,331 million (17.7% increase year-on-year) as in addition to a transfer of some maintenance service transactions from the Management Solutions Business starting in the first quarter of the current fiscal year, the outsourcing business continued to maintain a high growth rate. In terms of profitability, operating profit increased to ¥737 million (49.4% increase year-on-year) due to an improved profit margin resulting from the effects of improved productivity and a revised pricing strategy in the software business, despite factors that increased costs, such as increased personnel expenses and office expenses due to an increase in the number of employees and the expansion of office space.

In the Digital Transformation Promotion Business, net sales increased to ¥2,844 million (14.6% increase year-on-year) as needs for utilizing data for decision making related to management and business promotion remained strong and an increase in projects centered on "cloud and data platform construction" led to an increase in net sales. Despite an increase in personnel expenses due to an increase in headcount to support sales growth, outsourcing expenses to supplement in-house resources decreased, resulting in an improved profit margin and a significant increase in operating profit to ¥598 million (36.5% increase year-on-year).

In the Management Solutions Business, net sales increased slightly to ¥2,310 million (0.5% increase year-on-year), despite an increase in software business sales, due to the transfer some maintenance service transactions to the Consolidated Financial Disclosure Business from the first quarter of the current fiscal year. Operating profit was ¥232 million (37.3% decrease year-on-year) due to the above-mentioned factors that kept the sales increase at a low growth level, as well as an increase in personnel expenses to secure personnel for future growth and in research and development expenses and marketing expenses to strengthen the software business.

The number of employees on a consolidated basis was 1,751 at the first quarter-end, an increase of 44 from the end of the previous consolidated 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, 2024		Three months ended September 30, 2025		Year-on-year change	
					Amount	
	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Consolidated Financial Disclosure Business	2,260	4,794	2,889	5,549	628	755
Digital Transformation Promotion Business	2,426	2,015	2,731	1,899	304	(116)
Management Solutions Business	2,080	3,781	2,203	3,064	123	(717)
Other	107	173	121	198	13	24
Elimination of inter-segment transactions	(71)	(1,955)	(111)	(896)	(40)	1,058
Total	6,803	8,810	7,833	9,815	1,029	1,005

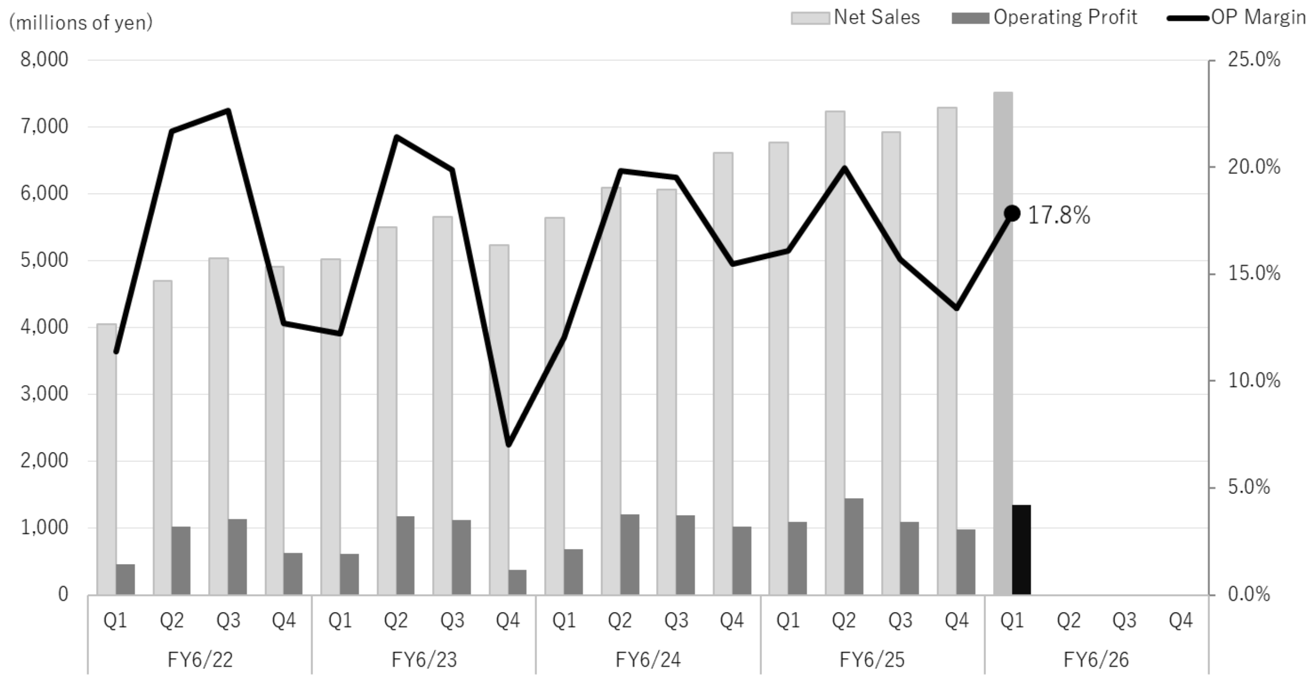
2) Net sales (Millions of yen, rounded down to the nearest unit)

	Three months ended September 30, 2024	Three months ended September 30, 2025	Year-on-year change	
			Amount	%
Consolidated Financial Disclosure Business	1,980	2,331	350	17.7
Digital Transformation Promotion Business	2,481	2,844	362	14.6
Management Solutions Business	2,299	2,310	10	0.5
Other	105	122	16	15.5
Elimination of inter-segment transactions	(91)	(91)	(0)	-
Total	6,776	7,515	739	10.9

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

Net sales and operating profit for the last four quarters (Millions of yen, rounded down to the nearest unit)

	Fiscal year ended June 30, 2025			Fiscal year ending June 30, 2026
	Second quarter	Third quarter	Fourth quarter	First quarter
Net sales	7,235	6,927	7,289	7,515
Operating profit	1,446	1,088	978	1,341
Operating profit margin (%)	20.0	15.7	13.4	17.8


(millions of yen)
Net Sales
Operating Profit
OP Margin
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
17.8%
Q1
Q2
Q3
Q4
FY6/22
FY6/23
FY6/24
FY6/25
FY6/26

(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 ¥22,714 million (¥1,658 million decrease from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥1,609 million in cash and deposits and a decrease of ¥346 million in deferred tax assets.

On the other hand, total liabilities amounted to ¥7,124 million (¥1,651 million decrease from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥642 million in income taxes payable, a decrease of ¥215 million in contract liabilities, and a decrease of ¥868 million in provision for bonuses.

Total net assets amounted to ¥15,590 million (¥7 million decrease from the end of the previous consolidated fiscal year), mainly due to net income attributable to owners of parent of ¥852 million for the quarter and payment of dividends of surplus of ¥930 million. As a result, the equity ratio was 68.6% (63.9% at the end of the previous consolidated fiscal year), an improvement of 4.7 percentage points from the previous fiscal year, and the Company believes it maintains a highly stable financial balance with low interest-bearing liabilities.

2) Cash flows

Cash and cash equivalents ("funds") at the end of the first quarter decreased ¥1,649 million from the end of the previous consolidated fiscal year to ¥13,512 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 ¥265 million. (¥547 million was used in the same quarterly period of the previous year).

The main sources were profit before income taxes of ¥1,346 million, depreciation of ¥131 million, and an increase of ¥260 million in deposits received. The main uses were a decrease of ¥868 million in provision for bonuses, a decrease of ¥107 million in provision for bonuses for directors (and other officers), a decrease of ¥215 million in contract liabilities, and ¥796 million in income taxes paid.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥457 million. (¥118 million was used in the same quarterly period of the previous year).

The main expenditures were purchases of property, plant and equipment of ¥143 million and purchases of investment securities of ¥293 million.

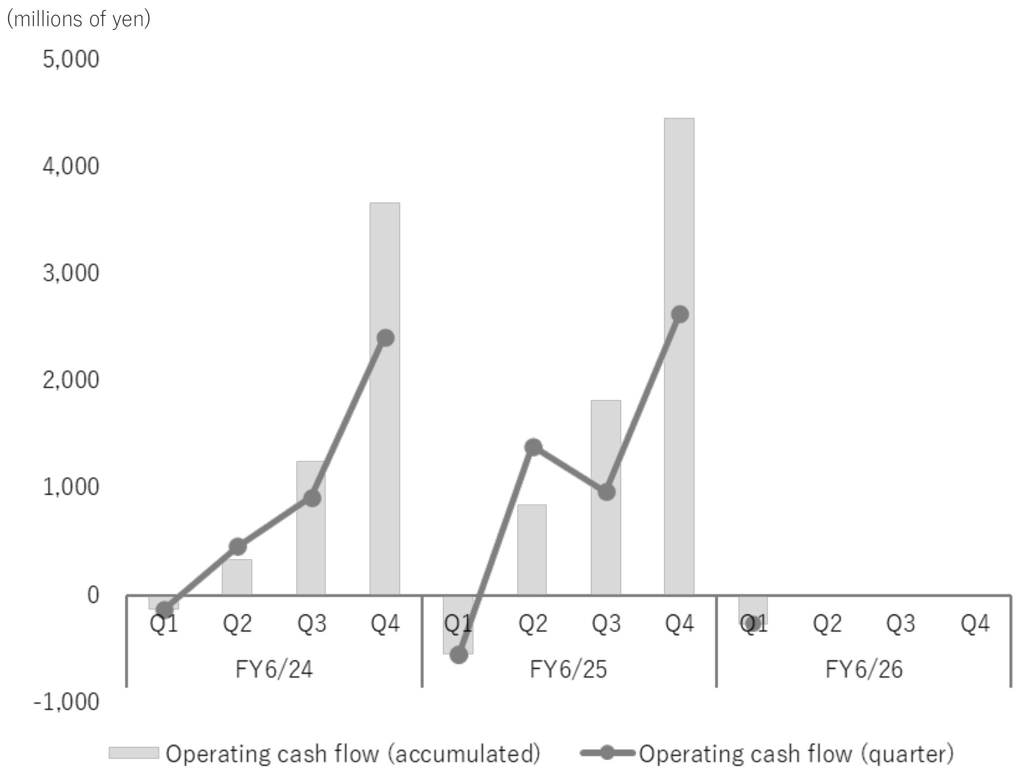
(Cash flows from financing activities)

Funds used in financing activities amounted to ¥932 million. (¥1,044 million was used in the same quarterly period of the previous year).

The main expenditure was dividends paid of ¥930 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.



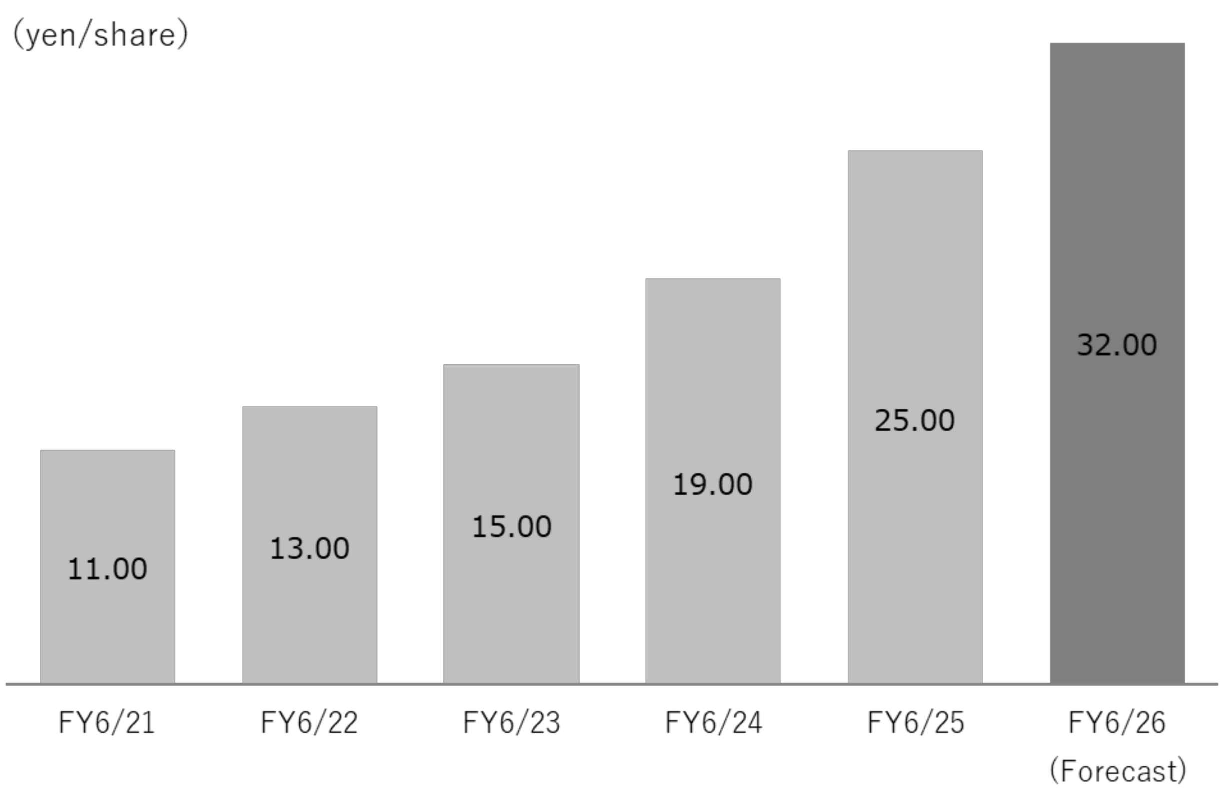
(3) Explanation on forward-looking statements such as consolidated earnings forecasts

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

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

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

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



2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	Previous fiscal year (June 30, 2025)	Current first quarter (September 30, 2025)
Assets		
Current assets		
Cash and deposits	14,593,169	12,983,391
Notes and accounts receivable - trade, and contract assets	4,228,796	4,273,457
Securities	500,000	500,000
Work in process	17,868	11,878
Raw materials and supplies	55,016	31,787
Prepaid expenses	1,163,320	1,319,404
Other	211,287	154,144
Allowance for doubtful accounts	(3,516)	(3,684)
Total current assets	20,765,941	19,270,380
Non-current assets		
Property, plant and equipment	549,165	531,294
Intangible assets		
Software	342,474	276,323
Other	38,028	36,846
Total intangible assets	380,502	313,170
Investments and other assets		
Investment securities	830,184	1,163,186
Long-term prepaid expenses	10,158	9,464
Leasehold and guarantee deposits	826,752	799,803
Deferred tax assets	864,785	518,705
Other	145,566	108,606
Total investments and other assets	2,677,446	2,599,766
Total non-current assets	3,607,114	3,444,230
Total assets	24,373,055	22,714,611

(Thousands of yen)

	Previous fiscal year (June 30, 2025)	Current first quarter (September 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	769,142	754,147
Lease liabilities	6,112	6,139
Accounts payable - other, and accrued expenses	783,077	782,518
Income taxes payable	797,648	154,877
Contract liabilities	3,766,666	3,551,164
Asset retirement obligations	49,224	22,437
Provision for bonuses	1,232,404	363,630
Provision for bonuses for directors (and other officers)	140,888	33,497
Provision for loss on orders received	11,363	2,384
Provision for stock benefits	131,442	104,888
Provision for stock benefits for directors (and other officers)	-	479
Other	752,649	1,007,095
Total current liabilities	8,440,619	6,783,261
Non-current liabilities		
Lease liabilities	27,111	24,756
Asset retirement obligations	305,984	314,411
Deferred tax liabilities	1,350	1,614
Total non-current liabilities	334,446	340,782
Total liabilities	8,775,065	7,124,044
Net assets		
Shareholders' equity		
Share capital	345,113	345,113
Capital surplus	417,417	417,417
Retained earnings	16,490,130	16,411,561
Treasury shares	(1,688,845)	(1,627,729)
Total shareholders' equity	15,563,815	15,546,363
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,193)	2,069
Deferred gains or losses on hedges	(2,921)	(1,453)
Foreign currency translation adjustment	22,354	30,618
Total accumulated other comprehensive income	18,239	31,234
Non-controlling interests	15,934	12,969
Total net assets	15,597,989	15,590,566
Total liabilities and net assets	24,373,055	22,714,611

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

Quarterly consolidated statement of income

First quarter consolidated cumulative period

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2024)	Current first quarter (July 1 to September 30, 2025)
Net sales	6,776,187	7,515,829
Cost of sales	3,789,006	4,088,767
Gross profit	2,987,181	3,427,062
Selling, general and administrative expenses	1,895,404	2,085,824
Operating profit	1,091,776	1,341,237
Non-operating income		
Interest income	807	14,834
Dividend income	1,103	940
Gain on investments in investment partnerships	4,698	-
Foreign exchange gains	4,959	-
Subsidy income	1,569	990
Other	58	2,087
Total non-operating income	13,197	18,852
Non-operating expenses		
Interest expenses	23	597
Loss on investments in investment partnerships	-	9,631
Commission expenses	4,235	1,424
Foreign exchange losses	-	1,995
Other	60	0
Total non-operating expenses	4,319	13,649
Ordinary profit	1,100,654	1,346,440
Extraordinary profit		
Insurance income	300	-
Total extraordinary income	300	-
Profit before income taxes	1,100,954	1,346,440
Income taxes - current	70,986	152,210
Income taxes - deferred	414,616	344,364
Total income taxes	485,602	496,574
Net income	615,351	849,865
Net income attributable to non-controlling interests	-	(2,422)
Net income attributable to owners of parent	615,351	852,287

Quarterly consolidated statement of comprehensive income

First quarter consolidated cumulative period

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2024)	Current first quarter (July 1 to September 30, 2025)
Net income	615,351	849,865
Other comprehensive income		
Valuation difference on available-for-sale securities	29,310	3,263
Deferred gains or losses on hedges	(6,278)	1,467
Foreign currency translation adjustment	(58,930)	7,720
Total other comprehensive income	(35,898)	12,451
Comprehensive income	579,452	862,317
Comprehensive income attributable to:		
Owners of parent	579,452	865,282
Non-controlling interest	-	(2,965)

(3) Quarterly consolidated statement of cash flows

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2024)	Current first quarter (July 1 to September 30, 2025)
Cash flows from operating activities		
Profit before income taxes	1,100,954	1,346,440
Depreciation	125,334	131,350
Share-based payment expenses	3,889	2,112
Insurance income	(300)	-
Increase (decrease) in allowance for doubtful accounts	(1,033)	167
Increase (decrease) in provision for bonuses	(963,535)	(868,773)
Increase (decrease) in provision for bonuses for directors (and other officers)	(73,307)	(107,391)
Increase (decrease) in provision for loss on orders received	13,155	(8,978)
Increase (decrease) in provision for share benefits	(22,627)	(26,554)
Increase (decrease) in provision for share awards for directors (and other officers)	1,165	479
Interest and dividend income	(1,911)	(15,775)
Interest expenses	23	597
Commission expenses	4,235	1,424
Loss (gain) on investments in investment partnerships	(4,698)	9,631
Subsidy income	(1,569)	(990)
Decrease (increase) in notes and accounts receivable trade and contract assets	378,960	(44,641)
Decrease (increase) in inventories	(54,735)	29,217
Increase (decrease) in trade payables	(70,975)	(14,988)
Increase (decrease) in accounts payable - other, and accrued expenses	(152,345)	80,248
Increase (decrease) in accrued consumption taxes	(43,683)	(9,062)
Increase (decrease) in contract liabilities	(211,991)	(215,501)
Increase (decrease) in deposits received	201,004	260,059
Other	207,259	(31,630)
Subtotal	433,266	517,442
Interest and dividends received	1,911	13,881
Interest paid	(23)	(597)
Subsidies received	1,569	990
Amount of insurance proceeds received	300	-
Income taxes paid	(984,931)	(796,962)
Cash flows from operating activities	(547,907)	(265,245)

(Thousands of yen)

	Previous first quarter (July 1 to September 30, 2024)	Current first quarter (July 1 to September 30, 2025)
Cash flows from investing activities		
Purchase of property, plant and equipment	(37,741)	(143,153)
Payments for asset retirement obligations	-	(203)
Purchase of intangible assets	(31,290)	(14,509)
Purchase of investment securities	(50,000)	(293,463)
Payments into time deposits	-	(6,800)
Payments of leasehold and guarantee deposits	(103,441)	(188)
Proceeds from refund of leasehold and guarantee deposits	103,371	-
Other	359	334
Cash flows from investing activities	(118,741)	(457,982)
Cash flows from financing activities		
Repayments of finance lease liabilities	(2,426)	(1,392)
Commission fee paid	(4,976)	(479)
Purchase of treasury shares	(351,351)	-
Dividends paid	(708,296)	(930,856)
Proceeds from share issuance to non-controlling shareholders	22,680	-
Cash flows from financing activities	(1,044,371)	(932,728)
Effect of exchange rate change on cash and cash equivalents	(56,310)	6,163
Net increase (decrease) in cash and cash equivalents	(1,767,331)	(1,649,793)
Cash and cash equivalents at beginning of period	11,976,585	15,162,045
Cash and cash equivalents at end of period	10,209,253	13,512,252

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

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

1. Outline of the transaction

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

2. Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value (excluding the amount of incidental expenses). The book value and number of shares of such treasury shares were ¥788,116 thousand and 559,778 shares at the end of the previous consolidated fiscal year and ¥727,000 thousand and 516,434 shares at the end of the first quarter of the current consolidated fiscal period.

(Performance-linked stock-based compensation plan for directors)

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

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

1. Outline of the transaction

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

2. Company shares remaining in the trust

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

(Segment information)

Previous first quarter (July 1 to September 30, 2024)

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

(Thousands of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on 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	1,904,913	2,476,002	2,291,634	6,672,551	103,635	6,776,187	-	6,776,187
Inter-segment net sales or transfers	75,533	5,275	8,131	88,940	2,149	91,090	(91,090)	-
Total	1,980,447	2,481,277	2,299,766	6,761,492	105,785	6,867,277	(91,090)	6,776,187
Segment profit	493,242	438,385	370,455	1,302,082	43,520	1,345,603	(253,826)	1,091,776

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 ¥(253,826) thousand includes elimination of inter-segment transactions of ¥260,893 thousand, corporate expenses ¥(516,493) thousand not allocated to each reportable segment and ¥1,773 thousand of non-current assets adjustment. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

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

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

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

(Thousands of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on 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 with operating profit in the quarterly consolidated statement of income.

2. Matters regarding changes, etc. in reportable segments

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

(Revenue recognition)
Breakdown of net sales from contracts with customers

Previous first quarter (July 1 to September 30, 2024)

(Thousands of yen)

	Reportable segments				Other	Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	Total		
Goods or services transferred at a point in time	59,278	7,322	16,797	83,399	-	83,399
Goods or services that are transferred over a period of time	1,845,635	2,468,679	2,274,837	6,589,152	103,635	6,692,788
Net sales to external customers	1,904,913	2,476,002	2,291,634	6,672,551	103,635	6,776,187

Current 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	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

(Subsequent events)
Not applicable.