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Consolidated Financial Results for the Year Ended August 31, 2025 [Japanese GAAP]

October 14, 2025

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 Stock exchange listing: Tokyo Stock Exchange Code number: 3697
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 Scheduled date of the general annual meeting of shareholders: November 25, 2025
 Scheduled date for commencement of dividend payments: None
 Scheduled filing date for annual securities report: November 21, 2025
 Availability of supplementary briefing material on financial results: Available
 Financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Year Ended August 31, 2025 (September 1, 2024 to August 31, 2025)

(1) Consolidated Operating Results (Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2025	129,819	17.3	15,628	48.3	15,181	41.2	8,935	74.3
August 31, 2024	110,627	25.7	10,537	(8.9)	10,753	(10.4)	5,127	(17.9)

(Note) Comprehensive income: For the year ended August 31, 2025: ¥9,365 million (94.4%)
 For the year ended August 31, 2024: ¥4,817 million (-25.0%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit margin
Year ended	Yen	Yen	%	%	%
August 31, 2025	33.93	33.90	24.1	21.7	12.0
August 31, 2024	19.43	19.41	16.4	19.2	9.5

(Reference) Gain (loss) on equity-method investments: For the year ended August 31, 2025: ¥(75) million
 For the year ended August 31, 2024: —

- (Notes) 1. In calculating the average number of shares of the Company's common stock during the period, which is used to determine the basic earnings per share and diluted earnings per share, the Company excludes the treasury share count that includes the average number of the Company shares held in the stock benefit-type ESOP trust account during the period.
2. The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the stock split had taken effect at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2025	77,001	41,037	52.7	154.20
As of August 31, 2024	62,717	34,522	53.7	127.55

(Reference) Shareholders' equity: As of August 31, 2025: ¥40,598 million
 As of August 31, 2024: ¥33,684 million

(Note) The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. Net assets per share has been calculated on the assumption that the stock split had taken effect at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended	Million yen	Million yen	Million yen	Million yen
August 31, 2025	15,652	(11,697)	(1,192)	23,600
August 31, 2024	9,088	(9,946)	4,154	20,844

2. Dividends

	Annual dividends					Total dividends	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Year ended/ending	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
August 31, 2024	—	0.00	—	0.00	0.00	—	—	—
August 31, 2025	—	0.00	—	0.00	0.00	—	—	—
August 31, 2026 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated Financial Results Forecast for the Year Ending August 31, 2026 (September 1, 2025 to August 31, 2026)

(Percentages indicate rates of year-on-year change)

	Net sales		Adjusted operating profit		Adjusted ordinary profit		Adjusted profit attributable to owners of parent		Adjusted basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	150,000	15.5	20,000	13.4	20,000	16.3	13,500	24.3	51.27

	Basic earnings per share
Full year	Yen 43.67

(Note) Effective from the fiscal year ended August 31, 2025, the Company discloses forecast figures for each adjusted indicator, including adjusted operating profit.

- Adjusted operating profit: Operating profit + Goodwill amortization + Amortization of customer-related intangible assets + M&A-related expenses
- Adjusted ordinary profit: Ordinary profit + Goodwill amortization + Amortization of customer-related intangible assets + M&A-related expenses
- Adjusted profit attributable to owners of parent: Profit attributable to owners of parent + Goodwill amortization + Amortization of customer-related intangible assets + M&A-related expenses
- Adjusted basic earnings per share: Adjusted profit attributable to owners of parent / Average number of shares of common stock during the period

Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Two companies

Consolidated subsidiary: KINSHA Co., Ltd.

Equity-method affiliate: Rise Consulting Group, Inc.

Excluded: None

(Note) For details, please see the attached materials on page 16, “(5) Notes to Consolidated Financial Statements (Important matters on the basis for preparing consolidated financial statements).”

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(Note) For details, please see the attached materials on page 16, “(5) Notes to Consolidated Financial Statements (Changes in accounting policies).”

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

August 31, 2025: 267,500,670 shares

August 31, 2024: 267,500,670 shares

2) Total number of treasury shares at the end of the period:

August 31, 2025: 4,215,507 shares

August 31, 2024: 3,407,040 shares

3) Average number of shares outstanding during the period:

Year ended August 31, 2025: 263,328,373 shares

Year ended August 31, 2024: 263,919,521 shares

- (Notes) 1. The total number of treasury shares at the end of the period includes shares in the Company held in the stock benefit-type ESOP trust account (3,298,500 shares as of August 31, 2025; 3,398,850 shares as of August 31, 2024). In calculating the average number of shares outstanding during the period, the Company excludes the treasury share count, which includes the average number of Company shares held in the subject ESOP trust account during the period (3,354,480 shares in the year ended August 31, 2025; 3,493,315 shares in the year ended August 31, 2024).
2. The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. Total number of issued shares at the end of the period, total number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated on the assumption that the stock split had taken effect at the beginning of the previous fiscal year.

(Reference) Overview of Non-Consolidated Operating Performance

1. Non-Consolidated Financial Results for the Year Ended August 31, 2025 (September 1, 2024 to August 31, 2025)

(1) Non-Consolidated Operating Results

(Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2025	83,181	17.3	11,567	43.1	11,098	35.9	9,229	103.9
August 31, 2024	70,919	23.0	8,081	(6.3)	8,166	(7.4)	4,525	(1.5)

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
August 31, 2025	35.05	35.01
August 31, 2024	17.15	17.13

- (Notes) 1. In calculating the average number of shares of the Company's common stock during the period, which is used to determine the basic earnings per share and diluted earnings per share, the Company excludes the treasury share count that includes the average number of the Company shares held in the stock benefit-type ESOP trust account during the period.
2. The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the stock split had taken effect at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2025	65,227	34,376	52.0	128.90
As of August 31, 2024	49,398	26,777	53.5	100.05

(Reference) Shareholders' equity: As of August 31, 2025: ¥33,937 million
As of August 31, 2024: ¥26,422 million

(Note) The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. Net assets per share have been calculated on the assumption that the stock split had taken effect at the beginning of the previous fiscal year.

* This report is out of scope of audit by the external auditor.

* Proper use of earnings forecasts, and other special matters

(Regarding Adjusted Profit and Losses)

For definitions of "Adjusted operating profit," "Adjusted ordinary profit," "Adjusted profit attributable to owners of parent," and "Adjusted basic earnings per share," please refer to page 7 of the attached materials, "1. Overview of Operating Results, (4) Outlook."

(Cautionary note on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from the forecasts due to a wide range of factors.

Please refer to "(4) Outlook" within "1. Overview of Operating Results" on page 7 of the attached materials for cautionary statements concerning the performance forecasts and conditions that serve as the basis for these forecasts.

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1. Overview of Operating Results

(1) Overview of Business Results

During the fiscal year ended August 31, 2025, while the Japanese economy seemed to be at a standstill in places, it traced a gradual recovery due to improving employment and incomes and the impact of various initiatives to reinvigorate the economy. However, the economic outlooks in Japan and overseas remain clouded due to volatility in financial and capital markets and deteriorating overseas economies.

In the software market the SHIFT Group serves, demand for digital transformation (DX), which is revolutionizing the entire industry, remains strong with a view beyond 2025, ahead of the “2025 Digital Cliff”—a term used to refer to the expected economic stagnation and decline in international competitiveness if the existing legacy systems, which have become complex, outdated, and black box-like, were to remain in place. In particular, the utilization of new technologies such as generative AI is drawing significant attention. Against this backdrop, we believe that securing talent, enhancing education, and promoting reskilling will become increasingly important to ensure the coexistence and mutual prosperity of humans and AI.

Further, security issues, primarily centered on networks and applications, are attracting much attention in society overall. With the emergence of security risks such as malware infections and cyberattacks that exploit software vulnerabilities, software security is growing in importance.

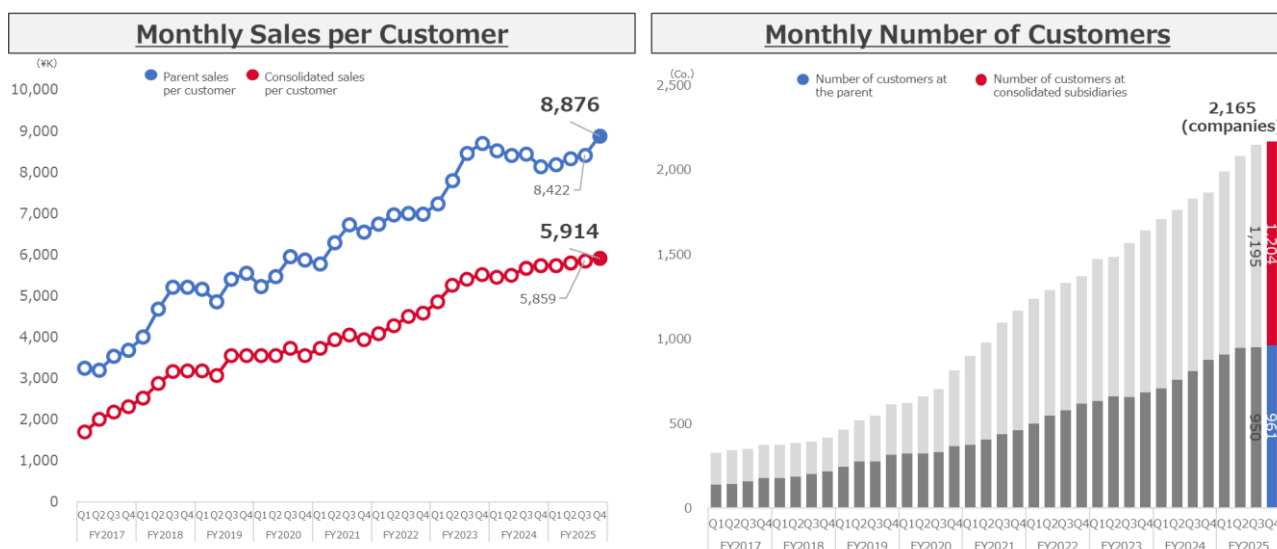
In this business environment, the SHIFT Group developed a growth strategy dubbed SHIFT3000 aimed at expanding net sales to ¥300 billion (¥3,000 *oku* in Japanese). Amid expectations that the IT market will continue to expand backed by DX strategies aimed at enhancing corporate value, the Group aims to achieve business expansion and growth by leveraging its sales capabilities, services, human resources and recruitment expertise, and M&A/PMI capabilities it has cultivated since its founding.

As a result, in the fiscal year ended August 31, 2025, net sales amounted to ¥129,819 million (+17.3% year-on-year), operating profit ¥15,628 million (+48.3% year-on-year), and profit attributable to owners of parent ¥8,935 million (+74.3% year-on-year).

Based on the corporate philosophy of “We seek out new value concepts and work sincerely to provide value to the world,” the SHIFT Group aims to become a company that continuously resolves social issues. We have set sales targets as milestones toward realizing this vision and will strive to fulfill our corporate philosophy and maximize corporate value. As specific indicators, we have established SHIFT1000, aiming to achieve net sales of ¥100 billion between the fiscal years ended August 2023 and August 2024, SHIFT2000, targeting net sales of ¥200 billion between the fiscal years ending August 2026 and August 2028, and SHIFT3000, with the goal of achieving net sales of ¥300 billion between the fiscal years ending August 2028 and August 2030. The actual results, achievement rates, and forecasts for the fiscal year ended August 31, 2025, accompanied by sales growth, are as follows.

(Millions of yen)	Forecast with sales growth for the fiscal year ended August 31, 2025	Results for the fiscal year ended August 31, 2025	Achievement rates
Net sales	130,000	129,819	99.9%
Operating profit	15,000	15,628	104.2%
Ordinary profit	14,500	15,181	104.7%
Profit attributable to owners of parent	7,900	8,935	113.1%

In the fiscal year ended August 31, 2025, net sales increased steadily, reaching 99.9% of the forecast. Further, sales per customer, the number of customers, the unit price for engineer, and the number of engineers, all on a consolidated basis, steadily increased, and actual figures for these indicators for the fiscal year under review and quarterly trend since the fiscal year ended August 31, 2017 are provided below.



Monthly sales per customer and monthly number of customers are calculated as follows. When calculating these figures, we exclude sales and number of customers from some businesses for which we deem it inappropriate to manage performance with sales per customer or number of customers as KPIs (license sales and training services, etc.).

(a) Monthly sales per customer (parent)

$$\text{Monthly sales per customer (parent)} = \frac{\text{Parent sales}}{\text{Number of customers at the parent (sum)}}$$

Parent sales	Three-month sum (for the corresponding quarter) of monthly sales and expected sales (projects started but at pre-acceptance stage, to be recorded in future) based on actual results during the corresponding three months
Number of customers at the parent (sum)	Three-month sum (for the corresponding quarter) of the monthly number of customers that were active (but from whom no sales were recorded) or from whom sales were recorded during the corresponding three months

(b) Monthly sales per customer (consolidated)

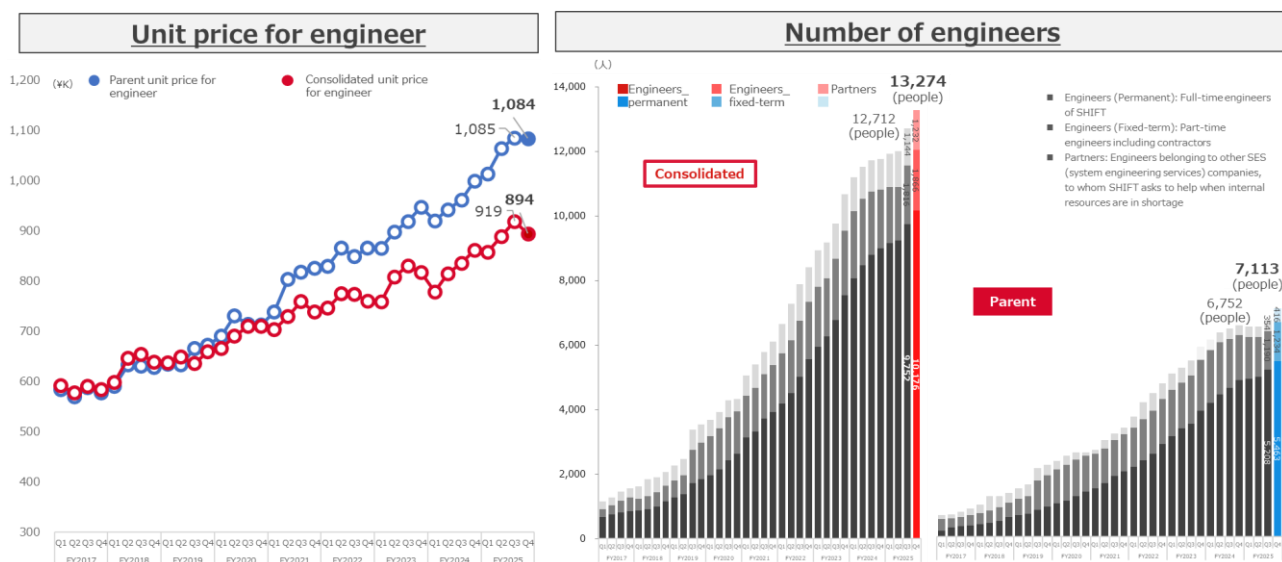
$$\text{Monthly sales per customer (consolidated)} = \frac{\text{Parent sales} + \text{sales of consolidated subsidiaries}}{\text{Number of customers at the parent (sum)} + \text{number of customers at consolidated subsidiaries (sum)}}$$

Parent sales	As noted in (a) above
Sales of consolidated subsidiaries	Quarterly sales obtained by adding up monthly sales for the corresponding three months
Number of customers at the parent (sum)	As noted in (a) above
Number of customers at consolidated subsidiaries (sum)	Quarterly number of customers obtained by adding up the monthly number of customers from whom sales were recorded on a monthly basis during the corresponding three months

(c) Monthly number of customers

$$\text{Monthly number of customers} = \text{Number of customers at the parent (average)} + \text{Number of customers at consolidated subsidiaries (average)}$$

Number of customers at the parent (average)	Three-month average of the number of customers who were active (but from whom no sales were recorded) or from whom sales were recorded on a monthly basis during the corresponding three months
Number of customers at consolidated subsidiaries (average)	Three-month average of the number of customers from whom sales were recorded on a monthly basis during the corresponding three months



Unit price for engineer and number of engineers are calculated as follows. When calculating these figures, we exclude sales and number of engineers from some businesses for which we deem it inappropriate to manage performance with unit price for engineer (license sales and training services, etc.).

(a) Unit price for engineer (parent)

$$\text{Unit price for engineer (parent)} = \frac{\text{Parent sales}}{\text{Number of engineers at the parent}}$$

Parent sales	Sales excluding projects where engineers were not involved
Number of engineers at the parent	Monthly equivalent of the person-hours of engineers that worked on projects from which sales were recorded during the month, plus the person-hours of personnel involved in the management of the projects

(b) Unit price for engineer (consolidated)

$$\text{Unit price for engineer (consolidated)} = \frac{\text{Parent sales} + \text{sales of consolidated subsidiaries}}{\text{Number of engineers at the parent} + \text{number of engineers at consolidated subsidiaries}}$$

Parent sales	As noted in (a) above
Sales of consolidated subsidiaries	Quarterly sales obtained by adding up monthly sales for the corresponding three months
Number of engineers at the parent	As noted in (a) above
Number of engineers at consolidated subsidiaries	Quarterly number of registered engineers obtained by adding up the monthly number of registered engineers for the corresponding three months

(c) Number of engineers

The number of engineers above is the sum of the SHIFT Group's full-time employees, contract employees, and part-time employees, as well as contract employees at partner companies, who have an employment contract at the end of each quarter.

Segment results are as follows.

(Software Testing Related Services)

(Millions of yen)				
Fiscal year ended	August 31, 2024	August 31, 2025	Change	Change (%)
Net sales	71,342	84,295	12,953	18.2 %
Gross profit	23,858	31,052	7,194	30.2 %
Selling, general and administrative expenses	7,691	9,534	1,842	24.0 %
Of which, acquisition-related expenses	205	29	(175)	(85.5) %
Of which, goodwill amortization	2	17	15	653.4 %
Of which, amortization of customer-related intangible assets	—	—	—	— %
Operating profit	16,166	21,518	5,351	33.1 %
EBITDA	16,373	21,753	5,380	32.9 %

In Software Testing Related Services, the SHIFT Group mainly provides services such as software testing and quality assurance, consulting and PMO, customer support, and security.

In the fiscal year ended August 31, 2025, sales in Software Testing Related Services came to ¥84,295 million (+18.2% year-on-year) and operating profit to ¥21,518 million (+33.1% year-on-year), due to sales growth driven by efforts to thoroughly strengthen customer-centric proposals. Acquisition-related expenses associated with M&A activity, which are included in the Software Testing Related Services segment's selling, general and administrative expenses, came to ¥29 million (-85.5% year-on-year).

Of the general and administrative expenses, ¥9,292 million (¥7,589 million in the fiscal year ended August 31, 2024) was recorded as companywide expenses and not allocated to the Software Testing Related Services segment.

(Software Development Related Services)

(Millions of yen)				
Fiscal year ended	August 31, 2024	August 31, 2025	Change	Change (%)
Net sales	35,008	40,128	5,120	14.6 %
Gross profit	8,748	10,471	1,722	19.7 %
Selling, general and administrative expenses	6,917	7,860	943	13.6 %
Of which, acquisition-related expenses	11	11	(0)	(2.3) %
Of which, goodwill amortization	823	841	17	2.1 %
Of which, amortization of customer-related intangible assets	75	83	7	10.3 %
Operating profit	1,831	2,610	779	42.6 %
EBITDA	2,842	3,683	840	29.6 %

In Software Development Related Services, the SHIFT Group primarily provides services directly involved in the software development process, including system development, system performance enhancement, IT strategy formulation, system planning and design, engineer matching platform, and data analysis.

In the fiscal year ended August 31, 2025, supported by the hiring of engineers that sustained high utilization and full-year contributions from a consolidated subsidiary acquired in the previous fiscal year, sales of Software Development Related Services amounted to ¥40,128 million (+14.6% year-on-year) and operating profit to ¥2,610 million (+42.6% year-on-year). Acquisition-related expenses associated with M&A activity, which are included in the segment's selling, general and administrative expenses, amounted to ¥11 million (-2.3% year-on-year).

(Other Proximate Services)

(Millions of yen)

Fiscal year ended	August 31, 2024	August 31, 2025	Change	Change (%)
Net sales	8,327	10,741	2,414	29.0 %
Gross profit	3,574	4,874	1,300	36.4 %
Selling, general and administrative expenses	3,404	4,137	733	21.5 %
Of which, acquisition-related expenses	67	171	104	153.7 %
Of which, goodwill amortization	626	535	(90)	(14.4) %
Of which, amortization of customer-related intangible assets	216	285	68	31.8 %
Operating profit	170	736	566	333.1 %
EBITDA	1,385	2,039	654	47.2 %

In Other Proximate Services, the SHIFT Group mainly provides services in adjacent markets to software testing and software development, such as web planning and production, marketing, kitting, cloud services, localization, and M&A/PMI, using a business model distinct from SHIFT's existing businesses.

In the fiscal year ended August 31, 2025, sales of Other Proximate Services amounted to ¥10,741 million (+29.0% year-on-year) and operating profit to ¥736 million (+333.1% year-on-year), owing to full-year sales contributions from a consolidated subsidiary acquired in the previous fiscal year and strong product sales. Acquisition-related expenses associated with M&A activity, which are included in the segment's selling, general and administrative expenses, came to ¥171 million (+153.7% year-on-year).

(2) Overview of Financial Condition

(Assets)

Total assets as of August 31, 2025 were ¥77,001 million, increasing by ¥14,283 million compared to total assets as of August 31, 2024. This was mainly due to increases of ¥8,438 million in investment securities due to share acquisition in Rise Consulting Group, Inc., ¥2,856 million in cash and deposits due to borrowings, and ¥1,595 million in notes and accounts receivable-trade, and contract assets due to higher sales.

(Liabilities)

Total liabilities as of August 31, 2025 were ¥35,963 million, increasing by ¥7,767 million compared to total liabilities as of August 31, 2024. This mainly reflected increases of ¥2,507 million in long-term borrowings (including the current portion), ¥1,146 million and ¥989 million in income taxes payable and accrued consumption taxes, respectively, and ¥941 million in accrued expenses resulting from higher personnel expenses due to business expansion and new hires.

(Net assets)

Net assets as of August 31, 2025 were ¥41,037 million, increasing by ¥6,515 million compared to net assets as of August 31, 2024. This was primarily attributed to an ¥8,935 million increase in retained earnings due to the recording of profit attributable to owners of parent, offsetting a ¥1,488 million decrease due to additional share acquisition in subsidiaries. Treasury shares deducted from net assets increased by ¥893 million, reflecting the purchase of treasury shares to be used to grant the Company shares after the vesting of the restricted stock unit plan, among other factors.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter, “cash”) as of August 31, 2025 were ¥23,600 million, increasing by ¥2,755 million from August 31, 2024. The cash flows affecting this figure are outlined below.

(Cash flows from operating activities)

During the fiscal year ended August 31, 2025, net cash provided by operating activities was ¥15,652 million, compared with ¥9,088 million provided by these activities in the fiscal year ended August 31, 2024. This primarily reflected ¥13,674 million in profit before income taxes, a ¥1,196 million increase/decrease in accounts payable-other, and accrued expenses, a ¥1,083 million increase/decrease in accrued consumption taxes, ¥1,845 million in depreciation, and ¥1,394 million in amortization of goodwill. These gains offset cash outflows such as the ¥4,083 million in income taxes paid and a ¥1,234 million increase/decrease in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities was ¥11,697 million during the fiscal year ended August 31, 2025, compared with ¥9,946 million used in these activities in the previous fiscal year. This was largely due to ¥7,668 million in purchase of shares of affiliated company due to share acquisition in Rise Consulting Group, Inc., ¥1,323 million in purchase of property, plant and equipment, ¥1,017 million in purchase of shares of subsidiary KINSHA Co., Ltd. and others, which resulted in changes to the scope of consolidation, and ¥998 million in purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1,192 million during the fiscal year ended August 31, 2025, compared with ¥4,154 million provided by these activities in the previous fiscal year. This was mainly attributable to ¥3,029 million in repayments of long-term borrowings, ¥1,900 million in purchase of shares of subsidiaries not resulting in change in the scope of consolidation, and ¥999 million in purchase of treasury shares to be used to grant the Company shares after the vesting of the restricted stock unit plan, offsetting ¥5,000 million in proceeds from long-term borrowings.

(4) Outlook

Our growth is closely tied to the progress of strategic investments, particularly in hiring. To accelerate growth and achieve the early realization of milestones such as SHIFT2000 and SHIFT3000, we have set goals to commit even more intensively to engineer recruitment and business development investments.

Furthermore, as disclosed today in the “Notice Regarding the Establishment of an Investment Limited Partnership (Subsidiary) and SHIFT’s Investment Therein,” we have established and invested in a fund targeting system integrators and system engineering service providers based in Japan. This marks the beginning of our intensified focus on M&A activities.

Accordingly, we have decided to disclose the following adjusted performance forecasts: “Adjusted operating profit,” “Adjusted ordinary profit,” “Adjusted profit attributable to owners of parent,” and “Adjusted basic earnings per share.” These figures exclude various M&A-related expenses (calculated regardless of deal closure), goodwill amortization, and Amortization of customer-related intangible assets. By implementing these adjustments, we will commit to the performance of our core business and measure the results accordingly.

2. Fundamental Perspective on the Selection of Accounting Standards

The SHIFT Group’s policy is to prepare its consolidated financial statements in accordance with Japanese GAAP for the foreseeable future, given the likelihood that the Group will be compared with peer companies in Japan. With regard to the future adoption of International Financial Reporting Standards (IFRS), the Group intends to take domestic and overseas circumstances into consideration and respond appropriately.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2024	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	20,869	23,726
Notes and accounts receivable - trade, and contract assets	13,805	15,400
Inventories	977	1,626
Other	1,382	2,390
Allowance for doubtful accounts	(13)	(20)
Total current assets	37,022	43,123
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,969	4,096
Tools, furniture and fixtures, net	2,760	2,605
Land	34	931
Leased assets, net	5	240
Other, net	48	48
Total property, plant and equipment	6,818	7,923
Intangible assets		
Goodwill	9,262	7,866
Customer-related intangible assets	4,347	3,921
Other	268	400
Total intangible assets	13,877	12,188
Investments and other assets		
Investment securities	1,145	9,583
Deferred tax assets	1,300	1,527
Leasehold and guarantee deposits	2,088	2,382
Other	532	406
Allowance for doubtful accounts	(68)	(134)
Total investments and other assets	4,998	13,765
Total non-current assets	25,695	33,877
Total assets	62,717	77,001
Liabilities		
Current liabilities		
Accounts payable - trade	1,509	2,054
Short-term borrowings	50	—
Current portion of long-term borrowings	2,856	3,532
Accrued expenses	6,367	7,308
Income taxes payable	2,012	3,158
Accrued consumption taxes	2,246	3,236
Provision for bonuses	339	423
Provision for share-based payments	—	80
Other provisions	—	16
Other	4,271	5,217
Total current liabilities	19,653	25,028
Non-current liabilities		
Long-term borrowings	6,671	8,504
Deferred tax liabilities	1,177	1,194
Retirement benefit liability	33	136
Asset retirement obligations	627	705
Other	31	395
Total non-current liabilities	8,542	10,935
Total liabilities	28,195	35,963

(Millions of yen)

	As of August 31, 2024	As of August 31, 2025
Net assets		
Shareholders' equity		
Share capital	21	21
Capital surplus	15,854	14,365
Retained earnings	23,029	31,964
Treasury shares	(4,940)	(5,834)
Total shareholders' equity	33,964	40,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(304)	71
Foreign currency translation adjustment	24	10
Total accumulated other comprehensive income	(279)	81
Share award rights	328	413
Share acquisition rights	25	25
Non-controlling interests	482	—
Total net assets	34,522	41,037
Total liabilities and net assets	62,717	77,001

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)	Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)
Net sales	110,627	129,819
Cost of sales	75,267	84,803
Gross profit	35,360	45,016
Selling, general and administrative expenses	24,823	29,387
Operating profit	10,537	15,628
Non-operating income		
Interest income	2	24
Dividend income	67	1
Subsidy income	101	138
Surrender value of insurance policies	34	—
Income from expired loyalty points	16	27
Other	68	57
Total non-operating income	291	248
Non-operating expenses		
Interest expenses	57	117
Commission expenses	6	8
Share of loss of entities accounted for using equity method	—	75
Provision of allowance for doubtful accounts	—	77
Loss on investments in capital	—	390
Office relocation expenses	5	—
Other	6	25
Total non-operating expenses	75	695
Ordinary profit	10,753	15,181
Extraordinary income		
Gain on change in equity	—	4
Gain on sale of investment securities	333	54
Gain on bargain purchase	—	1
Subsidy income	—	55
Total extraordinary income	333	116
Extraordinary losses		
Impairment losses	605	977
Loss on tax purpose reduction entry of non-current assets	—	55
Loss on valuation of investment securities	1,437	590
Loss on termination of retirement benefit plan	10	—
Total extraordinary losses	2,053	1,624
Profit before income taxes	9,032	13,674
Income taxes - current	3,900	5,069
Income taxes - deferred	(114)	(399)
Total income taxes	3,786	4,669
Profit	5,246	9,004
Profit attributable to non-controlling interests	118	69
Profit attributable to owners of parent	5,127	8,935

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)	Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)
Profit	5,246	9,004
Other comprehensive income		
Valuation difference on available-for-sale securities	(423)	375
Foreign currency translation adjustment	(5)	(13)
Total other comprehensive income	(429)	361
Comprehensive income	4,817	9,365
(Breakdown)		
Comprehensive income attributable to owners of parent	4,699	9,296
Comprehensive income attributable to non-controlling interests	118	69

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11	15,844	17,901	(4,948)	28,809
Changes during period					
Issuance of new shares	9	9			19
Profit attributable to owners of parent			5,127		5,127
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				9	9
Gain on disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total changes during period	9	9	5,127	7	5,154
Balance at end of period	21	15,854	23,029	(4,940)	33,964

	Accumulated other comprehensive income			Share award rights	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income				
Balance at beginning of period	118	30	148	140	27	451	29,578
Changes during period							
Issuance of new shares							19
Profit attributable to owners of parent							5,127
Purchase of treasury shares							(2)
Disposal of treasury shares							9
Gain on disposal of treasury shares							—
Change in ownership interest of parent due to transactions with non-controlling interests							—
Net changes in items other than shareholders' equity	(422)	(5)	(428)	188	(1)	31	(210)
Total changes during period	(422)	(5)	(428)	188	(1)	31	4,943
Balance at end of period	(304)	24	(279)	328	25	482	34,522

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21	15,854	23,029	(4,940)	33,964
Changes during period					
Issuance of new shares					—
Profit attributable to owners of parent			8,935		8,935
Purchase of treasury shares				(999)	(999)
Disposal of treasury shares				106	106
Gain on disposal of treasury shares		58			58
Change in ownership interest of parent due to transactions with non-controlling interests		(1,547)			(1,547)
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,488)	8,935	(893)	6,552
Balance at end of period	21	14,365	31,964	(5,834)	40,516

	Accumulated other comprehensive income			Share award rights	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income				
Balance at beginning of period	(304)	24	(279)	328	25	482	34,522
Changes during period							
Issuance of new shares							—
Profit attributable to owners of parent							8,935
Purchase of treasury shares							(999)
Disposal of treasury shares							106
Gain on disposal of treasury shares							58
Change in ownership interest of parent due to transactions with non-controlling interests							(1,547)
Net changes in items other than shareholders' equity	375	(13)	361	84	—	(482)	(37)
Total changes during period	375	(13)	361	84	—	(482)	6,515
Balance at end of period	71	10	81	413	25	—	41,037

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)	Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)
Cash flows from operating activities		
Profit before income taxes	9,032	13,674
Depreciation	1,435	1,845
Impairment losses	605	977
Amortization of goodwill	1,451	1,394
Increase (decrease) in allowance for doubtful accounts	10	72
Increase (decrease) in provision for bonuses	(75)	(16)
Interest and dividend income	(69)	(25)
Interest expenses	57	117
Subsidy income	(101)	(138)
Foreign exchange losses (gains)	0	(2)
Share of loss (profit) of entities accounted for using equity method	—	75
Loss (gain) on valuation of investment securities	1,437	590
Loss (gain) on sale of investment securities	(333)	(54)
Loss (gain) on investments in capital	—	390
Surrender value of insurance policies	(34)	—
Loss on termination of retirement benefit plan	10	—
Decrease (increase) in trade receivables	(2,021)	(1,234)
Decrease (increase) in inventories	(201)	(557)
Decrease (increase) in prepaid expenses	(137)	(777)
Increase (decrease) in trade payables	(284)	453
Increase (decrease) in accrued consumption taxes	(226)	1,083
Increase (decrease) in accounts payable - other, and accrued expenses	2,424	1,196
Other	854	619
Subtotal	13,833	19,683
Interest and dividends received	70	27
Interest paid	(59)	(110)
Subsidies received	101	135
Income taxes paid	(4,891)	(4,083)
Surrender value of insurance policies received	34	—
Net cash provided by (used in) operating activities	9,088	15,652
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	163	20
Purchase of property, plant and equipment	(5,652)	(1,323)
Purchase of intangible assets	(59)	(155)
Purchase of investment securities	(299)	(998)
Proceeds from sale of investment securities	645	54
Payments for investments in capital	—	(376)
Purchase of shares of subsidiaries and associates	—	(7,668)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,624)	(1,017)
Payments of leasehold and guarantee deposits	(121)	(376)
Proceeds from refund of leasehold and guarantee deposits	391	79
Other	(388)	64
Net cash provided by (used in) investing activities	(9,946)	(11,697)

(Millions of yen)

	Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)	Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,420)	(231)
Proceeds from long-term borrowings	9,300	5,000
Repayments of long-term borrowings	(2,275)	(3,029)
Proceeds from issuance of shares	9	—
Purchase of treasury shares	(2)	(999)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(434)	(1,900)
Other	(22)	(31)
Net cash provided by (used in) financing activities	4,154	(1,192)
Effect of exchange rate change on cash and cash equivalents	(3)	(5)
Net increase (decrease) in cash and cash equivalents	3,292	2,755
Cash and cash equivalents at beginning of period	17,551	20,844
Cash and cash equivalents at end of period	20,844	23,600

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Important matters on the basis for preparing consolidated financial statements)

1 Items related to the scope of consolidation

All subsidiaries are consolidated.

(1) Number of consolidated subsidiaries: 38

(2) Names of major consolidated subsidiaries

ALH Inc.

HOPES Corporation

SystemI Co., Ltd.

SNC Co., Ltd.

HumanSystem Co., Ltd.

The Company acquired all issued shares of KINSHA Co., Ltd. and three other companies, bringing them into the scope of consolidation. It established two new companies, which are also under the scope of consolidation. Meanwhile, eight companies were excluded from the scope of consolidation as they were dissolved as a result of an absorption-type merger.

2 Items related to the application of the equity method

(1) Number of equity-method affiliates: 1

(2) Name of a major equity-method affiliate

Rise Consulting Group, Inc.

Rise Consulting Group, Inc. was included in the scope of application of the equity method in the consolidated fiscal year under review following the Company's acquisition of additional shares.

(3) Particular matters regarding the procedures for applying the equity method

For equity-method affiliates whose fiscal year-end differs from the consolidated fiscal year-end, provisional financial statements prepared as of the consolidated fiscal year-end have been used.

3 Items related to fiscal years of consolidated subsidiaries

Consolidated subsidiary SHIFT ASIA CO., LTD. has a fiscal year-end of June 30. When preparing the consolidated financial statements, provisional financial statements were prepared for the subsidiary as of the consolidated fiscal year-end. SHIFT USA Inc., another consolidated subsidiary, has a fiscal year-end of May 31. When preparing the consolidated financial statements, the subsidiary's financial statements as of that date were used, with necessary consolidation adjustments made for any significant transactions occurring between its fiscal year-end and the consolidated fiscal year-end. Other consolidated subsidiaries have fiscal year-ends coinciding with the consolidated fiscal year-end.

(Changes in accounting policies)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27; October 28, 2022; hereinafter the "2022 Revised Accounting Standard") and related guidelines have been applied from the beginning of the fiscal year under review.

With respect to revisions related to the classification of income taxes (taxation on other comprehensive income), the Company has followed the transitional treatment prescribed in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and Paragraph 65-2 (2) of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28; October 28, 2022; hereinafter the "2022 Revised Implementation Guidance"). These changes have had no impact on the consolidated financial statements.

In addition, revisions related to the treatment of tax deferrals for gains and losses arising from the sale of subsidiary shares between consolidated entities have been applied from the beginning of the fiscal year under review in accordance with the 2022 Revised Implementation Guidance. These changes have been applied retrospectively, and the consolidated financial statements for the previous fiscal year reflect the finalized treatment. However, these changes had no impact on the reported figures for the prior year's consolidated financial statements.

(Changes in presentation methods)

(Consolidated balance sheets)

In the fiscal year ended August 31, 2024, "Land" was included under "Other" within property, plant and equipment. However, as its significance has increased, it has been separately presented in the fiscal year ended August 31, 2025. To reflect this change in the presentation method, we have reclassified the consolidated financial statements for the previous fiscal year.

As a result, in the consolidated balance sheet for the previous fiscal year, the ¥83 million previously shown under "Other" in property, plant and equipment has been reclassified as ¥34 million under "Land" and ¥48 million under "Other."

(Consolidated statements of income)

"Income from expired loyalty points," which was included under "Other" in non-operating income in the previous fiscal year, has been separately presented in the current fiscal year due to its increased significance. To reflect this change, we have reclassified the consolidated financial statements for the previous fiscal year.

As a result, in the consolidated statements of income for the previous fiscal year, the ¥85 million previously shown under "Other" in non-operating income has been reclassified as ¥16 million under "Income from expired loyalty points" and ¥68 million under "Other."

(Segment information, etc.)

(Segment information)

1 Overview of reportable segments

(1) Method of determining reportable segments

The SHIFT Group's reportable segments are the constituent business units of the Group for which separate financial data are available and that are examined on a regular basis for the purpose of enabling the Board of Directors to decide on the allocation of management resources and evaluate results of operations.

The SHIFT Group provides software quality assurance services, including software testing, software development services for enhancing software quality, and a range of other services proximate to these services. The Company, along with other companies in the Group, provides these services to customers.

The Company operates in segments that are formed based on Group companies providing services in each respective segment. To provide appropriate information on details of business activity and the management environment, the Company classified and grouped businesses that share similar financial characteristics and service elements into the following three reportable segments: Software Testing Related Services, Software Development Related Services, and Other Proximate Services.

(2) Product and service categories of each reportable segment

The product and service categories provided by each reportable segment are as follows.

Segment	Products and services
Software Testing Related Services	Mainly software testing and quality assurance, consulting and PMO, customer support, and security, etc.
Software Development Related Services	Mainly system development, system performance enhancement, IT strategy formulation, system planning and design, engineer matching platform, and data analysis, etc.
Other Proximate Services	Mainly planning and production of web pages, marketing, kitting, cloud services, localization, and M&A/PMI, etc.

2 Information on the method of calculating sales, profits, and other items by reportable segment

Methods of accounting treatment for reported business segments are the same as stated under "Important matters on the basis for preparing consolidated financial statements."

Profit for reportable segments based on operating profit.

3 Information on sales, profits, and other items by reportable segment

Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total		
Net sales						
Net sales to external customers	71,133	32,316	7,178	110,627	—	110,627
Intersegment net sales and transfers	209	2,692	1,149	4,050	(4,050)	—
Total	71,342	35,008	8,327	114,678	(4,050)	110,627
Segment profit	16,166	1,831	170	18,167	(7,630)	10,537
Other items						
Depreciation	204	188	589	981	453	1,435
Amortization of goodwill	2	823	626	1,451	—	1,451

(Notes)

1. Adjustments are as follows.

(1) The adjustment of ¥(7,630) million to segment profit mainly comprises companywide expenses not attributable to reportable segments, such as general and administrative expenses.

(2) The ¥453 million adjustment to depreciation mainly reflects depreciation for facilities attached to the head office building not attributable to reportable segments.

2. Segment profit is adjusted to operating profit in the consolidated statements of income.

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total		
Net sales						
Net sales to external customers	83,437	37,118	9,264	129,819	—	129,819
Intersegment net sales and transfers	858	3,010	1,477	5,346	(5,346)	—
Total	84,295	40,128	10,741	135,166	(5,346)	129,819
Segment profit	21,518	2,610	736	24,865	(9,237)	15,628
Other items						
Depreciation	217	232	767	1,217	628	1,845
Amortization of goodwill	17	841	535	1,394	—	1,394

(Notes)

1. Adjustments are as follows.

(1) The adjustment of ¥(9,237) million to segment profit mainly comprises companywide expenses not attributable to reportable segments, such as general and administrative expenses.

(2) The ¥628 million adjustment to depreciation mainly reflects depreciation for facilities attached to the head office building not attributable to reportable segments.

2. Segment profit is adjusted to operating profit in the consolidated statements of income.

(Information on impairment losses on non-current assets by reportable segment)

Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)

(Millions of yen)

	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Corporate / elimination	Total
Impairment losses	—	—	605	—	605

During the fiscal year ended August 31, 2024, the Group reduced the carrying amount of goodwill recognized at the acquisition of certain consolidated subsidiaries to its recoverable amount, and the reduced amount was recorded as an impairment loss in Other Proximate Services segment. This was based on an evaluation that the revenue originally anticipated at the time of the acquisition was no longer expected. In addition, the SHIFT Group reduced the carrying amount of business assets held by certain consolidated subsidiaries to its recoverable amount, and the reduced amount was recorded as an impairment loss. This was based on an evaluation that the recovery of the investment was no longer expected due to a decrease in profitability.

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

(Millions of yen)

	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Corporate / elimination	Total
Impairment losses	—	—	977	—	977

During the fiscal year ended August 31, 2025, the Group reduced the carrying amount of goodwill and customer-related intangible assets recognized at the acquisition of certain consolidated subsidiaries to its recoverable amount, and the reduced amount was recorded as an impairment loss in Other Proximate Services segment. This was based on an evaluation that the revenue originally anticipated at the time of the acquisition was no longer expected. In addition, the SHIFT Group reduced the carrying amount of business assets held by certain consolidated subsidiaries to its recoverable amount, and the reduced amount was recorded as an impairment loss. This was based on an evaluation that the recovery of the investment was no longer expected due to a decrease in profitability.

(Revenue recognition)

Information on the disaggregation of revenue from contracts with customers

Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)

I. Breakdown by customer

(Millions of yen)

	Reportable segments			
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total
End-user companies	52,848	10,725	6,839	70,414
Partner companies	18,284	21,590	338	40,213
Revenue from contracts with customers	71,133	32,316	7,178	110,627
Net sales to external customers	71,133	32,316	7,178	110,627

(Notes) Revenue other than revenue from contracts with customers is included in Software Testing Related Services and Other Proximate Services to End-user companies. However, such revenue is disclosed as part of revenue from contracts with customers as the amount is immaterial.

II. Breakdown by revenue recognition timing

(Millions of yen)

	Reportable segments			
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total
Goods and services transferred at a point in time	7,019	5,840	5,222	18,082
Goods and services transferred over a period of time	64,113	26,475	1,955	92,544
Revenue from contracts with customers	71,133	32,316	7,178	110,627
Net sales to external customers	71,133	32,316	7,178	110,627

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

I. Breakdown by customer

(Millions of yen)

	Reportable segments			
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total
End-user companies	62,260	13,042	8,816	84,119
Partner companies	21,176	24,075	447	45,700
Revenue from contracts with customers	83,437	37,118	9,264	129,819
Net sales to external customers	83,437	37,118	9,264	129,819

(Notes) Revenue other than revenue from contracts with customers is included in Software Testing Related Services and Other Proximate Services to End-user companies. However, such revenue is disclosed as part of revenue from contracts with customers as the amount is immaterial.

II. Breakdown by revenue recognition timing

(Millions of yen)

	Reportable segments			
	Software Testing Related Services	Software Development Related Services	Other Proximate Services	Total
Goods and services transferred at a point in time	8,242	5,269	6,292	19,804
Goods and services transferred over a period of time	75,194	31,848	2,972	110,015
Revenue from contracts with customers	83,437	37,118	9,264	129,819
Net sales to external customers	83,437	37,118	9,264	129,819

(Business combinations)

(Business combination through acquisition)

Acquisition of shares of KINSHA Co., Ltd.

(1) Overview of business combination

I. Name and business of the acquired company

Name: KINSHA Co., Ltd.

Business: Game debugging, staffing, translation services

II. Main reason for business combination

KINSHA has a customer base primarily consisting of major companies in the entertainment sector and provides a wide range of services, including game testing, localization, and 3D/2D production, mainly for consumer games. In particular, in the game testing business, it has nearly 20 years of experience, with many employees possessing deep expertise.

By joining our Group, KINSHA plans to strengthen and expand its service functions, further develop new customers, enhance recruitment activities, and reinforce its business foundation. We decided to make KINSHA a subsidiary to acquire new customers, mainly in the consumer game market, and to use this market as a stepping stone for future overseas expansion.

III. Date of business combination

March 1, 2025

IV. Legal form of business combination

Share acquisition in exchange for cash

V. Name of the company after business combination

Unchanged

VI. Percentage of voting rights acquired

100%

VII. Main grounds for determining the acquiring company

A consolidated subsidiary of the Company is determined as the acquiring company, as the subsidiary acquired all shares of KINSHA in exchange for cash.

(2) Business result period of the acquired company included in the consolidated financial statements

From March 1, 2025 to August 31, 2025

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration paid	Cash	1,103 million yen
Acquisition cost		1,103 million yen

(4) Details and amount of major acquisition-related expenses

Advisory fees and commissions, etc. 72 million yen

(5) Amount of goodwill, reason for its recognition, and the method and period of amortization

I. Amount of goodwill

303 million yen

In the third quarter of the fiscal year under review, the allocation of acquisition cost had not been completed and provisional accounting treatment was applied. As of the end of the fiscal year, however, the allocation of acquisition cost has been finalized.

II. Reason for recognition

Mainly excess earnings potential expected from future business development

III. Method and period of amortization

To be amortized over 10 years using the straight-line method

(6) Amount of assets acquired and liabilities assumed on the date of business combination, and major breakdown thereof

Current assets	552	million yen
Non-current assets	1,322	million yen
Total assets	1,875	million yen
Current liabilities	409	million yen
Non-current liabilities	665	million yen
Total liabilities	1,075	million yen

(Per-share information)

	Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)	Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)
Net assets per share	¥127.55	¥154.20
Basic earnings per share	¥19.43	¥33.93
Diluted earnings per share	¥19.41	¥33.90

(Notes)

1. In calculating net assets per share, the number of shares of the Company's stock is the total number of shares issued at year-end excluding treasury shares (which include shares of the Company's stock held in the stock benefit-type ESOP trust account: 3,398,850 shares as of August 31, 2024; 3,298,500 shares as of August 31, 2025).
In calculating basic earnings per share and diluted earnings per share, the average number of shares of the Company's stock for the year excludes treasury shares (which include shares of the Company's stock held in the stock benefit-type ESOP trust account: 3,493,315 shares for the year ended August 31, 2024; 3,354,480 shares for the year ended August 31, 2025).
2. The Company conducted a 15-for-1 stock split of its common stock, effective January 24, 2025. Net assets per share, basic earnings per share and diluted earnings per share have been calculated on the assumption that the stock split had taken effect at the beginning of the previous fiscal year.
3. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)	Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	5,127	8,935
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent on common stock (millions of yen)	5,127	8,935
Average number of shares of common stock during the period (shares)	263,919,521	263,328,373
Diluted earnings per share		
Adjusted profit attributable to owners of parent (millions of yen)	—	—
Increase in common stock (shares)	243,801	277,895
(Of which, share award rights [shares])	(97,901)	(239,814)
(Of which, share acquisition rights [shares])	(145,900)	(38,081)
Overview of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	—	(Equity-method affiliate) Rise Consulting Group, Inc. First series of share acquisition rights Number of share acquisition rights: 36,612 (366,120 shares of common stock) Second series of share acquisition rights Number of share acquisition rights: 43,941 (439,410 shares of common stock)

4. The basis for calculating net assets per share is as follows.

	As of August 31, 2024	As of August 31, 2025
Total net assets (millions of yen)	34,522	41,037
Deductions from total net assets (millions of yen)	837	439
(Of which, share award rights [millions of yen])	(328)	(413)
(Of which, share acquisition rights [millions of yen])	(25)	(25)
(Of which, non-controlling interests [millions of yen])	(482)	(—)
Net assets for common stock at year-end (millions of yen)	33,684	40,598
Number of shares of common stock at year-end used in calculating net assets per share (shares)	264,093,630	263,285,163

(Significant subsequent events)

(Significant borrowings of funds)

On September 12, 2025, the Company borrowed funds for working capital under a special overdraft agreement with Mizuho Bank, Ltd.

Lender	Mizuho Bank, Ltd.
Borrowing amount	3.0 billion yen
Interest rate	Base interest rate + spread
Borrowing date	September 12, 2025
Repayment date	August 31, 2026
Collateral	No
Guarantee	No