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Consolidated Financial Results for the Nine Months Ended October 31, 2025 [Under Japanese GAAP]



December 11, 2025

Company name: NEOJAPAN Inc.

Listing: Tokyo Stock Exchange

Securities code: 3921

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Scheduled date to commence dividend payments: –

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended October 31, 2025 (February 1, 2025–October 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended October 31, 2025	6,088	15.2	1,885	36.7	1,967	35.1	1,352	37.5
October 31, 2024	5,286	6.6	1,378	27.3	1,456	26.7	983	19.0

(Note) Comprehensive income: Nine months ended October 31, 2025: ¥1,369 million [33.7%]

Nine months ended October 31, 2024: ¥1,024 million [25.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended October 31, 2025	96.58	–
October 31, 2024	69.70	69.55

(Note) Diluted earnings per share for the nine months ended October 31, 2025 is not presented as no diluted shares exist.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of October 31, 2025	9,867	7,044	71.3
As of January 31, 2025	9,240	6,313	68.3

(Reference) Equity: As of October 31, 2025: ¥7,036 million

As of January 31, 2025: ¥6,306 million

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2025	–	14.00	–	26.00	40.00
Fiscal year ending January 31, 2026	–	21.00	–		
Fiscal year ending January 31, 2026 (Forecast)				29.00	50.00

(Note) Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2026 (February 1, 2025–January 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
	8,219	13.2	2,431	24.6	2,533	23.6	1,746	23.5
								124.71

(Note) Revisions to the financial results forecasts most recently announced: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (), Excluded: – ()

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

As of October 31, 2025: 14,087,600 shares

As of January 31, 2025: 14,073,200 shares

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

As of October 31, 2025: 69,727 shares

As of January 31, 2025: 79,222 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Nine months ended October 31, 2025: 14,004,322 shares

Nine months ended October 31, 2024: 14,114,438 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Group and certain premises that the Group deems to be reasonable, and are not guarantees of future performance. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

The Japanese economy in the nine months ended October 31, 2025 continued on the gradual path to recovery against a backdrop of improving corporate earnings, employment and income. The economy is expected to continue its gradual recovery; however, there are certain factors which require noting, including rising prices, the situation in the Middle East, and trends in financial markets.

The IT industry, to which the Group belongs, continues to witness an increase in software investment, and is expected to continue to see solid investments in IT on the back of corporate earnings improvement and labor shortages, among other factors.

Under such circumstances, regarding desknet's NEO, we started to provide "RoomMgr," a new cloud-based optional service for displaying meeting room reservations, in February 2025, and "Government Security Assessment Option," which is provided on a dedicated cloud platform based on the "Information system Security Management and Assessment Program (ISMAP)," in June 2025. In addition, we released desknet's NEO version 9.0 in March 2025, featuring a new "File Transfer" function for the cloud version that enables the transfer of large files via "desknet's Drive," a cloud storage service that provides standard capacity based on the number of contracted users (the package version optional license was released starting June 2025). By using the "File Transfer," customers can easily, securely, and reliably send large files that are difficult to send by email. In addition, "neoAI Chat for desknet's", a no-code generative AI platform that enables integration of internal company data with generative AI, was released in September 2025. Simultaneously, desknet's NEO version 9.5 was launched with support for integration with AI assistants created using "neoAI Chat for desknet's". "neoAI Chat for desknet's" is a dedicated model of the generative AI platform "neoAI Chat," exclusively available for NEOJAPAN customers. It was made possible through a business partnership with neoAI Inc., a startup from the Matsuo Lab at the University of Tokyo. "neoAI Chat for desknet's" retains the full functionality, performance, and security of the original neoAI Chat platform, while enabling users of desknet's NEO and ChatLuck to utilize AI assistants created with neoAI Chat. By separating the creators and users of AI assistants, the system reduces administrative burden and optimizes operational costs.

In September 2025, our three principal products (desknet's NEO, AppSuite, and ChatLuck) received 10 awards in total across three categories in the BOXIL SaaS AWARD Autumn 2025, organized by SMARTCAMP Co., Ltd., and in October 2025, our three principal products were respectively awarded "LEADER" the highest award, across five categories in the ITreview Grid Award 2025 Fall, organized by ITreview. Now desknet's NEO has received the award 26 consecutive times since 2019.

In March 2025, the Company was certified as one of the 2025 Outstanding Organizations of KENKO Investment for Health (large enterprise category ("White 500" enterprises)), which is jointly established by the Ministry of Economy, Trade and Industry and the NIPPON KENKO KAIGI. Now the Company has been certified as one of the Outstanding Organizations of KENKO Investment for Health for six consecutive years, and of "White 500" enterprises for the first time.

In addition, in June 2025, the Company concluded a basic agreement with Invest Johor, the investment promotion agency of the Malaysian state government of Johor, regarding strategic cooperation for the establishment of the Southeast Asian Centre of Excellence in the Iskandar region of the state.

Furthermore, we concluded a reseller partnership agreement with U.S.-based LIVEX AI Inc. and launched its "LiveX AI" service in Japan starting October 2025. This marks the first reseller partnership for LIVEX AI Inc. with a Japanese company. "LiveX AI" is an enterprise AI agent designed for B2C businesses, capable of delivering human-like interactions across all channels including chat, voice, and email, to support issue resolution, improved conversion rates, and reduced customer churn. With this launch, we have expanded our service offering into the areas of customer support and purchasing assistance. By delivering next-generation customer experiences, we are strongly supporting both workstyle innovation and business growth for enterprises.

As a result, for the nine months ended October 31, 2025, the Company posted net sales of ¥6,088,143 thousand (up 15.2% year on year), operating profit of ¥1,885,429 thousand (up 36.7% year on year), ordinary profit of ¥1,967,727 thousand (up 35.1% year on year), and profit attributable to owners of parent of ¥1,352,511

thousand (up 37.5% year on year).

Operating results for the nine months ended October 31, 2025 by segment are as follows.

Please note that, due to the expected increase in the importance of DELCUI Inc., a consolidated subsidiary, as an outsourcing partner for the Company's development for the foreseeable future, we have changed the method of reporting its results, which were previously included in the "Overseas business" segment, to including them in the "Software business" segment, effective from the first quarter of the fiscal year under review.

For the details of changes in the method of calculating reportable segments, please refer to "2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes on segment information, etc.) 2. Matters regarding changes in reportable segments, etc."

(Software business)

The Software business consists of businesses operated by the Company and its subsidiary, DELCUI Inc. The status by business sector is indicated as follows.

Business sector	For the nine months ended October 31, 2024		For the nine months ended October 31, 2025		
	Net sales (Thousand yen)	Percentage breakdown (%)	Net sales (Thousand yen)	Percentage breakdown (%)	Change (%)
Cloud services	2,437,474	64.9	3,193,926	69.5	31.0
Packaged products	1,257,088	33.5	1,277,992	27.8	1.7
Technological development	58,500	1.6	125,500	2.7	114.5
Total	3,753,062	100.0	4,597,418	100.0	22.5

1) Cloud services

Net sales by principal cloud service are as follows.

	For the nine months ended October 31, 2024	For the nine months ended October 31, 2025	Change (Thousand yen)	Change (%)
	Net sales (Thousand yen)	Net sales (Thousand yen)		
desknet's NEO cloud (*1)	2,045,428	2,660,579	615,151	30.1
AppSuite cloud (*1)	174,206	284,760	110,554	63.5
ChatLuck cloud (*1)	61,090	70,983	9,892	16.2
Other monthly recurring revenue	134,432	138,173	3,740	2.8
Total monthly recurring revenue	2,415,158	3,154,497	739,338	30.6
Other services, etc.	22,315	39,428	17,112	76.7
Cloud services total	2,437,474	3,193,926	756,451	31.0

(*1) Regarding the set plan introduced from September 1, 2024, the revised price of the previous plan is used to calculate the prorated amount for each service.

Net sales of desknet's NEO cloud increased significantly by ¥615,151 thousand year on year to ¥2,660,579 thousand (up 30.1% year on year), due mainly to the effect of the price revisions implemented in the previous fiscal year (September 2024). The average number of users of the service was 84 users per company, which is in line with that in the same period of the previous fiscal year. The monthly churn rate (*2) is 0.37%, which is almost

in line with 0.35% in the six months ended July 31, 2024 prior to the price revisions. We will continue working to keep the rate at a low level.

Net sales of AppSuite cloud increased significantly by ¥110,554 thousand year on year to ¥284,760 thousand (up 63.5% year on year), due to an increase in the number of users and the effect of the price revisions implemented in the previous fiscal year. The sales of the set plan for the combined use of desknet's NEO cloud and AppSuite cloud at a reasonable price, which was introduced in the previous fiscal year (September 2024), remained strong, and as of October 31, 2025, the number of users of AppSuite cloud accounted for approximately 19% of the number of desknet's NEO cloud users, increasing by approximately 5 percentage points from the same period of the previous fiscal year. We will continue striving to make the plan more appealing and increase the number of users.

Net sales of ChatLuck cloud increased by ¥9,892 thousand year on year to ¥70,983 thousand (up 16.2% year on year). Although this accounts for a small proportion of overall net sales, growth is expected in the field. We will therefore strive to expand the number of ChatLuck users who also use desknet's NEO by continuously working to enhance functions. Other monthly recurring revenue increased by ¥3,740 thousand year on year to ¥138,173 thousand (up 2.8% year on year), primarily due to an increase in individual projects other than the principal services. Net sales of other services, etc. increased by ¥17,112 thousand year on year to ¥39,428 thousand (up 76.7% year on year). This was primarily due to an increase in sales of data migration services.

As a result, the overall net sales of cloud services increased by ¥756,451 thousand year on year to ¥3,193,926 thousand (up 31.0% year on year).

(*2) The churn rate for desknet's NEO cloud users is calculated by averaging the figures of "amount of MRR (*3) decreased during a month caused by cancellation of the service ÷ MRR at the end of the previous month" for the nine months ended October 31, 2025.

(*3) MRR (Monthly Recurring Revenue) is calculated based on the monthly charge for continuously billed users as of the end of the target month or the total amount of 1/12 of the annual charge.

2) Packaged products

Net sales by principal packaged product (on-premises licenses and related services, etc.) are as follows.

	For the nine months ended October 31, 2024	For the nine months ended October 31, 2025	Change (Thousand yen)	Change (%)
	Net sales (Thousand yen)	Net sales (Thousand yen)		
desknet's NEO	172,906	158,550	(14,355)	(8.3)
AppSuite	62,395	61,750	(645)	(1.0)
ChatLuck	25,980	20,575	(5,405)	(20.8)
Other license sales	8,560	6,099	(2,460)	(28.7)
Total license sales	269,842	246,976	(22,866)	(8.5)
Support	697,438	803,857	106,419	15.3
Customization	86,871	48,121	(38,750)	(44.6)
Other services, etc.	202,935	179,036	(23,899)	(11.8)
Packaged products total	1,257,088	1,277,992	20,903	1.7

Net sales of desknet's NEO license decreased by ¥14,355 thousand year on year to ¥158,550 thousand (down 8.3% year on year), due mainly to a decrease in new large-scale licenses for 5,000 users or more, although net sales of new and additional licenses for less than 1,000 users increased. The overall result outperformed the initial plan.

AppSuite license and ChatLuck license are often purchased simultaneously with desknet's NEO license. Net sales of AppSuite license decreased by ¥645 thousand year on year to ¥61,750 thousand (down 1.0% year on year), which was generally in line with the initial plan, due mainly to a decrease in the number of new large-scale licenses for 5,000 users or more, although net sales of new and additional licenses for less than 1,000 users increased, following the same trend as desknet's NEO license. Net sales of ChatLuck license decreased by ¥5,405 thousand year on year to ¥20,575 thousand (down 20.8% year on year), due mainly to a decline in new licenses for 1,000 users or more. However, the sales were generally in line with the initial plan.

Net sales of support increased by ¥106,419 thousand year on year to ¥803,857 thousand (up 15.3% year on year), mainly because net sales of support for desknet's NEO increased by ¥87,655 thousand year on year to ¥660,090 thousand (up 15.3% year on year). Net sales of customization decreased by ¥38,750 thousand year on year to ¥48,121 thousand (down 44.6% year on year), mainly because of a year-on-year decrease in the number of mid-sized projects. Net sales of other services, etc. decreased by ¥23,899 thousand year on year to ¥179,036 thousand (down 11.8% year on year), mainly because sales and services of other companies' ID integrated management systems decreased.

As a result, the overall net sales of packaged products increased by ¥20,903 thousand year on year to ¥1,277,992 thousand (up 1.7% year on year).

3) Technological development

Although it is not our policy to actively accept development contracts, net sales of technological development increased by ¥67,000 thousand year on year to ¥125,500 thousand (up 114.5% year on year). This was mainly because of the increased sales associated with ongoing projects from the past.

As a result, the software business posted net sales of ¥4,597,418 thousand (up 22.5% year on year) and segment profit of ¥1,897,648 thousand (up 36.0% year on year).

(System development service business)

The system development service business consists of businesses operated by our subsidiary, Pro-SPIRE Inc., develops engineers based on the cloud integration and system integration know-how it cultivated over the years, and mainly provides system engineering services that meet new customer needs by taking advantage of cutting-edge technologies.

For the nine months ended October 31, 2025, net sales decreased by ¥64,730 thousand year on year to ¥1,458,761 thousand (down 4.2% year on year), due mainly to downsizing of projects for existing customers. Cost of sales decreased by ¥81,998 thousand overall, due mainly to a reduction in outsourcing expenses, despite an increase in personnel expenses resulting from the increased number of personnel. Selling, general and administrative expenses increased by ¥11,369 thousand due to an increase in personnel expenses.

As a result, the system development service business posted segment profit of ¥51,282 thousand (up 13.0% year on year).

(Overseas business)

The overseas business consists of businesses of three subsidiaries in the ASEAN region, primarily providing cloud services of desknet's NEO and AppSuite to local companies.

For the nine months ended October 31, 2025, net sales increased by ¥28,431 thousand year on year to ¥52,770 thousand, (up 116.8% year on year), driven by efforts such as training our sales staff to enhance their sales capabilities, raising awareness by opening booths at exhibitions, developing new sales agents, and engaging with the Japanese business community. Regarding the Philippines subsidiary established in the previous fiscal year, which posted sales lower than the initial plan, we have implemented a reorganization of the management structure and strengthened the sales team. Going forward, we will continue to focus on strengthening our presence among local companies.

As a result, the overseas business posted segment loss of ¥61,986 thousand (segment loss of ¥62,859 thousand for the same period of the previous fiscal year).

(2) Analysis of Financial Position

(Assets)

Total net assets as of October 31, 2025 increased by ¥627,262 thousand from the end of the previous fiscal year to ¥9,867,624 thousand. This was mainly due to increases of ¥326,743 thousand in cash and deposits and ¥202,004 thousand in securities and investment securities resulting from investment in U.S.-based companies and other related factors.

(Liabilities)

Total liabilities as of October 31, 2025 decreased by ¥102,863 thousand from the end of the previous fiscal year to ¥2,823,611 thousand. This was mainly due to decreases of ¥175,024 thousand in income taxes payable resulting mainly from the payment of income taxes and ¥54,774 thousand in other under current liabilities resulting mainly from a decrease in accounts payable - other, while contract liabilities such as cloud services increased by ¥137,390 thousand.

(Net assets)

Total net assets as of October 31, 2025 increased by ¥730,126 thousand from the end of the previous fiscal year to ¥7,044,013 thousand. This was mainly due to a recording of ¥1,352,511 thousand in profit attributable to owners of parent, while retained earnings increased by ¥694,317 thousand as a result of the payment of a dividend of surplus of ¥658,194 thousand.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Based on the financial results for the nine months through October 31, 2025, the Company has revised the full-year consolidated financial results forecast announced in “Consolidated Financial Results for the Fiscal Year Ended January 31, 2025 [Japanese GAAP]” dated March 13, 2025. For details, please refer to “Notice of Changes to the Consolidated Financial Results Forecast and Year-End Dividend Forecast (Increase)” announced today.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2025	As of October 31, 2025
Assets		
Current assets		
Cash and deposits	5,396,914	5,723,657
Accounts receivable - trade, and contract assets	904,740	943,274
Securities	154,052	172,472
Supplies	2,687	1,167
Other	113,322	146,675
Allowance for doubtful accounts	(1,594)	(3,806)
Total current assets	6,570,121	6,983,440
Non-current assets		
Property, plant and equipment	89,200	157,576
Intangible assets		
Goodwill	64,545	54,172
Other	325,364	289,344
Total intangible assets	389,910	343,516
Investments and other assets		
Investment securities	1,540,928	1,724,513
Other	650,560	659,706
Allowance for doubtful accounts	(359)	(1,129)
Total investments and other assets	2,191,129	2,383,090
Total non-current assets	2,670,240	2,884,183
Total assets	9,240,361	9,867,624

(Thousand yen)

	As of January 31, 2025	As of October 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	152,397	152,265
Income taxes payable	458,844	283,820
Contract liabilities	1,301,743	1,439,133
Provision for bonuses	142,395	117,586
Other	459,398	404,623
Total current liabilities	2,514,779	2,397,429
Non-current liabilities		
Retirement benefit liability	384,159	398,621
Other	27,535	27,560
Total non-current liabilities	411,695	426,181
Total liabilities	2,926,474	2,823,611
Net assets		
Shareholders' equity		
Share capital	297,846	299,020
Capital surplus	287,846	293,538
Retained earnings	5,699,099	6,393,417
Treasury shares	(87,561)	(75,558)
Total shareholders' equity	6,197,231	6,910,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	96,149	121,485
Foreign currency translation adjustment	13,222	4,828
Total accumulated other comprehensive income	109,372	126,313
Non-controlling interests	7,282	7,282
Total net assets	6,313,886	7,044,013
Total liabilities and net assets	9,240,361	9,867,624

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2024	For the nine months ended October 31, 2025
Net sales	5,286,073	6,088,143
Cost of sales	2,345,367	2,604,723
Gross profit	2,940,706	3,483,420
Selling, general and administrative expenses	1,561,888	1,597,990
Operating profit	1,378,817	1,885,429
Non-operating income		
Interest income	51,623	53,144
Gain on sale of securities	3,904	—
Gain on investments in investment partnerships	847	14,068
Foreign exchange gains	15,809	6,437
Other	8,589	10,951
Total non-operating income	80,776	84,603
Non-operating expenses		
Interest expenses	26	59
Organization expenses	2,524	—
Loss on extinguishment share-based compensation expenses	—	1,739
Other	113	506
Total non-operating expenses	2,664	2,305
Ordinary profit	1,456,928	1,967,727
Extraordinary losses		
Loss on retirement of non-current assets	—	1,747
Total extraordinary losses	—	1,747
Profit before income taxes	1,456,928	1,965,980
Income taxes	473,183	613,468
Profit	983,744	1,352,511
Profit attributable to owners of parent	983,744	1,352,511

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2024	For the nine months ended October 31, 2025
Profit	983,744	1,352,511
Other comprehensive income		
Valuation difference on available-for-sale securities	48,989	25,335
Foreign currency translation adjustment	(8,448)	(8,394)
Total other comprehensive income	40,541	16,941
Comprehensive income	1,024,286	1,369,452
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,024,286	1,369,452

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and other standards)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022), “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022), and “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the first quarter of the fiscal year under review. These changes in accounting policies do not affect the quarterly consolidated financial statements.

(Notes in case of significant changes in shareholders’ equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting for profit before income taxes in the fiscal year that includes the third quarter of the fiscal year under review, and multiplying profit before income taxes by the estimated effective tax rate.

(Notes on segment information, etc.)

[Segment information]

I. For the nine months ended October 31, 2024

1. Information on net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Software business	System development service business	Overseas business	Total		
Net sales						
Net sales to outside customers	3,748,741	1,512,992	24,339	5,286,073	—	5,286,073
Intersegment net sales or transfers	4,321	10,500	—	14,821	(14,821)	—
Total	3,753,062	1,523,492	24,339	5,300,894	(14,821)	5,286,073
Segment profit (loss)	1,395,262	45,384	(62,859)	1,377,787	1,029	1,378,817

(Notes) 1. The segment profit (loss) adjustment of ¥1,029 thousand represents elimination of intersegment transactions.

2. Segment profit (loss) was adjusted based on operating profit reported on the quarterly consolidated statements of income.

II. For the nine months ended October 31, 2025

1. Information on net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Software business	System development service business	Overseas business	Total		
Net sales						
Net sales to outside customers	4,587,654	1,447,719	52,770	6,088,143	—	6,088,143
Intersegment net sales or transfers	9,764	11,042	—	20,806	(20,806)	—
Total	4,597,418	1,458,761	52,770	6,108,950	(20,806)	6,088,143
Segment profit (loss)	1,897,648	51,282	(61,986)	1,886,944	(1,514)	1,885,429

(Notes) 1. The segment profit (loss) adjustment of ¥(1,514) thousand represents elimination of intersegment transactions.

2. Segment profit (loss) was adjusted based on operating profit reported on the quarterly consolidated statements of income.

2. Matters regarding changes in reportable segments, etc.

We have revised our results management sectors and changed the method of reporting the results of DELCUI Inc., a consolidated subsidiary, which were previously included in the “Overseas business” segment, to including them in the “Software business” segment from the beginning of the first quarter of the fiscal year under review.

The segment information for the nine months ended October 31, 2024 was prepared using the new classification method.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the nine months ended October 31, 2025. Depreciation (including depreciation related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended October 31, 2024 and 2025, are as follows.

(Thousand yen)

	Nine months ended October 31, 2024	Nine months ended October 31, 2025
Depreciation	203,005	248,658
Amortization of goodwill	10,373	10,373

(Revenue recognition accounting)

Disaggregation of revenue from contracts with customers

For the nine months ended October 31, 2024

(Thousand yen)

	Reportable segment			Total
	Software business	System development service business	Overseas business	
Recurring revenue (Note 1)	3,112,989	1,478,826	17,265	4,609,081
One-time revenue (Note 2)	635,752	34,166	7,074	676,992
Revenue from contracts with customers	3,748,741	1,512,992	24,339	5,286,073
Net sales to outside customers	3,748,741	1,512,992	24,339	5,286,073

(Notes) 1. Main contents of recurring revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from usage fees for cloud services provided, packaged software support fees, ASP license fees, etc.	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts and dispatching contracts (including contracts covering 12 months or longer through the renewal of contracts) under which sales are recognized for the same customer for consecutive 12 months or longer immediately before the last day of each accounting period	Over a certain period of time

2. Main contents of one-time revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from packaged products license fees	At a point in time
	Revenue from service contracts such as product customization and services including product installation, data migration and education	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts and dispatching contracts and service contracts, which does not fall under the category of recurring revenue	Over a certain period of time

For the nine months ended October 31, 2025

(Thousand yen)

	Reportable segment			Total
	Software business	System development service business	Overseas business	
Recurring revenue (Note 1)	3,953,619	1,371,240	33,383	5,358,244
One-time revenue (Note 2)	634,034	76,478	19,386	729,899
Revenue from contracts with customers	4,587,654	1,447,719	52,770	6,088,143
Net sales to outside customers	4,587,654	1,447,719	52,770	6,088,143

(Notes) 1. Main contents of recurring revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from usage fees for cloud services provided, packaged software support fees, ASP license fees, etc.	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts and dispatching contracts (including contracts covering 12 months or longer through the renewal of contracts) under which sales are recognized for the same customer for consecutive 12 months or longer immediately before the last day of each accounting period	Over a certain period of time

2. Main contents of one-time revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from packaged products license fees	At a point in time
	Revenue from service contracts such as product customization and services including product installation, data migration and education	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts and dispatching contracts and service contracts, which does not fall under the category of recurring revenue	Over a certain period of time

3. From the beginning of the first quarter of the fiscal year under review, we have changed the classification method of reportable segments, and the information for the nine months ended October 31, 2024 was prepared using the new classification method. The details are as shown in “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes on segment information, etc.) 2. Matters regarding changes in reportable segments, etc.”

(Significant subsequent events)

Not applicable.