Note) This is an English translation of the Consolidated Financial Report prepared for the readers' convenience. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.

# Consolidated Financial Report
# for the Second Quarter (Semi-annual) of Fiscal Year Ending March 31, 2027 [IFRS]

November 5, 2026

**BIPROGY Inc.**

| | |
|---|---|
| Stock Listing: | Tokyo Stock Exchange, Prime Market |
| Stock Code: | 8056 |
| URL: | https://www.biprogy.com/e/ |
| Representative: | Noboru Saito, Representative Director, President & CEO |
| Contact: | Yoshihiro Shibata, Manager, Corporate Communications (TEL +81-3-5546-4111) |
| Scheduled Submission Date for Semi-annual Securities Report | November 13, 2026 |
| Scheduled Starting Date for Dividend Payment: | December 1, 2026 |
| Earnings Supplementary Explanatory Documents: | yes |
| Earnings Results Briefing: | yes (for institutional investors, analysts and the press) |

(Amounts are rounded down to the nearest million yen.)

## 1. Consolidated Financial Results for the Second Quarter (Semi-annual) FY2027 (from April 1, 2026 to September 30, 2026)

(1) Consolidated Results of Operations

(Percentage below represents increase (decrease) from previous year)

| | Revenue | | Operating profit | | Profit before tax | | Profit attributable to owners of parent | | Comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| **First half of FY2027** | 201,130 | (2.0) | 17,072 | (20.0) | 16,667 | (23.0) | 11,150 | (27.2) | 12,689 | (23.4) |
| **First half of FY2026** | 205,132 | 10.3 | 21,350 | 19.0 | 21,634 | 25.5 | 15,323 | 30.2 | 16,554 | 52.7 |

(Note) Adjusted operating profit First half of FY2027 : 16,704 Million Yen (-19.1%) First half of FY2026 : 20,642 Million Yen (19.4%)

Adjusted operating profit is the result obtained after deducting cost of sales and selling, general and administrative expenses from revenue.

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| | Yen | Yen |
| **First half of FY2027** | 115.41 | 115.22 |
| **First half of FY2026** | 156.60 | 156.29 |

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets |
|---|---|---|---|---|
| | Millions of Yen | Millions of Yen | Millions of Yen | % |
| **First half of FY2027** | 405,661 | 186,373 | 184,432 | 45.5 |
| **FY2026** | 388,150 | 180,650 | 178,579 | 46.0 |

(Note) The provisional accounting treatment for the business combination was finalized in the first half of FY2027, and all figures for FY2026 reflect the finalized accounting treatment for the business combination.

## 2. Dividends

| | Dividends Per Share | | | | |
|---|---|---|---|---|---|
| | End of Q1 | End of Q2 | End of Q3 | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| **FY2026** | — | 60.00 | — | 70.00 | 130.00 |
| **FY2027** | — | 70.00 | | | |
| **FY2027 (Forecast)** | | | — | 70.00 | 140.00 |

(Note) Revisions to the latest forecast of dividends: No

## 3. Consolidated Earnings Forecast for FY2027(from April 1, 2026 to March 31, 2027)

(Percentage below represents increase (decrease) from previous year)

| | Revenue | | Operating profit | | Profit before tax | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Yen |
| **FY2027** | 470,000 | 8.4 | 48,400 | 15.2 | 48,000 | 11.0 | 32,200 | 4.5 | 333.41 |

(Note1) Revisions to the latest forecast of consolidated earnings: No

(Note2) Adjusted operating profit (Full Year) 48,400 Million Yen (12.7%)

(Note3) The provisional accounting treatment for the business combination was finalized in the first half of FY2027, and the year-on-year changes reflect this finalized accounting treatment for the business combination..

* Notes

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

(2) Changes in accounting policies and accounting estimates

1. Changes in accounting policies required by IFRS : No
2. Changes in accounting policies due to other reasons : No
3. Changes in accounting estimates : No

(3) Number of shares outstanding (common stock) (shares)

| | | | | |
|---|---|---|---|---|
| 1. Total number of issued shares at the end of the period (including treasury shares) | First half of FY2027 | 98,959,624 | FY2026 | 98,959,624 |
| 2. Number of treasury shares at the end of the period | First half of FY2027 | 2,311,979 | FY2026 | 2,382,882 |
| 3. Average number of shares outstanding (during the period) | First half of FY2027 | 96,615,467 | First half of FY2026 | 97,849,208 |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Comments regarding appropriate usage of earnings forecast, and other special notes

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

(Appendix)

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1.【Results of Business Operations and Financial Conditions】

(1) Summary of Business Operations

For the first six months of the fiscal year ending March 2027, the Japanese economy showed signs of a gradual recovery, supported by an improving employment and income environment.

The information services sector continues to see strong business appetite for digital transformation investments. Software investments are projected to rise year-over-year, according to the Bank of Japan's September Tankan Survey.

At the same time, we must closely monitor developments in the Middle East and the fallout from natural disasters, while remaining sufficiently vigilant against shifts in the financial and capital markets.

In this environment, we have been promoting efforts based upon the "Management Policies (2024-2026)" [Note 1] with an eye on realizing the "Vision 2030" as we aim. We have been working on the basic policies to: increase corporate value by establishing a sustainable business portfolio; optimize an allocation of management resources; and strengthen the Group's management base. At the same time, we are enhancing business through core businesses (the existing revenue sources) in tandem with growth businesses (the new foundations of revenue).

We have defined five focus areas in the core business: Financial, Retail, Energy, Mobility, OT Infrastructure [Note 2] where we can utilize our excellent customer base and our operational and customer knowledge.

In the area 'Financial', OptBAE®2.0 was launched for shinkin banks. It is a cloud-based, shared core-banking service, which is the first of its kind in the shinkin bank industry.

The Company has launched business initiatives with invested start-up companies in the new business areas, aiming to help shinkin banks enter the On-Chain Finance [Note 3] area.

In the area 'Mobility', the Company established Spacid co., ltd. with an eye toward commercializing a service that taps the signal authentication service of Michibiki (quasi-zenith satellite system) to prove the acquisition time and geographical location of digital data.

The Company will promote the use of the service in industries such as logistics in response to geolocation spoofing and alteration risks.

We have set forth the three areas, Market Development, Business Development and Global Initiatives for growth businesses. This is in line with our aiming to establish new revenue bases and provide value.

In the area 'Market Development', a joint demonstration project by six companies including the Company was selected for the Ministry of the Environment's "FY2026 Project to Support the Development of Advanced Social Implementation Models for Plastic Resource Circulation".

The Company will assume responsibility for AI-driven support for on-site waste segregation at construction sites, as well as establishing traceability across the entire process from collection to the use of recycled materials.

Building on this demonstration project, the Company will create a domestic resource circulation market that enables the continued use of recycled materials to drive initiatives for a sustainable society.

We have been promoting human resources strategy, technical strategy, investment strategy, and financial strategy, in collaboration with the business strategies as indicated in the Management Policies (2024-2026). We have been working to create new value while proactively investing business resources in our areas of strength with an eye on strengthening market competitiveness.

In addition, the Company has been driving its AI strategies through the three pillars: increase in AI solutions and services, improvement in development productivity, and optimization and sophistication of business processes.

We will continuously evolve our group's value chains to cope with changing domestic and international circumstances and increase the value we provide to customers.

(Notes)

1. For more information on Vision 2030, and the Management Policies (2024-2026), please refer to the Group's web page below.
   https://www.biprogy.com/e/about/management_policy.html
2. OT stands for Operational Technology. It refers to the information system platforms that support design and manufacturing processes mainly in factories and plants.
3. A blockchain-based financial system that integrates tokenized deposits, stablecoins, and other digital assets with commercial and logistics data.

4. Names of companies or products herein described are trademarks or registered trademarks of their respective organizations.

For the first six months of the fiscal year ending March 31, 2027, while customers continuously showed strong interest in IT investment, there was a decrease in product sales. As a result, revenue amounted to ¥201,130 million, a decrease of ¥4,001 million or 2.0% compared with the same period of the previous fiscal year.

Operating profit decreased ¥4,277 million or 20.0% compared with the same period of the previous fiscal year to ¥17,072 million. This was attributed to lower revenue, which was insufficient to absorb the increase in SG&A expenses.

Profit attributable to owners of parent was ¥11,150 million, down ¥4,172 million or 27.2% compared with the same period of the previous fiscal year, due to the smaller operating profit.

Adjusted operating profit* that is used by the Company as an index for managing performance was ¥16,704 million, down by ¥3,937 million or 19.1% on a year-over-year basis.

(*) Adjusted operating profit is the result obtained after deducting costs of sales and selling, general and administrative expenses from revenue.

(2) Summary of Financial Conditions

① Summary of Assets, Liabilities and Equity

A provisional accounting treatment of the business combination through obtaining shares of Catalina Marketing Japan K.K. was finalized in the first six-month period of the fiscal year under review.

The finalized figures, reflecting critical adjustments made to the initial purchase price allocation after finalizing the provisional accounting treatment, are utilized to analyze and compare performance against the previous fiscal year.

At the end of the first six-month period of the fiscal year under review, partly due to an increase in contract assets and inventories, total assets were ¥405,661 million, an increase of ¥17,510 million compared with the end of the previous fiscal year.

Liabilities were ¥219,288 million, an ¥11,787 million increase from the end of the previous fiscal year, partly due to an increase in contract liabilities.

Equity was ¥186,373 million. Ratio of equity attributable to owners of parent to total assets was 45.5%, down by 0.5 pts. from the end of the previous fiscal year.

② Summary of Cash Flows

Cash and cash equivalents at the end of the first six-month period of the fiscal year under review were ¥46,266 million, a decrease of ¥ 776 million compared with the end of the previous fiscal year. The cash flow situations and relevant factors are stated below.

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥21,703 million (an increase of ¥1,035 million in proceeds compared with the same period of the previous fiscal year).

This reflects proceeds of ¥16,667 million in profit before tax, the elements of increasing the proceeds and the elements of decreasing the proceeds. The factors increasing proceeds include ¥10,540 million in depreciation and amortization, non-cash expenses, and a decrease of ¥13,614 million in trade and other receivables. The factors decreasing the proceeds include a decrease of ¥7,699 million in trade and other payables.

(Cash flows from investing activities)

Net cash used in investing activities was ¥9,902 million (a decrease of ¥2,650 million in expenditures compared with the same period of the previous fiscal year).

This includes: expenditures of ¥1,889 million as a result of purchasing property, plant and equipment such as computers for business activities, expenditures of ¥5,244 million due to the acquisitions of intangible assets such as the investments in software for outsourcing, and expenditures of ¥3,529 million due to acquisitions of investment securities.

(Cash flows from financing activities)

Net cash used in the financing activities was ¥12,633 million (a decrease of ¥5,911 million in expenditures from the same period of the previous fiscal year).

This expenditure includes ¥4,243 million repayments for lease liabilities and dividends payment of ¥6,761 million.

(3) Comments on the Consolidated Earnings Forecasts and Other Forecasts

The Company has made no changes to the consolidated financial forecasts announced on a consolidated basis announced on April 30, 2026.

## 2. Condensed Semi-annual Consolidated Financial Statements and Material Notes

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

(Millions of Yen)

| | FY2026 (As of March 31, 2026) | Semi-annual Consolidated Accounting Period of FY2027 (As of September 30, 2026) |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 47,043 | 46,266 |
| Trade and other receivables | 88,701 | 75,104 |
| Contract assets | 8,587 | 12,091 |
| Inventories | 12,112 | 18,982 |
| Other financial assets | 1,342 | 1,281 |
| Other current assets | 20,407 | 41,988 |
| **Total current assets** | **178,195** | **195,715** |
| **Non-current assets** | | |
| Property, plant and equipment | 16,789 | 16,902 |
| Right-of-use assets | 23,721 | 20,703 |
| Goodwill | 28,846 | 28,892 |
| Intangible assets | 67,275 | 66,600 |
| Investments accounted for using equity method | 6,714 | 7,012 |
| Other financial assets | 38,839 | 42,959 |
| Deferred tax assets | 12,420 | 12,243 |
| Retirement benefit asset | 3,267 | 3,316 |
| Other non-current assets | 12,079 | 11,315 |
| **Total non-current assets** | **209,954** | **209,946** |
| **Total assets** | **388,150** | **405,661** |

(Millions of Yen)

| | FY2026 (As of March 31, 2026) | Semi-annual Consolidated Accounting Period of FY2027 (As of September 30, 2026) |
|---|---|---|
| **Liabilities and equity** | | |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | 38,413 | 30,740 |
| Contract liabilities | 35,775 | 69,954 |
| Borrowings | 40,525 | 29,175 |
| Lease liabilities | 7,719 | 7,207 |
| Other financial liabilities | 3,090 | 2,677 |
| Income taxes payable | 4,374 | 5,654 |
| Provisions | 837 | 866 |
| Other current liabilities | 30,330 | 20,067 |
| **Total current liabilities** | **161,065** | **166,342** |
| **Non-current liabilities** | | |
| Borrowings | 10,200 | 20,200 |
| Lease liabilities | 17,204 | 14,872 |
| Other financial liabilities | 776 | 531 |
| Retirement benefit liability | 6,656 | 6,051 |
| Provisions | 3,178 | 3,199 |
| Deferred tax liabilities | 8,418 | 8,090 |
| **Total non-current liabilities** | **46,434** | **52,945** |
| **Total liabilities** | **207,500** | **219,288** |
| **Equity** | | |
| Share capital | 5,483 | 5,483 |
| Capital surplus | 13,338 | 13,187 |
| Treasury shares | (8,689) | (8,466) |
| Other components of equity | 4,451 | 5,855 |
| Retained earnings | 163,996 | 168,373 |
| **Total equity attributable to owners of parent** | **178,579** | **184,432** |
| **Non-controlling interests** | **2,070** | **1,940** |
| **Total equity** | **180,650** | **186,373** |
| **Total liabilities and equity** | **388,150** | **405,661** |

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

(Condensed Semi-annual Consolidated Statements of Profit or Loss)

(Millions of Yen)

| | Semi-annual Consolidated Accounting Period of FY2026 (Six months ended September 30, 2025) | Semi-annual Consolidated Accounting Period of FY2027 (Six months ended September 30, 2026) |
|---|---|---|
| **Revenue** | **205,132** | **201,130** |
| **Cost of sales** | **151,396** | **147,417** |
| **Gross profit** | **53,736** | **53,713** |
| **Selling, general and administrative expenses** | **33,094** | **37,009** |
| **Share of profit (loss) of investments accounted for using equity method** | **981** | **337** |
| **Other income** | **60** | **89** |
| **Other expenses** | **333** | **57** |
| **Operating profit** | **21,350** | **17,072** |
| **Finance income** | **496** | **323** |
| **Finance costs** | **212** | **729** |
| **Profit before tax** | **21,634** | **16,667** |
| **Income tax expense** | **6,209** | **5,383** |
| **Profit** | **15,425** | **11,283** |
| **Profit attributable to** | | |
| Owners of parent | 15,323 | 11,150 |
| Non-controlling interests | 101 | 132 |
| Profit | 15,425 | 11,283 |
| **Earnings per share** | | |
| Basic earnings per share (Yen) | 156.60 | 115.41 |
| Diluted earnings per share (Yen) | 156.29 | 115.22 |

(Condensed Semi-annual Consolidated Statements of Comprehensive Income)

(Millions of Yen)

| | Semi-annual Consolidated Accounting Period of FY2026 (Six months ended September 30, 2025) | Semi-annual Consolidated Accounting Period of FY2027 (Six months ended September 30, 2026) |
|---|---|---|
| **Profit** | **15,425** | **11,283** |
| **Other comprehensive income** | | |
| **Items that will not be reclassified to profit or loss** | | |
| Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income | 1,266 | 1,394 |
| Total of items that will not be reclassified to profit or loss | 1,266 | 1,394 |
| **Items that may be reclassified to profit or loss** | | |
| Exchange differences on translation of foreign operations | (108) | 59 |
| Share of other comprehensive income of investments accounted for using equity method | (27) | (48) |
| Total of items that may be reclassified to profit or loss | (136) | 10 |
| Other comprehensive income, net of tax | 1,129 | 1,405 |
| **Comprehensive income** | **16,554** | **12,689** |
| **Comprehensive income attributable to** | | |
| Owners of parent | 16,466 | 12,549 |
| Non-controlling interests | 88 | 139 |
| Comprehensive income | 16,554 | 12,689 |

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

Semi-annual Consolidated Accounting Period of FY2026 (Six months ended September 30, 2025)

(Millions of Yen)

| | Equity attributable to owners of parent | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other components of equity | | |
| | Share capital | Capital surplus | Treasury shares | Financial assets measured at fair value through other comprehensive income | Share acquisition rights | Share of other comprehensive income of investments accounted for using equity method |
| **As of April 1, 2025** | **5,483** | **13,972** | **(5,247)** | **2,199** | **345** | **209** |
| Profit | | | | | | |
| Other comprehensive income | | | | 1,266 | | (27) |
| **Comprehensive income** | **—** | **—** | **—** | **1,266** | **—** | **(27)** |
| Dividends of surplus | | | | | | |
| Purchase of treasury shares | | | (5,023) | | | |
| Disposal of treasury shares | | (15) | 40 | | (25) | |
| Share-based payment transactions | | 63 | 146 | | | |
| Obtaining of control of subsidiaries | | | | | | |
| Changes in ownership interest in subsidiaries | | (527) | | | | |
| Transfer from other components of equity to retained earnings | | | | 33 | | |
| **Total transactions with owners** | **—** | **(479)** | **(4,835)** | **33** | **(25)** | **—** |
| **As of September 30, 2025** | **5,483** | **13,493** | **(10,082)** | **3,499** | **320** | **181** |

| | Equity attributable to owners of parent | | | | | |
|---|---|---|---|---|---|---|
| | Other components of equity | | | | | |
| | Exchange differences on translation of foreign operations | Total | Retained earnings | Total | Non-controlling interests | Total equity |
| **As of April 1, 2025** | **980** | **3,734** | **151,107** | **169,050** | **2,247** | **171,297** |
| Profit | | | 15,323 | 15,323 | 101 | 15,425 |
| Other comprehensive income | (95) | 1,143 | | 1,143 | (13) | 1,129 |
| **Comprehensive income** | **(95)** | **1,143** | **15,323** | **16,466** | **88** | **16,554** |
| Dividends of surplus | | | (5,897) | (5,897) | (148) | (6,045) |
| Purchase of treasury shares | | | | (5,023) | | (5,023) |
| Disposal of treasury shares | | (25) | | 0 | | 0 |
| Share-based payment transactions | | | | 210 | | 210 |
| Obtaining of control of subsidiaries | | | | | 8 | 8 |
| Changes in ownership interest in subsidiaries | | | | (527) | (155) | (683) |
| Transfer from other components of equity to retained earnings | | 33 | (33) | | | — |
| **Total transactions with owners** | **—** | **8** | **(5,931)** | **(11,237)** | **(294)** | **(11,532)** |
| **As of September 30, 2025** | **884** | **4,886** | **160,499** | **174,279** | **2,040** | **176,320** |

Semi-annual Consolidated Accounting Period of FY2027 (Six months ended September 30, 2026)

(Millions of Yen)

| | Equity attributable to owners of parent | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other components of equity | | |
| | Share capital | Capital surplus | Treasury shares | Financial assets measured at fair value through other comprehensive income | Share acquisition rights | Share of other comprehensive income of investments accounted for using equity method |
| **As of April 1, 2026** | **5,483** | **13,338** | **(8,689)** | **2,650** | **295** | **274** |
| Profit | | | | | | |
| Other comprehensive income | | | | 1,395 | | (48) |
| **Comprehensive income** | **—** | **—** | **—** | **1,395** | **—** | **(48)** |
| Dividends of surplus | | | | | | |
| Purchase of treasury shares | | | (0) | | | |
| Disposal of treasury shares | | (3) | 6 | | (3) | |
| Share-based payment transactions | | (146) | 216 | | | |
| Changes in ownership interest in subsidiaries | | | | | | |
| Transfer from other components of equity to retained earnings | | | | 8 | | |
| **Total transactions with owners** | **—** | **(150)** | **222** | **8** | **(3)** | **—** |
| **As of September 30, 2026** | **5,483** | **13,187** | **(8,466)** | **4,054** | **292** | **226** |

| | Equity attributable to owners of parent | | | | | |
|---|---|---|---|---|---|---|
| | Other components of equity | | | | | |
| | Exchange differences on translation of foreign operations | Total | Retained earnings | Total | Non-controlling interests | Total equity |
| **As of April 1, 2026** | **1,231** | **4,451** | **163,996** | **178,579** | **2,070** | **180,650** |
| Profit | | | 11,150 | 11,150 | 132 | 11,283 |
| Other comprehensive income | 51 | 1,398 | | 1,398 | 6 | 1,405 |
| **Comprehensive income** | **51** | **1,398** | **11,150** | **12,549** | **139** | **12,689** |
| Dividends of surplus | | | (6,765) | (6,765) | (277) | (7,043) |
| Purchase of treasury shares | | | | (0) | | (0) |
| Disposal of treasury shares | | (3) | | 0 | | 0 |
| Share-based payment transactions | | | | 69 | | 69 |
| Changes in ownership interest in subsidiaries | | | | | 7 | 7 |
| Transfer from other components of equity to retained earnings | | 8 | (8) | | | — |
| **Total transactions with owners** | **—** | **5** | **(6,774)** | **(6,695)** | **(270)** | **(6,966)** |
| **As of September 30, 2026** | **1,282** | **5,855** | **168,373** | **184,432** | **1,940** | **186,373** |

(4) Condensed Semi-annual Consolidated Statements of Cash Flows

(Millions of Yen)

| | Semi-annual Consolidated Accounting Period of FY2026 (Six months ended September 30, 2025) | Semi-annual Consolidated Accounting Period of FY2027 (Six months ended September 30, 2026) |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 21,634 | 16,667 |
| Depreciation and amortization | 9,049 | 10,540 |
| Impairment losses | 226 | 3 |
| Interest and dividend income | (312) | (322) |
| Interest expenses | 190 | 478 |
| Share of loss (profit) of investments accounted for using equity method | (981) | (337) |
| Decrease (increase) in trade and other receivables | 11,699 | 13,614 |
| Decrease (increase) in contract assets | (3,439) | (3,500) |
| Decrease (increase) in inventories | (887) | (6,870) |
| Increase (decrease) in trade and other payables | 265 | (7,699) |
| Increase (decrease) in contract liabilities | 3,977 | 34,147 |
| Increase or decrease in retirement benefit asset or liability | (609) | (652) |
| Other | (11,715) | (30,036) |
| **Subtotal** | **29,096** | **26,031** |
| Interest and dividends received | 312 | 296 |
| Interest paid | (190) | (468) |
| Income taxes paid | (8,550) | (4,155) |
| **Net cash provided by (used in) operating activities** | **20,668** | **21,703** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | (2,088) | (1,889) |
| Proceeds from sale of property, plant and equipment | 3 | — |
| Purchase of intangible assets | (7,492) | (5,244) |
| Purchase of investment securities | (2,182) | (3,529) |
| Proceeds from sale of investment securities | 0 | 386 |
| Payments for acquisition of subsidiaries | (828) | — |
| Purchase of investments accounted for using equity method | (102) | — |
| Proceeds from sale of investments accounted for using equity method | 12 | — |
| Other | 126 | 374 |
| **Net cash provided by (used in) investing activities** | **(12,552)** | **(9,902)** |

(Millions of Yen)

| | Semi-annual Consolidated Accounting Period of FY2026 (Six months ended September 30, 2025) | Semi-annual Consolidated Accounting Period of FY2027 (Six months ended September 30, 2026) |
|---|---|---|
| **Cash flows from financing activities** | | |
| Net increase (decrease) in short-term borrowings | (2,452) | (11,350) |
| Proceeds from long-term borrowings | — | 10,000 |
| Repayments of long-term borrowings | (12) | — |
| Repayments of lease liabilities | (4,632) | (4,243) |
| Purchase of treasury shares | (5,023) | (0) |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | (683) | — |
| Dividends paid | (5,895) | (6,761) |
| Dividends paid to non-controlling interests | (148) | (277) |
| Other | 304 | — |
| **Net cash provided by (used in) financing activities** | **(18,544)** | **(12,633)** |
| **Effect of exchange rate changes on cash and cash equivalents** | **(40)** | **55** |
| **Net increase (decrease) in cash and cash equivalents** | **(10,470)** | **(776)** |
| **Cash and cash equivalents at beginning of period** | **64,801** | **47,043** |
| **Cash and cash equivalents at end of period** | **54,330** | **46,266** |

(5) Notes about Condensed Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Segment Information)

(1) Overview of reportable segments

The reportable segments of the Company are those among the constituent units of the Company for which separate financial statements can be obtained and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

By fully harnessing the collective capabilities of the Group, the Company provides comprehensive IT solution services, from identifying customers' management issues to providing solutions to them.

The Company's operations therefore consist of segments composed of products and services that constitute our IT solution services.

We have five reportable segments: System Services, Support Services, Outsourcing, Software, and Hardware.

Details of the reportable segments are as follows:

- System Services: Software contract development business, system engineer services, and consulting
- Support Services: Software and hardware maintenance, installation support and related services
- Outsourcing: System operation by contract, and related services
- Software: Provision of software based on software license agreements
- Hardware: Provision of hardware partly based on equipment sales agreements

(2) Information about performance by reportable segment

Semi-annual Consolidated Accounting Period of FY2026 (Six months ended September 30, 2025)

(Million Yen)

| | Reportable segment | | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded in the consolidated financial statements |
|---|---|---|---|---|---|---|---|---|---|---|
| | System Services | Support Services | Out sourcing | Software | Hardware | Total | | | | |
| Revenue | 65,242 | 29,287 | 45,593 | 22,711 | 36,275 | 199,110 | 6,021 | 205,132 | − | 205,132 |
| Segment profits (Note 3) | 23,367 | 9,082 | 10,042 | 3,010 | 6,667 | 52,170 | 1,565 | 53,736 | (33,094) | 20,642 |
| Share of profit (loss) of investments accounted for using equity method | | | | | | | | | | 981 |
| Other income | | | | | | | | | | 60 |
| Other expense | | | | | | | | | | 333 |
| Operating profit | | | | | | | | | | 21,350 |
| Finance income | | | | | | | | | | 496 |
| Finance costs | | | | | | | | | | 212 |
| Profit before tax | | | | | | | | | | 21,634 |

(Note 1) The Other category is a business segment that is not included in the reportable segments. It includes network services, installation and corporate training.

(Note 2) The adjustment to segment profits represents selling, general and administrative expenses that have not been distributed to each segment.

(Note 3) Segment profits are represented by adjusted operating profit which is the result of deducting cost of sales and selling, general and administrative expenses from revenue.

Semi-annual Consolidated Accounting Period of FY2027 (Six months ended September 30, 2026)

(Million Yen)

| | Reportable segment | | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded in the consolidated financial statements |
|---|---|---|---|---|---|---|---|---|---|---|
| | System Services | Support Services | Out sourcing | Software | Hardware | Total | | | | |
| Revenue | 68,217 | 29,637 | 53,636 | 21,430 | 21,855 | 194,777 | 6,353 | 201,130 | － | 201,130 |
| Segment profits (Note 3) | 24,890 | 8,615 | 11,505 | 2,997 | 4,006 | 52,015 | 1,698 | 53,713 | (37,009) | 16,704 |
| Share of profit (loss) of investments accounted for using equity method | | | | | | | | | | 337 |
| Other income | | | | | | | | | | 89 |
| Other expense | | | | | | | | | | 57 |
| Operating profit | | | | | | | | | | 17,072 |
| Finance income | | | | | | | | | | 323 |
| Finance costs | | | | | | | | | | 729 |
| Profit before tax | | | | | | | | | | 16,667 |

(Note 1) The Other category is a business segment that is not included in the reportable segments. It includes network services, installation and corporate training.

(Note 2) The adjustment to segment profits represents selling, general and administrative expenses that have not been distributed to each segment.

(Note 3) Segment profits are represented by adjusted operating profit which is the result of deducting cost of sales and selling, general and administrative expenses from revenue.

(Business Combination)

(Finalization of the provisional accounting treatment for business combination)

In the previous fiscal year, the allocation of the consideration for the Company's acquisition of Catalina Marketing Japan K.K. on January 6, 2026 was not finalized, and therefore a provisional treatment was applied. The allocation of the acquisition consideration was finalized in the first six-month period of the fiscal year ending March 2027.

Fair value of consideration transferred, assets acquired, and liabilities assumed at the acquisition date

（Unit：Million Yen）

| | Amount |
|---|---|
| Fair value of consideration transferred (cash) (Note 1) | 39,535 |
| Fair value of assets acquired and liabilities assumed | |
| Current assets | 6,021 |
| Non-current assets (Note 2) | 33,782 |
| Current liabilities | (6,048) |
| Non-current liabilities (Note 2) | (19,735) |
| Fair value of assets acquired and liabilities assumed（Net） (Note 2) | 14,018 |
| Goodwill (Note 3) | 25,517 |

(Note 1) The fair value of consideration transferred (cash) decreased by ¥106 million compared with the initial provisional amount.

(Note 2) Non-current assets (intangible assets) increased by ¥28,693 million and non-current liabilities (deferred tax liabilities) increased by ¥9,267 million. As a result, the fair value of assets acquired and liabilities assumed（net）increased by ¥19,425 million compared with the initial provisional amount.

(Note 3) Goodwill primarily consists of synergies with existing businesses and excess earning power expected to arise from the acquisition that do not meet the criteria for separate recognition. Goodwill decreased by ¥19,531 million compared with the initial provisional amount.

The previous fiscal year's amounts (stated in the condensed semi-annual consolidated statements of financial position) are retrospectively restated after finalizing the provisional accounting treatment.

There is no impact on the previous fiscal year's condensed semi-annual consolidated statements of profit or loss and comprehensive income.