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November 13, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: RAKUS Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3923
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Scheduled date to file Semi-annual Securities Report: November 13, 2026
Scheduled date to commence dividend payments: None
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	28,869	0.3	10,225	32.7	10,334	33.7	18,224	188.8
September 30, 2025	28,781	25.1	7,708	65.4	7,726	65.8	6,311	73.8

(Note) Comprehensive income: For the six months ended September 30, 2026: ¥21,120 million [301.4%]
For the six months ended September 30, 2025: ¥5,261 million [38.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	51.46	-
September 30, 2025	17.48	-

(Note) 1. The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Basic earnings per share" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.
2. Diluted earnings per share are not stated as there are no potential shares outstanding.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	68,376	44,683	65.3
March 31, 2026	36,581	26,034	71.2

(Reference) Equity: As of September 30, 2026: ¥44,683 million
As of March 31, 2026: ¥26,034 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	7.00	7.00
Fiscal year ending March 31, 2027	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)			-	8.00	8.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	59,200	(1.8)	22,000	26.8	22,000	26.1	26,300	97.8	74.27

(Note) 1. Revisions to the forecast of consolidated financial results most recently announced: Yes

2. For details on the revision of the consolidated earnings forecast, please refer to the "Notice Regarding Revisions of Consolidated Guidance for FY2027.3" announced today (November 13, 2026).

* Notes

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

Excluded: 1 company (RAKUS Partners Co., Ltd.)

(Note) 1. For details, please refer to page 10 of the attached materials, "2. Semi-annual consolidated financial statements and principal notes (4) Notes to semi-annual consolidated financial statements (Changes in the scope of consolidation or application of the equity method)."

2. Effective July 1, 2026, RAKUS Partners Co., Ltd. changed its corporate name to BREXA SOLVIA Inc.

(2) Application of specific accounting treatments for preparing semi-annual consolidated financial statements: Yes

(Note) For details, please refer to page 10 of the attached materials, "2. Semi-annual consolidated financial statements and principal notes (4) Notes to semi-annual consolidated financial statements (Notes on accounting treatment specific to the preparation of semi-annual consolidated financial statements)."

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to page 10 of the attached materials, "2. Semi-annual consolidated financial statements and principal notes (4) Notes to semi-annual consolidated financial statements (Notes on changes in accounting policies)."

(4) Number of issued shares (common shares)

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

As of September 30, 2026	354,391,000 shares
As of March 31, 2026	354,391,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	273,406 shares
As of March 31, 2026	281,659 shares

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

Six months ended September 30, 2026	354,113,468 shares
Six months ended September 30, 2025	361,014,278 shares

(Note) The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Average number of shares outstanding during the period" has been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

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

* Proper use of earnings forecasts, and other special matters

(Cautionary Statement Regarding Forward-Looking Statements)

Forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable. They are not intended as a guarantee of future performance by the Company. Actual results may differ significantly due to various factors. For the conditions underlying the forecasts and notes regarding the use of forecasts, please refer to page 3 of the attached materials, "1. Qualitative information on semi-annual financial results (3) Explanation of consolidated financial results forecast and other forward-looking statements."

(Availability of supplementary financial results materials and financial results briefing contents)

The Company plans to hold a web conference for institutional investors and analysts on November 16, 2026. The presentation materials to be distributed at this web conference will be disclosed on TDnet simultaneously with the financial results announcement and will also be posted on the Company's website.

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1. Qualitative information on semi-annual financial results

(1) Explanation of operating results

In the information and telecommunications services market in which the Company operates, interest in improving operational efficiency at companies has further increased against the backdrop of work style reforms and intensifying labor shortages, and the digitalization of corporate activities is progressing. Although companies remain cautious about the outlook due to rising interest rates following the Bank of Japan's additional rate hikes and persistently high prices, corporate appetite for IT investment aimed at labor-saving and efficiency improvements remained steady.

Under these circumstances, the Company, as a cloud service provider, views the growing corporate interest in the utilization of generative AI as a driver for creating new value and market opportunities, and is working on implementing new functions in its products and improving the productivity of internal operations.

Meanwhile, the Company recognizes that in some business areas, the market is maturing, and the primary customer base is shifting from companies that have yet to adopt such systems to those that carefully evaluate the benefits before adoption. Moreover, the competitive environment is becoming increasingly severe due to the increase in business operators deploying similar services.

Furthermore, amid a series of cyberattacks and information leakage incidents in Japan, the importance of corporate information security measures is rising, and the Company recognizes that service providers are facing increasingly stringent security requirements. The Company is also continuously working to strengthen its information management structure.

During the six-month period under review, consolidated net sales remained flat year-on-year due to the impact of the exclusion of the IT Outsourcing Business from the scope of consolidation; however, Raku Raku Meisai, a core service, performed steadily. Regarding profits, the operating profit margin improved as a result of continuing the efficient allocation of advertising expenses as well as improved cost efficiency resulting from restrained hiring. Furthermore, due to the recording of extraordinary income of 16,685 million yen associated with a transfer of shares in the first quarter of the current fiscal year, profit attributable to owners of parent increased significantly.

As a result, for the six-month period under review, consolidated net sales were 28,869 million yen (up 0.3% year-on-year), operating profit was 10,225 million yen (up 32.7% year-on-year), ordinary profit was 10,334 million yen (up 33.7% year-on-year), and profit attributable to owners of parent was 18,224 million yen (up 188.8% year-on-year).

In addition, as the Group changed its reportable segment to a single segment effective from the six-month period under review, the description by segment has been omitted. For details, please refer to "2. Semi-annual consolidated financial statements and principal notes (4) Notes to semi-annual consolidated financial statements (Notes on segment information, etc.)."

(2) Explanation of financial position

(i) Assets, liabilities and net assets

(Assets)

At the end of the six-month period under review, current assets stood at 20,323 million yen, a decrease of 3,076 million yen from the end of the previous fiscal year. This was mainly due to decreases of 2,526 million yen in cash and deposits and 482 million yen in accounts receivable - trade. Non-current assets stood at 48,053 million yen, an increase of 34,871 million yen from the end of the previous fiscal year. This was mainly due to increases of 29,299 million yen in shares of subsidiaries and associates, 7,172 million yen in investment securities, and 233 million yen in tools, furniture and fixtures, despite decreases of 1,517 million yen in deferred tax assets and 171 million yen in guarantee deposits.

As a result, total assets stood at 68,376 million yen, an increase of 31,794 million yen from the end of the previous fiscal year.

(Liabilities)

At the end of the six-month period under review, current liabilities stood at 21,044 million yen, an increase of 10,658 million yen from the end of the previous fiscal year. This was mainly due to increases of 5,773 million yen in income taxes payable, 5,000 million yen in short-term borrowings, and 1,333 million yen in current portion of long-term borrowings, despite decreases of 772 million yen in accrued consumption taxes, 388 million yen in accounts payable - other, and 256 million yen in accrued expenses. Non-current liabilities stood at 2,648 million yen, an increase of 2,487 million yen from the end of the previous fiscal year. This was mainly due to an increase of 2,555 million yen in long-term borrowings.

As a result, total liabilities stood at 23,693 million yen, an increase of 13,146 million yen from the end of the previous fiscal year.

(Net assets)

At the end of the six-month period under review, total net assets stood at 44,683 million yen, an increase of 18,648 million yen from the end of the previous fiscal year. This was mainly due to an increase of 18,224 million yen in retained earnings resulting from the recording of profit attributable to owners of parent, despite a decrease of 2,478 million yen due to dividends of surplus. In addition, valuation difference on available-for-sale securities increased by 2,906 million yen.

(ii) Cash flows

Cash and cash equivalents at the end of the six-month period under review stood at 11,364 million yen, a decrease of 2,526 million yen from the end of the previous fiscal year. Cash flows and their main factors for the six-month period under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 6,501 million yen (an inflow of 4,762 million yen in the same period of the previous fiscal year). This was mainly due to cash-increasing factors such as profit before income taxes of 27,019 million yen and depreciation of 500 million yen, partially offset by cash-decreasing factors such as a gain on sale of shares of subsidiaries and associates of 16,685 million yen, income taxes paid of 2,967 million yen, a decrease in accrued consumption taxes of 530 million yen, an increase in trade receivables of 488 million yen, and a decrease in accounts payable - other of 301 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 15,427 million yen (an inflow of 1,651 million yen in the same period of the previous fiscal year). This was mainly due to cash-decreasing factors such as purchase of shares of subsidiaries and associates of 23,137 million yen, purchase of investment securities of 9,089 million yen, and purchase of property, plant and equipment of 599 million yen, partially offset by cash-increasing factors such as proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 17,422 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 6,405 million yen (an outflow of 3,037 million yen in the same period of the previous fiscal year). This was mainly due to cash-increasing factors such as a net increase in short-term borrowings of 5,000 million yen and proceeds from long-term borrowings of 4,000 million yen, partially offset by cash-decreasing factors such as dividends paid of 2,478 million yen and repayments of long-term borrowings of 111 million yen.

(3) Explanation of consolidated financial results forecast and other forward-looking statements

The Group has formulated a Medium-Term Management Plan covering the three fiscal years from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029.

Following the transfer of the IT Outsourcing Business in April 2026, the Company has transitioned to a pure-play Cloud Business structure. In this Medium-Term Management Plan, the Company aims to achieve quality growth that balances high growth and high profitability by concentrating its management resources on the Cloud Business.

Specifically, the Company aims to achieve the "Rule of 50" (*1) by the final year of the Medium-Term Management Plan.

The numerical targets for the Medium-Term Management Plan, with the final year being the fiscal year ending March 31, 2029, are as follows:

· Three-year organic growth in net sales of the Cloud Business: CAGR (Compound Annual Growth Rate) of 15% or more
· Achievement of the "Rule of 50" (From the fiscal year ending March 31, 2028 onward)
· Net sales per regular employee: 30 million yen or more (Fiscal year ending March 31, 2029) (*2)
· ROE excluding one-time effects such as extraordinary income and losses: Maintain 30% or higher
· Shareholder returns: Total payout ratio of 20% or higher and consecutive dividend increases every fiscal year

During the six-month period under review, while net sales progressed generally in line with the plan, operating profit exceeded the plan due to progress in cost efficiency. In addition to this progress in financial results, taking into account the status of the Group's response to information security issues, including the suspension of services resulting from the unauthorized access and information leakage that occurred in "blastmail," a service provided by RAKUS Light Cloud Co., Ltd., a consolidated subsidiary of the Company, as well as the review of future expense plans, the Company revised its full-year financial results forecast announced on May 14, 2026.

The revised full-year financial results outlook is net sales of 59,200 million yen (down 1.8% year-on-year), operating profit of 22,000 million yen (up 26.8% year-on-year), ordinary profit of 22,000 million yen (up 26.1% year-on-year), and profit attributable to owners of parent of 26,300 million yen (up 97.8% year-on-year).

In addition, on an organic basis for the Cloud Business alone, while net sales are expected to increase by 14.4% year-on-year, falling short of the initial plan, segment profit is projected to exceed the initial plan and increase by 37.3% year-on-year. As a result, the "Rule of 50," which the Medium-Term Management Plan targets for achievement from the fiscal year ending March

31, 2028 onward, is expected to be achieved ahead of schedule in the fiscal year ending March 31, 2027 for the Cloud Business alone.
As announced in the "(Progress of Disclosure Matters) Notice Regarding Completion of Additional Acquisition of Shares of Plus Alpha Consulting Co., Ltd. (Making It an Equity-Method Affiliate)" dated August 28, 2026, the additional acquisition of shares of Plus Alpha Consulting Co., Ltd. has been completed. However, the Company will begin recording its share of profit (loss) of Plus Alpha Consulting Co., Ltd. under the equity method from the fiscal year ending March 31, 2028. Accordingly, the impact of the share acquisition on the consolidated financial results for the fiscal year ending March 31, 2027 is expected to be immaterial.
In addition, the above financial results outlook for the fiscal year ending March 31, 2027 does not include the financial results forecast for the IT Outsourcing Business, but includes the extraordinary income of 16,685 million yen recorded in the first quarter of the current fiscal year associated with the transfer of that business.
On the other hand, as announced in the "(Progress of Disclosure Matters) Notice Regarding the Expected Recording of Gain on Sale of Investment Securities (Extraordinary Income)" dated October 30, 2026, the Company did not sell any investment securities under the sale limit it had set. Accordingly, the revised financial results forecast does not include extraordinary income from the sale of such investment securities. The Company will make appropriate decisions on future sales of investment securities held for pure investment purposes, taking into account the circumstances of individual securities, market conditions, and other factors.
For details on the revision of the financial results forecast, please refer to the "Notice Regarding Revisions of Consolidated Guidance for FY2027.3" announced on November 13, 2026.
The Company is continuing to examine the impact of the unauthorized access, and will promptly make an announcement if it becomes evident that it will have a material impact on its financial results going forward.

*1 The Company aims to achieve a sum of 50%, exceeding the "Rule of 40" (an indicator in the cloud services industry where investors pay close attention to the sum of sales growth rate and operating margin, and a total exceeding 40% is generally considered desirable).
*2 The average number of regular employees during the period is used for the calculation.

2. Semi-annual consolidated financial statements and principal notes
(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	13,894	11,367
Accounts receivable - trade	8,677	8,195
Other	873	785
Allowance for doubtful accounts	(44)	(24)
Total current assets	23,399	20,323
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	337	252
Tools, furniture and fixtures, net	2,036	2,270
Construction in progress	-	40
Total property, plant and equipment	2,374	2,563
Intangible assets		
Goodwill	1,057	973
Customer-related intangible assets	1,777	1,704
Software	90	75
Total intangible assets	2,924	2,753
Investments and other assets		
Investment securities	4,904	12,077
Shares of subsidiaries and associates	-	29,299
Guarantee deposits	1,309	1,138
Deferred tax assets	1,593	76
Other	124	194
Allowance for doubtful accounts	(49)	(48)
Total investments and other assets	7,882	42,736
Total non-current assets	13,181	48,053
Total assets	36,581	68,376

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	10	6
Short-term borrowings	-	5,000
Current portion of long-term borrowings	-	1,333
Accounts payable - other	1,909	1,520
Accrued expenses	2,037	1,781
Income taxes payable	3,423	9,196
Accrued consumption taxes	1,662	889
Contract liabilities	1,182	1,170
Other	161	145
Total current liabilities	10,386	21,044
Non-current liabilities		
Long-term borrowings	-	2,555
Long-term accrued expenses	118	92
Guarantee deposits received	37	-
Retirement benefit liability	0	0
Other	5	-
Total non-current liabilities	161	2,648
Total liabilities	10,547	23,693
Net assets		
Shareholders' equity		
Share capital	378	378
Capital surplus	308	308
Retained earnings	25,963	41,708
Treasury shares	(219)	(212)
Total shareholders' equity	26,430	42,183
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(446)	2,460
Deferred gains or losses on hedges	5	0
Foreign currency translation adjustment	44	38
Total accumulated other comprehensive income	(396)	2,499
Total net assets	26,034	44,683
Total liabilities and net assets	36,581	68,376

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

(Semi-annual consolidated statement of income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	28,781	28,869
Cost of sales	7,129	5,206
Gross profit	21,651	23,663
Selling, general and administrative expenses	13,943	13,437
Operating profit	7,708	10,225
Non-operating income		
Interest income	15	64
Dividend income	-	93
Foreign exchange gains	3	6
Subsidy income	0	-
Other	1	3
Total non-operating income	20	168
Non-operating expenses		
Interest expenses	0	12
Commission for purchase of treasury shares	1	-
Compensation expenses	-	47
Other	0	0
Total non-operating expenses	2	59
Ordinary profit	7,726	10,334
Extraordinary income		
Gain on sale of investment securities	1,491	-
Gain on sale of shares of subsidiaries and associates	-	16,685
Gain on sale of businesses	11	-
Total extraordinary income	1,503	16,685
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Total extraordinary losses	3	0
Profit before income taxes	9,226	27,019
Income taxes	2,915	8,794
Profit	6,311	18,224
Profit attributable to owners of parent	6,311	18,224

(Semi-annual consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	6,311	18,224
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,045)	2,906
Deferred gains or losses on hedges	(3)	(4)
Foreign currency translation adjustment	(1)	(6)
Total other comprehensive income	(1,050)	2,895
Comprehensive income	5,261	21,120
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,261	21,120

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	9,226	27,019
Depreciation	463	500
Amortization of goodwill	166	84
Increase (decrease) in allowance for doubtful accounts	19	(15)
Share-based payment expenses	2	2
Interest and dividend income	(15)	(158)
Interest expenses	0	12
Foreign exchange losses (gains)	0	5
Commission for purchase of treasury shares	1	-
Compensation expenses	-	47
Loss (gain) on sale of investment securities	(1,491)	-
Loss (gain) on sale of shares of subsidiaries and associates	-	(16,685)
Loss (gain) on sale of businesses	(11)	-
Loss on retirement of non-current assets	3	0
Decrease (increase) in trade receivables	(644)	(488)
Increase (decrease) in trade payables	1	(3)
Increase (decrease) in accounts payable - other	(213)	(301)
Increase (decrease) in accrued expenses	118	58
Increase (decrease) in accrued consumption taxes	(275)	(530)
Increase (decrease) in guarantee deposits received	(15)	-
Other, net	(16)	(208)
Subtotal	7,320	9,337
Interest and dividends received	15	156
Interest paid	(0)	(24)
Income taxes paid	(2,572)	(2,967)
Net cash provided by (used in) operating activities	4,762	6,501
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(727)	(599)
Purchase of intangible assets	(5)	(3)
Purchase of investment securities	-	(9,089)
Proceeds from sale of investment securities	2,542	-
Purchase of shares of subsidiaries and associates	-	(23,137)
Payments of guarantee deposits	(185)	(20)
Proceeds from refund of guarantee deposits	28	0
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	17,422
Other, net	0	0
Net cash provided by (used in) investing activities	1,651	(15,427)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	5,000
Proceeds from long-term borrowings	-	4,000
Repayments of long-term borrowings	(216)	(111)
Purchase of treasury shares	(2,001)	-
Dividends paid	(815)	(2,478)
Other, net	(5)	(4)
Net cash provided by (used in) financing activities	(3,037)	6,405
Effect of exchange rate change on cash and cash equivalents	(1)	(6)
Net increase (decrease) in cash and cash equivalents	3,375	(2,526)
Cash and cash equivalents at beginning of period	11,366	13,891
Cash and cash equivalents at end of period	14,741	11,364

(4) Notes to semi-annual consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in the scope of consolidation or application of the equity method)

1. Significant changes in the scope of consolidation

During the six-month period under review, as all shares of RAKUS Partners Co., Ltd., which was a consolidated subsidiary of the Company, were transferred, RAKUS Partners Co., Ltd. has been excluded from the scope of consolidation.

2. Significant changes in the scope of application of the equity method

During the six-month period under review, due to the acquisition of shares of Plus Alpha Consulting Co., Ltd., it has been included in the scope of application of the equity method. Note that as the deemed acquisition date is September 30, 2026, share of profit (loss) of entities accounted for using equity method has not been recorded.

(Notes on changes in accounting policies)

(Change in method of calculating income taxes)

Tax expenses were previously calculated using the principal method. However, to further streamline the interim financial closing process, the method has been changed from the beginning of the six-month period under review to the method described in "(Notes on accounting treatment specific to the preparation of semi-annual consolidated financial statements)." As the impact of this change is immaterial, retrospective application has not been made.

(Notes on accounting treatment specific to the preparation of semi-annual consolidated financial statements)

(Calculation of income tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to profit before income taxes for the consolidated fiscal year including the six-month period under review, and multiplying profit before income taxes for the six-month period under review by this estimated effective tax rate. However, if the calculation of tax expenses using this estimated effective tax rate results in an outcome that is significantly unreasonable, the statutory effective tax rate is used.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on segment information, etc.)

[Segment information]

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

Please refer to "II For the six months ended September 30, 2026 (Matters regarding changes in reportable segments, etc.)."

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

From the six-month period under review, the Group changed its reportable segment to a single segment, and therefore the description by segment has been omitted.

(Matters regarding changes in reportable segments, etc.)

The Group previously had two reportable segments, the "Cloud Business" and the "IT Outsourcing Business." From the six-month period under review, the Group has changed to a single segment, the "Cloud Business."

This change was made because, with the aim of achieving quality growth that balances high growth and high profitability, the Company transferred all shares of RAKUS Partners Co., Ltd., a consolidated subsidiary that had been classified under the IT Outsourcing Business, during the six-month period under review. As a result, there are no longer any businesses classified under the IT Outsourcing Business, and the Company determined that disclosing the reportable segment as a single segment more appropriately reflects the actual business conditions of the Group.

Due to this change, the presentation of segment information for the six-month period of the previous fiscal year and the six-month period under review has been omitted.

(Significant subsequent events)

(Acquisition and Cancellation of Treasury Shares)

The Company resolved at the Board of Directors meeting held on November 13, 2026, matters regarding the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act.

1. Reason for the Acquisition and Cancellation of Treasury Shares

   With the aim of enhancing shareholder returns and improving capital efficiency, the Company will acquire its own shares. The shares acquired will not be retained as treasury stock but rather cancelled to further enhance capital efficiency.

2. Details of the Acquisition of Treasury Shares

   (1) Type of shares to be acquired: Common shares of the Company

   (2) Total number of shares to be acquired: Up to 3,600,000 shares

   (Equivalent to 1.02% of the total number of outstanding shares, excluding treasury shares)

   (3) Total amount of acquisition cost: Up to 3.0 billion yen

   (4) Acquisition period: From November 16, 2026 to December 18, 2026

   (5) Acquisition method: Market purchases conducted through discretionary trading on the Tokyo Stock Exchange

3. Details of the Cancellation of Treasury Shares

   (1) Type of shares to be cancelled: Common shares of the Company

   (2) Total number of shares to be cancelled: All shares acquired in accordance with item 2 above

   (3) Scheduled cancellation date: December 30, 2026