

August 12, 2026

## Summary of Consolidated Financial Results for the Fiscal Year Ended June 30, 2026 (Under Japanese GAAP)

Company name: System Support Holdings Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4396  
 URL: <https://www.sts-hd.co.jp/>  
 Representative: Ryoji Koshimizu, President and Representative Director  
 Inquiries: Naoyuki Morita, Director and General Manager of Management Headquarters  
 Telephone: +81-76-213-5161  
 Scheduled date of annual general meeting of shareholders: September 29, 2026  
 Scheduled date to commence dividend payments: September 30, 2026  
 Scheduled date to file annual securities report: September 25, 2026  
 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 fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

|                   | Net sales       |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      |
|-------------------|-----------------|------|------------------|------|-----------------|------|-----------------------------------------|------|
| Fiscal year ended | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    |
| June 30, 2026     | 31,091          | 15.4 | 2,966            | 33.7 | 2,965           | 32.1 | 1,872                                   | 28.5 |
| June 30, 2025     | 26,938          | 22.3 | 2,218            | 32.8 | 2,244           | 28.7 | 1,457                                   | 19.0 |

Note: Comprehensive income For the fiscal year ended June 30, 2026: ¥1,881 million [29.8%]  
 For the fiscal year ended June 30, 2025: ¥1,449 million [12.1%]

|                   | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|------------------------------------------|----------------------------------------|
| Fiscal year ended | Yen                      | Yen                        | %                | %                                        | %                                      |
| June 30, 2026     | 90.55                    | -                          | 28.4             | 19.8                                     | 9.5                                    |
| June 30, 2025     | 70.72                    | 70.70                      | 26.3             | 19.1                                     | 8.2                                    |

**Notes: 1. The Company has conducted a stock split at the ratio of two shares to one common share as of January 1, 2026. Assuming that the stock split occurred at the beginning of the previous fiscal year, the Company's basic earnings per share and diluted earnings per share are calculated.**

**2. Diluted earnings per share for the fiscal year ended June 30, 2026 is not shown because there are no potential shares.**

#### (2) Consolidated financial position

|                     | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|---------------------|-----------------|-----------------|-----------------------|----------------------|
|                     | Millions of yen | Millions of yen | %                     | Yen                  |
| As of June 30, 2026 | 16,341          | 7,190           | 44.0                  | 348.81               |
| As of June 30, 2025 | 13,628          | 6,012           | 44.1                  | 290.19               |

Reference: Equity  
 As of June 30, 2026: ¥7,190 million  
 As of June 30, 2025: ¥6,012 million

Note: On January 1, 2026, the Company conducted a stock split at a ratio of 2 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, Net assets per share are calculated.

#### (3) Consolidated cash flows

|                   | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| Fiscal year ended | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| June 30, 2026     | 2,362                                | (1,161)                              | (299)                                | 6,003                                      |
| June 30, 2025     | 2,376                                | (792)                                | (4)                                  | 5,119                                      |

## 2. Cash dividends

|                                             | Annual dividends per share |                    |                   |                 |       | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------------|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|-------------------------------------------------|
|                                             | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |                              |                             |                                                 |
|                                             | Yen                        | Yen                | Yen               | Yen             | Yen   | Millions of yen              | %                           | %                                               |
| Fiscal year ended June 30, 2025             | -                          | 25.00              | -                 | 25.00           | 50.00 | 514                          | 35.4                        | 9.4                                             |
| Fiscal year ended June 30, 2026             | -                          | 32.00              | -                 | 16.00           | -     | 661                          | 35.3                        | 10.0                                            |
| Fiscal year ending June 30, 2027 (Forecast) | -                          | 21.00              | -                 | 21.00           | 42.00 |                              | 40.1                        |                                                 |

Note: On January 1, 2026, the Company conducted a stock split at a ratio of 2 shares per share of common shares. Dividends for the fiscal year ended June 2025 and the second quarter of the fiscal year ended June 2026 are the actual amounts before the split. The total annual dividends for the fiscal year ended June 30, 2026 are listed as "-" because a simple sum cannot be made due to the implementation of the stock split. The annual dividend per share converted on a stock split basis will be 25.00 yen for the fiscal year ended June 30, 2025 and 32.00 yen for the fiscal year ended June 30, 2026.

## 3. Forecast of consolidated financial results for the fiscal year ending June 30, 2027 (from July 1, 2026 to June 30, 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                      |
| Six months ending December 31, 2026 | 16,855          | 8.4  | 1,739            | 10.0 | 1,736           | 7.6  | 1,095                                   | 8.3  | 53.13                    |
| Fiscal year ending June 30, 2027    | 34,722          | 11.7 | 3,412            | 15.0 | 3,411           | 15.0 | 2,157                                   | 15.2 | 104.63                   |

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes  
Newly included: 1 company (Echo System Co., Ltd.)
- (2) 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: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

|                     |                   |
|---------------------|-------------------|
| As of June 30, 2026 | 20,800,000 shares |
| As of June 30, 2025 | 20,800,000 shares |

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

|                     |                |
|---------------------|----------------|
| As of June 30, 2026 | 185,256 shares |
| As of June 30, 2025 | 82,856 shares  |

- (iii) Average number of shares outstanding during the period

|                                 |                   |
|---------------------------------|-------------------|
| Fiscal year ended June 30, 2026 | 20,679,418 shares |
| Fiscal year ended June 30, 2025 | 20,611,496 shares |

Note: On January 1, 2026, the Company conducted a stock split at a ratio of 2 shares per share of common shares. "Total number of issued shares at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" are calculated on the assumption that the said share split was conducted at the beginning of the previous fiscal year.

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net sales       |        | Operating profit |        | Ordinary profit |        | Profit          |        |
|-------------------|-----------------|--------|------------------|--------|-----------------|--------|-----------------|--------|
|                   | Millions of yen | %      | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| June 30, 2026     | 1,734           | (83.8) | 858              | (16.8) | 820             | (21.6) | 660             | (29.6) |
| June 30, 2025     | 10,697          | (39.3) | 1,032            | (14.6) | 1,047           | (19.3) | 938             | (0.2)  |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| June 30, 2026     | 31.92                    | -                          |
| June 30, 2025     | 45.52                    | 45.50                      |

Notes: 1. The Company has conducted a stock split at the ratio of two shares to one common share as of January 1, 2026. Assuming that the stock split occurred at the beginning of the previous fiscal year, the Company's basic earnings per share and diluted earnings per share are calculated.

2. Diluted earnings per share for the fiscal year ended June 30, 2026 is not shown because there are no potential shares.

**(2) Non-consolidated financial position**

| As of         | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|---------------|-----------------|-----------------|-----------------------|----------------------|
|               | Millions of yen | Millions of yen | %                     | Yen                  |
| June 30, 2026 | 4,736           | 3,208           | 67.7                  | 155.65               |
| June 30, 2025 | 4,448           | 3,251           | 73.1                  | 156.93               |

Reference: Equity

|                      |                |
|----------------------|----------------|
| As of June 30, 2026: | ¥3,208 million |
| As of June 30, 2025: | ¥3,251 million |

Note: On January 1, 2026, the Company conducted a stock split at a ratio of 2 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, net assets per share are calculated.

"Reasons for the difference between non-consolidated financial results and the financial results of the previous fiscal year"

In accordance with the transition to a holding company structure, the Company implemented a company split by absorption split method on January 1, 2025, and succeeded all businesses other than the Group Management Business to System Support Division Preparation Company (changed its trade name to "System Support Inc." on January 1, 2025), which is an absorption-type successor company (a 100% subsidiary of the Company). There is a discrepancy between the actual figures for the previous fiscal year and the actual figures for the current fiscal year.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

(Method of accessing supplementary material on financial results)

Supplementary financial results materials are scheduled to be posted on the Company's website on Wednesday, August 12, 2026.

(Method of accessing the contents of the financial results briefing)

The Company plans to hold a briefing for institutional investors and analysts on Wednesday, August 12, 2026. The video of this briefing will be posted on the Company's website promptly after the meeting.

# Consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

|                                     | As of June 30, 2025 | As of June 30, 2026 |
|-------------------------------------|---------------------|---------------------|
| Assets                              |                     |                     |
| Current assets                      |                     |                     |
| Cash and deposits                   | 5,844,937           | 6,980,270           |
| Notes receivable - trade            | 70,736              | 78,289              |
| Accounts receivable - trade         | 3,559,607           | 4,043,605           |
| Contract assets                     | 511,298             | 609,798             |
| Merchandise and finished goods      | 24,865              | 69,887              |
| Work in process                     | 16,657              | 11,364              |
| Supplies                            | 2,717               | 1,892               |
| Other                               | 726,658             | 546,021             |
| Allowance for doubtful accounts     | (22,299)            | (21,510)            |
| Total current assets                | 10,735,179          | 12,319,619          |
| Non-current assets                  |                     |                     |
| Property, plant and equipment       |                     |                     |
| Buildings and structures            | 497,794             | 566,940             |
| Accumulated depreciation            | (201,615)           | (236,597)           |
| Buildings and structures, net       | 296,178             | 330,343             |
| Vehicles                            | 5,546               | 9,706               |
| Accumulated depreciation            | (5,546)             | (9,331)             |
| Vehicles, net                       | 0                   | 374                 |
| Tools, furniture and fixtures       | 448,586             | 509,226             |
| Accumulated depreciation            | (332,033)           | (390,467)           |
| Tools, furniture and fixtures, net  | 116,553             | 118,759             |
| Land                                | 21,632              | 21,632              |
| Leased assets                       | 239,615             | 255,433             |
| Accumulated depreciation            | (132,796)           | (170,430)           |
| Leased assets, net                  | 106,819             | 85,003              |
| Other                               | 61,215              | 63,556              |
| Accumulated depreciation            | (17,838)            | (37,231)            |
| Other, net                          | 43,377              | 26,325              |
| Total property, plant and equipment | 584,560             | 582,438             |
| Intangible assets                   |                     |                     |
| Software                            | 89,437              | 131,394             |
| Software in progress                | 8,907               | 378,453             |
| Goodwill                            | 422,564             | 549,737             |
| Leased assets                       | 1,295               | -                   |
| Other                               | 3,122               | 3,312               |
| Total intangible assets             | 525,328             | 1,062,898           |
| Investments and other assets        |                     |                     |
| Leasehold deposits                  | 495,758             | 553,797             |
| Insurance funds                     | 502,233             | 996,217             |
| Deferred tax assets                 | 607,097             | 715,849             |
| Other                               | 177,951             | 110,737             |
| Total investments and other assets  | 1,783,041           | 2,376,602           |
| Total non-current assets            | 2,892,930           | 4,021,938           |
| Total assets                        | 13,628,109          | 16,341,557          |

|                                                                      | As of June 30, 2025 | As of June 30, 2026 |
|----------------------------------------------------------------------|---------------------|---------------------|
| <b>Liabilities</b>                                                   |                     |                     |
| Current liabilities                                                  |                     |                     |
| Accounts payable - trade                                             | 839,610             | 993,081             |
| Short-term borrowings                                                | 720,000             | 1,250,000           |
| Current portion of bonds payable                                     | 10,000              | 10,000              |
| Current portion of long-term borrowings                              | 296,490             | 387,386             |
| Lease liabilities                                                    | 63,815              | 66,992              |
| Accounts payable - other                                             | 647,434             | 679,989             |
| Accrued expenses                                                     | 1,534,282           | 1,695,095           |
| Income taxes payable                                                 | 745,440             | 623,736             |
| Accrued consumption taxes                                            | 610,002             | 896,848             |
| Provision for bonuses                                                | 13,180              | 13,073              |
| Provision for loss on orders received                                | 693                 | 3,099               |
| Reserve for quality assurance                                        | 13,632              | 7,331               |
| Other                                                                | 586,664             | 623,267             |
| Total current liabilities                                            | 6,081,245           | 7,249,901           |
| Non-current liabilities                                              |                     |                     |
| Bonds payable                                                        | 20,000              | 10,000              |
| Long-term borrowings                                                 | 780,780             | 947,770             |
| Lease liabilities                                                    | 93,954              | 50,859              |
| Provision for retirement benefits for directors (and other officers) | 140,283             | 218,349             |
| Retirement benefit liability                                         | 68,999              | 250,762             |
| Other                                                                | 430,836             | 423,183             |
| Total non-current liabilities                                        | 1,534,855           | 1,900,926           |
| Total liabilities                                                    | 7,616,100           | 9,150,828           |
| Net assets                                                           |                     |                     |
| Shareholders' equity                                                 |                     |                     |
| Share capital                                                        | 723,726             | 723,726             |
| Capital surplus                                                      | 584,272             | 587,637             |
| Retained earnings                                                    | 4,759,726           | 6,042,000           |
| Treasury shares                                                      | (63,839)            | (179,419)           |
| Total shareholders' equity                                           | 6,003,885           | 7,173,945           |
| Accumulated other comprehensive income                               |                     |                     |
| Foreign currency translation adjustment                              | 8,122               | 16,784              |
| Total accumulated other comprehensive income                         | 8,122               | 16,784              |
| Total net assets                                                     | 6,012,008           | 7,190,729           |
| Total liabilities and net assets                                     | 13,628,109          | 16,341,557          |

# Consolidated statements of income and consolidated statements of comprehensive income

## Consolidated statements of income

(Thousands of yen)

|                                              | Fiscal year ended<br>June 30, 2025 | Fiscal year ended<br>June 30, 2026 |
|----------------------------------------------|------------------------------------|------------------------------------|
| Net sales                                    | 26,938,147                         | 31,091,716                         |
| Cost of sales                                | 19,434,162                         | 21,960,408                         |
| Gross profit                                 | 7,503,985                          | 9,131,307                          |
| Selling, general and administrative expenses | 5,285,335                          | 6,164,622                          |
| Operating profit                             | 2,218,649                          | 2,966,685                          |
| Non-operating income                         |                                    |                                    |
| Interest income                              | 3,839                              | 12,317                             |
| Commission income                            | 52,979                             | 3,036                              |
| Subsidy income                               | 17,682                             | 30,014                             |
| Other                                        | 14,623                             | 20,879                             |
| Total non-operating income                   | 89,123                             | 66,248                             |
| Non-operating expenses                       |                                    |                                    |
| Interest expenses                            | 31,166                             | 49,927                             |
| Foreign exchange losses                      | 30,904                             | 9,704                              |
| Other                                        | 1,566                              | 7,679                              |
| Total non-operating expenses                 | 63,637                             | 67,310                             |
| Ordinary profit                              | 2,244,136                          | 2,965,623                          |
| Extraordinary losses                         |                                    |                                    |
| Impairment losses                            | -                                  | 32,688                             |
| Total extraordinary losses                   | -                                  | 32,688                             |
| Profit before income taxes                   | 2,244,136                          | 2,932,935                          |
| Income taxes - current                       | 964,525                            | 1,134,952                          |
| Income taxes - deferred                      | (178,027)                          | (74,621)                           |
| Total income taxes                           | 786,497                            | 1,060,331                          |
| Profit                                       | 1,457,638                          | 1,872,603                          |
| Profit attributable to owners of parent      | 1,457,638                          | 1,872,603                          |

Consolidated statements of comprehensive income

(Thousands of yen)

|                                                       | Fiscal year ended<br>June 30, 2025 | Fiscal year ended<br>June 30, 2026 |
|-------------------------------------------------------|------------------------------------|------------------------------------|
| Profit                                                | 1,457,638                          | 1,872,603                          |
| Other comprehensive income                            |                                    |                                    |
| Foreign currency translation adjustment               | (7,974)                            | 8,661                              |
| Total other comprehensive income                      | (7,974)                            | 8,661                              |
| Comprehensive income                                  | 1,449,664                          | 1,881,265                          |
| Comprehensive income attributable to                  |                                    |                                    |
| Comprehensive income attributable to owners of parent | 1,449,664                          | 1,881,265                          |

## Consolidated statements of changes in equity

Fiscal year ended June 30, 2025

(Thousands of yen)

|                                                                            | Shareholders' equity |                 |                   |                 |                            | Accumulated other comprehensive income  |                                              | Total net assets |
|----------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|-----------------------------------------|----------------------------------------------|------------------|
|                                                                            | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Foreign currency translation adjustment | Total accumulated other comprehensive income |                  |
| Balance at beginning of period                                             | 723,323              | 549,837         | 3,785,521         | (18,826)        | 5,039,857                  | 16,097                                  | 16,097                                       | 5,055,954        |
| Changes during period                                                      |                      |                 |                   |                 |                            |                                         |                                              |                  |
| Issuance of new shares - exercise of share acquisition rights              | 402                  | 397             |                   |                 | 800                        |                                         |                                              | 800              |
| Dividends of surplus                                                       |                      |                 | (483,433)         |                 | (483,433)                  |                                         |                                              | (483,433)        |
| Profit attributable to owners of parent                                    |                      |                 | 1,457,638         |                 | 1,457,638                  |                                         |                                              | 1,457,638        |
| Purchase of treasury shares                                                |                      |                 |                   | (268,204)       | (268,204)                  |                                         |                                              | (268,204)        |
| Regarding the Disposal of Treasury Shares as Restricted Stock Compensation |                      | 34,037          |                   | 223,191         | 257,229                    |                                         |                                              | 257,229          |
| Net changes in items other than shareholders' equity                       |                      |                 |                   |                 |                            | (7,974)                                 | (7,974)                                      | (7,974)          |
| Total changes during period                                                | 402                  | 34,434          | 974,204           | (45,013)        | 964,028                    | (7,974)                                 | (7,974)                                      | 956,054          |
| Balance at end of period                                                   | 723,726              | 584,272         | 4,759,726         | (63,839)        | 6,003,885                  | 8,122                                   | 8,122                                        | 6,012,008        |

## Consolidated statements of changes in equity

Fiscal year ended June 30, 2026

(Thousands of yen)

|                                                                            | Shareholders' equity |                 |                   |                 |                            | Accumulated other comprehensive income  |                                              | Total net assets |
|----------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|-----------------------------------------|----------------------------------------------|------------------|
|                                                                            | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Foreign currency translation adjustment | Total accumulated other comprehensive income |                  |
| Balance at beginning of period                                             | 723,726              | 584,272         | 4,759,726         | (63,839)        | 6,003,885                  | 8,122                                   | 8,122                                        | 6,012,008        |
| Changes during period                                                      |                      |                 |                   |                 |                            |                                         |                                              |                  |
| Issuance of new shares - exercise of share acquisition rights              |                      |                 |                   |                 |                            |                                         |                                              |                  |
| Dividends of surplus                                                       |                      |                 | (590,329)         |                 | (590,329)                  |                                         |                                              | (590,329)        |
| Profit attributable to owners of parent                                    |                      |                 | 1,872,603         |                 | 1,872,603                  |                                         |                                              | 1,872,603        |
| Purchase of treasury shares                                                |                      |                 |                   | (128,997)       | (128,997)                  |                                         |                                              | (128,997)        |
| Regarding the Disposal of Treasury Shares as Restricted Stock Compensation |                      | 3,364           |                   | 13,417          | 16,782                     |                                         |                                              | 16,782           |
| Net changes in items other than shareholders' equity                       |                      |                 |                   |                 |                            | 8,661                                   | 8,661                                        | 8,661            |
| Total changes during period                                                |                      | 3,364           | 1,282,273         | (115,579)       | 1,170,059                  | 8,661                                   | 8,661                                        | 1,178,720        |
| Balance at end of period                                                   | 723,726              | 587,637         | 6,042,000         | (179,419)       | 7,173,945                  | 16,784                                  | 16,784                                       | 7,190,729        |

## Consolidated statements of cash flows

(Thousands of yen)

|                                                                                             | Fiscal year ended<br>June 30, 2025 | Fiscal year ended<br>June 30, 2026 |
|---------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| Cash flows from operating activities                                                        |                                    |                                    |
| Profit before income taxes                                                                  | 2,244,136                          | 2,932,935                          |
| Depreciation                                                                                | 197,725                            | 208,145                            |
| Amortization of goodwill                                                                    | 62,859                             | 87,110                             |
| Share-based payment expenses                                                                | 46,402                             | 91,240                             |
| Increase (decrease) in allowance for doubtful accounts                                      | 12,051                             | 2,419                              |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | (190,623)                          | 16,946                             |
| Increase (decrease) in retirement benefit liability                                         | (11,642)                           | (1,662)                            |
| Increase (decrease) in provision for bonuses                                                | 1,656                              | (107)                              |
| Increase (decrease) in provision for loss on orders received                                | 693                                | (783)                              |
| Increase (decrease) in reserves for quality assurance                                       | (1,256)                            | (6,301)                            |
| Interest and dividend income                                                                | (3,863)                            | (12,329)                           |
| Interest expenses                                                                           | 31,166                             | 49,927                             |
| Impairment losses                                                                           | -                                  | 32,688                             |
| Decrease (increase) in trade receivables                                                    | (486,624)                          | (342,247)                          |
| Decrease (increase) in inventories                                                          | 14,664                             | (34,667)                           |
| Increase (decrease) in trade payables                                                       | 170,404                            | 152,524                            |
| Increase (decrease) in accrued expenses                                                     | 349,878                            | 147,999                            |
| Increase (decrease) in accounts payable - other                                             | 99,669                             | (105,217)                          |
| Increase (decrease) in accrued consumption taxes                                            | 292,496                            | 377,203                            |
| Other, net                                                                                  | 191,209                            | 16,863                             |
| Subtotal                                                                                    | 3,021,005                          | 3,612,687                          |
| Interest and dividends received                                                             | 3,663                              | 12,364                             |
| Interest paid                                                                               | (31,441)                           | (51,825)                           |
| Income taxes paid                                                                           | (622,566)                          | (1,278,635)                        |
| Income taxes refund                                                                         | 6,195                              | 67,767                             |
| Net cash provided by (used in) operating activities                                         | 2,376,857                          | 2,362,357                          |

(Thousands of yen)

|                                                                                  | Fiscal year ended<br>June 30, 2025 | Fiscal year ended<br>June 30, 2026 |
|----------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| Cash flows from investing activities                                             |                                    |                                    |
| Payments into time deposits                                                      | (125,300)                          | (454,819)                          |
| Proceeds from withdrawal of time deposits                                        | 165,906                            | 224,845                            |
| Purchase of insurance funds                                                      | (132,766)                          | (42,594)                           |
| Proceeds from cancellation of insurance funds                                    | -                                  | 7,699                              |
| Purchase of property, plant and equipment                                        | (270,058)                          | (128,431)                          |
| Purchase of intangible assets                                                    | (33,743)                           | (426,200)                          |
| Payments of leasehold and guarantee deposits                                     | (88,244)                           | (68,328)                           |
| Proceeds from refund of leasehold and guarantee deposits                         | 50,865                             | 8,360                              |
| Payments for acquisition of businesses                                           | (107,182)                          | -                                  |
| Proceeds from sale of investment securities                                      | 20,250                             | 25,199                             |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (272,278)                          | (361,569)                          |
| Payments for asset retirement obligations                                        | (100)                              | (1,279)                            |
| Other, net                                                                       | 49                                 | 56,079                             |
| Net cash provided by (used in) investing activities                              | (792,602)                          | (1,161,039)                        |
| Cash flows from financing activities                                             |                                    |                                    |
| Net increase (decrease) in short-term borrowings                                 | 20,000                             | 310,000                            |
| Proceeds from long-term borrowings                                               | 1,128,200                          | 566,948                            |
| Repayments of long-term borrowings                                               | (323,228)                          | (398,697)                          |
| Redemption of bonds                                                              | (30,000)                           | (10,000)                           |
| Repayments of lease liabilities                                                  | (48,452)                           | (48,728)                           |
| Proceeds from issuance of shares                                                 | 800                                | -                                  |
| Purchase of treasury shares                                                      | (268,204)                          | (128,997)                          |
| Dividends paid                                                                   | (483,948)                          | (589,781)                          |
| Net cash provided by (used in) financing activities                              | (4,834)                            | (299,256)                          |
| Effect of exchange rate change on cash and cash equivalents                      | 8,017                              | (17,941)                           |
| Net increase (decrease) in cash and cash equivalents                             | 1,587,437                          | 884,120                            |
| Cash and cash equivalents at beginning of period                                 | 3,532,108                          | 5,119,546                          |
| Cash and cash equivalents at end of period                                       | 5,119,546                          | 6,003,666                          |

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Group's reporting segments are those of the Company's constituent units for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group divides its segments into five reporting segments: Cloud Integration Business, System Integration Business, Outsourcing Business, Product Business, and Overseas Business, taking into account comprehensive consideration of its main services and solutions, as well as customers and markets.

The five reporting segments are as follows:

| Reportable segments         | Description of Business                                                                                                                                                                           |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cloud Integration Business  | Technical support for migration and use of cloud services (ServiceNow, Microsoft Azure, AWS, Google Cloud, etc.) and resale of licenses, etc.                                                     |
| System Integration Business | Technical support for the introduction and use of ERP packages, construction of infrastructure such as Oracle database, and IT system consulting, design, development, operation, and maintenance |
| Outsourcing Business        | Our Group's private cloud and other data center services, data analysis and input, and near-shore system operation and maintenance                                                                |
| Product Business            | Development and sale of products (software) by Our Group, and customization according to user companies' applications                                                                             |
| Overseas Business           | Overseas system integration, outsourcing of payroll and accounting services, recruitment services, and media management                                                                           |

2. Method of calculating the amount of Net sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit in the reporting segment is a figure based on operating profit.

Internal revenues and transfers between segments are based on prevailing market prices.

Segment assets and liabilities other than goodwill are not included because they are not allocated to business segments.

(Change in the Method of Measuring Profits or Losses for Reporting Segments)

Beginning with the current fiscal year, we have revised the allocation method for some selling, general and administrative expenses and changed the method of measuring profits or losses for reporting segments in order to better reflect the performance of each reporting segment.

Segment information for the previous fiscal year is disclosed based on the measurement method for the current fiscal year.

3. Information on the amount of Net sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (July 1, 2024 to June 30, 2025)

(Thousands of yen)

|                                      | Reportable segments              |                                   |                         |                     |                      |            | Adjustment amount<br>(Note) 1 | Amount recorded in consolidated financial<br>statements (Note)2 |
|--------------------------------------|----------------------------------|-----------------------------------|-------------------------|---------------------|----------------------|------------|-------------------------------|-----------------------------------------------------------------|
|                                      | Cloud<br>Integration<br>Business | System<br>Integration<br>Business | Outsourcing<br>Business | Product<br>Business | Overseas<br>Business | Total      |                               |                                                                 |
| Net sales                            |                                  |                                   |                         |                     |                      |            |                               |                                                                 |
| Net sales from external<br>customers | 9,717,655                        | 13,362,325                        | 2,392,868               | 923,024             | 542,273              | 26,938,147 | -                             | 26,938,147                                                      |
| Transactions with other<br>segments  | 1,902                            | 23,717                            | 62,469                  | 7,278               | 51,037               | 146,405    | (146,405)                     | -                                                               |
| Total                                | 9,719,558                        | 13,386,042                        | 2,455,337               | 930,302             | 593,311              | 27,084,552 | (146,405)                     | 26,938,147                                                      |
| Segment Profit                       | 1,303,253                        | 449,297                           | 394,353                 | 136,980             | (17,139)             | 2,266,746  | (48,096)                      | 2,218,649                                                       |

Note: 1. The amount adjusted for segment profit or loss is the amount of elimination of inter-segment transactions.

2. Segment profit or loss is adjusted to operating profit in the consolidated financial statements.

3. With the exception of goodwill (371,247 thousand yen) related to the system integration business and goodwill (51,317 thousand yen) related to overseas business, assets and liabilities are not shown because they are not allocated to business segments.

The current fiscal year (July 1, 2025 to June 30, 2026)

(Thousands of yen)

|                                      | Reportable segments              |                                   |                         |                     |                      |            | Adjustment amount<br>(Note) 1 | Amount recorded in consolidated financial<br>statements (Note)2 |
|--------------------------------------|----------------------------------|-----------------------------------|-------------------------|---------------------|----------------------|------------|-------------------------------|-----------------------------------------------------------------|
|                                      | Cloud<br>Integration<br>Business | System<br>Integration<br>Business | Outsourcing<br>Business | Product<br>Business | Overseas<br>Business | Total      |                               |                                                                 |
| Net sales                            |                                  |                                   |                         |                     |                      |            |                               |                                                                 |
| Net sales from external<br>customers | 11,733,382                       | 15,164,849                        | 2,445,440               | 1,191,115           | 556,928              | 31,091,716 | -                             | 31,091,716                                                      |
| Transactions with other<br>segments  | 3,804                            | 29,097                            | 64,404                  | 14,715              | 52,708               | 164,729    | (164,729)                     | -                                                               |
| Total                                | 11,737,186                       | 15,193,946                        | 2,509,844               | 1,205,830           | 609,637              | 31,256,445 | (164,729)                     | 31,091,716                                                      |
| Segment Profit                       | 1,591,814                        | 872,680                           | 359,469                 | 204,739             | (5,810)              | 3,022,893  | (56,208)                      | 2,966,685                                                       |

Note: 1. The amount adjusted for segment profit or loss is the amount of elimination of inter-segment transactions.

2. Segment profit or loss is adjusted to operating profit in the consolidated financial statements.

3. With the exception of goodwill (497,421 thousand yen) related to the system integration business and goodwill (52,315 thousand yen) related to overseas business, assets and liabilities are not shown because they are not allocated to business segments.

Related Information

The previous fiscal year (July 1, 2024 to June 30, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

(Thousands of yen)

| Japan   | North America | Total   |
|---------|---------------|---------|
| 523,396 | 61,164        | 584,560 |

Note: 1. The countries or regions belonging to North America are the United States and Canada.

2. Of North America, the United States is 61,164 thousand yen.

3. Information per main customer

Since sales to specific customers account for less than 10% of sales to external customers in the consolidated statements of income, information for each major customer is omitted.

The current fiscal year (July 1, 2025 to June 30, 2026)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

(Thousands of yen)

| Japan   | North America | Total   |
|---------|---------------|---------|
| 539,339 | 43,098        | 582,438 |

Note: 1. The countries or regions belonging to North America are the United States and Canada.

2. Of North America, the U.S. is 43,098 thousand yen.

3. Information per main customer

Since sales to specific customers account for less than 10% of sales to external customers in the consolidated statements of income, information for each major customer is omitted.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (July 1, 2024 to June 30, 2025)

Not applicable.

The current fiscal year (July 1, 2025 to June 30, 2026)

In the System Integration segment, we recorded an impairment loss on goodwill. The amount of the impairment loss recorded was 32,688 thousand yen in the current fiscal year.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (July 1, 2024 to June 30, 2025)

(Thousands of yen)

|                                               | Cloud<br>Integration<br>Business | System<br>Integration<br>Business | Outsourcing<br>Business | Product<br>Business | Overseas<br>Business | Total   | Reconciling<br>items | Per consolidated financial<br>statements |
|-----------------------------------------------|----------------------------------|-----------------------------------|-------------------------|---------------------|----------------------|---------|----------------------|------------------------------------------|
| Depreciation and amortization for the period  | -                                | 58,035                            | -                       | -                   | 4,824                | 62,859  | -                    | 62,859                                   |
| Balance at the end of the current fiscal year | -                                | 371,247                           | -                       | -                   | 51,317               | 422,564 | -                    | 422,564                                  |

The current fiscal year (July 1, 2025 to June 30, 2026)

(Thousands of yen)

|                                               | Cloud<br>Integration<br>Business | System<br>Integration<br>Business | Outsourcing<br>Business | Product<br>Business | Overseas<br>Business | Total   | Reconciling<br>items | Per consolidated financial<br>statements |
|-----------------------------------------------|----------------------------------|-----------------------------------|-------------------------|---------------------|----------------------|---------|----------------------|------------------------------------------|
| Depreciation and amortization for the period  | -                                | 82,134                            | -                       | -                   | 4,976                | 87,110  | -                    | 87,110                                   |
| Balance at the end of the current fiscal year | -                                | 497,421                           | -                       | -                   | 52,315               | 549,737 | -                    | 549,737                                  |

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (July 1, 2024 to June 30, 2025)

Not applicable.

The current fiscal year (July 1, 2025 to June 30, 2026)

Not applicable.