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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 2025 [IFRS] (Consolidated)

May 14, 2025

Broadleaf Co., Ltd
 Stock listing: Tokyo Stock Exchange Prime Market
 Representative: Representative Director, President and CEO Kenji Oyama
 Scheduled date of commencement of dividend payout
 Earnings Supplementary Explanatory Documents Yes
 Earnings Results Briefing: Yes (For institutional investors and analysts)

(Amounts of less than JPY one million are rounded)

1. Consolidated Financial Results for 1Q FY2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(% shown is YtoY change)

| | Revenue | | Operating profit | | Profit before tax | | Profit | | Profit attributable to owners of the parent | | Total comprehensive income | |
|-----------|-----------------|------|------------------|---|-------------------|---|-----------------|---|---|---|----------------------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 1Q FY2025 | 4,758 | 18.5 | 353 | - | 298 | - | 193 | - | 196 | - | 219 | 342.7 |
| 1Q FY2024 | 4,014 | 10.6 | -109 | - | -42 | - | -36 | - | -35 | - | 49 | - |

| | Basic earnings per share | Diluted earnings per share |
|-----------|--------------------------|----------------------------|
| | Yen | Yen |
| 1Q FY2025 | 2.19 | 2.13 |
| 1Q FY2024 | -0.39 | -0.39 |

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of the parent | Percentage of equity attributable to owners of the parent |
|-----------|-----------------|-----------------|---|---|
| | Millions of yen | Millions of yen | Millions of yen | % |
| 1Q FY2025 | 39,507 | 23,256 | 23,241 | 58.8 |
| FY2024 | 39,895 | 23,143 | 23,142 | 58.0 |

2. Dividends

| | Dividend per share | | | | |
|-------------------|--------------------|--------|--------|----------|-------|
| | 1Q End | 2Q End | 3Q End | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY2024 | - | 0.00 | - | 2.00 | 2.00 |
| FY2025 | - | - | - | - | - |
| FY2025 (forecast) | - | 2.50 | - | 2.50 | 5.00 |

(NOTE) 1. Revisions to the most recently announced dividend forecasts: None

3. Consolidated Earnings Forecasts for FY2025 (January 1, 2025 to December 31, 2025)

(% shown is YtoY change)

| | Revenue | | Operating profit | | Profit before tax | | Profit attributable to owners of the parent | | Basic earnings per share |
|-----------------|-----------------|------|------------------|-------|-------------------|-------|---|-------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| 2Q (cumulative) | 9,600 | 14.0 | 550 | - | 450 | - | 300 | - | 3.34 |
| Full-year | 20,100 | 11.4 | 1,500 | 122.5 | 1,500 | 175.3 | 1,000 | 191.3 | 11.13 |

(NOTE) Revisions to the most recently announced earnings forecasts: Yes

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* Notes

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

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(3) Number of shares outstanding (common stock)

| | | | | |
|--|-----------|-------------------|-----------|-------------------|
| (i) Number of shares outstanding (including treasury shares) | 1Q FY2025 | 97,896,800 Shares | FY2024 | 97,896,800 Shares |
| (ii) Number of shares of treasury shares | 1Q FY2025 | 8,068,755 Shares | FY2024 | 8,680,791 Shares |
| (iii) Average number of shares outstanding (during the period) | 1Q FY2025 | 89,454,023 Shares | 1Q FY2024 | 88,900,737 Shares |

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

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

(Notes on forward-looking statements)

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.

(Availability of earnings supplementary explanatory documents and information on earnings results briefings)

The Company plans to hold a live webcast presentation for institutional investors and analysts on Wednesday, May 14, 2025. The materials used at the meeting will be posted on its website.

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1. Overview of operating results, etc.

(1) Overview of operating results for the First Quarter of the current fiscal year

During the first three months of the current fiscal year (January 1, 2025 to March 31, 2025), the Japanese economy continued its moderate recovery, supported by improvements in employment and income conditions, as well as policy measures implemented by the government and the Bank of Japan. On the other hand, in addition to the decline in consumer sentiment caused by rising prices, trade policies in the U.S. and concerns over the outlook for the Chinese economy pose risks of downward pressure on the economy, and the future remains uncertain.

In the domestic information services sector in which our group operates, companies continue to actively invest in IT to support sustainability-oriented management. These initiatives include the migration to the cloud, the introduction of generative AI to strengthen engagement with end-users, and the creation of new services through the utilization of digital data.

In this environment, the Group is promoting the two growth strategies of "Cloud Penetration" and "Service Expansion" as outlined in the Medium-Term Management Plan (2022-2028) (hereinafter "the Plan") to support our customers in business innovation and transformation. Specifically, the Group is promoting the planned migration of customers using packaged software to the ".c Series" of cloud-based software, while also focusing on acquiring new customers. In addition to expanding our cloud software menu, the Group is also engaged in the research and development of new platform-based services that leverage the Group's proprietary digital data and AI technologies.

As a result of these initiatives, the number of customers using our cloud software has been steadily increasing. Accordingly, Cloud services for the first quarter of the current fiscal year increased by 41.4% year on year. Meanwhile, Packaged system decreased by 10.6% year on year, as customers transitioned to cloud software in line with our plan. However, Others increased by 45.5% year on year, driven by solid replacement demand for hardware such as PCs. The migration of customers to cloud software will change the composition ratio between cloud services sales and packaged system but will contribute to overall revenue growth. This growth driver is expected to continue until 2028, when the planned migration to cloud software is expected to be completed.

In terms of costs, the Group has invested in strengthening IT infrastructure and enhancing security measures in response to the growing number of cloud software customers. Meanwhile, it is also continuously working to optimize costs through initiatives such as sales activities utilizing generative AI and efficiency improvements in development and administrative operations.

As a result of the above, for the first quarter of the current consolidated fiscal year, revenue amounted to 4,758 million yen (up 18.5% year on year), operating profit was 353 million yen (compared to a loss of 109 million yen in the same period of the previous year), profit before tax was 298 million yen (compared to a loss of 42 million yen), and profit attributable to owners of the parent was 196 million yen (compared to a loss of 35 million yen), with all figures turning profitable compared to losses in the same period of the previous fiscal year.

The Group operates as a single segment in the IT Services Business. However, the breakdown of revenues by service category is as follows.

(Millions of yen)

| Classification | 1Q FY2024 (From January 1, 2024 To March 31, 2024) | 1Q FY2025 (From January 1, 2025 To March 31, 2025) | YoY ratio |
|-----------------|--|--|-----------|
| Cloud services | 1,760 | 2,490 | 41.4% |
| Packaged system | 1,801 | 1,610 | -10.6% |
| Others | 453 | 659 | 45.5% |
| Total | 4,014 | 4,758 | 18.5% |

Cloud services

Consists of usage fees for subscription-type software, including ".c Series" of cloud software, and fees for platforms for ordering automotive aftermarket parts.

Packaged system

This segment consists of sales proceeds (both lease sales and bulk sales) for packaged software for mobile phone shops, travel agencies, bus operators, machinery and tool trading companies, and manufacturers, as well as various service fees required for the use of packaged software.

Others

This segment comprises revenue from the sale of hardware such as PCs and supplies.

(2) Overview of Financial Position for the First Quarter of the current fiscal year

(i) Analysis of financial condition

(Assets)

Assets at the end of the first quarter of the current fiscal year decreased by 387 million yen from the end of the previous fiscal year to 39,507 million yen. Current assets decreased by 909 million yen to 7,302 million yen, while non-current assets increased by 522 million yen to 32,206 million yen. The decrease in current assets was mainly due to a 972 million yen decline in cash and cash equivalents. The increase in non-current assets was primarily attributable to a 602 million yen increase in intangible assets, despite decreases of 35 million yen in other financial assets and 25 million yen in property, plant and equipment.

(Liabilities)

Liabilities at the end of the first quarter of the current consolidated fiscal year decreased by 500 million yen from the end of the previous fiscal year to 16,251 million yen. Current liabilities decreased by 212 million yen to 13,468 million yen, while non-current liabilities decreased by 287 million yen to 2,783 million yen. The main factor behind the decrease in current liabilities was a decrease of 439 million yen in other current liabilities and a 387 million yen decrease in trade and other payables, despite an increase of 506 million yen in short-term interest-bearing debt and a 212 million yen increase in contract liabilities. The decrease in non-current liabilities was mainly attributable to a 282 million yen decline in long-term interest-bearing debt.

(Equity)

Equity at the end of the first quarter of the current consolidated fiscal year increased by 113 million yen from the end of the previous fiscal year to 23,256 million yen. The increase in equity was mainly due to a 161 million yen decrease in treasury stock and a 31 million yen increase in retained earnings, despite an 85 million yen decrease in other components of equity.

(ii) Analysis of cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the first quarter of the current consolidated fiscal year decreased by 972 million yen from the end of the previous fiscal year to 3,333 million yen.

The situation of each cash flow and its factors for the first quarter of the current fiscal year are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 337 million yen (a decrease of 58.2% year on year). This was mainly due to a decrease of 414 million yen in trade and other payables and a 280 million yen decrease in accrued employee bonuses, despite depreciation and amortization of 811 million yen and profit before income taxes of 298 million yen.

(Cash flow from investment activities)

Net cash used in investing activities was 1,171 million yen (an increase of 31.7% year on year), mainly due to payments of 1,170 million yen for the acquisition of intangible assets.

(Cash flow from financing activities)

Net cash used in financing activities was 158 million yen (compared to net cash provided of 1,391 million yen in the same period of the previous fiscal year). This was mainly due to repayments of 275 million yen in long-term borrowings, 203 million yen in lease liabilities, and 178 million yen in dividends paid, despite a net increase of 500 million yen in short-term borrowings.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information.

Consolidated earnings forecasts for the second quarter of the fiscal year ending December 31, 2025 (January 1 to June 30, 2025) have been revised upward, considering the progress of revenue and the status of cost consumption in the first quarter of the current fiscal year. Meanwhile, full-year consolidated earnings forecasts (January 1 to December 31, 2025) remain unchanged from the figures announced on February 7, 2025. For details, please refer to the “Notice of Revisions to Consolidated Earnings Forecasts for the first six months of fiscal year” released on May 14, 2025.

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2. Consolidated Financial Statements and Major Notes

(1) Consolidated statements of financial position

(Thousands of yen)

| | FY2024 (As of December 31, 2024) | 1Q FY2025 (As of March 31, 2025) |
|---|-------------------------------------|-------------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 4,305,936 | 3,333,467 |
| Operating and other receivables | 3,364,516 | 3,223,563 |
| Inventories | 185,926 | 228,550 |
| Other current assets | 354,393 | 516,125 |
| Total current assets | 8,210,771 | 7,301,705 |
| Non-current assets | | |
| Property, plant and equipment | 1,168,350 | 1,143,616 |
| Goodwill | 11,126,040 | 11,126,040 |
| Intangible assets | 16,526,210 | 17,128,264 |
| Investments accounted for using equity method | 95,076 | 83,537 |
| Other financial assets | 987,931 | 952,665 |
| Other non-current assets | 195,198 | 173,849 |
| Deferred tax assets | 1,584,934 | 1,597,613 |
| Total non-current assets | 31,683,739 | 32,205,584 |
| Total assets | 39,894,510 | 39,507,289 |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Operating and other payables | 2,796,551 | 2,409,389 |
| Contract liabilities | 6,286,757 | 6,498,886 |
| Short-term interest-bearing debts | 3,479,686 | 3,985,320 |
| Accrued income taxes | 220,779 | 116,525 |
| Other current liabilities | 896,834 | 458,221 |
| Total current liabilities | 13,680,607 | 13,468,341 |
| Non-current liabilities | | |
| Long-term interest-bearing debts | 2,655,163 | 2,373,174 |
| Obligations for retirement pay | 241,176 | 245,167 |
| Provisional sum | 137,255 | 137,283 |
| Other non-current liabilities | 36,916 | 27,426 |
| Total non-current liabilities | 3,070,510 | 2,783,051 |
| Total liabilities | 16,751,117 | 16,251,392 |
| Equity | | |
| Capital stock | 7,147,905 | 7,147,905 |
| Share premium | 7,558,945 | 7,551,027 |
| Treasury shares | -2,926,532 | -2,765,104 |
| Retained earnings | 10,407,827 | 10,438,556 |
| Other components of equity | 953,378 | 868,739 |
| Total equity attributable to owners of the parent | 23,141,522 | 23,241,123 |
| Non-controlling interests | 1,870 | 14,774 |
| Total equity | 23,143,393 | 23,255,897 |
| Total liabilities and equity | 39,894,510 | 39,507,289 |

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

(Thousands of yen)

| | FY2024 (From January 1, 2024 to March 31, 2024) | 1Q FY2025 (From January 1, 2025 to March 31, 2025) |
|---|---|--|
| Revenue | 4,013,868 | 4,758,360 |
| Cost of sales | -1,408,769 | -1,638,138 |
| Gross profit | 2,605,098 | 3,120,222 |
| Selling, general and administrative expenses | -2,725,002 | -2,758,466 |
| Other operating income | 11,985 | 12,184 |
| Other operating expenses | -1,568 | -21,179 |
| Operating profit (- shown loss) | -109,486 | 352,762 |
| Finance income | 52,428 | 7,564 |
| Finance costs | -32,245 | -51,058 |
| Share of profit (loss) of entities accounted for using equity method (- shown loss) | 47,427 | -11,539 |
| Quarterly profit (- shown loss) before income taxes | -41,876 | 297,727 |
| Income tax | 5,447 | -104,977 |
| Quarterly profit (- is loss) | -36,428 | 192,750 |
| Quarterly profit (- shown loss) attributable | | |
| Owners of the parent | -35,023 | 196,224 |
| Non-controlling interests | -1,405 | -3,474 |
| Quarterly profit (- shown loss) | -36,428 | 192,750 |
| Quarterly profit per share (- shown loss) | | |
| Basic quarterly profit per share (- shown loss) (yen) | -0.39 | 2.19 |
| Diluted quarterly profit per share (- shown loss) (yen) | -0.39 | 2.13 |

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(Condensed Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

| | 1Q FY2024 (From January 1, 2024 to March 31, 2024) | 1Q FY2025 (From January 1, 2025 to March 31, 2025) |
|--|--|--|
| Quarterly profit (-shown loss) | -36,428 | 192,750 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income | 87,556 | 7,952 |
| Total items that will not be reclassified to profit or loss | 87,556 | 7,952 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translating foreign operations | -1,746 | 17,891 |
| Total items that may be reclassified to profit or loss | -1,746 | 17,891 |
| Total other comprehensive income, net of tax | 85,810 | 25,844 |
| Comprehensive income | 49,381 | 218,594 |
| Comprehensive income attributable to | | |
| Owners of the parent | 50,786 | 222,068 |
| Non-controlling interests | -1,405 | -3,474 |
| Comprehensive income | 49,381 | 218,594 |

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(3) Consolidated statements of changes in equity
1Q FY2024 (From January 1, 2024 to March 31, 2024)

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | | |
|---|---|---------------|-----------------|-------------------|----------------------------|-------------------------------------|
| | Capital stock | Share premium | Treasury shares | Retained earnings | Other components of equity | |
| | | | | | Warrants | Shares with restriction on transfer |
| Balance as of January 1, 2024 | 7,147,905 | 7,449,297 | -3,045,268 | 10,057,477 | 876,989 | -14,000 |
| Quarterly loss (- shown loss) | - | - | - | -35,023 | - | - |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | -35,023 | - | - |
| Disposal of treasury shares | - | 65,269 | 61,542 | - | -126,474 | - |
| Dividends | - | - | - | -88,802 | - | - |
| Share-based payment transactions | - | - | - | 1,327 | 70,568 | 14,000 |
| Transfer from other components of equity to retained earnings | - | - | - | 90,560 | - | - |
| Total transactions with owners | - | 65,269 | 61,542 | 3,086 | -55,906 | 14,000 |
| Balance as of March 31, 2024 | 7,147,905 | 7,514,566 | -2,983,725 | 10,025,540 | 821,082 | - |

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | Non-controlling interests | Total equity |
|---|--|---|----------|------------|---------------------------|--------------|
| | Other components of equity | | | Total | | |
| | Exchange differences on translating foreign operations | Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income | Total | | | |
| Balance as of January 1, 2024 | -41,960 | 43,051 | 864,081 | 22,473,492 | 13,093 | 22,486,585 |
| Quarterly loss (- shown loss) | - | - | - | -35,023 | -1,405 | -36,428 |
| Other comprehensive income | -1,746 | 87,556 | 85,810 | 85,810 | - | 85,810 |
| Total comprehensive income | -1,746 | 87,556 | 85,810 | 50,786 | -1,405 | 49,381 |
| Disposal of treasury shares | - | - | -126,474 | 337 | - | 337 |
| Dividends | - | - | - | -88,802 | - | -88,802 |
| Share-based payment transactions | - | - | 84,568 | 85,895 | - | 85,895 |
| Transfer from other components of equity to retained earnings | - | -90,560 | -90,560 | - | - | - |
| Total transactions with owners | - | -90,560 | -132,467 | -2,570 | - | -2,570 |
| Balance as of March 31, 2024 | -43,706 | 40,047 | 817,424 | 22,521,709 | 11,688 | 22,533,397 |

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1QFY2025 (From January 1, 2025 to March 31, 2025)

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | | |
|--|---|---------------|-----------------|-------------------|----------------------------|-------------------------------------|
| | Capital stock | Share premium | Treasury shares | Retained earnings | Other components of equity | |
| | | | | | Warrants | Shares with restriction on transfer |
| Balance as of January 1, 2025 | 7,147,905 | 7,558,945 | -2,926,532 | 10,407,827 | 957,589 | -13,294 |
| Quarterly profit | - | - | - | 196,224 | - | - |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | 196,224 | - | - |
| Disposal of treasury shares | - | 8,459 | 161,428 | - | -186,227 | - |
| Dividends | - | - | - | -178,432 | - | - |
| Share-based payment transactions | - | - | - | 12,937 | 62,451 | 13,294 |
| Changes in ownership interests in subsidiaries | - | -16,377 | - | - | - | - |
| Total transactions with owners | - | -7,918 | 161,428 | -165,495 | -123,776 | 13,294 |
| Balance as of March 31, 2025 | 7,147,905 | 7,551,027 | -2,765,104 | 10,438,556 | 833,813 | - |

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | Non-controlling interests | Total equity |
|--|--|---|----------|------------|---------------------------|--------------|
| | Other components of equity | | | Total | | |
| | Exchange differences on translating foreign operations | Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income | Total | | | |
| Balance as of January 1, 2025 | -47,732 | 56,814 | 953,378 | 23,141,522 | 1,870 | 23,143,393 |
| Quarterly profit (- shown loss) | - | - | - | 196,224 | -3,474 | 192,750 |
| Other comprehensive income | 17,891 | 7,952 | 25,844 | 25,844 | - | 25,844 |
| Total comprehensive income | 17,891 | 7,952 | 25,844 | 222,068 | -3,474 | 218,594 |
| Disposal of treasury shares | - | - | -186,227 | -16,339 | - | -16,339 |
| Dividends | - | - | - | -178,432 | - | -178,432 |
| Share-based payment transactions | - | - | 75,744 | 88,681 | - | 88,681 |
| Changes in ownership interests in subsidiaries | - | - | - | -16,377 | 16,377 | - |
| Total transactions with owners | - | - | -110,482 | -122,467 | 16,377 | -106,090 |
| Balance as of March 31, 2025 | -29,841 | 64,767 | 868,739 | 23,241,123 | 14,774 | 23,255,897 |

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(4) Consolidated statements of cash flows

(Thousands of yen)

| | 1Q FY2024 (From January 1, 2024 to March 31, 2024) | 1Q FY2025 (From January 1, 2025 to March 31, 2025) |
|---|--|--|
| Cash flow from operating activities | | |
| Quarterly profit (- shown loss) before income taxes | -41,876 | 297,727 |
| Depreciation and amortization expense | 694,634 | 810,642 |
| Impairment loss | 39,128 | - |
| Share-based payment expense | 72,481 | 81,097 |
| Finance costs (- shown income) | -20,183 | 43,495 |
| Equity in loss (- shown earnings) of affiliates | -47,427 | 11,539 |
| Decrease (increase) in trade and other receivables (- shown increased) | -73,177 | 140,450 |
| Decrease (- shown increase) in inventories | -24,471 | -42,624 |
| Increase (decrease) in trade and other payables (- shown decreased) | -341,042 | -413,664 |
| Decrease (- shown increase) in prepaid expenses | -4,551 | -160,077 |
| Decrease (- shown increase) in long-term prepaid expenses | 17,799 | 20,233 |
| Increase (- shown decrease) in employees' bonuses payable | -236,869 | -280,077 |
| Increase (- shown decrease) in contract liabilities | 595,700 | 212,130 |
| Increase (- shown decrease) in consumption taxes payable | 66,501 | -133,405 |
| Others | 112,659 | -36,244 |
| Subtotal | 809,305 | 551,222 |
| Interest received | 6,013 | 1,762 |
| Interest expenses paid | -5,745 | -3,224 |
| Income taxes paid or refunded (- shown payment in) | -3,312 | -212,601 |
| Cash flow from operating activities | 806,262 | 337,160 |
| Cash flow from investing activities | | |
| Acquisition of property, plant and equipment | -3,103 | -2,664 |
| Proceeds from sales of property, plant and equipment | 1,639 | - |
| Acquisition of intangible assets | -1,112,862 | -1,170,077 |
| Acquisition of investments | -10,608 | - |
| Proceeds from sales and redemption of investments | 331,441 | - |
| Loan advances | - | -3,000 |
| Collection of loans receivable | 1,720 | 1,309 |
| Payments for lease and guarantee deposits | -2,692 | -394 |
| Proceeds from collection of lease and guarantee deposits | 4,496 | 183 |
| Payments from sales investments accounted using equity- method | -100,650 | - |
| Proceeds from distributions from investment partnerships | 1,640 | 3,800 |
| Cash flow from investing activities | -888,979 | -1,170,843 |

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(Thousands of yen)

| | 1Q FY2024 (From January 1, 2024 to March 31, 2024) | 1Q FY2025 (From January 1, 2025 to March 31, 2025) |
|---|--|--|
| Cash flow from financing activities | | |
| Net increase (- shown decrease) in short-term loans payable | -2,900,000 | 500,000 |
| Proceeds from long-term debt | 4,700,000 | - |
| Repayments of long-term debt | -25,002 | -275,004 |
| Repayments of lease obligations | -262,643 | -202,909 |
| Cash dividends paid | -88,802 | -178,432 |
| Expenses related to commitment lines | -32,860 | -2,000 |
| Cash flow from financing activities | 1,390,694 | -158,345 |
| Impact of exchange fluctuations for cash and cash equivalents | 1,689 | 19,560 |
| Net increase (- shown decrease) in cash and cash equivalents | 1,309,665 | -972,469 |
| Cash and cash equivalents at beginning of period | 3,920,033 | 4,305,936 |
| Balance of cash and cash equivalents at end of period | 5,229,698 | 3,333,467 |

The following information was originally prepared and published by the Company in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English translation is for your convenience only. If there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version.

(5) Notes regarding consolidated financial statements

(Segment information)

This information is omitted because the Group only has a single business segment of the IT services.

(Notes on the going concern)

Not applicable.