



Consolidated Financial Results for the Second Quarter (Interim) of the Fiscal Year Ending December 31, 2025 [IFRS] (Consolidated)

August 6, 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

September 11, 2025

Earnings Supplementary Explanatory Documents

Yes

Earnings Results Briefing:

Yes (For institutional investors and analysts)

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the 2Q (Interim) of the Fiscal Year Ending December 31, 2025 (January 1, 2025-June 30, 2025)

(1) Consolidated Operating Results (Cumulative) (Percentage below represents increase (decrease) from the same period of previous interim term)

	Revenue		Operating profit		Profit before tax		Interim profit		Interim 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	%
2Q FY2025	9,819	16.6	771	-	600	-	407	-	417	-	447	434.2
2Q FY2024	8,421	14.0	-44	-	16	-	-18	-	-14	-	84	-

	Basic interim earnings per share	Diluted earnings per share
	Yen	Yen
2Q FY2025	4.64	4.53
2Q FY2024	-0.15	-0.15

(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	%
2Q FY2025	40,564	23,577	23,539	58.0
FY2024	39,895	23,143	23,142	58.0

2. Dividends

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

(NOTE) Revisions to the latest announced dividend forecasts: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025-December 31, 2025)

(Percentage below represents increase (decrease) from the same period of previous year)

	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
FY2025	20,100	11.4	1,600	137.4	1,450	166.1	1,000	191.3	11.13

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

※ Notes

(1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries with changes in the scope of consolidation): None

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

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than the above 1: None
3. Changes in accounting estimates: None

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury shares)	2Q FY2025	97,896,800 Shares	FY 2024	97,896,800 Shares
2. Number of shares of treasury shares	2Q FY2025	7,804,741 Shares	FY 2024	8,680,791 Shares
3. Average number of shares outstanding (during the period)	2Q FY2025	89,731,269 Shares	2Q FY2024	89,024,147 Shares

* The financial results for the 2Q (interim term) are not subject to review by a certified public accountant or an auditing firm.

* 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 Broadleaf Co., Ltd. Group (hereinafter “the Group”) and certain assumptions which are regarded as legitimate. The Group 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 Group plans to hold an live webcast presentation for institutional investors and analysts on Wednesday, August 6, 2025. The materials used at the meeting will be posted on its website.

○Table of Contents of the Attached Material

1. Overview of operating results, etc.....	4
(1) Overview of Operating Results for the Interim Period.....	4
(2) Overview of Financial Position for the Interim Period.....	5
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information.....	5
2. Condensed Interim Consolidated Financial Statements and Major Notes.....	7
(1) Condensed Interim Consolidated Statements of Financial Position	7
(2) Condensed Interim Consolidated Statements of Income and Condensed Interim Consolidated Statements of Comprehensive Income...	8
(3) Condensed Interim Consolidated Statement of Changes in Equity	10
(4) Condensed Interim Consolidated Statements of Cash Flows.....	12
(5) Notes to the Condensed Interim Consolidated Financial Statements.....	14
(Notes on the going concern)	14
(Segment information)	14

1. Overview of operating results, etc

(1) Overview of operating results for the interim period

During the current interim consolidated accounting period (January 1, 2025 to June 30, 2025), the Japanese economy continued to recover moderately due to improvements in employment and income conditions and the effects of various policies. On the other hand, the U.S. trade policy and continued price increases pose risks of dampening consumer sentiment, and the outlook remains uncertain.

In the domestic information services industry to which our Group belongs, corporate IT investment remains active. This included the development of IT infrastructure to realize sustainability-oriented management, such as through cloud shift; the introduction of generative AI aimed at strengthening contact with end-users; and the creation of new services through the utilization of digital data.

In this environment, our Group is promoting two growth strategies set forth in the Medium-Term Management Plan (2022–2028): “Cloud Penetration” and “Service Expansion,” with the aim of supporting customers in realizing innovation and driving business transformation. Specifically, we are systematically transitioning existing customers using packaged software to our cloud-based “.c Series,” while also focusing on acquiring new customers. In addition to expanding our cloud software offerings, we are also advancing research and development of new platform-based services that leverage the Group’s proprietary digital data and AI technologies.

As a result of these efforts, the number of customers using cloud software increased, leading to a 45.0% increase in cloud services sales during the interim consolidated accounting period compared to the same period last year. Meanwhile, as the transition from package software to cloud software progressed steadily, package system sales decreased by 17.3% compared to the same period last year. Additionally, due to strong demand for PC replacements driven by the need to support new operating systems and enhance security, other sales increased by 32.9% compared to the same period last year. While the transition to cloud software by customers changes the composition ratio of cloud services sales and package system sales, it is contributing to overall sales growth. This factor for revenue growth is expected to continue until the planned transition to cloud software is completed in 2028.

On the cost side, depreciation expenses increased due to the expansion of target industries and the addition of new functions for our cloud software. In addition, IT infrastructure enhancement costs rose as we worked to further improve service quality. Meanwhile, we continued to utilize generative AI to improve the efficiency of sales, development, and administrative operations, and actively promoted cost optimization. Furthermore, during the interim consolidated accounting period, we recorded an impairment loss on shares of an equity-method affiliate.

As a result, the operating results for the interim consolidated accounting period were: revenue of 9,819 million yen (a 16.6% increase compared to the same period last year), operating profit of 771 million yen (a loss of 44 million yen in the same period last year), interim profit before tax of 600 million yen (profit of 16 million yen in the same period last year), and interim profit attributable to owners of the parent of 417 million yen (a loss of 14 million yen in the same period last year).

The Group has a single business segment of IT services. A breakdown of revenue by service categories is shown below.

(Millions of yen)

Categories	Previous interim consolidated accounting period (From January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (From January 1, 2025 to June 30, 2025)	YoY ratio
Cloud services	3,679	5,336	45.0%
Packaged system	3,627	3,002	-17.3%
Others	1,114	1,481	32.9%
Total	8,421	9,819	16.6%

Cloud services

This category consists of usage fees for subscription-type software, including “.c Series” of cloud software, and fees for platforms for ordering automotive parts.

Packaged system

This category 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 category comprises revenue from the sales of hardware such as PCs and supplies.

(2) Overview of Financial Position for the Interim Period

(i) Analysis of financial condition

(Assets)

Assets at the end of the current interim consolidated accounting period increased by 670 million yen from the end of the previous consolidated fiscal year to 40,564 million yen. Current assets decreased by 259 million yen to 7,952 million yen, and non-current assets increased by 929 million yen to 32,612 million yen. The main reason for the decrease in current assets was a decrease in cash and cash equivalents by 684 million yen, despite an increase in operating and other receivables by 203 million yen and other current assets by 143 million yen. The main reason for the increase in non-current assets was an increase in intangible assets by 1,126 million yen, despite a decrease in investments accounted for using the equity method by 95 million yen.

(Liabilities)

Liabilities at the end of the current interim consolidated accounting period increased by 237 million yen from the end of the previous consolidated fiscal year to 16,988 million yen. Current liabilities increased by 1,117 million yen to 14,798 million yen, and non-current liabilities decreased by 881 million yen to 2,190 million yen. The main reason for the increase in current liabilities was an increase in short-term interest-bearing debts by 902 million yen and contract liabilities by 498 million yen, despite a decrease in other current liabilities by 185 million yen. The main reason for the decrease in non-current liabilities was a decrease in long-term interest-bearing debts by 884 million yen.

(Equity)

Equity at the end of the current interim consolidated accounting period increased by 433 million yen from the end of the previous consolidated fiscal year to 23,577 million yen. The main reasons for the increase in equity were a decrease in other components of equity by 172 million yen, an increase in retained earnings by 274 million yen, a decrease in treasury shares by 239 million yen, and an increase in capital surplus by 56 million yen.

(ii) Analysis of cash flows

Cash and cash equivalents (hereinafter referred to as 'cash') at the end of the current interim consolidated accounting period decreased by 684 million yen from the end of the previous consolidated fiscal year to 3,622 million yen.

The status and factors of each cash flow during the current interim consolidated accounting period are as follows.

(Cash flow from operating activities)

Cash from operating activities was 2,126 million yen (up 1.8% year-on-year). The main reasons were income taxes paid of 217 million yen and an increase in operating and other receivables of 191 million yen, despite depreciation and amortization expenses of 1,610 million yen, recording of pre-tax interim profit of 600 million yen, and an increase in contract liabilities of 498 million yen.

(Cash flow from investment activities)

Cash from operating activities was 2,273 million yen (up 11.5% year-on-year). The main reason was expenditures of 2,268 million yen for the acquisition of intangible assets.

(Cash flow from financing activities)

Cash used in financing activities was 556 million yen (compared to an inflow of 63 million yen in the same period of the previous year). The main reason was a net increase in short-term borrowings of 990 million yen, despite expenditures of 1,438 million yen for the repayment of long-term borrowings.

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

While demand for hardware replacements, such as PCs, is exceeding expectations, demand for IT personnel is also increasing as we advance functional enhancements and performance upgrades of our cloud software, particularly for medium-sized and large customers. As a result, securing external engineers with the necessary skills has become a challenge. Given that these revenue drivers and operational constraints are expected to coexist for the time being, we have maintained our sales revenue forecast for the current consolidated fiscal year (January 1, 2025 – December 31, 2025), as announced in the “Summary of Financial Results for the Fiscal Year Ended December 31, 2024” released on February 7, 2025.

On the cost side, while costs related to procurement and purchasing are generally rising due to price increases, we are actively

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promoting the efficiency of sales activities and development and management operations using generative AI, and working on cost optimization.

As a result, the operating income forecast for the current consolidated fiscal year has been revised upward by 100 million yen from the forecast value stated in the “Summary of Financial Results for the Fiscal Year Ended December 31, 2024” released on February 7, 2025, to 1,600 million yen. In addition, considering financial income, pre-tax profit has been revised downward by 50 million yen to 1,450 million yen. There is no change in the forecast value of 1,000 million yen for the profit attributable to owners of the parent.

There is no change in the year-end dividend forecast from the “Notice of Revision (Increase) of Dividend Forecast for the Fiscal Year Ending December 2025” released on March 14, 2025, and it is set at 2.50 yen per share.

2. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Thousands of yen)

	End of previous consolidated fiscal year (As of December 31, 2024)	End of interim consolidated accounting period (As of June 30, 2025)
Assets		
Current assets		
Cash and cash equivalents	4,305,936	3,621,750
Trade and other receivables	3,364,516	3,567,030
Inventories	185,926	266,105
Other current assets	354,393	497,205
Total current assets	8,210,771	7,952,089
Non-current assets		
Property, plant and equipment	1,168,350	1,134,155
Goodwill	11,126,040	11,126,040
Intangible assets	16,526,210	17,652,020
Investments accounted for using equity method	95,076	0
Other financial assets	987,931	943,146
Other non-current assets	195,198	149,516
Deferred tax assets	1,584,934	1,607,396
Total non-current assets	31,683,739	32,612,273
Total assets	39,894,510	40,564,362
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,796,551	2,697,896
Contract liabilities	6,286,757	6,784,419
Short-term interest-bearing debts	3,479,686	4,381,268
Income taxes payable	220,779	222,933
Other current liabilities	896,834	711,512
Total current liabilities	13,680,607	14,798,029
Non-current liabilities		
Long-term interest-bearing debts	2,655,163	1,771,074
Retirement benefit obligations	241,176	250,090
Provisions	137,255	137,306
Other non-current liabilities	36,916	31,120
Total non-current liabilities	3,070,510	2,189,590
Total liabilities	16,751,117	16,987,619
Equity		
Capital stock	7,147,905	7,147,905
Share premium	7,558,945	7,615,311
Treasury shares	-2,926,532	-2,687,788
Retained earnings	10,407,827	10,682,221
Other components of equity	953,378	781,828
Total equity attributable to owners of the parent	23,141,522	23,539,477
Non-controlling interests	1,870	37,266
Total equity	23,143,393	23,576,743
Total liabilities and equity	39,894,510	40,564,362

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

	(Thousands of yen)	
	Previous interim consolidated accounting period (From January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (From January 1, 2025 to June 30, 2025)
Revenue	8,421,010	9,819,314
Cost of sales	-2,961,018	-3,448,352
Gross profit	5,459,992	6,370,962
Selling, general and administrative expenses	-5,550,286	-5,595,853
Other operating income	51,057	17,761
Other operating expenses	-4,377	-21,537
Operating profit (- indicates loss)	-43,615	771,333
Finance income	64,089	10,836
Finance costs	-48,298	-87,264
Share of profit (loss) of entities accounted for using equity method (- indicates loss)	44,202	-95,076
Interim profit before tax (- indicates loss)	16,378	599,829
Income tax	-34,606	-192,506
Interim profit (-indicates loss)	-18,228	407,323
Interim profit (-indicates loss) attributable to		
Owners of the parent	-13,585	416,636
Non-controlling interests	-4,643	-9,313
Interim profit (- indicates loss)	-18,228	407,323
Interim profit per share (- indicates loss)		
Basic interim profit per share (- indicates loss) (yen)	-0.15	4.64
Diluted interim profit per share (- indicates loss) (yen)	-0.15	4.53

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(Condensed Interim Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Previous interim consolidated accounting period (From January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (From January 1, 2025 to June 30, 2025)
Interim profit (-indicates loss)	-18,228	407,323
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	107,301	22,354
Total items that will not be reclassified to profit or loss	107,301	22,354
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-5,359	17,516
Total items that may be reclassified to profit or loss	-5,359	17,516
Total other comprehensive income, net of tax	101,942	39,871
Interim comprehensive income	83,714	447,193
Interim comprehensive income attributable to		
Owners of the parent	88,357	456,507
Non-controlling interests	-4,643	-9,313
Interim comprehensive income	83,714	447,193

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(3) Condensed Interim Consolidated Statement of Changes in Equity

Previous interim consolidated accounting period (From January 1, 2024 to June 30, 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 Stock
Balance as of January 1, 2024	7,147,905	7,449,297	-3,045,268	10,057,477	876,989	-14,000
Interim loss (-indicates loss)	-	-	-	-13,585	-	-
Other comprehensive income	-	-	-	-	-	-
Total interim comprehensive income	-	-	-	-13,585	-	-
Disposal of treasury shares	-	106,890	118,129	-	-173,420	-55,996
Dividends	-	-	-	-88,802	-	-
Share-based payment transactions	-	-	-	1,327	143,049	27,999
Transfer from other components of equity to retained earnings	-	-	-	90,560	-	-
Total transactions with owners	-	106,890	118,129	3,086	-30,370	-27,997
Balance as of June 30, 2024	7,147,905	7,556,187	-2,927,139	10,046,978	846,619	-41,997

(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
Interim loss (- indicates loss)	-	-	-	-13,585	-4,643	-18,228
Other comprehensive income	-5,359	107,301	101,942	101,942	-	101,942
Total interim comprehensive income	-5,359	107,301	101,942	88,357	-4,643	83,714
Disposal of treasury shares	-	-	-229,416	-4,398	-	-4,398
Dividends	-	-	-	-88,802	-	-88,802
Share-based payment transactions	-	-	171,048	172,376	-	172,376
Transfer from other components of equity to retained earnings	-	-90,560	-90,560	-	-	-
Total transactions with owners	-	-90,560	-148,928	79,176	-	79,176
Balance as of June 30, 2024	-47,318	59,792	817,095	22,641,026	8,449	22,649,475

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Current interim consolidated accounting period (From January 1, 2025 to June 30, 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 Stock
Balance as of January 1, 2025	7,147,905	7,558,945	-2,926,532	10,407,827	957,589	-13,294
Interim loss (- indicates loss)	-	-	-	416,636	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	416,636	-	-
Acquisition of treasury shares	-	-	-28	-	-	-
Disposal of treasury shares	-	101,075	238,773	-	-289,482	-56,000
Dividends	-	-	-	-178,432	-	-
Share-based payment transactions	-	-	-	33,718	109,239	27,293
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-44,709	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	2,471	-	-
Total transactions with owners	-	56,366	238,745	-142,242	-180,243	-28,706
Balance as of June 30, 2025	7,147,905	7,615,311	-2,687,788	10,682,221	777,346	-42,000

(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
Interim loss (- indicates loss)	-	-	-	416,636	-9,313	407,323
Other comprehensive income	17,516	22,354	39,871	39,871	-	39,871
Total comprehensive income	17,516	22,354	39,871	456,507	-9,313	447,193
Acquisition of treasury shares	-	-	-	-28	-	-28
Disposal of treasury shares	-	-	-345,482	-5,635	-	-5,635
Dividends	-	-	-	-178,432	-	-178,432
Share-based payment transactions	-	-	136,533	170,251	-	170,251
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-44,709	44,709	-
Transfer from other components of equity to retained earnings	-	-2,471	-2,471	-	-	-
Total transactions with owners	-	-2,471	-211,421	-58,553	44,709	-13,844
Balance as of June 30, 2025	-30,216	76,697	781,828	23,539,477	37,266	23,576,743

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(4) Condensed Interim Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous interim consolidated accounting period (From January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (From January 1, 2025 to June 30, 2025)
Cash flow from operating activities		
Interim profit before tax (- indicates loss)	16,378	599,829
Depreciation and amortization expense	1,404,679	1,609,745
Impairment loss	39,128	-
Share-based payment expense	144,963	157,839
Finance income and finance costs (- indicates income)	-15,791	76,428
Share of loss (profit) of entities accounted for using equity method (- indicates profit)	-44,202	95,076
Decrease (- indicates increase) in trade and other receivables	-436,969	-190,925
Decrease (- indicates increase) in inventories	-47,184	-97,931
Increase (- indicates decrease) in trade and other payables	-11,078	-119,531
Decrease (- indicates increase) in prepaid expenses	-152,081	-129,855
Decrease (- indicates increase) in long-term prepaid expenses	-112,407	43,154
Increase (- indicates decrease) in employees' bonuses payable	42,206	-4,441
Increase (- indicates decrease) in contract liabilities	1,147,351	497,662
Increase (- indicates decrease) in accrued consumption taxes	113,193	-146,494
Others	15,261	-25,995
Subtotal	2,103,447	2,364,561
Interest received	6,048	1,446
Dividend received	2,614	3,098
Interest paid	-19,969	-26,167
Income taxes paid or refunded (- indicates payment)	-3,312	-217,122
Cash flow from operating activities	2,088,828	2,125,816
Cash flow from investing activities		
Purchase of property, plant and equipment	-3,103	-7,258
Proceeds from sales of property, plant and equipment	1,639	-
Payments for purchase of intangible assets	-2,270,217	-2,267,891
Payments for acquisition of investments	-10,608	-
Proceeds from sales and redemption of investments	331,441	-
Loan advances	-230	-3,000
Collection of loans receivable	2,766	2,291
Payments of leasehold and guarantee deposits	-2,814	-3,264
Proceeds from refund of leasehold and guarantee deposits	6,629	460
Payments for acquisition of investments accounted for using the equity method	-100,650	-
Proceeds from distributions from investment partnerships	7,200	5,440
Cash flow from investing activities	-2,037,947	-2,273,223

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	(Thousands of yen)	
	Previous interim consolidated accounting period (From January 1, 2024 to June 30, 2024)	Current interim consolidated accounting period (From January 1, 2025 to June 30, 2025)
Cash flow from financing activities		
Net increase (- indicates decrease) in short-term borrowings	-2,900,000	990,000
Proceeds from long-term borrowings	4,700,000	496,500
Repayments of long-term borrowings	-1,188,406	-1,438,408
Repayments of lease liabilities	-423,368	-422,079
Dividends paid	-88,802	-178,432
Purchase of treasury shares	-	-28
Expenses related to commitment lines	-36,779	-3,645
Cash flow from financing activities	62,645	-556,092
Effect of exchange rate changes on cash and cash equivalents	2,776	19,313
Net increase (- indicates decrease) in cash and cash equivalents	116,303	-684,186
Cash and cash equivalents at beginning of period	3,920,033	4,305,936
Cash and cash equivalents at end of interim period	4,036,336	3,621,750

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 to Condensed Interim Consolidated Financial Statements

(Notes on the going concern)

Not applicable.

(Segment information)

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