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Summary of Consolidated Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending January 31, 2026 [Japanese GAAP]

September 11, 2025

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Scheduled date of Filing of Interim Report: September 12, 2025
 Scheduled date of dividend payments: September 30, 2025
 Supplementary materials prepared for quarterly financial results: Yes
 Briefing held on quarterly financial results: Yes (for institutional investors and analysts)

(Rounded down to the nearest million yen)

1. Consolidated financial results for the first half of the fiscal year ending January 31, 2026 (February 1, 2025 through July 31, 2025)

(1) Consolidated operating results (Cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1H of FY ending Jan. 2026	30,843	11.9	3,451	6.2	3,516	7.6	2,384	7.7
1H of FY ended Jan. 2025	27,570	4.3	3,250	(7.8)	3,268	(7.9)	2,213	(9.7)

(Note) Comprehensive income: 1H of FY ending January 2026 2,411 million yen (7.7)%
 1H of FY ended January 2025 2,612 million yen (2.7)%

	Net income per share	Diluted net income per share
	Yen	Yen
1H of FY ending Jan. 2026	75.50	75.43
1H of FY ended Jan. 2025	65.99	65.92

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1H of FY ending Jan. 2026	53,346	39,866	74.7
FY ended Jan. 2025	52,636	40,401	76.7

(Reference) Total shareholders' equity: 1H of FY ending January 2026 39,844 million yen
 FY ended January 2025 40,365 million yen

2. Dividends

	Annual dividends				
	Q1 end	Q2 end	Q3 end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended Jan. 2025	—	25.00	—	30.00	55.00
FY ending Jan. 2026	—	30.00			
FY ending Jan. 2026 (Forecast)			—	35.00	65.00

(Note) Revision to most recently announced dividend forecast: No

3. Forecasts of consolidated financial results for the fiscal year ending January 31, 2026
(February 1, 2025 through January 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	62,000	10.3	6,900	3.0	6,960	2.2	5,000	23.8	160.20

(Note) Revision to most recently announced financial results forecast: Yes

*Notes

- (1) Significant changes in scope of consolidation: None
- (2) Application of accounting policies specific to the preparation of interim consolidated financial statements: None
- (3) Changes in accounting policies or estimates, restatements:
- (i) Changes in accounting policies accompanying revisions of accounting standards, etc.: Yes
 - (ii) Changes other than those under (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

Note: For more information, see the Summary of Consolidated Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending January 31, 2026: Accompanying Materials: p. 11, 2. Interim Consolidated Financial Statements and Major Notes: (4) Notes on the Interim Consolidated Financial Statements: (Changes in Accounting Policies).

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding (including treasury stock)	1H of FY ending Jan. 2026	36,059,600 shares	FY ended Jan. 2025	36,059,600 shares
(ii) Ended number of shares of treasury stock	1H of FY ending Jan. 2026	4,849,136 shares	FY ended Jan. 2025	3,983,910 shares
(iii) Average number of shares during period (first half)	1H of FY ending Jan. 2026	31,590,122 shares	1H of FY ended Jan. 2025	33,548,799 shares

* The accompanying Interim Consolidated Financial Statements are not subject to review by a certified public accountant or audit firm.

* Notes on forward-looking statements and other notes

(Forward-looking statements)

Forward-looking statements, including the forecasts of financial results contained herein, are based on information currently available to the Company and certain assumptions the Company deems reasonable. Actual results and performance may differ significantly from forecasts for various reasons. Please see page 4 (Notes on Forecasts of Consolidated Financial Results and Other Forward-Looking Information) of the accompanying materials for the conditions on which assumptions underlying the forecasts are based, important points concerning the use of forecasts, and other related information.

(How to obtain supplementary briefing materials)

The Company will publish supplementary briefing materials on the Company website (<https://www.cec-ltd.co.jp/en/>) concurrently with this Summary of Consolidated Financial Results. Additionally, the Company will release on-demand video of today's planned financial results briefing for analysts and institutional investors on Tuesday, September 16, 2025.

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1. Overview of Business Results, etc.

(1) Overview of Business Results in the Interim Period

During the interim consolidated period (February 1, 2025 through July 31, 2025), Japan's economy followed a path of gentle recovery, with employment and income conditions improving due in part to ongoing government economic stimulus policies. Nevertheless, the future outlook remains uncertain for various reasons, including the impact of continuing inflation, driven by rising energy and raw materials costs, and fluctuating capital and financial markets, in addition to the downside risks to the Japanese economy of US trade policies, geopolitical risks posed by conflicts in the Ukraine and the Middle East, and the slowing Chinese economy.

In the information services industry, appetite remains high for investments related to digital transformation (DX) intended to improve corporate productivity and competitive strength. Demand for digitalization continued to grow, including system upgrades and migration to the cloud accompanying business structural reforms. In particular, the use of AI for improving business efficiency and workstyle reforms are proliferating, while demand for cybersecurity solutions remains high amid growing awareness of information security issues and the need to respond to increasingly sophisticated cyberattacks.

Under these circumstances, the Company promoted business activities reflecting both business and corporate strategies based on Medium-term Management Plan 2025-2027, launched this consolidated fiscal year, striving to achieve sustained growth in corporate value by pursuing solutions to social and industrial challenges. Additionally, at the Board of Directors meeting held on March 13, 2025, a resolution was passed regarding the purchase and cancellation of treasury shares by the end of the fiscal year as part of improving capital efficiency and capital policy, and the acquisition of treasury shares was conducted with an upper limit of 2,000 million yen by June 12, 2025.

Business results for the interim consolidated period showed net sales up 3,273 million yen (11.9%) from the same period of the previous year to 30,843 million yen, backed by strong ICT investment by customers. Despite higher SG&A expenses, growth in sales led to gains of 200 million yen (6.2%) in operating income to 3,451 million yen; 247 million yen (7.6%) in ordinary income to 3,516 million yen; and 170 million yen (7.7%) in interim net income attributable to owners of the parent to 2,384 million yen.

Business results for the individual segments are reviewed below.

Starting with the interim consolidated cumulative period, the Company reorganized its business segments in pursuit of sustained growth by responding to the changing marketplace and technological innovations. The segment categories have been revised from the two segments of the Digital Industry Business and the Service Integration Business to three segments: the Integration Segment, Connected Segment, and Solution Segment. Results for the same period of the previous fiscal year have been restated to reflect these new segments.

Segment	Business overview
Integration Segment	Providing comprehensive one-stop ICT services centered on traditional system development, ranging from information systems planning through infrastructure design, development, and operations
Connected Segment	Systems development in areas like mobility and smart factories and providing services based on the use and analysis of digital data
Solution Segment	Leveraging our security technologies and data centers to provide proprietary products and services to customers across diverse fields

(Integration Segment)

Performance in the focus business area of Migration Services remained flat from the previous year, as growing project scales led to lengthier business negotiations, despite increasing inquiries concerning cloud migration and legacy migration backed by efforts to promote DX. Microsoft Services grew, primarily on the strength of Power Platform projects, for which low-code development demand remains stable. In the Systems and Infrastructure Development Business, System development business experienced positive performance in backbone system development for the automotive industry, and Infrastructure Development business secured large-scale projects for government agencies, including network equipment. As a result, segment net sales increased by 2,026 million yen (11.5%) from the same period of the previous year to 19,675 million yen. Operating income was up 444 million yen (11.9%) over the same period to 4,167 million yen, driven by growth in the Systems and Infrastructure Development Business.

(Connected Segment)

In the focus business area of Data Monetization, Big Data analysis infrastructure development performed well. While development projects utilizing AI increased, Cloud Service Development business remained flat, while the Controls Simulation business grew, centered on IoT systems and embedded software development for the automotive industry. Although in-vehicle verification services grew, Quality Management business saw only a slight increase. As a result, segment net sales increased by 323 million yen (5.7%) over the same period of the previous year to 5,945 million yen, while operating income rose 225 million yen (23.9%) to 1,167 million yen, driven by growth in focus business areas and the increased profitability of businesses targeting the automotive industry.

(Solution Segment)

The Security Services within the focus business saw growth in both in-house products and security surveillance services. The Data Center business remained on par with the previous term despite the impact of some customers terminating contracts due to relocation, while Industry-specific Solutions saw growth in logistics and healthcare. As a result, segment net sales increased by 923 million yen (21.5%) from the same period of the previous year to 5,223 million yen. Operating income rose 45 million yen (5.3%) over the same period to 901 million yen due to sales growth.

(2) Overview of Financial Position in the Interim Period

(Total assets)

Total assets grew by 710 million yen from the end of the previous consolidated fiscal year to 53,346 million yen, due mainly to increases of 541 million yen in goodwill and 500 million yen in cash and deposits.

(Liabilities)

Total liabilities amounted to 13,479 million yen, up 1,245 million yen from the end of the previous consolidated fiscal year, due mainly to an increase of 1,462 million yen in accounts payable - trade and a decrease of 294 million yen in income taxes payable.

(Net assets)

Net assets fell by 535 million yen from the end of the previous consolidated fiscal year to 39,866 million yen. This was attributable mainly to an increase of 1,418 million yen in retained earnings offset by an increase of 1,966 million yen in treasury shares.

(Overview of Cash Flows)

Cash and cash equivalents ("funds" hereinafter) as of the end of the interim consolidated period stood at 25,972 million yen, up 500 million yen from the end of the previous fiscal year.

(i) Cash flow from operating activities

Funds increased by 4,843 million yen as a result of operating activities (for an increase of 1,338 million yen in proceeds from the same period of the previous year). This was due mainly to income before income taxes of 3,516 million yen and an increase of 1,462 million yen in notes and accounts payable - trade.

(ii) Cash flow from investing activities

Funds declined by 1,369 million yen due to investment activities (for an increase of 427 million yen in expenditures from the same period of the previous year). This was due mainly to expenditures of 705 million yen on purchase of shares of subsidiaries resulting in change in scope of consolidation and of 544 million yen on the purchase of non-current assets.

(iii) Cash flow from financial activities

Funds declined by 2,969 million yen due to financial activities (for a decrease of 51 million yen in spending from the previous period). This was due mainly to expenditure of 1,999 million yen on the acquisition of treasury shares and payment of 964 million yen in dividends.

(3) R&D Activities

During the interim consolidated cumulative period, the reporting company played a central role in promoting R&D activities intended to create distinctive products and services capable of meeting changing client needs.

Specifically, we promoted activities like those following on from the themes of making our proprietary products more competitive through new product development and other efforts and strengthening the technological capabilities for providing valuable ICT services to clients.

R&D expenses during the interim consolidated period were up 12.5% from the same period of the previous fiscal year to 185 million yen. Reviewed below are the major R&D activities undertaken during the period:

(Integration Segment)

We pursued the following R&D activities in this segment, which draws on information systems planning, consulting, and applications development to provide comprehensive ICT solutions for customer businesses:

- Development to add functionality to Convergent®
- Development to expand Re@nove® functionality

As a result, R&D expenses during the interim consolidated period were down 85.7% from the same period of the previous fiscal year to 9 million yen.

(Connected Segment)

We pursued the following R&D activities in this segment, which provides products and services that support cloud-linked IoT systems development and analysis and utilization of data:

- Survey research to develop data analysis infrastructure
- Development to add functionality to Facteye®

As a result, R&D expenses during the interim consolidated period were down 46.0% from the same period of the previous fiscal year to 15 million yen.

(Solution Segment)

Drawing on advanced security technologies and robust data center services, we undertook the following R&D to provide solutions in a wide range of fields, including the public sector, education, logistics, medicine, and healthcare:

- Development of additional features and verification of their practicality in SmartSESAME® cloud-related services
- Development and verification of practicality regarding data utilization services using generative AI
- Development of additional features for LogiPull®
- Survey research on new services

As a result, R&D expenses during the interim consolidated cumulative period were up 76.1% from the same period of the previous fiscal year to 120 million yen.

(Companywide)

We undertook the following R&D for cloud infrastructure for use across all segments:

- Development and implementation of a shared BizAxis® cloud integration platform

As a result, R&D expenses during the interim consolidated cumulative period were 39 million yen (changed - % from the same period of the previous fiscal year).

(4) Notes on Forecasts of Consolidated Financial Results and Other Forward-Looking Information

See “Notice Concerning Differences Between FY2026/1 2Q (First Half) Consolidated Financial Results Forecasts and Actual Results and Revisions to Full-year Financial Results Forecasts (Upward Revisions),” released today, regarding forecasts of consolidated financial results for the fiscal year ending January 31, 2026.

* Forecasts of business results reflect judgments based on information currently available. They do not guarantee that the Company will achieve the forecast results. Actual results may vary from forecast figures due to changing business conditions and other factors.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheet

(Unit: Million yen)

	Previous Consolidated Fiscal Year (January 31, 2025)	Current Interim Consolidated Accounting Period (July 31, 2025)
Assets		
Current assets		
Cash and deposits	25,472	25,972
Notes and accounts receivable - trade, and contract assets	11,433	10,707
Product	307	410
Work in progress	574	607
Other accounts receivable	34	16
Others	1,293	1,316
Allowance for doubtful accounts	(1)	(2)
Total current assets	39,114	39,028
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	3,941	3,960
Land	2,004	2,004
Other, net	875	820
Total property, plant, and equipment	6,821	6,785
Intangible assets		
Goodwill	143	684
Others	252	221
Total intangible assets	395	906
Investments and other assets		
Others	6,315	6,637
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	6,303	6,625
Total non-current assets	13,521	14,317
Total assets	52,636	53,346

(Unit: Million yen)

	Previous Consolidated Fiscal Year (January 31, 2025)	Current Interim Consolidated Accounting Period (July 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	2,557	4,019
Short-term loans payable	350	358
Current portion of long-term loans payable	—	5
Income taxes payable	1,603	1,308
Allowance for bonuses	636	748
Allowance for performance-linked remuneration	—	21
Allowance for share-based remuneration	—	6
Provision for loss on orders received	2	3
Others	5,240	5,021
Total current liabilities	10,389	11,493
Non-current liabilities		
Long-term loans payable	—	13
Long-term accounts payable	22	22
Provision for directors' retirement benefits	7	1
Net defined benefit liability	109	102
Asset retirement obligations	1,704	1,846
Others	1	0
Total non-current liabilities	1,844	1,986
Total liabilities	12,234	13,479
Net assets		
Shareholder equity		
Capital stock	6,586	6,586
Capital surplus	6,733	6,733
Retained earnings	30,539	31,957
Treasury shares	(4,660)	(6,626)
Total shareholder equity	39,198	38,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	824	884
Foreign currency translation adjustment	20	15
Remeasurements of defined benefit plans	322	293
Total accumulated other comprehensive income	1,167	1,193
Subscription rights to shares	35	22
Total net assets	40,401	39,866
Total liabilities and net assets	52,636	53,346

(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income
(Interim Consolidated Statement of Income)

(Unit: Million yen)

	Previous Interim Consolidated Cumulative Period (February 1, 2024 - July 31, 2024)	Current Interim Consolidated Cumulative Period (February 1, 2025 - July 31, 2025)
Net sales	27,570	30,843
Cost of sales	20,131	22,713
Gross profit	7,438	8,130
Selling, general, and administrative expenses	4,188	4,678
Operating income	3,250	3,451
Non-operating income		
Interest income	0	10
Dividends received	13	17
Foreign exchange gains	–	2
Dividends from insurance	7	9
Subsidy income	–	18
Others	8	11
Total non-operating income	29	69
Non-operating expenses		
Interest expenses	1	1
Loss on retirement of non-current assets	1	0
Foreign exchange loss	6	–
Commission for purchase of treasury shares	0	1
Others	1	0
Total non-operating expenses	11	4
Ordinary income	3,268	3,516
Net income before income taxes	3,268	3,516
Income taxes - current	1,056	1,126
Income taxes - deferred	(1)	4
Total income taxes	1,054	1,131
Net income	2,213	2,384
Net income attributable to owners of parent	2,213	2,384

(Interim Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	Previous Interim Consolidated Cumulative Period (February 1, 2024 - July 31, 2024)	Current Interim Consolidated Cumulative Period (February 1, 2025 - July 31, 2025)
Net income	2,213	2,384
Other comprehensive income		
Valuation difference on available-for-sale securities	245	59
Foreign currency translation adjustment	10	(5)
Remeasurements of defined benefit plans	143	(28)
Total other comprehensive income	398	26
Comprehensive income	2,612	2,411
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,612	2,411

(3) Interim Consolidated Statement of Cash Flows

(Unit: Million yen)

	Previous Interim Consolidated Period (From February 1, 2024 to July 31, 2024)	Current Interim Consolidated Period (From February 1, 2025 to July 31, 2025)
Cash flows from operating activities		
Profit before income taxes	3,268	3,516
Depreciation	428	371
Impairment loss	1	—
Amortization of goodwill	6	29
Increase (decrease) in provision for bonuses	(25)	112
Increase (decrease) in provision for performance- linked compensation	22	21
Increase (decrease) in provision for stock-based compensation	6	6
Increase (decrease) in provision for loss on order received	(0)	0
Increase (decrease) in provision for directors' retirement benefits	(8)	(5)
Increase (decrease) in net defined benefit liability	4	(6)
Decrease (increase) in net defined benefit asset	(149)	(133)
Increase (decrease) in allowance for doubtful accounts	0	0
Interest and dividend income	(14)	(27)
Interest expenses	1	1
Loss on retirement of non-current assets	1	0
Increase (decrease) in contract liabilities	169	192
Decrease (increase) in notes and accounts receivable - trade	657	724
Decrease (increase) in inventories	123	(132)
Decrease (increase) in other accounts receivable	11	18
Decrease (increase) in other current assets	(209)	(28)
Increase (decrease) in notes and accounts payable - trade	(25)	1,462
Increase (decrease) in accrued consumption taxes	(292)	104
Increase (decrease) in accounts payable - other	139	91
Increase (decrease) in accrued expenses	61	(77)
Increase (decrease) in other current liabilities	(44)	(88)
Others	(17)	86
Subtotal	4,114	6,241
Interest and dividend income received	14	27
Interest expenses paid	(1)	(1)
Income taxes paid	(621)	(1,422)
Cash flows from operating activities	3,505	4,843
Cash flows from investing activities		
Purchase of non-current assets	(489)	(544)
Proceeds from sale of non-current assets	8	3
Payments for asset retirement obligations	(98)	(68)
Payments for lease and guarantee deposits	(316)	(2)
Proceeds from collection of lease and guarantee deposits	26	118
Purchase of investment securities	—	(100)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(21)	(705)
Other	(51)	(69)
Cash flows from investing activities	(941)	(1,369)

(Unit: Thousands of yen)

	Previous Interim Consolidated Period (From February 1, 2024 to July 31, 2024)	Current Interim Consolidated Period (From February 1, 2025 to July 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	(2)
Repayment of long-term loans payable	(13)	(1)
Purchase of treasury shares	(839)	(1,999)
Decrease (increase) in deposits for acquisition of treasury stock	(1,159)	—
Dividend payment amount	(1,007)	(964)
Proceeds from exercise of employee share options	—	0
Cash flows from financing activities	(3,020)	(2,969)
Effect of exchange rate change on cash and cash equivalents	7	(5)
Net increase (decrease) in cash and cash equivalents	(449)	500
Cash and cash equivalents at the beginning of period	26,714	25,472
Cash and cash equivalents at the end of period	26,265	25,972

(4) Notes on the Interim Consolidated Financial Statements

(Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes and other applicable standards)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard” hereinafter) and other applicable standards have been applied since the start of the interim consolidated cumulative period.

The provisional handling specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the provisional handling specified in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; “2022 Revised Guidance” hereinafter) have been applied for revisions related to the accounting classifications of income tax (taxation on other comprehensive income). This change in accounting policies does not affect the interim consolidated financial statements.

For changes related to the revised handling in the consolidated financial statements of carryover for tax purposes of gains/losses on sales arising in connection with sale of assets such as stock in subsidiaries among consolidated companies, we have applied the 2022 Revised Guidance since the start of the interim consolidated cumulative period. This change in accounting policies is applied retroactively; the interim consolidated financial statements and consolidated financial statements for the previous fiscal year reflect this retroactive application. This change does not affect the interim consolidated financial statements and consolidated financial statements for the previous fiscal year.

(Segment Information, etc.)

[Segment information]

Previous Interim Consolidated Cumulative Period (February 1, 2024 - July 31, 2024)

1. Information on net sales and income/loss by reporting segment

(Unit: Million yen)

	Reporting segment				Adjustment (Note 1)	Amount recognized on Consolidated Financial Statements (Note 2)
	Integration Segment	Connected Segment	Solution Segment	Total		
Net sales						
Sales to external customers	17,648	5,622	4,299	27,570	—	27,570
Inter-segment sales or transfers	105	120	41	268	(268)	—
Total	17,754	5,743	4,340	27,838	(268)	27,570
Segment profit	3,723	941	855	5,521	(2,270)	3,250

(Notes) 1. The adjustment of (negative) 2,270 million yen to segment profit consists mainly of Companywide expenses not allocated to individual reporting segments. Companywide expenses consist mainly of administrative-section expenses not allocated to individual reporting segments.

2. Segment profits are adjusted against operating income reported on the Interim Consolidated Statement of Income.

Current Interim Consolidated Cumulative Period (February 1, 2025 - July 31, 2025)

1. Information on net sales and income/loss by reporting segment

(Unit: Million yen)

	Reporting segment				Adjustment (Note 1)	Amount recognized on Consolidated Financial Statements (Note 2)
	Integration Segment	Connected Segment	Solution Segment	Total		
Net sales						
Sales to external customers	19,675	5,945	5,223	30,843	—	30,843
Inter-segment sales or transfers	57	160	17	236	(236)	—
Total	19,733	6,105	5,241	31,080	(236)	30,843
Segment profit	4,167	1,167	901	6,236	(2,784)	3,451

(Notes) 1. The adjustment of (negative) 2,784 million yen to segment profit consists mainly of Companywide expenses not allocated to individual reporting segments. Companywide expenses consist mainly of administrative-section expenses not allocated to individual reporting segments.

2. Segment profits are adjusted against operating income reported on the Interim Consolidated Statement of Income.

2. Change in reporting segments, etc.

Starting with the interim consolidated cumulative period, the Company revised its business segments in pursuit of sustained growth by responding to the changing marketplace and technological innovations. The segment categories have been revised from the two segments of the Digital Industry Business and the Service Integration Business to three segments: the Integration Segment, Connected Segment, and Solution Segment.

Results for the interim consolidated cumulative period in the previous fiscal year have been restated based on these new segments.

(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)

(Acquisition and retirement of treasury shares)

In its meeting held March 13, 2025, the Company Board of Directors resolved to acquire treasury shares pursuant to Article 156 of the Companies Act, applicable mutatis mutandis under Article 165, Paragraph 3 of the same Act, and to retire treasury shares under Article 178 of that Act. The status of this acquisition is reviewed below.

Status of acquisition of treasury shares (as of July 31, 2025)

Total number of shares acquired: 891,400 shares

Total purchase price: 1,999 million yen

Reference: Details of March 13, 2025 Board of Directors resolution

1. Reasons for acquisition and retirement of treasury shares

The Company decided to acquire and retire treasury shares to strengthen capital efficiency and enhance the return of earnings to shareholders.

2. Details of matters related to this acquisition

- | | |
|---|--|
| (1) Class of shares to be acquired: | Company common stock |
| (2) Total number of shares to be acquired: | 1,200,000 shares (maximum)
(3.74% of total shares issued and outstanding [not including treasury shares]) |
| (3) Total acquisition price of shares to be acquired: | 2,000 million yen (maximum) |
| (4) Acquisition period: | March 14–October 31, 2025 |
| (5) Acquisition method: | Market purchase on the Tokyo Stock Exchange
(Market purchase under a discretionary contract on acquisition of treasury stock) |

3. Details of matters related to the retirement of shares

- | | |
|---|--|
| (1) Class of shares to be retired: | Company common stock |
| (2) Total number of shares to be retired: | Total number of treasury shares acquired under 2 above
(3.33% of total shares issued and outstanding prior to retirement) |
| (3) Planned date of retirement: | January 16, 2026 |

(Notes on the Going Concern Assumption)

Not applicable

3. Other

Orders received and outstanding balances of orders received

Orders received and the outstanding balance of orders received in the Integration Segment during the interim consolidated period were strong thanks to success in securing orders for large-scale projects for government agencies, including network equipment. While orders received in the Connected Segment were down due to a rebound reduction at subsidiaries, the outstanding balance of orders received increased, centered on Big Data analysis infrastructure development for the automotive industry. The order value in the Solution Segment increased due to the growth of the security monitoring service (CEC SOC).

Orders received during the interim consolidated cumulative period are broken down below by business segment.

Segment	Orders received (million yen)	YoY change (%)	Balance of orders received (million yen)	YoY change (%)
Integration Segment	30,987	172.8	19,872	223.2
Connected Segment	6,055	96.1	2,430	101.9
Solution Segment	5,817	121.2	5,878	99.1
Total	42,861	147.6	28,181	163.6

Note: The Company has revised its reporting segments starting with the interim consolidated cumulative period. Figures for the same period of the previous fiscal year above have been restated to reflect these changes.