

May 15, 2026

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2026 (Nine Months Ended March 31, 2026) [IFRS]

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Scheduled date of payment of dividend: –
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen.)

1. Management Performance under IFRS and Non-GAAP Measures

Consolidated Results of Operations (July 1, 2025–March 31, 2026)

(Percentages represent year-on-year changes.)

	Revenue		Operating income		Net income before tax		Net income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
(IFRS)										
Nine months ended Mar. 31, 2026	6,334	0.2	347	(53.6)	326	(54.8)	215	(59.2)	210	(60.7)
Nine months ended Mar. 31, 2025	6,323	–	748	–	722	–	527	–	534	–
(Non-GAAP)										
Nine months ended Mar. 31, 2026	6,334	0.2	353	(36.8)	332	(37.6)	221	(36.0)	215	(37.0)
Nine months ended Mar. 31, 2025	6,323	–	558	–	533	–	345	–	342	–

	IFRS		Non-GAAP	
	Basic earnings per share	Diluted earnings per share	Basic earnings per share	Diluted earnings per share
	Yen	Yen	Yen	Yen
Nine months ended Mar. 31, 2026	12.10	12.10	12.44	12.44
Nine months ended Mar. 31, 2025	30.81	30.81	19.74	19.74

Notes: 1. Revenue, operating income, and net income before tax for the nine months ended March 31, 2025 were reclassified by deducting the amounts of those from discontinued operations from the amounts of those from continuing operations. Because of this, these year-on-year changes are not presented.

For details of the discontinued operations, please refer to “2. Condensed Quarterly Consolidated Financial Statements and Notes, (5) Notes to Condensed Quarterly Consolidated Financial Statements, Discontinued Operations” on page 15 of Attachments.

- Under non-GAAP measures, M&A expenses of 5 million yen were deducted from operating income and line items below for the nine months ended March 31, 2026.
- Under non-GAAP measures, for adjustment, net income from discontinued operations was deducted from net income and the line items below.
- For details of the non-GAAP measures, please refer to “1. Overview of Business Performance (1) Results of Operations” on page 2 of Attachments.

2. Consolidated Financial Position under IFRS

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	9,449	4,689	4,652	49.2	271.80
As of Jun. 30, 2025	10,222	4,835	4,803	47.0	276.70

3. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2025	–	8.00	–	8.50	16.50
Fiscal year ending Jun. 30, 2026	–	8.50	–		
Fiscal year ending Jun. 30, 2026 (forecasts)				8.50	17.00

Note: Revisions to the most recently announced dividend forecast: None

**4. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2026 under IFRS
(July 1, 2025–June 30, 2026)**

(Percentages represent year-on-year changes.)

	Revenue		Operating income		Net income before tax		Net income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	8,800	7.6	630	(16.2)	590	(18.6)	410	(58.3)	410	(58.2)	23.62

Note: Revisions to the most recently announced earnings forecast: None

*** Notes**

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

Newly added: –

Excluded: –

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

(3) Number of shares issued (common shares)

1) Number of shares issued as of the end of the period (including treasury shares)

As of Mar. 31, 2026: 17,768,859 shares As of Jun. 30, 2025: 17,761,859 shares

2) Number of treasury shares as of the end of the period

As of Mar. 31, 2026: 650,014 shares As of Jun. 30, 2025: 400,014 shares

3) Average number of shares outstanding during the period

Nine months ended Mar. 31, 2026: 17,358,007 shares Nine months ended Mar. 31, 2025: 17,357,703 shares

- Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

- Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to Scala's management at the time these materials were prepared, but are not promises by Scala regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

How to view supplementary materials for financial results

Supplementary materials for the financial results will be disclosed today (May 15, 2026) and available on the Scala's website.

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1. Overview of Business Performance

Scala, Inc. (the “Company”) and its group companies (collectively the “Group”) have adopted International Financial Reporting Standards (IFRS).

In addition to IFRS, the Group has adopted financial measures that can express its operating performance more accurately (the “non-GAAP measures”) and accordingly has disclosed its consolidated results of operations by applying both IFRS and the non-GAAP measures.

The Company transferred all shares of its consolidated subsidiaries Retool, Inc. and Nihon Pet Small-amount Short-term Insurance Company, and completed liquidation of Leoconnect, Inc. and SCSV-1 Investment Limited Partnership in the fiscal year ended June 30, 2025.

In addition, the Company completed liquidation of its consolidated subsidiary, SCL Capital LLC, in the first nine months of the fiscal year ending June 30, 2026 (the “period under review”).

Accordingly, revenue, operating income, and net income before tax for the same period of the previous fiscal year were reclassified by deducting the amounts of those from discontinued operations from the amounts of those from continuing operations.

From the period under review, the EC Business, a reportable segment, is renamed the TCG Business. There is no change to the details of the business.

(1) Results of Operations

In the period under review, the Japanese economy was on a moderate recovery trend, supported by improvements in employment and income conditions. However, the outlook remains uncertain due to future policy developments in the U.S. and unstable international affairs, as well as price hikes driven by soaring resource prices and other related factors.

Under these circumstances, we focus on the growth not only of the Group, but also of our co-creation partners, local communities, and countries by utilizing cutting-edge digital transformation (DX) technologies to reduce costs and streamline operations to create new work styles. Along with that, we acknowledge that initiatives to promote personal growth of people who are involved in resolving social problems are attracting a lot of attention.

In such business environment, the Group has identified five priority themes based on the Mid-Term Management Plan 2026-2028, announced on September 25, 2025, and continued actions for becoming a corporate group that “nurture the future together through trust and co-creation.”

As a result, the Group reported revenue of 6,334 million yen (up 0.2% year on year) for the period under review. This was mainly due to the strong performance of the booming trading card game market in the TCG Business.

On the profitability front, the Group reported operating income of 347 million yen (down 53.6% year on year). This was mainly because profit declined on a relative basis, as the DX Business had booked large-scale projects in the previous fiscal year.

Net income before tax amounted to 326 million yen (down 54.8% year on year), net income amounted to 215 million yen (down 59.2% year on year), and net income attributable to owners of parent amounted to 210 million yen (down 60.7% year on year).

Reporting on a non-GAAP basis

The non-GAAP measures are calculated by deducting non-recurring items and other adjustments, which are prescribed by the Group, from IFRS-based financial figures.

We believe that disclosure of the non-GAAP measures makes it easier for our stakeholders to make both cross-sectional and time-series comparisons and can also provide useful information that helps them to understand the Group’s underlying operating performance and its outlook.

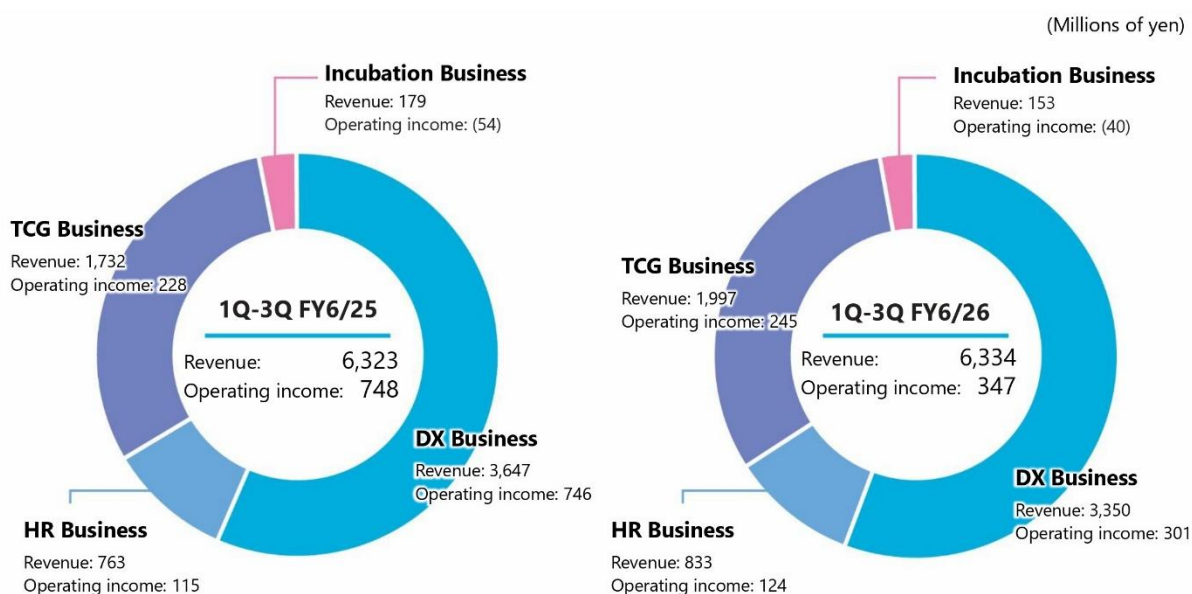
Non-recurring items refer to one-off earnings or losses that we believe should be excluded based on certain criteria for the purpose of preparing the earnings forecast.

While the Group discloses the non-GAAP measures in reference to the rules set out by the U.S. Securities and Exchange Commission, this does not mean the Group fully complies with these rules.

M&A expenses of 5 million yen were deducted from the line items below operating income for the period under review. In addition, net income from discontinued operations was deducted from net income and the line items below.

The operating segment performance is as follows.

Segment revenue and income are presented in accordance with IFRS.



(i) DX Business

In the DX Business, the use of AI has been expanding in SaaS/ASP-type services centered on “i-ask,” “i-search,” and “Web solution” at Scala Communications, Inc., maintaining continued business growth. However, one-off sales from large-scale projects and low-profit-margin pay-as-you-go sales decreased year on year due to changes in the external environment and other factors. The engineer human resources business continued to maintain high productivity and performed steadily, contributing to stable earnings.

At EGG CO., LTD., one-off sales from system development for specific customers increased in the Furusato Nozei taxation system business. In addition, driven by an increase in year-end procurement tenders from central ministries and agencies of Japan, including the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, demand for the company’s secretariat systems has been expanding. However, the decrease in monthly sales from system maintenance projects continues to have an impact. Also, up-front investment in anticipation of future growth continues in national policy projects.

As a result, the DX Business overall saw a decrease in both revenue and income year on year. However, we are promoting a shift toward business restructuring with a focus on monthly recurring revenue, and is steadily advancing the development of a foundation for medium- to long-term growth.

(Millions of yen unless otherwise indicated)

		First nine months of FY6/25	First nine months of FY6/26	Year-on-year change	
				Amount	%
Revenue		3,647	3,350	(297)	Down 8.2%
Segment income (IFRS and non- GAAP measures)	Before allocation of corporate expenses	890	467	(422)	Down 47.5%
	After allocation of corporate expenses	746	301	(444)	Down 59.6%

(ii) HR Business

In the HR Business, companies continue to show a high level of hiring motivation for the recruiting support service. Leveraging its unique strengths in sports club students and female students, demand for this service has remained solid, and job-hunting events for students graduating in 2027 were also sold as planned. For the placement services, although the impact of the decrease in members remains, signs of recovery are currently emerging. The mid-career recruitment support business has remained profitable since the second half of the previous fiscal year, and both revenue and income are expected to exceed the plan for the current fiscal year.

As a result, the HR Business overall saw an increase in both revenue and income year on year.

(Millions of yen unless otherwise indicated)

		First nine months of FY6/25	First nine months of FY6/26	Year-on-year change	
				Amount	%
Revenue		763	833	69	Up 9.1%
Segment income (IFRS and non- GAAP measures)	Before allocation of corporate expenses	175	188	12	Up 7.3%
	After allocation of corporate expenses	115	124	8	Up 7.4%

(iii) TCG Business

In the TCG Business, the Group operates the reuse EC site Card Shop Yuyu-Tei, which offers purchase and sales of trading card games (TCG) as well as strategy guide content. This site has been steadily growing as a major TCG online retailer. In the current fiscal year, we promoted new customer acquisition and customer loyalty initiatives, primarily through the 20th anniversary campaign for the opening of Yuyu-Tei. As a result, revenue and gross profit in March reached a monthly record high since the Group's establishment. In addition, delivery of a system development project for the trading card distribution industry was completed in December, generating one-off and monthly sales.

As a result, both revenue and income increased year on year.

(Millions of yen unless otherwise indicated)

		First nine months of FY6/25	First nine months of FY6/26	Year-on-year change	
				Amount	%
Revenue		1,732	1,997	265	Up 15.3%
Segment income (IFRS and non- GAAP measures)	Before allocation of corporate expenses	268	275	7	Up 2.7%
	After allocation of corporate expenses	228	245	16	Up 7.2%

(iv) Incubation Business

In the Incubation Business, SOCIALX, INC. has built an end-to-end ecosystem spanning business creation and entrepreneur development based on social problems, business expansion, social implementation from Gyaku-Propo, and impact investment, and supports the creation of new businesses for addressing social problems in public-private co-creation.

Japan Network for Public Interest Activities (JANPIA) has selected the Group's joint application with QR Investment Ltd., an investment subsidiary of CCI Group, Inc. (formerly Hokkoku Financial Holdings, Inc.), made as a fund distribution organization for an impact investment fund utilizing dormant deposits. The Group received the Good Design Award for the SOCIALX Impact Fund, which the Group has been operating since March 2025, and the judges evaluated that its advanced design enables impact startups, which have been difficult to support with usual high-return oriented investment, to balance returns and social value. The Fund is commencing full-scale operations, including the execution of lead investment in Child Support Inc. as its first project in November 2025, and the start of demonstration projects in five regions across Japan. At the Financial Services Agency's "Impact Consortium" Public-Private Partnership Promotion Steering Committee held in March, Mr. Ito, Representative of SOCIALX, gave a presentation introducing "Case Studies of Initiatives to Promote Public-Private Collaboration Through Impact Funds."

The Public-Private Co-Creation Acceleration Program (SOCIALX Acceleration) aims to achieve both financial

returns and social impact. This program has been provided to MUFG Bank, Ltd. and Mitsubishi UFJ Trust and Banking Corporation as an OEM program called “Oshigoto Crowdfunding.” In addition, SOCIALX Acceleration for OKINAWA has generated solid results, including cases where supported companies have expanded their business nationwide. In Aichi Prefecture, a social issue resolution project is being promoted through open innovation between companies and local governments by hosting seminars aimed at positioning public-private co-creation as a new management strategy, as well as events organized by municipalities across the prefecture to communicate social issues.

In the Startup Support and Development Project by Diverse Entities (TOKYO SUTEAM) by the Tokyo Metropolitan Government, SOCIALX continued to be selected as a partner in fiscal 2025 (April 1, 2025 - March 31, 2026). At the newly established SOCIALX Studio, in collaboration with Shibuya QWS, a program is being implemented to develop next-generation impact startup entrepreneurs, with 50 students from across Japan working to create businesses based on social issues faced by local governments.

In addition, five proposals were made through Gyaku-Propo, and in the sixth round of Gyaku-Propo by Tokio Marine Direct Insurance Co., Ltd., consideration is underway toward the selection of participating municipalities. We also launched the social issue resolution platform “Voice.” Furthermore, the Group continues to provide public-private co-creation human resources development for all the 54 municipalities in Aichi Prefecture and to accept secondment of staff members from Toyota City, while continuing to take on new challenges to build a collaborative economy.

Scala, Inc. is providing co-creation M&A services mainly for growth-phase listed companies by leveraging its business development and M&A experience, combined with the Group’s DX expertise. The Company is actively promoting DX support in the value-up phase for companies acquired by its clients.

As a result, in the Incubation Business as a whole, revenue decreased and operating loss narrowed year on year.

(Millions of yen unless otherwise indicated)

		First nine months of FY6/25	First nine months of FY6/26	Year-on-year change	
				Amount	%
Revenue		179	153	(25)	Down 14.2%
Segment income (IFRS and non- GAAP measures)	Before allocation of corporate expenses	(54)	(29)	24	–
	After allocation of corporate expenses	(54)	(40)	13	–

(2) Financial Position

Assets

Total assets amounted to 9,449 million yen at the end of the period under review, a decrease of 773 million yen over the end of the previous fiscal year. This was mainly attributable to decreases of 865 million yen in cash and cash equivalents and 213 million yen in other financial assets, which was partially offset by an increase of 460 million yen in trade and other receivables.

Liabilities

Liabilities totaled 4,759 million yen, a decrease of 628 million yen over the end of the previous fiscal year. This was mainly attributable to decreases of 140 million yen in bonds and borrowings and 228 million yen in income taxes payable.

Equity

Equity totaled 4,689 million yen, a decrease of 145 million yen over the end of the previous fiscal year. This was mainly attributable to decreases of 85 million yen in retained earnings and 87 million yen in purchase of treasury shares.

(3) Consolidated Earnings Forecast and Other Forward-looking Statements

The Group maintains its consolidated earnings forecast for the fiscal year ending June 30, 2026 that was announced in the “Consolidated Financial Results for the Fiscal Year Ended June 30, 2025” on August 14, 2025.

2. Condensed Quarterly Consolidated Financial Statements and Notes**(1) Condensed Quarterly Consolidated Statement of Financial Position**

(Thousands of yen)

	FY6/25 (As of Jun. 30, 2025)	Third quarter of FY6/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and cash equivalents	4,586,809	3,721,687
Trade and other receivables	734,481	1,194,889
Inventories	392,981	415,810
Income taxes receivable	5,082	6,978
Other current assets	180,981	96,975
Total current assets	5,900,336	5,436,341
Non-current assets		
Property, plant and equipment	298,045	339,982
Right-of-use assets	1,161,311	1,026,152
Goodwill	978,216	978,216
Intangible assets	83,803	94,058
Other financial assets	1,071,227	857,549
Deferred tax assets	725,551	714,222
Other non-current assets	4,472	2,530
Total non-current assets	4,322,628	4,012,712
Total assets	10,222,965	9,449,053
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	554,139	477,252
Bonds and borrowings	2,017,364	2,023,343
Lease liabilities	270,670	494,130
Income taxes payable	228,894	—
Other current liabilities	326,312	259,870
Total current liabilities	3,397,381	3,254,596
Non-current liabilities		
Bonds and borrowings	1,021,000	874,880
Lease liabilities	895,979	548,806
Other non-current liabilities	72,752	80,803
Total non-current liabilities	1,989,732	1,504,490
Total liabilities	5,387,113	4,759,086
Equity		
Equity attributable to owners of parent		
Share capital	1,794,904	1,796,685
Capital surplus	529,472	530,679
Retained earnings	2,621,910	2,536,731
Treasury shares	(299,968)	(386,968)
Other components of equity	157,643	175,742
Total equity attributable to owners of parent	4,803,961	4,652,869
Non-controlling interests	31,890	37,096
Total equity	4,835,851	4,689,966
Total liabilities and equity	10,222,965	9,449,053

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

(Thousands of yen)

	First nine months of FY6/25 (Jul. 1, 2024–Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025–Mar. 31, 2026)
Continuing operations:		
Revenue	6,323,025	6,334,732
Cost of sales	(3,263,599)	(3,356,862)
Gross profit	3,059,425	2,977,869
Selling, general and administrative expenses	(2,511,820)	(2,641,842)
Other income	205,285	12,983
Other expenses	(4,041)	(1,464)
Operating income (loss)	748,848	347,546
Finance income	11,958	20,092
Finance costs	(37,864)	(40,818)
Net income (loss) before tax	722,942	326,820
Income tax expense	(187,518)	(111,492)
Net income (loss) from continuing operations	535,423	215,327
Discontinued operations:		
Net income (loss) from discontinued operations	(7,446)	(94)
Net income (loss)	527,976	215,233
Net income (loss) attributable to:		
Owners of parent	534,798	210,026
Non-controlling interests	(6,821)	5,206
Net income (loss)	527,976	215,233
Earnings per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)		
Continuing operations	30.42	12.11
Discontinued operations	0.39	(0.01)
Total	30.81	12.10
Diluted earnings (loss) per share (Yen)		
Continuing operations	30.42	12.11
Discontinued operations	0.39	(0.01)
Total	30.81	12.10

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	First nine months of FY6/25 (Jul. 1, 2024–Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025–Mar. 31, 2026)
Net income (loss)	527,976	215,233
Other comprehensive income		
Items that will not be reclassified to net income or loss		
Financial assets measured at fair value through other comprehensive income	(17,414)	24,866
Items that may be reclassified to net income or loss		
Exchange differences on translation of foreign operations	(5,071)	(7,022)
Total other comprehensive income, net of tax	(22,486)	17,844
Comprehensive income	505,490	233,077
Comprehensive income attributable to:		
Owners of parent	512,312	227,870
Non-controlling interests	(6,821)	5,206
Comprehensive income	505,490	233,077

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First nine months of FY6/25 (Jul. 1, 2024–Mar. 31, 2025)

(Thousands of yen)

	Equity attributable to owners of parent					Total equity attributable to owners of parent
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
Balance as of Jul. 1, 2024	1,792,766	991,270	1,628,971	(299,966)	225,454	4,338,496
Net income (loss)	–	–	534,798	–	–	534,798
Total other comprehensive income	–	–	–	–	(22,486)	(22,486)
Comprehensive income	–	–	534,798	–	(22,486)	512,312
Dividends	–	(325,377)	(138,880)	–	–	(464,257)
Purchase of treasury shares	–	–	–	–	–	–
Exercise of share acquisition rights	1,908	1,908	–	–	(52)	3,765
Issuance of share acquisition rights	–	–	–	–	105	105
Forfeiture of share acquisition rights	–	743	–	–	(743)	–
Changes in ownership interest in subsidiaries	–	2,504	–	–	–	2,504
Transfer from capital surplus to retained earnings	–	(149,741)	149,741	–	–	–
Loss of control of subsidiaries	–	–	–	–	–	–
Total transactions with owners	1,908	(469,961)	10,860	–	(691)	(457,883)
Balance as of Mar. 31, 2025	1,794,675	521,308	2,174,631	(299,966)	202,277	4,392,925
		Non-controlling interests	Total equity			
Balance as of Jul. 1, 2024		231,007	4,569,504			
Net income (loss)		(6,821)	527,976			
Total other comprehensive income		–	(22,486)			
Comprehensive income		(6,821)	505,490			
Dividends		–	(464,257)			
Purchase of treasury shares		–	–			
Exercise of share acquisition rights		–	3,765			
Issuance of share acquisition rights		–	105			
Forfeiture of share acquisition rights		–	–			
Changes in ownership interest in subsidiaries		(211,735)	(209,231)			
Transfer from capital surplus to retained earnings		–	–			
Loss of control of subsidiaries		19,118	19,118			
Total transactions with owners		(192,617)	(650,500)			
Balance as of Mar. 31, 2025		31,568	4,424,494			

First nine months of FY6/26 (Jul. 1, 2025–Mar. 31, 2026)

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent
Balance as of Jul. 1, 2025	1,794,904	529,472	2,621,910	(299,968)	157,643	4,803,961
Net income (loss)	–	–	210,026	–	–	210,026
Total other comprehensive income	–	–	–	–	17,844	17,844
Comprehensive income	–	–	210,026	–	17,844	227,870
Dividends	–	–	(295,205)	–	–	(295,205)
Purchase of treasury shares	–	(574)	–	(87,000)	–	(87,574)
Exercise of share acquisition rights	1,781	1,781	–	–	(48)	3,514
Issuance of share acquisition rights	–	–	–	–	–	–
Share-based payment transactions	–	–	–	–	303	303
Transfer from capital surplus to retained earnings	–	–	–	–	–	–
Loss of control of subsidiaries	–	–	–	–	–	–
Total transactions with owners	1,781	1,207	(295,205)	(87,000)	254	(378,962)
Balance as of Mar. 31, 2026	1,796,685	530,679	2,536,731	(386,968)	175,742	4,652,869

	Non-controlling interests	Total equity
	Balance as of Jul. 1, 2025	31,890
Net income (loss)	5,206	215,233
Total other comprehensive income	–	17,844
Comprehensive income	5,206	233,077
Dividends	–	(295,205)
Purchase of treasury shares	–	(87,574)
Exercise of share acquisition rights	–	3,514
Issuance of share acquisition rights	–	–
Share-based payment transactions	–	303
Transfer from capital surplus to retained earnings	–	–
Loss of control of subsidiaries	–	–
Total transactions with owners	–	(378,962)
Balance as of Mar. 31, 2026	37,096	4,689,966

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First nine months of FY6/25 (Jul. 1, 2024–Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025–Mar. 31, 2026)
Cash flows from operating activities		
Net income before tax	722,942	326,820
Net income (loss) before tax from discontinued operations	74,637	(52)
Depreciation and amortization	211,439	257,784
Loss (gain) on sale and retirement of non-current assets	1,668	(229)
Gain on liquidation of business	(189,849)	–
Gain on sale of shares of subsidiaries	(284,771)	–
Loss (gain) on securities related to investment business	40,681	–
Finance income	(13,888)	(20,092)
Finance costs	37,416	40,818
Decrease (increase) in trade and other receivables	89,250	(477,270)
Increase (decrease) in trade and other payables	(134,514)	(66,213)
Decrease (increase) in inventories	(53,098)	(24,904)
Decrease (increase) in reinsurance assets	(59,799)	–
Increase (decrease) in insurance contract liabilities	18,237	–
Other	136,813	83,088
Subtotal	597,165	119,748
Interest and dividends received	14,378	19,837
Interest paid	(36,906)	(35,399)
Income taxes refund (paid)	(97,651)	(347,503)
Net cash provided by (used in) operating activities	476,985	(243,317)
Cash flows from investing activities		
Payments into time deposits	(643,000)	–
Proceeds from withdrawal of time deposits	35,700	–
Purchase of property, plant and equipment	(71,420)	(105,557)
Proceeds from sale of property, plant and equipment	1,400	280
Purchase of intangible assets	(16,590)	(25,105)
Purchase of investment securities	–	(133,437)
Proceeds from sale of investment securities	228,867	390,869
Collection of loans receivable	102,700	1,000
Payments of leasehold and guarantee deposits	(15,834)	(16,625)
Proceeds from refund of leasehold and guarantee deposits	186,964	2,092
Proceeds from liquidation of business	190,950	–
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	96,592	–
Other	5,925	(3,144)
Net cash provided by (used in) investing activities	102,255	110,370

(Thousands of yen)

	First nine months of FY6/25 (Jul. 1, 2024–Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025–Mar. 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(800,000)	650,000
Proceeds from long-term borrowings	360,000	200,000
Repayments of long-term borrowings	(1,058,923)	(975,975)
Redemption of bonds	(190,000)	(20,000)
Repayments of lease liabilities	(211,508)	(207,576)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	3,765	3,514
Purchase of treasury shares	–	(87,574)
Purchase of treasury shares of subsidiaries	(40,536)	–
Dividends paid	(464,642)	(294,933)
Dividends paid to non-controlling interests	(179,886)	–
Net cash provided by (used in) financing activities	(2,581,732)	(732,545)
Effect of exchange rate changes on cash and cash equivalents	(267)	369
Net increase (decrease) in cash and cash equivalents	(2,002,758)	(865,122)
Cash and cash equivalents at beginning of period	6,817,385	4,586,809
Cash and cash equivalents at end of period	4,814,626	3,721,687

Note: Cash flows from continuing operations and cash flows from discontinued operations are included in the above table. Cash flows from discontinued operations are described in Notes to Condensed Quarterly Consolidated Financial Statements, Discontinued Operations.

(5) Notes to Condensed Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Notes to Condensed Quarterly Consolidated Financial Statements

1. Material Accounting Policy Information

The material accounting policies applied for the condensed quarterly consolidated financial statements for the period under review remain the same as significant accounting policies applied for the consolidated financial statements for the previous fiscal year.

It is noted that income tax expense for the period under review is determined based on the estimated annual effective tax rate.

2. Significant Accounting Estimates and Judgments Involving Estimates

The preparation of the condensed quarterly consolidated financial statements requires the management to make certain judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenues, and expenses. Actual results, however, could differ from these estimates.

These estimates and underlying assumptions are consistently reviewed. The effect of changes in accounting estimates is recognized in the reporting period in which the changes are made and in any future reporting periods affected.

The management has made estimates and judgments that have a material impact on the amounts reported in the condensed quarterly consolidated financial statements for the period under review in the same way as it did in the consolidated financial statements for the previous fiscal year.

Segment Information

(1) Overview of reportable segments

The Group's reportable segments are components of the Group for which financial information disaggregated by similarity of nature of services is available and are regularly reviewed to make decisions about allocations of corporate resources and assess their performance.

In the previous fiscal year, the businesses operated by Retool, Inc. and Leoconnect, Inc. (DX Business), SCSV-1 Investment Limited Partnership (Incubation Business), and Nihon Pet Small-amount Short-term Insurance Company (Financial Business) were classified as discontinued operations. In the period under review, the business operated by SCL Capital LLC (Incubation Business) was also classified as a discontinued operation. These discontinued operations have been excluded from the segment information for the first six months of the previous fiscal year.

As Nihon Pet Small-amount Short-term Insurance Company was reclassified into discontinued operations, the Financial Business has been excluded from the reportable segments for the first nine months of the previous fiscal year.

In the period under review, the EC Business, a reportable segment, has been renamed to the TCG Business. There is no change to the details of the business.

- The DX Business promotes digital transformation (DX) through IT, AI, and IoT and proactively facilitates cooperation with different industries and partners who have expertise in relevant technology, with the primary objective of establishing new businesses and services, redefining existing businesses, and speeding up regrowth to promote DX inside and outside Japan. This business also provides SaaS/ASP services using IT (Web, phone, fax, SMS related technologies)/AI/IoT technologies to meet customer needs flexibly and quickly.
- The HR Business offers recruiting support for new graduates and mid-career employees focusing on physical education students and professional athletes.
- The TCG Business operates Yuyu-Tei, a reuse EC site for buying and selling trading card games (TCG) for

battle-type games, which also contains game walkthrough pages.

- The Incubation Business engages in M&A and alliance with other companies. It also provides support for new business development with private companies in coordination with local governments across the nation and works on value creation and active engagement in business investments.

(2) Information related to revenue, income or loss, and other items for each reportable segment

First nine months of FY6/25 (Jul. 1, 2024–Mar. 31, 2025)

(Thousands of yen)

	Reportable segment					Adjustments (Note 1)	Amounts shown on condensed quarterly consolidated statement of income (Note 2)
	DX Business	HR Business	TCG Business	Incubation Business	Subtotal		
Revenue							
Sales to external customers	3,647,713	763,288	1,732,030	179,182	6,322,215	810	6,323,025
Inter-segment sales and transfers	37,793	–	–	23,000	60,793	(60,793)	–
Total	3,685,507	763,288	1,732,030	202,182	6,383,008	(59,983)	6,323,025
Segment income (loss)	746,279	115,464	228,955	(54,021)	1,036,678	(287,829)	748,848
Finance income	–	–	–	–	–	–	11,958
Finance costs	–	–	–	–	–	–	(37,864)
Net income (loss) before tax	–	–	–	–	–	–	722,942

Notes: 1. The (287,829) thousand yen adjustment to segment income includes the elimination of inter-segment transactions and the corporate expenses that are not allocated to each reportable segment.

2. Segment income (loss) is adjusted to be consistent with operating income presented in the condensed quarterly consolidated statement of income.

3. Corporate expenses are allocated to each reportable segment based on a rational basis.

4. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

First nine months of FY6/26 (Jul. 1, 2025–Mar. 31, 2026)

(Thousands of yen)

	Reportable segment					Adjustments (Note 1)	Amounts shown on condensed quarterly consolidated statement of income (Note 2)
	DX Business	HR Business	TCG Business	Incubation Business	Subtotal		
Revenue							
Sales to external customers	3,350,232	833,111	1,997,616	153,771	6,334,732	–	6,334,732
Inter-segment sales and transfers	14,662	–	–	–	14,662	(14,662)	–
Total	3,364,894	833,111	1,997,616	153,771	6,349,394	(14,662)	6,334,732
Segment income (loss)	301,688	124,005	245,440	(40,152)	630,981	(283,435)	347,546
Finance income	–	–	–	–	–	–	20,092
Finance costs	–	–	–	–	–	–	(40,818)
Net income (loss) before tax	–	–	–	–	–	–	326,820

Notes: 1. The (283,435) thousand yen adjustment to segment income includes the elimination of inter-segment transactions and the corporate expenses that are not allocated to each reportable segment.

2. Segment income (loss) is adjusted to be consistent with operating income presented in the condensed quarterly consolidated statement of income.

3. Corporate expenses are allocated to each reportable segment based on a rational basis.

4. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Discontinued Operations

The Company transferred all shares of its consolidated subsidiaries Retool, Inc. and Nihon Pet Small-amount Short-term Insurance Company, and completed liquidation of Leoconnect, Inc. and SCSV-1 Investment Limited Partnership in the fiscal year ended June 30, 2025. These entities are classified as discontinued operations. According to IFRS 9, gains/losses on securities related to investment business were recorded under net income (loss) from discontinued operations, along with the classification of SCSV-1 Investment Limited Partnership as discontinued operations.

The Company also completed liquidation of SCL Capital LLC in the period under review. As it was classified as a discontinued operation, it is presented separately.

In addition, capital gains/losses from the transfer of the shares were recorded in net income (loss) from discontinued operations.

(1) Operating results of discontinued operations

	(Thousands of yen)	
	First nine months of FY6/25 (Jul. 1, 2024 to Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025 to Mar. 31, 2026)
Net income or loss from discontinued operations		
Revenue	690,237	57
Expenses	615,599	109
Net income (loss) before tax from discontinued operations	74,637	(52)
Income tax expense	82,084	42
Net income (loss) from discontinued operations	(7,446)	(94)

(2) Cash flows from discontinued operations

	(Thousands of yen)	
	First nine months of FY6/25 (Jul. 1, 2024 to Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025 to Mar. 31, 2026)
Cash flows from discontinued operations		
Cash flows from operating activities	(7,536)	(939)
Cash flows from investing activities	324,699	-
Cash flows from financing activities	(172,155)	-
Total	145,007	(939)

Material Subsequent Events

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.