Translation

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Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2027 (Under Japanese GAAP)

July 31, 2026

Company name:	F&M Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	4771
URL:	https://www.fmltd.co.jp/
Representative:	Ichiro Morinaka, President and Representative Director
Contact:	Aki Matsuo, General Manager of the Administrative Headquarters
TEL:	+81-6-6339-7177
Scheduled date for dividend payment:	None
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes (for analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	5,264	24.6	797	82.4	813	81.8	514	84.8
June 30, 2025	4,224	16.1	437	7.0	447	7.5	278	13.8

(Note) Comprehensive income First quarter of the fiscal year ending March 2027 514 million yen (84.8%) First quarter of the fiscal year ending March 2026 278 million yen (11.0%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	34.77	-
June 30, 2025	18.82	-

(2) Consolidated Financial Position

	Total assets	Equity	Equity to total assets ratio
As of	Million yen	Million yen	%
June 30, 2026	19,705	15,493	78.6
March 31, 2026	20,642	15,423	74.7

(Reference) Equity First quarter of the fiscal year ending March 2027 15,493 million yen Fiscal year ended March 2026 15,423 million yen

2. Cash Dividends

	Annual dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	21.00	-	30.00	51.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		30.00	-	30.00	60.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter (cumulative)	10,477	17.0	1,159	23.7	1,180	23.1	808	24.8	54.68
Fiscal year ending March 31, 2027	24,694	18.7	4,156	7.7	4,197	7.6	2,875	1.7	194.39

(Note) Revisions to the financial forecast most recently announced: None

* Notes

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

Newly included - companies (Company name) , Excluded - companies (Company name)

(2) Application of specific accounting for the quarterly consolidated financial statements: None

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

(i) Changes in Accounting Policies based on Revisions of Accounting Standards :None

(ii) Changes in Accounting Policies other than (i) :None

(iii) Changes in Accounting Estimates :None

(iv) Retrospective Restatement :None

(4) Number of Issued Shares (Common Stock)

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

As of June 30, 2026	15,714,400 shares
As of March 31, 2026	15,714,400 shares

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

As of June 30, 2026	921,946 shares
As of March 31, 2026	921,897 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	14,792,485 shares
Three months ended June 30, 2025	14,792,555 shares

* Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

* Notes on the proper use of Forecasts, and other special notes

(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended as a promise by the Company that they will be achieved. In addition, actual results may differ materially due to various factors. For the assumptions

underlying the Forecasts and notes on the use of the Forecasts, please refer to P.7 of the attached materials, "1. Overview of Operating Results, etc. (3) Explanation of Future Forecast Information Such as Consolidated Forecasts."
(How to Obtain Supplementary Materials on Financial Results and Information on the Holding of the Financial Results Briefing)
Supplementary materials for the financial results are scheduled to be posted on our website on Monday, August 3, 2026.
In addition, the Company plans to hold a briefing for analysts on Monday, August 3, 2026.

○Table of Contents of Attached Materials

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Quarter

During the current first-quarter consolidated cumulative period, the Japanese economy continued to face uncertainty regarding the outlook for the external environment, including persistently high energy prices associated with prolonged geopolitical risks and the establishment of a yen depreciation trend in the foreign exchange market. Meanwhile, the domestic financial market remained firm, with stock prices reaching historic highs, and in addition to the spread of generative AI and solid demand for IT infrastructure centered on semiconductors and data centers, improving willingness to make capital investments associated with large-scale urban redevelopment projects was strongly recognized as supporting the economy.

In personal consumption, although a high level of wage increases was maintained in this spring's labor-management wage negotiations, caution over rising housing loan interest rates and other rates accompanying the Bank of Japan's additional interest rate hikes, as well as price increases in daily necessities, continued to put pressure on household budgets. As a result, amid increasingly pronounced consumer thriftiness and reluctance to spend, particularly in the retail market, the trend toward "selective consumption," in which consumers thoroughly curb unnecessary spending while not hesitating to spend on self-improvement and well-being, strengthened further.

Regarding the financial environment, as the Bank of Japan proceeded with raising policy interest rates and the transition to a "positive interest rate environment"began in earnest, many companies faced a phase in which they were compelled to address concerns over rising interest costs and respond accordingly. It was also a period in which building efficient financing strategies, strengthening financial soundness, and transforming management to emphasize capital efficiency became important indicators for evaluating corporate sustainability.

Under these economic conditions, our group has worked to increase the number of members in its core businesses, expand service offerings, and improve operational efficiency.

As a result, the operating results for the Current first-quarter consolidated cumulative period were Net sales of 5,264 million yen (up 24.6% YoY), Operating profit of 797 million yen (up 82.4% YoY), Ordinary profit of 813 million yen (up 81.8% YoY), and Profit attributable to owners of parent of 514 million yen (up 84.8% YoY).

Operating results by segment are as follows.

In addition, from the current first-quarter consolidated accounting period, the classification of reportable segments has been changed, and for the following comparison with the same quarter of the previous year, the figures for the same quarter of the previous year have been reclassified according to the changed segment classification for comparison.

(i) Accounting Service Business

The Accounting Service Business provides accounting services such as bookkeeping agency services to sole proprietors and small businesses, mainly life insurance sales representatives. In terms of sales activities during the Current first-quarter consolidated cumulative period, we continued to participate in training sessions that each life insurance company conducts from time to time for new employees, and worked to maintain and secure customer acquisition channels. In terms of services, we upgraded the user app currently being provided with the aim of strengthening customer engagement. By promoting measures utilizing the app, such as reminder notifications for submission materials required on a regular basis and enhancement of the direct chat (talk) function within the app, we achieved both stronger touchpoints with users and greater operational efficiency.

As a result, the number of accounting service members at the end of the current first-quarter consolidated accounting period (June 30, 2026) was 117,377 (an increase of 3,875 from the end of the previous fiscal year).

As a result, Net sales for the current first-quarter consolidated cumulative period in the Accounting Service Business were 1,177 million yen (up 12.0% YoY), and Operating profit was 349 million yen (up 18.6% YoY).

(ii) Consulting Business

The consulting business consists of the "F&M Club," a back-office support service for small and medium-sized enterprises, support for obtaining ISO and PrivacyMark certifications, support for applying for subsidy grants including "Monozukuri Subsidies" and "Growth Investment Subsidies for Medium-sized and Small Enterprises," support for formulating management improvement plans to improve cash flow, and instructor-dispatch training services.

Regarding the "F&M Club," as of the end of June 2026, we have formed partnerships with 237 financial institutions and are working to strengthen sales opportunities. On July 15, 2026, we advanced our initiative with MUFG Bank, Ltd. from "referral" to "mediation" and announced the conclusion of a mediation agreement, thereby further strengthening our relationships so that our group can become the best partner for financial institutions. In addition, departments that had previously been separated by function, such as "new sales" and "customer follow-up," were reorganized into an integrated end-to-end structure by region. Under this structure, as a result of placing emphasis on sharing the status of referred customers, we have deepened our relationships with partner financial institutions, leading to an improvement in the contract closing rate.

In our approach to member companies, the integration of customer touchpoints has increased the resolution of our understanding of management issues, and the expansion of a comprehensive support platform, including back-office support for companies, has progressed steadily. Against the backdrop of this strengthened structure, services such as recruitment support including editing job postings to enhance hiring competitiveness, improvement of the working environment through the development of labor management systems, support for establishing personnel evaluation systems to improve retention rates and performance after hiring, and analysis of cash flow related to capital investment and human capital investment have captured the needs of SME business owners and contributed to an increase in new members. In addition, specialized teams in each field, including human resource development, improvement of financial structure, and promotion of DX in labor operations, provide in-depth support tailored to customer issues, producing favorable results in improving customer satisfaction and contract renewal rates as well.
As a result, the number of F&M Club members at the end of the current first-quarter consolidated accounting period (June 30, 2026) was 15,132 companies (an increase of 315 companies from the end of the previous fiscal year).
Regarding support for obtaining ISO and PrivacyMark certifications, orders were centered on ISO9001 and ISO14001 for the construction industry, aimed at gaining additional points in bidding for public works projects. In addition, orders for FSSC22000 and HACCP associated with the promotion of overseas exports in the food manufacturing industry continued to remain firm. On the other hand, in response to changes in the external environment, including uncertainty surrounding the situation in the Middle East, the number of new inquiries remained subdued.
Regarding support for Subsidies application assistance, we continued to provide support for "Monozukuri Subsidies (Monozukuri/Commercial/Service Productivity Improvement Promotion Subsidies)" and "Large-scale Growth Investment Subsidies for Mid-sized Companies, etc. (Large-scale Growth Investment Subsidies for labor-saving and other initiatives aimed at wage increases at mid-sized, small and medium-sized, and startup companies)" (*1), while in the "SME Labor-saving Investment Subsidies (General Type)," which is a focus area, we have continued to maintain a high level of performance. In addition, Net sales associated with Subsidies for which adoption results were announced in or after July 2026 will be recorded from the second quarter onward.

Subsidies	Fiscal period	Adoption announcement	Number of applications	Number of adoptions
Monozukuri Subsidies	22nd	April 30, 2026	22 cases	13 cases
	23rd	Around early August 2026	12 cases	Pending announcement
Subsidies for large-scale growth investment by medium-sized enterprises, etc. (*1)	5th	May 18, 2026	17 cases	8 cases
SME Growth Acceleration Subsidies	2nd	Early August 2026	72 cases	Pending announcement
Entry into New Businesses Subsidies	3rd	July 1, 2026	21 cases	11 cases
	4th	Around the end of September 2026	35 cases	Pending announcement
SME Labor-Saving Investment Subsidies (General Type)	5th	June 5, 2026	86 cases	78 cases
	6th	Late August 2026	68 cases	Pending announcement

*1 The same subsidies were publicly offered under the name "Growth Investment Subsidies for Medium-sized and Small Businesses (Large-scale Growth Investment Subsidies for Labor-saving Measures, etc. Aimed at Wage Increases for Medium-sized and Small Businesses)" through the 4th public offering.
*2 The above table shows the status as of July 30, 2026.

Regarding support for the formulation of management improvement plans to improve cash flow, we also focus on refinancing support that does not utilize the 405 project, with an emphasis on speed. Through this, we support the realization of effective financial improvement for small and medium-sized enterprises.
Regarding the instructor dispatch-type training service, under which instructors with specialized knowledge and experience are dispatched for employee training at client companies, we have continued to strengthen our efforts, and conducted training for 928 companies, mainly F&M Club member companies.
As a result, Net sales for the current first-quarter consolidated cumulative period in the consulting business were 2,342 million yen (up 29.2% YoY), and Operating profit was 781 million yen (up 58.2% YoY).

(iii) Business Solution Business

The Business Solution business consists of consulting for professional service firms, and the provision of IT solutions for companies and professional service firms.

Consulting services for professional firms consist of the "Management Innovation Support Organization Promotion Council," which supports the enhancement of the capabilities of tax accountant and certified public accountant offices that are certified support organizations, among others. During the period, against the backdrop of support needs for small and medium-sized enterprises that are clients of tax accountants and certified public accountants, as well as ongoing needs to improve the productivity of their own offices, we secured stable sales opportunities. In particular, measures that captured market trends, such as holding "Generative AI Study Sessions" and providing "Generative AI Prompts" for tax accountant and certified public accountant offices, proved effective, and membership in the "AI Study Group" remained firm. As a result, the number of member offices of the "Management Innovation Support Organization Promotion Council," etc. at the end of the Current first-quarter consolidated accounting period (June 30, 2026) was 2,224 offices (an increase of 129 offices from the end of the previous fiscal year).

The provision of IT solutions for corporations and professional firms consists of the sale of the "Office Station" series of cloud software for HR and labor management.

In marketing activities aimed at acquiring customers, we continued to exhibit at trade shows where large numbers of target customers gather. Through individual consultations at the booth, our main focus in exhibiting at this trade show was to reinforce market recall (remind) and restart purchase consideration. Through individual consultations at the booth, in addition to needs such as improving the efficiency of attendance and labor management, we were also able to directly capture a specific need: "to consolidate individually contracted SaaS products under a single brand." As a result of highlighting the benefits of unifying these clearly identified issues through "Office Station," this has led to the creation of business negotiations with large contract amounts involving tool consolidation.

As sales measures aimed at expanding Net sales, the customer success department took the lead in developing proposal activities according to the degree of system utilization by existing users. Specifically, in addition to promoting the registration of the number of employee users within contracted companies, we vigorously implemented cross-selling proposals across product lines （such as labor management, year-end tax adjustment, and payslips）. Furthermore, by establishing a framework in which field sales and customer success work closely together, we became able to make timely proposals in response to changes in customer needs, thereby optimizing the entire sales process, including shortening the sales lead time and improving the contract closing rate.

In addition, with the aim of preventing churn (cancellations) after contract execution and maintaining the contract continuation rate, we focused on establishing an onboarding framework to support smooth system launch. In addition, to enable customers to resolve questions in a short time, we thoroughly expanded support desk personnel and enhanced FAQs, and worked to build a support environment in which existing users can continue using the system with peace of mind.

As a result, as of the end of the Current first-quarter consolidated accounting period (June 30, 2026), use of the "Office Station" series, including use of the free "Office Station Labor Light," totaled 54,314 corporate customers (an increase of 1,645 from the end of the previous fiscal year) and 3,740 professional offices (an increase of 74 offices from the end of the previous fiscal year).

As a result, Net sales in the business solution business for the current first-quarter consolidated cumulative period were 1,648 million yen (up 33.6% YoY), and operating loss was 23 million yen (operating loss was 40 million yen in the same period of the previous year).

(iv) Real Estate Leasing Business

The real estate leasing business records stable earnings from lease revenue of buildings owned by the Company. Net sales for the current first-quarter consolidated cumulative period were 27 million yen (up 3.7% YoY), and operating profit was 7 million yen (up 17.0% YoY).

(v) System Development Business

The system development business consists of the system development business, etc. of the consolidated subsidiary F&M Net Co., Ltd. At F&M Net, development for internal group use, such as Merchandise sold by F&M centered on the "Office Station" series, accounted for the majority.

As a result, Net sales in the system development business for the current first-quarter consolidated cumulative period were 56 million yen (down 32.8% YoY), and operating loss was 7 million yen (operating loss of 42 million yen in the same period of the previous year).

(vi) Other Businesses

Other businesses consist of the headquarters operation of computer schools and the FC guidance business, etc. In the headquarters operation of computer schools and the FC guidance business, we worked to improve the continuation rate by strengthening proactive counseling for students and support for obtaining qualifications, etc.

As a result, Net sales in the Other business for the Current first-quarter consolidated cumulative period were 12 million yen (down 16.8% YoY), and operating loss was 0 million yen (Operating profit of 1 million yen in the same period of the previous year).

(2) Overview of Financial Positions for the Current Quarter

(Assets)

At the end of the Current first-quarter consolidated accounting period, Current assets amounted to 7,575 million yen, a decrease of 1,160 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to an increase of 136 million yen in Accounts receivable - trade, and contract assets, while Cash and deposits decreased by 1,345 million yen.

Non-current assets amounted to 12,129 million yen, an increase of 223 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to an increase of 527 million yen in Other (Intangible assets), while Deferred tax assets decreased by 201 million yen.

As a result, total assets amounted to 19,705 million yen, a decrease of 936 million yen compared with the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the current first-quarter consolidated accounting period amounted to 4,029 million yen, a decrease of 1,007 million yen compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of 119 million yen in other (Current liabilities), while income taxes payable decreased by 771 million yen and provision for bonuses decreased by 435 million yen.

Non-current liabilities amounted to 182 million yen, an increase of 1 million yen compared with the end of the Previous consolidated fiscal year.

As a result, total liabilities amounted to 4,212 million yen, a decrease of 1,006 million yen compared with the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the Current first-quarter consolidated accounting period amounted to 15,493 million yen, an increase of 70 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to the recording of Profit attributable to owners of parent of 514 million yen, while Dividends of surplus of 443 million yen were paid.

As a result, the equity to total assets ratio was 78.6% (74.7% at the end of the previous consolidated fiscal year).

There are currently no plans for any particularly noteworthy significant capital expenditures or the procurement of funds associated therewith.

(3) Explanation of Future Forecast Information Such as Consolidated Forecasts

There are no changes to the consolidated Forecasts for the second-quarter consolidated cumulative period and the full year from the consolidated Forecasts announced in the "Financial Results for the Fiscal Year Ended March 2026" on May 14, 2026.

In addition, forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and actual business results may differ significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous consolidated fiscal year (March 31, 2026)	Current first-quarter consolidated accounting period (June 30, 2026)
Assets		
Current assets		
Cash and deposits	6,740,850	5,395,788
Accounts receivable - trade, and contract assets	1,644,323	1,780,714
Merchandise and finished goods	2,104	2,594
Securities	100,000	100,000
Work in process	53	31,954
Raw materials and supplies	5,733	3,413
Other	281,363	306,137
Allowance for doubtful accounts	(38,425)	(44,926)
Total current assets	8,736,003	7,575,676
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	1,285,577	1,259,608
Tools, furniture and fixtures, net	220,833	237,463
Land	1,281,627	1,281,627
Total property, plant and equipment, net	2,788,037	2,778,699
Intangible assets		
Goodwill	8	8
Software	6,387,715	6,309,971
Other	489,128	1,016,193
Total intangible assets	6,876,853	7,326,173
Investments and other assets		
Investment securities	898,837	898,775
Deferred tax assets	615,767	414,414
Delinquent receivables	122,857	99,649
Guarantee deposits	153,432	156,945
Insurance funds	514,642	514,943
Other	20,501	20,359
Allowance for doubtful accounts	(84,818)	(80,005)
Total investments and other assets	2,241,220	2,025,082
Total non-current assets	11,906,110	12,129,956
Total assets	20,642,114	19,705,632

(Unit: Thousands of yen)

	Previous consolidated fiscal year (March 31, 2026)	Current first-quarter consolidated accounting period (June 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	9,521	10,747
Contract liabilities	1,059,953	1,138,664
Income taxes payable	893,023	121,199
Provision for bonuses	1,060,540	625,183
Other	2,014,727	2,134,093
Total current liabilities	5,037,767	4,029,888
Non-current liabilities		
Retirement benefit liability	115,901	117,201
Negative goodwill	189	144
Other	64,812	64,812
Total non-current liabilities	180,903	182,158
Total liabilities	5,218,670	4,212,047
Net assets		
Shareholders' equity		
Share capital	989,650	989,650
Capital surplus	2,467,459	2,467,459
Retained earnings	12,157,719	12,228,345
Treasury shares	(223,828)	(223,955)
Total shareholders' equity	15,391,000	15,461,499
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,442	32,085
Total accumulated other comprehensive income	32,442	32,085
Total net assets	15,423,443	15,493,585
Total liabilities and net assets	20,642,114	19,705,632

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

(Quarterly Consolidated Statement of Income)

(Unit: Thousands of yen)

	Previous first-quarter consolidated cumulative period (From April 1, 2025) Until June 30, 2025)	Current first-quarter consolidated cumulative period (From April 1, 2026 Until June 30, 2026)
Net sales	4,224,532	5,264,834
Cost of sales	1,440,548	1,840,556
Gross profit	2,783,984	3,424,277
Selling, general and administrative expenses	2,346,786	2,626,875
Operating profit	437,197	797,402
Non-operating income		
Interest income	2,130	6,474
Interest income on securities	3,830	3,625
Dividend income	1,248	1,285
Commission income	-	3,831
Subsidy income	54	95
Other	2,696	366
Total non-operating income	9,960	15,679
Ordinary profit	447,157	813,081
Extraordinary losses		
Loss on retirement of non-current assets	0	-
Total extraordinary losses	0	-
Income before income taxes	447,157	813,081
Income taxes - current	35,822	97,163
Income taxes - deferred	132,926	201,517
Total income taxes	168,749	298,681
Net income	278,408	514,400
Profit attributable to owners of parent	278,408	514,400

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Thousands of yen)

	Previous first-quarter consolidated cumulative period (From April 1, 2025 Until June 30, 2025)	Current first-quarter consolidated cumulative period (From April 1, 2026 Until June 30, 2026)
Net income	278,408	514,400
Other comprehensive income		
Valuation difference on available-for-sale securities	(177)	(357)
Other comprehensive income	(177)	(357)
Comprehensive income	278,231	514,043
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	278,231	514,043

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information, etc.)

[Segment Information]

I For the three months ended June 30, 2025

1. Information on Amounts of Net Sales and Profit or Loss by Reportable Segment

(Unit: Thousands of yen)

	Reportable segment						Others (Note)	Total
	Accounting Service Business	Consulting Business	Business Solution Business	Real Estate Leasing Business	System Development Business	Total		
Net sales								
Net sales to external customers	1,051,236	1,814,004	1,233,467	26,124	84,466	4,209,299	15,232	4,224,532
Intersegment internal Net sales or transfers	-	748	635	2,175	587,531	591,090	1,533	592,624
Total	1,051,236	1,814,753	1,234,102	28,299	671,997	4,800,390	16,766	4,817,157
Segment profit or loss	294,239	493,643	(40,434)	6,106	(42,698)	710,857	1,863	712,720

(Note) The "Others" category is a business segment not included in the reportable segments, and includes the operation of personal computer classes and FC guidance business, etc.

2. Reconciliation of Reportable Segment Profit or Loss with Operating Profit in Quarterly Consolidated Statement of Income

(Unit: Thousands of yen)

Profit	Amount
Reportable segments	710,857
Profit in the "Others" segment	1,863
Elimination of intersegment transactions	(1,373)
Amortization of goodwill	0
Corporate expenses (Note)	(300,138)
Adjustment for non-current assets	25,990
Quarterly consolidated Statement of income Operating profit	437,197

(Note) Corporate expenses are mainly General and administrative expenses not attributable to reportable segments.

II For the three months ended June 30, 2026

1. Information on Amounts of Net Sales and Profit or Loss by Reportable Segment

(Unit: Thousands of yen)

	Reportable segment						Others (Note)	Total
	Accounting Service Business	Consulting Business	Business Solution Business	Real Estate Leasing Business	System Development Business	Total		
Net sales								
Net sales to external customers	1,177,259	2,342,802	1,648,255	27,094	56,748	5,252,160	12,673	5,264,834
Intersegment internal Net sales or transfers	-	642	644	2,175	763,205	766,667	1,533	768,201
Total	1,177,259	2,343,445	1,648,899	29,269	819,953	6,018,827	14,207	6,033,035
Segment profit or loss	349,104	781,078	(23,943)	7,146	(7,818)	1,105,567	(177)	1,105,389

(Note) The "Others" category is a business segment not included in the reportable segments, and includes the operation of personal computer classes and FC guidance business, etc.

2. Reconciliation of Reportable Segment Profit or Loss with Operating Profit in Quarterly Consolidated Statement of Income

(Unit: Thousands of yen)

Profit	Amount
Reportable segments	1,105,567
Losses in the "Others" segment	(177)
Elimination of intersegment transactions	(4,478)
Amortization of goodwill	0
Corporate expenses (Note)	(346,392)
Adjustment for non-current assets	42,884
Quarterly consolidated Statement of income Operating profit	797,402

(Note) Corporate expenses are mainly General and administrative expenses not attributable to reportable segments.

3. Matters Concerning Changes in Reportable Segments, etc.

Regarding the BPO business, which had previously been included in the "Accounting Services Business" segment, as a result of reviewing the management classification in light of future business development, etc., we changed its classification to the "Business Solution Business" segment from the current first-quarter consolidated accounting period. In addition, segment information for the Previous first-quarter consolidated cumulative period is disclosed based on the classification of reportable segments for the Current first-quarter consolidated cumulative period.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated Statement of cash flows for the current first-quarter consolidated cumulative period has not been prepared. In addition, Depreciation for the first-quarter consolidated cumulative period (including amortization of Intangible assets excluding Goodwill), amortization of Goodwill, and amortization of Negative goodwill are as follows.

	Previous first-quarter consolidated cumulative period (From April 1, 2025 to June 30, 2025)	Current first-quarter consolidated cumulative period (From April 1, 2026 to June 30, 2026)
Depreciation	478,588 thousand yen	584,013 thousand yen
Amortization of goodwill	0	0
Amortization of negative goodwill	(44)	(44)