

PLAID, Inc. and its subsidiaries

Consolidated financial statements and non-consolidated financial statements for the fiscal year
ended September 30, 2025

1. Consolidated Financial Statements

(1) Consolidated Financial Statements

(a) Consolidated balance sheet

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Assets		
Current assets		
Cash and deposits	4,744,925	6,601,979
Notes and accounts receivable - trade	1,139,133	1,317,103
Prepaid expenses	368,775	371,835
Other	15,348	45,867
Allowance for doubtful receivables	(24,784)	(10,878)
Total current assets	6,243,398	8,325,908
Non-current assets		
Property and equipments		
Buildings	26,227	26,227
Accumulated depreciation	(26,227)	(26,227)
Buildings, net	0	0
Tools, furniture and fixtures	225,272	226,853
Accumulated depreciation	(163,840)	(174,566)
Tools, furniture and fixtures, net	61,431	52,287
Total Property and equipments	61,432	52,287
Intangible non-current assets		
Software	—	57,564
Goodwill	143,579	109,796
Total intangible non-current assets	143,579	167,361
Investments and other assets		
Investment securities	49,914	338,961
Bankruptcy reorganization claims	3,121	13,192
Lease and guarantee deposits	291,623	285,228
Long-term loans to employees	2,029	—
Long-term loans to directors	10,007	—
Deferred tax assets	434,334	455,398
Other	63,609	23,828
Allowance for doubtful receivables	(3,121)	(13,192)
Total investments and other assets	851,519	1,103,416
Total non-current assets	1,056,531	1,323,064
Total assets	7,299,930	9,648,973

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Liabilities		
Current liabilities		
Accounts payable	8,362	917
Short-term debt	100,000	—
Current portion of long-term debt	699,666*	608,758*
Accounts payable - other	709,795	866,500
Income taxes payable	228,020	258,220
Contract liabilities	852,480	1,062,558
Allowance for losses on order received	77,224	79,807
Other	900,348	747,588
Total current liabilities	3,575,899	3,624,349
Long-term liabilities		
Long-term debt	521,026*	1,212,268
Total long-term liabilities	521,026	1,212,268
Total liabilities	4,096,925	4,836,617
Net assets		
Shareholders' equity		
Capital stock	3,091,157	3,184,693
Capital surplus	5,174,628	5,547,991
Retained earnings	(5,103,858)	(4,004,801)
Treasury shares	(281)	(514)
Total shareholders' equity	3,161,646	4,727,369
Accumulated other comprehensive income (loss)		
Valuation difference on available-for-sale securities	—	16,709
Deferred gains and losses on hedges	(21,607)	12,578
Total accumulated other comprehensive income (loss)	(21,607)	29,287
Stock acquisition rights	7,147	29,246
Non-controlling interests	55,817	26,452
Total net assets	3,203,004	4,812,355
Total liabilities and net assets	7,299,930	9,648,973

(b) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated statement of income

(Thousand yen)

	Previous fiscal year (ended Sep.30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Net sales	10,992,713 ¹⁾	13,396,474 ¹⁾
Cost of sales	3,122,960 ²⁾	3,608,213 ²⁾
Gross profit	7,869,753	9,788,261
Selling general and administrative expenses	7,608,837 ³⁾	8,356,386 ³⁾
Operating income	260,915	1,431,874
Non-operating income		
Interest income	518	6,269
Commissions received	36	6,849
Dividend income	0	—
Foreign exchange gain	569	—
Point redemption income	3,486	2,960
Gain on sale of investment securities	—	2,300
Other	917	2,335
Total non-operating income	5,528	20,714
Non-operating expenses		
Interest expenses	21,075	23,664
Compensation fees	9,563	8,590
Restricted stock-related expenses	38,819	13,018
Commission fees	4,166	—
Guarantee Fee	6,844	7,820
Foreign exchange loss	—	16,637
Other	1,560	2,351
Total non-operating expenses	82,030	72,082
Ordinary income	184,413	1,380,506
Extraordinary income		
Gain on sale of property, plant and equipment	—	2,169 ⁴⁾
Gain on lapse of share options	—	7,147
Total extraordinary income	—	9,316
Extraordinary losses		
Impairment loss	153,179 ⁵⁾	11,727 ⁵⁾
Loss on retirement of property, plant and equipment	—	0
Loss on valuation investment securities	6,222	32,019
Total extraordinary losses	159,402	43,747
Net income (loss) before adjustment for taxes, etc.	25,010	1,346,076
Income taxes - current	189,423	284,966
Income taxes - deferred	(391,572)	(43,841)
Total income taxes	(202,149)	241,124
Net income	227,159	1,104,952
Net income (loss) attributable to non-controlling interests	(93,572)	5,894
Net income attributable to owners of parents	320,732	1,099,057

Consolidated Statement of Comprehensive Income

(Thousand yen)

	Previous fiscal year (ended Sep.30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Net income	227,159	1,104,952
Other comprehensive income		
Valuation difference on available-for-sale securities	—	16,709
Deferred gains or losses on hedges	(63,511)	34,186
Total other comprehensive income	(63,511)*	50,895*
Comprehensive income	163,648	1,155,847
(Breakdown)		
Comprehensive income attributable to owners of the parent	257,220	1,149,952
Comprehensive income attributable to non-controlling interests	(93,572)	5,894

(c) Consolidated Statement of Changes in Shareholders' Equity
Previous fiscal year(ended Sep.30, 2024)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	2,945,895	5,029,365	△5,424,590	△279	2,550,391
Changes during year					
Issuance of new shares (restricted stock compensation)	83,439	83,439	-	-	166,878
Issuance of new shares (Exercise of stock acquisition right)	61,823	61,823	-	-	123,647
Net income attributable to owners of parent	-	-	320,732	-	320,732
Acquisition of treasury shares	-	-	-	△2	△2
Changes in parent company equity related to transaction with no-controlling shareholders	-	-	-	-	-
Net change in items other than shareholders' equity	-	-	-	-	-
Total changes during year	145,262	145,262	320,732	△2	611,255
Ending balance	3,091,157	5,174,628	△5,103,858	△281	3,161,646

	Accumulated other comprehensive income (loss)		Stock acquisition rights	Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Accumulated other comprehensive income			
Beginning balance	41,904	41,904	7,147	149,390	2,748,833
Changes during year					
Issuance of new shares (restricted stock compensation)	-	-	-	-	166,878
Issuance of new shares (Exercise of stock acquisition right)	-	-	-	-	123,647
Net income attributable to owners of parent	-	-	-	-	320,732
Acquisition of treasury shares	-	-	-	-	△2
Changes in parent company equity related to transaction with no-controlling shareholders	-	-	-	-	-
Net change in items other than shareholders' equity	△63,511	△63,511	-	△93,572	△157,084
Total changes during year	△63,511	△63,511	-	△93,572	454,171
Ending balance	△21,607	△21,607	7,147	55,817	3,203,004

Current fiscal year (ended Sep. 30, 2025)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	3,091,157	5,174,628	△5,103,858	△281	3,161,646
Changes during year					
Issuance of new shares (restricted stock compensation)	32,697	32,697	—	—	65,395
Issuance of new shares (Exercise of stock acquisition right)	60,837	60,837	—	—	121,675
Net income attributable to owners of parent	—	—	1,099,057	—	1,099,057
Acquisition of treasury shares	—	—	—	△232	△232
Increase by share exchanges	—	169,785	—	—	169,785
Changes in parent company equity related to transaction with no-controlling shareholders	—	110,042	—	—	110,042
Net change in items other than shareholders' equity	—	—	—	—	—
Total changes during year	93,535	373,362	1,099,057	△232	1,565,722
Ending balance	3,184,693	5,547,991	△4,004,801	△514	4,727,369

	Accumulated other comprehensive income (loss)			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Accumulated other comprehensive income			
Beginning balance	—	△21,607	△21,607	7,147	55,817	3,203,004
Changes during year						
Issuance of new shares (restricted stock compensation)	—	—	—	—	—	65,395
Issuance of new shares (Exercise of stock acquisition right)	—	—	—	—	—	121,675
Net income attributable to owners of parent	—	—	—	—	—	1,099,057
Acquisition of treasury shares	—	—	—	—	—	△232
Increase by share exchanges	—	—	—	—	—	169,785
Changes in parent company equity related to transaction with no-controlling shareholders	—	—	—	—	—	110,042
Net change in items other than shareholders' equity	16,709	34,186	50,895	22,098	△29,365	43,628
Total changes during year	16,709	34,186	50,895	22,098	△29,365	1,609,351
Ending balance	16,709	12,578	29,287	29,246	26,452	4,812,355

(d) Consolidated Statements of Cash Flows

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Cash flow from operating activities		
Net income (loss) before adjustment for taxes, etc.	25,010	1,346,076
Goodwill amortization	54,092	33,783
Depreciation costs	42,765	47,856
Depreciation costs on deposits	6,474	6,399
Stock-based compensation expense	198,075	167,173
Impairment loss	153,179	11,727
Loss (gain) on valuation of investment securities	6,222	32,019
Gain on lapse of share options	—	(7,147)
Increase (decrease) in allowance for doubtful accounts	24,518	(3,835)
Increase (decrease) in allowance for losses on order received	22,795	2,582
Interest income	(518)	(6,269)
Commission received	(36)	(6,849)
Interest expenses	21,075	23,664
Commission fee	4,166	—
Guarantee fee	6,844	7,820
Loss (gain) on sales of property and equipment	—	(2,169)
Loss (gain) on sales of investment securities	—	(2,300)
Decrease (increase) in notes and accounts receivable - trade	(158,666)	(177,970)
Decrease (increase) in bankruptcy or reorganization claims	266	(10,071)
Decrease (increase) in prepaid expenses	(79,832)	(54,334)
Increase (decrease) in accounts payable, other	(32,828)	156,821
Increase (decrease) in accrued consumption taxes	163,289	(86,330)
Increase (decrease) in contract liabilities	347,993	210,077
Other	138,455	(28,969)
Sub total	943,345	1,659,756
Interest and dividend income received	518	6,269
Fees and commission received	36	6,849
Interest expenses paid	(20,938)	(23,526)
Income taxes paid	(22,482)	(272,846)
Cash flow from operating activities	900,478	1,376,503
Cash flow from investing activities		
Payments for purchase of investment securities	—	(296,666)
Proceeds from sale of investment securities	—	2,300
Purchase of property and equipment	(57,617)	(46,557)
Proceeds from sale of property and equipment	—	2,561
Purchase of intangible assets	—	(58,540)
Proceeds from collection of lease and guarantee deposits	5,763	—
Proceeds from collection of long-term loans to employees	2,177	2,199
Proceeds from collection of long-term loans to directors	—	10,007
Payments for contributions to capital	(10)	—
Other	—	(5)
Cash flow from investing activities	(49,686)	△384,700

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Cash flow from financing activities		
Proceeds from short-term debt	100,000	—
Repayments of short-term debt	(1,660)	(100,000)
Proceeds from long-term debt	400,000	1,300,000
Repayments of long-term debt	(554,476)	(699,666)
Proceeds from issuance of shares resulting from exercise of stock acquisition rights	122,911	120,583
Payments for acquisition of treasury shares	(2)	(232)
Proceeds from payments from non-controlling shareholders	—	600,413
Expenditures for the acquisition of subsidiaries' shares without a change in the scope of consolidation	—	(355,846)
Cash flow from financing activities	66,773	865,251
Net increase in cash and cash equivalents	917,565	1,857,054
Cash and cash equivalents at beginning of period	3,827,359	4,744,925
Cash and cash equivalents at end of period	4,744,925 ¹⁾	6,601,979 ¹⁾

[Notes on consolidated financial statements]

(Significant matters underlying the preparation of consolidated financial statements)

1. Scope of consolidation

Status of consolidated subsidiaries:

All of the Company's subsidiaries are consolidated

Number of consolidated subsidiaries: 4

Names of consolidated subsidiaries: Emotion Tech, Inc.

RightTouch Inc.

agito, Inc.

Codatum Inc.

2. Fiscal year of consolidation subsidiaries

The closing date of the consolidated subsidiaries is the same as that of the Company.

3. Accounting policies

(1) Valuation criteria and methods for significant assets

(i) Investment securities

• Other investment securities

Securities other than stocks without market value, etc.:

The fair value method (with valuation differences recognized directly in net assets under the comprehensive income approach and cost of securities sold calculated by the moving-average method) is used.

Stocks without market value, etc.:

The moving average method is used. For investments in Limited Partnership for Investment and similar partnerships (which are deemed as securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the amount equivalent to the equity share is recognized on a net basis, based on the latest financial statements available according to the closing date stipulated in the partnership agreement.

(ii) Derivatives

The market value method is used.

(2) Depreciation methods for significant depreciable assets

Property and equipments

Plaid and its consolidated subsidiaries use the declining balance method. However, buildings acquired on or after April 1, 2016 are depreciated using the straight line method.

The estimated useful lives of major asset items are as follows:

Buildings 2 to 5 years

Tools, furniture and fixtures 3 to 15 years

Intangible assets

Plaid and its consolidated subsidiaries use the straight-line method. For software for internal use, amortization is calculated based on the estimated useful life within the company (five years).

(3) Criteria for recording significant allowances

(a) Allowance for doubtful accounts

In order to prepare for bad debt losses on receivables, the estimated uncollectible amount is recorded based on the actual bad debt rate for general receivables and the separate likelihood of collection for specific receivables such as doubtful receivables.

(b) Allowance for losses on orders received

In order to provide for possible future losses related to contracts of orders, for those at the end of the fiscal year that are expected to incur losses and whose amounts can be reasonably estimated, the estimated amount of such losses is recorded.

(4) Accounting for significant deferred assets

Stock issuance cost

All costs are processed at the time of expenditure.

(5) Significant hedge accounting methods

(a) Hedge accounting method

Deferred hedge accounting method is applied. The Company has applied the allocation method for forward exchange contracts when the requirements for the allocation method are met.

(b) Hedging instruments and hedged items

Hedging instruments: Forward exchange contracts Hedged items: Accounts payable-other

(c) Hedging policy

In order to reduce the risk of foreign currency fluctuations, the Company conducts hedging within the amount of the liabilities to be hedged.

(d) Method for evaluating the effectiveness of hedging

The Company assesses the hedging effectiveness based on the amount of fluctuation of both the hedged items and the hedging instruments, comparing the cumulative market fluctuations of the hedged items and the hedging instruments during the period from the start of hedging to the time of effectiveness assessment. For items for which the allocation method is applied, the hedging effectiveness assessments are omitted based on the judgment that their effectiveness has been proved at the time of adoption.

(6) Goodwill amortization method and period

The Company amortizes goodwill using the straight-line method over a reasonable number of years (6 years), determined on a case-by-case basis.

(7) Scope of funds in the consolidated statement of cash flows

Scope of funds consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition, which are readily convertible into cash, and are exposed to insignificant risk in terms of changes in value.

(8) Criteria for recording significant revenues and expenses

In the Company's mainstay SaaS business, revenue generated from contracts with customers is classified into product revenue, which relates to the providing of products, and service revenue, which relates to the providing of professional services. For either type of revenue, any revenues generated from the continuous provision of products or services, such as monthly subscription fees, are recognized monthly based on the period when the products or services are provided to the customer. The provision of a temporary one-off service is considered to be a transaction fulfilled when the work is complete and so is recognized as revenue generated at one point in time. Consideration for transactions related to services is generally received within one year after the completion of service provision and does not contain any significant financing components. Furthermore, there are no significant variable considerations that could cause the amount of consideration to fluctuate.

(9) Foreign currency translations

Monetary receivables and payables denominated in foreign currencies are converted into Japanese yen at the spot exchange rate on the consolidated closing date with the resulting exchange difference treated as a profit or loss.

(Significant accounting estimates)

Recoverability of Deferred Tax Assets

(a) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

(Thousand yen)

	Previous consolidated fiscal year	Current fiscal year
Deferred Tax Assets	434,334	455,398

(b) Information about content of significant accounting estimates for identified items

Deferred tax assets are recognized in accordance with the “Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26) to the extent that it is deemed effective to reduce future tax liabilities by reversing deductible temporary differences or offsetting tax loss carryforwards against taxable income. The Company recognizes deferred tax assets to the extent that it is deemed effective to reduce the future tax burden. The recoverability of deferred tax assets is determined based on the classification of the entity in accordance with the “Guidance on Recoverability of Deferred Tax Assets,” the expected reversal of the deferred tax assets and deferred tax liabilities, and future taxable income, including tax planning.

Estimates of future taxable income used to determine the recoverability of deferred tax assets are estimated on the basis of business plans, but the forecasts of ARR expansion and new acquisitions of professional services included in such business plans are subject to uncertainty. Therefore, changes in the terms and conditions of these future estimates could have a significant impact on the consolidated financial statements in the following fiscal years and beyond.

(Change in accounting policies)

Not applicable.

(Accounting standards issued but not yet applied)

Accounting Standards for Leases

Accounting Standard for Leases (ASBJ Statement No. 34, issued September 13, 2024 by the Accounting Standards Board of Japan)

Implementation Guidance on the Accounting Standard for Leases (ASBJ Guidance No. 33, issued September 13, 2024 by the Accounting Standards Board of Japan)

(1) Overview

Considering the issuance of International Financial Reporting Standard (IFRS) 16, Leases, by the International Accounting Standards Board (IASB) in January 2016, and Topic 842, Leases, by the Financial Accounting Standards Board (FASB) in February 2016, the Accounting Standards Board of Japan (ASBJ) developed and issued accounting standards and implementation guidance that require lessees to recognize assets and liabilities for all leases on the balance sheet.

The ASBJ's fundamental policy in developing the accounting standards for leases was to enhance the comparability of financial statements between domestic and international companies by adopting a uniform calculation method. This involves treating all leases as the acquisition of a Right-of-Use (ROU) Asset and recognizing the ROU asset on the balance sheet. Furthermore, the standards adopt an accounting model for the lessee's lease expense allocation that recognizes both depreciation expense on the ROU asset and an interest component on the lease liability, regardless of whether the lease is classified as a finance lease or an operating lease. The standards also allow for alternative treatments to the extent that they do not significantly impair international comparability.

(2) Scheduled Date of Application

The standards are scheduled to be applied from the beginning of the fiscal year ending in September 2028.

(3) Impact of Applying the Accounting Standards

The quantitative impact of applying these accounting standards is currently under evaluation at the time of preparing these consolidated financial statements.

(Change in presentation method)

(Notes to Consolidated Statements of Income)

Commissions Received,” which was included in ‘Other’ under ‘Non-operating income’ in the previous consolidated fiscal year, is separately presented in the current consolidated fiscal year due to its increased materiality. To reflect this

change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified. As a result, 954 thousand yen presented as “Other” under “Non-operating income” in the consolidated balance sheets for the previous consolidated fiscal year has been reclassified as “Commissions Received” of 36 thousand yen and “Other” of 917 thousand yen.

Guarantee Fees,” which was included in ‘Other’ under ‘Non-operating expenses’ in the previous consolidated fiscal year, has been independently presented in the current consolidated fiscal year due to its increased importance. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified. As a result, 8,405 thousand yen presented as “Other” in “Non-operating expenses” in the consolidated balance sheet for the previous consolidated fiscal year has been reclassified as 6,844 thousand yen for “Guarantee Fees” and 1,560 thousand yen for “Other.

(Notes to Consolidated Statements of Cash Flows)

"Increase (decrease) in long-term prepaid expenses," which was separately presented in the previous consolidated fiscal year, has become less significant and is therefore included in "Other" under "Cash flows from operating activities" in the current consolidated fiscal year. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

Commissions Received,” which was included in ‘Other’ under ‘Cash flows from operating activities’ in the previous consolidated fiscal year, has become more significant and is therefore separately presented in the current consolidated fiscal year. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified. As a result, in the consolidated statement of cash flows for the previous consolidated fiscal year, the amounts of 96,735 thousand yen for "Increase (decrease) in long-term prepaid expenses" and 41,719 thousand yen for "Other," both under "Cash flows from operating activities," have been reclassified as "(36) thousand yen" for "Fees Received" and 138,455 thousand yen for "Other," both under "Cash flows from operating activities," and 36 thousand yen for "Amount of fees received" under "Cash flows from investing activities."

(Consolidated balance sheet)

Monetary loan agreement and term loan agreement with executable period, and related financial restrictions

Previous consolidated fiscal year (Sep 30, 2024)

PLAID has concluded financial loan agreements with MUFG Bank, Ltd. and Resona Bank, Ltd. for the purpose of establishing a stable financing system going forward and refinancing existing loans. Each of these agreements has the following financial covenants, and if any of these are violated, the loans may be repaid in full at the request of the lender.

(1) Term loan agreement with executable period (with MUFG Bank, Ltd.)

I. On the consolidated balance sheet at the end of each quarter starting from June 2023, the total amount of net assets must be maintained at 50% or more of the total net assets as at the end of September 2022.

II. On the consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 1,000,000 thousand yen or more.

Calculation formula: Cash and deposits - Interest-bearing debt

III. On the non-consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 700,000 thousand yen or more.

Calculation formula: Cash and deposits - Interest-bearing debt

The undrawn balance of term loans with executable period as of the end of the current consolidated fiscal year is as follows.

Term loans with executable period	1,000,000 (thousand yen)
Outstanding balance of unexecuted loans	1,000,000 (thousand yen)
Balance due	— (thousand yen)

(2) Monetary loan agreement (with Resona Bank)

I. The consolidated adjusted operating income for the fiscal year ending September 2025 shall not be a loss.

Calculation formula: Operating income + Goodwill amortization + Stock-based compensation expenses + Other non-recurring expenses

II. The amount of net assets on the consolidated balance sheet at the end of each fiscal year and second quarter shall be maintained at 50% or more compared to the fiscal year ended September 2022.

III. The amount of cash and deposits minus interest-bearing debt shown on the consolidated balance sheet at the end of each fiscal year and second quarter shall be maintained at 1,000,000 thousand yen or more.

The debt balance at the end of the current consolidated fiscal year is as follows.

Debt balance as on September 30, 2025	285,800 (thousand yen)	(of which 142,800 thousand yen scheduled to be repaid within one year)
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Current fiscal year(Sep 30, 2025)

PLAID has concluded financial loan agreements with MUFG Bank, Ltd. and Resona Bank, Ltd. for the purpose of establishing a stable financing system going forward and refinancing existing loans. Each of these agreements has the following financial covenants, and if any of these are violated, the loans may be repaid in full at the request of the lender.

(1) Term loan agreement with executable period (with MUFG Bank, Ltd.)

I. On the consolidated balance sheet at the end of each quarter starting from June 2023, the total amount of net assets must be maintained at 50% or more of the total net assets as at the end of September 2022.

II. On the consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 1,000,000 thousand yen or more. Calculation formula: Cash and deposits - Interest-bearing debt

III. On the non-consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 700,000 thousand yen or more. Calculation formula: Cash and deposits - Interest-bearing debt

The undrawn balance of term loans with executable period as of the end of the current consolidated fiscal year is as follows.

Term loans with executable period	1,000,000 (thousand yen)
Outstanding balance of unexecuted loans	1,000,000 (thousand yen)
Balance due	— (thousand yen)

(2) Monetary loan agreement (with Resona Bank)

I. The consolidated adjusted operating income for the fiscal year ending September 2025 shall not be a loss.

Calculation formula: Operating income + Goodwill amortization + Stock-based compensation expenses + Other non-recurring expenses

II. The amount of net assets on the consolidated balance sheet at the end of each fiscal year and second quarter shall be maintained at 50% or more compared to the fiscal year ended September 2022.

III. The amount of cash and deposits minus interest-bearing debt shown on the consolidated balance sheet at the

end of each fiscal year and second quarter shall be maintained at 1,000,000 thousand yen or more.

The debt balance at the end of the current consolidated fiscal year is as follows.

Debt balance as on September 30, 2025	143,000 (thousand yen)	(of which 143,000 thousand yen scheduled to be repaid within one year)
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(Consolidated statement of income)

(1) Revenue generated from contracts with customers

All revenues are derived from contracts with customers. The amounts of revenues arising from contracts with customers are presented in “Notes to Consolidated Financial Statements (Revenue Recognition), 1. Information on the breakdown of revenues arising from contracts with customers” in the Notes to Consolidated Financial Statements.

(2) Provision for loss on order received and reversal of provision for loss on order received included in cost of sales

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Allowance for doubtful receivables	22,795	2,582

(3) The major items and amounts of SG&A expenses are as follows:

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Salaries and allowance	3,411,900	3,694,472
Advertising expenses	526,780	686,694
Goodwill amortization	54,092	33,783

(4) The details of gain on sales of non-current assets are as follows.

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Tools, furniture and fixtures	—	2,169

(5) Impairment loss

Previous fiscal year ended Sep. 30, 2024

In the current consolidated fiscal year, the Group recognized impairment loss on the following asset group.

(Thousand yen)

Location	Purpose	Type	Amount
RightTouch Inc. and others (Minato Ward, Tokyo)	Business assets	Tools, furniture and fixtures	11,018
Emotion Tech Inc. (Minato Ward, Tokyo)	—	Goodwill	142,161
Total			153,179

(1) Background leading to recognition of impairment loss

(a) The Company's group reduced the book value of tools, furniture and fixtures to the recoverable amount because the profitability of the SaaS business declined and recovery of the investment amount was not expected.

As a result, the book value of tools, furniture and fixtures was reduced to the recoverable amount, and 11,018 thousand yen was recorded as an impairment loss in extraordinary losses.

(b) Due to the inability to achieve the initially expected revenue from the goodwill generated by the acquisition of shares in Emotion Tech Inc., the book value of the goodwill has been reduced to its recoverable amount. The reduced amount of 142,161 thousand has been recognized as an impairment loss and recorded as an extraordinary loss.

(2) Asset grouping method

Assets are grouped based on managerial accounting categories.

(3) Calculation method of recoverable amount

Recoverable amounts are measured at net selling price, which is calculated based on the expected selling price.

Current fiscal year ended Sep. 30, 2025

In the current consolidated fiscal year, the Group recognized impairment loss on the following asset group.

(Thousand yen)

Location	Purpose	Type	Amount
RightTouch, Inc. (Minato Ward, Tokyo)	Business assets	Tools, furniture and fixtures	11,727
Total			11,727

(1) Background leading to recognition of impairment loss

Since the profitability of the SaaS business declined and the recovery of investment in tools, furniture and fixtures by the Company Group was no longer expected, the Company Group reduced the carrying amount to the recoverable amount, and consequently recognized an impairment loss of ¥11,727 thousand in extraordinary losses.

(2) Asset grouping method

Assets are grouped based on managerial accounting categories.

(3) Calculation method of recoverable amount

Recoverable amounts are measured at net selling price, which is calculated based on the expected selling price.

(Consolidated statement of comprehensive income)

Reclassification adjustments and tax effects related to other comprehensive income

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Valuation difference on available-for-sale securities:		
Amount arising during the period	—	24,400
Reclassification adjustment	—	—
Before tax and tax effects	—	24,400
Income taxes and tax effects	—	(7,690)
Valuation difference on available-for-sale securities	—	16,709
Deferred gains and losses on hedges:		
Amount arising during the period	(91,541)thousand yen	49,273thousand yen
Reclassification adjustments	—	—
Before tax effect adjustments	(91,541)	49,273
Tax effect	28,030	△15,087
Deferred gains or losses on hedges	(63,511)	34,186
Total other comprehensive income (loss)	(63,511)	50,895

(Consolidated statement of changes in shareholders' equity)

Previous fiscal year ended Sep. 30, 2024

1. The class and total number of shares issued

	Numbers of shares on October 1, 2023	Numbers of shares increased during fiscal year	Numbers of shares decreased during fiscal year	Numbers of shares on September 30, 2024
Issued shares				
Common stock*	39,343,617	1,287,327	–	40,630,944
Total	39,343,617	1,287,327	–	40,630,944

Note: The increase of 1,287,327 shares in common stock was due to 1,072,000 shares issued through the exercise of stock acquisition rights and 215,327 shares issued as restricted stock compensation.

2. The class and total number of shares of treasury stock

	Numbers of shares on October 1, 2023	Number of shares increased during fiscal year	Number of shares decreased during fiscal year	Number of shares on September 30, 2024
Treasury shares				
Common stock*	1,417	132,215	–	133,632
Total	1,417	132,215	–	133,632

Note: The increase of 132,215 treasury shares was due to 4 shares acquired from fractional share purchases and 132,211 shares acquired as restricted stock.

3. Stock acquisition rights and treasury stock acquisition rights

Reporting company (Parent company)	Description	Type of shares to be issued	Number of shares to be issued				Balance on September 30, 2024 (thousand yen)
			As on October 1, 2023	Increase during fiscal year	Decrease during fiscal year	As on September 30, 2024	
	Stock acquisition rights as stock options	–	–	–	–	–	7,147
	Total	–	–	–	–	–	7,147

4. Dividends

(1) Amount of dividends paid

Not applicable.

(2) Dividends with a record date in the current consolidated fiscal year and an effective date in the following fiscal year

Not applicable.

Current fiscal year ended Sep. 30, 2025

1. The class and total number of shares issued

	Number of shares on October 1, 2024	Number of shares increased during fiscal year	Number of shares decreased during fiscal year	Number of shares on September 30, 2025
Issued shares				
Common stock*	40,630,944	523,647	—	41,154,591
Total	40,630,944	523,647	—	41,154,591

Note: The increase of 523,647 shares in the number of issued common shares is due to the issuance of 330,000 new shares accompanying the exercise of stock options and the issuance of 55,047 new shares as restricted stock awards and the issuance of 138,600 new shares following the execution of the share exchange.

2. The class and total number of shares of treasury stock

	Number of shares on October 1, 2023	Number of shares increased during fiscal year	Number of shares decreased during fiscal year	Number of shares on September 30, 2024
Treasury shares				
Common stock*	133,632	40,993	—	174,625
Total	133,632	40,993	—	174,625

Note: The increase of 40,993 shares in the number of treasury shares of common stock is due to the acquisition of 179 shares from the buyback of less-than-one-unit shares and the acquisition of 40,814 shares due to the purchase of restricted stock.

3. Stock acquisition rights and treasury stock acquisition rights

	Description	Types of shares to be issued	Number of shares to be issued				Balance on September 30, 2025 (thousand yen)
			As on October 1, 2024	Increase during fiscal year	Decrease during fiscal year	As on September 30, 2025	
Reporting company (Parent company)	Stock acquisition rights as stock options	—	—	—	—	—	—
Consolidated subsidiaries	Stock acquisition rights as stock options	—	—	—	—	—	29,246
Total		—	—	—	—	—	29,246

Note: The stock options granted by the consolidated subsidiaries have not yet reached the commencement date of their exercise period.

1. Dividends

(1) Amount of dividends paid

Not applicable.

(2) Dividends with a record date in the current consolidated fiscal year and an effective date in the following fiscal year

Not applicable.

Consolidated statement of cash flows

- (1) Relationship between cash and cash equivalents at end of period and the amounts of items shown on the consolidated balance sheet

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Cash and deposits	4,744,925 thousand yen	6,601,979 thousand yen
Cash and cash equivalents	4,744,925	6,601,979

- (2) Significant non-cash transactions

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Increase in capital reserve due to share exchange	—	169,785

(Lease transactions)

1. Finance lease transactions

Not applicable.

2. Operating lease transactions

Accrued lease payments on non-cancelable operating lease transactions

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Due within 1 year	335,906	337,402
Due after 1 year	764,953	458,972
Total	1,100,859	796,374

(Financial instruments)

1. The status of financial instruments

(1) Company policy for financial instruments

The Group's policy is to limit fund management to short-term deposits and not engage in speculative transactions. Moreover, funds are procured through borrowing from financial institutions and third-party allotment.

(2) Details of financial instruments and associated risks

Notes receivable and accounts receivable are exposed to customer credit risk.

Lease and guarantee deposits are mainly related to a lease agreement of the Company's headquarter office and exposed to counterparty's credit risk.

Long-term loans to employees are exposed to the credit risk of employees.

Investment securities are mainly shares of companies with which the Company has business relationships. Any unlisted shares are subject to risk in the financial conditions of the companies in question.

Operating payables such as accounts payable (trade and other) are due within one year. Some of these liabilities are denominated in foreign currencies and although they are exposed to the risk of exchange rate fluctuations, they have been hedged with the use of derivative transactions (forward exchange contracts). The Company limits the use of derivative transactions to forward exchange contracts for the purpose of hedging against the risk of exchange rate fluctuations of liabilities denominated in foreign currencies.

(3) Risk management system for financial instruments

(a) Management of credit risk (Risk related to breach of contract by customers)

We are working to reduce customer credit risk related to notes and accounts receivable in accordance with the Company's credit management regulations. In addition, we are working to reduce the risk of notes and accounts receivable by managing due dates and balances, etc.

The Company strives to reduce the risks associated with lease and guarantee deposits by monitoring the counterparties' credit status.

Long-term loans to employees are appropriately managed in accordance with the Company's internal rules on loans to employees.

(b) Management of market risk (Risk of fluctuations in exchange rates, interest rates, etc.)

The Company manages market risk, in particular, fluctuation risk of borrowing interest rate, by regularly monitoring the market interest rate. For unlisted stocks, we regularly monitor the financial status, etc. of the issuers (client companies).

Regarding certain operating payables denominated in foreign currencies, the Company hedges against the risk of exchange rate fluctuations using forward exchange contracts.

(c) Management of liquidity risk related to fundraising (risk of being unable to make payments on due dates)

The Company manages liquidity risk by preparing and updating internal fund management plans. In addition, the Company maintains a certain level of liquidity on hand.

(4) Supplementary information on fair market values of financial instruments

Since variable factors are reflected in estimating the fair value of financial instruments, different assumptions and factors could result in a different fair value.

2. Fair market values of financial instruments

Consolidated balance sheet amounts, fair market values and differences are as follows:

Previous fiscal year ended Sep. 30, 2024

(Thousand yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Lease and guarantee deposits	291,623	287,228	(4,394)
(2) Long-term loans to employees (including current portion)	4,229	4,171	(57)
(3) Long-term loans to directors	10,007	9,878	(128)
Total assets	305,859	301,279	(4,580)
(4) Long-term debt (including current portion)	1,220,692	1,214,222	(6,469)
Total liabilities	1,220,692	1,214,222	(6,469)
Derivative transactions ³⁾			
Items for which hedge accounting is applied	31,143	31,143	—

Notes:

- 1) Cash and deposits, notes and accounts receivable, accounts payable (trade), short-term debt, accounts payable (other) and income taxes payable have been omitted because their market value approximates the book value since they are settled in cash and in a short period of time.
- 2) The financial instruments below are not included in the table above because there are no quoted market prices and it is extremely difficult to determine their fair value. The carrying amounts of these instruments presented in the consolidated balance sheet are as follows:

(Thousand yen)

	Consolidated balance sheet amount
Unlisted stocks	49,914

- 3) Derivative transactions through the allocation method for forward exchange contracts, etc. are used to hedge forecasted transactions denominated in foreign currencies. Their fair market values are based on forward exchange rates.

Current fiscal year ended Sep. 30, 2025

(Thousand yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Investment securities			
Available-for-sale securities	69,400	69,400	—
(2) Lease and guarantee deposits	285,228	277,834	(7,393)
(3) Bankruptcy reorganization claims	13,192		
Allowance for doubtful receivables	(13,192)		
	—	—	—
Total assets	354,628	347,234	(7,393)
(4) Long-term debt (including current portion)	1,821,026	1,792,536	(28,489)
Total liabilities	1,821,026	1,792,536	(28,489)
Derivative transactions ³⁾			
Items for which hedge accounting is applied	18,130	18,130	—

Notes:

- 1) Cash and deposits, notes and accounts receivable, accounts payable (trade), short-term debt, accounts payable (other) and income taxes payable have been omitted because their market value approximates the book value since they are settled in cash and in a short period of time.

- 2) The financial instruments below are not included in the table above because there are no quoted market prices and it is extremely difficult to determine their fair value. The carrying amounts of these instruments presented in the consolidated balance sheet are as follows:

(Thousand yen)

	Consolidated balance sheet amount
Unlisted stocks	17,894
Investments in partnerships	251,666
Total	269,561

- 3) Derivative transactions through the allocation method for forward exchange contracts, etc. are used to hedge forecasted transactions denominated in foreign currencies. Their fair market values are based on forward exchange rates.
- 4) For hedge accounting utilizing the deferral method (Furiate Shori) for foreign exchange forward contracts, the hedged items are forecast foreign currency transactions, and their fair values are determined by the forward exchange rates.

Notes:

- 1) Scheduled redemption amount after the consolidated closing date for monetary claims
Previous fiscal year ended Sep. 30, 2024

(Thousand yen)

	Due within one year	Due after one year and up to five	Due after five years and up to ten	Due after ten years
Cash and deposits	4,744,925	–	–	–
Notes and accounts receivable - trade	1,139,133	–	–	–
Lease and guarantee deposits	19,936	271,687	–	–
Long-term loans to employees (including current portion)	2,199	2,029	–	–
Long-term loans to directors	–	10,007	–	–
Total	5,906,194	283,724	–	–

Current fiscal year ended Sep. 30, 2025

(Thousand yen)

	Due within one year	Due after one year and up to five	Due after five years and up to ten	Due after ten years
Cash and deposits	6,601,979	–	–	–
Notes and accounts receivable - trade	1,317,103	–	–	–
Lease and guarantee deposits	45,822	239,405	–	–
Total	7,964,905	239,405	–	–

2) Scheduled redemption amount after the consolidated closing date for long-term debt and other interest-bearing debt

Previous fiscal year ended Sep. 30, 2024

(Thousand yen)

	Due within one year	Due between one and two years	Due between two and three years	Due between three and four years	Due between four and five years	Due after five years
Short-term debt	100,000	–	–	–	–	–
Lease and guarantee deposits	300,000	–	–	–	–	–
Long-term debt	699,666	408,766	13,140	13,140	13,140	72,840
Total	1,099,666	408,766	13,140	13,140	13,140	72,840

Current fiscal year ended Sep. 30, 2025

(Thousand yen)

	Due within one year	Due between one and two years	Due between two and three years	Due between three and four years	Due between four and five years	Due after five years
Long-term debt	608,758	513,132	213,132	213,132	213,132	59,700
Total	608,758	513,132	213,132	213,132	213,132	59,700

3) Breakdown by level of fair market value of financial instruments

The market value of financial instruments is classified into the following three levels according to the observability and importance of the inputs used to calculate the market value.

Level 1: Market value calculated from quoted prices in active markets for identical assets or liabilities

Level 2: Market value calculated using directly or indirectly observable inputs other than those in Level 1

Level 3: Market value calculated using significant unobservable inputs

When multiple inputs with a significant impact on the calculation of market value are used, the fair value is classified into the level with the lowest priority in the calculation of fair value among the levels to which those inputs belong.

(a) Financial instruments and liabilities recorded on the consolidated balance sheet at fair market value

Previous fiscal year ended Sep. 30, 2024

	Fair value (thousand yen)			
	Level 1	Level 2	Level 3	Total
Derivative transactions Items for which hedge accounting is applied	–	31,143	–	31,143

Current fiscal year ended Sep. 30, 2025

	Fair value (thousand yen)			
	Level 1	Level 2	Level 3	Total
Investment securities Available-for-sale securities	69,400	–	–	69,400
Derivative transactions Items for which hedge accounting is applied	–	18,130	–	18,130

(b) Financial instruments and liabilities not recorded on the consolidated balance sheet at fair market value

Previous fiscal year ended Sep. 30, 2024

	Fair value (thousand yen)			
	Level 1	Level 2	Level 3	Total
Lease and guarantee deposits	–	287,228	–	287,228
Long-term loans to employees (including current portion)	–	4,171	–	4,171
Long-term loans to directors	–	9,878	–	9,878
Total assets	–	301,279	–	301,279
Long-term debt (including current portion)	–	1,214,222	–	1,214,222
Total liabilities	–	1,214,222	–	1,214,222

Note: The following explains the valuation techniques used in calculating market value and inputs related to market value calculation.

Current fiscal year ended Sep. 30, 2025

	Fair value (thousand yen)			
	Level 1	Level 2	Level 3	Total
Lease and guarantee deposits	–	277,834	–	277,834
Claims provable in rehabilitation from bankruptcy	–	–	13,192	13,192
Total assets	–	277,834	13,192	291,027
Long-term debt (including current portion)	–	1,792,536	–	1,792,536
Total liabilities	–	1,792,536	–	1,792,536

Note: The following explains the valuation techniques used in calculating market value and inputs related to market value calculation.

Investment securities

Listed stocks are valued using market prices. Since listed stocks are traded in an active market, their fair value is classified as Level 1 fair value.

Derivative transactions

Derivative transactions are calculated based on the prices offered by the financial institutions with which we do business. Their fair market value is classified as Level 2.

Lease and guarantee deposits

The fair value of lease and guarantee deposits is calculated based on the present value of future cash flows discounted by the yield of Japanese government bonds corresponding to the remaining period. Their fair market value is classified as Level 2. If the corresponding yield of Japanese government bonds is negative, the fair value is calculated using a discount rate of zero.

Claims and similar items in bankruptcy and reorganization

The fair value of claims and similar items in bankruptcy and reorganization is determined by calculating the estimated uncollectible amount based on the estimated recoverable amount. Since this fair value closely approximates the amount derived by deducting the current estimated uncollectible amount from the consolidated balance sheet value as of the consolidated closing date, this derived amount is used as the fair value and is classified as Level 3 fair value.

Long-term debt (including current portion)

Of the fair market value of long-term debt, those debts with variable interest rates reflect market interest rates over a short period, and since their fair market value is similar to the book value, their fair value depends on the book value. For those debts with fixed interest rates, the present value is calculated by discounting the total amount of principal and interest by the interest rate that would be expected if a similar new borrowing were made. Their fair market value is classified as Level 2.

(Investment securities)

1. Other investment securities

Previous fiscal year ended Sep. 30, 2024

Unlisted stocks (consolidated balance sheet amount of 49,914 thousand yen) are not listed because there is no market price and it is extremely difficult to determine their fair value.

Current fiscal year(Sep 30, 2025)

	Type	Consolidated balance sheet amount(thousand yen)	Acquisition cost(thousand yen)	Difference (thousand yen)
Those for which the amount recognized in the consolidated balance sheet exceeds the acquisition cost	Stock	69,400	45,000	24,400
Total		69,400	45,000	24,400

Note:Unlisted stocks (¥17,894 thousand recognized in the consolidated balance sheet) are not included in the table above because they do not have a market price.

2. Available-for-sale securities sold

Previous consolidated fiscal year (September 30, 2024)

Not applicable.

Current fiscal year(Sep 30, 2025)

Type	Sales proceeds (thousand yen)	Total gain on sales (thousand yen)	Total loss on sales (thousand yen)
Stock	2,300	2,300	—
Total	2,300	2,300	—

3. Impairment Loss Recognized on Securities

Previous Consolidated Fiscal Year (Ended September 30, 2024)

An impairment loss of ¥6,222 thousand (Equity securities classified as Other securities: ¥6,222 thousand) was recognized on securities during the previous consolidated fiscal year.

Current Consolidated Fiscal Year (Ended September 30, 2025)

An impairment loss of ¥32,019 thousand (Equity securities classified as Other securities: ¥32,019 thousand) was recognized on securities during the current consolidated fiscal year.

(Derivative transactions)

Derivative transactions for which hedge accounting is applied:

Currency-related

Previous fiscal year ended Sep. 30, 2024

(Thousand yen)

Hedge accounting method	Type of transaction	Main hedged items	Contracts amounts	Contract amounts over one year	Fair value
Allocation method for forward exchange contracts (Forecasted transactions)	Forward exchange contracts				
	Buying USD	Accounts payable - other	809,578	–	31,143
Total			809,578	–	31,143

Current fiscal year ended Sep. 30, 2025

(Thousand yen)

Hedge accounting method	Type of transaction	Main hedged items	Contracts amounts	Contract amounts over one year	Fair value
Allocation method for forward exchange contracts (Forecasted transactions)	Forward exchange contracts				
	Buying USD	Accounts payable - other	1,168,935	–	18,130
Total			1,168,935	–	18,130

(Stock options)

1. Name and amount recorded for expenses in relation to stock options

(Thousand yen)

	Previous fiscal year ended Sep. 30, 2024	Current fiscal year ended Sep. 30, 2025
Selling general and administrative expenses	-9	29,246

2. Forfeited stock option grant value recognized as income

(Thousand yen)

	Previous fiscal year ended Sep. 30, 2024	Current fiscal year ended Sep. 30, 2025
Gain on reversal of stock acquisition rights	-	7,147

3. Details, number and changes in stock options

(1) Details of stock options

	1st stock options	3rd stock options
Guarantees	One Audit & Supervisory Board Member of the Company 13 employees of the Company	One Audit & Supervisory Board Member of the Company 63 employees of the Company
Number of stock options by stock type*	Common stock: 615,000 shares	Common stock: 1,885,000 shares
Date of grant	June 30, 2015	February 28, 2018
Vesting conditions	<p>The conditions for exercising stock acquisition rights are as follows:</p> <p>(A) The stock acquisition rights holder is required to hold the position of a director or employee of the Company or any of its subsidiaries, or be an external partner, at the time of exercising the rights. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(B) The stock acquisition rights can be exercised only when the Company's shares are listed on a stock exchange in Japan or overseas. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(C) In the event of the death of the stock acquisition rights holder, the stock options may not be inherited. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(D) The stock acquisition rights may not be exercised in numbers less than one unit (fractional shares).</p> <p>(E) Other conditions for exercising the stock acquisition rights shall be in accordance with a Stock Acquisition Rights Allocation Agreement to be concluded separately between the Company and the holder of the stock acquisition rights.</p>	<p>The conditions for exercising stock acquisition rights are as follows:</p> <p>(A) The stock acquisition rights holder is required to hold the position of a director, auditor or other officer or employee of the Company or any of its subsidiaries, or be an external partner, at the time of exercising the rights. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(B) The stock acquisition rights can be exercised only when the Company's shares are listed on a stock exchange in Japan or overseas. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(C) In the event of the death of the stock acquisition rights holder, the stock options may not be inherited. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(D) The stock acquisition rights may not be exercised in numbers less than one unit (fractional shares).</p> <p>(E) Other conditions for exercising the stock acquisition rights shall be in accordance with a Stock Acquisition Rights Allocation Agreement to be concluded separately between the Company and the holder of the stock acquisition rights.</p>
Required service period	No fixed period has been set.	No fixed period has been set.
Exercise period	From July 1, 2015 to June 30, 2025	From February 24, 2020 to February 23, 2028

	4th stock options	5th stock options
Guarantees	Two directors of the Company 35 employees of the Company	One director of the Company Two Audit & Supervisory Board Members of the Company
Number of stock options by stock type*	Common stock: 1,109,000 shares	Common stocks: 90,000 shares
Date of grant	January 12, 2019	April 3, 2019
Vesting conditions	<p>The conditions for exercising stock acquisition rights are as follows:</p> <p>(A) The stock acquisition rights holder is required to hold the position of a director, auditor or other officer or employee of the Company or any of its subsidiaries, or be an external partner, at the time of exercising the rights. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(B) The stock acquisition rights can be exercised only when the Company's shares are listed on a stock exchange in Japan or overseas. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(C) In the event of the death of the stock acquisition rights holder, the stock options may not be inherited. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(D) The stock acquisition rights may not be exercised in numbers less than one unit (fractional shares). (</p> <p>E) Other conditions for exercising the stock acquisition rights shall be in accordance with a Stock Acquisition Rights Allocation Agreement to be concluded separately between the Company and the holder of the stock acquisition rights.</p>	<p>The conditions for exercising stock acquisition rights are as follows:</p> <p>(A) The stock acquisition rights holder is required to hold the position of a director, auditor or other officer or employee of the Company or any of its subsidiaries, or be an external partner, at the time of exercising the rights. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(B) The stock acquisition rights can be exercised only when the Company's shares are listed on a stock exchange in Japan or overseas. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(C) In the event of the death of the stock acquisition rights holder, the stock options may not be inherited. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(D) The stock acquisition rights may not be exercised in numbers less than one unit (fractional shares).</p> <p>(E) Other conditions for exercising the stock acquisition rights shall be in accordance with a Stock Acquisition Rights Allocation Agreement to be concluded separately between the Company and the holder of the stock acquisition rights.</p>
Required service period	No fixed period has been set.	No fixed period has been set.
Exercise period	From January 12, 2021 to January 11, 2029	From March 20, 2021 to March 19, 2029

	6th stock options
Guarantees	115 employees of the Company
Number of stock options by stock type*	Common stock: 627,000 shares
Date of grant	August 12, 2020
Vesting conditions	<p>The conditions for exercising stock acquisition rights are as follows:</p> <p>(A) The stock acquisition rights holder is required to hold the position of a director, auditor or other officer or employee of the Company or any of its subsidiaries, or be an external partner, at the time of exercising the rights. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(B) The stock acquisition rights can be exercised only when the Company's shares are listed on a stock exchange in Japan or overseas. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(C) In the event of the death of the stock acquisition rights holder, the stock options may not be inherited. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(D) The stock acquisition rights may not be exercised in numbers less than one unit (fractional shares).</p> <p>(E) Other conditions for exercising the stock acquisition rights shall be in accordance with a Stock Acquisition Rights Allocation Agreement to be concluded separately between the Company and the holder of the stock acquisition rights.</p>
Required service period	No fixed period has been set.
Exercise period	From August 12, 2022 to August 11, 2030

Note: Converted to number of shares.

Consolidated subsidiary (RightTouch Co., Ltd.)

	1st stock options
Guarantees	Three directors of the Company 41 employees of the Company
Number of stock options by stock type*	Common stock: 2,372 shares
Date of grant	March 7, 2025
Vesting conditions	<p>The conditions for exercising stock acquisition rights are as follows:</p> <p>(A) The stock acquisition rights holder is required to hold the position of a director, auditor or other officer or employee of the Company or any of its subsidiaries, or be an external partner, at the time of exercising the rights. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(B) The stock acquisition rights can be exercised only when the Company's shares are listed on a stock exchange in Japan or overseas. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(C) In the event of the death of the stock acquisition rights holder, the stock options may not be inherited. However, this shall not apply if approval is obtained by decision of the Board of Directors of the Company.</p> <p>(D) The stock acquisition rights may not be exercised in numbers less than one unit (fractional shares).</p> <p>(E) Other conditions for exercising the stock acquisition rights shall be in accordance with a Stock Acquisition Rights Allocation Agreement to be concluded separately between the Company and the holder of the stock acquisition rights.</p>
Required service period	No fixed period has been set.
Exercise period	From March 8, 2027 to February 29, 2040

Note: Converted to number of shares.

(2) Number and changes in stock options

The following table summarizes the changes in stock options and price information applicable for the year ended September 30, 2025

(a) Number of stock options

	1st stock options	3rd stock options	4th stock options
Pre-vest (Number of shares)			
As at end of previous fiscal year (Sep. 30, 2024)	–	–	–
Granted	–	–	–
Forfeited	–	–	–
Vested	–	–	–
Non-vested	–	–	–
Post-vested (Number of shares)			
As at end of previous fiscal year (Sep. 30, 2024)	82,000	230,000	748,000
Vested	–	–	–
Exercised	82,000	64,000	181,000
Forfeited	–	1,000	–
Unexercised	–	165,000	567,000

	5th stock options	6th stock options
Pre-vest (Number of shares)		
As at end of previous fiscal year (Sep. 30, 2024)	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Non-vested	–	–
Post-vested (Number of shares)		
As at end of previous fiscal year (Sep. 30, 2024)	90,000	288,000
Vested	–	–
Exercised	–	3,000
Forfeited	–	105,000
Unexercised	90,000	180,000

Consolidated subsidiary (RightTouch Co., Ltd.)

	1st stock options
Pre-vest (Number of shares)	
As at end of previous fiscal year (Sep. 30, 2024)	—
Granted	2,372
Forfeited	30
Vested	—
Non-vested	2,342
Post-vested (Number of shares)	
As at end of previous fiscal year (Sep. 30, 2024)	—
Vested	—
Exercised	—
Forfeited	—
Unexercised	—

(b) Price information

(Yen)

	1st stock options	3rd stock options	4th stock options
Exercise price	33	100	603
Average stock price at time of exercise	1,155	1,142	1,187
Fair valuation unit price on date of grant	–	–	–

	5th stock options	6th stock options
Exercise price	603	1,142
Average stock price at time of exercise	–	1,144
Fair valuation unit price on date of grant	–	–

Consolidated subsidiary (RightTouch Co., Ltd.)

	1st stock options
Exercise price	1
Average stock price at time of exercise	–
Fair valuation unit price on date of grant	106,737

4. Estimation method for fair valuation price of stock options

The Company

Since the Company's shares were unlisted at the time the first to sixth stock options were granted, the fair valuation price of stock options is estimated based on the estimation of the intrinsic value per unit. The value of the company's stock that will serve as the basis for calculating intrinsic value per unit is determined upon the results of measurement using the DCF (Discounted Cash Flow) method. The method of estimating the intrinsic value per unit is calculated by deducting the exercise price from the valuation price of the value of the company's stock.

Consolidated subsidiary (RightTouch Co., Ltd.)

Since the consolidated subsidiary was unlisted at the time the stock options were granted, the fair valuation price of the stock options is estimated based on the intrinsic value per unit. The method for estimating the intrinsic value per unit is calculated by deducting the exercise price from the valuation price of the subsidiary's shares. The valuation method for the subsidiary's shares is based on the DCF (Discounted Cash Flow) method.

5. Estimation method for number of vested stock options

Since it is difficult to reasonably estimate the number of stock options that will expire in the future, a method has been adopted that reflects purely the number of stock options that have actually been forfeited.

6. The total intrinsic value at the end of the current consolidated fiscal year when calculated based on the intrinsic value per unit of stock options and the total intrinsic value on the exercise date of stock options exercised during the current consolidated fiscal year

(a) Total intrinsic value at the end of the current consolidated fiscal year: 671,637 thousand yen

(b) Total intrinsic value on the exercise date of stock options exercised during the current consolidated fiscal year:
264,300 thousand yen

(Restricted stock compensation)

1. Details, scale, and fluctuation of transactions involving the pre-issued grants of shares as part of the compensation for directors

(1) Details

(a) Restricted stock to executives and employees of the Company

Guarantees	Eight executives of the Company 38 employees of the Company
Number of stock options by stock type*	Common stock 448,674 shares
Date of grant	December 19, 2022
Transfer restriction period	<p>Eligible employees are subject to the following restriction on the allotted shares:</p> <ol style="list-style-type: none"> 1) For one-third of the allotted shares (rounded down to the nearest whole share, hereinafter referred to as 'Allotted Shares A'), the transfer restriction period ('Transfer Restriction Period A') is from December 19, 2022 (the payment date) until December 31, 2023. 2) For one-quarter of the allotted shares, excluding Allotted Shares A (rounded down to the nearest whole share, hereinafter referred to as 'Allotted Shares B'), the transfer restriction period ('Transfer Restriction Period B') is from December 19, 2022 (the payment date) until June 30, 2024. 3) For one-third of the allotted shares, excluding Allotted Shares A and B (rounded down to the nearest whole share, hereinafter referred to as 'Allotted Shares C'), the transfer restriction period ('Transfer Restriction Period C') is from December 19, 2022 (the payment date) until December 31, 2024. 4) For one-half of the remaining allotted shares, excluding Allotted Shares A through C (rounded down to the nearest whole share, hereinafter referred to as 'Allotted Shares D'), the transfer restriction period ('Transfer Restriction Period D') is from December 19, 2022 (the payment date) until June 30, 2025. 5) For the remaining allotted shares (hereinafter referred to as 'Allotted Shares E'), the transfer restriction period ('Transfer Restriction Period E') is from December 19, 2022 (the payment date) until December 19, 2025. <p>Collectively or individually, the Transfer Restriction Periods A through E are referred to as the 'Transfer Restriction Periods'. During the respective Transfer Restriction Periods, the employees may not transfer, pledge, or otherwise dispose of the allotted shares.</p>
Conditions for lifting restrictions	<ol style="list-style-type: none"> 1) Transfer restrictions on the entirety of the allocated shares A shall be lifted upon the expiration of the transfer restriction period A, conditional upon the target employee having continuously held the position of an executive officer or employee of our company during transfer restriction period A. 2) Transfer restrictions on the entirety of the allocated shares B shall be lifted upon the expiration of the transfer restriction period B, conditional upon the target employee having continuously held the position of an executive officer or employee of our company during transfer restriction period B. However, should the target employee lose their status as an executive officer or employee during the transfer restriction period B due to the completion of their term of employment (or the completion of a reemployment period following mandatory retirement), death, or any other reason deemed legitimate by our company's Board of Directors, the transfer restrictions on the allocated shares B will be lifted immediately after such loss. The number of shares from which the transfer restrictions will be lifted is calculated by taking the number of months from the month following the expiration date of transfer restriction period A to the month that includes the date of status loss (if the status is lost during transfer restriction period A, the number of months will be zero), dividing this number by six, and then multiplying by the number of allocated shares B, with any fractional shares resulting from this calculation being rounded down. 3) Transfer restrictions on the entirety of the allocated shares C shall be lifted upon the expiration of the transfer restriction period C, conditional upon the target employee having continuously held the position of an executive officer or employee of our company during transfer restriction period C. However, should the target employee lose their status as an executive officer or employee during the transfer restriction period C due to the completion of their term of employment (or the completion of a reemployment period following mandatory retirement), death, or any other reason deemed legitimate by our company's Board of Directors, the transfer restrictions on the allocated shares C will be lifted immediately after such loss. The number of shares from which the transfer restrictions will be lifted is calculated by taking the number of months from the month following the expiration date of transfer restriction period B to the month that includes the date of status loss (if the status is lost during transfer restriction period B, the number of months will be zero), dividing this number by six, and then multiplying by the number of allocated shares C, with any fractional shares resulting from this calculation being rounded down. 4) Transfer restrictions on the entirety of the allocated shares D shall be lifted upon the expiration of the transfer restriction period D, conditional upon the target employee having continuously held the position of an executive officer or employee of our company during transfer restriction period D. However, should the target employee lose their status as an executive officer

	<p>or employee during the transfer restriction period D due to the completion of their term of employment (or the completion of a reemployment period following mandatory retirement), death, or any other reason deemed legitimate by our company's Board of Directors, the transfer restrictions on the allocated shares D will be lifted immediately after such loss. The number of shares from which the transfer restrictions will be lifted is calculated by taking the number of months from the month following the expiration date of transfer restriction period C to the month that includes the date of status loss (if the status is lost during transfer restriction period C, the number of months will be zero), dividing this number by six, and then multiplying by the number of allocated shares D, with any fractional shares resulting from this calculation being rounded down.</p> <p>5) Transfer restrictions on the entirety of the allocated shares E shall be lifted upon the expiration of the transfer restriction period E, conditional upon the target employee having continuously held the position of an executive officer or employee of our company during transfer restriction period E. However, should the target employee lose their status as an executive officer or employee during the transfer restriction period E due to the completion of their term of employment (or the completion of a reemployment period following mandatory retirement), death, or any other reason deemed legitimate by our company's Board of Directors, the transfer restrictions on the allocated shares E will be lifted immediately after such loss. The number of shares from which the transfer restrictions will be lifted is calculated by taking the number of months from the month following the expiration date of transfer restriction period D to the month that includes the date of status loss (if the status is lost during transfer restriction period D, the number of months will be zero), dividing this number by six, and then multiplying by the number of allocated shares E, with any fractional shares resulting from this calculation being rounded down.</p>
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(b) Restricted stock to directors of the Company

Guarantee	One director of the Company
Number of stock options by stock type*	Common stock 154,043 shares
Date of grant	June 15, 2023
Transfer restriction period	The targeted directors shall not transfer, pledge, or dispose of the common shares of our company (hereinafter referred to as "the allocated shares") allocated to them based on this allocation agreement during the period from June 15, 2023 (payment due date) to June 15, 2026.
Conditions for lifting restrictions	The transfer restrictions on all the allocated shares shall be lifted on the expiration date of the transfer restriction period, provided that the targeted directors have continuously held the position of a director of our company during the transfer restriction period. However, should the targeted directors lose their position as a director of our company during the transfer restriction period due to the expiration of their term, death, or any other reason deemed legitimate by the company's Board of Directors, the transfer restrictions on the allocated shares will be lifted immediately after such loss. In the event of loss of position after the lapse of the fiscal year to which the date of allocation of the allocated shares belongs and after a period of three months (i.e., any date after January 1, 2024), the number of shares from which the transfer restrictions will be lifted is calculated by taking the number of months from the month following the payment due date to the month that includes the date of loss of position, dividing this number by 36, and then multiplying by the number of allocated shares, with any fractional shares resulting from this calculation being rounded down.

(c) Restricted stock to executives and employees of the Company

Guarantee	Ten executives of the Company 32 employees of the Company
Number of stock options by stock type*	Common stock 215,327 shares
Date of grant	March 25, 2024
Transfer restriction period	<p>The Subject Officers and Employees shall,</p> <p>(i) With respect to the Allotted Shares equivalent to one-third of the total Allotted Shares (rounded down to the nearest whole share; hereinafter referred to as "Allotted Shares A"), during the period from March 25, 2024 (the payment date) through June 30, 2025 (hereinafter referred to as "Transfer Restriction Period A").</p> <p>(ii) With respect to the number of Allotted Shares equivalent to one-fourth of the Allotted Shares excluding Allotted Shares A (rounded down to the nearest whole share; hereinafter referred to as "Allotted Shares B"), during the period from March 25, 2024 (the payment date) through December 31, 2025 (hereinafter referred to as "Transfer Restriction Period B").</p> <p>(iii) With respect to the number of Allotted Shares equivalent to one-third of the Allotted Shares excluding Allotted Shares A and Allotted Shares B (rounded down to the nearest whole share; hereinafter referred to as "Allotted Shares C"), during the</p>

	<p>period from March 25, 2024 (the payment date) through June 30, 2026 (hereinafter referred to as "Transfer Restriction Period C").</p> <p>(iv) With respect to the number of Allotted Shares equivalent to one-half of the Allotted Shares excluding Allotted Shares A through C (rounded down to the nearest whole share; hereinafter referred to as "Allotted Shares D"), during the period from March 25, 2024 (the payment date) through December 31, 2026 (hereinafter referred to as "Transfer Restriction Period D").</p> <p>(v) With respect to the remaining Allotted Shares (hereinafter referred to as "Allotted Shares E"), the period is from March 25, 2024 (the payment date) through March 25, 2027 (hereinafter referred to as "Transfer Restriction Period E").</p> <p>(Transfer Restriction Periods A through E are collectively or individually hereinafter referred to as the "Transfer Restriction Periods.")</p> <p>During the respective Transfer Restriction Periods, the Subject Officers and Employees shall not transfer, pledge, or otherwise dispose of the Allotted Shares.</p>
<p>Conditions for lifting restrictions</p>	<p>(a) Subject to the condition that the Covered Officers and Employees have continuously held the position of executive officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period A, the restriction on transfer of all of the Allotted Shares A shall be lifted at the expiration of the Restriction Period A.</p> <p>(b) Subject to the condition that the eligible executive officer or employee has continuously held the position of executive officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period B, the restriction on transfer of all of the Allotted Shares B shall be cancelled at the time of expiration of the Restriction Period B. However, if the eligible executive officer or employee loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restricted Period B due to the expiration of his/her employment period (however, if he/she is rehired after retirement, such reemployment period shall expire), death or other reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be cancelled at the end of the month following the month of the loss of such position. The number of months from the month following the month in which he/she loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary due to death or other reasons deemed justifiable by the Board of Directors (if he/she loses such position during the Restriction Period A, such number of months shall be zero) The number of shares to be allotted shall be calculated by dividing the number of shares to be allotted by 6 by the number of Allotted Shares B (any fraction of less than one share resulting from the calculation shall be rounded down). (2) The restriction on transfer of the Allotted Shares B shall be cancelled.</p> <p>(c) The restriction on transfer of all of the Allotted Shares C shall be cancelled upon the expiration of the Restriction Period C, provided that the Subject Officer or Employee has continuously held the position of executive officer of the Company or its subsidiary, or employee of the Company or its subsidiary during the Restriction Period C. However, in the event that an eligible executive officer or employee loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restricted Period C due to the expiration of his/her employment period (however, if he/she is rehired after retirement, the re-employment period shall expire), death or other reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be cancelled as of the time immediately following such loss of position. (i) the number of months from the month following the month including the expiration date of the Restricted Period B to the month including the date of such loss (if such position is lost during the Restricted Period B, such number of months shall be zero), divided by six (6); and The number of shares to be allotted shall be obtained by dividing the number of shares to be allotted by 6 by the number of shares to be allotted (if the calculation results in a fraction less than one share, such fraction shall be rounded down). (d) The restrictions on transfer of the Allotted Shares C shall be lifted.</p> <p>(d) On the condition that the Subject Officer or Employee has continuously held the position of Executive Officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period D, the restriction on transfer of all of the Allotted Shares D shall be cancelled at the expiration of the Restriction Period D. However, in the event that an eligible executive officer or employee loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restricted Period D due to the expiration of his/her employment period (however, if he/she is reemployed after retirement, such reemployment period shall expire), death or other reasons deemed justifiable by the Board of Directors of the Company, the transfer of all of the Allotted Shares D shall be cancelled at the time immediately following such loss of position. (i) the number of months from the month following the month including the expiration date of Transfer Restriction Period C to the month including the date of such loss (if such position is lost during Transfer Restriction Period C, such number of months shall be zero), divided by 6, as of the time immediately following such loss; or The number of shares to be allotted shall be the number obtained by dividing the number of shares to be allotted by 6 by the number of shares to be allotted D (any fraction of less than one share resulting from the calculation shall be rounded down). (2) The restriction on transfer of the Allotted Shares D shall be lifted.</p> <p>(e) The restriction on transfer of all of the Allotted Shares E shall be cancelled upon the expiration of the Restriction Period E, provided that the Subject Officer or Employee has continuously held the position of executive officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period E. However, if the eligible executive officer or employee loses his/her position</p>

	<p>as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restriction Period E due to the expiration of his/her employment period (however, if he/she is rehired after retirement, the reemployment period shall expire), death or other reasons deemed justifiable by the Board of Directors, the Company shall cancel the Restriction on Transfer of all of the Allotted Shares E at the time of expiration of such period. (i) the number of months from the month following the month including the expiration date of the Restricted Period D to the month including the date of such loss (if such position is lost during the Restricted Period D, such number of months shall be zero), as of the time immediately following the loss of such position The number of shares to be allotted shall be the number obtained by dividing the number of shares to be allotted by 3 by the number of Allotted Shares E (however, if the calculation results in a fraction of a share, such fraction shall be rounded down). (2) The restriction on transfer of the Allotted Shares E shall be lifted.</p>
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(d) Restricted Stock for Executive Officers and Employees

Guarantee	Ten executives of the Company One employees of the Company
Number of stock options by stock type*	Common stock 55,047 shares
Date of grant	July 30, 2025
Transfer restriction period	<p>The Subject Officers and Employees shall be restricted from transferring, pledging, or otherwise disposing of the Allotted Shares (as defined below) during the respective Transfer Restriction Periods defined below:</p> <p>(i) With respect to the Allotted Shares equivalent to one-third of the total Allotted Shares (shares less than one unit shall be rounded down; hereinafter referred to as "Allotted Shares A"), the period is from July 30, 2025 (the payment date) through June 30, 2026 (hereinafter referred to as "Transfer Restriction Period A").</p> <p>(ii) With respect to the number of Allotted Shares equivalent to one-fourth of the Allotted Shares excluding Allotted Shares A (shares less than one unit shall be rounded down; hereinafter referred to as "Allotted Shares B"), the period is from July 30, 2025 (the payment date) through December 31, 2026 (hereinafter referred to as "Transfer Restriction Period B").</p> <p>(iii) With respect to the number of Allotted Shares equivalent to one-third of the Allotted Shares excluding Allotted Shares A and Allotted Shares B (shares less than one unit shall be rounded down; hereinafter referred to as "Allotted Shares C"), the period is from July 30, 2025 (the payment date) through June 30, 2027 (hereinafter referred to as "Transfer Restriction Period C").</p> <p>(iv) With respect to the number of Allotted Shares equivalent to one-half of the Allotted Shares excluding Allotted Shares A through C (shares less than one unit shall be rounded down; hereinafter referred to as "Allotted Shares D"), the period is from July 30, 2025 (the payment date) through December 31, 2027 (hereinafter referred to as "Transfer Restriction Period D").</p> <p>(v) With respect to the remaining Allotted Shares (hereinafter referred to as "Allotted Shares E"), the period is from July 30, 2025 (the payment date) through June 30, 2028 (hereinafter referred to as "Transfer Restriction Period E").</p> <p>(Transfer Restriction Periods A through E are collectively or individually hereinafter referred to as the "Transfer Restriction Periods.")</p> <p>During the respective Transfer Restriction Periods, the Subject Officers and Employees shall not transfer, pledge, or otherwise dispose of the Allotted Shares.</p>
Conditions for lifting restrictions	<p>(a) Subject to the condition that the Covered Officers and Employees have continuously held the position of executive officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period A, the restriction on transfer of all of the Allotted Shares A shall be lifted at the expiration of the Restriction Period A.</p> <p>(b) Subject to the condition that the eligible executive officer or employee has continuously held the position of executive officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period B, the restriction on transfer of all of the Allotted Shares B shall be cancelled at the time of expiration of the Restriction Period B. However, if the eligible executive officer or employee loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restricted Period B due to the expiration of his/her employment period (however, if he/she is rehired after retirement, such reemployment period shall expire), death or other reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be cancelled at the end of the month following the month of the loss of such position. The number of months from the month following the month in which he/she loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary due to death or other reasons deemed justifiable by the Board of Directors (if he/she loses such position during the Restriction Period A, such number of months shall be zero) The number of shares to be allotted shall be calculated by dividing the number of shares to be allotted by 6 by the number of Allotted Shares B (any fraction of less than one share resulting from the calculation shall be rounded down). (2) The restriction on transfer of the Allotted Shares B shall be cancelled.</p> <p>(c) The restriction on transfer of all of the Allotted Shares C shall be cancelled upon the expiration of the Restriction Period C, provided that the Subject Officer or Employee has continuously held the position of executive officer of the Company or its subsidiary, or employee of the Company or its subsidiary during the Restriction Period C. However, in the event that an eligible executive officer or employee loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restricted Period C due to the expiration of his/her employment period (however, if he/she is rehired after retirement, the re-employment period shall expire), death or other reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be cancelled as of the time immediately following such loss of position. (i) the number of months from the month following the month including the expiration date of the Restricted Period B to the month including the date of such loss (if such position is lost during the Restricted Period B, such number of months shall be zero), divided by</p>

	<p>six (6); and The number of shares to be allotted shall be obtained by dividing the number of shares to be allotted by 6 by the number of shares to be allotted (if the calculation results in a fraction less than one share, such fraction shall be rounded down). (d) The restrictions on transfer of the Allotted Shares C shall be lifted.</p> <p>(d) On the condition that the Subject Officer or Employee has continuously held the position of Executive Officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period D, the restriction on transfer of all of the Allotted Shares D shall be cancelled at the expiration of the Restriction Period D. However, in the event that an eligible executive officer or employee loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restricted Period D due to the expiration of his/her employment period (however, if he/she is reemployed after retirement, such reemployment period shall expire), death or other reasons deemed justifiable by the Board of Directors of the Company, the transfer of all of the Allotted Shares D shall be cancelled at the time immediately following such loss of position.</p> <p>(i) the number of months from the month following the month including the expiration date of Transfer Restriction Period C to the month including the date of such loss (if such position is lost during Transfer Restriction Period C, such number of months shall be zero), divided by 6, as of the time immediately following such loss; or The number of shares to be allotted shall be the number obtained by dividing the number of shares to be allotted by 6 by the number of shares to be allotted D (any fraction of less than one share resulting from the calculation shall be rounded down).</p> <p>(2) The restriction on transfer of the Allotted Shares D shall be lifted.</p> <p>(e) The restriction on transfer of all of the Allotted Shares E shall be cancelled upon the expiration of the Restriction Period E, provided that the Subject Officer or Employee has continuously held the position of executive officer of the Company or its subsidiary or employee of the Company or its subsidiary during the Restriction Period E. However, if the eligible executive officer or employee loses his/her position as an executive officer of the Company or its subsidiary or an employee of the Company or its subsidiary during the Restriction Period E due to the expiration of his/her employment period (however, if he/she is rehired after retirement, the reemployment period shall expire), death or other reasons deemed justifiable by the Board of Directors, the Company shall cancel the Restriction on Transfer of all of the Allotted Shares E at the time of expiration of such period. (i) the number of months from the month following the month including the expiration date of the Restricted Period D to the month including the date of such loss (if such position is lost during the Restricted Period D, such number of months shall be zero), as of the time immediately following the loss of such position The number of shares to be allotted shall be the number obtained by dividing the number of shares to be allotted by 3 by the number of Allotted Shares E (however, if the calculation results in a fraction of a share, such fraction shall be rounded down). (2) The restriction on transfer of the Allotted Shares E shall be lifted.</p>
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(2) The size of pre-issued grants and fluctuations thereof

(a) Expense amount and account titles

	Current fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Stock-based compensation expenses under sales and general administrative expenses	198,075 (thousand yen)	137,926 (thousand yen)

(b) Number of shares

Previous fiscal year ended Sep. 30, 2024 (shares)	466,846
Number of granted shares	55,047
Number of shares acquired at no cost	40,814
Number of vested shares	123,174
Number of non-vested shares	357,905

(c) Unit price information

(Yen)

	Restricted stock in December 2022	Restricted stock in June 2023	Restricted stock in March 2024	Restricted stock in March 2025
Fair value per share on the grant date	785	779	775	1,188

2. Estimation method for Fair value per share on the grant date

The restricted stock for executive officers and employees to be granted in December 2022 will be the higher of (1) 705 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on November 7, 2022 (the business day preceding the date of the Board of Directors' resolution) and (2) the average closing price of the Company's common stock for each trading day from November 9, 2022 to November 16, 2022 (excluding days without closing price and rounding up any fraction less than one yen). (excluding days without a closing price and rounding up fractions less than one yen), whichever is higher.

The amount of restricted stock granted to directors in June 2023 is the closing price of the Company's common stock on the Tokyo Stock Exchange on May 24, 2023.

The amount of restricted stock for executive officers and employees granted in March 2024 is 775 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on February 21, 2024 (the business day prior to the date of resolution by the Board of Directors).

The amount of restricted stock for executive officers and employees granted in July 2025 is 1,188 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 25, 2025 (the business day prior to the date of resolution by the Board of Directors).

3. Estimation method for Number of vested shares

Regarding the pre-issued grants, since it is basically difficult to reasonably estimate the number of confiscations in the future, the Company applies a method that only reflects the actual number of confiscations.

Tax effect accounting

1. Breakdown of deferred tax assets and liabilities by main cause

	(Thousand yen)	
	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Deferred tax assets		
Tax loss carryforwards ²	1,187,662	1,041,318
Depreciation costs	22,900	23,341
Investment securities	22,785	28,918
Software	272,242	332,692
Impairment loss	21,711	18,183
Enterprise tax payable	25,010	33,324
Allowance for doubtful receivables	8,067	7,587
Allowance for losses on order received	23,646	24,437
Stock-based compensation expense	33,965	29,552
Accounts Receivable	—	3,863
Exchange contract	9,536	—
Accounts payable	52,459	4,492
Other	30,664	18,672
Subtotal deferred tax assets	1,710,651	1,566,385
Valuation allowance for tax loss carryforward ¹	(1,023,996)	(802,237)
Valuation allowance for future deductible amounts	(252,320)	(295,508)
Subtotal less valuation allowance	(1,276,317)	(1,097,745)
Total deferred tax assets	434,334	468,640
Deferred tax liabilities		
Forward exchange contracts	—	(5,551)
Investment Securities	—	(7,690)
Total deferred tax liabilities	—	(13,242)
Net deferred tax assets	434,334	455,398
Net deferred tax liabilities	—	△13,242

Notes:

- 1)The valuation allowance decreased by 178,572 thousand yen. This decrease is primarily attributable to the reduction in the valuation allowance related to the Company's tax loss carryforwards.
- 2)Tax loss carryforwards and their deferred tax asset carryforwards by expiration date
Previous fiscal year (September 30, 2024)

(Thousand yen)							
	Due within one year	Due between one and two years	Due between two and three years	Due between three and four years	Due between four and five years	Due after five years	Total
Tax loss carryforward*	43,970	43,084	27,660	161,896	371,225	539,823	1,187,662
Valuation allowance	(43,970)	(43,084)	(27,660)	(17,248)	(352,207)	(539,823)	(1,023,996)
Deferred tax assets	—	—	—	144,648	19,018	—	163,666

*¹ Tax loss carryforwards are the product of multiplication with the effective statutory tax rate.

*² Regarding the tax loss carryforwards of 1,187,662 thousand yen (which represents the amount calculated by multiplying the tax loss by the effective statutory tax rate), a deferred tax asset of 163,666 thousand yen is recognized. A portion of these tax loss carryforwards is deemed recoverable based on the forecast of future taxable income.

Current fiscal year ended Sep. 30, 2025

(Thousand yen)

	Due within one year	Due between one and two years	Due between two and three years	Due between three and four years	Due between four and five years	Due after five years	Total
Tax loss carryforward*	43,084	27,660	17,248	224,026	30,829	698,468	1,041,318
Valuation allowance	(43,084)	(27,660)	(17,248)	(28,460)	12,685	(698,468)	(802,237)
Deferred tax assets*	—	—	—	195,565	43,515	—	239,081

*¹ Tax loss carryforwards are the product of multiplication with the effective statutory tax rate.

*² Regarding the tax loss carryforwards of 1,041,318 thousand yen (which represents the amount calculated by multiplying the tax loss by the effective statutory tax rate), a deferred tax asset of 239,081 thousand yen is recognized. A portion of these tax loss carryforwards is deemed recoverable based on the forecast of future taxable income.

2. Information on reconciliations between the normal effective statutory tax rate and the actual effective tax rate

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Effective statutory tax rate	30.6%	30.6%
(adjustments)		
Items Permanently Non-Deductible as Entertainment Expenses	38.6%	1.0%
Per Capita Resident Tax	19.5%	0.5%
Valuation allowance	(1,334.8%)	(16.0%)
Tax deductions	(156.9%)	(7.3%)
Stock-based compensation expense	130.4%	2.0%
Miscellaneous losses	47.5%	0.3%
Difference in applicable tax rates of consolidated subsidiaries	17.3%	0.5%
Tax rate difference due to loss-making subsidiaries	163.6%	—
Goodwill amortization	66.2%	0.8%
	—	3.3%
Goodwill impairment loss	174.0%	—%
Other	(4.2%)	2.2%
Effective tax rate after application of tax effect accounting	(808.2%)	17.9%

3. Adjustments to Deferred Tax Assets and Deferred Tax Liabilities due to Change in Income Tax Rates

Following the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025), the "Special Corporate Tax for Defense" will be imposed starting from the consolidated fiscal years beginning on or after April 1, 2026.

Accordingly, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities pertaining to temporary differences expected to be reversed on or after October 1, 2026, has been changed from 30.6% to 31.5% (for consolidated subsidiaries, from 34.5% to 35.4%).

The impact of this change is immaterial (or minor).

(Merger related)

Not applicable.

(Asset retirement obligation)

Previous fiscal year ended Sep. 30, 2024

The Company and its consolidated subsidiaries recognize obligations associated with the restoration of the original

condition of offices upon termination of the real estate lease agreements for our head office and other offices as asset retirement obligations.

Since security deposits related to the lease agreements are recorded as assets, instead of recognizing a liability for the said asset retirement obligations, we estimate the amount that is considered unlikely to be recovered from these security deposits and expense the portion that pertains to the current consolidated fiscal year.

Current fiscal year ended Sep. 30, 2025

The Company and its consolidated subsidiaries recognize obligations associated with the restoration of the original condition of offices upon termination of the real estate lease agreements for our head office and other offices as asset retirement obligations.

Since security deposits related to the lease agreements are recorded as assets, instead of recognizing a liability for the said asset retirement obligations, we estimate the amount that is considered unlikely to be recovered from these security deposits and expense the portion that pertains to the current consolidated fiscal year.

(Revenue recognition)

1. A breakdown of revenue from contracts with customers

Previous fiscal year ended Sep. 30, 2024

The Company Group operates a single segment, the SaaS business. Information disaggregating revenue from contracts with customers by type of product/service and timing of revenue recognition is as follows:

(Thousand yen)

	Sales			Total
	Products	Services	Other	
Goods or services transferred over time	9,043,770	1,158,663	110,944	10,313,379
Goods or services transferred at a single point in time	—	679,333	—	679,333
Revenue generated from contracts with customers	9,043,770	1,837,997	110,944	10,992,713
Other revenue	—	—	—	—
Sales to external customers	9,043,770	1,837,997	110,944	10,992,713

Current fiscal year ended Sep. 30, 2025

The Company Group operates a single segment, the SaaS business. Information disaggregating revenue from contracts with customers by type of product/service and timing of revenue recognition is as follows:

(Thousand yen)

	Sales			Total
	Products	Services	Other	
Goods or services transferred over time	11,028,963	1,703,816	104,749	12,837,530
Goods or services transferred at a single point in time	—	558,944	—	558,944
Revenue generated from contracts with customers	11,028,963	2,262,761	104,749	13,396,474
Other revenue	—	—	—	—
Sales to external customers	11,028,963	2,262,761	104,749	13,396,474

2. Information that is the basis for understanding revenue generated from contracts with customers

As described in “Important Matters Fundamental for the Preparation of Consolidated Financial Statements: 3. Accounting Policies (8) Criteria for recording significant revenues and expenses.”

3. Information on the relationship between satisfying performance obligations under a contract with customers and the cash flow arising from the contract, and the amount and timing of revenue that is expected to be recognized from the contract with the customer existing at the end of the current to the following fiscal year and beyond

(1) Balance of contract assets and contract liabilities, etc.

(Thousand yen)

	Previous fiscal year	Current fiscal year
Receivables arising from contracts with customers (Beginning balance)	980,467	1,139,133
Receivables arising from contracts with customers (Ending balance)	1,139,133	1,317,103
Contract liabilities (Beginning balance)	504,487	852,480
Contract liabilities (Ending balance)	852,480	1,062,558

Contract liabilities mainly relate to deferred revenue arising from receiving lump-sum payments from customers for the monthly basic fee covering the contract period and are amortized over the period of provision of products and services. Of the amount of revenue recognized in the previous fiscal year, the amount included in the balance of contract liabilities as of the beginning of the period was 503,332 thousand yen. For the current

fiscal year, the amount included in the balance of contract liabilities as of the beginning of the period was 850,044 thousand yen.

(2) Transaction Price Allocated to the Remaining Performance Obligations

Disclosure is omitted by applying the practical expedient, as there are no significant contracts with an initially expected contract term exceeding one year.

(Segment information, etc.)

[Segment information]

Previous fiscal year ended Sep. 30, 2024

This information is omitted as the Company operates a single segment, namely the SaaS business.

Current fiscal year ended Sep. 30, 2025

This information is omitted as the Company operates a single segment, namely the SaaS business.

[Supplementary information]

Previous fiscal year ended Sep. 30, 2024

1. Information by product and service

(Thousand yen)

	Products	Services	Other	Total
Sales to external customers	9,043,770	1,837,997	110,944	10,992,713

2. Information by geographical area

(1) Net sales

This information is omitted because there are no sales to external customers outside Japan.

(2) Property and equipments

This information is omitted because there are no property and equipment located outside Japan.

3. Information by major customers

This information is omitted because no external customer accounted for 10% or more of net sales in the statements of income (loss).

Current fiscal year ended Sep. 30, 2025

1. Information by product and service

(Thousand yen)

	Products	Services	Other	Total
Sales to external customers	11,028,963	2,262,761	104,749	13,396,474

2. Information by geographical area

(1) Net sales

This information is omitted because there are no sales to external customers outside Japan.

(2) Property and equipments

This information is omitted because there are no property and equipment located outside Japan.

3. Information by major customers

This information is omitted because no external customer accounted for 10% or more of net sales in the statements of income (loss).

[Information about impairment loss of fixed assets by reportable segment]

Previous fiscal year ended Sep. 30, 2024

Since the Group operates as a single segment in the SaaS business, the segment information is omitted.

Current fiscal year ended Sep. 30, 2025

Since the Group operates as a single segment in the SaaS business, the segment information is omitted.

[Information about amortization and unamortized balance of goodwill by reportable segment]

Previous fiscal year ended Sep. 30, 2024

Since the Group operates as a single segment in the SaaS business, the segment information is omitted.

Current fiscal year ended Sep. 30, 2025

Since the Group operates as a single segment in the SaaS business, the segment information is omitted.

[Information about gain on negative goodwill by reportable segment]

Previous fiscal year ended Sep. 30, 2024

Not applicable.

Current fiscal year ended Sep. 30, 2025

Not applicable.

[Related party information]

1. Transactions with related parties

(1) Transactions between the company submitting the consolidated financial statements and related parties

(a) Officers and major shareholders (limited to individuals), etc. of the company submitting the consolidated financial statements

Previous fiscal year ended Sep. 30, 2024

	Name of company or individual	Common stock or capital contribution (thousand yen)	Description of business or occupation	Details of transaction	Transaction amount (thousand yen)	Item	Year-end balance (thousand yen)
Officer	Kentaro Muto	0.3 directly held	Company director	Loan of funds ⁽²⁾	–	Long-term loans to director	10,007
				Receipt of interest	100		

Transaction terms and policies for determining transaction conditions

Notes: The interest rate for loans is determined rationally, taking market interest rate into consideration.

Current fiscal year ended Sep. 30, 2025

Not applicable.

(Per share information)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Net assets per share	77.54 yen	116.07 yen
Net income (loss) per share	8.01 yen	26.99 yen
Diluted earnings per share	7.85 yen	26.63 yen

Note: The basis for the calculation of net income per share and diluted net income per share is as follows:

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Net income (loss) per share		
Net income (loss) attributable to owners of parent (thousand yen)	320,732	1,099,057
Amount not attributable to common shareholders (thousand yen)	–	–
Net income (loss) attributable to owners of parent with respect to common stock (thousand yen)	320,732	1,099,057
Weighted average number of shares	40,059,692	40,728,060
Diluted net income per share		
Adjustment to net income attributable to owners of parent (thousand yen)	–	–
Increase in common stock (shares)	813,990	546,769
(of which: stock acquisition rights (shares))	813,990	546,769
Outline of potential common stock excluded from the computation of diluted net income per share due to its non-dilutive effect	Two types of stock acquisition right (Number of stock acquisition rights: 288,000 shares of common stock)	Two types of stock acquisition right (Number of stock acquisition rights: 180,000 shares of common stock)

(Significant subsequent event)**(Significant Borrowings)**

The Company executed the following borrowings based on agreements with its principal financial institutions.

1. Purpose of Borrowings

The borrowings were executed primarily to secure working capital and to fund growth investments for future business expansion.

2. Outline of Borrowings

① Lender	Mizuho Bank, Ltd.
② Borrowing Amount	1,000 million yen
③ Interest Rate	Variable Interest Rate (Base Rate plus Spread)
④ Execution Date	October 10, 2025
⑤ Final Maturity Date	September 30, 2030
⑥ Collateral/Guarantee	Unsecured and Unguaranteed

① Lender	Resona Bank, Ltd.
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② Borrowing Amount	1,000 million yen
③ Interest Rate	Variable Interest Rate (Base Rate plus Spread)
④ Execution Date	October 10, 2025
⑤ Final Maturity Date	September 30, 2030
⑥ Collateral/Guarantee	Unsecured and Unguaranteed

① Lender	The Shoko Chukin Bank, Ltd.
② Borrowing Amount	1,000 million yen
③ Interest Rate	Variable Interest Rate (Base Rate plus Spread)
④ Execution Date	October 15, 2025
⑤ Final Maturity Date	September 30, 2030
⑥ Collateral/Guarantee	Unsecured and Unguaranteed

(Business Combination through Acquisition)

The Company resolved at the Board of Directors meeting held on November 12, 2025, to acquire shares of CloudFit, Inc. and make it a subsidiary.

1. Outline of the Business Combination

(1) Name and Nature of Business of the Acquired Company

Name of Acquired Company: CloudFit, Inc.

Nature of Business: DX strategy formulation, introduction and operation of cloud services, etc.

(2) Primary Reasons for the Business Combination

CloudFit, Inc. is a startup founded in 2020 with the vision of "fusing business and technology" and the mission of "maximizing the power of the cloud to accelerate business." Since its establishment, the company has been leading the digital utilization of its client companies, primarily by providing support for cloud implementation, utilization, and data utilization through its highly specialized members. Furthermore, as an Official Partner of the Company's CX (Customer Experience) platform, "KARTE," CloudFit has extensive experience in supporting the implementation and utilization of the KARTE series. The Company has been offering its professional service, "PLAID ALPHA," which provides end-to-end support from CX consulting to product implementation and operation, since October 2023. By having CloudFit, Inc. join the PLAID Group, we aim to further strengthen our structure for promoting the digital transformation of client companies and accelerate business expansion.

By having CloudFit, Inc. join the PLAID Group, we aim to achieve the following:

① Strengthening and Expanding Professional Services to Accelerate DX Promotion for Major Companies

The Company will leverage CloudFit, Inc.'s implementation capabilities, which fuse "business and technology," and its deep knowledge of cloud services. Through collaboration with the Company Group's customer base, the KARTE product portfolio, and the professional service "PLAID ALPHA," the Company will strengthen its DX promotion structure within the enterprise segment. This will enhance our ability to handle larger and more complex projects, aiming to elevate the value provided and accelerate the speed of new project acquisition.

② Creation of New Business Models Utilizing Generative AI and Acceleration of Market Formation

By integrating CloudFit, Inc.'s generative AI support with the Company's focus areas and utilizing the Company Group's development, sales, and other resources, we will accelerate the speed of new market formation. Additionally, we will promote the expansion into product-type services, in addition to consulting-type support. Furthermore, we will leverage the Company Group's 1st Party Customer Data foundation and technical expertise to advance the development of product-type services, aiming to strengthen our mid- to long-term revenue base. Concurrently, we will promote the AI modernization of client business processes, aiming to establish highly reproducible service models that contribute to the improvement of client companies' productivity and profitability.

(3) Date of Business Combination November 30, 2025 (Deemed Acquisition Date: December 31, 2025)

(4) Legal Form of the Business Combination Acquisition of shares for cash consideration

(5) Name of the Combined Entity No change

(6) Acquired Voting Interest 100.0%

(7) Primary Basis for Determining the AcquirerThe Company was determined to be the acquirer because it acquired the shares for cash consideration.

2. Acquisition Cost of the Acquired Company and Breakdown by Type of Consideration

Consideration Paid	Cash deposits	and	1,000,000 thousand yen
Acquisition Cost			1,000,000 thousand yen

[Consolidated supplementary schedules]

[Schedule of corporate bonds]

Not applicable.

[Details of borrowings]

	Beginning balance (thousand yen)	Ending balance (thousand yen)	Average interest rate (%)	Repayment deadline
Short-term debt	100,000	–	–	–
Current portion of long-term debt	699,666	608,758	1.69	–
Long-term debt (excluding current portion)	521,026	1,212,268	1.82	2026 - 2035
Total	1,320,692	1,821,026	–	–

Notes:

- 1) The average interest rate is the weighted average interest rate for the year-end balance of loans outstanding.
- 2) The scheduled repayment amounts for long-term debt and lease obligations (excluding current portion) for the five years following the consolidated closing date are as follows:

	Between one and two years (thousand yen)	Between two and three years (thousand yen)	Between three and four years (thousand yen)	Between four and five years (thousand yen)
Long-term debt	513,132	213,132	213,132	213,172

[Asset retirement obligation schedule]

Not applicable.

[Other]

Quarterly information, etc. for the current consolidated fiscal year

(Cumulative period)	End of Q1	End of Q2	End of Q3	Current fiscal year
Net sales (thousand yen)	3,190,383	6,547,247	9,835,287	13,396,474
Net income (loss) before adjustments for taxes, etc. (thousand yen)	383,348	829,913	1,170,634	1,346,076
Net income (loss) attributable to owners of the parent (thousand yen)	292,525	641,109	878,213	1,099,057
Net income (loss) per share (yen)	7.22	15.79	21.60	26.99

(Fiscal period)	End of Q1	End of Q2	End of Q3	End of Q4
Net quarterly income (loss) per share (yen)	7.22	8.57	5.82	5.39

Note: While our company prepares quarterly financial information for the first and third quarters in accordance with the rules stipulated by the financial instruments exchange, this quarterly financial information has not been subjected to an interim review.

2 Financial Statements

(1) Financial statements

(a) Balance sheet

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Assets		
Current assets		
Cash and deposits	4,118,904	5,273,009
Notes receivable - trade	963,483 ¹⁾	1,144,190 ¹⁾
Prepaid expenses	405,618	470,697
Short-term loans to subsidiaries and affiliates	180,000 ¹⁾	100,000 ¹⁾
Long-term loans to affiliated companies scheduled for collection within one year	11,160 ¹⁾	63,260 ¹⁾
Other	30,529 ¹⁾	56,637 ¹⁾
Allowance for doubtful receivables	(84,658)	(110,878)
Total current assets	5,625,037	6,996,917
Non-current assets		
Property and equipments		
Buildings	26,227	26,227
Accumulated depreciation	(26,227)	(26,227)
Buildings, net	0	0
Tools, furniture and fixtures	223,883	222,479
Accumulated depreciation	(163,156)	(172,316)
Tools, furniture and fixtures, net	60,727	50,162
Total Property and equipments	60,727	50,162
Intangible fixed assets		
Software	—	57,564
Total Intangible assets	—	57,564
Investments and other assets		
Shares of subsidiaries and affiliates	236,079	1,031,627
Investment securities	49,914	338,961
Lease and guarantee deposits	245,514	239,114
Long-term loans to employees	2,029	—
Long-term loans to directors	10,007	—
Long-term loans receivable to affiliates	63,260 ¹⁾	—
Claims provable in rehabilitation from bankruptcy	3,121	13,192
Long-term prepaid expenses	63,589	23,808
Deferred tax assets	393,333	401,776
Allowance for doubtful receivables	(3,121)	(13,192)
Total investments and other assets	1,063,729	2,035,288
Total non-current assets	1,124,456	2,143,016
Total assets	6,749,493	9,139,934

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Liabilities		
Current liabilities		
Current portion of long-term debt	642,800 ²⁾	592,992 ²⁾
Accounts payable - other	657,371 ¹⁾	774,602 ¹⁾
Income taxes payable	205,764	217,316
Contract liabilities	744,087	982,276
Allowance for loss on guarantees	100,000	—
Lease and guarantee deposits	300,000	300,000
Exchange contract	31,143	—
Allowance for losses on order received	77,224	79,807
Other	426,512	294,843
Total current liabilities	3,184,905	3,241,838
Long-term liabilities		
Long-term debt	393,000 ²⁾	800,008 ²⁾
Allowance for loss on guarantees	44,002	30,013
Total long-term liabilities	437,002	830,021
Total liabilities	3,621,907	4,071,860
Net assets		
Shareholders' equity		
Capital stock	3,091,157	3,184,693
Capital surplus		
Capital reserve	5,051,160	5,314,480
Total capital surplus	5,051,160	5,314,480
Retained earnings (Accumulated deficit)		
Other retained earnings		
Retained earnings (Accumulated deficit)	(4,999,991)	(3,459,873)
Other retained earnings	(4,999,991)	(3,459,873)
Total retained earnings	(4,999,991)	(3,459,873)
Treasury shares	(281)	(514)
Total shareholders' equity	3,142,045	5,038,786
Adjustments for valuation, translation, etc.		
Valuation difference on other securities	—	16,709
Deferred gains or losses on hedges	(21,607)	12,578
Total adjustments for valuation, transactions, etc.	(21,607)	29,287
Stock acquisition right	7,147	—
Total net assets	3,127,585	5,068,073
Total liabilities and net assets	6,749,493	9,139,934

(b) Income statement

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Net sales	9,825,252 ¹⁾	12,068,037 ¹⁾
Cost of sales	2,966,230 ¹⁾	3,738,880 ¹⁾
Gross profit	6,859,021	8,329,157
Selling general and administrative expenses	6,081,471 ²⁾	6,408,763 ²⁾
Operating income (loss)	777,549	1,920,393
Non-operating income		
Interest income	6,025 ¹⁾	7,221 ¹⁾
Commission received	41,636 ¹⁾	29,873 ¹⁾
Other	1,750	4,973
Total non-operating income	49,411	42,067
Non-operating expenses		
Interest expenses	14,624	14,683
Commission fee	4,166	—
Payment guarantee fee	6,844	7,820
Foreign exchange loss	—	16,493
Restricted stock-related expenses	38,819	13,018
Other	913	2,516
Total non-operating expenses	74,933	54,531
Ordinary income (loss)	752,028	1,907,930
Extraordinary income		
Reversal of provision for losses on guarantees	—	100,000
Gain on business transfer	—	25,000 ¹⁾
Other	—	9,316
Total Extraordinary income	—	134,316
Extraordinary losses		
Provision for loss on guarantees	100,000	—
Loss on valuation of investment securities	6,222	32,019
Loss on valuation of subsidiaries and affiliates	382,156 ³⁾	117,059 ³⁾
Allowance for doubtful receivables of subsidiaries and affiliates	154,880	130,907
Other	44,002	26,568
Total extraordinary losses	687,262	306,554
Income (loss) before income taxes	64,766	1,735,692
Income taxes - current	153,545	226,796
Income taxes - deferred	(383,797)	(31,221)
Total income taxes	(230,251)	195,574
Net income (loss)	295,018	1,540,117

Cost of sales statement

	Notes No.	Previous fiscal year (ended Sep. 30, 2024)		Current fiscal year (ended Sep. 30, 2025)	
		Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)
I Labor cost		513,852	17.32	773,998	20.70
II Expenses	1	2,452,378	82.68	2,964,882	79.30
Cost of sales		2,966,230	100.00	3,738,880	100.00

Note: 1) The main breakdown is as follows:

Item	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Server costs (thousand yen)	1,714,052	1,864,671
Allowance for doubtful receivables (thousand yen)	22,795	2,582
Other (thousand yen)	715,530	1,097,627

(Cost accounting method)

The Company applies individual cost accounting based on actual costs.

(c) Non-consolidated statement of changes in shareholders' equity

Previous fiscal year(ended Sep.30, 2024)

(Thousand yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders equity
		Capital reserve	Total capital surplus	Other retained earnings Retained earnings (carried forward)	Total retained earnings		
Beginning balance	2,945,895	4,905,897	4,905,897	(5,295,009)	(5,295,009)	(279)	2,556,504
Changes during year							
Issuance of new shares (Restricted stock compensation)	83,439	83,439	83,439	—	—	—	166,878
Issuance of new shares (Exercise of stock acquisition right)	61,823	61,823	61,823	—	—	—	123,646
Net income (loss)	—	—	—	295,018	295,018	—	295,018
Acquisition of treasury shares	—	—	—	—	—	(2)	(2)
Increase due to stock exchange	—	—	—	—	—	—	—
Net change in items other than shareholders' equity	—	—	—	—	—	—	—
Total changes during fiscal year	145,262	145,262	145,262	295,018	295,018	(2)	585,541
Year-end balance	3,091,157	5,051,160	5,051,160	(4,999,991)	(4,999,991)	(281)	3,142,045

	Adjustments for valuation, transaction, etc.	Stock acquisition right	Total net assets
	Deferred gains or losses on hedges		
Beginning balance	41,904	7,147	2,605,556
Changes during fiscal year			
Issuance of new shares (Restricted stock compensation)	—	—	166,878
new shares (Exercise of stock acquisition right)	—	—	123,646
Net income (loss)	—	—	295,018
Acquisition of treasury shares	—	—	(2)
Net change in items other than shareholders' equity	(63,511)	—	(63,511)
Total changes during fiscal year	(63,511)	—	522,029
Year-end balance	(21,607)	7,147	3,127,585

Current fiscal year(ended Sep.30, 2025)

(Thousand yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders equity
		Capital reserve	Total capital surplus	Other retained earnings Retained earnings (carried forward)	Total retained earnings		
Beginning balance	3,091,157	5,051,160	5,051,160	(4,999,991)	(4,999,991)	(281)	3,142,045
Changes during year							
Issuance of new shares (Restricted stock compensation)	32,697	32,697	32,697	—	—	—	65,395
Issuance of new shares (Exercise of stock acquisition right)	60,837	60,837	60,837	—	—	—	121,675
Net income (loss)	—	—	—	1,540,117	1,540,117	—	1,540,117
Acquisition of treasury shares	—	—	—	—	—	(232)	(232)
Increase due to stock exchange	—	169,785	169,785	—	—	—	169,785
Net change in items other than shareholders' equity	—	—	—	—	—	—	—
Total changes during fiscal year	93,535	263,320	263,320	1,540,117	1,540,117	(232)	1,896,740
Year-end balance	3,184,693	5,314,480	5,314,480	(3,459,873)	(3,459,873)	(514)	5,038,786

	Adjustments for valuation, transaction, etc.		Stock acquisition right	Total net assets
	Valuation difference on other securities Deferred gains or losses on hedges	Deferred hedge gains and losses		
Beginning balance	—	(21,607)	7,147	3,127,585
Changes during fiscal year				
Issuance of new shares (Restricted stock compensation)	—	—	—	65,395
new shares (Exercise of stock acquisition right)	—	—	—	121,675
Net income (loss)	—	—	—	1,540,117
Acquisition of treasury shares	—	—	—	(232)
	—	—	—	169,785
Net change in items other than shareholders' equity	16,709	34,186	(7,147)	43,747
Total changes during fiscal year	16,709	34,186	(7,147)	1,940,488
Year-end balance	16,709	12,578	—	5,068,073

[Notes on consolidated financial statements]

(Significant accounting policies)

1. Valuation standards and methods for marketable securities

(1) Shares of subsidiaries and affiliates

The moving average method is used.

(2) Other securities

Marketable securities with no fair market value

The moving average method is used.

Stocks without market value, etc.

The moving average method is used. For investments in Limited Partnership for Investment and similar

partnerships (which are deemed as securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the amount equivalent to the equity share is recognized on a net basis, based on the latest financial statements available according to the closing date stipulated in the partnership agreement.

2. Depreciation method for non-current assets

Property and equipment

The declining balance method is used. However, the straight-line method is used for buildings and accompanying facilities acquired on or after April 1, 2016.

The estimated useful lives of major asset items are as follows:

Buildings: 2 to 5 years

Tools, furniture and fixtures: 4 to 15 years

Intangible Fixed Assets

The straight-line method is applied.

Software for internal use is amortized based on its estimated useful life within the company (5 years).

3. Method of accounting for deferred assets

Stock Issuance Cost

Stock issuance cost is expensed when incurred.

4. Criteria for recording revenues and expenses

In the Company's mainstay SaaS business, revenue generated from contracts with customers is classified into product revenue, which relates to the providing of products, and service revenue, which relates to the providing of professional services. For either type of revenue, any revenues generated from the continuous provision of products or services, such as monthly subscription fees, are recognized as revenues for the period when the products or services are provided to the customer. Any revenue that relates to the initial introduction of a product or the provision of a temporary one-off service is considered to be a transaction fulfilled when the work is complete and so is recognized as revenue generated at one point in time.

5. Significant hedge accounting policies

(a) Hedge accounting method

Deferred hedge accounting method is applied. The Company has applied the allocation method for forward exchange contracts when the requirements for the allocation method are met.

(b) Hedging instruments and hedged items

Hedging instruments: Forward exchange contracts

Hedged items: Accounts payable - other

(c) Hedging policy

In order to reduce the risk of foreign currency fluctuations, the Company conducts hedging within the scope of applicable liabilities.

(d) Method for evaluating the effectiveness of hedging

The Company assesses the hedging effectiveness based on the amount of fluctuation of both the hedged items and the hedging instruments, comparing the cumulative market fluctuations of the hedged items and the hedging instruments during the period from the start of hedging to the time of effectiveness assessment. For items for which the allocation method is applied, the hedging effectiveness assessments are omitted based on the judgment that their effectiveness has been proved at the time of adoption.

6. Foreign currency translations

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at year-end exchange rates with the resulting exchange gain or loss recognized in the statements of income (loss).

7. Criteria for recording allowances

Allowance for doubtful receivables

In order to prepare for possible bad debt losses on receivables, the Company records an estimated uncollectible amount based on the loan loss ratio in the case of general receivables and based on individual considerations of the likelihood of collection in the case of specific receivables such as doubtful receivables.

Allowance for losses on order received

In order to provide for possible future losses related to contracts of orders on hand at the end of the fiscal year, those with high probability of generating losses and where it is possible to reasonably estimate the amount of such losses, the estimated amount of losses to be incurred in the future is provided as an allowance for losses on order received.

Allowance for loss on guarantees

To provide for losses related to guarantees, an allowance is provided for the estimated amount of losses to be incurred, taking into consideration the financial conditions of each guaranteed party.

Allowance for loss on business of subsidiaries and affiliates

To cover potential losses from the business activities of affiliates, the Company recognizes the estimated loss amount exceeding the book value of receivables from affiliates that the Company may be required to bear.

(Significant accounting estimates)

(1) Valuation of stocks of subsidiaries and affiliates

(a) Amount recorded in the financial statements for the fiscal year

(Thousand yen)

	Previous fiscal year	Current fiscal year
Shares of subsidiaries and affiliates	236,079	1,031,627
Short-term loans to subsidiaries and affiliates	180,000	100,000
Long-term loans to affiliated companies scheduled for collection within one year	11,160	63,260
Long-term loans to subsidiaries and affiliates	63,260	—
Allowance for doubtful accounts	59,873	100,000
Allowance for loss on guarantees	100,000	—
Allowance for loss on business of subsidiaries and affiliates	44,002	30,013

(b) Information about content of significant accounting estimates for identified items

Stocks of subsidiaries and affiliates are stated at acquisition cost, which is the balance sheet amount. The valuation of stocks of subsidiaries and affiliates is based on a comparison of the real value, which reflects excess earning capacity, with the book value to determine whether there has been a significant decline in the real value.

In the event of a significant decline in the real value, a corresponding impairment loss is recognized; however, in cases where recovery is deemed probable, no impairment loss is recognized. In addition, allowances are provided for the estimated amount of losses to be incurred in accordance with “7. Accounting Standards for Allowances and Reserves” under “Significant Accounting Policies.

Any future deterioration in the Company's performance and financial position could affect the valuation and the amount of related reserves in the financial statements of the following fiscal year.

(2) Recoverability of Deferred Tax Assets

(a) Amount recorded in the financial statements for the fiscal year

	Previous fiscal year	Current fiscal year
Deferred tax assets	393,333	401,776

(b) Information about content of significant accounting estimates for identified items

Deferred tax assets are the same as those described in “Notes (Significant Accounting Estimates)” to the consolidated financial statements.

(Change in accounting policies)

Not applicable.

(Change in presentation method)

(Notes to Balance Sheet)

Long-term loans to affiliated companies expected to be recovered within one year, previously included under “Other” in “Current Assets” in the prior fiscal year, have been presented separately from the current fiscal year due to increased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, the ¥41,689 thousand previously shown under “Other” within “Current Assets” on the previous fiscal year's balance sheet has been reclassified as ¥11,160 thousand for “Long-term loans to affiliates expected to be recovered within one year” and ¥30,529 thousand for “Other.”

(Notes to Statements of Income)

In the previous fiscal year, “Compensation Fees Paid,” which was presented separately under “Non-Operating Expenses,” has been included in “Other” within “Non-Operating Expenses” in the current fiscal year due to its decreased materiality.

Furthermore, “Guarantee Fees Paid,” which was included in “Other” within “Non-Operating Expenses” in the previous fiscal year, has been presented separately starting from the current fiscal year due to its increased materiality.

To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified.

As a result, in the previous fiscal year's statement of income, the ¥9,563 thousand presented as "Compensation Fees Paid" within "Non-Operating Expenses" and the ¥7,758 thousand presented as "Other" within "Non-Operating Expenses" have been reclassified as ¥6,844 thousand for "Guarantee Fees Paid" and ¥10,477 thousand for "Other."

(Balance sheet)

(1) Assets and liabilities of subsidiaries and affiliates

Monetary claims and obligations to subsidiaries and affiliates are as follows:

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Short-term monetary claims	215,032(thousand yen)	193,832(thousand yen)
Long-term monetary claims	63,260	—
Short-term monetary obligations	55,416	78,342

(2) Term loan agreement with executable period and loan agreement, and related financial covenants

Previous fiscal year ended Sep. 30, 2024

PLAID has concluded financial loan agreements with MUFG Bank and Resona Bank for the purpose of establishing a stable financing system going forward and refinancing existing loans. Each of these agreements has the following financial covenants, and if any of these are violated, the loans may be repaid in full at the request of the lender.

(1) Term loan agreement with executable period (with MUFG Bank)

- I. On the consolidated balance sheet at the end of each quarter starting from June 2023, the total amount of net assets must be maintained at 50% or more of the total net assets as at the end of September 2022.
- II. On the consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 1,000,000 thousand yen or more.
Calculation formula: Cash and deposits - Interest-bearing debt
- III. On the non-consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 700,000 thousand yen or more.
Calculation formula: Cash and deposits - Interest-bearing debt

The undrawn balance of term loans with executable period as of the end of the current consolidated fiscal year is as follows.

Term loans with executable period	1,000,000(thousand yen)
Outstanding balance of unexecuted loans	1,000,000(thousand yen)
Balance due	— (thousand yen)

(2) Loan agreement (with Resona Bank)

- I. The consolidated adjusted operating income for the fiscal year ending September 2025 shall not be a loss.
Calculation formula: Operating income + Goodwill amortization + Stock-based compensation expenses + Other non-recurring expenses
- II. The amount of net assets on the consolidated balance sheet at the end of each fiscal year and second quarter shall be maintained at 50% or more compared to the fiscal year ended September 2022.
- III. The amount of cash and deposits minus interest-bearing debt shown on the consolidated balance sheet at the end of each fiscal year and second quarter shall be maintained at 1,000,000 thousand yen or more.

The debt balance at the end of the current consolidated fiscal year is as follows.

Debt balance as on September 30, 2024	285,800(thousand yen)	(of which 142,800 thousand yen scheduled to be repaid within one year)
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Current fiscal year ended Sep. 30, 2025

PLAID has concluded financial loan agreements with MUFG Bank and Resona Bank for the purpose of establishing a stable financing system going forward and refinancing existing loans. Each of these agreements has the following financial covenants, and if any of these are violated, the loans may be repaid in full at the request of the lender.

(1) Term loan agreement with executable period (with MUFG Bank)

- I. On the consolidated balance sheet at the end of each quarter starting from June 2023, the total amount of net assets must be maintained at 50% or more of the total net assets as at the end of September 2022.
- II. On the consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 1,000,000 thousand yen or more.
Calculation formula: Cash and deposits - Interest-bearing debt
- III. On the non-consolidated balance sheet at the end of each quarter starting from June 2023, the amount calculated using the following formula must be maintained at 700,000 thousand yen or more.
Calculation formula: Cash and deposits - Interest-bearing debt

The undrawn balance of term loans with executable period as of the end of the current consolidated fiscal year is as follows.

Term loans with executable period	1,000,000(thousand yen)
Outstanding balance of unexecuted loans	1,000,000(thousand yen)
Balance due	—(thousand yen)

(2) Loan agreement (with Resona Bank)

- I. The consolidated adjusted operating income for the fiscal year ending September 2025 shall not be a loss.
Calculation formula: Operating income + Goodwill amortization + Stock-based compensation expenses + Other non-recurring expenses
- II. The amount of net assets on the consolidated balance sheet at the end of each fiscal year and second quarter shall be maintained at 50% or more compared to the fiscal year ended September 2022.
- III. The amount of cash and deposits minus interest-bearing debt shown on the consolidated balance sheet at the end of each fiscal year and second quarter shall be maintained at 1,000,000 thousand yen or more.

The debt balance at the end of the current consolidated fiscal year is as follows.

Debt balance as on September 30, 2025	143,000(thousand yen)	(of which 143,000 thousand yen scheduled to be repaid within one year)
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(Income statement related)

(1) Transactions with subsidiaries and affiliates

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Transaction volume from business transactions		
Net sales	8,075	12,120
Purchase amount	309,024	530,687
Transaction volume from non-business transactions	47,210	50,356

(2) The approximate proportion of expenses classified as selling expenses was 10% in the previous fiscal year and 12% in the current fiscal year. The approximate proportion of expenses classified as general and administrative expenses was 90% in the previous fiscal year and 88% in the current fiscal year.

The major items and amounts of SG&A expenses are as follows:

(Thousand yen)

	Previous fiscal year (ended Sep. 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Salaries and allowance	2,717,139	2,811,333
Advertising expenses	453,076	537,127
Rents	262,820	258,874
Depreciation costs	38,787	43,302
Provision of allowance for doubtful accounts	27,417	(3,835)

(3) Loss on valuation of subsidiaries and affiliates

Previous fiscal year (September 30, 2024)

Loss on valuation of subsidiaries and affiliates amounted to ¥372,156 thousand related to Emotion Tech, Inc. and ¥10,000 thousand related to Codatum Inc., both of which are consolidated subsidiaries of the Company.

Current fiscal year (September 30, 2025)

Loss on valuation of subsidiaries and affiliates amounted to ¥7,616 thousand related to Emotion Tech, Inc. and ¥109,442 thousand related to Codatum Inc., both of which are consolidated subsidiaries of the Company.

(Investment securities)

Subsidiary shares

Previous fiscal year (September 30, 2024)

Shares of subsidiaries (carrying amount on the previous fiscal year's balance sheet: ¥236,079 thousand) are not disclosed as they lack a market price.

Current fiscal year (September 30, 2025)

Shares of subsidiaries (carrying amount on the balance sheet for the current fiscal year: ¥1,031,627 thousand) are not disclosed as they lack a market price.

(Tax effect accounting)

1. Breakdown of deferred tax assets and liabilities by main cause

(Thousand yen)	Previous fiscal year (ended Sep 30, 2024)	Current fiscal year (ended Sep. 30, 2025)
Deferred tax assets		
Tax loss carryforward	592,209	302,163
Depreciation costs	22,390	23,039
Investment securities	44,306	51,071
Shares of subsidiaries and affiliates	712,562	783,187
Software	228,226	250,091
Enterprise tax payable	22,503	28,690
Allowance for doubtful receivables	26,400	39,107
Provision of allowance for loss on orders received	23,646	24,437
Stock-based compensation expenses	33,965	29,552
Allowance for loss on business of subsidiaries and affiliates	13,473	9,460
Notes receivable - trade	—	3,863
Allowance for loss on guarantees	30,620	—
Accounts payable	52,459	4,492
Exchange contract	9,536	—
Other	27,900	16,728
Subtotal deferred tax assets	1,840,200	1,565,886
Valuation allowance for tax loss carryforwards for tax purposes	(428,543)	(63,081)
Valuation allowance for future deductible amounts	(1,018,323)	(1,087,786)
Subtotal less valuation allowance	(1,446,867)	(1,150,867)
Total deferred tax assets	393,333	415,018
Deferred tax liabilities		
Forward exchange contracts	—	(5,551)
Investment securities	—	(7,690)
Total deferred tax liabilities	—	(13,242)
Net deferred tax liabilities	393,333	401,776

2. Breakdown by major items causing the difference when there is a significant difference between the statutory effective tax rate and the corporate tax burden rate after applying tax effect accounting

	Previous fiscal year (ended Sep 30, 2024)	Current fiscal year (ended Sep. 30, 2024)
Effective statutory tax rate.	30.6%	30.6%
(adjustments)		
Items Permanently Non-Deductible as		
Entertainment Expenses	14.9%	0.7%
Per Capita Resident Tax	5.9%	0.2%
Valuation allowance	(429.9%)	△18.9%
Tax deductions	(44.4%)	△4.6%
Stock-based compensation expense	50.3%	1.0%
Miscellaneous losses	18.4%	0.2%
Other	(1.3%)	2.1%
Effective tax rate after application of tax effect accounting	(355.5%)	11.3%

3. Adjustment of Deferred Tax Assets and Liabilities Due to Changes in Corporate Tax Rates

With the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025), the “Special Defense Corporate Tax” will be levied starting from fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to reverse on or after October 1, 2026, have been calculated using a statutory effective tax rate changed from 30.6% to 31.5%. The impact of this change is immaterial.

(Revenue recognition)

Notes are omitted because the same content is described in the “Notes on consolidated financial statements: Revenue recognition” section of the consolidated financial statements.

(Significant subsequent events)

Business Combination through Borrowing and Acquisition of Substantial Funds

The same content is disclosed in the Notes to the Consolidated Financial Statements under “Notes (Significant Subsequent Events).” Therefore, the note is omitted.

[Non-consolidated supplement schedules]

[Schedule for property, plant and equipment, etc.]

(Thousand yen)

Type of assets	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation or amortization at the end of current period	Amortization during the period	Balance at the end of current period
Property and equipment							
Buildings	26,227	—	—	26,227	26,227	—	0
Tools, furniture and fixtures	223,883	32,154	33,559	222,479	172,316	42,327	50,162
Total property and equipment	250,111	32,154	33,559	248,706	198,544	42,327	50,162
Intangible Fixed Assets							
Software	—	58,540	—	58,540	975	975	57,564
Software suspense account	—	58,540	58,540	—	—	—	—
Total Intangible Fixed Assets	—	117,080	58,540	58,540	975	975	57,564

Note: 1. The balances at the beginning and end of the current period are stated at the acquisition cost.

Note: 2. The main items for the Increase in the current fiscal year are as follows:

Tools, furniture and fixtures	Increase (thousand yen)	Computers, etc.	32,154
Software	Increase (thousand yen)	Transfer from Software Suspense Account	58,540

Note: 3. The main items for the decrease in the current fiscal year are as follows:

Software Suspense Account	Decrease (thousand yen)	Transfer to Software	58,540
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[Schedule of allowances]

	Beginning balance	Increase	Decrease (Intended use)	Ending balance
Allowance for doubtful receivables	87,780	143,145	106,854	124,070
Allowance for losses on order received	77,224	79,807	77,224	79,807
Allowance for loss on guarantees	100,000	—	100,000	—
Allowance for loss on business of subsidiaries and affiliates	44,002	30,013	44,002	30,013

Note1: The amount of allowance for doubtful accounts is the sum of the allowance for doubtful accounts against current assets and investments and other assets on the balance sheet.

Note2: The allowance for debt guarantee losses was fully reversed during the current period due to the recovery of the guaranteed party's business conditions, resulting in a zero balance at the end of the period. Of the decrease in the allowance for doubtful accounts during the current period, ¥90,781 thousand represents a reversal of the corresponding allowance for short-term loans to Codatum Inc. as the risk of uncollectibility was eliminated following the execution of a debt-equity swap.

(2) [Details of major assets and liabilities]

Information is omitted as consolidated financial statements are being prepared.

(3) [Other]

Not applicable.