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August 7, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Tanabe Consulting Group Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9644
 URL: <https://www.tanabeconsulting-group.com/> (in Japanese)
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for individual investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	3,300	7.2	240	(14.5)	237	(18.1)	127	(33.7)
June 30, 2024	3,079	5.5	280	2.4	289	5.5	192	24.4

Note: Comprehensive income For the three months ended June 30, 2025: ¥136 million [(26.2)%]
 For the three months ended June 30, 2024: ¥184 million [(5.1)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	3.91	3.90
June 30, 2024	5.77	5.77

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. “Basic earnings per share” and “diluted earnings per share” have been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	14,688	10,881	69.9
March 31, 2025	14,328	11,141	74.3

Reference: Equity
 As of June 30, 2025: ¥10,260 million
 As of March 31, 2025: ¥10,650 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	20.00	—	28.00	48.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		12.00	—	14.00	26.00

- Notes: 1 Revisions to the forecasts of cash dividends most recently announced: None
2. The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. The amounts for the fiscal year ended March 31, 2025 are the actual dividend amounts prior to the stock split, and the amounts for the fiscal year ending March 31, 2026 (forecast) are the figures after the stock split. The forecast for the annual dividend per share for the fiscal year ending March 31, 2026, without taking into account the stock split, would have been ¥52.00.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	7,100	6.5	800	0.4	800	(7.5)	475	(6.3)	14.54
Fiscal year ending March 31, 2026	16,000	10.0	1,800	20.0	1,800	13.3	1,070	5.2	32.76

- Notes: 1 Revisions to the earnings forecasts most recently announced: None
2. The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. Consolidated basic earnings per share for the fiscal year ending March 31, 2026 take into consideration the impact of the stock split.

*** Notes**

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

Newly included: – companies

Excluded: – companies

Note: Although not a significant change in the scope of consolidation, PEACEMIND Inc. is included in the scope of consolidation from the first quarter ended June 30, 2025 due to the acquisition of its shares.

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly consolidated financial statements and significant notes thereto (3) Notes to quarterly consolidated financial statements (Notes to accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 12 of the Attachments.

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

- (ii) Changes in accounting policies due to other reasons: None

- (iii) Changes in accounting estimates: None

- (iv) Restatement: None

- (4) Number of issued shares (common stock)

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

As of June 30, 2025	34,000,000 shares
As of March 31, 2025	34,000,000 shares

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

As of June 30, 2025	1,409,396 shares
As of March 31, 2025	1,335,816 shares

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

Three months ended June 30, 2025	32,646,569 shares
Three months ended June 30, 2024	33,329,744 shares

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. “Total number of issued shares at the end of the period (including treasury shares),” “number of treasury shares at the end of the period” and “average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)” are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

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

- * Proper use of earnings forecasts, and other special matters

Cautions on forward-looking statements, etc.

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to “1. Overview of operating results and others (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 7 of the Attachments for the assumptions used in providing earnings forecasts and precautions regarding the use of earnings forecasts.

Concerning financial results briefing

The Company plans to hold a briefing for individual investors on the following date:

August 27: In-person briefing at venue

September 13: Online streaming

A replay of the briefing and the content of the presentation (audio) will be posted on the Company's website promptly after the meeting, together with the financial results presentation materials used at the meeting.

Table of Contents of Attachments**Index**

1. Overview of operating results and others	2
(1) Overview of operating results for the period under review	2
(2) Overview of financial position for the period under review	6
(3) Explanation of consolidated earnings forecasts and other forward-looking statements	7
2. Quarterly consolidated financial statements and significant notes thereto	8
(1) Quarterly consolidated balance sheet	8
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	10
Quarterly consolidated statement of income	10
Quarterly consolidated statement of comprehensive income	11
(3) Notes to quarterly consolidated financial statements	12
Notes to accounting treatment specific to the preparation of quarterly consolidated financial statements	12
Business combinations	12
Segment information, etc.	14
Notes when there are significant changes in amounts of equity	14
Notes on premise of going concern	14
Notes to quarterly consolidated statement of cash flows	14

1. Overview of operating results and others

(1) Overview of operating results for the period under review

Tanabe Consulting Group (TCG) provides team consulting that supports the top management (executives) of companies ranging from large enterprises (sales of typically ¥100-300 billion) to small and medium-sized companies (sales of typically ¥3-5 billion), focusing mainly on upper mid-sized enterprises (sales of typically ¥10-30 billion), with comprehensive support from upstream to downstream of corporate management, from the formulation of management strategies to the implementation and execution of management operations through professional DX services. The Group will continue to strengthen and expand the specialized areas of team consulting (strategic challenges, industry, regional characteristics in Japan and overseas), aiming to realize its mid-term vision, “One & Only, Globally Unrivaled New Management Consulting Group.”

During the three months ended June 30, 2025, although the domestic economy continued to show signs of gradual recovery, persistent high commodity prices, the risk of global geopolitical conflicts, the impact of U.S. trade policies on the market, and other factors contributed to the continued uncertainty in the business environment for TCG’s customer enterprises. In this environment, the Group has contributed to solving issues facing companies and society, and has expanded investment in human capital and related areas to promote these efforts by providing management consulting services that solve from all perspectives the management issues that the top management always faces, which are Strategy & Domain, Digital/DX, HR, Finance/M&A and Brand & PR.

In addition, we welcomed PEACEMIND Inc. as a new Group company on June 30, 2025. This company is a pioneer in the Employee Assistance Program (EAP) services industry in Japan and Asia, providing consulting services for “working people and organizations.” The company employs approximately 100 professionals, including qualified personnel such as clinical psychologists, industrial counselors, international EAP consultants, and certified psychologists. Additionally, it has numerous bilingual counselors (including partner counselors) on staff. Its activities extend beyond Japan to more than 200 countries and regions, including its partnership networks, providing value to approximately 1,400 companies, primarily large enterprises.

Based on the above, the consolidated financial results for the three months ended June 30, 2025 were as follows. As a result of recording incidental expenses related to the acquisition of shares and expanding human capital investment, the Company recorded net sales of ¥3,300 million (up 7.2% year on year), operating profit of ¥240 million (down 14.5% year on year), ordinary profit of ¥237 million (down 18.1% year on year) and profit attributable to owners of parent of ¥127 million (down 33.7% year on year). In preparing the consolidated financial statements in the future, PEACEMIND Inc.’s financial results for July 2025 through March 2026 (nine months) are planned to be consolidated.

TCG has now become an organization promoting DE&I with eight Group companies (the Company and seven consolidated subsidiaries), with a total of approximately 900 employees (a 50:50 gender ratio). In addition, the scope of our HR (corporate well-being) consulting services has been expanded and strengthened.

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025	Increase/decrease year on year	Percent change year on year
Net sales	3,079,615	3,300,221	+220,606	+7.2%
Gross profit	1,454,038	1,534,433	+80,394	+5.5%
<i>Gross profit ratio</i>	47.2%	46.5%	(0.7) pt	—
Selling, general and administrative expenses	1,173,064	1,294,209	+121,144	+10.3%
Operating profit	280,974	240,224	(40,749)	(14.5)%
<i>Operating profit ratio</i>	9.1%	7.3%	(1.8) pt	—
Ordinary profit	289,880	237,525	(52,354)	(18.1)%
Profit before income taxes	289,556	237,525	(52,031)	(18.0)%
Profit	187,176	138,971	(48,204)	(25.8)%
Profit attributable to owners of parent	192,364	127,509	(64,855)	(33.7)%

Net sales analysis by management consulting field

The following is a summary of net sales by management consulting field.

(Thousands of yen)

Management consulting field	Description of business	Three months ended June 30, 2024	Three months ended June 30, 2025	Increase/decrease year on year	Percent change year on year
Strategy & Domain	<ul style="list-style-type: none"> • Business Growth Strategy (by industry) • Mid- to Long-Term Vision • Purpose & Value • Marketing & Sales • Global Strategy • Government/Public Sector Support 	571,333	680,604	+109,271	+19.1%
Digital/DX	<ul style="list-style-type: none"> • Business Model DX • Digital Marketing • Management DX • ERP System Design 	692,175	760,899	+68,724	+9.9%
HR	<ul style="list-style-type: none"> • HR Strategy • Human Resources System • Recruitment & Career Design • Talent Development & Academy • DE&I Organizational Development 	624,429	644,786	+20,356	+3.3%
Finance/M&A	<ul style="list-style-type: none"> • Corporate Vision • Holdings & Group Management • Business Succession & M&A Strategy • IPO Support • Business Management Systems 	564,688	578,813	+14,125	+2.5%
Brand & PR	<ul style="list-style-type: none"> • Brand Strategy • Creative Design • Strategic PR & Communications • Overseas PR & Global PR Wire • Domestic & Overseas Digital Marketing 	587,103	595,100	+7,997	+1.4%
Others	<ul style="list-style-type: none"> • The Blue Diary (notebook) • Promotion Products 	39,884	40,016	+131	+0.3%
Total	—	3,079,615	3,300,221	+220,606	+7.2%

Strategy & Domain

Consolidated net sales in this field for the three months ended June 30, 2025 amounted to ¥680 million (up ¥109 million or 19.1% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing, education, construction, logistics, systems integration, retail and tourism industries), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) In a business environment where price hikes have become the norm, consulting services for growth were in high demand, and services under such themes as “formulation and promotion of long-term vision and medium-term management plans,” “new business development” and “productivity reforms” performed well.
- (iii) Due to the depreciation of the yen and the limited potential for growth in existing businesses alone because of shrinking domestic demand, themes such as “formulation and promotion of global strategies,” “business model reform” and “alliance strategies” also increased. Government/public sector projects also increased.
- (iv) Services in the field of marketing and sales provided by Surpass Co., Ltd., which joined the Group in the previous fiscal year, also contributed to revenue growth.

- (v) Information on sales leads through our proprietary websites dedicated to “formulation of long-term vision and medium-term management plans,” “global business,” “entry to the Japanese market” and “government, public and service” also contributed to the generation of consulting projects.

Digital/DX

Consolidated net sales in this field for the three months ended June 30, 2025 amounted to ¥760 million (up ¥68 million or 9.9% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing, infrastructure, transportation, real estate, system development and financial services), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) Investment in DX for the purpose of creating added value through productivity improvement and data utilization was strong, and the themes such as “conception of shift to IT and formulation of DX vision,” “implementation of ERP systems,” “marketing DX (digital marketing, sales process transformation and so on)” and “branding DX (websites and social media platforms)” also performed well.
- (iii) The number of companies promoting the use of generative AI and strengthening security is increasing, and themes such as “implementation of AI,” “information security,” “DX training (human resource development and reskilling),” and “obtaining DX certification” also increased.
- (iv) With the expansion of alliances with various IT technology companies, there was an increase in the development of professional DX services and joint proposals. In addition, we promoted the “TECH WOMAN®” program in partnership with local governments, which helps women living in local communities to become part of the digitally literate workforce, helping them to acquire skills and create job opportunities.
- (v) Information on sales leads through our proprietary “digital/DX strategy and implementation” website also contributed to the generation of consulting projects.

HR

Consolidated net sales in this field for the three months ended June 30, 2025 amounted to ¥644 million (up ¥20 million or 3.3% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing, construction, logistics, wholesale, lifestyle-related services, system development and restaurants), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) Due to the expansion of the base of human resources and the restructuring of human resource portfolios in response to changes in the business environment and the review of management strategies and business portfolios, as well as the expansion of human capital management, themes such as “restructuring of human resource treatment systems,” “establishment of in-house corporate universities (academies),” “junior board (nurturing next-generation management team),” “succession planning,” and “promoting women’s empowerment and DE&I” also performed well.
- (iii) Caused by the shortage of workers, the trend toward higher wages and the diversification of attitudes toward work, there was a high need for human resource management reform that leads to higher human resource productivity, and themes such as “formulation and promotion of organization and HR strategies,” “HRBP,” “human resource development (including reskilling),” “talent management” and “HR KARTE (human resource assessment/HR tech)” also increased.

- (iv) Information on sales leads through our proprietary websites dedicated to “HR for executives and HR departments” and “human resource development and training to enhance corporate value” also contributed to the generation of consulting projects.

Finance/M&A

Consolidated net sales in this field for the three months ended June 30, 2025 amounted to ¥578 million (up ¥14 million or 2.5% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing, information and communications, logistics, energy, trading, construction and restaurants), including listed companies, industry leaders and prominent companies in local communities.
- (ii) Against the backdrop of a shortage of successors, there were constant needs related to business succession including potential succession to third parties, and consulting services under the themes such as “transition to holdings / group management,” “cross-border and other M&A total consulting (comprehensive support from strategy formulation to financial advisory, due diligence and post-merger integration),” “business succession” and “IPO support” performed well.
- (iii) Themes such as “corporate value vision (including IR),” “adapting to the Corporate Governance Code” and “capital policy” also increased, as listed companies sought to realize management with an awareness of cost of capital and share price and to address the situation where P/B ratio is below 1.0.
- (iv) Information on sales leads through our proprietary websites dedicated to “finance/M&A” and “growth M&A/succession M&A” and spontaneous referrals to potential customers provided by financial institutions and other alliance partners also contributed to the generation of consulting projects.

Brand & PR

Consolidated net sales in this field for the three months ended June 30, 2025 amounted to ¥595 million (up ¥7 million or 1.4% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing, retail, beauty/cosmetics products, trading, apparel, healthcare and education), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) B-to-B companies and companies nearing their anniversaries and business succession tend to consider establishing their purpose or brand and group branding, and consulting services under the themes such as “formulation of brand vision,” “creative and design,” “establishment of public relations function (including training)” and “branding and PR” performed well.
- (iii) Needs related to real-world events, exhibitions, and in-store attractions were also strong, and themes such as “media PR (Global PR Wire (international press release distribution service), press conference and others),” “content marketing,” “hybrid promotion of real × digital (including social media)” and “related to the Expo 2025 Osaka, Kansai” also increased.
- (iv) Information on sales leads through our proprietary “branding and strategic PR” website also contributed to the generation of consulting projects.

Others

Consolidated net sales in this field for the three months ended June 30, 2025 amounted to ¥40 million (up ¥0 million or 0.3% year on year).

Other management activities

Strengthening of listing support consulting services

TANABE CONSULTING CO., LTD., one of our major operating companies has strengthened its listing support capabilities and obtained the TOKYO PRO Market J-Adviser and Fukuoka PRO Market F-Adviser qualifications.

Promotion of research and development

The Strategic Laboratory of TANABE CONSULTING CO., LTD., one of our major operating companies, is strengthening the development of methods and content for each management consulting field and the development of professional DX services by industry in the implementation and execution of management operations (including HR KARTE (human resource assessment), ACADEMY CLOUD+ (LMS system), financial value analysis, Global PR Wire (international press release distribution service) and Working Better Cloud (mental health platform)), while also promoting knowledge management in our Group.

Corporate

(i) Capital policy

In order to ensure the achievement of a 10% return on equity (ROE) by the fiscal year ending March 31, 2026, the final year of our medium-term management plan (2021 - 2025) "TCG Future Vision 2030," we are actively carrying out shareholder returns, and have also conducted the purchase of treasury shares through market purchases on the Tokyo Stock Exchange in a swift and flexible manner.

(ii) M&A investment for growth

We are actively investing in M&A for growth under the strategy of diversification in the management consulting field under our medium-term business strategy. With our medium-term management plan launched in the fiscal year ended March 31, 2021, we aim to achieve net sales of ¥2.5 billion out of our net sales target of ¥16 billion for the fiscal year ending March 31, 2026 through M&A investments for growth utilizing more than ¥1 billion in cash on hand and deposits.

(iii) Investment in human capital

In addition to strengthening the recruitment of new graduates as well as the mid-career recruitment of talents with work experience in various industries, we are also strengthening the development of professional talents through the TCG Academy (in-house university), a digital educational content for all employees within our Group, consisting of the Leadership Faculty, Strategy & Domain Faculty, Digital Faculty, HR Faculty, Financial Faculty, M&A Faculty, Marketing Faculty and more. We, as a company certified under the 2025 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category), are also promoting efforts to realize DE&I.

(iv) Corporate communications

We are disseminating our purposes and values both internally and externally through such measures as the production of movies featuring our purposes, as well as promoting corporate branding activities and strategic PR activities for products, services, consultants and more, in order to realize "One & Only, Globally Unrivaled New Management Consulting Group."

(2) Overview of financial position for the period under review

Assets

Total assets as of June 30, 2025 were ¥14,688 million, up ¥360 million from March 31, 2025.

Current assets totaled ¥8,547 million, down ¥544 million from March 31, 2025. The main factor was a decrease in cash and deposits.

Non-current assets totaled ¥6,140 million, up ¥904 million from March 31, 2025. The main factor was an increase in goodwill.

Liabilities

Total liabilities as of June 30, 2025 were ¥3,807 million, up ¥620 million from March 31, 2025.

Current liabilities totaled ¥2,771 million, up ¥234 million from March 31, 2025. The main factor was an increase in advances received despite a decrease in income taxes payable.

Non-current liabilities totaled ¥1,035 million, up ¥385 million from March 31, 2025. The main factor was an increase in long-term borrowings.

Net assets

Total net assets as of June 30, 2025 were ¥10,881 million, down ¥259 million from March 31, 2025. The main factors were the payment of dividends of surplus and the purchase of treasury shares, while profit attributable to owners of parent was recorded.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

There are no changes to the consolidated earnings forecast for the fiscal year ending March 31, 2026 announced in the “Notice Concerning Revisions to Full-Year Consolidated Earnings Forecast” dated May 26, 2025.

In addition, there are no changes to the forecast for the six months ending September 30, 2025 announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)” dated May 14, 2025.

Note:

The above forecasts are based on information currently available, and actual business results may differ from these forecasts due to various future contingencies.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	7,665,407	6,969,820
Notes and accounts receivable - trade, and contract assets	1,083,245	835,905
Merchandise	38,859	35,765
Raw materials	1,901	1,901
Other	302,931	704,508
Allowance for doubtful accounts	(590)	(491)
Total current assets	9,091,754	8,547,411
Non-current assets		
Property, plant and equipment		
Land	1,527,477	1,527,477
Other, net	662,630	660,679
Total property, plant and equipment	2,190,107	2,188,156
Intangible assets		
Goodwill	1,010,259	1,699,326
Other	164,778	333,187
Total intangible assets	1,175,038	2,032,514
Investments and other assets		
Long-term time deposits	214,003	214,303
Other	1,656,676	1,705,576
Total investments and other assets	1,870,680	1,919,880
Total non-current assets	5,235,825	6,140,551
Deferred assets	1,091	957
Total assets	14,328,671	14,688,919
Liabilities		
Current liabilities		
Accounts payable - trade	405,794	322,663
Income taxes payable	404,548	121,868
Provision for bonuses	161,199	83,507
Other	1,565,437	2,243,721
Total current liabilities	2,536,979	2,771,760
Non-current liabilities		
Long-term borrowings	256,965	645,209
Provision for retirement benefits for directors (and other officers)	124,737	119,717
Other	268,985	271,064
Total non-current liabilities	650,688	1,035,991
Total liabilities	3,187,668	3,807,752

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	1,772,000	1,772,000
Capital surplus	2,402,800	2,403,185
Retained earnings	7,012,784	6,682,995
Treasury shares	(632,585)	(689,624)
Total shareholders' equity	10,554,998	10,168,555
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,165	3,403
Remeasurements of defined benefit plans	91,978	88,744
Total accumulated other comprehensive income	95,143	92,147
Share acquisition rights	9,048	8,805
Non-controlling interests	481,812	611,659
Total net assets	11,141,003	10,881,167
Total liabilities and net assets	14,328,671	14,688,919

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income**

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	3,079,615	3,300,221
Cost of sales	1,625,577	1,765,788
Gross profit	1,454,038	1,534,433
Selling, general and administrative expenses	1,173,064	1,294,209
Operating profit	280,974	240,224
Non-operating income		
Interest income	1,970	80
Dividend income	0	0
Foreign exchange gains	4,709	–
Dividend income of life insurance	1,883	2,033
Other	1,490	1,636
Total non-operating income	10,054	3,750
Non-operating expenses		
Interest expenses	979	1,543
Amortization of organization expenses	134	134
Loss on investments in investment partnerships	–	3,470
Other	34	1,301
Total non-operating expenses	1,148	6,449
Ordinary profit	289,880	237,525
Extraordinary income		
Gain on reversal of share acquisition rights	93	–
Total extraordinary income	93	–
Extraordinary losses		
Loss on sale and retirement of non-current assets	417	0
Total extraordinary losses	417	0
Profit before income taxes	289,556	237,525
Income taxes	102,380	98,553
Profit	187,176	138,971
Profit (loss) attributable to non-controlling interests	(5,188)	11,462
Profit attributable to owners of parent	192,364	127,509

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	187,176	138,971
Other comprehensive income		
Valuation difference on available-for-sale securities	(420)	475
Remeasurements of defined benefit plans, net of tax	(2,245)	(3,234)
Total other comprehensive income	(2,666)	(2,758)
Comprehensive income	184,509	136,213
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	189,804	124,513
Comprehensive income attributable to non-controlling interests	(5,294)	11,699

(3) Notes to quarterly consolidated financial statements

Notes to accounting treatment specific to the preparation of quarterly consolidated financial statements

Calculation of tax expense

The Company calculates tax expense by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the first quarter ended June 30, 2025, and multiplying profit before income taxes by this estimated effective tax rate.

However, in cases where the calculation of tax expenses using the estimated effective tax rate yields a result that is considered not to be reasonable to a significant extent, the statutory effective tax rate is used.

Business combinations

Business combination through acquisition

1. Outline of the business combination

(1) Name and business description of the acquired company

Name of the acquired company: PEACEMIND Inc.

Business description:

- (i) EAP (Employee Assistance Program): Specialists such as clinical psychologists and certified psychologists provide counseling and consulting services to support problem-solving for individual employees and organizations.
- (ii) Stress Check-up Service: Comprehensive support from stress check implementation through organizational analysis to organizational improvement consulting.
- (iii) Learning and Development Programs: Providing training programs designed for human resource development and creating vibrant teams and workplaces.
- (iv) Harassment Prevention Support: Comprehensive support from current situation assessment through harassment case resolution, prevention, and recurrence prevention.
- (v) Medical Leave and Return-to-Work Support: Specialists collaborate with HR personnel, managers, and occupational health staff to support smooth workplace reintegration for employees on mental health leave and stable employment and performance after return to work.
- (vi) Crisis Support: Support for early recovery of employees and organizational performance when unexpected crises such as disasters or workplace accidents occur.
- (vii) Occupational Health Support Services: Strengthening mental health measures and improving efficiency of occupational health operations through collaboration between occupational physicians and EAP.
- (viii) Wellness Programs: Leveraging global networks to utilize cutting-edge wellness program knowledge from around the world, supporting employee physical and mental health improvement and creating vibrant workplaces.
- (ix) “Hataraku wo Yoku Suru®” e-Learning Series: Mental health prevention solutions for “working people” and “organizations” developed under supervision of mental health specialists, based on numerous consultation cases and latest workplace issues.

(2) Main reason for conducting the business combination

The Group has entered the “Corporate Well-being Market.” Corporate well-being refers to initiatives that focus on employees’ physical and mental health, aiming to improve happiness at work and workplace environments, and solving organizational and individual employee issues through various measures. The market size in Japan is expected to reach approximately 117 billion yen by 2033*, and the Company anticipates continued growth as corporate interest and

needs further increase. The capital and business alliance between TCG, a pioneer in management consulting in Japan, and PEACEMIND, a pioneer in EAP services in Japan, will enable the Company to provide world-class professional services and proprietary management consulting services to large and mid-sized enterprises. This will enable multifaceted and comprehensive approaches to address issues in human resources/human capital—a challenge for both society and management—including talent strategy, human resource development, HR systems, DE&I organizational development, health management, workplace environment, and individual employee problem-solving, thereby delivering value that enhances organizational performance.

* Reference: IMARC Group “Japan Corporate Wellness Market 2025-2033”

(3) Date of business combination

June 30, 2025

(4) Legal form of business combination

Acquisition of shares for cash payment and subscription to a third-party allotment capital increase with consideration

(5) Name of company after combination

There will be no change to the company names.

(6) Percentage of voting rights acquired

58.5%

(7) Main grounds for determining the acquired company

The Company acquired the shares in exchange for cash consideration.

2. The period of financial results of the acquired company included in the Company's quarterly consolidated financial statements

For the three months ended June 30, 2025, only the balance sheet has been consolidated. Therefore, the quarterly consolidated statement of income for the three months ended June 30, 2025 does not include financial results of the acquired company.

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	¥883,930 thousand
Acquisition cost		¥883,930 thousand

4. Details and amount of main costs related to the acquisition

Advisory fees, etc. ¥51,364 thousand

5. Amount of goodwill incurred, cause of goodwill, amortization method and amortization period

(1) Amount of goodwill incurred

¥717,390 thousand

The amount of goodwill is an amount provisionally calculated because the allocation of the acquisition cost had not been completed as of the three months ended June 30, 2025.

(2) Cause of goodwill

This amount is derived from the future excess earning capacity expected from future business development and the future excess earning capacity expected from investment in human capital.

(3) Amortization method and amortization period

It will be amortized evenly over the period during which the effects are expected to be realized. The amortization period is currently being assessed.

Segment information, etc.*Segment information*

This information is omitted because the Group operates in a single segment of management consulting business.

Notes when there are significant changes in amounts of equity

Not applicable.

Notes on premise of going concern

Not applicable.

Notes to quarterly consolidated statement of cash flows

The Company has not prepared quarterly consolidated statement of cash flows for the three months ended June 30, 2025. In addition, the amounts of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2024 and 2025 are as stated below.

	(Thousands of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	27,254	32,197
Amortization of goodwill	17,342	28,319