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Summary of Consolidated Financial Results for the First Half of Fiscal Year ending September 30, 2025 (Japanese Accounting Standards)

May 13, 2025

Listed Company Name: MTI Ltd.

Listing Exchanges: Tokyo Stock Exchange

Securities Code: 9438

URL: <https://ir.mti.co.jp/eng/>

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Scheduled date to submit the Interim Securities Report (Hanki Houkokusho): May 15, 2025

Scheduled date of dividend payment: June 13, 2025

Supplementary documents for interim results: Yes

Interim results briefing: Yes (for securities analysts and institutional investors (online))

(Figures less than one millions of yen are omitted)

1. Consolidated business results for the six months ended March 31, 2025

(October 1, 2024 – March 31, 2025)

(1) Consolidated operating results (cumulative total)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half of fiscal year ending September 30, 2025	14,885	10.1	1,639	55.8	1,721	13.4	1,757	12.7
First half of fiscal year ended September 30, 2024	13,517	(0.8)	1,052	—	1,518	711.3	1,558	—

(Note) Comprehensive income: Six months ended March 31, 2025: 1,827 millions of yen 10.7%
Six months ended March 31, 2024: 1,650 millions of yen —%

	Net income per share	Net income per share/diluted
	Yen	Yen
First half of fiscal year ending September 30, 2025	31.87	31.82
First half of fiscal year ended September 30, 2024	28.41	28.41

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	30,704	20,560	54.6
As of September 30, 2024	29,686	19,144	52.0

(Reference) Shareholders' equity: As of March 31, 2025: 16,771 millions of yen
As of September 30, 2024: 15,446 millions of yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	8.00	—	9.00	17.00
Fiscal year ending September 30, 2025	—	9.00			
Fiscal year ending September 30, 2025(forecast)			—	9.00	18.00

(Note) Revision from the most recently announced dividend forecast: No

3. Forecast for consolidated business results for the fiscal year ending September 30, 2025
(October 1, 2024 – September 30, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	29,400	6.3	2,800 ~ 3,200	16.9 ~ 33.7	2,900 ~ 3,300	2.6 ~ 16.7	2,050 ~ 2,330	(13.3) ~ (1.4)	37.04 ~ 42.10

(Note) Revisions to the most recently announced earnings forecast: Yes

* Note:

(1) Important changes of subsidiaries during the term

(changes in specified subsidiaries resulting in change in scope of consolidation): Not applicable

New: –

Exception: –

(2) Application of specific accounting treatment to the preparation of interim consolidated financial statements: Not applicable

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies due to the modification in accounting methods: Not applicable

(ii) Changes in accounting policies other than (i): Not applicable

(iii) Changes in accounting estimates: Not applicable

(iv) Restatement: Not applicable

(4) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury shares):

3/25: 60,290,800 shares

9/24: 61,429,600 shares

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

3/25: 4,947,414 shares

9/24: 6,361,273 shares

(iii) Average number of shares during the period (interim consolidated cumulative period)

Six months ended 3/2025: 55,134,736 shares

Six months ended 3/2024: 54,869,083 shares

* Status of a interim review

This earnings release is not subject to an audit.

* Cautionary statement with respect to forward-looking statements

The forward-looking statements included in this material are based on the Company's judgments, assumptions, and convictions based on information available to the Company at the time of publication of this document and may differ materially from actual results for a range of factors, including conditions of Japanese and overseas economies, changes in the situation of operations in Japan and overseas, and uncertainties and potential risks inherent in forward-looking statements. The risks and uncertainties include unforeseeable effects of future events. The information on consolidated earnings forecasts and other future forecasts on page 4 of the Accompanying Materials describes notes on the assumptions of the earnings forecasts and the use of the earnings forecasts.

The company plans to hold an online earnings briefing (Japanese) for institutional investors and analysts on Wednesday, May 14, 2025. The materials for the earnings briefing will be posted on the company's IR website. Additionally, the video of the briefing and a summary of the Q&A session will be made available on the company's IR website at a later date.

Accompanying materials – Contents

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1. Qualitative information on financial results for the current settlement

(1) Explanation on operating results

Overview of the first half ended March 31, 2025 (Period from October 1, 2024 to March 31, 2025)

The Group is actively engaged in the healthcare business and the school DX business, both of which are expected to expand in the future, in order to enhance its corporate value over the medium to long term.

Net sales increased to ¥14,885 million (up 10.1% year-on-year), mainly due to sales growth in the healthcare and school DX businesses, and gross profit increased to ¥11,091 million (up 12.0% year-on-year) due to higher net sales.

Operating income increased ¥1,639 million (up 55.8% year-on-year) as a result of an increase in gross profit, which offset an increase in selling, general and administrative expenses (SG&A) due to higher advertising expenses.

Ordinary income increased to ¥1,721 million (up 13.4% year on year). In the same period of the previous fiscal year, the company recorded ¥510 million in equity in earnings of affiliates, primarily due to the recognition of extraordinary income by Shobunsha Holdings, Inc., an equity-method affiliate. However, for the second quarter (cumulative) of the current fiscal year, equity in earnings of affiliates declined significantly to ¥92 million, resulting in only a moderate increase in ordinary income.

Profit attributable to owners of parent increased to ¥1,757 million (up 12.7% year-on-year), mainly due to a consumption tax refund at the same level as in the same period of the previous year.

Consolidated business results

(Period from October 1, 2024 to March 31, 2025)

	First half of the fiscal year ending September 30, 2025	First half of the fiscal year ending September 30, 2024	Change	
			Amount	Percentage
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	14,885	13,517	+1,367	+10.1
Cost of sales	3,793	3,612	+181	+5.0
Gross profit	11,091	9,905	+1,186	+12.0
SG&A	9,451	8,852	+598	+6.8
Operating income	1,639	1,052	+587	+55.8
Ordinary income	1,721	1,518	+203	+13.4
Profit attributable to owners of parent	1,757	1,558	+198	+12.7

Breakdown of SG&A

(Period from October 1, 2024 to March 31, 2025)

	First half of the fiscal year ending September 30, 2025	First half of the fiscal year ending September 30, 2024	Change	
			Amount	Percentage
	Millions of yen	Millions of yen	Millions of yen	%
Total	9,451	8,852	+598	+6.8
Advertising expenses	1,876	1,301	+575	+44.2
Personnel expenses	3,609	3,593	+16	+0.5
Commission fee	1,490	1,416	+74	+5.3
Subcontract expenses	839	909	(69)	(7.6)
Depreciation	617	652	(35)	(5.4)
Other	1,018	980	+37	+3.8

Operating results by segment are as follows.

① Content business

The content business includes B2C monthly billing services (excluding the “Luna-Luna” healthcare service for women and the “CARADA medica” health Q&A service in cooperation with healthcare professionals) and the B2B original comic distribution business that offers original comic content to comic distributors.

The number of paid subscribers in this segment increased to 3.21 million (an increase of 130,000 from the end of September 2024), driven by the impact of the acquisition of a company engaged in music distribution and related services, as well as strong performance in new subscriptions via carrier shops. Even excluding the impact of the acquisition, the number of paid subscribers slightly increased, supported by continued growth in services such as the security-related app *AdGuard*.

Net sales increased to ¥8,650 million (up 2.6% year-on-year).

Operating income decreased to ¥1,978 million (down 12.5% year-on-year) due to an increase in advertising and promotional expenses associated with efforts to promote subscriptions to services such as *AdGuard*.

② Healthcare business

The healthcare business includes B2C monthly billing services under the *Luna-Luna* and *CARADA medica* brands and B2B and B2B2C healthcare services for medical institutions and local governments, such as the cloud drug record service, the maternal health record book app and the childcare DX service.

The number of monthly paid subscribers in this segment stood at 500,000 (a slight decrease of 10,000 from the end of September 2024), remaining largely flat. Meanwhile, the number of pharmacies implementing the cloud-based medication history service reached a record high on a quarterly basis, as the company focused on expanding installations at medium- to large-sized pharmacy chains. As of the end of March 2025, the number of such pharmacies totaled 3,027, an increase of 499 from the end of September 2024.

Net sales increased to ¥3,155 million (up 20.6% year-on-year), mainly due to the growth in cloud-based medication history sales.

Operating income decreased to ¥86 million (down 60.1% year-on-year), as earnings from the cloud-based medication history service increased, while the company made upfront investments for the development of new solutions.

③ School DX business

The school DX business includes school DX business developed for educational institutions by the consolidated subsidiary Motivation Works Inc.

Net sales increased significantly to ¥904 million (up 73.4% year-on-year), driven by an increase in monthly subscription sales from the cloud-based school affairs support system *BLEND*, which had been introduced at 775 schools as of April 2024 (an increase of 234 schools compared to April 2023), as well as initial development revenue from public school projects.

Operating income increased significantly to ¥272 million (loss of ¥156 million in the same period of the previous year), reflecting the substantial increase in net sales.

④ Other business

Other business includes the B2B AI business operated by Automagi Inc., a consolidated subsidiary, and the corporate DX support business and solution business.

Net sales increased to ¥2,898 million (up 9.3% year-on-year), supported by steady growth in orders from the corporate DX support business.

Operating income increased significantly to ¥628 million (loss of ¥36 million in the same period of the previous year), reflecting the increase in net sales.

(2) Explanation on financial position

① Assets, liabilities and net assets

At the end of the first half under review, total assets increased ¥1,018 million from the end of September 2024, to ¥30,704 million.

Current assets rose ¥780 million mainly due to increases in cash and deposits, notes and accounts receivable, and contract assets. Non-current assets rose ¥238, mainly reflecting increases in investment securities and software.

Current liabilities decreased ¥121 million, as the increase in accrued corporate taxes was offset by a decline in contract liabilities. Non-current liabilities fell ¥276 million chiefly due to a decline in long-term borrowings.

Net assets increased ¥1,415 million, mainly due to the recording of ¥1,757 million as profit attributable to owners of parent, as well as capital increases at consolidated subsidiaries.

② Consolidated cash flows

At the end of the first half of the fiscal year under review, cash and cash equivalents were ¥15,240 million, up ¥412 million from the end of September 2024. Cash flow by activity and principal factors in the first half under review are as follows:

Net cash provided by operating activities was ¥1,974 million (inflow of ¥1,241 million for the first half of the previous fiscal year). Principal factors included profit before income taxes.

Net cash used in investing activities resulted in an outflow ¥789 million (outflow of ¥609 million in the same period of the previous fiscal year). Major factors included expenditure for the purchase of intangible assets (mainly software).

Net cash used in financing activities resulted in an outflow ¥770 million (outflow of ¥928 million in the same period of the previous fiscal year), as capital increases at consolidated subsidiaries were outweighed by payments for dividends and repayments of long-term borrowings.

(3) Explanation of future forecast information including consolidated forecast

The Company will focus on expanding sales and profits in the healthcare business and school DX business, which are expected to drive future growth. Additionally, in the content business, we will work to maintain profitability by increasing the number of paid subscribers for the security-related app *AdGuard* and expanding our original comics business.

The consolidated earnings forecast for the fiscal year ending September 2025 incorporates the reduction in amortization expenses due to the completion of amortization for goodwill and customer-related assets of the music distribution business acquired on December 1, 2019.

The healthcare business, which we have been engaged in over the medium- and long-term, has great future growth potential, more than that of the B2C type. This business may move toward a more stable stock-type business through the establishment of long-term business relationships with customers. Therefore, we will commit to implementing a variety of measures to achieve sales growth.

In the cloud-based medication history, interest from dispensing pharmacies remains strong, contributing to sustainable sales and profit growth for this business. We aim to further expand the number of adopting stores by strengthening our collaboration with our partner, Medipal Holdings Corporation. Additionally, we will promote the expanded sales of our AI-powered medication history input support service, which utilizes ChatGPT and has seen high demand due to its contribution to improving pharmacists' work efficiency. Through these initiatives, we will work to increase the number of adopting stores and further enhance profitability.

In the childcare DX initiatives, amidst the government's promotion of digitalizing maternal and child health information, we will work to expand the adoption of the maternal and child health app *Boshimo* among municipalities. Our strategy includes vigorously promoting the expansion of our childcare DX services, particularly in municipalities that have already implemented *Boshimo*. Furthermore, we aim to advance our *Boshimo* platform strategy by facilitating digital collaboration among municipalities, hospitals, and residents. Through these efforts, we intend to establish this business as one of our cores, profit-contributing segments over the medium to long term.

In the School DX business, the company aims to achieve sustainable growth by actively expanding operations in response to government-led initiatives promoting DX of school administration at the prefectural level. Demand for the cloud-based school affairs support system *BLEND* remains strong, with the number of schools scheduled to implement the system increasing to 1,067 as of April 2025, a rise of 292 schools compared to April 2024. While sales activities had previously focused mainly on private schools, the company has begun to strengthen efforts in the public school sector as well, following the signing of a system implementation contract with the Yamanashi Prefectural Board of Education in August 2024 for use in prefectural high schools. Through this expansion, the company aims to further grow both revenue and profit.

[Assumptions for forecast values]

The impact of undetermined new businesses and low-probability mergers and acquisitions in the Group are not taken into account and are not incorporated in the forecast figures. The Company will promptly disclose any deviation between forecasts and results that should be disclosed.

Earnings forecast for the fiscal year ending September 30, 2025 (Period from October 1, 2024 to September 30, 2025)

	(Millions of yen)	YoY(%)
Net sales	29,400	+6.3
Operating income	2,800~3,200	+16.9 ~ +33.7
Ordinary income	2,900~3,300	+2.6 ~ +16.7
Profit attributable to owners of parent	2,050~2,330	(13.3) ~ (1.4)

2. Interim consolidated financial statement and important notes

(1) Interim consolidated balance sheet

	(Unit: thousands of yen)	
	Previous fiscal year (As of September 30, 2024)	The current first half of the fiscal year (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	14,828,744	15,240,841
Notes and accounts receivable-trade, and contract assets	4,183,929	4,703,867
Other	1,171,051	1,016,476
Allowance for doubtful accounts	(31,173)	(28,605)
Total current assets	20,152,552	20,932,579
Non-current assets		
Property, plant and equipment	203,088	227,747
Intangible assets		
Software	1,929,051	2,050,596
Goodwill	27,139	33,642
Customer-related assets	70,200	72,608
Other	249,419	242,237
Total intangible assets	2,275,810	2,399,085
Investments and other assets		
Investment securities	4,466,864	4,626,195
Leasehold and guarantee deposits	293,206	290,198
Deferred tax assets	2,248,082	2,170,168
Other	57,550	69,336
Allowance for doubtful accounts	(10,704)	(10,704)
Total investment and other assets	7,054,998	7,145,194
Total non-current assets	9,533,897	9,772,027
Total assets	29,686,449	30,704,607

(Unit: thousands of yen)

	Previous fiscal year (As of September 30, 2024)	The current first half of the fiscal year (As of March 31, 2025)
Liabilities		
Current liabilities		
Account payable-trade	1,100,083	1,133,560
Current portion of long-term borrowings	737,500	737,500
Accounts payable - other	1,331,851	1,564,965
Income taxes payable	94,542	506,361
Contract liabilities	2,667,056	2,026,928
Other	1,020,485	860,825
Total current liabilities	6,951,519	6,830,141
Non-current liabilities		
Long-term borrowings	1,693,750	1,325,000
Retirement benefit liability	1,828,998	1,912,536
Other	67,411	76,488
Total non-current liabilities	3,590,159	3,314,024
Total liabilities	10,541,679	10,144,166
Net assets		
Shareholders' equity		
Share capital	5,310,108	5,451,273
Capital surplus	6,376,663	6,004,748
Retained earnings	6,626,029	7,562,707
Treasury shares	(3,207,144)	(2,596,900)
Total shareholders' equity	15,105,656	16,421,828
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	136,358	152,265
Foreign currency translation adjustment	80,126	80,976
Remeasurements of defined benefit plans	124,327	116,244
Total accumulated other comprehensive income	340,813	349,487
Subscription rights to shares	22,732	18,100
Non-controlling interests	3,675,568	3,771,024
Total net assets	19,144,770	20,560,441
Total liabilities and net assets	29,686,449	29,686,449

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income
Interim consolidated statement of income

	(Unit: thousands of yen)	
	For the first half of the previous fiscal year (from October 1, 2023 to March 31, 2024)	For the first half of the current fiscal year (from October 1, 2024 to March 31, 2025)
Net sales	13,517,857	14,885,366
Cost of sales	3,612,580	3,793,689
Gross profit	9,905,277	11,091,676
Selling, general and administrative expenses	8,852,839	9,451,775
Operating profit (loss)	1,052,437	1,639,901
Non-operating income		
Interest income	50	1,416
Foreign exchange gains	11,556	—
Share of profit of entities accounted for using equity method	510,833	92,216
Other	9,613	11,302
Total non-operating income	532,054	104,936
Non-operating expenses		
Interest expenses	4,628	8,510
Delinquent taxes	7,987	6,257
Other investment losses	48,395	—
Other	5,278	8,470
Total non-operating expenses	66,290	23,237
Ordinary profit	1,518,201	1,721,600
Extraordinary income		
Gain on sale of non-current assets	278	385
Gain on sale of investment securities	—	22,500
Consumption taxes refund	786,107	806,543
Gain on liquidation of subsidiaries	—	7,495
Total extraordinary income	786,386	836,925
Extraordinary losses		
Loss on sale of non-current assets	—	48
Loss on retirement of non-current assets	8,049	604
Accumulated impairment	39,446	—
Loss on valuation of investment securities	31,672	7,051
Loss on sale of businesses	—	3,113
Total extraordinary losses	79,169	10,817
Income before income taxes	2,225,418	2,547,707
Income taxes-current	545,836	649,010
Income taxes-deferred	60,441	79,757
Total income taxes	606,277	728,767
Profit (loss)	1,619,140	1,818,940
Profit attributable to non-controlling interests	60,354	61,713
Profit attributable to owners of parent	1,558,786	1,757,226

Interim consolidated statement of comprehensive income

	(Unit: thousands of yen)	
	For the first half of the previous fiscal year (from October 1, 2023 to March 31, 2024)	For the first half of the current fiscal year (from October 1, 2024 to March 31, 2025)
Profit (loss)	1,619,140	1,818,940
Other comprehensive income		
Valuation difference on available-for-sale securities	1,321	(6,531)
Foreign currency translation adjustment	1,964	828
Remeasurements of defined benefit plans, net of tax	(3,268)	(8,082)
Share of other comprehensive income of entities accounted for using equity method	31,177	22,459
Total other comprehensive income	31,194	8,674
Comprehensive income	1,650,335	1,827,614
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,589,981	1,765,900
Comprehensive income attributable to non-controlling interests	60,354	61,713

(3) Interim consolidated statement of cash flows

	(Unit: thousands of yen)	
	For the first half of the previous fiscal year (from October 1, 2023 to March 31, 2024)	For the first half of the current fiscal year (from October 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Income before income taxes	2,225,418	2,547,707
Depreciation	732,111	657,843
Impairment loss	39,446	—
Loss (gain) on sale of businesses	—	3,113
Amortization of goodwill	98,532	30,621
Increase (decrease) in allowance for doubtful accounts	216	(2,568)
Increase (decrease) in retirement benefit liability	50,906	83,383
Interest and dividend income	(50)	(1,416)
Interest expenses	4,628	8,510
Share of loss (profit) of entities accounted for using equity method	(510,833)	(92,216)
Loss (gain) on sale of non-current assets	(278)	(337)
Loss on retirement of non-current assets	8,049	604
Loss (gain) on valuation of investment securities	31,672	7,051
Loss (gain) on sale of investment securities	—	(22,500)
Decrease (increase) in trade receivables	(321,209)	(518,112)
Increase (decrease) in contract liabilities	(430,560)	(659,553)
Increase (decrease) in trade payables	(4,946)	32,001
Increase (decrease) in accounts payable - other	123,672	207,090
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(100,597)	(53,509)
Other, net	96,562	(121,070)
Subtotal	2,042,742	2,106,643
Interest and dividends received	50	1,416
Interest paid	(4,628)	(8,510)
Income taxes refund (paid)	(796,606)	(125,502)
Net cash provided by (used in) operating activities	1,241,557	1,974,048
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,066)	(29,275)
Proceeds from sale of property, plant and equipment	278	1,190
Purchase of intangible assets	(586,157)	(631,934)
Proceeds from sale of investment securities	—	30,000
Purchase of shares of subsidiaries and associates	—	(67,900)
Proceeds from sale of businesses	—	5,530
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(99,000)
Other, net	1,718	2,358
Net cash provided by (used in) investing activities	(609,226)	(789,031)

	(Unit: thousands of yen)	
	For the first half of the previous fiscal year (from October 1, 2023 to March 31, 2024)	For the first half of the current fiscal year (from October 1, 2024 to March 31, 2025)
Cash flows from financing activities		
Repayments of long-term borrowings	(375,890)	(368,750)
Proceeds from issuance of shares	32,149	278,802
Purchase of treasury shares	—	(53)
Proceeds from share issuance to non-controlling shareholders	—	500,000
Repayments to non-controlling shareholders	(980)	(2,940)
Dividends paid	(440,462)	(497,408)
Dividends paid to non-controlling interests	(980)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(142,100)	(680,000)
Net cash provided by (used in) financing activities	(928,263)	(770,349)
Effect of exchange rate change on cash and cash equivalents	1,916	△2,570
Net increase (decrease) in cash and cash equivalents	(294,016)	412,097
Cash and cash equivalents at beginning of period	13,720,915	14,828,744
Cash and cash equivalents at end of period	13,426,899	15,240,841

4) Notes concerning interim consolidated financial statements

(Notes concerning going concern assumption)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

Not applicable.

(Change in accounting policies)

(Application of Accounting Standards for Income Taxes, Local Inhabitant Taxes and Enterprise Taxes, etc.)

The Company has applied the "Accounting Standard for Income Taxes, Local Inhabitant Taxes and Enterprise Taxes" (ASBJ Statement No. 27, October 28, 2022), the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022), and the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) effective from the beginning of the current consolidated fiscal period. These changes in accounting policies had no impact on the consolidated financial statements for the interim period.

Additionally, with respect to the revision regarding the treatment in consolidated financial statements of gains or losses arising from sales of subsidiary shares among consolidated group companies, in cases where such gains or losses are deferred for tax purposes, the Company has applied the 2022 revised implementation guidance from the beginning of the current interim consolidated fiscal period. These changes in accounting policies also had no impact on the consolidated financial statements for the interim period.

(Segment information, etc.)

【Segment information】

I First half of previous fiscal year (period from October 1, 2023 to March 31, 2024)

1. Information on net sales, profit or loss for each reporting segment and revenue breakdown information

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the interim consolidated statement of income (Note)2
	Content business	Healthcare business	School DX business	Other business	Total		
Net sales							
Goods or services transferred at a point in time	8,314,600	2,582,798	475,666	1,819,084	13,191,150	—	13,195,150
Goods or services transferred over time	36,363	24,999	45,760	215,583	322,707	—	322,707
Revenue from contracts with customers	8,350,964	2,610,798	521,426	2,034,668	13,517,857	—	13,517,857
Sales to outside customers	8,350,964	2,610,798	521,426	2,034,668	13,517,857	—	13,517,857
Internal sales between segments or transfers	76,492	4,481	—	721,740	802,714	(802,714)	—
Total	8,427,456	2,615,279	521,426	2,756,408	14,320,571	(802,714)	13,517,857
Segment income (loss)	2,261,485	217,397	(161,508)	(31,865)	2,285,508	(1,233,071)	1,052,437

(Note) 1. The segment income (loss) adjustment of ¥(1,233,071) thousand includes the elimination of inter-segment transactions of ¥3,826 thousand and corporate expenses not allocated to each reporting segment of ¥(1,236,897) thousand. Corporate expenses are composed largely of general and administrative expenses not attributed to any reporting segment.

2. The segment income (loss) represents the result of adjustment to operating income (loss) reported on the interim consolidated statement of income.

2. Information on impairment loss or goodwill and others on non-current assets for each reporting segment
(Important impairment losses related to fixed assets)

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the interim consolidated statement of income (Note)2
	Content business	Healthcare business	School DX business	Other business	Total		
Impairment loss	39,446	—	—	—	—	—	39,446

II First half of previous fiscal year (period from October 1, 2024 to March 31, 2025)

1. Information on net sales, profit or loss for each reporting segment and revenue breakdown information

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the interim consolidated statement of income (Note)2
	Content business	Healthcare business	School DX business	Other business	Total		
Net sales							
Goods or services transferred at a point in time	8,488,090	3,131,079	745,196	2,118,902	14,483,268	—	14,483,268
Goods or services transferred over time	54,075	18,599	159,000	170,424	402,098	—	402,098
Revenue from contracts with customers	8,542,165	3,149,678	904,196	2,289,326	14,885,366	—	14,885,366
Sales to outside customers	8,542,165	3,149,678	904,196	2,289,326	14,885,366	—	14,885,366
Internal sales between segments or transfers	108,270	5,421	—	608,913	722,604	(722,604)	—
Total	8,650,435	3,155,099	904,196	2,898,240	15,607,971	(722,604)	14,885,366
Segment income (loss)	1,978,989	86,637	272,346	628,607	2,966,581	(1,326,680)	1,639,901

(Note) 1. The segment income (loss) adjustment of ¥(1,326,680) thousand includes the elimination of inter-segment transactions of ¥24,601 thousand and corporate expenses not allocated to each reporting segment of ¥(1,351,281) thousand. Corporate expenses are composed largely of general and administrative expenses not attributed to any reporting segment.

2. The segment income (loss) represents the result of adjustment to operating income (loss) reported on the interim consolidated statement of income.

2. Information on impairment loss or goodwill and others on non-current assets for each reporting segment
(Important impairment losses related to fixed assets)

Not applicable.

3. Matters related to changes in reportable segments, etc.

In response to the expansion of the school DX business, the Company has revised the classification of certain transactions previously recorded under the “Others” segment as part of the DX support business, in order to more accurately reflect the performance of each reportable segment within the Group. Effective from the current interim consolidated fiscal period, these transactions have been reclassified and are now included in the school DX business segment.

For reference, the segment information for the previous interim consolidated cumulative period has been prepared based on the revised classification.