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Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

October 31, 2025

Stock exchange listings: Tokyo Prime

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 Securities code 3626 URL <https://www.tis.com/>
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 Supplemental material of financial results : Yes
 Convening briefing of financial results : Yes (targeted at institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	288,525	4.7	35,553	16.5	35,970	14.9	23,726	13.8
September 30, 2024	275,558	3.0	30,509	0.4	31,299	(1.7)	20,840	2.6

Note: Comprehensive income For the six months ended September 30, 2025 27,942 Millions of yen (15.8%)
 For the six months ended September 30, 2024 24,126 Millions of yen (-8.9%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	103.10	—
September 30, 2024	89.44	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	529,558	347,842	63.3
March 31, 2025	558,051	356,064	61.5

Reference: Owner's equity As of September 30, 2025 335,380 Millions of yen
 As of March 31, 2025 343,348 Millions of yen

2. Cash dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ended March 31, 2025	Yen —	Yen 34.00	Yen —	Yen 36.00	Yen 70.00
Fiscal year ending March 31, 2026	—	38.00			
Fiscal year ending March 31, 2026 (Forecast)			—	38.00	76.00

Note: Revisions to the forecast of cash dividends most recently announced : None

3. Consolidated financial forecast 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
Fiscal year ending March 31, 2026	588,000	2.9	75,000	8.6	75,000	6.4	50,000	(0.0)	220.70

Note: Revisions to the earnings forecasts most recently announced : Yes

* Notes

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

Newly included: — companies (Company name) 、 Excluded: — companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

(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 shares)

(i) Number of issued and outstanding shares at the period end (including treasury stock)

(ii) Number of treasury stock at the period end

(iii) Average number of shares (quarterly period-YTD)

As of September 30, 2025	236,233,411shares	As of March 31, 2025	236,233,411shares
As of September 30, 2025	9,447,274shares	As of March 31, 2025	3,865,920shares
Six months ended September 30, 2025	230,123,467shares	Six months ended September 30, 2024	233,020,634shares

Note: Treasury stock includes the number of the Company's own shares held by TIS INTEC Group Employees' Shareholding Association Trust and the Board Incentive Plan (BIP) Trust.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

At a Board of Directors' Meeting held on May 8, 2025, TIS Inc. (TIS) resolved to acquire its own (treasury) shares in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of said Act.

Accordingly, "Basic earnings per share" in the consolidated financial forecast for FY2026 has been presented taking into account the effect of this acquisition of treasury shares.

This report contains forward-looking statements that reflect TIS's plans and expectations based on information available to TIS at the time of preparation and on certain other information TIS believes to be reasonable. These forward-looking statements are not guarantees of future performance, and actual results, performance, achievements or financial position may differ materially from those expressed or implied herein due to a range of factors.

Accompanying Materials – Contents

1. Results of Operations	2
(1) Analysis of Consolidated Operating Results	2
(2) Analysis of Financial Condition	6
(3) Consolidated Earnings Forecast and Caution on Forward-Looking Statements	7
2. Consolidated Financial Statements	10
(1) Consolidated Balance Sheets	10
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	12
Consolidated Statements of Income	12
Consolidated Statements of Comprehensive Income	13
(3) Notes on the Consolidated Financial Statements	14
(Segment Information, etc.)	14
(Notes on Significant Changes in the Amount of Shareholders' Equity)	15
(Notes on the Going-Concern Assumption)	15
(Notes on Semi-Annual Consolidated Statements of Cash Flows)	15
(Revenue recognition)	16
(Significant Subsequent Events)	17
3. Other Information	18

1. Results of Operations

(1) Analysis of Consolidated Operating Results

During the first six months of fiscal 2026, the Japanese economy continued to recover moderately, although the impact of U.S. trade policy was observed particularly in some manufacturing sectors. Looking ahead, while further recovery is expected due to improvements in employment and income conditions and the effects of various policies, it is necessary to remain vigilant regarding downside risks to the economy from U.S. trade policy, the impact of continued price increases on private consumption, and fluctuations in financial and capital markets.

In the information service industry to which our Group belongs, demand for IT investment is expected to increase further as business process and business model transformation utilizing digital technologies progresses globally. This is evidenced by the Bank of Japan's Short-Term Economic Survey (September 2025), which shows that planned software investment (all industries, including financial institutions) is up 17.0% year on year.

Amid these circumstances, in line with the basic policy of our ongoing Medium-Term Management Plan (2024–2026) and working toward the achievement of “Group Vision 2032,” our Group aims for sustainable growth with higher added value. We will strive to realize transformation for society and our customers by qualitatively enhancing the entire value chain, starting with forward-looking market development and expansion of business domains.

Consolidated net sales for the Group in the first six months of fiscal 2026 rose 4.7% year on year to ¥288,525 million. Operating profit increased 16.5% year on year to ¥35,553 million, ordinary profit was up 14.9% year on year to ¥35,970 million, and interim profit attributable to owners of parent rose 13.8% year on year to ¥23,726 million.

(Unit: millions of yen)

	First Six Months (First Half), FY2025 (Apr. 1 – Sep. 30,2024)	First Six Months (First Half), FY2026 (Apr. 1 – Sep. 30,2025)	Year-on-year changes
Net sales	275,558	288,525	+4.7%
Cost of sales	199,716	207,779	+4.0%
Gross profit	75,841	80,746	+6.5%
Gross profit ratio	27.5%	28.0%	+0.5P
Selling, general and administrative expenses	45,332	45,192	-0.3%
Operating profit	30,509	35,553	+16.5%
Operating profit ratio	11.1%	12.3%	+1.2P
Ordinary profit	31,299	35,970	+14.9%
Profit attributable to owners of parent	20,840	23,726	+13.8%

Net sales exceeded the previous fiscal year, driven by business expansion through accurately responding to customers' demand for IT investment—including digital transformation—and the promotion of service provision. As for operating profit, while we proactively made growth investments—including in human resources, our most important management capital—which resulted in higher costs, profit still increased year on year, mainly due to the contribution from the provision of high value-added businesses, the promotion of productivity improvement measures, and restraint on unprofitable projects. Regarding profitability, the gross profit ratio increased by 0.5 percentage points year on year to 28.0%, and the operating profit ratio increased by 1.2 percentage points year on year to 12.3%. Ordinary profit increased year on year, mainly due to higher operating profit. Profit attributable to owners of parent increased due to the rise in ordinary profit.

During the first six months of fiscal 2026, extraordinary income of ¥2,100 million and extraordinary losses of ¥1,653 million were recorded. The main component of extraordinary income was a gain on sale of investment securities of ¥1,361 million, resulting from the reduction of cross-shareholdings, while the main component of extraordinary losses was impairment losses of ¥1,381 million.

Segment results for the period are as follows. The sales figures for each segment include inter-segment sales.

(Unit: millions of yen)

		First Six Months (First Half), FY2025 (Apr. 1 – Sep. 30,2024)	First Six Months (First Half), FY2026 (Apr. 1 – Sep. 30,2025)	Year-on-year changes
Offering Service Business	Net sales	70,405	76,070	+8.0%
	Operating profit	4,468	4,667	+4.5%
	Operating profit ratio	6.3%	6.1%	-0.2P
Business Process Management	Net sales	20,848	21,725	+4.2%
	Operating profit	2,317	2,966	+28.0%
	Operating profit ratio	11.1%	13.7%	+2.6P
Financial IT Business	Net sales	50,041	48,078	-3.9%
	Operating profit	6,090	6,162	+1.2%
	Operating profit ratio	12.2%	12.8%	+0.6P
Industrial IT Business	Net sales	61,295	65,152	+6.3%
	Operating profit	9,022	10,624	+17.8%
	Operating profit ratio	14.7%	16.3%	+1.6P
Regional IT Solutions	Net sales	83,948	89,425	+6.5%
	Operating profit	8,300	10,795	+30.1%
	Operating profit ratio	9.9%	12.1%	+2.2P
Other	Net sales	4,785	5,074	+6.0%
	Operating profit	399	430	+7.7%
	Operating profit ratio	8.3%	8.5%	+0.2P

1) Offering Service Business

Configures services through own investment based on best practices the Group accumulated and provides knowledge- intensive IT services.

Segment net sales during the first six months of fiscal 2026 totaled ¥76,070 million, up 8.0% year on year, while segment operating profit increased 4.5% year on year to ¥4,667 million. While there was an increase in IT investment demand in areas such as enterprise solutions including digital marketing, payment services, and infrastructure, as well as a decrease in unprofitable projects, demand related to the renewal cycle of financial, tax, and payroll systems provided to tax accountant offices has run its course, and there has been an increase in upfront investments in the payment sector. As a result, both revenue and profit increased year-on-year. The segment operating profit ratio was 6.1% (down 0.2 percentage points year on year).

2) Business Process Management

Applies such strengths as IT expertise, business know-how and skilled human resources to realize and provide higher-level, more-efficient outsourcing solutions targeting business process-related issues.

Segment sales during the first six months of fiscal 2026 totaled ¥21,725 million, up 4.2% year on year, and operating profit increased 28.0% year on year to ¥2,966 million. Due to the acquisition of projects in the DX business and other areas, as well as ongoing cost reductions through continued streamlining measures, both sales and profits increased year on year, and the operating profit ratio was 13.7% (up 2.6 percentage points year on year).

3) Financial IT Business

Considers business and IT strategies together and leverages both, and supports business progress using expert business and operating know-how specific to the finance industry.

Segment sales during the first six months of fiscal 2026 totaled ¥48,078 million, down 3.9% year on year, while operating profit increased 1.2% year on year to ¥6,162 million. Although both the peaking out of large-scale development projects for core credit card clients that had continued from the previous fiscal year and the termination of operations for some customers had an impact, sales decreased but profit increased year on year due to the promotion of high value-added businesses such as modernization-related projects. The operating profit ratio was 12.8% (up 0.6 percentage points year on year).

4) Industrial IT Business

Considers business and IT strategies together and leverages both, and supports business progress using expert business and operating know-how specific to industry sectors other than finance.

Segment sales during the first six months of fiscal 2026 totaled ¥65,152 million, up 6.3% year on year, and operating profit increased 17.8% year on year to ¥10,624 million. Growth in IT investment across a wide range of industries, including services, manufacturing, and distribution, drove overall results, resulting in year-on-year increases in both sales and profit. The operating profit ratio was 16.3% (up 1.6 percentage points year on year).

5) Regional IT Solutions

Provides IT professional services extensively, across regions and client sites, and collects and develops this know-how as the source of solutions to support efforts to address issues and promote business activities.

Segment sales during the first six months of fiscal 2026 totaled ¥89,425 million, up 6.5% year on year, and operating profit increased 30.1% year on year to ¥10,795 million. The expansion of IT investment demand in a wide range of sectors, primarily local governments, healthcare, and other industries, as well as a decrease in one-off expenses that occurred in the previous fiscal year, resulted in year-on-year increases in both sales and profit. The operating profit ratio was 12.1% (up 2.2 percentage points year on year).

6) Other

Consists of ancillary businesses offering IT services, and other activities.

Segment sales during the first six months of fiscal 2026 totaled ¥5,074 million, up 6.0% year on year, and operating profit increased 7.7% year on year to ¥430 million. The operating profit ratio was 8.5% (up 0.2 percentage points year on year).

As mentioned above, the Group has been executing the Medium-Term Management Plan (2024–2026), which serves as the first stage toward achieving Group Vision 2032, since the previous fiscal year, and we will continue to pursue sustainable growth. For details, please refer to “2. Management Policy (2) Medium- to Long-Term Management Strategy” in the Consolidated Financial Results for the fiscal year ended March 2025.

The status of main initiatives during the first six months of fiscal 2026 is as follows:

In order to implement a nimble capital policy that responds flexibly to changes in the business environment and to improve shareholder returns and capital efficiency, in May 2025, the Company decided to repurchase treasury shares totaling ¥42,000 million—comprised of about ¥7,000 million for shareholder returns and about ¥35,000 million for the purpose of optimizing the capital structure(scheduled acquisition period: from May 9, 2025 to December 31, 2025). Based on this decision, the Company repurchased a total of approximately ¥27,600 million of its own shares (a total of 5,816,700 shares) between May and September 2025. As a general rule, the Company holds treasury shares up to a maximum of 5% of the total number of issued shares, and any excess holdings above this limit will be canceled. In particular, regarding the treasury shares to be acquired as part of the capital structure optimization (about ¥35,000 million), the Company plans to cancel these shares in consideration of its policy and to eliminate concerns about future dilution of shares.

In addition, at a meeting of the Board of Directors held on July 30, 2025, the Board of Directors resolved, as a basic policy, to implement an absorption-type merger of INTEC Inc. (“INTEC”), a wholly owned subsidiary of the Company, and preparations, including detailed consideration for the merger, have since been underway. As planned, at the Board of Directors meeting held on October 31, 2025, a resolution was passed to carry out the merger, and both companies have concluded an absorption-type merger agreement.

Through the management integration resulting from the establishment of IT Holdings Corporation in April 2008 and the transition to a business holding company structure in July 2016, our company and INTEC, as core companies of the Group, have been working to enhance customer value and corporate value by generating synergies. On the other hand, in light of changes in the business environment surrounding our Group, we consider the early and steady realization of our long-term management policy, “Group Vision 2032,” to be of utmost importance. To this end, we have determined that it is essential to further strengthen our management and business foundations by merging our company with INTEC.

Through this merger, we aim to enhance value creation with our customers and society, and to further increase corporate value by strongly promoting the optimal allocation of management resources—centered on strategic investments in technology and highly skilled talent—as well as by further enhancing the value provided by our core business locations. In addition, as part of this merger, the Company plans to change its trade name to “TISI Inc.” and to transition to a company with an Audit and Supervisory Committee. For details of this matter, please refer to the announcement dated July 30, 2025, titled “Notice regarding Decision on Basic Policy for Merger with Subsidiary (INTEC Inc.), Change of Trade Name, and Transition to a Company with an Audit and Supervisory Committee,” as well as the announcement dated October 31, 2025, titled “Notice regarding Absorption-type Merger (Simplified and Short-form Merger) of Our Subsidiary (INTEC Inc.).”

(2) Analysis of Financial Condition

(Unit: millions of yen)

	As of March 31, 2025 (A)	As of September 30, 2025 (B)	Increase/decrease (B – A)
Current assets	319,080	286,219	-32,861
Non-current assets	238,970	243,339	4,368
Total assets	558,051	529,558	-28,492
Current liabilities	153,210	136,716	-16,494
Non-current liabilities	48,775	44,999	-3,776
Total liabilities	201,986	181,715	-20,270
Total net assets	356,064	347,842	-8,221

(Assets)

Consolidated total assets as of September 30, 2025 decreased by ¥28,492 million from the end of the previous fiscal year to ¥529,558 million (compared with ¥558,051 million at the end of the previous fiscal year). This was mainly attributable to an increase of ¥6,701 million in investment securities due to changes in market value, and an increase of ¥1,350 million in buildings and structures as well as land due to the partial acquisition of real estate trust beneficiary rights. On the other hand, notes and accounts receivable—trade, and contract assets decreased by ¥21,594 million due to collections, and cash and deposits decreased by ¥11,311 million due to the acquisition of treasury shares, among other factors.

(Liabilities)

Consolidated total liabilities as of September 30, 2025 decreased by ¥20,270 million from the end of the previous fiscal year to ¥181,715 million (compared with ¥201,986 million at the end of the previous fiscal year). This was mainly due to a decrease of ¥5,538 million in borrowings due to repayments, a decrease of ¥4,766 million in notes and accounts payable - trade due to payments, and a decrease of ¥1,700 million in income taxes payable as a result of tax payments.

(Net assets)

Consolidated total net assets as of September 30, 2025 decreased by ¥8,221 million from the end of the previous fiscal year to ¥347,842 million (compared with ¥356,064 million at the end of the previous fiscal year). This was mainly due to an increase of ¥13,636 million in retained earnings, while a ¥26,806 million increase in treasury shares (which resulted in a decrease in net assets) also had an impact.

The increase in retained earnings was primarily due to a ¥23,726 million increase from interim profit attributable to owners of parent, offset by a decrease of ¥8,424 million as a result of dividends paid.

(3) Consolidated Earnings Forecast and Caution on Forward-Looking Statements

The business environment surrounding our Group continues to evolve globally, with business processes and business models being transformed through the use of digital technologies and further growth in IT investment demand expected. However, it is important to remain vigilant regarding potential downward risks for the Japanese economy, such as the impact of U.S. trade policies and ongoing price increases on personal consumption.

Amid these circumstances, under the basic policy of "Frontier Development" set forth in our Medium-Term Management Plan (2024–2026), our Group is promoting the provision of high value-added businesses and productivity enhancement initiatives. We are also working to expand our business by accurately responding to customer demand for IT investment, particularly digital transformation, and advancing our service offerings. Even as we proactively implement growth investments—including in human resources, our most important management capital—we aim to achieve sustainable growth and further improve profitability.

With regard to the consolidated earnings forecast for the fiscal year ending March 2026, we have revised our outlook as follows, based on the fact that our consolidated performance for the six months ended September 30, 2025 exceeded our initial plans. The revised consolidated earnings forecast includes anticipated preparation costs for the planned merger between the Company and INTEC as previously mentioned, but the impact on consolidated results for the current fiscal year is expected to be minor.

<Consolidated earnings forecast for fiscal 2026 (April 1, 2025 – March 31, 2026)>

(Unit: millions of yen)

	Previously released forecast (A)	Current released forecast (B)	Increase /decrease (B-A)	Ratio of Increase /decrease (%)
Net sales	582,000	588,000	+6,000	+1.0%
Cost of sales	413,500	419,500	+6,000	+1.5%
Gross profit	168,500	168,500	-	-
Gross profit ratio	29.0%	28.7%	-0.3P	-
Selling, general and administrative expenses	95,500	93,500	-2,000	-2.1%
Operating profit	73,000	75,000	+2,000	+2.7%
Operating profit ratio	12.5%	12.8%	+0.3P	-
Ordinary profit	73,000	75,000	+2,000	+2.7%
Profit attributable to owners of parent	49,000	50,000	+1,000	+2.0%

<By segment>

(Unit: millions of yen)

		Previously released forecast (A)	Current released forecast (B)	Increase /decrease (B-A)	Ratio of Increase /decrease (%)
Offering Service Business	Net sales	150,000	153,500	+3,500	+2.3%
	Operating income	10,600	10,250	-350	-3.3%
	Operating income ratio	7.1%	6.7%	-0.4P	-
Business Process Management	Net sales	44,000	44,000	-	-
	Operating income	6,050	6,200	+150	+2.5%
	Operating income ratio	13.8%	14.1%	+0.3P	-
Financial IT Business	Net sales	98,500	99,000	+500	+0.5%
	Operating income	11,850	12,550	+700	+5.9%
	Operating income ratio	12.0%	12.7%	+0.7P	-
Industrial IT Business	Net sales	131,000	132,500	+1,500	+1.1%
	Operating income	21,200	21,900	+700	+3.3%
	Operating income ratio	16.2%	16.5%	+0.3P	-
Regional IT Solutions	Net sales	181,500	182,000	+500	+0.3%
	Operating income	22,950	23,750	+800	+3.5%
	Operating income ratio	12.6%	13.0%	+0.4P	-
Other	Net sales	10,300	10,300	-	-
	Operating income	750	750	-	-
	Operating income ratio	7.3%	7.3%	-	-

A comparison between the latest full-year consolidated earnings forecast and the previous fiscal year's results is shown below. While we expect an increase in both net sales and operating profit compared to the previous year, profit attributable to owners of parent mainly reflects a decrease in net extraordinary income and losses.

(Unit: millions of yen)

	Fiscal 2025 Actual results	Fiscal 2026 Forecast	Year-on-year change
Net sales	571,687	588,000	+2.9%
Cost of sales	411,480	419,500	+1.9%
Gross profit	160,206	168,500	+5.2%
Gross profit ratio	28.0%	28.7%	+0.7P
Selling, general and administrative expenses	91,158	93,500	+2.6%
Operating profit	69,047	75,000	+8.6%
Operating profit ratio	12.1%	12.8%	+0.7P
Ordinary profit	70,503	75,000	+6.4%
Profit attributable to owners of parent	50,012	50,000	-0.0%

<By segment>

(Unit: millions of yen)

		Fiscal 2025 Actual results	Fiscal 2026 Forecast	Year-on-year change
Offering Service Business	Net sales	145,515	153,500	+5.5%
	Operating income	9,937	10,250	+3.1%
	Operating income ratio	6.8%	6.7%	-0.1P
Business Process Management	Net sales	42,646	44,000	+3.2%
	Operating income	5,326	6,200	+16.4%
	Operating income ratio	12.5%	14.1%	+1.6P
Financial IT Business	Net sales	100,252	99,000	-1.2%
	Operating income	12,321	12,550	+1.9%
	Operating income ratio	12.3%	12.7%	+0.4P
Industrial IT Business	Net sales	128,120	132,500	+3.4%
	Operating income	19,330	21,900	+13.3%
	Operating income ratio	15.1%	16.5%	+1.4P
Regional IT Solutions	Net sales	177,425	182,000	+2.6%
	Operating income	21,576	23,750	+10.1%
	Operating income ratio	12.2%	13.0%	+0.8P
Other	Net sales	10,123	10,300	+1.7%
	Operating income	877	750	-14.6%
	Operating income ratio	8.7%	7.3%	-1.4P

Note that our basic policy for shareholder returns under the Medium-Term Management Plan (2024–2026) is to target a total return ratio of 50%. As a result of the aforementioned acquisition of treasury shares (excluding the portion intended for capital structure optimization), the total return ratio for this fiscal year, based on the current consolidated earnings and dividend forecasts, is expected to be in line with our basic policy.

Note: The total return ratio is the ratio of the total amount of dividends and share buybacks to profit attributable to owners of parent.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	84,013	72,701
Notes and accounts receivable - trade, and contract assets	151,313	129,719
Lease receivables and investments in leases	4,184	4,424
Securities	38,717	31,445
Merchandise and finished goods	5,330	5,854
Work in process	966	1,869
Raw materials and supplies	186	147
Prepaid expenses	30,939	36,301
Other	3,709	3,988
Allowance for doubtful accounts	(280)	(232)
Total current assets	319,080	286,219
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	35,564	34,347
Machinery, equipment and vehicles, net	7,044	6,436
Land	27,348	29,916
Leased assets, net	4,214	4,049
Other, net	6,829	7,545
Total property, plant and equipment	81,002	82,295
Intangible assets		
Software	17,729	15,885
Software in progress	2,540	2,947
Goodwill	7,863	8,340
Other	20,588	20,222
Total intangible assets	48,722	47,396
Investments and other assets		
Investment securities	57,041	63,743
Retirement benefit asset	12,920	13,091
Deferred tax assets	16,716	15,198
Other	22,821	21,869
Allowance for doubtful accounts	(255)	(254)
Total investments and other assets	109,245	113,647
Total non-current assets	238,970	243,339
Total assets	558,051	529,558

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,946	24,179
Short-term borrowings	22,213	21,420
Income taxes payable	12,971	11,270
Provision for bonuses	17,757	18,513
Provision for loss on orders received	487	500
Provision for performance-linked compensation	313	170
Other provisions	181	159
Other	70,339	60,500
Total current liabilities	153,210	136,716
Non-current liabilities		
Long-term borrowings	14,766	10,021
Lease liabilities	4,093	3,644
Deferred tax liabilities	8,763	10,020
Deferred tax liabilities for land revaluation	272	—
Provision for retirement benefits for directors (and other officers)	0	0
Provision for performance-linked compensation	384	561
Other provisions	195	195
Retirement benefit liability	11,922	11,767
Asset retirement obligations	6,794	6,822
Other	1,582	1,966
Total non-current liabilities	48,775	44,999
Total liabilities	201,986	181,715
Net assets		
Shareholders' equity		
Share capital	10,001	10,001
Capital surplus	12,290	12,290
Retained earnings	316,376	330,013
Treasury shares	(11,958)	(38,765)
Total shareholders' equity	326,709	313,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,671	16,636
Deferred gains or losses on hedges	(26)	(52)
Revaluation reserve for land	(2,672)	—
Foreign currency translation adjustment	1,903	735
Remeasurements of defined benefit plans	4,763	4,521
Total accumulated other comprehensive income	16,639	21,841
Non-controlling interests	12,715	12,462
Total net assets	356,064	347,842
Total liabilities and net assets	558,051	529,558

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	275,558	288,525
Cost of sales	199,716	207,779
Gross profit	75,841	80,746
Selling, general and administrative expenses	45,332	45,192
Operating profit	30,509	35,553
Non-operating income		
Interest income	189	283
Dividend income	620	684
Share of profit of entities accounted for using equity method	352	—
Other	309	512
Total non-operating income	1,471	1,480
Non-operating expenses		
Interest expenses	215	270
Share of loss of entities accounted for using equity method	—	491
Foreign exchange losses	154	—
Compensation expenses	142	—
Other	169	301
Total non-operating expenses	681	1,063
Ordinary profit	31,299	35,970
Extraordinary income		
Gain on sale of non-current assets	4	710
Gain on sale of investment securities	4,296	1,361
Other	257	28
Total extraordinary income	4,558	2,100
Extraordinary losses		
Impairment losses	2,432	1,381
Loss on valuation of shares of subsidiaries	861	—
Other	475	271
Total extraordinary losses	3,770	1,653
Profit before income taxes	32,087	36,417
Income taxes - current	9,644	10,131
Income taxes - deferred	575	1,612
Total income taxes	10,219	11,744
Profit	21,867	24,673
Profit attributable to non-controlling interests	1,026	946
Profit attributable to owners of parent	20,840	23,726

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	21,867	24,673
Other comprehensive income		
Valuation difference on available-for-sale securities	1,003	3,964
Deferred gains or losses on hedges	153	(53)
Revaluation reserve for land	—	1,007
Foreign currency translation adjustment	856	(738)
Remeasurements of defined benefit plans, net of tax	(101)	(241)
Share of other comprehensive income of entities accounted for using equity method	346	(669)
Total other comprehensive income	2,258	3,269
Comprehensive income	24,126	27,942
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,793	27,263
Comprehensive income attributable to non-controlling interests	1,332	679

(3) Notes on the Consolidated Financial Statements

(Segment Information, etc.)

I. Six months ended September 30, 2024 (Apr. 1 - Sep. 30, 2024)

1. Information on net sales and income by reportable segment

(millions of yen)

	Reportable segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidate d statement of income (Note 3)
	Offering Service Business	Business Process Managem ent	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total				
Net sales										
Net sales to external customers	64,192	19,830	49,374	60,996	79,995	274,389	1,168	275,558	-	275,558
Inter-segment sales or transfers	6,212	1,018	666	299	3,953	12,150	3,616	15,767	(15,767)	-
Total	70,405	20,848	50,041	61,295	83,948	286,540	4,785	291,325	(15,767)	275,558
Segment income	4,468	2,317	6,090	9,022	8,300	30,199	399	30,599	(89)	30,509

(Notes) 1. "Other" refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.

2. The adjustment of segment income of ¥-89 million includes the elimination of unrealized income of ¥-5 million.

3. Segment income has been adjusted for operating income recorded in the semi-annual consolidated statements of income.

2. Information on impairment loss on non-current assets or goodwill by reportable segment

(Significant impairment losses on non-current assets)

In the "Offering Services Business" segment posted impairment losses of 510 million yen on software and 1,922 million yen on goodwill and other intangible assets were recorded for the six months ended September 30, 2024.

II. Six months ended September 30, 2025 (Apr. 1 - Sep. 30, 2025)

1. Information on net sales and income by reportable segment

(millions of yen)

	Reportable segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidate d statement of income (Note 3)
	Offering Service Business	Business Process Managem ent	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total				
Net sales										
Net sales to external customers	68,942	21,051	47,329	64,822	85,244	287,390	1,135	288,525	-	288,525
Inter-segment sales or transfers	7,127	673	749	330	4,181	13,062	3,938	17,001	(17,001)	-
Total	76,070	21,725	48,078	65,152	89,425	300,452	5,074	305,527	(17,001)	288,525
Segment income	4,667	2,966	6,162	10,624	10,795	35,216	430	35,646	(92)	35,553

- (Notes)
1. "Other" refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.
 2. The adjustment of segment income of ¥-92 million includes the elimination of unrealized income of ¥-8 million.
 3. Segment income has been adjusted to with operating income recorded in the consolidated statements of income.

2. Information on impairment loss on non-current assets or goodwill by reportable segment

(Significant impairment losses on non-current assets)

The "Offering Services Business" segment posted impairment losses of 1,139 million yen on software for the six months ended September 30, 2025.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on the Going-concern Assumption)

Not applicable.

(Notes on Semi-Annual Consolidated Statements of Cash Flows)

Depreciation (including amortization related to intangible assets, excluding goodwill) and amortization of goodwill for the six months ended September 30 are as follows.

	Six months ended Sep. 30, 2024 (Apr. 1 - Sep. 30, 2024)	Six months ended Sep. 30, 2025 (Apr. 1 - Sep. 30, 2025)
Depreciation	8,958 million yen	8,918 million yen
Amortization of goodwill	444	365

(Revenue recognition)

Disaggregated information on revenue from contracts with customers

Six months ended September 30, 2024 (Apr. 1 - Sep. 30, 2024)

(millions of yen)

	Reportable segment						Other (Note 1)	Total
	Offering Service Business	Business Process Manage ment	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total		
Software development	24,825	6,295	25,487	41,578	41,378	139,566	-	139,566
Operating and Cloud services	21,099	12,766	21,256	12,280	28,903	96,305	-	96,305
Product and Software Sales	18,267	767	2,631	7,137	9,712	38,517	-	38,517
Other	-	-	-	-	-	-	1,168	1,168
Total	64,192	19,830	49,374	60,996	79,995	274,389	1,168	275,558

- (Notes) 1. “Other” refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.
2. The above includes income from lessor leases, as the amounts are insignificant and so they are not presented separately from revenue from contracts with customers.

Six months ended September 30, 2025 (Apr. 1 - Sep. 30, 2025)

(millions of yen)

	Reportable segment						Other (Note 1)	Total
	Offering Service Business	Business Process Manage ment	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total		
Software development	27,957	7,011	26,462	45,078	43,323	149,833	-	149,833
Operating and Cloud services	21,992	13,306	18,822	12,609	30,639	97,369	-	97,369
Product and Software Sales	18,993	733	2,044	7,134	11,280	40,186	-	40,186
Other	-	-	-	-	-	-	1,135	1,135
Total	68,942	21,051	47,329	64,822	85,244	287,390	1,135	288,525

- (Notes) 1. “Other” refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.
2. The above includes income from lessor leases, as the amounts are insignificant and so they are not presented separately from revenue from contracts with customers.

(Significant Subsequent Events)

(Absorption-type merger of a consolidated subsidiary)

In accordance with the “Notice regarding Decision on Basic Policy for Merger with Subsidiary (Intec Inc.), Change of Trade Name, and Transition to a Company with an Audit and Supervisory Committee” announced on July 30, 2025, the Company resolved, as a basic policy, to implement an absorption-type merger (“the Merger”) of INTEC Inc., a wholly owned subsidiary of the Company, and has been preparing for the Merger, including conducting detailed consideration and other necessary preparations.

As planned, at the Board of Directors meeting held on October 31, 2025, a resolution was passed to carry out the Merger, and both companies have concluded an absorption-type merger agreement.

1. Overview of the Transaction

(1) Name and Business Activities of the Company to be Merged

Name of the combined company: INTEC Inc.

Business Activities Software, System Integration, Networks, Outsourcing, IT Consulting

(2) Schedule of the Merger

Date of Basic Merger Policy Decision	July 30, 2025
Date of Board of Directors' Approval of Merger Agreement	October 31, 2025
Date of Execution of Merger Agreement	October 31, 2025
Effective Date of Merger Agreement	July 1, 2026 (scheduled)

(3) Legal form of business combination

Absorption-type merger in which we are the surviving company and INTEC Inc. is the absorbed company

(4) Details of Allotment Related to the Merger

There will be no allotment of shares or other cash or assets as a result of this merger.

(5) Name of the Company After the Merger

TISI Inc. (Scheduled to change its name from TIS Inc. as of July 1, 2026)

(6) Purpose of the Merger

Through the management integration resulting from the establishment of IT Holdings Corporation in April 2008 and the transition to a business holding company structure in July 2016, our company and INTEC, as core companies of the Group, have been working to enhance customer value and corporate value by generating synergies.

On the other hand, in light of changes in the business environment surrounding our Group, we consider the early and steady realization of our long-term management policy, “Group Vision 2032,” to be of utmost importance. To this end, we have determined that it is essential to further strengthen our management and business foundations by merging our company with INTEC .

Through this merger, we aim to enhance value creation with our customers and society, and to further increase corporate value by strongly promoting the optimal allocation of management resources—centered on strategic investments in technology and highly skilled talent—as well as by further enhancing the value provided by our core business locations.

2. Outline of the accounting treatment to be implemented

Accounting treatment is scheduled to be conducted as a transaction under common control, based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures, etc.” (ASBJ Guidance No. 10, January 16, 2019).

3. Other Information

INTEC Inc., a consolidated subsidiary of the Company, is currently in litigation with Mitsubishi Shokuhin Co., Ltd., which filed a claim for compensation in connection with services including system development provided by INTEC Inc. (Amount of compensation demanded as of November 13, 2018 was ¥12,703 million. It was changed to ¥15,485 million on December 8, 2023).