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Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

February 3, 2026

Company name	TIS Inc.			Stock exchange listings: Tokyo Prime
Securities code	3626	URL https://www.tis.com/		
Representative	(Title)	President	(Name) Yasushi Okamoto	
Inquiries	(Title)	Department Manager of Finance & Accounting Dept., Corporate Planning SBU.	(Name) Masahiro Hiwasa	(Tel)+81 50-1702-4115
Dividend payable date (as planned)		－		

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 nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	436,251	4.7	54,803	12.1	55,707	10.1	38,196	10.8
December 31, 2024	416,561	2.9	48,884	2.7	50,583	1.7	34,474	7.1

Note: Comprehensive income For the nine months ended December 31, 2025 44,543 Millions of yen (7.4%)
For the nine months ended December 31, 2024 41,481 Millions of yen (7.8%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	167.05	－
December 31, 2024	148.13	－

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	524,060	340,976	62.7
March 31, 2025	558,051	356,064	61.5

Reference: Owner's equity As of December 31, 2025 328,815 Millions of yen
As of March 31, 2025 343,348 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	－	34.00	－	36.00	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
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
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 : None

* Notes

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

Newly included: ー companies (Company name) 、Excluded: ー 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)	As of December 31, 2025	236,233,411 shares	As of March 31, 2025	236,233,411 shares
(ii) Number of treasury stock at the period end	As of December 31, 2025	12,125,250 shares	As of March 31, 2025	3,865,920 shares
(iii) Average number of shares (quarterly period-YTD)	Nine months ended December 31, 2025	228,658,581 shares	Nine months ended December 31, 2024	232,720,922 shares

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.

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

* Proper use of financial 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

(1) Analysis of Consolidated Operating Results

During the first nine 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 remains necessary to stay alert to downside risks to the economy, including developments related to U.S. trade policy, future price trends, 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 continues to advance globally. This trend is evidenced by the Bank of Japan's Short-Term Economic Survey (December 2025), which shows that planned software investment (all industries, including financial institutions) is up 17.1% 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 nine months of fiscal 2026 rose 4.7% year on year to ¥436,251 million. Operating profit increased 12.1% year on year to ¥54,803 million, ordinary profit was up 10.1% year on year to ¥55,707 million, and profit attributable to owners of parent rose 10.8% year on year to ¥38,196 million.

(Unit: millions of yen)

	First Nine Months FY2025 (Apr. 1 – Dec. 31, 2024)	First Nine Months FY2026 (Apr. 1 – Dec. 31, 2025)	Year-on-year changes
Net sales	416,561	436,251	+4.7%
Cost of sales	300,677	314,190	+4.5%
Gross profit	115,883	122,061	+5.3%
Gross profit ratio	27.8%	28.0%	+0.2P
Selling, general and administrative expenses	66,999	67,258	+0.4%
Operating profit	48,884	54,803	+12.1%
Operating profit ratio	11.7%	12.6%	+0.9P
Ordinary profit	50,583	55,707	+10.1%
Profit attributable to owners of parent	34,474	38,196	+10.8%

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. This was mainly due to the contribution from the provision of high value-added businesses, the promotion of productivity improvement measures, and a decrease in unprofitable projects. Regarding profitability, the gross profit ratio increased by 0.2 percentage points year on year to 28.0%, and the operating profit ratio increased by 0.9 percentage points year on year to 12.6%. 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 nine months of fiscal 2026, extraordinary income of ¥3,944 million and extraordinary losses of ¥2,696 million were recorded. The main component of extraordinary income was a gain on sale of investment securities of ¥3,202 million, resulting from the reduction of cross-shareholdings, while the main component of extraordinary losses was impairment losses of ¥1,393 million.

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

(Unit: millions of yen)

		First Nine Months FY2025 (Apr. 1 – Dec. 31, 2024)	First Nine Months FY2026 (Apr. 1 – Dec. 31, 2025)	Year-on-year changes
Offering Service Business	Net sales	106,605	116,244	+9.0%
	Operating profit	7,398	7,818	+5.7%
	Operating profit ratio	6.9%	6.7%	-0.2P
Business Process Management	Net sales	31,522	32,716	+3.8%
	Operating profit	3,763	4,633	+23.1%
	Operating profit ratio	11.9%	14.2%	+2.3P
Financial IT Business	Net sales	74,602	73,340	-1.7%
	Operating profit	9,112	9,593	+5.3%
	Operating profit ratio	12.2%	13.1%	+0.9P
Industrial IT Business	Net sales	93,520	97,851	+4.6%
	Operating profit	14,127	16,627	+17.7%
	Operating profit ratio	15.1%	17.0%	+1.9P
Regional IT Solutions	Net sales	127,000	133,560	+5.2%
	Operating profit	13,998	15,578	+11.3%
	Operating profit ratio	11.0%	11.7%	+0.7P
Other	Net sales	7,447	7,792	+4.6%
	Operating profit	662	725	+9.6%
	Operating profit ratio	8.9%	9.3%	+0.4P

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 nine months of fiscal 2026 totaled ¥116,244 million, up 9.0% year on year, while segment operating profit increased 5.7% year on year to ¥7,818 million. While there was an increase in IT investment demand in areas such as payment services, enterprise solutions including digital marketing, and infrastructure, as well as contributions from overseas operations and 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 6.7% (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 nine months of fiscal 2026 totaled ¥32,716 million, up 3.8% year on year, and operating profit increased 23.1% year on year to ¥4,633 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 14.2% (up 2.3 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 nine months of fiscal 2026 totaled ¥73,340 million, down 1.7% year on year, while operating profit increased 5.3% year on year to ¥9,593 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 13.1% (up 0.9 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 nine months of fiscal 2026 totaled ¥97,851 million, up 4.6% year on year, and operating profit increased 17.7% year on year to ¥16,627 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 17.0% (up 1.9 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 nine months of fiscal 2026 totaled ¥133,560 million, up 5.2% year on year, and operating profit increased 11.3% year on year to ¥15,578 million. Although profitability was adversely affected by responses to changes in the situation surrounding public sector projects, year-on-year increases in both sales and profit were achieved due to the expansion of IT investment demand across a wide range of sectors, primarily healthcare and other industries, as well as a decrease in one-off expenses that occurred in the previous fiscal year. The operating profit ratio was 11.7% (up 0.7 percentage points year on year).

6) Other

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

Segment sales during the first nine months of fiscal 2026 totaled ¥7,792 million, up 4.6% year on year, and operating profit increased 9.6% year on year to ¥725 million. The operating profit ratio was 9.3% (up 0.4 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 nine months of fiscal 2026 is as follows:

At the meeting of the Board of Directors held on July 30, 2025, the Company 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, the Company and INTEC, as core companies of the Group, have been working to enhance the value provided to customers and to improve corporate value by generating synergies. Meanwhile, in light of changes in the business environment surrounding our Group, the early and steady realization of our long-term management policy, “Group Vision 2032,” is of utmost importance. To this end, we have determined that it is essential to merge the Company with INTEC in order to build a stronger management and business foundation than ever before.

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 the 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.).”

Regarding the review of the business portfolio, in September 2025, the Company decided to succeed the AI and data analytics business (excluding certain customers) of Miotsukushi Analytics Co., Ltd., a consolidated subsidiary, through an absorption-type company split. Furthermore, in January 2026, the Company decided to carry out an absorption-type merger of Fixel Inc., a non-consolidated subsidiary. We will continue to optimize Group resources and accelerate business development.

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 ¥42.0 billion —comprised of about ¥7.0 billion for shareholder returns and about ¥35.0 billion for the purpose of optimizing the capital structure. Based on this decision, between May and December 2025, the Company completed the planned repurchase of its own shares, totaling approximately ¥42.0 billion (8,656,200 shares). 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 capital structure optimization (about ¥35.0 billion), the Company decided in February 2026 to cancel these shares in consideration of its policy and to eliminate concerns about future dilution of shares.

(2) Analysis of Financial Condition

(Unit: millions of yen)

	As of March 31, 2025 (A)	As of December 31, 2025 (B)	Increase/decrease (B − A)
Current assets	319,080	273,343	-45,737
Non-current assets	238,970	250,716	+11,746
Total assets	558,051	524,060	-33,991
Current liabilities	153,210	131,935	-21,275
Non-current liabilities	48,775	51,148	+2,372
Total liabilities	201,986	183,083	-18,903
Total net assets	356,064	340,976	-15,087

(Assets)

Consolidated total assets as of December 31, 2025 decreased by ¥33,991 million from the end of the previous fiscal year to ¥524,060 million (compared with ¥558,051 million at the end of the previous fiscal year). This was mainly attributable to an increase of ¥8,966 million in investment securities due to changes in market value, and an increase of ¥8,532 million in buildings and structures as well as land due to the partial acquisition of real estate trust beneficiary rights. On the other hand, securities decreased by ¥33,234 million due to redemptions, and notes and accounts receivable—trade, and contract assets decreased by ¥18,412 million due to collections. In addition, cash and deposits decreased by ¥3,762 million, reflecting the redemption of securities as well as the acquisition of treasury shares.

(Liabilities)

Consolidated total liabilities as of December 31, 2025 decreased by ¥18,903 million from the end of the previous fiscal year to ¥183,083 million (compared with ¥201,986 million at the end of the previous fiscal year). This was mainly due to a decrease of ¥9,021 million in provision for bonuses due to payments, a decrease of ¥8,400 million in income taxes payable as a result of tax payments, and a decrease of ¥5,186 million in notes and accounts payable—trade due to payments.

(Net assets)

Consolidated total net assets as of December 31, 2025 decreased by ¥15,087 million from the end of the previous fiscal year to ¥340,976 million (compared with ¥356,064 million at the end of the previous fiscal year). This was mainly attributable to an increase of ¥19,434 million in retained earnings, while a ¥40,643 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 ¥38,196 million increase from profit attributable to owners of parent, offset by a ¥17,096 million decrease as a result of dividends paid.

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

Our consolidated results are generally tracking in line with plan, and we will continue to strive to achieve our full-year targets through the steady implementation of various initiatives. At this time, there are no changes to the consolidated earnings forecast announced on October 31, 2025.

As initially planned, under the basic policy of "Frontier Development" in the Medium-Term Management Plan (2024–2026), we will continue to promote the provision of high value-added businesses and productivity enhancement initiatives, while also working to expand our business by accurately responding to customers' demand for IT investment—including digital transformation—and advancing our service offerings. Even as we proactively execute growth investments, including investment in human resources—our most important management capital—we aim to achieve sustainable growth and further improve profitability. While we expect increases in both revenue and profit compared with the previous fiscal year, profit attributable to owners of parent is expected to mainly reflect a contraction in extraordinary gains and losses (net).

In addition, the consolidated earnings forecast incorporates the anticipated preparation costs associated with the planned merger between the Company and INTEC, as mentioned above; however, 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)

	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 profit	9,937	10,250	+3.1%
	Operating profit ratio	6.8%	6.7%	-0.1P
Business Process Management	Net sales	42,646	44,000	+3.2%
	Operating profit	5,326	6,200	+16.4%
	Operating profit ratio	12.5%	14.1%	+1.6P
Financial IT Business	Net sales	100,252	99,000	-1.2%
	Operating profit	12,321	12,550	+1.9%
	Operating profit ratio	12.3%	12.7%	+0.4P
Industrial IT Business	Net sales	128,120	132,500	+3.4%
	Operating profit	19,330	21,900	+13.3%
	Operating profit ratio	15.1%	16.5%	+1.4P
Regional IT Solutions	Net sales	177,425	182,000	+2.6%
	Operating profit	21,576	23,750	+10.1%
	Operating profit ratio	12.2%	13.0%	+0.8P
Other	Net sales	10,123	10,300	+1.7%
	Operating profit	877	750	-14.6%
	Operating profit 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 December 31, 2025
Assets		
Current assets		
Cash and deposits	84,013	80,251
Notes and accounts receivable - trade, and contract assets	151,313	132,901
Lease receivables and investments in leases	4,184	4,778
Securities	38,717	5,482
Merchandise and finished goods	5,330	6,080
Work in process	966	1,628
Raw materials and supplies	186	154
Prepaid expenses	30,939	36,722
Other	3,709	5,583
Allowance for doubtful accounts	(280)	(240)
Total current assets	319,080	273,343
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	35,564	35,713
Machinery, equipment and vehicles, net	7,044	6,067
Land	27,348	35,732
Leased assets, net	4,214	3,788
Other, net	6,829	7,318
Total property, plant and equipment	81,002	88,620
Intangible assets		
Software	17,729	15,696
Software in progress	2,540	3,961
Goodwill	7,863	8,156
Other	20,588	19,936
Total intangible assets	48,722	47,751
Investments and other assets		
Investment securities	57,041	66,008
Retirement benefit asset	12,920	13,168
Deferred tax assets	16,716	13,647
Other	22,821	21,775
Allowance for doubtful accounts	(255)	(255)
Total investments and other assets	109,245	114,345
Total non-current assets	238,970	250,716
Total assets	558,051	524,060

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,946	23,759
Short-term borrowings	22,213	21,918
Income taxes payable	12,971	4,570
Provision for bonuses	17,757	8,736
Provision for loss on orders received	487	479
Provision for performance-linked compensation	313	255
Other provisions	181	157
Other	70,339	72,058
Total current liabilities	153,210	131,935
Non-current liabilities		
Long-term borrowings	14,766	14,671
Lease liabilities	4,093	3,342
Deferred tax liabilities	8,763	11,350
Deferred tax liabilities for land revaluation	272	—
Provision for retirement benefits for directors (and other officers)	0	0
Provision for performance-linked compensation	384	650
Other provisions	195	187
Retirement benefit liability	11,922	11,801
Asset retirement obligations	6,794	6,923
Other	1,582	2,220
Total non-current liabilities	48,775	51,148
Total liabilities	201,986	183,083
Net assets		
Shareholders' equity		
Share capital	10,001	10,001
Capital surplus	12,290	12,290
Retained earnings	316,376	335,811
Treasury shares	(11,958)	(52,602)
Total shareholders' equity	326,709	305,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,671	17,541
Deferred gains or losses on hedges	(26)	(57)
Revaluation reserve for land	(2,672)	—
Foreign currency translation adjustment	1,903	1,399
Remeasurements of defined benefit plans	4,763	4,432
Total accumulated other comprehensive income	16,639	23,315
Non-controlling interests	12,715	12,161
Total net assets	356,064	340,976
Total liabilities and net assets	558,051	524,060

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

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	416,561	436,251
Cost of sales	300,677	314,190
Gross profit	115,883	122,061
Selling, general and administrative expenses	66,999	67,258
Operating profit	48,884	54,803
Non-operating income		
Interest income	335	436
Dividend income	759	952
Share of profit of entities accounted for using equity method	470	―
Foreign exchange gains	459	483
Other	453	423
Total non-operating income	2,477	2,296
Non-operating expenses		
Interest expenses	393	421
Share of loss of entities accounted for using equity method	―	358
Other	384	612
Total non-operating expenses	777	1,392
Ordinary profit	50,583	55,707
Extraordinary income		
Gain on sale of investment securities	5,370	3,202
Other	416	742
Total extraordinary income	5,787	3,944
Extraordinary losses		
Impairment losses	2,506	1,393
Loss on valuation of shares of subsidiaries	844	―
Contract losses	―	597
Other	555	705
Total extraordinary losses	3,907	2,696
Profit before income taxes	52,464	56,955
Income taxes - current	12,406	12,868
Income taxes - deferred	4,139	4,438
Total income taxes	16,546	17,307
Profit	35,918	39,648
Profit attributable to non-controlling interests	1,444	1,452
Profit attributable to owners of parent	34,474	38,196

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	35,918	39,648
Other comprehensive income		
Valuation difference on available-for-sale securities	5,418	4,870
Deferred gains or losses on hedges	(14)	(64)
Revaluation reserve for land	—	1,007
Foreign currency translation adjustment	438	(97)
Remeasurements of defined benefit plans, net of tax	(151)	(331)
Share of other comprehensive income of entities accounted for using equity method	(127)	(489)
Total other comprehensive income	5,563	4,895
Comprehensive income	41,481	44,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,760	43,206
Comprehensive income attributable to non-controlling interests	1,720	1,337

(3) Notes on the Consolidated Financial Statements

(Segment Information, etc.)

I. First Three Qtrs., FY2025 (Apr. 1 – Dec. 31, 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 consolidated statement of income (Note 3)
	Offering Service Business	Business Process Management	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total				
Net sales										
Net sales to external customers	96,380	29,952	73,614	93,118	121,573	414,640	1,920	416,561	-	416,561
Inter-segment sales or transfers	10,225	1,569	988	401	5,427	18,611	5,527	24,138	(24,138)	-
Total	106,605	31,522	74,602	93,520	127,000	433,252	7,447	440,700	(24,138)	416,561
Segment income	7,398	3,763	9,112	14,127	13,998	48,400	662	49,062	(178)	48,884

(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 ¥-178 million includes the elimination of unrealized income of ¥-54 million.

3. Segment income has been adjusted to with operating income recorded in the quarterly 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 584 million yen on software and 1,922 million yen on goodwill and other intangible assets were recorded.

II. First Three Qtrs., FY2026 (Apr. 1 – Dec. 31, 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 consolidated statement of income (Note 3)
	Offering Service Business	Business Process Management	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total				
Net sales										
Net sales to external customers	105,349	31,736	72,063	97,401	127,889	434,440	1,811	436,251	-	436,251
Inter-segment sales or transfers	10,895	979	1,276	450	5,670	19,273	5,981	25,254	(25,254)	-
Total	116,244	32,716	73,340	97,851	133,560	453,713	7,792	461,506	(25,254)	436,251
Segment income	7,818	4,633	9,593	16,627	15,578	54,251	725	54,976	(173)	54,803

(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 ¥-173 million includes the elimination of unrealized income of ¥-43 million.

3. Segment income has been adjusted to with operating income recorded in the quarterly 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, an impairment loss of 1,139 million yen on software was recorded.

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

Not applicable.

(Notes on the Going-concern Assumption)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first three quarters of the current fiscal year have not been prepared. Depreciation (including amortization related to intangible assets, excluding goodwill) and amortization of goodwill for the first three quarters of the previous and current consolidated fiscal years are as follows.

	First Three Qtrs., FY2025 (Apr. 1 – Dec. 31, 2024)	First Three Qtrs., FY2026 (Apr. 1 – Dec. 31, 2025)
Depreciation	13,428 million yen	13,390 million yen
Amortization of goodwill	627	583

(Revenue Recognition)

Disaggregated information on revenue from contracts with customers

First Three Qtrs., FY2025 (Apr. 1 – Dec. 31, 2024)

(millions of yen)

	Reportable segment						Other (Note 1)	Total
	Offering Service Business	Business Process Management	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total		
Software development	37,604	9,571	38,172	63,523	63,274	212,145	-	212,145
Operating and Cloud services	31,309	19,248	31,705	18,439	43,536	144,240	-	144,240
Product and Software Sales	27,467	1,132	3,736	11,155	14,762	58,254	-	58,254
Other	-	-	-	-	-	-	1,920	1,920
Total	96,380	29,952	73,614	93,118	121,573	414,640	1,920	416,561

(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.

First Three Qtrs., FY2026 (Apr. 1 – Dec. 31, 2025)

(millions of yen)

	Reportable segment						Other (Note 1)	Total
	Offering Service Business	Business Process Management	Financial IT Business	Industrial IT Business	Regional IT Solutions	Total		
Software development	42,433	10,730	40,158	67,994	64,466	225,784	–	225,784
Operating and Cloud services	33,722	19,884	28,732	19,065	46,061	147,466	–	147,466
Product and Software Sales	29,192	1,121	3,172	10,341	17,361	61,189	–	61,189
Other	–	–	–	–	–	–	1,811	1,811
Total	105,349	31,736	72,063	97,401	127,889	434,440	1,811	436,251

(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)

(Cancellation of Treasury Shares)

The Company resolved at a meeting of the Board of Directors held on February 3, 2026, to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act, as outlined below.

1. Reason for the Cancellation

The Company’s policy is, in principle, to hold treasury shares up to a maximum of 5% of the total number of shares outstanding, and to cancel any treasury shares held in excess of this level.

During the cumulative consolidated period of the third quarter, the Company acquired treasury shares with a total acquisition cost of approximately ¥42.0 billion. Of these shares, treasury shares acquired for the purpose of shareholder returns (equivalent to approximately ¥7.0 billion) are planned to be handled in accordance with this policy.

On the other hand, treasury shares acquired as part of efforts to optimize the Company’s capital structure (equivalent to approximately ¥35.0 billion) were, from the outset, scheduled to be cancelled, taking into consideration the Company’s policy and the elimination of concerns regarding future share dilution. This cancellation is being carried out as originally planned.

2. Method of Cancellation

Reduction of other capital surplus

3. Class of Shares to be Cancelled

Common shares

4. Number of Shares to be Cancelled

7,833,411 shares

(3.3% of the total number of shares outstanding prior to the cancellation)

5. Scheduled Date of Cancellation

February 27, 2026 (scheduled)

6. Total Number of Shares Outstanding after the Cancellation

228,400,000 shares

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).