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**Consolidated Financial Results for the Second Quarter (Interim) of the
Fiscal Year Ending December 31, 2024 [IFRS] (Consolidated)**

August 8, 2024

Broadleaf Co., Ltd
 Stock listing: Tokyo Stock Exchange Prime Market
 Representative: Representative Director, President and CEO Kenji Oyama
 Scheduled date of commencement of dividend payout
 Earnings Supplementary Explanatory Documents Yes
 Earnings Results Briefing: Yes (For institutional investors and analysts)

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the 2Q (Interim) of the Fiscal Year Ending December 31, 2024 (January 1, 2024-June 30, 2024)

(1) Consolidated Operating Results (Cumulative) (Percentage below represents increase (decrease) from the same period of previous interim term)

| | Revenue | | Operating profit | | Profit before tax | | Interim profit | | Interim profit attributable to owners of the parent | | Total comprehensive income | |
|-----------|-----------------|------|------------------|---|-------------------|---|-----------------|---|-----------------------------------------------------|---|----------------------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 2Q FY2024 | 8,421 | 14.0 | -44 | - | 16 | - | -18 | - | -14 | - | 84 | - |
| 2Q FY2023 | 7,390 | 13.3 | -1,111 | - | -1,102 | - | -844 | - | -826 | - | -635 | - |

(NOTE) During the 2Q of the fiscal year ending December 2024, the Company recorded an operating profit of 66 million yen, returning to the BLACK.

| | Basic interim earnings per share | Diluted earnings per share |
|-----------|----------------------------------|----------------------------|
| | Yen | Yen |
| 2Q FY2024 | -0.15 | -0.15 |
| 2Q FY2023 | -9.33 | -9.33 |

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of the parent | Percentage of equity attributable to owners of the parent |
|-----------|-----------------|-----------------|---------------------------------------------|-----------------------------------------------------------|
| | Millions of yen | Millions of yen | Millions of yen | % |
| 2Q FY2024 | 38,851 | 22,649 | 22,641 | 58.3 |
| FY2023 | 36,750 | 22,487 | 22,473 | 61.2 |

2. Dividends

| | Dividend per share | | | | |
|-------------------|--------------------|---------|-----------|----------|-------|
| | End of 1Q | Interim | End of 3Q | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY2023 | - | 0.00 | - | 1.00 | 1.00 |
| FY2024 | - | 0.00 | - | - | - |
| FY2024 (forecast) | - | - | - | 2.00 | 2.00 |

(NOTE) Revisions to the latest announced dividend forecasts: None

Forecast of Consolidated Financial Results for the Fiscal Year Ending December 3, 2024 (January 1, 2024-December 31, 2024)

(Percentage below represents increase (decrease) from the same period of previous year)

| | Revenue | | Operating profit | | Profit before tax | | Profit attributable to owners of the parent | | Basic earnings per share |
|--------|-----------------|------|------------------|---|-------------------|---|---------------------------------------------|---|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| FY2024 | 17,600 | 14.4 | 50 | - | 100 | - | 90 | - | 1.01 |

(NOTE) Revisions to the most recently announced earnings forecasts: Yes

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※ Notes

(1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries with changes in the scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than the above 1: None
3. Changes in accounting estimates: None

(3) Number of shares outstanding (common stock)

| | | | | |
|----------------------------------------------------------------|-----------|-------------------|-----------|-------------------|
| 1. Number of shares outstanding (including treasury shares) | 2Q FY2024 | 97,896,800 Shares | FY 2023 | 97,896,800 Shares |
| 2. Number of shares of treasury shares | 2Q FY2024 | 8,684,028 Shares | FY 2023 | 9,095,224 Shares |
| 3. Average number of shares outstanding (during the period) | 2Q FY2024 | 89,024,147 Shares | 2Q FY2023 | 88,600,610 Shares |

* The financial results for the 2Q (interim term) are not subject to review by a certified public accountant or an auditing firm.

* Comments regarding appropriate usage of earnings forecasts, and other special notes

(Notes on forward-looking statements)

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to Broadleaf Co., Ltd. Group (hereinafter “the Group”) and certain assumptions which are regarded as legitimate. The Group makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

(Availability of earnings supplementary explanatory documents and information on earnings results briefings)

The Group plans to hold an online live presentation for institutional investors and analysts on Thursday, August 8, 2024. The materials used at the meeting will be posted on its website.

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1. Qualitative Information on the Current Interim Financial Results

(1) Explanation of Results of Operations

During the current interim consolidated accounting period (January 1, 2024 to June 30, 2024), the Japanese economy continued its moderate recovery trend. As for capital investment, there were marked signs of a pick-up against the backdrop of firm corporate profits. On the other hand, the situation remains highly uncertain, partly due to risk factors that could exert downward pressure on the economy in the future, such as the impact of rising prices against the backdrop of the yen's depreciation and other factors, and the high interest rates in the U.S. and Europe.

In terms of trends in IT investing, there was engagement in digital transformation (DX), including not only operational reforms but also the creation of new digital services using generating AI and other resources. The mobility sector, to which many of our customers belong, has also been actively investing in IT across a wide range of areas, including not only work style reforms and tackling labor shortages, but also reviewing supply chains to improve productivity and addressing digital administration.

Under such a business environment, our group is promoting the growth strategies of “Cloud Penetration” and “Service Expansion”, as outlined in the Medium-Term Management Plan (2022-2028) (hereinafter “the Plan”). The Group is gradually transitioning customers belonging to in the Mobility sector that use packaged systems to cloud services. And the Group is also working to acquire new customers. In addition, the Group is working to increasing added value for our customers by expanding our service menu and improving processing performance in order to expand the industries and customer sizes to which cloud services are targeted by our cloud services.

During the current interim consolidated accounting period, cloud service revenues increased 63.4% year on year due to an increase in subscription contracts, including “.c Series” cloud software. In addition, sales of packaged software for the non-mobility sector remained flat year on year. On the other hand, customers in the mobility sector successively switched to “.c Series” of cloud software following the expiration of usage deadlines, resulting in a 6.2% decline in packaged system sales.

The switch to “.c Series” cloud software by customers using packaged software contributes to the decline in packaged system revenues. On the other hand, this is a factor behind the increase in both cloud service sales and overall sales. This factor is expected to continue until FY2028, when the switch for all customers is completed.

In terms of cost, the Group is continuing to develop cloud software to expand functions and improve performance. On the other hand, cost of sales and SG&A expenses remained at the same level as the same period of the previous fiscal year due to a reduction in expenditures related to sales activities and management operations by promoting the efficiency of business processes.

As a result of the above, the Group recorded revenue of 8,421 million yen (up 14.0% year on year), operating loss of 44 million yen (loss of 1,111 million yen in the same period of the previous fiscal year), profit before income taxes of 16 million yen (loss of 1,102 million yen in the same period of the previous fiscal year), and interim loss attributable to owners of the parent of 14 million yen (loss of 826 million yen in the same period of the previous fiscal year). During the second quarter of the fiscal year under review (April 1, 2024 to June 30, 2024), operating income was 66 million yen, and the Group moved into the black figure from an operating loss of 109 million yen in the first quarter of the fiscal year under review (January 1, 2024 to March 31, 2024).

The Group is a single segment of IT Services Business, but the breakdown of revenues by service category is as follows.

(Millions of yen)

| Classification | Previous interim fiscal year (From January 1, 2023 to June 30, 2023) | End of interim fiscal year (From January 1, 2024 to June 30, 2024) | YoY ratio |
|-----------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------|
| Cloud services | 2,141 | 3,498 | 63.4% |
| Packaged system | 5,248 | 4,923 | -6.2% |
| Total | 7,390 | 8,421 | 14.0% |

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(2) Description of Financial Position

(i) Analysis of financial condition

(Assets)

Assets at the end of the current interim consolidated accounting period increased by 2,101 million yen from the end of the previous consolidated accounting year to 38,851 million yen. Current assets increased 737 million yen to 7,791 million yen, and non-current assets increased 1,363 million yen to 31,060 million yen. Current assets increased mainly due to increases of 438 million yen in trade and other receivables, 135 million yen in other current assets, and 116 million yen in cash and cash equivalents. The increase in non-current assets was mainly due to an increase in intangible assets of 1,261 million yen.

(Liabilities)

Liabilities at the end of the current interim consolidated accounting period were 16,201 million yen, an increase of 1,938 million yen from the end of the previous consolidated accounting year. Current liabilities increased 487 million yen to 11,566 million yen, while non-current liabilities increased 1,451 million yen to 4,635 million yen. The increase in current liabilities was mainly due to increases of 1,147 million yen in contract liabilities, 172 million yen in income taxes payable, and 144 million yen in other current liabilities, despite a decrease of 964 million yen in short-term interest-bearing debt. The increase in non-current liabilities was mainly attributable to an increase of 1,456 million yen in long-term interest-bearing debt.

(Equity)

Equity at the end of the current interim consolidated accounting period was 22,649 million yen, an increase of 163 million yen from the end of the previous consolidated accounting year. The increase in equity was mainly due to a decrease of 47 million yen in other components of equity, a decrease of 10 million yen in retained earnings, a decrease of 118 million yen in treasury stock, and an increase of 107 million yen in capital surplus.

(ii) Analysis of cash flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the current interim consolidated accounting period increased by 116 million yen from the end of the previous consolidated accounting year to 4,036 million yen.

The situation of each cash flow during the current interim consolidated accounting period and its factors are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 2,089 million yen (up 85.5% year on year). This was mainly due to increases in depreciation and amortization of 1,405 million yen and contract liabilities of 1,147 million yen, despite a decrease in funds resulting from an increase in trade and other receivables of 437 million yen.

(Cash flow from investment activities)

Net cash used in investing activities was 2,038 million yen (up 6.3% year on year). This was mainly due to payments for purchase of intangible assets of 2,270 million yen, despite proceeds from sales and redemption of investments of 331 million yen.

(Cash flow from financing activities)

Net cash provided by financing activities was 63 million yen, down 91.3% year on year. This was mainly due to proceeds from long-term loans payable of 4,700 million yen despite a net decrease in short-term loans payable of 2,900 million yen, repayments of long-term loans payable of 1,188 million yen, repayments of lease liabilities of 423 million yen, cash dividends paid of 89 million yen, and expenses related to the commitment line of 37 million yen.

(3) Qualitative information on consolidated earnings forecasts

Consolidated earnings forecasts for the current consolidated fiscal year (January 1, 2024 to December 31, 2024) have been revised from the forecasts in the "Summary of Financial Statements for FY2023 [IFRS] (Consolidated)" announced on February 9, 2024, to 100 million yen (up 100.0% from the previous forecast) and 90 million yen (up 125.0% from the previous forecast) for profit attributable to owners of the parent, taking into account the results in the current interim consolidated fiscal year and business trends from the 3Q onward. For details, please refer to the "Notice Regarding Differences between Consolidated Earnings Forecast and Actual Results for the First Six Months and Revisions to Consolidated Earnings Forecast for the Full Year" dated August 8, 2024.

With regard to dividends, there is no change from the description in the "Notice of Revision of Dividend Forecast for the Fiscal Year Ending December 31, 2024" announced on June 18, 2024, and the year-end dividend is expected to be 2 yen per share.

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2. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Thousands of yen)

| | Previous consolidated fiscal year (As of December 31, 2023) | End of Interim fiscal year (As of June 30, 2024) |
|---------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 3,920,033 | 4,036,336 |
| Operating and other receivables | 2,710,922 | 3,149,165 |
| Inventories | 100,931 | 148,115 |
| Other financial assets | - | 230 |
| Other current assets | 321,609 | 457,092 |
| Total current assets | 7,053,496 | 7,790,938 |
| Non-current assets | | |
| Property, plant and equipment | 1,488,379 | 1,359,712 |
| Goodwill | 11,126,040 | 11,126,040 |
| Intangible assets | 14,067,950 | 15,329,165 |
| Investments accounted for using equity method | 81,175 | 226,027 |
| Other financial assets | 1,181,240 | 1,051,117 |
| Other non-current assets | 145,297 | 266,437 |
| Deferred tax assets | 1,606,193 | 1,701,130 |
| Total non-current assets | 29,696,276 | 31,059,628 |
| Total assets | 36,749,771 | 38,850,565 |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Operating and other payables | 2,827,827 | 2,815,597 |
| Contract liabilities | 3,169,790 | 4,317,141 |
| Short-term interest-bearing debts | 4,476,551 | 3,512,282 |
| Accrued income taxes | 3,925 | 175,734 |
| Other current liabilities | 600,877 | 745,340 |
| Total current liabilities | 11,078,970 | 11,566,094 |
| Non-current liabilities | | |
| Long-term interest-bearing debts | 2,772,578 | 4,229,002 |
| Obligations for retirement pay | 235,776 | 239,145 |
| Provisional sum | 137,049 | 137,173 |
| Other non-current liabilities | 38,814 | 29,677 |
| Total non-current liabilities | 3,184,217 | 4,634,997 |
| Total liabilities | 14,263,186 | 16,201,090 |
| Equity | | |
| Capital stock | 7,147,905 | 7,147,905 |
| Share premium | 7,449,297 | 7,556,187 |
| Treasury shares | -3,045,268 | -2,927,139 |
| Retained earnings | 10,057,477 | 10,046,978 |
| Other components of equity | 864,081 | 817,095 |
| Total equity attributable to owners of the parent | 22,473,492 | 22,641,026 |
| Non-controlling interests | 13,093 | 8,449 |
| Total equity | 22,486,585 | 22,649,475 |
| Total liabilities and equity | 36,749,771 | 38,850,565 |

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

(Thousands of yen)

| | Previous interim fiscal year (From January 1, 2023 to June 30, 2023) | End of Interim fiscal year (From January 1, 2024 to June 30, 2024) |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Revenue | 7,389,797 | 8,421,010 |
| Cost of sales | -2,984,930 | -2,961,018 |
| Gross profit | 4,404,867 | 5,459,992 |
| Selling, general and administrative expenses | -5,528,472 | -5,550,286 |
| Other operating income | 42,409 | 51,057 |
| Other operating expenses | -29,846 | -4,377 |
| Operating loss (- shows loss) | -1,111,043 | -43,615 |
| Finance income | 53,757 | 64,089 |
| Finance costs | -35,085 | -48,298 |
| Share of profit (loss) of entities accounted for using equity method (- shows loss) | -9,404 | 44,202 |
| Interim profit or loss before tax (- shows loss) | -1,101,775 | 16,378 |
| Income tax | 257,383 | -34,606 |
| Interim loss (- shows loss) | -844,392 | -18,228 |
| Attribution of interim loss (- shows loss) | | |
| Owners of the parent | -826,386 | -13,585 |
| Non-controlling interests | -18,006 | -4,643 |
| Interim loss (- shows loss) | -844,392 | -18,228 |
| Interim loss per share (- shows loss) | | |
| Basic interim loss per share (- shows loss) (yen) | -9.33 | -0.15 |
| Diluted interim loss per share (- shows loss) (yen) | -9.33 | -0.15 |

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(Condensed Interim Consolidated Statement of Comprehensive Income)

(Thousands of yen)

| | Previous interim fiscal year (From January 1, 2023 to June 30, 2023) | End of Interim fiscal year (From January 1, 2024 to June 30, 2024) |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Interim loss (- shows loss) | -844,392 | -18,228 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income | 209,831 | 107,301 |
| Total items that will not be reclassified to profit or loss | 209,831 | 107,301 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translating foreign operations | -68 | -5,359 |
| Total items that may be reclassified to profit or loss | -68 | -5,359 |
| Total other comprehensive income, net of tax | 209,763 | 101,942 |
| Interim comprehensive income | -634,629 | 83,714 |
| Comprehensive income attributable to | | |
| Owners of the parent | -616,623 | 88,357 |
| Non-controlling interests | -18,006 | -4,643 |
| Interim comprehensive income | -634,629 | 83,714 |

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(3) Condensed Interim Consolidated Statement of Changes in Equity

Previous interim consolidated accounting period (From January 1, 2023 to June 30, 2023)

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | | |
|---------------------------------------------------------------|---------------------------------------------|---------------|-----------------|-------------------|----------------------------|-------------------------------------------|
| | Capital stock | Share premium | Treasury shares | Retained earnings | Other components of equity | |
| | | | | | Warrants | Shares with restriction on transfer Stock |
| Balance as of January 1, 2023 | 7,147,905 | 7,366,245 | -3,167,193 | 11,656,730 | 812,624 | -12,888 |
| Interim loss (- shows loss) | - | - | - | -826,386 | - | - |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | -826,386 | - | - |
| Disposal of treasury shares | - | 104,026 | 121,926 | - | -173,330 | -56,000 |
| Dividends | - | - | - | -88,389 | - | - |
| Share-based payment transactions | - | - | - | 4,577 | 122,378 | 26,888 |
| Transfer from other components of equity to retained earnings | - | - | - | -7,500 | - | - |
| Total transactions with owners | - | 104,026 | 121,926 | -91,312 | -50,952 | -29,112 |
| Balance as of June 30, 2023 | 7,147,905 | 7,470,271 | -3,045,268 | 10,739,032 | 761,673 | -42,000 |

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | Non-controlling interests | Total equity |
|---------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------|------------|---------------------------|--------------|
| | Other components of equity | | | Total | | |
| | Exchange differences on translating foreign operations | Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income | Total | | | |
| Balance as of January 1, 2023 | -41,414 | -130,086 | 628,237 | 23,631,923 | 30,194 | 23,662,116 |
| Interim loss (- shows loss) | - | - | - | -826,386 | -18,006 | -844,392 |
| Other comprehensive income | -68 | 209,831 | 209,763 | 209,763 | - | 209,763 |
| Total comprehensive income | -68 | 209,831 | 209,763 | -616,623 | -18,006 | -634,629 |
| Disposal of treasury shares | - | - | -229,330 | -3,377 | - | -3,377 |
| Dividends | - | - | - | -88,389 | - | -88,389 |
| Share-based payment transactions | - | - | 149,266 | 153,843 | - | 153,843 |
| Transfer from other components of equity to retained earnings | - | 7,500 | 7,500 | - | - | - |
| Total transactions with owners | - | 7,500 | -72,564 | 62,076 | - | 62,076 |
| Balance as of June 30, 2023 | -41,482 | 87,245 | 765,435 | 23,077,375 | 12,188 | 23,089,563 |

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Current interim consolidated accounting period (From January 1, 2024 to June 30, 2024)

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | | |
|---------------------------------------------------------------|---------------------------------------------|---------------|-----------------|-------------------|----------------------------|-------------------------------------------|
| | Capital stock | Share premium | Treasury shares | Retained earnings | Other components of equity | |
| | | | | | Warrants | Shares with restriction on transfer Stock |
| Balance as of January 1, 2024 | 7,147,905 | 7,449,297 | -3,045,268 | 10,057,477 | 876,989 | -14,000 |
| Interim loss (- shows loss) | - | - | - | -13,585 | - | - |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | -13,585 | - | - |
| Disposal of treasury shares | - | 106,890 | 118,129 | - | -173,420 | -55,996 |
| Dividends | - | - | - | -88,802 | - | - |
| Share-based payment transactions | - | - | - | 1,327 | 143,049 | 27,999 |
| Transfer from other components of equity to retained earnings | - | - | - | 90,560 | - | - |
| Total transactions with owners | - | 106,890 | 118,129 | 3,086 | -30,370 | -27,997 |
| Balance as of June 30, 2024 | 7,147,905 | 7,556,187 | -2,927,139 | 10,046,978 | 846,619 | -41,997 |

(Thousands of yen)

| | Equity attributable to owners of the parent | | | | Non-controlling interests | Total equity |
|---------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------|------------|---------------------------|--------------|
| | Other components of equity | | | Total | | |
| | Exchange differences on translating foreign operations | Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income | Total | | | |
| Balance as of January 1, 2024 | -41,960 | 43,051 | 864,081 | 22,473,492 | 13,093 | 22,486,585 |
| Interim loss (- shows loss) | - | - | - | -13,585 | -4,643 | -18,228 |
| Other comprehensive income | -5,359 | 107,301 | 101,942 | 101,942 | - | 101,942 |
| Total comprehensive income | -5,359 | 107,301 | 101,942 | 88,357 | -4,643 | 83,714 |
| Disposal of treasury shares | - | - | -229,416 | -4,398 | - | -4,398 |
| Dividends | - | - | - | -88,802 | - | -88,802 |
| Share-based payment transactions | - | - | 171,048 | 172,376 | - | 172,376 |
| Transfer from other components of equity to retained earnings | - | -90,560 | -90,560 | - | - | - |
| Total transactions with owners | - | -90,560 | -148,928 | 79,176 | - | 79,176 |
| Balance as of June 30, 2024 | -47,318 | 59,792 | 817,095 | 22,641,026 | 8,449 | 22,649,475 |

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(4) Condensed Interim Consolidated Statements of Cash Flows

(Thousands of yen)

| | Previous interim fiscal year (From January 1, 2023 to June 30, 2023) | End of Interim fiscal year (From January 1, 2024 to June 30, 2024) |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Cash flow from operating activities | | |
| Interim profit or loss before tax (- shows loss) | -1,101,775 | 16,378 |
| Depreciation and amortization expense | 1,339,862 | 1,404,679 |
| Impairment loss | - | 39,128 |
| Share-based payment expense | 128,975 | 144,963 |
| Finance costs (- shows income) | -18,109 | -15,791 |
| Equity in loss (- shows earnings) of affiliates | 9,404 | -44,202 |
| Decrease (- shows increase) in trade and other receivables | -109,691 | -436,969 |
| Decrease (- shows increase) in inventories | 5,096 | -47,184 |
| Increase (- shows decrease) in trade and other payables | 60,542 | -11,078 |
| Decrease (- shows increase) in prepaid expenses | -100,847 | -152,081 |
| Decrease (- shows increase) in long-term prepaid expenses | 45,256 | -112,407 |
| Increase (- shows decrease) in employees' bonuses payable | 22,288 | 42,206 |
| Increase (- shows decrease) in contract liabilities | 910,819 | 1,147,351 |
| Increase (- shows decrease) in consumption taxes payable | -43,824 | 113,193 |
| Others | -6,873 | 15,261 |
| Subtotal | 1,141,123 | 2,103,447 |
| Interest received | 77 | 6,048 |
| Dividend received | 7,005 | 2,614 |
| Interest expenses paid | -16,054 | -19,969 |
| Income taxes paid or refunded (- shows payment) | -6,189 | -3,312 |
| Cash flow from operating activities | 1,125,961 | 2,088,828 |
| Cash flow from investing activities | | |
| Acquisition of property, plant and equipment | -22,322 | -3,103 |
| Proceeds from sales of property, plant and equipment | - | 1,639 |
| Acquisition of intangible assets | -1,900,130 | -2,270,217 |
| Acquisition of investments | - | -10,608 |
| Proceeds from sales and redemption of investments | 7,500 | 331,441 |
| Loan advances | -5,332 | -230 |
| Collection of loans receivable | 2,185 | 2,766 |
| Payments for lease and guarantee deposits | -878 | -2,814 |
| Proceeds from collection of lease and guarantee deposits | 1,463 | 6,629 |
| Expenses for acquisition of investments accounted for using the equity method | - | -100,650 |
| Others | 522 | 7,200 |
| Cash flow from investing activities | -1,916,991 | -2,037,947 |

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(Thousands of yen)

| | Previous interim fiscal year (From January 1, 2023 to June 30, 2023) | End of Interim fiscal year (From January 1, 2024 to June 30, 2024) |
|---------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Cash flow from financing activities | | |
| Net increase (- shows decrease) in short-term loans payable | 1,680,000 | -2,900,000 |
| Proceeds from long-term debt | - | 4,700,000 |
| Repayments of long-term debt | -437,500 | -1,188,406 |
| Repayments of lease obligations | -427,229 | -423,368 |
| Cash dividends paid | -88,389 | -88,802 |
| Expenses related to commitment lines | -9,962 | -36,779 |
| Cash flow from financing activities | 716,919 | 62,645 |
| Impact of exchange fluctuations for cash and cash equivalents | 2,910 | 2,776 |
| Net increase (- shows decrease) in cash and cash equivalents | -71,201 | 116,303 |
| Cash and cash equivalents at beginning of period | 3,456,772 | 3,920,033 |
| Interim terms ending balance of cash and cash equivalents | 3,385,572 | 4,036,336 |

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(5) Notes to Condensed Interim Consolidated Financial Statements

(Notes on the going concern)

Not applicable.

(Segment information)

This information is omitted because the Group only has a single business segment of the IT services.