

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2026
(Six Months Ended December 31, 2025)

[Japanese GAAP]

February 13, 2026

Company name: Smartvalue Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 9417

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Scheduled date to submit semi-annual report:

February 13, 2026

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for financial results:

Yes

Holding of financial results meeting:

Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2026
(July 1, 2025 to December 31, 2025)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Dec. 31, 2025	2,830	56.7	(49)	-	(498)	-	(627)	-
Six months ended Dec. 31, 2024	1,806	5.4	(152)	-	(157)	-	(187)	-

Note: Comprehensive income (millions of yen) Six months ended Dec. 31, 2025: (716) (-%)

Six months ended Dec. 31, 2024: (186) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Dec. 31, 2025	(61.23)	-
Six months ended Dec. 31, 2024	(18.00)	-

Note: Diluted net income per share is not presented because there are no latent shares with a dilution effect.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2025	23,324	2,039	7.2
As of Jun. 30, 2025	24,903	2,998	10.2

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2025: 1,674 As of Jun. 30, 2025: 2,543

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2025	-	0.00	-	8.00	8.00
Fiscal year ending Jun. 30, 2026	-	0.00			
Fiscal year ending Jun. 30, 2026 (forecast)			-	10.00	10.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2026 (July 1, 2025 to June 30, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,936	36.1	261	-	(634)	-	(789)	-	(77.06)

Note: Revisions to the most recently announced consolidated earnings forecast: Yes

For revisions to the consolidated earnings forecast, please refer to the press release dated February 13, 2026 titled "Notice of Differences between First Half Performance and Forecast, Posting of Extraordinary Income/Loss, Reversal of Deferred Tax Assets and Revision to Full-Year Earnings Forecast."

*** Notes**

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

(2) Application of special accounting methods for presenting semi-annual consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

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

As of Dec. 31, 2025:	10,679,800 shares	As of Jun. 30, 2025:	10,679,800 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2025:	630,690 shares	As of Jun. 30, 2025:	287,490 shares
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3) Average number of shares outstanding during the period

Six months ended Dec. 31, 2025:	10,245,833 shares	Six months ended Dec. 31, 2024:	10,392,310 shares
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* The current semi-annual financial report is not subject to the review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecast and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to Smartvalue's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to the section "1. Qualitative Information on Semi-annual Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements" on page 4 of the attachments regarding preconditions or other related matters for the forecasts.

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1. Qualitative Information on Semi-annual Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first six months of the current fiscal year, the Japanese economy continued to recover moderately. However, the economic outlook remained highly uncertain. The uncertainty was exacerbated by U.S. tariff policies and unstable international conditions. Meanwhile, consumer spending was stagnant due to rising consumer prices, especially in the energy sector.

In this challenging business climate, the activities of the Smartvalue Group are guided by the mission of “combining ‘smart’ systems and technologies to create social systems that can thrive for many years.”

Net sales increased significantly in the first six months as the Group steadily acquired revenue sources, particularly through leasing and partnership contracts for GLION ARENA KOBE (note 1), a multi-purpose arena that opened in April. In the Mobility Services segment, monthly recurring revenue (MRR) increased due to an increase in the number of contracts, and operational efficiency improved. Consolidated net sales increased 56.7% to 2,830 million yen. There were an operating loss of 49 million yen compared with a loss of 152 million yen one year earlier, an ordinary loss of 498 million yen compared with a loss of 157 million yen one year earlier, and loss attributable to owners of parent of 627 million yen compared with a loss of 187 million yen one year earlier.

In the first six months of the fiscal year under review, the recording of a large amount of interest expense due to the adoption of the lease accounting standard, and impairment loss on non-current assets of the Osaka Head office, which is planned to be relocated, put pressure on profitability.

Business segment performance was as follows. Segments changed in the first six months under review because certain operations of the Digital Government segment were transferred on June 30, 2025. Comparisons with results of operations in the first six months of the previous fiscal year are based on the revised business segments. For further information, please refer to “2. Semi-annual Consolidated Financial Statements and Notes, (4) Notes to Semi-annual Consolidated Financial Statements, Segment and Other Information, 4. Information related to revisions for reportable segments.”

Mobility Services

This segment now faces a once-in-a-century turning point in the automobile industry. It operated a broad range of mobility IoT services. They include a connected car (note 2) service under the name of the CiEMS Series (note 3) and the provision of Kuruma Base (note 4), which is a platform for supporting the development of car-as-a-service applications, such as platforms and software for encouraging the use of automobile data as well as car sharing and other unmanned services.

There was a special demand due to the replacement of vehicle-mounted devices following the discontinuation of 3G mobile services in the first six months under review. Additionally, the Group focused on reducing costs and improving operational efficiency to enhance profitability. Consequently, the cost ratio improved, leading to increases in both sales and profits.

As a result, segment sales increased 7.0% from one year earlier to 627 million yen and the segment profit increased 29.4% to 131 million yen.

Smart Venues

The Smart Venues segment has the goal of creating new markets based on the concepts of stadium and arena innovations and smart venues, which governments are positioning as growing business sectors. Operations of this business are centered on GLION ARENA KOBE, which opened in April 2025. The Group endeavors to develop the arena into a facility where the earnings from the facility will support growth of the Group.

In the first six months under review, the Group established new leasing and partnership contracts for GLION ARENA KOBE and recorded ticket sales by hosting its own events. Consequently, both sales and profits increased.

Segment sales increased 265.9% from one year earlier to 2,218 million yen and the segment loss was 12 million yen compared with a loss of 136 million yen one year earlier.

Explanation of terms

Notes:

1. GLION ARENA KOBE: A multi-purpose arena was opened in the second jetty of the New Port Jetty West Area in the City of Kobe based on the Kobe Arena Project, which was established and is operated by the private sector and consists of a consortium of NTT Urban Development Corporation, NTT DOCOMO, INC., and the Company. The arena was officially named GLION ARENA KOBE in February 2024.
2. Connected car: Automobiles that use the internet to send and receive information
3. CiEMS Series: The Car intelligent Energy Management System provided by the Company that analyzes and utilizes a broad array of data associated with the operation of motor vehicles to eliminate traffic accidents, reduce traffic jams, operate vehicles more efficiently and provide other benefits. By fully utilizing data obtained from the operation of cars, this system also has the goal of helping solve a variety of social issues.
4. Kuruma Base: An integrated platform provided by the Company that encompasses car connectivity and car-as-a-service applications

(2) Explanation of Financial Position

1. Assets, liabilities and net assets

1) Assets

Total assets at the end of the second quarter decreased 1,578 million yen from the end of the previous fiscal year to 23,324 million yen.

Current assets decreased 909 million yen to 4,500 million yen. Major items include an increase of 63 million yen in notes and accounts receivable-trade, and contract assets, and a decrease of 652 million yen in cash and deposits.

Non-current assets decreased 668 million yen to 18,822 million yen. This mainly reflects decreases of 164 million yen in buildings and structures, 419 million yen in leased assets and 110 million yen in deferred tax assets, offsetting an increase of 43 million yen in software.

Deferred assets decreased 977 thousand yen to 819 thousand yen. Major items include a decrease of 918 thousand yen in share issuance cost.

2) Liabilities

Total liabilities decreased 620 million yen from the end of the previous fiscal year to 21,284 million yen.

Current liabilities decreased 307 million yen to 2,522 million yen. Major items include an increase of 96 million yen in contract liabilities and a decrease of 489 million yen in income taxes payable.

Non-current liabilities decreased 313 million yen to 18,761 million yen. Major items include decreases of 102 million yen in long-term borrowings and of 183 million yen in lease liabilities.

3) Net assets

Net assets decreased 958 million yen from the end of the previous fiscal year to 2,039 million yen. This decrease was mainly the result of dividend payments of 83 million yen, a decrease in retained earnings of 710 million yen due to loss attributable to owners of parent of 627 million yen and purchase of treasury shares of 158 million yen.

2. Cash flows

Cash and cash equivalents (hereinafter, "cash") at the end of the second quarter decreased 652 million yen from the end of the previous fiscal year to 3,474 million yen. The cash flow components and the main reasons for changes are as follows.

Cash flows from operating activities

Net cash used in operating activities was 85 million yen, compared with 48 million yen used in the same period of the previous fiscal year. Positive factors include depreciation of 537 million yen, an adjustment related to interest expense of 453 million yen and an increase of 403 million yen in accrued consumption taxes. Negative factors include loss before

income taxes of 567 million yen, interest paid of 450 million yen and income taxes paid of 467 million yen.

Cash flows from investing activities

Net cash used in investing activities was 75 million yen, compared with 486 million yen used in the same period of the previous fiscal year. Positive factors include proceeds from the refund of leasehold and guarantee deposits of 36 million yen. Negative factors include purchases of property, plant and equipment of 53 million yen and purchases of intangible assets of 45 million yen.

Cash flows from financing activities

Net cash used in financing activities was 490 million yen, compared with 451 million yen provided in the same period of the previous fiscal year. The main factors were repayments of long-term borrowings of 85 million yen, purchases of treasury shares of 158 million yen, repayments of lease liabilities of 166 million yen and dividends paid of 83 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

The Company has changed the full-year consolidated earnings forecasts for the fiscal year ending June 30, 2026, announced in “Consolidated Financial Results for the Fiscal Year Ended June 30, 2025 (Japanese GAAP)” dated August 14, 2025.

For more details, please refer to the press release dated February 13, 2026 titled “Notice of Differences between First Half Performance and Forecast, Posting of Extraordinary Income/Loss, Reversal of Deferred Tax Assets and Revision to Full-Year Earnings Forecast.”

2. Semi-annual Consolidated Financial Statements and Notes**(1) Semi-annual Consolidated Balance Sheet**

(Thousands of yen)

	FY6/25 (As of Jun. 30, 2025)	Second quarter of FY6/26 (As of Dec. 31, 2025)
Assets		
Current assets		
Cash and deposits	4,126,767	3,474,689
Notes and accounts receivable-trade, and contract assets	497,092	560,892
Merchandise	67,928	105,877
Work in progress	347	1,167
Other	718,583	358,324
Total current assets	5,410,720	4,500,950
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,377,768	2,213,577
Leased assets, net	16,243,476	15,824,299
Other, net	75,684	109,818
Total property, plant and equipment	18,696,929	18,147,695
Intangible assets		
Software	112,589	155,741
Other	28,934	21,488
Total intangible assets	141,524	177,229
Investments and other assets		
Deferred tax assets	161,463	50,559
Leasehold and guarantee deposits	287,691	252,906
Other	203,310	194,305
Total investments and other assets	652,465	497,771
Total non-current assets	19,490,918	18,822,695
Deferred assets		
Organization expenses	88	29
Share issuance costs	1,707	789
Total deferred assets	1,796	819
Total assets	24,903,435	23,324,465

	(Thousands of yen)	
	FY6/25 (As of Jun. 30, 2025)	Second quarter of FY6/26 (As of Dec. 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	79,876	91,035
Current portion of long-term borrowings	204,852	221,518
Lease liabilities	358,022	386,912
Income taxes payable	512,019	22,549
Contract liabilities	1,091,570	1,187,711
Provision for bonuses	95,233	66,125
Provision for customer loyalty points	675	1,297
Asset retirement obligations	12,268	7,851
Other	475,438	537,868
Total current liabilities	2,829,956	2,522,869
Non-current liabilities		
Long-term borrowings	1,792,872	1,690,446
Lease liabilities	16,311,366	16,127,789
Deferred tax liabilities	3,239	36,601
Asset retirement obligations	323,060	290,636
Other	644,185	616,149
Total non-current liabilities	19,074,723	18,761,623
Total liabilities	21,904,680	21,284,492
Net assets		
Shareholders' equity		
Share capital	1,044,944	1,044,944
Capital surplus	1,114,988	1,114,988
Retained earnings	537,861	(172,638)
Treasury shares	(154,411)	(313,167)
Total shareholders' equity	2,543,382	1,674,126
Non-controlling interests	455,373	365,846
Total net assets	2,998,755	2,039,972
Total liabilities and net assets	24,903,435	23,324,465

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statement of Income

(Thousands of yen)

	First six months of FY6/25 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/26 (Jul. 1, 2025 – Dec. 31, 2025)
Net sales	1,806,975	2,830,939
Cost of sales	1,191,479	1,971,117
Gross profit	615,496	859,821
Selling, general and administrative expenses	768,288	908,966
Operating loss	(152,792)	(49,144)
Non-operating income		
Interest income	104	2,238
Penalty income	2,936	2,140
Subsidy income	-	7,849
Rent revenue	14,267	30,539
Other	1,720	2,696
Total non-operating income	19,028	45,463
Non-operating expenses		
Interest expenses	7,364	453,040
Amortization of organization expenses	59	59
Amortization of share issuance costs	1,129	918
Rental costs	12,746	28,296
Other	2,455	12,869
Total non-operating expenses	23,755	495,184
Ordinary loss	(157,519)	(498,865)
Extraordinary income		
Gain on reversal of asset retirement obligations	-	5,856
Total extraordinary income	-	5,856
Extraordinary losses		
Loss on retirement of non-current assets	16	0
Impairment losses	-	68,704
Other	-	6,130
Total extraordinary losses	16	74,834
Loss before income taxes	(157,536)	(567,843)
Income taxes-current	8,416	4,779
Income taxes-deferred	20,862	144,265
Total income taxes	29,278	149,044
Loss	(186,814)	(716,888)
Profit (loss) attributable to non-controlling interests	295	(89,526)
Loss attributable to owners of parent	(187,109)	(627,361)

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	First six months of FY6/25 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/26 (Jul. 1, 2025 – Dec. 31, 2025)
Loss	(186,814)	(716,888)
Comprehensive income	(186,814)	(716,888)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(187,109)	(627,361)
Comprehensive income attributable to non-controlling interests	295	(89,526)

(3) Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY6/25 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/26 (Jul. 1, 2025 – Dec. 31, 2025)
Cash flows from operating activities		
Loss before income taxes	(157,536)	(567,843)
Gain on reversal of asset retirement obligations	-	(5,856)
Depreciation	60,371	537,923
Amortization of goodwill	8,121	-
Impairment losses	-	68,704
Increase (decrease) in allowance for doubtful accounts	6	-
Increase (decrease) in provision for bonuses	31,549	(29,108)
Increase (decrease) in provision for point card certificates	-	621
Interest and dividend income	(104)	(2,238)
Interest expenses	7,364	453,040
Loss on retirement of non-current assets	16	0
Subsidy income	-	(7,849)
Decrease (increase) in accounts receivable - trade, and contract assets	(206,518)	(63,799)
Decrease (increase) in inventories	612	(38,769)
Increase (decrease) in trade payables	(24,996)	11,158
Increase (decrease) in contract liabilities	238,572	96,140
Decrease (increase) in prepaid expenses	2,304	16,718
Increase (decrease) in accounts payable-other	35,279	32,293
Increase (decrease) in accrued consumption taxes	(46,422)	403,801
Increase (decrease) in deposits received	(4,981)	46,125
Other, net	10,475	(121,236)
Subtotal	(45,883)	829,828
Interest and dividends received	104	2,238
Interest paid	(5,895)	(450,567)
Income taxes paid	(8,416)	(467,572)
Income taxes refund	11,598	99
Net cash provided by (used in) operating activities	(48,493)	(85,973)
Cash flows from investing activities		
Purchase of property, plant and equipment	(447,266)	(53,846)
Purchase of intangible assets	(57,390)	(45,859)
Proceeds from sale of businesses	18,822	-
Payments of leasehold and guarantee deposits	(2,635)	(1,868)
Proceeds from refund of leasehold and guarantee deposits	2,417	36,653
Payments for asset retirement obligations	-	(10,508)
Other, net	48	(1)
Net cash provided by (used in) investing activities	(486,003)	(75,429)

(Thousands of yen)

	First six months of FY6/25 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/26 (Jul. 1, 2025 – Dec. 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	80,280	-
Proceeds from long-term borrowings	482,090	-
Repayments of long-term borrowings	(39,720)	(85,760)
Purchase of treasury shares	-	(158,755)
Repayments of lease liabilities	(8,854)	(166,220)
Repayments of installment payables	-	(26,499)
Dividends paid	(62,230)	(83,043)
Proceeds from sale and leaseback transactions	-	29,604
Net cash provided by (used in) financing activities	451,564	(490,675)
Net increase (decrease) in cash and cash equivalents	(82,931)	(652,078)
Cash and cash equivalents at beginning of period	1,726,858	4,126,767
Cash and cash equivalents at end of period	1,643,926	3,474,689

(4) Notes to Semi-annual Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

The Company acquired 343,200 shares of treasury shares in accordance with resolutions of the Board of Directors at its meetings held on September 5 and November 19, 2025. As a result, treasury shares increased by 158 million yen during the second quarter under review, and treasury shares amounted to 313 million yen as of December 31, 2025.

Segment and Other Information

Segment Information

First six months of FY6/25 (Jul. 1, 2024 – Dec. 31, 2024)

1. Information about net sales and profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amounts shown on semi-annual consolidated statement of income (Note 2)
	Digital Government	Mobility Services	Smart Venues	Total		
Net sales						
Goods or services that are transferred at a point in time	2,572	223,069	105,669	331,311	-	331,311
Goods or services that are transferred over a certain period of time	631,308	363,383	480,972	1,475,664	-	1,475,664
Revenue from contracts with customers	633,881	586,453	586,641	1,806,975	-	1,806,975
Other revenue	-	-	-	-	-	-
External sales	633,881	586,453	586,641	1,806,975	-	1,806,975
Inter-segment sales and transfers	-	-	19,661	19,661	(19,661)	-
Total	633,881	586,453	606,303	1,826,637	(19,661)	1,806,975
Segment profit (loss)	85,854	101,685	(136,049)	51,490	(204,282)	(152,792)

Notes: 1. The adjustment to segment profit (loss) of negative 204 million yen is corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that do not belong to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating loss in the semi-annual consolidated statement of income.

2. Information related to assets for reportable segments

Not applicable.

3. Information related to impairment losses of non-current assets or goodwill, etc. for reportable segments

Not applicable.

First six months of FY6/26 (Jul. 1, 2025 – Dec. 31, 2025)

1. Information about net sales and profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amounts shown on semi-annual consolidated statement of income (Note 2)
	Digital Government	Mobility Services	Smart Venues	Total		
Net sales						
Goods or services that are transferred at a point in time	-	237,534	425,022	662,557	-	662,557
Goods or services that are transferred over a certain period of time	-	390,079	908,171	1,298,250	-	1,298,250
Revenue from contracts with customers	-	627,614	1,333,193	1,960,808	-	1,960,808
Other revenue	-	-	870,131	870,131	-	870,131
External sales	-	627,614	2,203,325	2,830,939	-	2,830,939
Inter-segment sales and transfers	-	-	15,181	15,181	(15,181)	-
Total	-	627,614	2,218,506	2,846,120	(15,181)	2,830,939
Segment profit (loss)	-	131,582	(12,911)	118,670	(167,815)	(49,144)

Notes: 1. The adjustment to segment profit (loss) of negative 167 million yen is corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that do not belong to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating loss in the semi-annual consolidated statement of income.

2. Information related to assets for reportable segments

Not applicable.

3. Information related to impairment losses of non-current assets or goodwill, etc. for reportable segments

(Significant impairment losses on non-current assets)

Regarding corporate assets that are not allocated to any of the reportable segments, the book value of the non-current assets of the Osaka Head Office, which is planned to be relocated, was reduced to the recoverable value, and the resulting decrease of 68 million yen was recorded under impairment losses.

4. Information related to revisions for reportable segments

(Reclassification of reportable segments)

For the fiscal year ended June 30, 2025, the Group had three reportable segments of Digital Government, Mobility Services and Smart Venues. Following the transfer of part of the Digital Government segment on June 30, 2025, the Digital Government segment was abolished at the close of the said fiscal year.

As a result, North Detail Co., Ltd., a consolidated subsidiary that fell under the Digital Government segment, has now been transferred to the Smart Venues segment, given that it plays a significant role in the information and communication technology (ICT) platform for community creation in the Smart Venues domain. From the first six months under review, the Group has two reportable segments Mobility Services and Smart Venues. Reportable segment information for the first six months of FY6/25 has been restated to conform with the new reportable segments.

Revenue Recognition

The information from the breakdown of revenue from contracts with customers is provided in Notes to Semi-annual Consolidated Financial Statements, Segment and Other Information.

* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.