Consolidated Financial Result

(For the 6-month period ended June 30, 2026)

August 6, 2026

Company name: **SIOS Corporation**
Address: 2-12-3 Minami Azabu, Minato-ku, Tokyo 106-0047 Japan
Stock exchange listings: Tokyo Stock Exchange (TSE)
Code number : 3744
URL: https://www.sios.com/
Representative: Nobuo Kita, Representative Director
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Scheduled date for filing of Semiannual report: August 7, 2026

(Note) All figures in the financial statements are rounded down to the nearest millionth.
'-' indicates a loss or negative figure.

1. Consolidated results (January 1, 2026 through June 30, 2026)

(% of change from previous same period)

(1) Consolidated business results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	**%**	**Million yen**	**%**	**Million yen**	**%**	**Million yen**	**%**
6-month period(2026/6)	**10,944**	**15.4**	**196**	**9.0**	**239**	**8.2**	**141**	**18.2**
6month period(2025/6)	9,486	-19.6	179	-	221	288.2	119	407.0

(Note)Comprehensive income
As of Jun. 30, 2026: 148 million yen/ 53.7% As of Jun. 30, 2025: 96 million yen/ 47.4%

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
6-month period(2026/6)	**16.28**	**-**
6-month period(2025/6)	13.77	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
6-month period(2026/6)	**9,440**	**2,010**	**20.1**
FY2025	8,662	1,856	20.2

(Reference) Equity
As of Jun. 30, 2026: 1,900 million yen As of Dec. 31, 2025: 1,752 million yen

2. Cash dividends

	Dividend per share				
Record Date	End of Q1	Interim	End of Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2025	-	0.00	-	0.00	0.00
FY2026	-	0.00			
FY2026 (expected)			-	5.00	5.00

(Note) Revisions to recent dividend forecast: None

3. Forecast of consolidated results for FY2026 (January 1, 2026 through December 31, 2026)

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2026	20,000	4.9	450	12.1	510	2.5	370	15.6	42.68

(Note) Revisions to recent business forecast: None

4. Others

(1) Reclassification of significant subsidiaries during the period (Reclassification due to change in scope of consolidation): None

(2) Application of special accounting methods for the preparation of the consolidated quarterly financial statements: None

(3) Change in accounting policies, accounting estimates and restatement

(i) Change in accounting policies associated with revision of accounting standards: None

(ii) Change arising from other factors: None

(iii) Change in accounting estimates: None

(iv) Restatement: None

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares (including treasury stock)	Second quarter of FY2026	8,874,400 shares	FY2025	8,874,400 shares
(ii) Number of treasury stock	Second quarter of FY2026	205,338 shares	FY2025	205,338 shares
(iii) Average number of outstanding shares (6-month period)	Second quarter of FY2026	8,669,062 shares	Second quarter of FY2025	8,668,843 shares

(Note) The Company’s shares held by the Board Incentive Plan trust are included in the treasury stock deducted to calculate (ii) and (iii) above.

Explanation about proper use of forecasts of consolidated financial results and other special notes

1. Information Regarding the Audit Review Procedure: This report is outside the scope of the procedures for quarterly review of financial statements as required under the financial instruments and Exchange Act of Japan. The aforementioned procedures have not been completed as of the time of disclosure of this document.

2. Net income per share was calculated by the number of outstanding shares (excluding treasury stocks) at the end of fiscal year.

3. Forecasts announced by the company referred to above were prepared based on management’s assumption with information available at this time and therefore involve known and unknown risks and uncertainties. Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts.

4. This information to above is an UNOFFICIAL English-language translation of the original Japanese-language version. The format and contents of this document are defined by the requirements of the Tokyo Stock Exchange’s Standard. To the extent that there are discrepancies between this translation and the original version, the original version shall be definitive.

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1. Qualitative Information on Consolidated Business Results

(1) Results of Operations

Overview of the Six-month Consolidated Period under Review

During the six-month consolidated period under review, the Japanese economy continued to recover moderately, supported by improvements in employment and income conditions and the effects of various government policies. Nevertheless, the outlook remained uncertain due to developments in the Middle East and the impact of U.S. trade policy. In the information services industry, in which the SIOS Group (the "Group") operates, demand for IT investment aimed at improving operational efficiency and productivity remained firm against a backdrop of rapid technological innovation, particularly in generative AI and AI agents. At the same time, competition across the industry intensified as shortages of IT professionals persisted and the range of required technical expertise continued to expand, creating a need to establish and further strengthen organizational capabilities.

In this business environment, the Group, under its mission of "making the impossible possible for the people of the world," will continue working to expand its recurring-revenue business model and will respond flexibly and swiftly to change, including by strengthening its businesses through AI and open-source software, with the aim of enhancing corporate value over the medium to long term and achieving sustainable growth.

Consolidated business results by segment for the period under review were as follows:

Effective from the six-month consolidated period under review, the Company transferred certain businesses previously included in Products & Services to Software Sales & Solutions. This change follows a revision of management classifications in line with transaction types, undertaken to optimize management decisions according to business characteristics and thereby realize the growth strategy from the current fiscal year onward. For details, please refer to "2. Disclosure of changes in reportable segments" under "Segment Information." Prior-year figures used in the year-on-year comparisons below have been reclassified to conform to the revised segment classifications.

(i) Products & Services

Although the full-scale transition to a subscription model for sales of software products for MFPs[1] temporarily weighed further on revenue during the period under review, sales of other company products exceeded the prior-year level. As a result, the segment recorded increases in both net sales and profit.

Sales of LifeKeeper[2], a flagship product of the Group, increased in both net sales and profit as project acquisition remained solid. Sales of our other flagship product, the Gluegent series[3], which includes the cloud-based workflow system Gluegent Flow and the cloud-based ID management service Gluegent Gate, also increased in both net sales and profit, as the transition to new pricing plans with generative AI features included as standard was largely completed and the number of users continued to grow strongly.

As a result, net sales in this segment amounted to 2,483 million yen (up 5.0% year on year), and segment profit amounted to 314 million yen (up 10.3% year on year).

(ii) Consulting & Integration

Although project acquisition remained favorable in system development and configuration support for educational institutions and in generative AI implementation support, the segment as a whole recorded decreases in both net sales and profit, reflecting a reactionary decline in other businesses following stronger-than-expected project acquisition in the first six months of the previous fiscal year.

As a result, net sales in this segment amounted to 1,687 million yen (down 3.5% year on year), and segment profit amounted to 210 million yen (down 1.5% year on year).

(iii) Software Sales & Solutions

Sales of Elastic N.V.-related products[4] remained strong, and the segment as a whole recorded increases in both net sales and profit.

As a result, net sales in this segment amounted to 6,773 million yen (up 26.1% year on year), and segment profit amounted to 92 million yen (up 27.3% year on year).

As a result, consolidated net sales for the period under review amounted to 10,944 million yen, (up 15.4% year on year), and operating profit amounted to 196 million yen (up 9.0% year on year). Ordinary profit amounted to 239 million yen (up 8.2% year on year), reflecting the recording of interest income and share of profit of entities accounted for using the equity method, among other factors. Profit attributable to owners of parent amounted to 141 million yen (up 18.2% year on year), after the recording of current income taxes (corporation tax, resident tax, business tax) and other tax expenses.

The Group's key management metrics, EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) and ROIC (Return on Invested Capital), were as follows:

EBITDA: 237 million yen (up 21.9% year on year)

ROIC (annualized): 13.0% (14.3% in year-before period)

1. Software for MFPs

"MFP" stands for "multifunction peripheral," a device equipped with multiple functions such as printing, scanning, copying, and faxing. Products include Quick Scan and Speedoc document management software for use on MFPs.

2. LifeKeeper

   A failover software product that maintains a standby server with the same environment as the production server and automatically transfers operations to the standby server in the event of a failure.

3. Gluegent series

   A suite of services that helps companies improve operational efficiency through the cloud, including Gluegent Gate, a cloud-based ID management service; Gluegent Flow, a cloud-based workflow system; and Gluegent Apps Group Scheduler, which adds team schedule management and other functions to Google Calendar.

4. Elastic N.V.-related products

   RAG implementation support consulting services that use Elasticsearch, an open-source high-speed search and analytics engine, to improve the accuracy of generative AI.

(2) Summary of Financial Position

(i) Assets

Current assets amounted to 8,402 million yen (up 10.8% from the end of the previous fiscal year), primarily due to factors such as an increase of 561 million yen in cash and deposits.

Non-current assets amounted to 1,038 million yen (down 3.9% year on year), primarily due to factors such as a decrease of 30 million yen in software.

As a result, total assets increased 9.0% year on year to 9,440 million yen.

(ii) Liabilities

Current liabilities amounted to 7,027 million yen (up 9.7% from the end of the previous fiscal year), primarily due to factors such as an increase of 569 million yen in contract liabilities.

Non-current liabilities amounted to 402 million yen (up 0.7% year on year), primarily due to factors such as an increase of 18 million yen in retirement benefit liability.

As a result, total liabilities increased 9.2% year on year to 7,430 million yen.

(iii) Net Assets

Total net assets amounted to 2,010 million yen, up 8.3% from the end of the previous fiscal year, primarily due to factors such as an increase of 141 million yen in retained earnings.

(3) Forward-looking Statements Including Consolidated Business Forecasts

The consolidated financial forecast for the fiscal year ending December 31, 2026 remains unchanged from that presented in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2025, announced on February 12, 2026. The Company will promptly disclose any revision should it become necessary.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Unit: thousand yen)

	FY2025 (as of December 31, 2025)	Six months ended June 30, 2026 (as of June 30, 2026)
Assets		
Current assets		
Cash and deposits	3,586,717	4,148,586
Notes and accounts receivable - trade, and contract assets	3,248,024	3,500,740
Work in process	2,623	5,216
Advance payments to suppliers	437,766	522,688
Other	305,860	225,079
Total current assets	7,580,992	8,402,310
Non-current assets		
Property, plant, and equipment		
Buildings, net	25,575	22,519
Other, net	38,010	33,564
Total property, plant and equipment	63,585	56,084
Intangible assets		
Software	277,815	247,301
Other	1,441	1,441
Total intangible assets	279,256	248,743
Investments and other assets		
Investment securities	448,425	449,671
Retirement benefit asset	4,974	-
Guarantee deposits	108,432	80,744
Deferred tax assets	122,497	148,767
Other	53,859	54,547
Total investments and other assets	738,189	733,731
Total non-current assets	1,081,031	1,038,558
Total assets	8,662,023	9,440,869

(Unit: thousand yen)

	FY2025 (as of December 31, 2025)	Six months ended June 30, 2026 (as of June 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	2,006,139	1,928,856
Lease liabilities	19,507	21,644
Income taxes payable	43,312	117,354
Contract liabilities	3,952,929	4,522,667
Provision for shareholder benefit program	12,564	1,832
Provision for bonuses for directors (and other officers)	-	1,400
Other	370,501	434,090
Total current liabilities	6,404,953	7,027,845
Non-current liabilities		
Retirement benefit liability	330,105	349,098
Lease liabilities	27,730	16,335
Long-term deposits received	11,632	-
Provision for share awards for directors (and other officers)	30,865	37,508
Total non-current liabilities	400,333	402,942
Total liabilities	6,805,287	7,430,788
Net assets		
Shareholders' equity		
Share capital	1,481,520	1,481,520
Retained earnings	385,493	526,647
Treasury shares	-80,598	-80,598
Total shareholders' equity	1,786,415	1,927,568
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-948	-1,011
Deferred gains or losses on hedges	1,923	411
Foreign currency translation adjustment	-35,231	-26,425
Total accumulated other comprehensive income	-34,256	-27,025
Share acquisition rights	104,577	109,539
Total net assets	1,856,735	2,010,081
Total liabilities and net assets	8,662,023	9,440,869

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

Semi-annual Consolidated Statements of Income

(Unit: thousand yen)

	Six months ended June 30, 2025 (January 1, 2025 through June 30, 2025)	Six months ended June 30, 2026 (January 1, 2026 through June 30, 2026)
Net Sales	9,486,440	10,944,719
Cost of sales	6,905,393	8,197,620
Gross profit	2,581,046	2,747,098
Selling, general and administrative expenses	2,401,120	2,550,932
Operating profit	179,926	196,165
Non-operating income		
Interest income	13,352	19,382
Foreign exchange gains	66,878	-
Gain on valuation of derivatives	-	6,437
Share of profit of entities accounted for using equity method	11,439	8,834
Penalty income	-	25,000
Other	8,751	4,540
Total non-operating income	100,422	64,194
Non-operating expenses		
Interest expenses	202	414
Foreign exchange losses	-	19,228
Loss on valuation of derivatives	57,213	-
Foreign withholding taxes	1,377	925
Other	2	4
Total non-operating expenses	58,796	20,573
Ordinary profit	221,553	239,786
Extraordinary income		
Gain on sale of investment securities	-	522
Total extraordinary income	-	522
Extraordinary losses		
Loss on retirement of non-current assets	-	1,764
Loss on termination of retirement benefit plan	-	4,949
Total extraordinary losses	-	6,714
Semi-annual profit before income taxes	221,553	233,594
Income taxes (corporation tax, resident tax, business tax) - current	69,629	116,922
Income taxes - deferred	32,540	-24,481
Total income taxes	102,169	92,441
Semi-annual profit	119,383	141,153
Semi-annual profit attributable to owners of parent	119,383	141,153

Semi-annual Consolidated Statements of Comprehensive Income

(Unit: thousand yen)

	Six months ended June 30, 2025 (January 1, 2025 through June 30, 2025)	Six months ended June 30, 2026 (January 1, 2026 through June 30, 2026)
Semi-annual profit	119,383	141,153
Other comprehensive income		
Valuation difference on available-for-sale securities	-55	-63
Deferred gains or losses on hedges	-6,580	-1,512
Foreign currency translation adjustment	-14,357	7,016
Share of other comprehensive income of entities accounted for using equity method	-1,843	1,789
Total other comprehensive income	-22,836	7,231
Semi-annual comprehensive income	96,547	148,384
(Breakdown)		
Semi-annual comprehensive income attributable to owners of parent	96,547	148,384

(3) Semi-annual Consolidated Statements of Cash Flows

(Unit: thousand yen)

	Six months ended June 30, 2025 (January 1, 2025 through June 30, 2025)	Six months ended June 30, 2026 (January 1, 2026 through June 30, 2026)
Cash flows from operating activities		
Semi-annual profit before income taxes	221,553	233,594
Depreciation	14,816	41,258
Interest and dividend income	-13,397	-19,821
Interest expenses	202	414
Penalty income	-	-25,000
Loss (gain) on sale of investment securities	-	-522
Share of loss (profit) of entities accounted for using equity method	-11,439	-8,834
Decrease (increase) in accounts receivable - trade, and contract assets	81,684	-244,397
Decrease (increase) in inventories	4,096	-2,592
Increase (decrease) in trade payables	-94,805	-77,282
Increase (decrease) in retirement benefit liability	11,504	18,993
Increase (decrease) in provision for share awards for directors (and other officers)	7,059	6,643
Increase (decrease) in contract liabilities	-144,080	528,082
Decrease (increase) in advance payments to suppliers	105,134	-84,921
Increase (decrease) in accrued consumption taxes	-64,054	93,068
Other	-24,312	-55,811
Subtotal	93,961	402,872
Interest and dividends received	23,748	26,710
Interest paid	-202	-414
Penalty income received	-	25,000
Income taxes refunded	-	20,327
Income taxes paid	-236,055	-44,573
Cash flows from operating activities	-118,548	429,921
Cash flows from investing activities		
Purchase of property, plant and equipment	-9,809	-2,950
Purchase of intangible assets	-132,419	-3,007
Payments of guarantee deposits	-377	-
Proceeds from refund of guarantee deposits	504	21,638
Proceeds from sale of investment securities	-	1,935
Proceeds from derivative transactions	-	101,920
Other	6,600	550
Cash flows from investing activities	-135,502	120,085
Cash flows from financing activities		
Dividends paid	-42	-21
Repayments of long-term borrowings	-33,000	-
Repayments of lease liabilities	-11,529	-10,090
Cash flows from financing activities	-44,571	-10,111
Effect of exchange rate changes on cash and cash equivalents	-36,821	21,974
Net increase (decrease) in cash and cash equivalents	-335,444	561,869
Cash and cash equivalents at beginning of period	3,677,914	3,586,717
Cash and cash equivalents at end of period	3,342,469	4,148,586

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

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

Not applicable.

(Segment Information)

Segment Information

I. Six months ended June 30, 2025 (January 1, 2025 through June 30, 2025)

1. Information on Net Sales and Profit by Reportable Segment

(Unit: thousand yen)

	Reportable segments				Adjustments	Amount recorded in semi-annual consolidated statements of income (Note)
	Products & Services	Consulting & Integration	Software Sales & Solutions	Total		
Net Sales						
Sales to external customers	2,365,088	1,749,314	5,371,737	9,486,140	300	9,486,440
Intersegment sales and transfers	130	5,708	1,164	7,003	-7,003	-
Total	2,365,219	1,755,022	5,372,902	9,493,144	-6,703	9,486,440
Segment profit	284,918	213,613	72,615	571,147	-391,220	179,926

Note 1: The breakdown of adjustments is as follows:

(1) The adjustment of -6,703 thousand yen to net sales consists of the elimination of intersegment transactions of -7,003 thousand yen and incidental revenue of 300 thousand yen, including outsourcing service revenue from the Company's administrative departments, which is not attributable to any reportable segment.

(2) The adjustment of -391,220 thousand yen to segment profit consists of the elimination of intersegment transactions of -7,003 thousand yen and corporate expenses of -384,216 thousand yen.

Corporate expenses mainly comprise expenses associated with the Company's administrative departments that are not attributable to any reportable segment.

2. Total segment profit is reconciled with operating profit in the semi-annual consolidated statements of income.

Reference Information

Geographic Information

In addition to the disclosures required under the Accounting Standard for Interim Financial Reporting, the Company discloses geographic information (net sales) in accordance with the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information and other applicable standards in order to provide useful information to users of the financial statements.

Net Sales

Six months ended June 30, 2025 (January 1, 2025 through June 30, 2025)

(Unit: thousand yen)

Japan	Americas	Europe	Other regions	Total
9,091,900	236,891	103,279	54,369	9,486,440

Note: Net sales are classified by country or region based on the location of customers.

2. Information on Impairment Losses on Non-current Assets and Goodwill by Reportable Segment

Not applicable.

II. Six months ended June 30, 2026 (January 1, 2026 through June 30, 2026)

1. Information on Net Sales and Profit by Reportable Segment

(Unit: thousand yen)

	Reportable segments				Adjustments	Amount recorded in semi-annual consolidated statements of income (Note)
	Products & Services	Consulting & Integration	Software Sales & Solutions	Total		
Net Sales						
Sales to external customers	2,483,292	1,687,744	6,773,381	10,944,419	300	10,944,719
Intersegment sales and transfers	158	5,582	1,180	6,920	-6,920	-
Total	2,483,451	1,693,327	6,774,561	10,951,339	-6,620	10,944,719
Segment profit	314,340	210,444	92,430	617,214	-421,049	196,165

Note 1: The breakdown of adjustments is as follows:

(1) The adjustment of -6,620 thousand yen to net sales consists of the elimination of intersegment transactions of -6,920 thousand yen and incidental revenue of 300 thousand yen, including outsourcing service revenue from the Company's administrative departments, which is not attributable to any reportable segment.

(2) The adjustment of -421,049 thousand yen to segment profit consists of the elimination of intersegment transactions of -6,920 thousand yen and corporate expenses of -414,128 thousand yen.

Corporate expenses mainly comprise expenses associated with the Company's administrative departments that are not attributable to any reportable segment.

2. Total segment profit is reconciled with operating profit in the semi-annual consolidated statements of income.

2. Disclosure of Changes in Reportable Segments

Change in Segment Classifications

Effective from the six-month consolidated period under review, the Company transferred certain businesses previously included in Products & Services to Software Sales & Solutions. This change follows a revision of management classifications in line with transaction types, undertaken to optimize management decisions according to business characteristics and thereby realize the growth strategy from the current fiscal year onward.

Segment information for the six months ended June 30, 2025 is presented based on the revised classification method.

Reference Information

Geographic Information

In addition to the disclosures required under the Accounting Standard for Interim Financial Reporting, the Company discloses geographic information (net sales) in accordance with the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information and other applicable standards in order to provide useful information to users of the financial statements.

Net Sales

Six months ended June 30, 2026 (January 1, 2026 through June 30, 2026)

(Unit: thousand yen)

Japan	Americas	Europe	Other regions	Total
10,521,331	228,957	121,574	72,855	10,944,719

Note: Net sales are classified by country or region based on the location of customers.

3. Information on Impairment Losses on Non-current Assets and Goodwill by Reportable Segment

Not applicable.

(Revenue Recognition)

Disaggregation of Revenue from Contracts with Customers
Six months ended June 30, 2025 (January 1, 2025 through June 30, 2025)

(Unit: thousand yen)

	Reportable segments				Adjustments (Note)	Total
	Products & Services	Consulting & Integration	Software Sales & Solutions	Total		
Timing of revenue recognition						
Goods or services transferred at a point in time	534,392	210,404	4,777,535	5,522,333	-	5,522,333
Services transferred over time	1,830,696	1,538,909	594,201	3,963,807	300	3,964,107
Revenue from contracts with customers	2,365,088	1,749,314	5,371,737	9,486,140	300	9,486,440
Other revenue	-	-	-	-	-	-
Sales to external customers	2,365,088	1,749,314	5,371,737	9,486,140	300	9,486,440

Note: Adjustments comprise incidental revenue of 300 thousand yen, including outsourcing service revenue from the Company's administrative departments, which is not attributable to any reportable segment.

Six months ended June 30, 2026 (January 1, 2026 through June 30, 2026)

(Unit: thousand yen)

	Reportable segments				Adjustments (Note)	Total
	Products & Services	Consulting & Integration	Software Sales & Solutions	Total		
Timing of revenue recognition						
Goods or services transferred at a point in time	476,395	177,023	6,199,426	6,852,844	-	6,852,844
Services transferred over time	2,006,897	1,510,721	573,955	4,091,574	300	4,091,874
Revenue from contracts with customers	2,483,292	1,687,744	6,773,381	10,944,419	300	10,944,719
Other revenue	-	-	-	-	-	-
Sales to external customers	2,483,292	1,687,744	6,773,381	10,944,419	300	10,944,719

Note: Adjustments comprise incidental revenue of 300 thousand yen, including outsourcing service revenue from the Company's administrative departments, which is not attributable to any reportable segment.

(Significant Subsequent Events)

Not applicable.