



Consolidated Financial Results for the Six Months Ended March 31, 2025 (Under Japanese GAAP)

May 13, 2025

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Stock exchange listings: Tokyo Stock Exchange, Nagoya Stock Exchange
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Scheduled payment date of cash dividends: June 10, 2025
Financial summary presentation available: Yes
Holding of financial results briefing: Yes

(Yen amounts rounded down to nearest million)

1. Consolidated Financial Results for the Six Months Ended March 31, 2025

(1) Consolidated operating results

(% indicates year-on-year change)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	8,935	(7.3)	1,167	(24.1)	1,482	1.4	980	2.6
March 31, 2024	9,634	(3.8)	1,538	(13.9)	1,461	(16.3)	955	(18.5)

Reference: Comprehensive income

Six months ended March 31, 2025: 1,069 million yen (-3.4%)

Six months ended March 31, 2024: 1,107 million yen (-7.0%)

	Earnings per share	Net income per share (diluted)
Six months ended	Yen	Yen
March 31, 2025	74.28	-
March 31, 2024	72.06	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
March 31, 2025	25,950	21,063	80.0
September 30, 2024	26,408	20,928	78.1

Reference: Equity

As of March 31, 2025: 20,754 million yen

As of September 30, 2024: 20,629 million yen

2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	End of FY	Total
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen
September 30, 2024	-	0.00	-	44.00	44.00
September 30, 2025	-	24.00			
September 30, 2025 (Forecast)			-	28.00	52.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Consolidated Financial Forecast for the Fiscal Year Ending September 30, 2025

(% indicates year-on-year change)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full fiscal year	Million yen 18,000	% (7.8)	Million yen 2,400	% (19.3)	Million yen 2,600	% (18.3)	Million yen 1,850	% (11.0)	Yen 140.16

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

■ Notes:

(1) Significant changes in the scope of consolidation during the period: No

(2) Application of accounting methods specific to the preparation of these consolidated financial statements: No

(3) Changes in accounting policies and estimates; revised announcements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to reasons other than (i) above: No

(iii) Changes in accounting estimates: No

(iv) Restatements: No

(4) Number of shares issued (common shares)

(i) No. of shares outstanding at end of period
(including treasury shares)

(ii) No. of treasury shares at end of period

(iii) Average number of shares during period

March 31, 2025	14,364,000 shares	September 30, 2024	14,364,000 shares
March 31, 2025	1,300,562 shares	September 30, 2024	1,095,533 shares
March 31, 2025	13,199,631 shares	March 31, 2024	13,262,457 shares

- These financial results are not subject to review by a certified public accountant or auditing firm.

- Proper use of earnings forecasts, and other special matters:

The forward-looking statements presented in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The statements herein do not constitute assurances regarding the Company's actual financial results. Actual financial results may differ materially from the forecasts due to various factors.

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1. Review of First Half Performance

(1) Explanation of Operating Results

In order to provide inspirational value to all of our stakeholders by ensuring “the right people have the right information, at the right time, in the right way,” the CMC Group works alongside our clients and gains a thorough understanding of their products and operations. Our point of difference lies in our ability to organize the flow of our clients’ information based on the needs of users to realize a cycle that enhances the value of information for society as a whole.

1) General Overview

Amid the rapid proliferation of generative AI and other digital technologies, our clients continue to accelerate their digital transformation (DX) efforts with the aim of systematically leveraging the power of information.

During the first six months of the fiscal year, revenue in the Knowledge segment grew 10.7% year on year thanks to expansion of our initiatives supporting clients in leveraging their product and technical information and other data. The lull in our clients’ product lifecycles combined with the impact of changes to model launch plans meant the Manuals segment saw a 32.6% year-on-year decline in revenue. As a result, both revenue and operating profit fell year on year.

Both ordinary profit and net profit attributable to owners of the parent increased year on year, due to the absence of one-time expenses recorded in the previous period, as well as foreign exchange adjustments and gains on sales of investment securities from a reassessment of capital and business alliances.

A. Results by Business Category

Item	Six months ended				YoY	
	March 31, 2024		March 31, 2025			
	Amount (Million yen)	Revenue contribution (or profit margin)	Amount (Million yen)	Revenue contribution (or profit margin)	Amount (Million yen)	Change (%)
Revenue	9,634	100.0%	8,935	100.0%	(699)	(7.3)
Manuals	3,950	41.0%	2,663	29.8%	(1,287)	(32.6)
Knowledge	5,304	55.1%	5,870	65.7%	+566	10.7%
Other	380	3.9%	401	4.5%	+21	5.6%
Reference						
For the Japanese market	4,587	47.6%	5,456	61.1%	+868	18.9%
For overseas markets	5,047	52.4%	3,479	38.9%	(1,568)	(31.1)
Operating profit	1,538	16.0%	1,167	13.1%	(371)	(24.1)
Ordinary profit	1,461	15.2%	1,482	16.6%	+21	1.4%
Profit attributable to owners of parent	955	9.9%	980	11.0%	+24	2.6%

Notes:

1. Fuchucar Co., Ltd. (consolidated subsidiary) is included in the consolidated financial results for the full year from the current fiscal year.

2. Effective from the current fiscal period, we revised the business segments (Manuals, Knowledge, Other) in order to more appropriately evaluate and manage performance by business category in terms of revenue. As a result of these changes, Manuals revenue was down 335 million yen versus the same period last year, while the Knowledge and Other segments were up 130 million yen and 205 million yen respectively, compared with the previous classification categories. Figures for the previous consolidated six-month fiscal period have been restated based on the revised classification categories.

The CMC Group's business operations are classified into the following three categories:

Business categories	Business activities
Manuals	Provision of services to systematically organize the flow of information in accordance with how it is used (e.g., by converting "real" content to digital formats) based on our deep understanding of our clients' products, markets, and operations.
Knowledge	Provision of services that harness the power of best-fit, cutting-edge technology to maximize the user experience for those who need information.
Other	Sales of software licenses, etc., that serve as the foundation for unleashing the power of information.
Reference	
For the Japanese market	Products and services aimed at the domestic (Japan) market.
For overseas markets	Products and services aimed at overseas markets.

B. Versus Guidance

Performance for the first six months of the fiscal year ending September 30, 2025 versus the consolidated earnings guidance issued in November 2024 is as follows:

Item	Amount	How we performed vs forecast	
Revenue	8,935 million yen	1,064 million yen decrease	10.6% decrease
Operating profit	1,167 million yen	232 million yen decrease	16.6% decrease

2) Growth Strategy Progress

Looking ahead towards 2030, we anticipate significant changes in our operating environment, including a declining working-age population, the rapid advancement and widespread adoption of digital technologies such as generative AI, and increasing global social challenges. To meet the challenges of the shifting business landscape, we continue to execute the Mid-Range Business Plan we developed in line with our fundamental strategic direction of "Unleashing the potential of people. Harnessing the power of data. Ready for what comes next."

In terms of our product strategy, we made solid progress in supporting our clients to systematically organize and structure their product- and operations-related information with the goal of enhancing the utility and impact of the information across the customer journey. The CMC Group continues to work side by side with our clients to enhance the value of their information through measures to harness the power of data, as well as helping them to grow their businesses by leveraging the latest technologies, such as generative AI, to meet the needs of the changing times.

With regard to our market strategy, operations in Asia and Europe were reorganized to drive operational synergies and foster a shared sense of mission and common values. We expect the changes to reinforce local capabilities that will serve global clients more effectively to harness the power of their data in growing their businesses. Moving forward, while taking into account the uncertainties that surround market and geopolitical developments, we will continue to target opportunities for enhancing our global footprint in strategically important and high-growth regions.

(2) Explanation of Financial Position

Assets, Liabilities, and Net Assets

Assets

Consolidated total assets at the end of the first half were down 458 million yen on the end of the previous fiscal year to 2,595 million yen (down 1.7% versus the end of the previous fiscal year). This was mainly due to decreases of 368 million yen in notes and accounts receivable, 269 million yen in other current assets, and 334 million yen in other investments and other assets, despite increases of 296 million yen in cash and deposits and 254 million yen in other tangible fixed assets.

Liabilities

Consolidated total liabilities at the end of the first half were down 593 million yen on the end of the previous fiscal year to 4,886 million yen (down 10.8% versus the end of the previous fiscal year). This was mainly due to decreases of 70 million yen in notes and accounts payable, 137 million yen in income taxes, 187 million yen in provision for bonuses, 52 million yen in contract liabilities, and 76 million yen in other current liabilities.

Net Assets

Consolidated total assets at the end of the period were up 135 million yen on the end of the previous fiscal year to 21,063 million yen (up 0.6% versus the end of the previous fiscal year). This was mainly due to a 396 million yen increase in retained earnings and a 77 million yen increase in the valuation difference on available-for-sale securities, offsetting a 345 million yen increase in the purchase of treasury shares.

Analysis of Cash Flows

Cash and cash equivalents at the end of the period decreased 47 million yen on the end of the previous fiscal year to 1,178 million (1,183 million yen at the end of the previous fiscal year).

Cash Flows from Operating Activities

Net cash flows from operating activities came to 1,007 million yen (versus 1,004 million yen in the previous six-month period). This was mainly due to a decrease of 187 million yen in provision for bonuses and 533 million yen in income taxes paid, offset by profit before income taxes of 1,488 million yen and a decrease in trade receivables of 381 million yen.

Cash Flows from Investing Activities

Net cash flows from investing activities came to 99 million yen (versus 1,219 million yen in the previous six-month period). This was mainly due to 149 million yen from the proceeds from the redemption of securities, 441 million yen from the withdrawal of time deposits, and 446 million yen from the sale of investment securities, offsetting expenditures of 308 million yen for the acquisition of tangible fixed assets and 768 million yen for payments into time deposits.

Cash Flows from Financing Activities

Net cash flows from financing activities came to 1,013 million yen (versus 572 million yen in the previous six-month period). This was mainly due to 363 million yen for the purchase of treasury shares and 583 million yen for the payment of dividends.

(3) Explanation of Future Outlook, Including Consolidated Financial Forecasts

With regard to the consolidated earnings forecast for the fiscal year ending September 30, 2025, the figures announced on November 11, 2024 in the “Consolidated Financial Results for the Fiscal Year Ended September 30, 2024” have been revised. For further details, please refer to the “Notice Concerning Variance between Forecasts and Actual Results for the First Six Months of FY2025 and Revision to Full-Year Earnings Forecasts” released today.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	12,320,594	12,617,147
Notes and accounts receivable – trade	3,585,339	3,216,490
Electronically recorded monetary claims	178,864	164,222
Inventories	862,452	909,365
Other	663,181	394,035
Allowance for doubtful accounts	(221)	(235)
Total current assets	17,610,210	17,301,027
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	1,806,017	1,760,260
Machinery, equipment, and vehicles, net	86,207	103,987
Land	3,251,178	3,251,026
Other, net	359,040	613,432
Total property, plant, and equipment	5,502,444	5,728,707
Intangible assets		
Goodwill	86,462	67,248
Software	350,305	352,176
Other	85,967	62,311
Total intangible assets	522,735	481,737
Investments and other assets		
Other	2,773,204	2,438,971
Total investments and other assets	2,773,204	2,438,971
Total non-current assets	8,798,384	8,649,415
Total assets	26,408,594	25,950,442

(Unit: Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,035,501	965,458
Short-term borrowings	34,620	15,000
Accounts payable – other	199,372	205,753
Accrued expenses	261,374	212,312
Income taxes payable	584,640	447,492
Provision for bonuses	579,961	392,439
Provision for directors' bonuses	86,220	52,469
Contract liabilities	121,284	68,569
Other	649,386	573,117
Total current liabilities	3,552,361	2,932,613
Non-current liabilities		
Long-term borrowings	263,731	234,763
Provision for directors' retirement benefits	17,410	19,605
Retirement benefit liabilities	1,318,157	1,326,643
Other	328,532	372,987
Total non-current liabilities	1,927,830	1,953,998
Total liabilities	5,480,192	4,886,611
Net assets		
Shareholders' equity		
Share capital	657,610	657,610
Capital surplus	674,101	679,306
Retained earnings	19,923,149	20,319,808
Treasury shares	(1,259,085)	(1,604,690)
Total shareholders' equity	19,995,775	20,052,034
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335,640	413,220
Foreign currency translation adjustments	348,984	329,822
Remeasurements of defined benefits plans	(50,892)	(40,869)
Total accumulated other comprehensive income	633,732	702,173
Non-controlling interests	298,894	309,622
Total net assets	20,928,402	21,063,830
Total liabilities and net assets	26,408,594	25,950,442

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

(Unit: Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Revenue	9,634,879	8,935,673
Cost of sales	6,103,671	5,721,213
Gross profit	3,531,207	3,214,459
Selling, general, and administrative expenses	1,992,669	2,046,989
Operating profit	1,538,537	1,167,470
Non-operating income		
Interest income	11,820	39,370
Dividend income	4,164	6,612
Gain on sale of work scraps	5,881	5,495
Subsidy income	9,490	719
Foreign exchange gains	-	96,230
Surrender value of insurance policies	-	19,814
Gain on sale of investment securities	-	144,840
Other	32,985	13,944
Total non-operating income	64,342	327,027
Non-operating expenses		
Interest expenses	1,093	854
Foreign exchange losses	1,689	-
Loss on retirement of non-current assets	513	9,662
Compensation expenses	136,675	-
Other	1,072	1,097
Total non-operating expenses	141,043	11,614
Ordinary profit	1,461,836	1,482,883
Extraordinary income		
Gain on sale of non-current assets	1,046	5,549
Other	71	-
Total extraordinary income	1,117	5,549
Extraordinary losses		
Loss on retirement of non-current assets	5,428	-
Loss on liquidation of subsidiaries and associates	1,404	-
Total extraordinary losses	6,833	-
Profit before income taxes	1,456,120	1,488,433
Income taxes – current	494,132	445,011
Income taxes – deferred	(169)	47,514
Total income taxes	493,963	492,525
Profit	962,157	995,907
Profit attributable to non-controlling interests	6,402	15,435
Profit attributable to owners of parent	955,754	980,472

Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Profit	962,157	995,907
Other comprehensive income		
Valuation difference on available-for-sale securities	131,276	77,180
Foreign currency translation adjustments	9,951	(13,646)
Remeasurements of defined benefit plans, net of tax	4,001	10,023
Total other comprehensive income	145,229	73,557
Comprehensive income	1,107,387	1,069,464
Comprehensive income attributable to:		
Owners of parent	1,098,870	1,048,912
Non-controlling interests	8,516	20,552

(3) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,456,120	1,488,433
Depreciation	132,315	151,967
Amortization of goodwill	9,606	19,213
Increase (decrease) in provision for bonuses	(131,122)	(187,975)
Increase (decrease) in retirement benefit liabilities	(3,953)	18,509
Increase (decrease) in provision for directors' bonuses	(32,168)	(33,750)
Increase (decrease) in provision for directors' retirement benefits	1,200	2,195
Interest and dividend income	(15,985)	(45,982)
Loss (gain) on sale of investment securities	-	(144,840)
Interest expenses	1,093	854
Foreign exchange losses (gains)	(295)	(121,983)
Loss on retirement of non-current assets	5,942	9,662
Loss (gain) on retirement of non-current assets	(1,046)	(5,549)
Decrease (increase) in trade receivables	(299,383)	381,677
Decrease (increase) in accounts receivable – other	26,000	172,479
Decrease (increase) in inventories	154,352	(53,873)
Increase (decrease) in trade payables	112,104	(69,522)
Increase (decrease) in contract liabilities	(135,664)	(50,010)
Increase (decrease) in accounts payable – other	80,499	20,362
Increase (decrease) in accrued consumption taxes	17,811	(103,562)
Other, net	(56,812)	(67,821)
Subtotal	1,320,616	1,380,483
Interest and dividends received	13,979	161,569
Interest paid	(1,167)	(859)
Income taxes paid	(328,444)	(533,809)
Net cash provided by (used in) operating activities	1,004,984	1,007,383
Cash flows from investing activities		
Payments into time deposits	(0)	(768,000)
Proceeds from withdrawal of time deposits	-	441,240
Purchase of securities	(1,181,580)	-
Proceeds from redemption of securities	297,664	149,860
Purchase of investment securities	(150,955)	(33,699)
Proceeds from sale of investment securities	-	446,040
Purchase of property, plant, and equipment	(71,766)	(308,211)
Proceeds from sale of property, plant, and equipment	1,677	8,617
Other, net	(114,906)	(35,454)
Net cash provided by (used in) investing activities	(1,219,867)	(99,608)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(39,425)	(19,890)
Dividends paid	(496,586)	(583,451)
Purchase of treasury shares	-	(363,110)
Other, net	(36,357)	(47,539)
Net cash provided by (used in) financing activities	(572,369)	(1,013,990)
Effect of exchange rate changes on cash and cash equivalents	(3,018)	58,237
Net increase (decrease) in cash and cash equivalents	(790,271)	(47,976)
Cash and cash equivalents at beginning of period	13,476,771	11,830,926
Cash and cash equivalents at end of period	12,686,500	11,782,949

(4) Notes on Consolidated Financial Statements

Notes on Changes to Accounting Policies

Application of the “Accounting Standard for Income Taxes and related standards”

The “Accounting Standard for Income Taxes” (ASBJ Statement No. 27, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and other related standards have been applied from the beginning of the current consolidated six-month fiscal period.

With respect to the amendment to the classification of income taxes (taxation on other comprehensive income), we have applied the transitional treatment stipulated in the proviso to Paragraph 20-3 of the “Accounting Standard for Income Taxes” (2022 revision), as well as the transitional treatment set forth in the proviso to Paragraph 65-2 (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). The amendment to accounting policies had no impact on the consolidated six-month financial statements.

In addition, the Company has applied the 2022 Revised Guidance from the beginning of the current consolidated six-month fiscal period with respect to the amendments related to the treatment in consolidated financial statements of gains or losses on the sale of shares of subsidiaries, when such gains or losses are deferred for tax purposes in transactions between consolidated group companies. The amendment to the accounting policy has been applied retrospectively, and the consolidated six-month and consolidated financial statements for the previous six-month period and the previous fiscal year have been prepared on a retrospective basis. Furthermore, the amendment to the accounting policy had no impact on the consolidated six-month financial statements for the previous consolidated six-month fiscal period or the consolidated financial statements for the previous consolidated fiscal year.

Segment Information

Segment information

The CMC Group’s business consists of a single segment, the Manuals & Knowledge business. As such, this segment is omitted.

Significant Changes in Shareholders’ Equity

Not applicable

Notes on Going-Concern Assumption

Not applicable