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Financial Results for the Three Months Ended September 30, 2025 [Japanese GAAP] (Non-consolidated)



October 30, 2025

Company name: WELLNET CORPORATION
Stock exchange listing: Tokyo Stock Exchange, Sapporo Securities Exchange
Code number: 2428
URL: <https://www.wellnet.co.jp>
Representative: Kazuhiro Miyazawa, President and Representative Director
Contact: Sachio Higashihara, Director, Executive Officer, General Manager of Administrative Division
Phone: +81-11-350-7770
Scheduled date of commencing dividend payments: –
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Three Months Ended September 30, 2025 (July 1, 2025 to September 30, 2025)

(1) Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended September 30, 2025	2,586	(8.1)	354	(16.2)	369	(13.6)	255	(13.2)
September 30, 2024	2,816	21.6	423	62.0	427	63.4	294	64.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2025	13.58	13.46
September 30, 2024	15.64	15.42

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2025	34,956	8,582	24.3	451.79
As of June 30, 2025	29,302	8,860	29.9	467.03

(Reference) Equity: As of September 30, 2025: ¥8,498 million
As of June 30, 2025: ¥8,774 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2025	–	0.00	–	29.00	29.00
Fiscal year ending June 30, 2026	–				
Fiscal year ending June 30, 2026 (Forecast)		12.00	–	17.50	29.50

(Note) Revision of dividends forecast from recently announced figures: No

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	5,300	(5.3)	670	(18.0)	680	(17.1)	440	(21.9)	23.42
Full year	11,500	5.3	1,680	11.8	1,700	2.1	1,100	2.1	58.55

(Note) Revision of financial results forecast from recently announced figures: No

* Notes:

(1) Adoption of special accounting procedures for preparing quarterly financial statements: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of September 30, 2025: 19,400,000 shares

As of June 30, 2025: 19,400,000 shares

2) Total number of treasury shares at the end of the period:

As of September 30, 2025: 589,557 shares

As of June 30, 2025: 611,857 shares

3) Average number of shares during the period:

Three months ended September 30, 2025: 18,795,119 shares

Three months ended September 30, 2024: 18,796,123 shares

* These financial results are outside the scope of review procedures by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements, including earnings forecasts, contained in this document are based on information available to the Company at the time of the announcement of this document and on certain assumptions judged to be reasonable. Actual business performance and other results may differ from the forecasts due to various factors.

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Overview of Financial Results for the Three Months Ended September 30, 2025

1. Qualitative Information on Financial Results for the Period under Review

(1) Overview of Business Results

1) Analysis of Business Results

The Japanese economy in the three months of the fiscal year under review (July 1, 2025 to September 30, 2025) continued to encounter uncertainties due to factors including unstable international affairs, the political situation, and tariff issues. Under these circumstances, Digital Transformation (DX) is being actively promoted in a variety of industries and business categories, and this trend is expected to continue in the future.

The Company has also been working on initiatives including “paperless” and “cashless,” promoting activities such as “Electronic invoicing and electronic payment” and “DX Promotion Solution Project and MaaS for the transportation industry” as priority measures, and conducting measures considering a lifestyle-based fintech platform in this context. We are focused on the “Payment Plus Alpha Platform,” including ekaiin.com, and SHIMA-YELL, a service for issuing and storing electronic invoices.

In the three months of the fiscal year under review, in July 2025, we released a safe, secure, easy, and convenient to use “e-money with identity authentication” system that utilizes Japan Communications Inc. (Stock code: 9424) authentication infrastructure and began the challenge of its social implementation. In addition, regarding our “electronic money,” we are proceeding with preparations to provide services that enable each company to internalize payments of its own money.

In the transportation industry area, we received the grant notification for the Ministry of Land, Infrastructure, Transport, and Tourism’s “Co-Creation Model Demonstration Operation Project” in July 2025, and began the “Gurutto Hokkaido” Project. This project establishes a system for aggregating and transmitting digital tickets within Hokkaido in an aim to promote tourism and revitalize the regional economy through a coordination with 25 corporations and organizations, including the Hokkaido Economic Federation.

Amid these activities, while we have seen an expansion in demand for our key products Multi Payment Services, Money Transfer Services, and ALTAIR triple star, due to a rebound from large-scale products in the same period of the previous fiscal year, business results saw a decline in both revenue and profit for the three months of the fiscal year under review as seen below. However, business results continue to be on a growth trajectory.

(Millions of yen)

	Three months ended September 30, 2024	Three months ended September 30, 2025	YoY Difference	YoY Change	Financial results forecast for the first half of the fiscal year ending June 30, 2026	Financial results forecast for the full fiscal year ending June 30, 2026
Net sales	2,816	2,586	(229)	91.9%	5,300	11,500
Cost of sales	2,158	1,976	(181)	91.6%		
Gross profit	657	610	(47)	92.8%		
Selling, general and administrative expenses	234	255	20	108.9%		
Operating profit	423	354	(68)	83.8%	670	1,680
Ordinary profit	427	369	(58)	86.4%	680	1,700
Profit	294	255	(38)	86.8%	440	1,100

2) Changes in Environment Surrounding the Company and Response Strategy

We have formulated “Think Wild. - Driving Japan’s DX through innovative services from Hokkaido –” as our management plan for the next five years (from July 2025 to June 2030), and are focused on maximizing the profitability of our current services and fostering new businesses related to electronic money and authentication.

A. Electronic money deployment strategy

We will promote a two-type deployment strategy for our electronic money, which has evolved to be safe and secure through collaboration with Japan Communications Inc. These two types are a universally usable electronic money and an “OEM supply type” that can be integrated into applications developed by companies for their own customers.

B. Actively promoting IT projects for transportation operators

The smartphone electronic ticketing applications Bus Mori! and ALTAIR triple star have expanded the types of electronic ticket to include single-trip tickets, coupon tickets, commuter passes, unlimited ride passes, and discount passes. As we make a significant shift from local to server-based authentication, we anticipate that the DX of transportation will expand even in regions where investment has traditionally been challenging. We will further strengthen our proposal-based sales efforts to increase the utilization rate of “ALTAIR triple star,” our all-in-one total cloud service for transport business operators.

C. Expansion of Multi Payment Services and Money Transfer Services

Multi Payment Services and Money Transfer Services for non-face-to-face payment are expected to have the potential for continued growth, and the Company aims to continue to enhance payment functions that contribute to increase in convenience for both operators and consumers.

Also, the number of customers using stanp, the smartphone barcode payment service adopted by Family Mart in September 2022, is steadily increasing. We are actively proposing the adoption of the product at other convenience stores.

D. Activities contributing to local communities

We recognize that the “IT utilization and DX” we promote itself contributes to global environmental conservation.

As part of our social contribution, we are also providing support to many students through our WELLNET Scholarship, established to help financially struggling students at colleges of technology in Hokkaido. Approximately ¥111 million in scholarships was paid to a total of 1,025 students until the fiscal year 2024, directly contributing to zero students dropping out due to economic difficulties. We will continue these activities moving forward.

Furthermore, in order to contribute to the promotion of local Hokkaido winter sports, the Company has participated in the “Scrum” concept promoted by Hokkaido All Olympians, and is supporting brothers Masaya Yamada and Kazuya Yamada, athletes and employees of the Company, along with Yudai Yamamoto and Motonaga Arito, two new young and promising athletes, in their activities on the world stage during the Olympics and other events. In addition to that, we also intend to actively utilize our service platform ekaiin.com, and boost the promotion of sports through the Company’s IT services.

E. Human resource investment and improvement of employee job satisfaction

The Company adopts the “empowerment of employees to explore and realize their full potential” as one of its management philosophies, and has set the “investment in talent to attract, develop, and retain high-performing employees and promote internal development” in the “Think Wild” mid-term management plan.

As part of that policy, in August 2025, we introduced a “Scholarship Repayment Support System” that supports employees in taking on challenges, thereby reducing employees’ economic burdens and creating an environment where they can focus on career development with peace of mind.

Our head office earlier received the platinum rank of WELL Certification, the highest ranking of the WELL Certification that began in the U.S. to evaluate and certify spaces including buildings and offices from the standpoint of human health. More recently, our head office won the “36th Nikkei New Office Awards,” which awards creativity in office design. By providing our employees as human capital, with the best possible work environment, we are working to increase corporate value through measures such as increased productivity and workstyle reforms.

(2) Overview of Financial Position

(Assets)

Current assets as of September 30, 2025 stood at ¥28,548 million. This mainly comprises cash and deposits of ¥22,692 million, deposits paid of ¥4,005 million and accounts receivable - trade, and contract assets of ¥677 million. Cash and deposits include ¥18,650 million of receiving agency deposits in money collection business, which will be transferred to operators up to the predetermined date of transfer in the following month. Meanwhile, non-current assets amounted to ¥6,408 million. This mainly comprises property, plant and equipment of ¥3,737 million, intangible assets of ¥414 million, and investments and other assets of ¥2,256 million. As a result, total assets amounted to ¥34,956 million.

(Liabilities)

Current liabilities as of September 30, 2025 stood at ¥24,635 million. This mainly comprises receiving agency deposits of ¥18,650 million and deposits received of ¥4,857 million. Meanwhile, non-current liabilities amounted to ¥1,738 million. This mainly comprises long-term borrowings of ¥1,475 million. As a result, total liabilities amounted to ¥26,374 million.

(Net assets)

Net assets as of September 30, 2025 stood at ¥8,582 million. This mainly comprises shareholders’ equity of ¥8,504 million.

(Reference) Overview of balance sheet

(Millions of yen)

	As of June 30, 2025	As of September 30, 2025	Difference from Previous Fiscal Year-End	Comparison to Previous Fiscal Year-End
Current assets	23,250	28,548	5,298	122.8%
Of which, cash and deposits	17,495	22,692	5,197	129.7%
Of which, deposits paid	4,198	4,005	(193)	95.4%
Non-current assets a	6,052	6,408	355	105.9%
Total assets b	29,302	34,956	5,653	119.3%
Liabilities	20,441	26,374	5,932	129.0%
Of which, deposits received c	4,939	4,857	(81)	98.3%
Of which, receiving agency deposits d	12,407	18,650	6,243	150.3%
Of which, long-term borrowings e	1,500	1,475	(25)	98.3%
Net assets f	8,860	8,582	(278)	96.9%
Equity g	8,774	8,498	(276)	96.9%
Net cash and deposits* e+f-a	4,308	3,648	(659)	84.7%
Equity ratio	29.9%	24.3%	(5.6)%	
Net equity ratio* $g \div (b-c-d)$	73.4%	74.2%	0.8%	

(3) Explanation of Financial Results Forecast and Other Forward-looking Information

No changes have been made to the financial results forecast for the fiscal year ending June 30, 2026 provided in the “Financial Results for the Fiscal Year Ended June 30, 2025 [Japanese GAAP] (Non-consolidated)” announced on August 8, 2025.

2. Financial Statements and Significant Notes

(1) Balance Sheet

(Thousands of yen)

	As of June 30, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	17,495,195	22,692,526
Accounts receivable - trade, and contract assets	661,842	677,628
Merchandise	8,058	8,328
Supplies	1,014	1,423
Prepaid expenses	97,455	92,600
Deposits paid	4,198,514	4,005,350
Other	788,110	1,070,371
Total current assets	23,250,192	28,548,229
Non-current assets		
Property, plant and equipment	3,771,641	3,737,210
Intangible assets	393,134	414,796
Investments and other assets	1,887,474	2,256,168
Total non-current assets	6,052,250	6,408,175
Total assets	29,302,442	34,956,405
Liabilities		
Current liabilities		
Accounts payable - trade	470,018	428,839
Current portion of long-term borrowings	100,000	100,000
Deposits received	4,939,161	4,857,447
Receiving agency deposits	12,407,384	18,650,546
Income taxes payable	379,941	96,237
Provision for bonuses	37,549	52,351
Provision for point card certificates	0	1,948
Other	349,006	447,968
Total current liabilities	18,683,062	24,635,339
Non-current liabilities		
Long-term borrowings	1,500,000	1,475,000
Provision for share awards	90,925	90,253
Provision for retirement benefits	4,687	5,519
Asset retirement obligations	16,065	16,097
Long-term accounts payable - other	119,007	119,007
Other	27,991	33,031
Total non-current liabilities	1,758,677	1,738,909
Total liabilities	20,441,740	26,374,248
Net assets		
Shareholders' equity		
Share capital	667,782	667,782
Capital surplus	3,509,216	3,509,216
Retained earnings	5,317,097	5,017,537
Treasury shares	(714,341)	(690,319)
Total shareholders' equity	8,779,754	8,504,217
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(5,052)	(5,898)
Total valuation and translation adjustments	(5,052)	(5,898)
Share acquisition rights	86,001	83,838
Total net assets	8,860,702	8,582,157
Total liabilities and net assets	29,302,442	34,956,405

(2) Statement of Income

(Thousands of yen)

	Three months ended September 30, 2024	Three months ended September 30, 2025
Net sales	2,816,048	2,586,787
Cost of sales	2,158,156	1,976,583
Gross profit	657,891	610,204
Selling, general and administrative expenses	234,359	255,229
Operating profit	423,531	354,974
Non-operating income		
Interest income	280	8,804
Interest on securities	—	1,684
Gain on investments in investment partnerships	3,141	3,928
Rental income	190	180
Other	932	1,973
Total non-operating income	4,543	16,571
Non-operating expenses		
Interest expenses	857	2,419
Total non-operating expenses	857	2,419
Ordinary profit	427,218	369,126
Extraordinary income		
Gain on reversal of share acquisition rights	93	—
Total extraordinary income	93	—
Profit before income taxes	427,312	369,126
Income taxes - current	131,666	87,618
Income taxes - deferred	1,643	26,215
Total income taxes	133,309	113,833
Profit	294,003	255,293

(3) Notes to Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes to substantial change in the amount of shareholders' equity)

There is no relevant information.

(Notes to balance sheet)

*Receiving agency deposits, deposits received and deposits paid

As of June 30, 2025

Receiving agency deposits are deposits related to money collection business, and an equivalent amount is included in the deposits. A portion of deposits received includes deposits in remittance services, and an equivalent amount is included in the deposits. Deposits paid are contributed from deposits to the trust account related to remittance services.

As of September 30, 2025

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(Notes to statement of cash flows)

The Company has not prepared statement of cash flows for the first three months of the fiscal year under review. In addition, the amounts of depreciation (including amortization related to intangible assets excluding goodwill) for the first three months of the current and previous fiscal years are as stated below.

	(Thousands of yen)	
	Three months ended September 30, 2024	Three months ended September 30, 2025
Depreciation	73,196	78,398

(Notes on segment information, etc.)

[Segment information]

I Three months ended September 30, 2024 (from July 1, 2024 to September 30, 2024)

Description is omitted because the Company operates in a single segment with its main business activities focused on payment and authentication services.

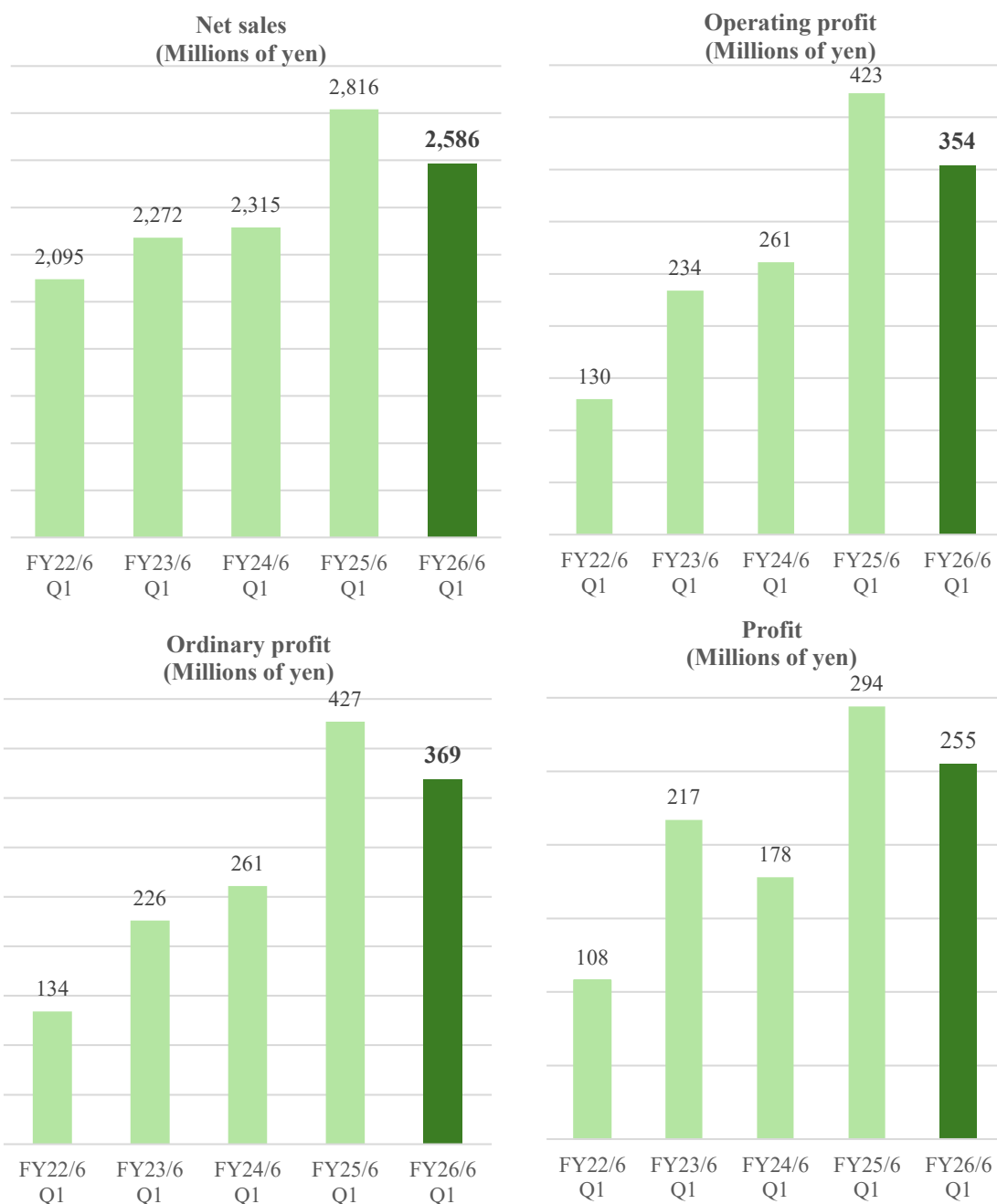
II Three months ended September 30, 2025 (from July 1, 2025 to September 30, 2025)

Description is omitted because the Company operates in a single segment with its main business activities focused on payment and authentication services.

Overview of Financial Results for the Three Months Ended September 30, 2025

With respect to business results for the three months ended September 30, 2025, the Company saw a decline in both revenue and profit for the three months of the fiscal year under review due to a rebound from large-scale products in the previous fiscal year and reported net sales of ¥2,586 million (a 91.9% year on year change), operating profit of ¥354 million (an 83.8% year on year change), ordinary profit of ¥369 million (an 86.4% year on year change) and profit of ¥255 million (an 86.8% year on year change). However, business results continue to be on a growth trajectory.

The first half and full year dividend and financial results forecasts for the fiscal year ending June 30, 2026 are unchanged from the forecasts announced on August 8, 2025.



Overview of operating results

(Millions of yen)

	FY25/6 Q1	FY26/6 Q1	YoY Difference	YoY Change	Financial results forecast for the first half of the fiscal year ending June 30, 2026	Financial results forecast for the full fiscal year ending June 30, 2026
Net sales	2,816	2,586	(229)	91.9%	5,300	11,500
Cost of sales	2,158	1,976	(181)	91.6%		
Gross profit	657	610	(47)	92.8%		
Selling, general and administrative expenses	234	255	20	108.9%		
Operating profit	423	354	(68)	83.8%	670	1,680
Ordinary profit	427	369	(58)	86.4%	680	1,700
Profit	294	255	(38)	86.8%	440	1,100

*Dividends per Share Forecast for the Fiscal Year Ending June 30, 2026: First half: ¥12.00 Full year: ¥29.50
(payout ratio of 50.4%)

Overview of balance sheet

(Millions of yen)

	As of June 30, 2025	As of September 30, 2025	Difference from Previous Fiscal Year- End	Comparison to Previous Fiscal Year-End
Current assets	23,250	28,548	5,298	122.8%
Of which, cash and deposits	17,495	22,692	5,197	129.7%
Of which, deposits paid	4,198	4,005	(193)	95.4%
Non-current assets a	6,052	6,408	355	105.9%
Total assets b	29,302	34,956	5,653	119.3%
Liabilities	20,441	26,374	5,932	129.0%
Of which, deposits received c	4,939	4,857	(81)	98.3%
Of which, receiving agency deposits d	12,407	18,650	6,243	150.3%
Of which, long-term borrowings e	1,500	1,475	(25)	98.3%
Net assets f	8,860	8,582	(278)	96.9%
Equity g	8,774	8,498	(276)	96.9%
Actual cash and deposits* e+f-a	4,308	3,648	(659)	84.7%
Equity ratio	29.9%	24.3%	(5.6)%	
Actual equity ratio*2 g÷(b-c-d)	73.4%	74.2%	0.8%	

The deposits held in custody are related to collection agency services, while the deposits held are largely related to remittance services. These funds are held in custody for remittance to the business operator and its counterparties. The 'actual cash and deposits'* and 'actual equity ratio'*2, which exclude the impact of these funds from our balance sheet, are as stated above.

In order to contribute to expansion of the Company's business, 'actual cash and deposits' are invested in (1) system development, (2) working capital, (3) capital and business alliances, and (4) safe assets.