November 10, 2025

Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: FAN Communications, Inc.
Listing: Tokyo Stock Exchange
Securities code: 2461
URL: https://www.fancs.com/
Representative: Koji Ninomiya, Representative Director and President
Inquiries: Takashi Yoshinaga, Director, Executive Vice President and Executive Officer, Head of Corporate Department
Telephone: +81-3-5766-3530
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	5,421	5.0	1,494	40.3	1,509	40.6	1,009	1.3
September 30, 2024	5,163	(7.2)	1,064	(35.7)	1,073	(36.9)	995	2.5

Note: Comprehensive income For the nine months ended September 30, 2025: ¥972 million [(2.3)%]
For the nine months ended September 30, 2024: ¥995 million [(3.9)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	15.23	15.23
September 30, 2024	15.03	15.03

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	22,549	17,230	76.3
December 31, 2024	23,356	18,059	77.1

Reference: Equity
As of September 30, 2025: ¥17,197 million
As of December 31, 2024: ¥18,004 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	19.00	19.00
Fiscal year ending December 31, 2025	-	8.00	-		
Fiscal year ending December 31, 2025 (Forecast)				19.00	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	7,440	6.9	1,950	22.2	1,940	16.2	1,280	(9.8)	19.32

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: Changes in accounting policies due to revisions to accounting standards, etc., are described in "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policy)".

(4) Number of issued shares (common shares)

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

As of September 30, 2025	66,265,429 shares
As of December 31, 2024	76,930,032 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	0 shares
As of December 31, 2024	10,681,603 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2025	66,248,989 shares
Nine months ended September 30, 2024	66,248,429 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:None

* Proper use of earnings forecasts, and other special matters

Please note that the forecasted figures presented above are outlooks based on information currently available and include a considerable number of uncertain factors. Actual results may differ from the above forecasts due to changes in business conditions and other factors. Please refer to page 3 of the attachment for information related to the above forecasts.

Quarterly consolidated balance sheet

(Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,917,898	14,055,246
Accounts receivable - trade	3,121,756	2,647,334
Securities	399,523	299,077
Other	358,350	226,943
Allowance for doubtful accounts	(11,574)	(8,879)
Total current assets	20,785,954	17,219,722
Non-current assets		
Property, plant and equipment		
Buildings, net	49,622	44,553
Tools, furniture and fixtures, net	3,889	31,517
Total property, plant and equipment	53,512	76,070
Intangible assets		
Goodwill	555,390	462,825
Other	461,296	519,715
Total intangible assets	1,016,687	982,540
Investments and other assets		
Investment securities	1,140,546	3,935,118
Other	361,306	337,318
Allowance for doubtful accounts	(1,170)	(1,345)
Total investments and other assets	1,500,682	4,271,091
Total non-current assets	2,570,881	5,329,702
Total assets	23,356,835	22,549,425

(Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	4,425,209	3,977,401
Income taxes payable	18,368	407,859
Provision for point card certificates	24,275	42,040
Provision for bonuses	4,345	14,086
Other	710,738	764,739
Total current liabilities	5,182,938	5,206,127
Non-current liabilities		
Other	114,262	112,362
Total non-current liabilities	114,262	112,362
Total liabilities	5,297,200	5,318,489
Net assets		
Shareholders' equity		
Share capital	1,173,673	1,177,944
Capital surplus	278,373	282,644
Retained earnings	21,212,893	15,654,189
Treasury shares	(4,779,247)	-
Total shareholders' equity	17,885,693	17,114,778
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	118,807	82,269
Total accumulated other comprehensive income	118,807	82,269
Share acquisition rights	55,134	33,887
Total net assets	18,059,635	17,230,935
Total liabilities and net assets	23,356,835	22,549,425

Quarterly consolidated statement of income

(Thousands of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net sales	5,163,380	5,421,471
Cost of sales	848,175	642,231
Gross profit	4,315,205	4,779,239
Selling, general and administrative expenses	3,250,393	3,284,790
Operating profit	1,064,811	1,494,449
Non-operating income		
Interest income	7,818	37,298
Dividend income	2,400	1,750
Gain on investments in investment partnerships	-	4,415
Gain on forgiveness of debts	26,990	2,418
Other	8,298	5,286
Total non-operating income	45,507	51,170
Non-operating expenses		
Loss on investments in investment partnerships	26,789	-
Foreign exchange losses	10,147	35,940
Other	4	36
Total non-operating expenses	36,941	35,977
Ordinary profit	1,073,378	1,509,642
Extraordinary income		
Gain on sale of businesses	-	3,000
Gain on reversal of share acquisition rights	32,067	22,251
Other	-	19,454
Total extraordinary income	32,067	44,705
Extraordinary losses		
Loss on retirement of non-current assets	19,412	-
Loss on valuation of investment securities	-	9,994
Total extraordinary losses	19,412	9,994
Profit before income taxes	1,086,032	1,544,353
Income taxes - current	177,424	548,851
Income taxes - deferred	(87,220)	(13,748)
Total income taxes	90,204	535,103
Profit	995,827	1,009,250
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	995,827	1,009,250

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit	995,827	1,009,250
Other comprehensive income		
Valuation difference on available-for-sale securities	(485)	(36,537)
Total other comprehensive income	(485)	(36,537)
Comprehensive income	995,342	972,712
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	995,342	972,712
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

Segment Information

I. The nine months of the previous fiscal year (January 1, 2024 to September 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(Thousands of yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Cost Per Action Solution Business	StrategyBusiness	Total		
Sales					
Revenues from external customers	4,394,895	768,485	5,163,380	-	5,163,380
Transactions with other segments	180,367	23,833	204,201	(204,201)	-
Total	4,575,263	792,319	5,367,582	(204,201)	5,163,380
Segment profit (loss)	2,495,400	(691,176)	1,804,223	(739,411)	1,064,811

Note: 1. Adjustments for segment profits or losses (loss) are company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are general and administrative expenses that are not attributable to the reporting segment.

2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant fluctuations in the amount of goodwill)

In the interim consolidated accounting period, goodwill was generated in the "Strategic Business" as a result of the acquisition of WAND Co., Ltd. as a subsidiary. The increase in goodwill in this event was 586,245 thousand yen in the nine months of the current fiscal year.

II. The nine months of the current fiscal year (January 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Thousands of yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Cost Per Action Solution Business	StrategyBusiness	Total		
Sales					
Revenues from external customers	4,312,128	1,109,342	5,421,471	-	5,421,471
Transactions with other segments	128,071	79,895	207,966	(207,966)	-
Total	4,440,200	1,189,238	5,629,438	(207,966)	5,421,471
Segment profit (loss)	2,916,500	(503,865)	2,412,635	(918,186)	1,494,449

Note: 1. Adjustments for segment profits or losses (loss) are company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are general and administrative expenses that are not attributable to the reporting segment.

2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.

3. From the first quarter of the fiscal year , the name of the reporting segment, which was previously called "New Business," was changed to "Strategic Business."The change is only the name of the reporting segment and does not affect the segment information. Accordingly, segment information for the nine months of the previous fiscal year is shown with the changed segment name.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.