

May 8, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

Company name: FAN Communications, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2461
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 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 three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate 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	%
Three months ended								
March 31, 2026	1,733	(6.6)	273	(53.9)	225	(60.1)	108	(72.3)
March 31, 2025	1,855	9.0	594	68.7	565	59.4	389	(24.4)

Note: Comprehensive income For the three months ended March 31, 2026: ¥119 million [(67.4)%
 For the three months ended March 31, 2025: ¥366 million [(33.1)%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
March 31, 2026	1.63		1.63	
March 31, 2025	5.88		-	

Note: Quarterly net income per share adjusted for potential stock in the first quarter of the fiscal year ending December 31, 2025 is not included because there are no potential shares that have a dilution effect.

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of								
March 31, 2026	21,382		16,234		75.8		245.98	
December 31, 2025	22,927		17,580		76.5		264.65	

Reference: Equity
 As of March 31, 2026: ¥16,202 million
 As of December 31, 2025: ¥17,549 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, 2025	-	8.00	-	19.00	27.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		10.50		10.50	21.00

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, 2026 (from January 1, 2026 to December 31, 2026)

(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	
Six months ending June 30, 2026	3,770	3.5	890	(16.4)	900	(14.1)	540	(22.2)	8.14	

Fiscal year ending December 31, 2026	7,800	9.9	2,180	10.9	2,200	9.2	1,430	9.4	21.57
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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: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2026	66,310,429 shares
As of December 31, 2025	66,310,429 shares

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

As of March 31, 2026	441,100 shares
As of December 31, 2025	0 shares

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

Three months ended March 31, 2026	66,166,886 shares
Three months ended March 31, 2025	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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	14,694,521	12,628,745
Accounts receivable - trade	2,624,731	2,637,981
Securities	393,023	496,910
Other	257,841	437,848
Allowance for doubtful accounts	(12,621)	(17,444)
Total current assets	17,957,495	16,184,041
Non-current assets		
Property, plant and equipment		
Buildings, net	42,856	41,465
Tools, furniture and fixtures, net	27,509	24,256
Total property, plant and equipment	70,365	65,721
Intangible assets		
Goodwill	431,970	401,115
Other	430,718	423,788
Total intangible assets	862,688	824,903
Investments and other assets		
Investment securities	3,687,231	3,987,654
Other	351,443	325,872
Allowance for doubtful accounts	(1,751)	(5,261)
Total investments and other assets	4,036,923	4,308,265
Total non-current assets	4,969,978	5,198,891
Total assets	22,927,473	21,382,932

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	3,938,419	3,906,104
Income taxes payable	589,247	97,576
Provision for point card certificates	49,607	67,054
Provision for bonuses	3,212	6,328
Other	651,237	956,166
Total current liabilities	5,231,724	5,033,230
Non-current liabilities		
Other	115,316	115,116
Total non-current liabilities	115,316	115,116
Total liabilities	5,347,040	5,148,347
Net assets		
Shareholders' equity		
Share capital	1,189,569	1,189,569
Capital surplus	294,269	294,269
Retained earnings	15,952,716	14,800,932
Treasury shares	-	(206,145)
Total shareholders' equity	17,436,554	16,078,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,578	123,930
Total accumulated other comprehensive income	112,578	123,930
Share acquisition rights	31,300	32,027
Total net assets	17,580,433	16,234,584
Total liabilities and net assets	22,927,473	21,382,932

Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	1,855,719	1,733,436
Cost of sales	200,511	368,825
Gross profit	1,655,208	1,364,610
Selling, general and administrative expenses	1,061,065	1,090,867
Operating profit	594,142	273,743
Non-operating income		
Interest income	9,988	23,851
Foreign exchange gains	-	12,789
Other	3,758	947
Total non-operating income	13,747	37,589
Non-operating expenses		
Loss on investments in investment partnerships	11,687	84,803
Foreign exchange losses	30,309	-
Other	31	721
Total non-operating expenses	42,029	85,525
Ordinary profit	565,860	225,807
Extraordinary income		
Gain on sale of businesses	3,000	1,200
Other	19,454	-
Total extraordinary income	22,454	1,200
Extraordinary losses		
Loss on retirement of non-current assets	-	6,491
Loss on valuation of investment securities	9,994	-
Total extraordinary losses	9,994	6,491
Profit before income taxes	578,320	220,515
Income taxes - current	199,783	90,012
Income taxes - deferred	(11,131)	22,388
Total income taxes	188,651	112,400
Profit	389,668	108,115
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	389,668	108,115

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	389,668	108,115
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,733)	11,352
Total other comprehensive income	(22,733)	11,352
Comprehensive income	366,935	119,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	366,935	119,467
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

Segment Information

I. The three months of the previous fiscal year (January 1, 2025 to March 31, 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	Strategic Business	Total		
Sales					
Revenues from external customers	1,538,658	317,061	1,855,719	-	1,855,719
Transactions with other segments	46,735	23,504	70,240	(70,240)	-
Total	1,585,394	340,566	1,925,960	(70,240)	1,855,719
Segment profit (loss)	1,045,090	(154,173)	890,916	(296,773)	594,142

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

Not applicable.

II. The three months of the current fiscal year (January 1, 2026 to March 31, 2026)

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	Strategic Business	Total		
Sales					
Revenues from external customers	1,280,559	452,877	1,733,436	-	1,733,436
Transactions with other segments	32,967	36,189	69,156	(69,156)	-
Total	1,313,526	489,066	1,802,593	(69,156)	1,733,436
Segment profit (loss)	847,231	(253,125)	594,106	(320,362)	273,743

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

Not applicable.