

Fixstars Corporation

FY2025 Second Quarter Consolidated Financial Results

2025/5/14

This is an English translation from the original presentation in Japanese

Disclaimer

This presentation contains forward-looking statements reflecting the plans, expectations, and the assumptions of Fixstars Corporation and its consolidated subsidiaries (“Fixstars”).

Please be advised that Fixstars’ actual financial results could differ from those described in the forward-looking statements due to various factors including, but not limited to uncertainties in Fixstars’ assumptions and decisions and changes in economic conditions and market demands.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

1

FY2025 Second Quarter Financial Results

- Year-over-year we could achieve huge growth in revenue and profit

- Revenue (Millions of yen) : 4,783 (+22.4% YoY)
- Operating profit (Millions of yen) : 1,502 (+27.4% YoY)

- Solution Business: Securing steady revenue and profit growth

- High demands for software acceleration service business
- Continued and deepened efforts to build a recurring revenue model
- Actively engaged in talent acquisition

- SaaS Business: Driving each SaaS business for positive profit

- Domestic users of “Fixstars Amplify” are steadily increasing, and its cloud usage fee monetization remains on track.
- We are working on enhancing the functionality of “Fixstars AI Booster” as a performance engineering platform. The latest “Fixstars AI Booster” improves processing time and cost reduction of GPU cloud usage after collaboration with our Solution Company.

Consolidated Profit and Loss Results

Driven largely by the strong performance of our core Solution Business, we achieved significant year-on-year growth in both revenue and profit, exceeding our first-half earnings forecast.

We increased net profit compared with the last fiscal year because tax burden has temporarily been reduced due to liquidation of our consolidated subsidiary, Sider Corporation.

(Millions of yen)	FY2024 2Q (cumulative)	FY2025 2Q (cumulative)			
	Actual	Forecast	Actual	YoY	Actual vs Forecast
Revenue	3,906	4,400	4,783	+22.4%	+8.7%
Operating profit	1,179	1,200	1,502	+27.4%	+25.2%
Operating profit to revenue ratio	30.2%	27.3%	31.4%	+1.2pt	+4.1pt
Profit attributable to owners of parent	762	1,000	1,192	+56.4%	+19.2%
Net profit margin	19.5%	22.7%	24.9%	+5.4pt	+2.2pt

Consolidated revenue trends

Achieved record-high quarterly revenue.

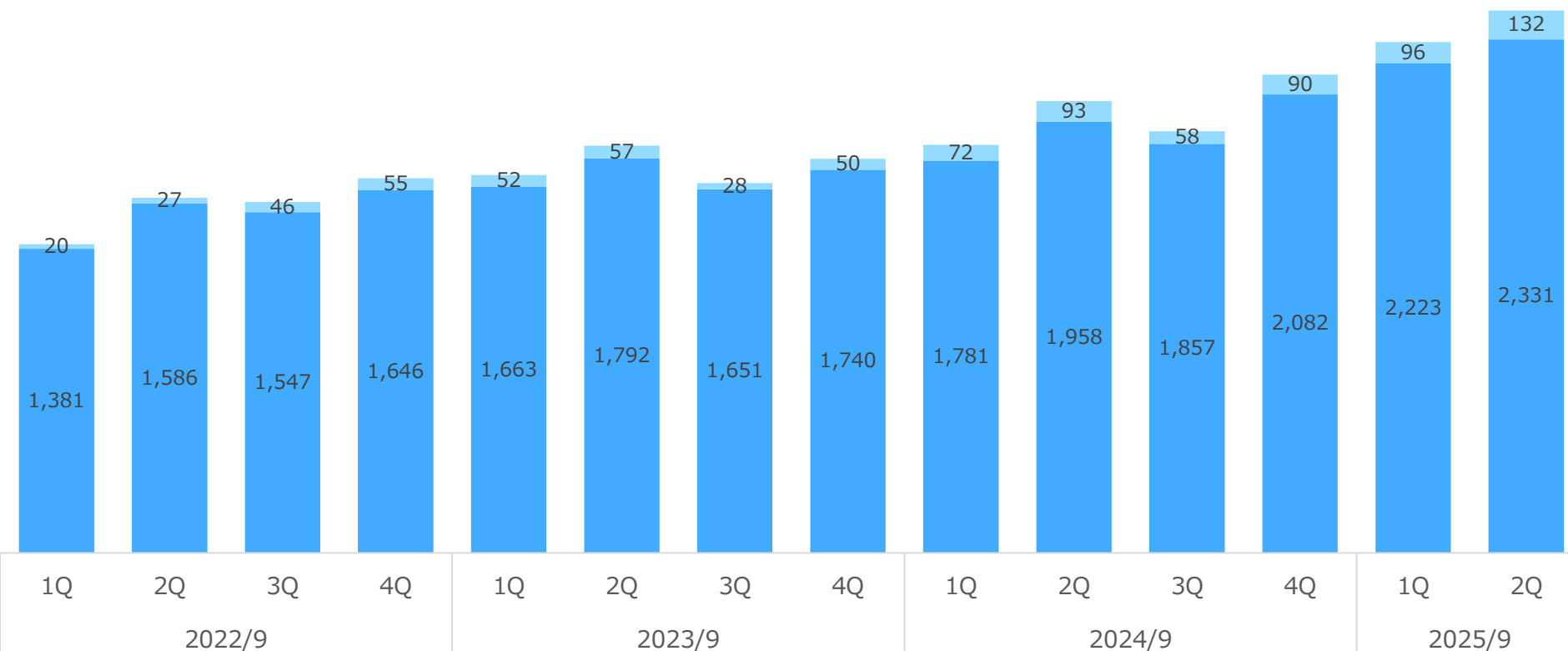
For Solution Business, the company is focusing on expanding the business based on strong demands in automobile industry.

For SaaS Business, we are focusing on sales of Fixstars Amplify and Fixstars AI Booster harnessing a synergy with Solution Business.

■ SaaS Business

■ Solution Business

(Millions of yen)

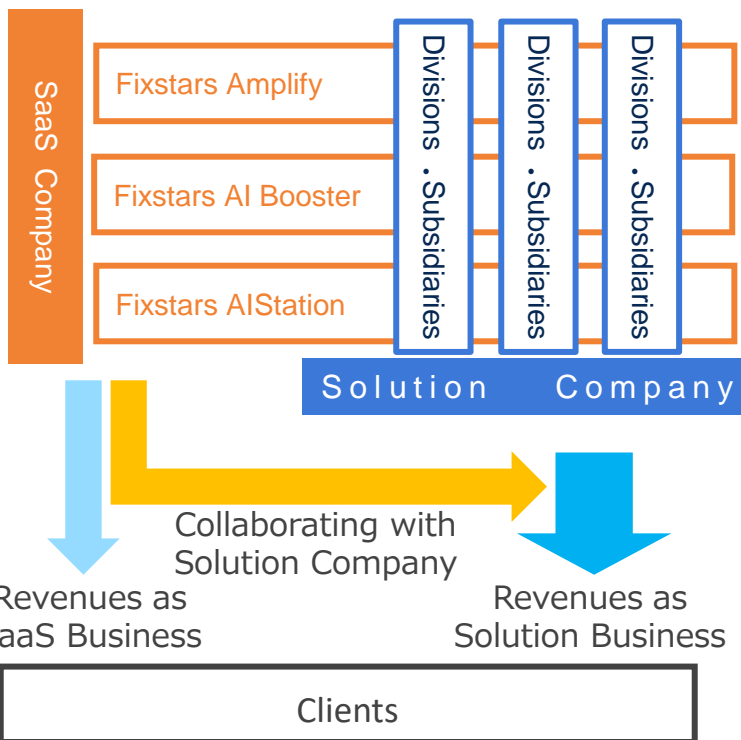


Revenues: : SaaS related revenue trends

We are focusing on growing our recurring SaaS and VAR revenues based on our medium-term business plan. Harnessing a synergy with Solution Company, we are driving sales of our SaaS products (Fixstars Amplify and Fixstars AI Booster).

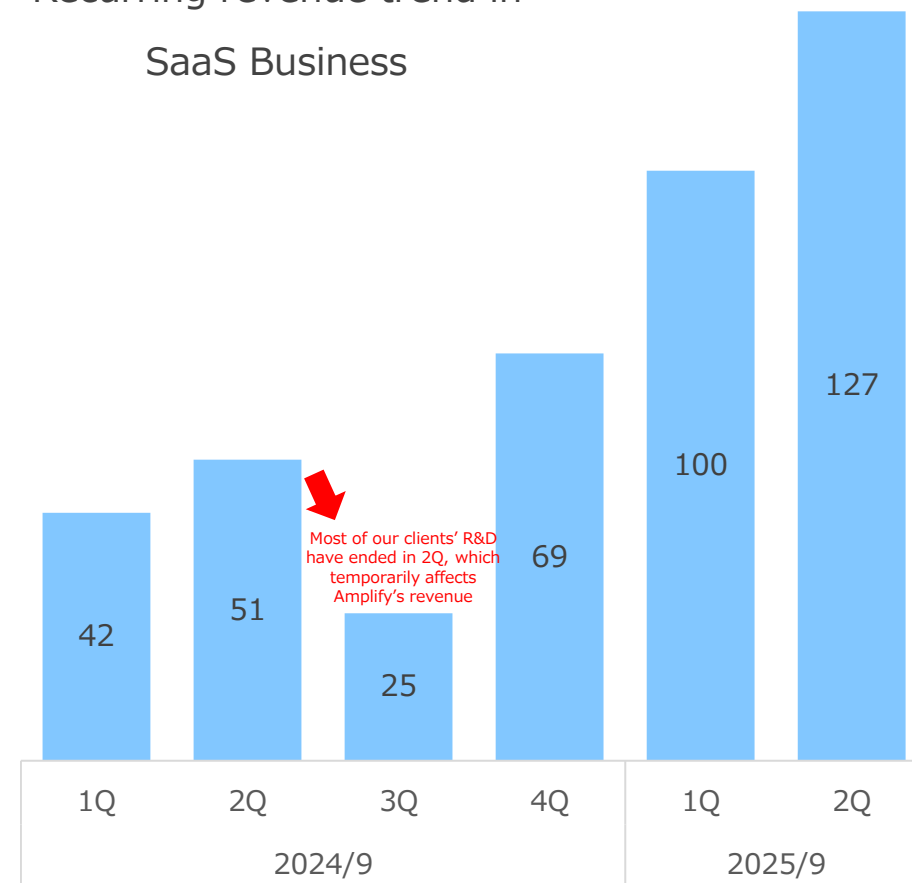
Our strategy to expand SaaS recurring revenue and profit

Building a scheme to sell SaaS company products across divisions of the Solution Company and our subsidiaries



Recurring revenue trend in SaaS Business

(Millions of yen)



Operating profit trends*

* Described main segments only

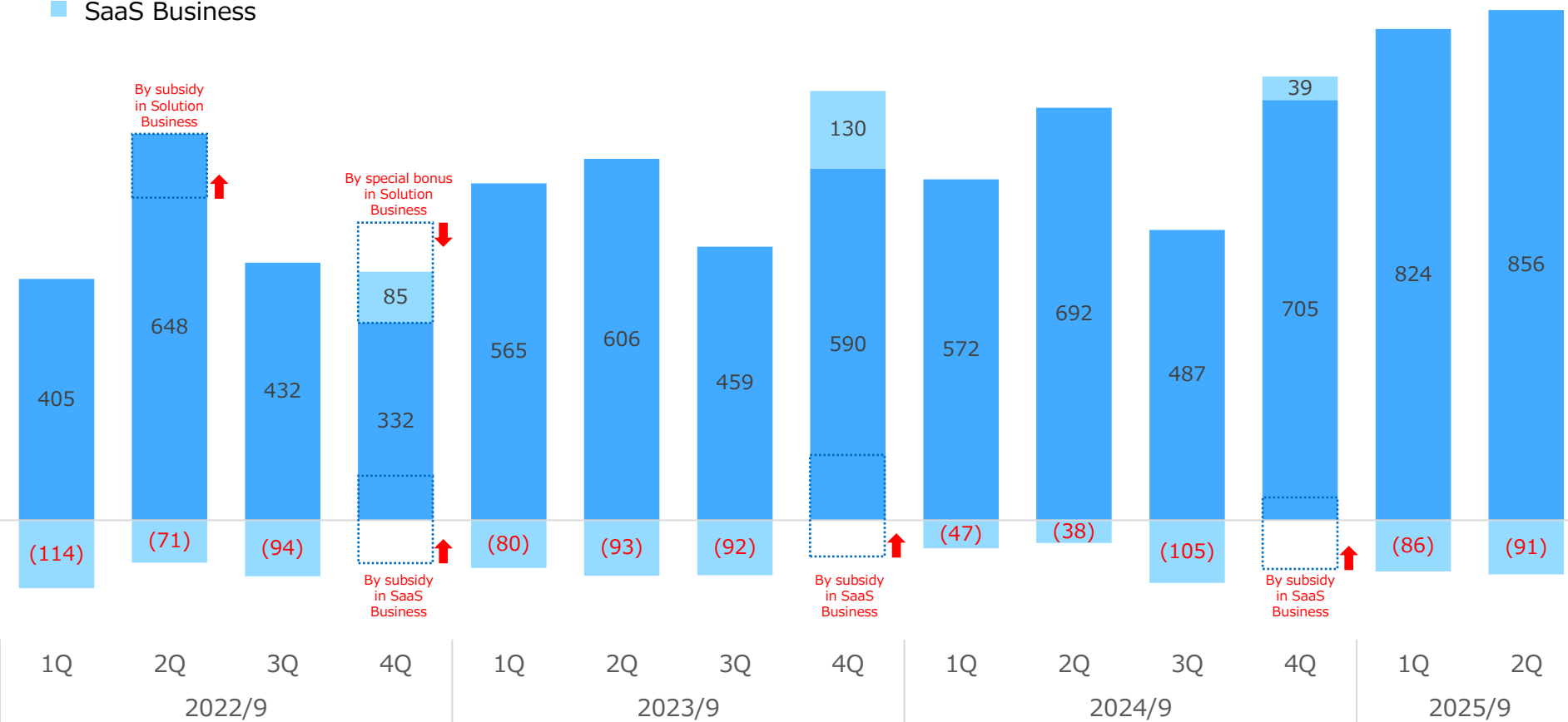
Secure stable revenue from the Solution business while continuing to actively invest in the SaaS Business.

The Solution Business achieved record-high quarterly profits.

SaaS Business losses returned to previous levels due to investments in AI starting late last fiscal year.

■ Solution Business
■ SaaS Business

(Millions of yen)



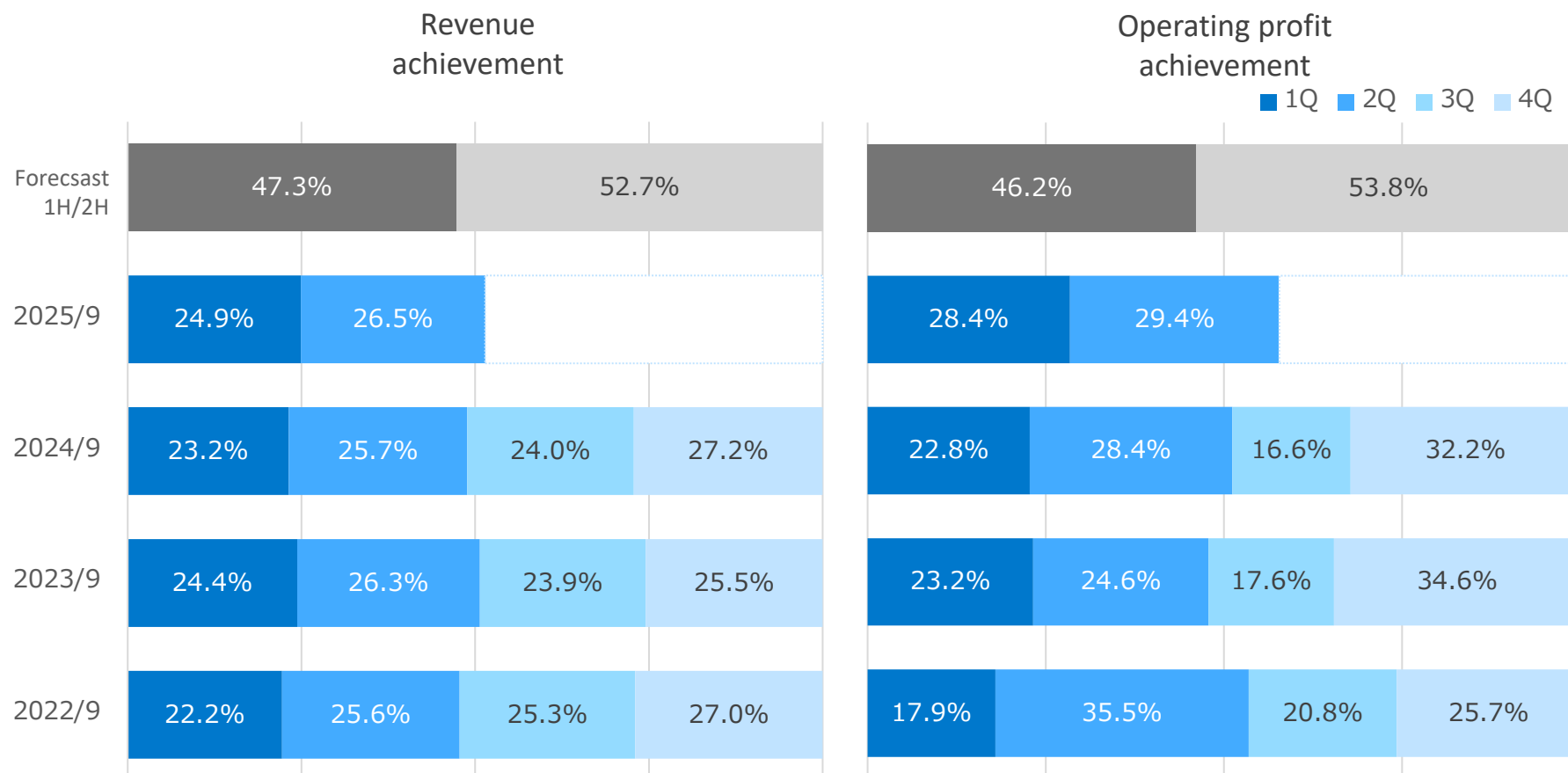
Revenue/Operating profit achievement*

Both revenue and operating profit exceeded the 1Q progress rate of previous years, marking a strong start.

* FY25 current achievement trend : quarterly performance/fiscal year forecast

Past achievement trend : quarterly performance/fiscal year performance

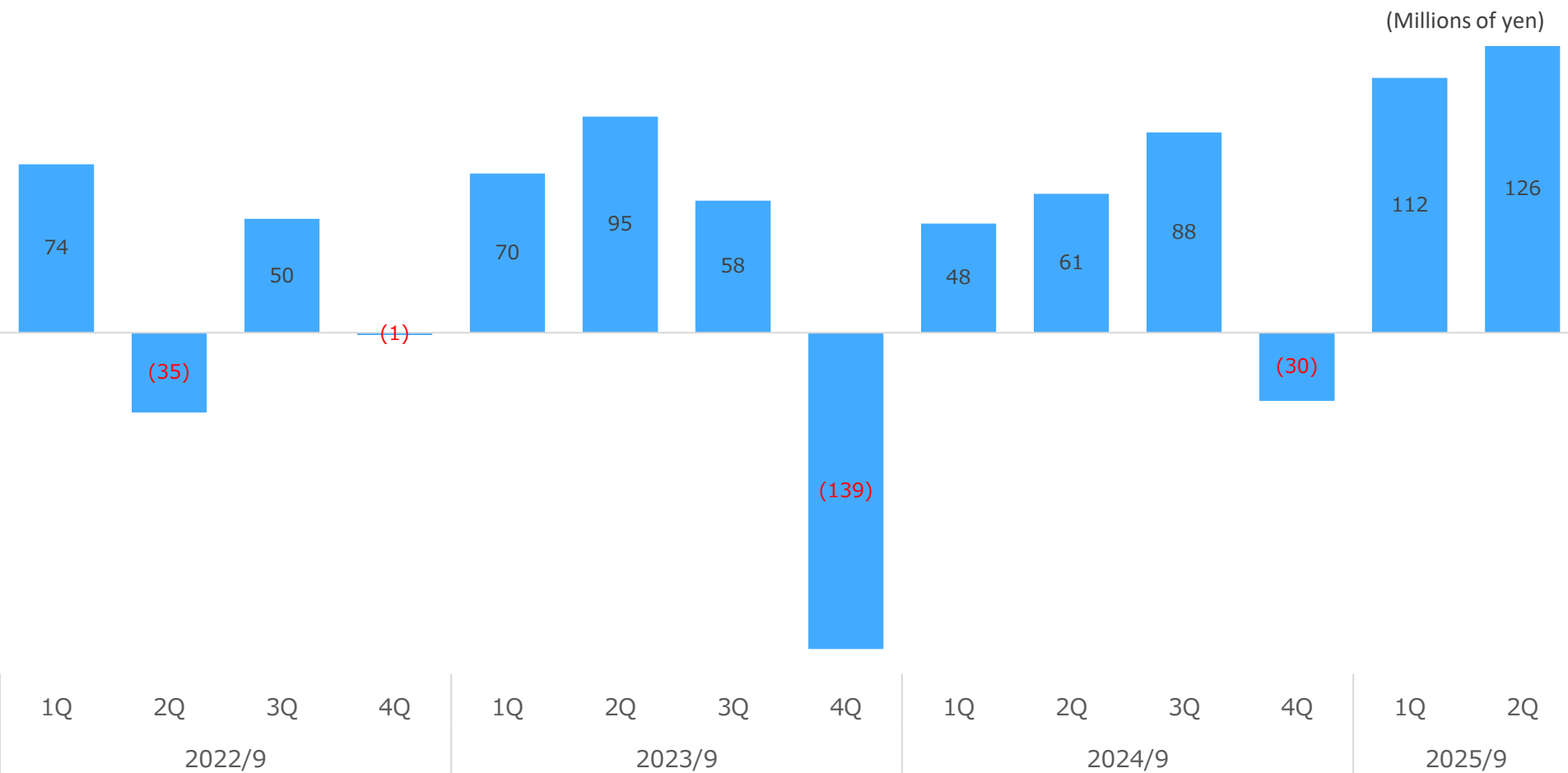
(rounding to the nearest hundredth)



R&D expenses

Expanded R&D in AI-related projects. In quantum computing, leveraged subsidies from sources such as NEDO to reduce cost burdens.

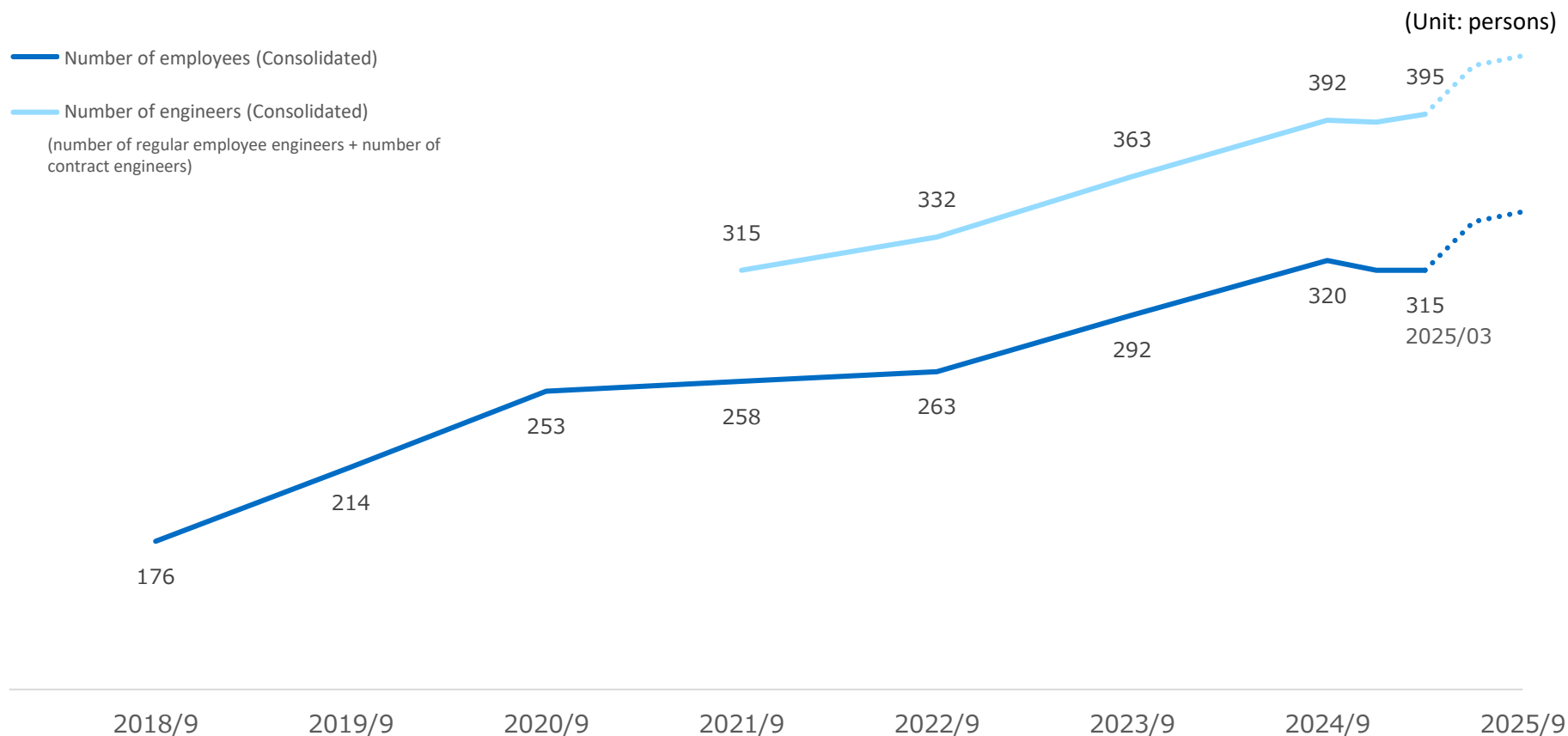
Confirmed subsidy amounts are deducted from R&D expenses, resulting in lower recorded R&D costs in the quarters when subsidies are finalized (each Q4 and Q2 of FY September 2022).



The number of employees and engineers* trend

* Tracking of the number of engineers started in September, 2021

Our hiring team strives to acquire talents through various recruiting channels.
We hired 26 new grads in April.



2

FY2025 Financial Forecasts

- We expect record-high revenue and profit
 - Revenue (Millions of yen) : 9,300 (+16.3% YoY)
 - Operating profit (Millions of yen): 2,600 (+12.8% YoY)
- Towards the medium-term management vision
 - While continuing the sustainable growth of transactional revenue, we aim to expand recurring revenue through these opportunities.
 - Strengthen collaboration between the Solution Business and the SaaS business
 - Continue the development of talent with expertise in both technology and management

Consolidated P/L · Dividend Forecasts

It anticipates record-high revenue and profit for the fourth consecutive fiscal year. As a result of a one-time tax relief associated with the liquidation of a subsidiary, YoY increase in net profit will become larger. Dividends will be implemented based on a consolidated payout ratio guideline of 30%.

(Millions of yen)	FY2024	FY2025	
	Actual	Forecast	YoY
Revenue	7,995	9,300	+16.3%
Operating profit	2,304	2,600	+12.8%
Operating profit to revenue ratio	28.8%	28.0%	-0.9pt
Profit attributable to owners of parent	1,494	1,900	+27.2%
Net profit margin	18.7%	20.4%	+1.7pt
EPS	46.39 yen	58.98 yen	+27.1%
Dividend per share	14 yen + Commemorative: 5 yen	18 yen	+4 yen (excluded commemorative)

3

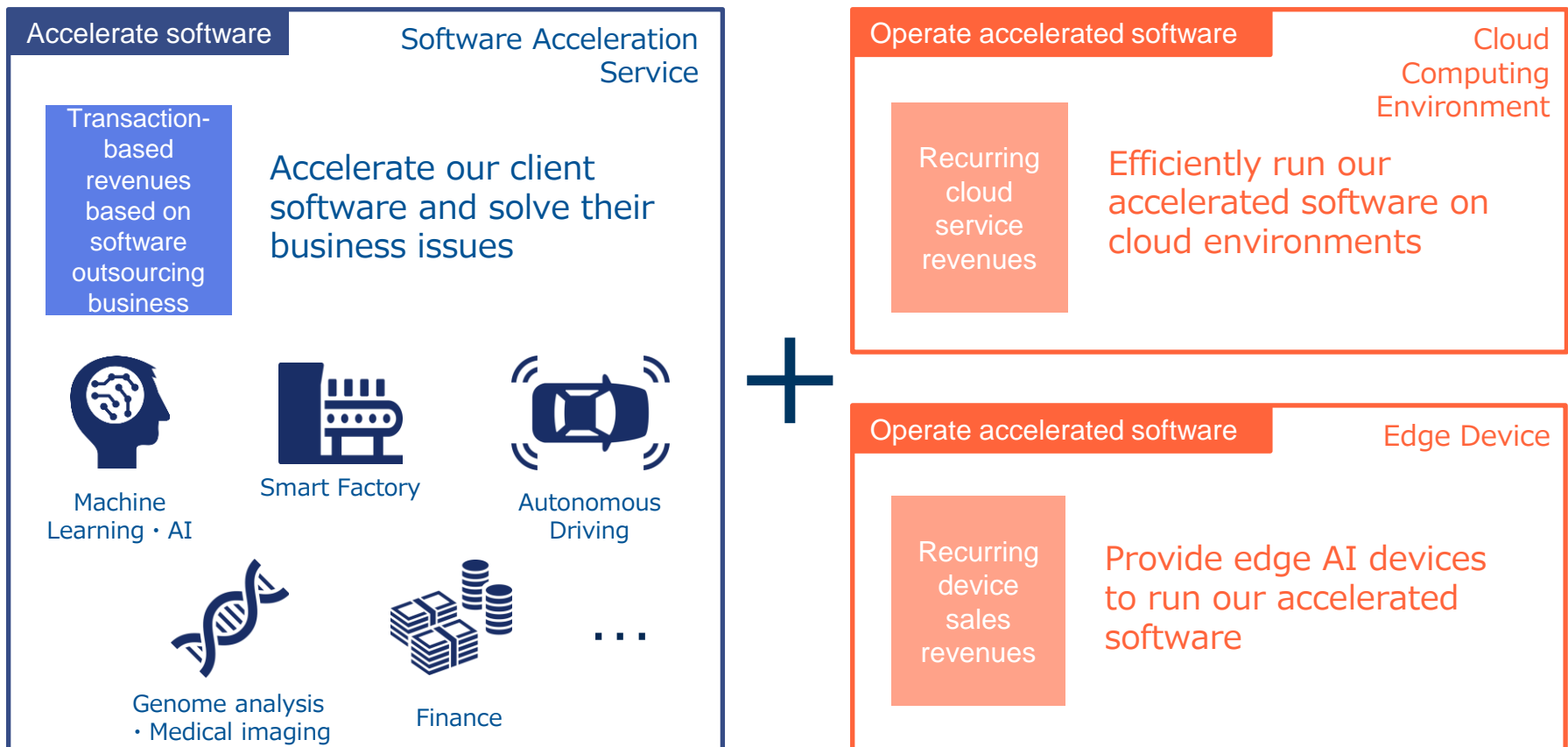
Appendix

3

Appendix ① Business Updates

“Accelerate software” + “Operate accelerated software”

We are building a robust business model where we keep growing our main software outsourcing business (“Accelerate software”) and expand recurring revenue business (“Operate accelerated software”) by providing accelerated software execution environments.

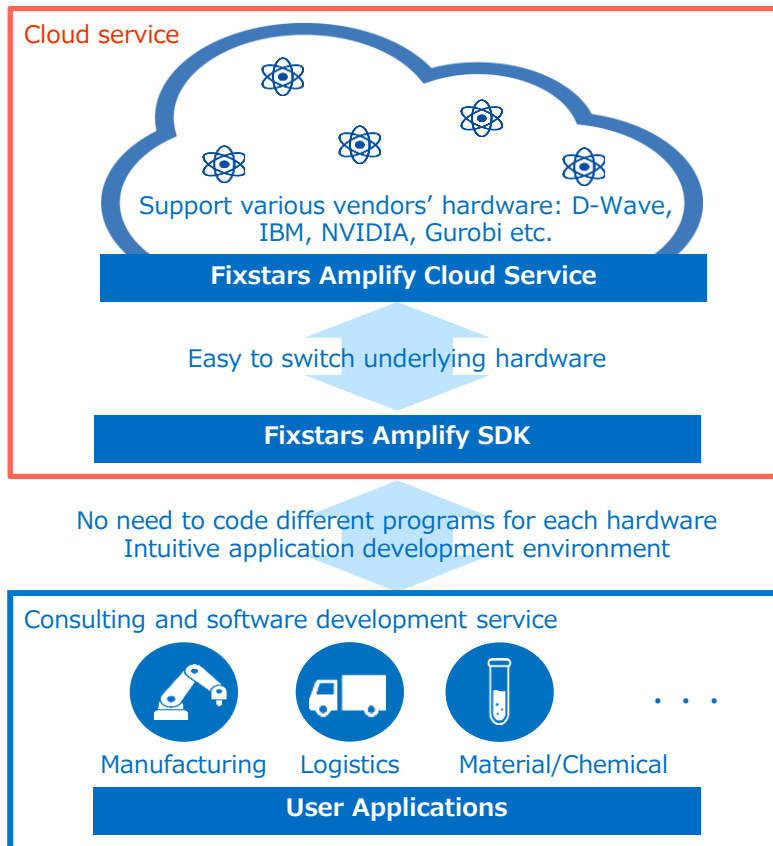


"Quantum-Inspired Computing" is being put into practical use

Our "Quantum-inspired technology" running on conventional computers contributes to solving complex combinatorial problems.

We are driving our business in both transaction-based revenues, such as consulting and software development for problem-solving as well as subscription-based revenues from cloud usage fees.

About Fixstars Amplify Service



Current Business Summary

- ☑ Continue to acquire leads by exhibiting at trade shows and conducting seminars.
800+ registrations (mainly domestic users) in total
- ☑ Earn about 20 million yen per month as cloud service revenue

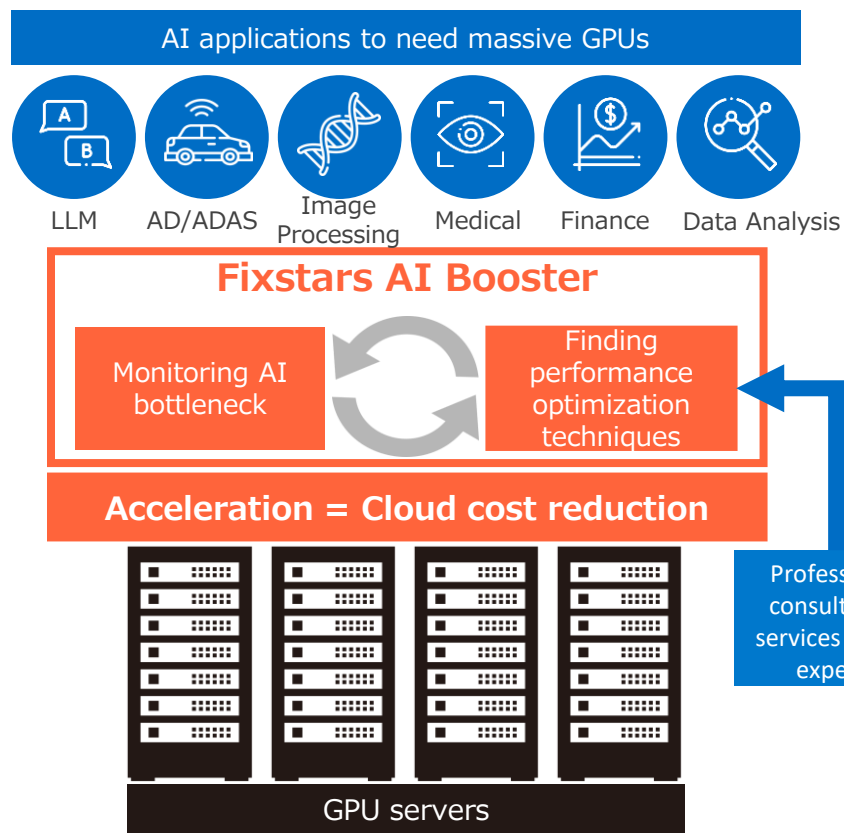
Future Initiatives

- ☑ Build strong relationship with clients for future recurring revenue gains by cooperating with group companies
- ☑ Make case studies by resolving real social problems one by one by collaborating with people in both academia and industry
- ☑ Support and expand Amplify cloud service users to move forward to PoC phases from research phases
- ☑ Aim to become the de facto standard in combinatorial problem solving platforms by updating the Amplify cloud service

Performance engineering platform to enable high ROI in AI development and operations

GPUs have become essential in the development and operation of AI. However, there are still many cases where their high computational power is not being fully utilized. Fixstars AI Booster unleashes GPU performance and contributes to enhancing competitiveness of our clients' products by shortening development period and reducing operational costs.

About service



Business background/status

- ✓ Accelerating user acquisition by providing Performance Observability (PrO) to trace and visualize performance of AI computations.
- ✓ Carrying out international expansion of Fixstars AI Booster (FAIB) focusing on the US market where massive GPUs are used in AI development.



Future Initiatives

- ✓ Continuing sales activities using client relationships built in our Solution Business.
- ✓ Strengthening partnership with GPU cloud vendors.
- ✓ Enhancing FAIB features, developing numerous case studies, and increasing brand awareness

AI-assisted breast cancer diagnosis business

We aim to reduce the burden on physicians by using AI to quickly and accurately determine whether further investigation is necessary, based on breast ultrasound images. We will provide services that promote the early detection of breast cancer and offer comprehensive care services to patients even after a diagnosis of cancer.

Service Overviews

METIS Eye will be introduced to Keio University Center For Preventive Medicine (Azabudai) as the first customer

Medical doctors/specialists



Providing a reassuring environment

Patients



AI-assisted breast cancer diagnosis as SaaS

Future integration with diagnosis devices

Patient support by Apps

App-based patient information services

METIS Eye
(AI-assisted ultrasound-based breast cancer diagnosis)

Patients support by ePRO¹ / PSP²



Smart Opinion (Our subsidiary)

Business Status

- ☒ Working on integration with various vendors' PACS
- ☒ Providing ePRO and PSPs to pharmaceutical companies
- ☒ Started a PoC project with Mayo Clinic, a top-ranked hospital in the U.S., as a stepping stone to enter the U.S. market

Future Initiatives

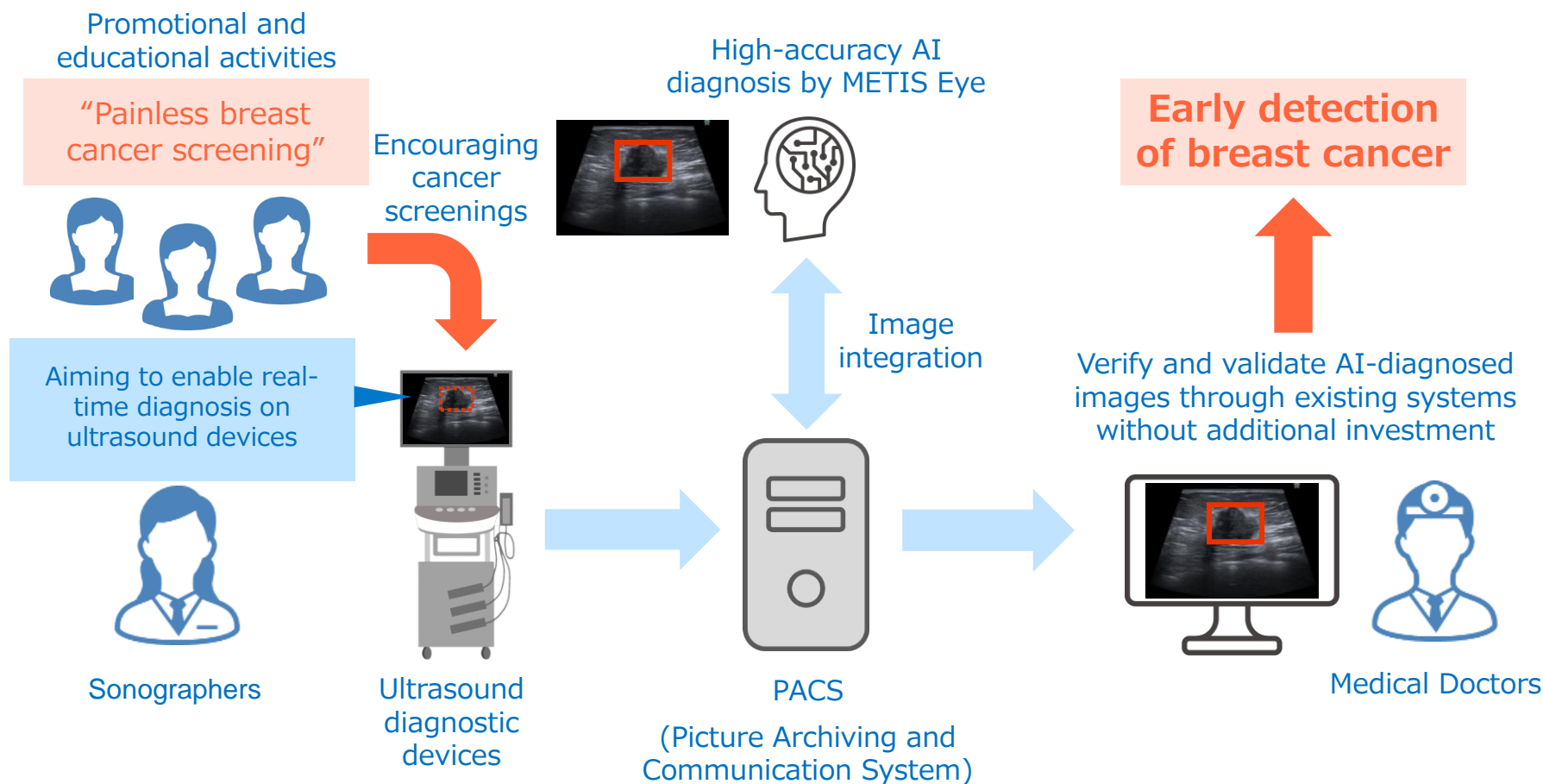
- ☒ Driving widespread adoption of METIS Eye via scientific societies, Kenpo, clinics etc.
- ☒ Building brand recognition to promote adoption of METIS Eye
- ☒ Driving international expansion

Note: 1) e-PRO: Smartphone app-based patient-reported outcome system for symptoms and adverse events

2) PSP: Programs designed to support patients throughout their treatment journey and improve their quality of life (QOL)

METIS Eye service offering plan

We are enabling seamless support for image interpretation by integrating with PACS (Picture Archiving and Communication System). Looking ahead, we are developing functionality to deliver real-time diagnostic feedback during ultrasound procedures, aiming to enhance workflow efficiency and clinical decision-making at the point of care.



High Performance Data Center for AI era

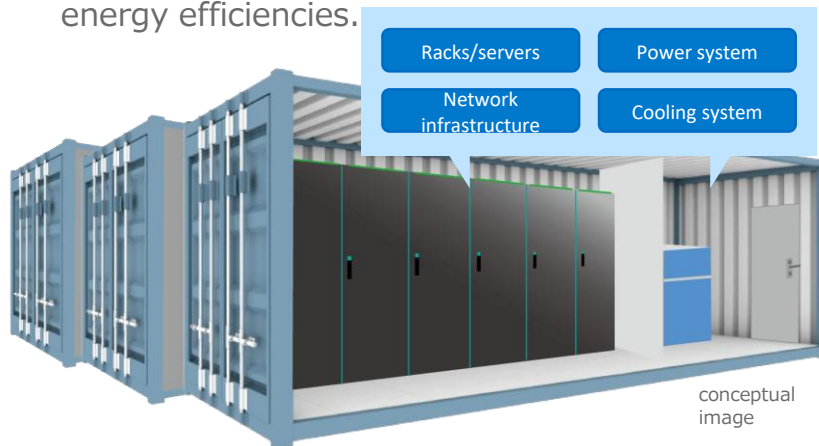
We are building a liquid-cooled containerized data center in Nagano prefecture with a grant from Nagano.
Through this project, we will expand recurring revenue business.

About Data Center (planned)

- ☑ Containerized Data Center
 - No need for large facilities. Flexible to install.
Can be built quickly.

- ☑ Liquid-cooling

Can operate high performance servers since it is better than air-cooling in terms of heat and energy efficiencies.



Background and our strategies

- ☑ “Cooling servers” is currently a large challenge. Massive computation power demands driven by the rise of generative AI cause intense heat issues in data centers.
- ☑ Acquiring knowledges about liquid-cooling containerized data center operations ahead of the other companies in Japan
- ☑ Creating a new revenue stream by server operations in addition to server hosting. We distinguish our service by providing each client-specific accelerated software environments.

Future Initiatives and Plans

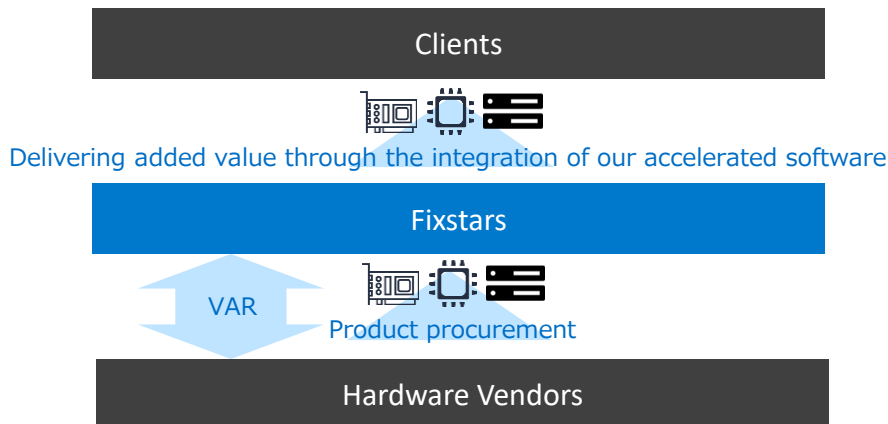
- ☑ Achieving industry-leading energy efficiency in liquid-cooled server PoC projects.
- ☑ The specifications of the data center facility and equipment are currently under discussion with our partners. Operations are scheduled to commence after September 2025.
- ☑ We plan to invest 840 million yen in containers and servers, of which 300 million yen will be a grant from Nagano Prefecture.

VAR (Value Added Reseller) Initiative

We are expanding our Value-Added Reseller (VAR) business by delivering added value through the integration of our accelerated software with hardware vendors' products. We will focus our resources on technically strong areas such as AMD-Xilinx FPGA boards, drones, and sensors.

Summary

- ☑ Resell hardware with our accelerated software to deliver added value to clients.
 - Integrate high-performance and high-efficiency FPGA logic with FPGA boards.
 - Integrate our SaaS products with on-premise servers/workstations
 - Integrate our autopilot algorithm and software with off-the-shelf drones.



Our Strategy

- ☑ To establish a new business model of product sales based recurring revenues in addition to person-month based existing outsourcing business.

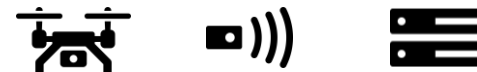
Future Initiatives

- ☑ Expand business of AMD-Xilinx FPGA board sales



Alveo Accelerator Card Partner Network /
Solution Integrators

- ☑ Sales of new appliance servers bundled with Fixstars Amplify or Fixstars Coding Assistant, which meets the demand for high security and privacy environments where cloud usage is restricted.
- ☑ Make case studies with new offerings like drones, sensors, liquid-cooling servers, and etc.



4

Appendix ② About Fixstars

Experts in Software Acceleration Solutions

Fixstars is a technology company guided by the company tagline “Speed up your AI”.

We are a team of experts dedicated to accelerating AI inference and training through advanced software optimization solutions.

About Us

Company name	Fixstars Corporation
Headquarter	Tamachi Station Tower N 28th Floor 3-1-1 Shibaura, Minato-ku, Tokyo
Founded	August, 2002
Stock exchange	Prime Market of the Tokyo Stock Exchange (Code: 3687)
Fonder and CEO	Satoshi Miki
Capital	554 million yen (as of March, 2025)
Number of employees (consolidated)	315 (as of March, 2025)
Main clients	Kioxia Corporation Sony Honda Mobility Inc. NEXTY Electronics Corporation Mizuho Securities Co., Ltd.

Group Companies

Fixstars Corporation

Fixstars Solutions, Inc.

Consolidated subsidiary
Sales and development in the U.S.

Fixstars Autonomous Technologies

JV with NEXTY Electronics
Develops software for autonomous driving

Fixstars Amplify Corporation

Consolidated subsidiary
Operates quantum computing cloud business

Smart Opinion Inc.

Consolidated subsidiary
Operates a breast cancer AI imaging diagnosis support business

Oscar Technology Corporation

Consolidated subsidiary
Provides software auto-parallelization services

Drone Autopilot Lab

Consolidated subsidiary
Technology development and PoC projects for automated drone operation.

Fixstars Investment

Consolidated subsidiary
invests in and provides business support to deep-tech startups.

With the advancement of computers

We adapted to hardware trend changes and its evolution and have grown along with our software acceleration business.

Year Month		History
2002	Aug	Founded Fixstars, LLC in Yokohama city, Kanagawa prefecture, Japan. Converted to Fixstars Corporation.
2004	Jul	Established Multicore Tech Dev Dept, started Cell/B.E. software development service business
2008	Dec	Started GPU acceleration service business
2009	Dec	Published a programming book titled “The OpenCL Programming Book”
2010	Nov	Constructed large scale cluster using PlayStation 3s at the US Air Force Research Lab
2011	Oct	Started FPGA system development service
2012	Jan	Started software development business for NAND Flash memory
2014	Apr	Listed on the Tokyo Stock Exchange Mothers market
2016	Nov	Moved listing from the Tokyo Stock Exchange Mothers market to the First market
2017	Jun	Started collaboration with D-Wave Systems Inc., who develops commercial quantum computers
2018	Feb	Established Fixstars Autonomous Technologies, a joint venture with NEXTY Electronics Corporation
2021	Oct	Established Fixstars Amplify Corporation to enhance services for the quantum computing
2022	Apr	Transferred to the Prime Market in the new market segments
2025	Mar	Updated its company tagline to “Speed up your AI”

Bring computing benefits to everybody

We are committed to supporting the future where computers will play an even greater role by leveraging software acceleration and SDK development technologies that unlock the full potential of computing systems

Fixstars' efficient software will build and support computing infrastructures of both edge and cloud sides.

Purpose

Developing and running software efficiently

- Enables effective computation with limited computing power
- Reduces power consumption of computation

Core Value

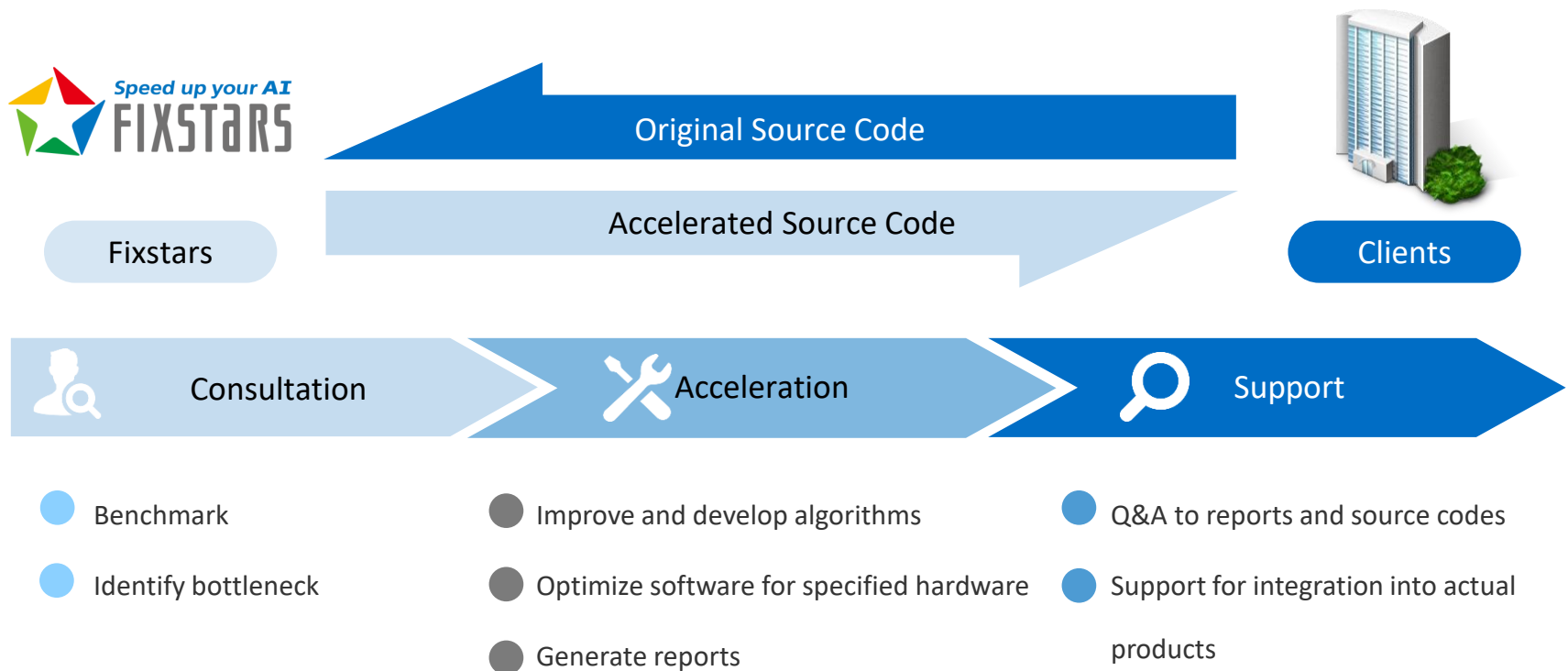
Software acceleration skills

SDK development skills

Deep knowledge about software and hardware architectures

Our Main Business: Software Acceleration Service

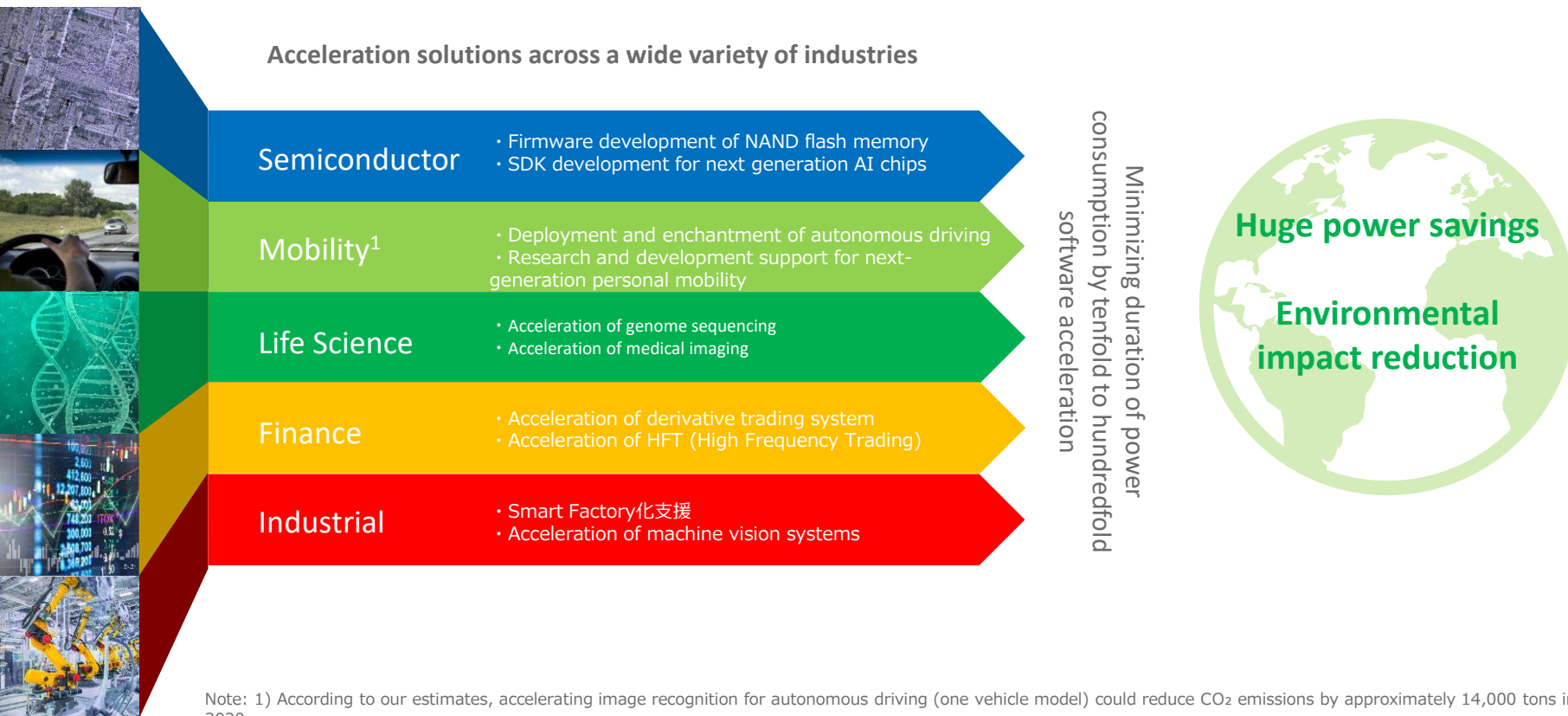
Fixstars' skilled engineers unleash hardware performance by software optimization and algorithm improvement which enables acceleration of massive data processing.



Reduction of environmental impact by software acceleration

Fixstars contributes to reduction of environmental impact with our software acceleration solutions.

Many industries enjoy energy savings by using our services.



Social contributions beyond software acceleration

We contributed to solving environmental and social issues by covering various areas such as autonomous driving and medical imaging in addition to power savings by software acceleration.

Our Business Domain

Social Impact



Deployment and enhancement of autonomous driving
Research and development support for next-generation personal mobility

Elimination of Traffic Accidents

Support for Vulnerable Road Users



AI imaging & diagnostics development support

Easier and higher-quality access to diagnosis and treatment



Productivity and work efficiency improvement by quantum computing

Contribution to carbon neutral society

