



**Consolidated Financial Results for the Fiscal Year
Ended December 31, 2025 [Japanese GAAP]**

February 13, 2026

Company name Sun* Inc.
 Stock Exchange listing Tokyo
 Code 4053 URL <http://sun-asterisk.com/>
 Representative (Title) CEO (Name) Taihei Kobayashi
 Contact (Title) CFO (Name) Yuya Fukutomi TEL 03 (6419) 7655
 Scheduled date of annual general meeting of shareholders: March 26, 2025
 Scheduled date for filing the annual report: March 26, 2025
 Scheduled date for commencement of dividend payment: –
 Availability of supplementary briefing material on annual financial results: Yes
 Holding of financial result presentation: Yes (For institutional investors and analysts,)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)

(1) Consolidated Operating Results (Accumulated)

(% indicates changes from the previous corresponding period)

Fiscal Year ended	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2025	14,835	9.3	1,052	(27.1)	998	(31.4)	476	(53.5)
December 31, 2024	13,568	8.4	1,444	(18.6)	1,454	(36.2)	1,023	(34.8)

(Note) Comprehensive income:

Fiscal Year ended December 31, 2025: 468 million yen (63.7%)
 Fiscal Year ended December 31, 2024: 1,288 million yen (26.5%)

Fiscal Year ended	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total shares	Operating income to net sales
	yen	yen	%	%	%
December 31, 2025	12.59	12.11	4.5	6.6	7.1
December 31, 2024	26.87	25.41	10.3	11.3	10.6

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of December 31, 2025	16,109	10,662	66.2	279.75
As of December 31, 2024	13,976	10,294	73.6	273.43

(Reference) Shareholders' Equity As of December 31, 2025 10,662 million yen
 As of December 31, 2024 10,293 million yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of fiscal year
	million yen	million yen	million yen	million yen
As of December 31, 2025	1,354	(534)	624	7,895
As of December 31, 2024	1,010	(260)	720	6,217

2. Cash Dividends

	Cash dividends per share for the Fiscal Year (yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
Year ending December 31, 2024	–	0.00	–	0.00	0.00
Year ending December 31, 2025	–	0.00	–	0.00	0.00
Year ending December 31, 2026(forecast)	–	0.00	–	0.00	0.00

(Note) Revisions of the latest forecast for cash dividend: None

3. Consolidated Financial Forecast for the Fiscal Year Ending December 31, 2026(January 1, 2026- December 31, 2026
(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2026	18,201	-	1,714	-	1,900	-	1,389	-	36.73

(Note) 1. As the Company will voluntarily adopt International Financial Reporting Standards (IFRS) from the fiscal year ending December 2026, consolidated earnings forecasts are calculated in accordance with IFRS. As a result, percentage increases/decreases compared to consolidated results for the fiscal year ending December 2025, when Japanese GAAP is applied, are not stated.

(Note) 2. As the Company manages its operations on an annual basis, consolidated earnings forecasts for the second quarter (cumulative) have been omitted. For details, please see "1. Overview of Business Results, etc. (4) "Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements " on page 3 of the attached documents.

※ Notes

(1) Significant changes in subsidiaries during the current fiscal year

(Changes in specified subsidiaries due to changes in the scope of consolidation): Yes

Newly added: 1 company (company name): GlobalGear Co. Ltd., Removed: None

(Note) For details, please refer to "(5) Notes to Consolidated Financial Statements (Business Combinations, etc.)" on page 13 of the attached documents.

(2) Changes in accounting policies, changes in accounting estimates, revisions, and restatements

① Changes in accounting policies due to revision of accounting standards, etc.: Yes

② Changes in accounting policies other than ①: Yes

③ Change of accounting estimates: None

④ Restatement: None

(Note) The depreciation method has been changed from the current consolidated fiscal year, and this corresponds to "a case where it is difficult to distinguish a change in accounting policy from a change in accounting estimate." For details, please refer to "3. Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policy that are difficult to distinguish from changes in accounting estimates)" on page 12 of the attached documents.

(3) Number of shares outstanding (common shares)

① Number of shares outstanding at the end of the period (including treasury shares)

Fiscal Year ended December 2025	39,115,080	shares	As of December 31, 2024	38,413,660	shares
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② Number of treasury shares at the end of the period

Fiscal Year ended December 2025	1,000,132	shares	As of December 31, 2024	766,532	shares
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③ Average number of shares during the period (Cumulative total for the quarter)

Fiscal Year ended December 2025	37,824,666	shares	Fiscal Year ended December 2024	38,079,330	shares
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(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)

(1) Non-consolidated Operating Results (Accumulated)

(% indicates changes from the previous corresponding period)

Fiscal Year ended	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2025	11,428	5.7	(178)	—	(403)	—	(556)	—
December 31, 2024	10,810	11.9	513	(22.6)	509	(16.6)	358	33.2

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1. Qualitative Information on the Consolidated Financial Results for This Interim

(1) Explanation of Consolidated Financial Results

During the consolidated fiscal year under review, the Japanese economy experienced a gradual recovery, supported by the effects of various government policies and an improving employment and income environment. However, due to fluctuations in global financial and capital markets, the economic outlook remains uncertain both domestically and internationally.

In this business environment, our Group provides the services necessary to meet our customers' challenges by operating three service lines within our single segment, the "Digital Creative Studio Business": "Creative & Engineering," which creates digital products together with customers; "Talent Platform," which discovers, develops, and provides the talent necessary for digital product creation to our customers; and "Incubation & Other," which produces digital content and develops and operates fan community systems.

We are working to increase the number of customers and the average spending per customer as our priority. The Group has previously used the number of stock-type customers and average monthly customer sales for stock-type customers in Creative & Engineering as objective indicators (hereinafter referred to as KPIs) to determine the achievement status of management goals, but will change the KPIs to the number of unique customers in Creative & Engineering (the actual number of customers with whom transactions were conducted during the target period) and average monthly customer sales (total sales for the target period divided by the total number of customers with transactions during the same period) from the fiscal year ending December 2025. In recent years, sales to flow-type customers have increased and become more important, so the background to this change is that we have determined that it is appropriate to use the total number of trading customers and average monthly sales for all customers as KPIs.

In the "Creative & Engineering" segment, stable and solid orders from existing clients continued, resulting in a total of 285 unique clients, average monthly client sales of 5,057,000 yen, and total sales of 11,229 million yen (an increase of 7.9% year-on-year).

In the "Talent Platform" segment, sales were 2,138 million yen (an increase of 7.9% year-on-year).

In the "Incubation & Other" segment, sales were 1,466 million yen (an increase of 24.2% year-on-year), partly due to the acquisition of Global Gear Co., Ltd. as a subsidiary in July 2025.

As a result, for the current consolidated fiscal year, sales were 14,835 million yen (up 9.3% year on year), gross profit was 7,189 million yen (up 3.2% year on year), operating profit was 1,052 million yen (down 27.1% year on year), ordinary profit was 998 million yen (down 31.4% year on year), and net profit attributable to owners of parent was 476 million yen (down 53.5% year on year).

Segment information is omitted because Group operates in a single segment – i.e., Digital Creative Studio Business.

(2) Explanation of Consolidated Financial Position

(Assets)

Current assets at the end of this consolidated fiscal year were 13,150 million yen, an increase of 915 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 765 million yen in cash and deposits due to an increase in sales in the "Creative & Engineering", and an increase of 117 million yen in accounts receivable due to an increase in sales in the "Creative & Engineering".

Fixed assets were 2,958 million yen, an increase of 1,217 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 685 million yen in investment securities and 493 million yen in goodwill arising from business combinations. As a result, total assets at the end of this consolidated fiscal year were 16,109 million yen, an increase of 2,132 million yen compared to the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of this consolidated fiscal year were 3,154 million yen, decrease of 113 million yen from the end of the previous consolidated fiscal year. decrease of 1,250 million yen in short-term borrowings due to the repayment of loans.

Fixed liabilities were 2,291 million yen, increase of 1,877 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,777 million yen in long-term borrowings due to the execution of loans. As a result, liabilities at the end of this consolidated fiscal year were 5,446 million yen, increase of 1,763 million yen from the end of the previous consolidated fiscal year.

(Net Assets)

Net assets at the end of the current consolidated fiscal year amounted to 10,661 million yen, up 368 million yen from the end of the previous consolidated fiscal year, mainly due to an increase of 476 million yen in retained earnings due to the recording of net income attributable to owners of the parent.

(3) Overview of Consolidated Cash Flow

Cash and cash equivalents ("cash") at the end of this consolidated fiscal year increased 1,677 million yen from the end of the previous fiscal year to 7,895 million yen. The status of each cash flow and their factors during the first half of the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was an expenditure of 1,354 million yen (provided 1,010 million yen in the previous consolidated fiscal year). This was mainly due to factors such as the recording of income before taxes of 907 million yen and an increase in accounts payable of 321 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 534 million yen (used 260 million yen in the previous fiscal year). This was mainly due to a decrease in expenditure of 876 million yen for the acquisition of investment securities and 696 million yen for the acquisition of shares of subsidiaries resulting in a change in the scope of consolidation, while there was an increase in net increase/decrease in time deposits of 756 million yen.

(Cash flows from financing activities)

Net cash provided in investing activities was 624 million yen (Provided 720 yen in the previous fiscal year). This was mainly due to an increase in short-term borrowings of 1,250 million yen, while there was a decrease in treasury stock purchases of 520 million yen.

(4) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

(1) Creative & Engineering

This service line primarily provides creative and engineering support to Japanese clients, from business idea generation to product development and continuous product growth, and generates revenue through quasi-agency or contract agreements with clients.

The number of unique customers and average monthly customer sales for the fiscal year ending December 2026 have been set based on the trend in orders received up to the fiscal year ending December 2025. The number of unique customers for the fiscal year ending December 2026 is expected to continue to increase with the number of new customers, increasing by 16 companies from the previous fiscal year to 301. Average monthly customer sales are also expected to increase by 354,000 yen from the previous fiscal year to 5,411,000 yen, and sales for this service line for the fiscal year ending December 2026 are expected to be 13,744 million yen.

(2) Talent Platform

This service line discovers and develops IT talent both domestically and internationally, supporting clients in their digitalization efforts.

The need for IT talent is on the rise, and this trend is expected to continue in the fiscal year ending December 2026. Sales for this service line for the fiscal year ending December 2026 are expected to reach 2,520 million yen.

(3) Incubation and Others

This service line primarily produces digital content such as entertainment games and vertical manga, as well as developing and operating a fan community system exclusively for professional artists.

With stable demand for new and existing content and services expected sales for this service line are expected to reach 1,936 million yen in the fiscal year ending December 2026.

Taking into account the status of each of the above service lines, the consolidated business forecast for the fiscal year ending December 2026 is expected to be net sales of 18,201 million yen, gross profit of 9,113 million yen, operating profit of 1,714 million yen, ordinary profit of 1,900 million yen, and net profit

attributable to owners of parent of 1,389 million yen.

Please note that the Company will voluntarily adopt International Financial Reporting Standards (IFRS) from the fiscal year ending December 2026. As a result, the consolidated business forecast for the fiscal year ending December 2026 has been prepared in accordance with IFRS, and no percentage increase/decrease compared to the consolidated results for the fiscal year ending December 2025 based on Japanese GAAP is shown.

2. Basic Policy for adopting Accounting Standards

The Group plans to adopt International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending December 31, 2026, with the aim of improving the international comparability of financial information in capital markets.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalent	9,794	10,560
Notes and accounts receivable - trade and contract assets	1,670	1,787
Work in process	66	103
Other	725	768
Allowance for doubtful accounts	(21)	(68)
Total current assets	12,235	13,150
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures	390	393
Accumulated depreciation	(273)	(320)
Buildings and structures (Net)	117	72
Machinery and equipment	400	462
Accumulated depreciation	(306)	(352)
Machinery and equipment (Net)	93	110
Total property, plant and equipment	211	182
Intangible assets		
Goodwill	413	906
Other	53	47
Total intangible assets	466	954
Investments and other assets		
Investment securities	675	1,360
Deferred tax assets	78	127
Other	538	570
Allowance for doubtful accounts	(228)	(236)
Total investments and other assets	1,064	1,822
Total noncurrent assets	1,741	2,958
Total assets	13,976	16,109

(Unit: million yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	371	380
Short-term loans payable	1,250	—
Accounts payable - other	192	548
Accrued expenses	449	461
Income taxes payable	218	356
Contract liabilities	280	410
Provisions for bonuses	145	189
Provisions for shareholders benefit	—	111
Other	361	696
Total current liabilities	3,268	3,154
Noncurrent liabilities		
Long-term loans payable	—	1,777
Asset retirement obligations	96	100
Deferred tax liabilities	71	141
Other	246	271
Total noncurrent liabilities	414	2,291
Total liabilities	3,682	5,446
Net assets		
Shareholders' equity		
Capital stock	1,731	1,759
Capital surplus	1,716	1,744
Retained earnings	6,468	6,944
Treasury stock	(520)	(676)
Total shareholders' equity	9,396	9,772
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	157
Foreign currency translation adjustment	868	732
Total accumulated other comprehensive income	897	889
Stock subscription rights	0	0
Total net assets	10,294	10,662
Total liabilities and net assets	13,976	16,109

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated statements of income for the Fiscal Year ended December 31, 2025)

(Unit: million yen)

	Fiscal Year ended December 31, 2024	Fiscal Year ended December 31, 2025
Net sales	13,568	14,835
Cost of sales	6,602	7,646
Gross profit	6,965	7,187
Selling, general and administrative expenses	5,521	6,136
Operating income	1,444	1,052
Non-operating income		
Interest income	177	266
Other	11	37
Total non-operating income	189	303
Non-operating expense		
Interest expense	7	7
Foreign exchange losses	19	19
Shareholder related expenses	—	178
Provisions for shareholder benefits	—	1,454
Other	19	19
Total non-operating expense	178	357
Ordinary income	1,454	998
Extraordinary gains		
Gain of sales of fixed assets	0	2
Gain of business transfer	—	2
Total extraordinary gains	0	5
Extraordinary losses		
Loss on valuation of investments	25	60
Loss on valuation of shares in affiliate	—	33
Loss on sale of investment securities	7	7
Other	—	2
Total extraordinary losses	32	96
Income before income taxes	1,422	907
Income taxes - current	398	397
Income taxes – deferred	0	33
Total income taxes	399	431
Net income	1,023	476
Net income attributable to shareholders of parent company	1,023	476

(Consolidated statements of income for the Fiscal Year ended December 31, 2025)

(Unit: million yen)

	Fiscal Year ended December 31, 2024	Fiscal Year ended December 31, 2025
Net income	1,023	476
Other comprehensive income		
Valuation difference on available-for-sale securities	10	127
Foreign currency translation adjustments	254	(135)
Total other comprehensive income	264	(8)
Comprehensive income	1,288	468
(Details)		
Attributable to owners of the Company	1,288	468
Attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity
(Consolidated statements of income for the Fiscal Year ended December 31, 2024)

(Unit: million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
Balance at beginning of fiscal year	1,717	1,702	5,445	(0)	8,865
Changes of items during fiscal year					
Issuance of new shares	13	13			27
Net income attributable to owners of parent			1,023		1,023
Acquisition of treasury stock				(520)	(520)
Net changes of items other than shareholders' equity					
Total changes of items during fiscal year	13	13	1,023	(520)	530
Balance at the end of fiscal year	1,731	1,716	6,468	(520)	9,396

	Accumulated other comprehensive income			Stock subscription rights	Total net assets
	Valuation difference on available-for-sales-securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of fiscal year	19	614	633	0	9,499
Changes of items during fiscal year					
Issuance of new shares				(0)	27
Net income attributable to owners of parent					1,023
Acquisition of treasury stock					(520)
Net changes of items other than shareholders' equity	10	254	264		264
Total changes of items during fiscal year	10	254	264	(0)	794
Balance at the end of fiscal year	29	868	897	0	10,294

(Consolidated statements of income for the Fiscal Year ended December 31, 2025)

(Unit: million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
Balance at beginning of fiscal year	1,731	1,716	6,468	(520)	9,396
Changes of items during fiscal year					
Issuance of new shares	28	28			56
Net income attributable to owners of parent			476		476
Acquisition of treasury stock				(155)	(155)
Net changes of items other than shareholders' equity					
Total changes of items during fiscal year	28	28	476	(155)	376
Balance at the end of fiscal year	1,759	1,744	6,944	(676)	9,772

	Accumulated other comprehensive income			Stock subscription rights	Total net assets
	Valuation difference on available-for-sales-securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of fiscal year	29	868	897	0	10,294
Changes of items during fiscal year					
Issuance of new shares				(0)	56
Net income attributable to owners of parent					476
Acquisition of treasury stock					(155)
Net changes of items other than shareholders' equity	127	(135)	(8)		(8)
Total changes of items during fiscal year	127	(135)	(8)	(0)	368
Balance at the end of fiscal year	157	732	889	0	10,662

(4) Consolidated Interim Statements of Cash Flows

(Unit: million yen)

	Fiscal Year ended December 31, 2024 (Jan. 1 - Dec. 31)	Fiscal Year ended December 31, 2025 (Jan. 1 - Dec. 31)
Cash flows from operating activities		
Income before income taxes and minority interests	1,422	907
Depreciation and amortization	136	121
Amortization of goodwill	72	86
Increase (decrease) in allowance for doubtful accounts	28	16
Increase (decrease) in accrued bonuses	(49)	42
Interest (decrease) in provisions for shareholders benefit	—	111
Interest income	(178)	(266)
Interest expenses	7	25
Foreign exchange losses (gains)	(59)	(180)
Shareholder related expenses	—	100
Gain on sales of fixed assets	(0)	(2)
Sales and valuation losses(gain) on investment securities	32	94
Increase (decrease) in accounts receivable	(214)	(84)
Decrease (increase) in inventories	2	(36)
Decrease (increase) in trade receivables	126	9
Increase (decrease) in accounts receivable	38	(80)
Increase (decrease) in deposits	(160)	156
Increase (decrease) in accrued consumption taxes	(157)	(0)
Increase (decrease) in contract liabilities	(15)	130
Increase (decrease) in accounts payable	122	321
Increase (decrease) in accrued expenses	41	12
Other	46	(20)
Subtotal	1,242	1,464
Interest income received	302	191
Interest payments	(7)	(25)
Income taxes paid	(526)	(276)
Cash flows from operating activities	1,010	1,354
Cash flows from investing activities		
Payments into time deposits	(91)	756
Proceeds from withdrawal of long-term deposits	149	—
Purchases of property, plant and equipment	(76)	(65)
Payments for purchase of investment securities	(202)	(876)
Expenditure for acquisition of subsidiary shares resulting in changes in the scope of consolidation	2	305
Other	—	(696)
Cash flows from investing activities	(42)	42
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	—
Net increase (decrease) in long-term loans payable	1,250	(1,250)
Expenses from repayment of long-term borrowings	—	2,120
Payment for the acquisition of treasury stock	—	(45)
Expenses from shareholder related	(520)	(155)
Other	—	(100)
Cash flows from financing activities	(9)	56
Effect of exchange rate changes on cash	720	624
Net increase (decrease) in cash	114	233
Cash at beginning of year	1,584	1,677
Cash at beginning of year	4,633	6,217

(5) Notes on the Consolidated Financial Statements
(Notes on Going-Concern Assumptions)
Not applicable.

(Changes in Accounting Policies)

(Application of the "Accounting Standard for Corporate, Resident, and Enterprise Taxes," etc.)

The "Accounting Standard for Corporate, Resident, and Enterprise Taxes," etc. (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standards"), etc., have been applied from the beginning of the current consolidated fiscal year.

With regard to the amendments to the classification of corporate taxes, etc. (taxation of other comprehensive income), we have followed the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso to Paragraph 65-2(2) of the "Guidance on Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). This change in accounting policy has no impact on the consolidated financial statements.

In addition, with regard to the amendments related to the review of the treatment in consolidated financial statements when profits or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, the 2022 revised implementation guidelines have been applied from the beginning of the current consolidated fiscal year. This change in accounting policy has been applied retroactively, and the consolidated financial statements for the previous consolidated fiscal year are retroactively applied. Please note that this change in accounting policy has no impact on the consolidated financial statements for the previous consolidated fiscal year.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

(Change in depreciation method for tangible fixed assets)

Previously, our company and domestic subsidiaries used the declining-balance method for depreciating tangible fixed assets (except for buildings and fixtures acquired after April 1, 2016, which were depreciated using the straight-line method). Effective this fiscal year, however, we have changed our depreciation method to the straight-line method. This change was prompted by the launch of a project aimed at improving financial reporting in the previous fiscal year. With the aim of standardizing accounting practices within our group, we reviewed the actual usage of tangible fixed assets. As a result, we determined that the tangible fixed assets used by our company and domestic subsidiaries are used stably over their useful lives, and that recording expenses evenly would more appropriately reflect the economic realities of our company and domestic subsidiaries, we decided to adopt the straight-line method. The impact of this change on our profit and loss for the fiscal year under review is immaterial.

(Segment Information, etc.)

[Segment information]

This information is omitted because the Group operates in a single segment, the digital creative studio business.

[Related information]

Previous fiscal year ended 2024 (January 1, 2024 - December 31, 2024)

1. Information by product/service

(Unit: million yen)

	Creative & Engineering	Talent Platform	Incubation and Others	Total
Sales to external customers	10,406	1,981	1,180	13,568

2. Information by region

(1) Net sales

Sales to external customers in Japan are more than 90% of net sales in the consolidated statements of income, and information by region is omitted.

(2) Property, plant, and equipment

(Unit: million yen)

Japan	Vietnam	Others	Total
178	32	0	211

3. Information by major customer

This is omitted as there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

Current fiscal year ended 2025 (January 1, 2025 - December 31, 2025)

1. Information by product/service

(Unit: million yen)

	Creative & Engineering	Talent Platform	Incubation and Others	Total
Sales to external customers	11,229	2,138	1,466	14,835

2. Information by region

(1) Net sales

Sales to external customers in Japan are more than 90% of net sales in the consolidated statements of income, and information by region is omitted.

(2) Property, plant, and equipment

(Unit: million yen)

Japan	Vietnam	Others	Total
170	11	0	182

3. Information by major customer

This is omitted as there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

[Information on Impairment of Fixed Assets by Reportable Segment]

This information is omitted because the Group operates in a single segment, the digital creative studio business.

[Information on Amortization and Unamortized balance of Goodwill by Reportable Segment]

This information is omitted because the Group operates in a single segment, the digital creative studio business.

[Information on gain on negative goodwill by reportable segment]

There are no applicable items

(Business Combinations, etc.)

At the Board of Directors meeting held on June 25, 2025, the Company resolved to acquire 100% of the outstanding shares of GlobalGear Co. Ltd. and make it a subsidiary.

Accordingly, the Company acquired 100% of the company's shares as of July 1, 2025.

(1) Overview of the Business Combination

① Name and Business Description of the Acquired Company

Name of the Acquired Company: GlobalGear Co. Ltd.

Business Description: Planning, development, and operation of smartphone game apps

② Main Reasons for the Business Combination

GlobalGear Co. Ltd. is a company that plans, develops, and operates smartphone game apps under the vision of "Bringing Fun to Everyone." Focusing on "casual games" that anyone can easily enjoy in their spare time, GlobalGear Co. Ltd. has released over 170 apps to date. The company handles all game development processes in-house, boasting the development capabilities to continuously release new titles and the planning capabilities to create popular series with over 20 million cumulative downloads.

With this share acquisition, the Group will enter the casual game business. Through synergies such as the mutual sharing of game production know-how and mutual utilization of human resources with GlobalGear Co. Ltd., the Group aims to accelerate the growth of the casual game business and make it a growth driver in the entertainment sector, thereby achieving its vision of "a world where everyone can immerse themselves in value creation."

③ Date of Business Combination

July 1, 2025

④ Legal Form of Business Combination

Acquisition of shares in exchange for cash

⑤ Name of Post-Combination Company

The name of the post-combination company will remain unchanged.

⑥ Percentage of Voting Rights Acquired

100%

⑦ Primary Basis for Determining the Acquiring Company

This is because we will acquire 100% of the shares of Global Gear Co., Ltd. in exchange for cash.

(2) Period of Acquired Company's Performance Included in the Quarterly Consolidated Statement of Income for the Cumulative Quarter

July 1, 2025 to September 30, 2025

(3) Acquisition Cost of Acquired Company and Breakdown by Consideration

Acquisition Cost: Cash and Deposits (including Accounts Payable): 1,100 million yen

Acquisition Cost: 1,100 million yen

(4) Major Acquisition-Related Expenses

Advisory Fees, etc.: 53 million yen

(5) Amount, Cause of Goodwill, Amortization Method, and Amortization Period

① Amount of Goodwill:

595 million yen

② Cause of Goodwill:

This goodwill arose from expected future excess profitability resulting from future business development.

③ Amortization Method and Amortization Period:

Amortization by the straight-line method over 15 years

(6) Amounts of Assets Acquired and Liabilities Assumed on the Date of Business Combination and Their Main Breakdown

Current Assets: 467 million yen

Non-current Assets: 105 million yen

Total Assets: 572 million yen

Current Liabilities: 64 million yen

Non-current Liabilities: 3 million yen

Total Liabilities: 68 million yen

(7) Estimated Impact on the Quarterly Consolidated Statements of Income for the Current Quarter, Assuming the Business Combination was Completed on the First Day of the Fiscal Year, and the Method for Calculating

Net sales: 218 million yen

Operating income: 72 million yen

Ordinary income: 74 million yen

(Method for calculating estimated amounts)

The estimated impact is the difference between the sales and income information calculated assuming the business combination was completed on the first day of the fiscal year and the sales and income information in the acquiring company's quarterly consolidated statements of income. In addition, the amortization of goodwill is calculated as if it had occurred at the beginning of the fiscal year, and is included in the estimated amount.

Please note that this estimate has not been audited.

(Per Share Information)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net assets per share	273.43 yen	279.75 yen
Net income per share	26.87 yen	12.59 yen
Net income per share (diluted)	25.41 yen	12.11 yen

(Note) 1. Earnings per share and earnings per share (diluted) were calculated based on the following:

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net income per share		
Net income attributable to shareholders of the parent company (million yen)	1,023	476
Amount not belonging to common shareholders' (million yen)	—	—
Net income attributable to shareholders of the parent attributable to common stock (million yen)	1,023	476
Average number of shares of common stock during the fiscal year (share)	38,079,330	37,824,666
Net income per share (diluted)		
Net income adjustments attributable to owners of parent company (million yen)	—	—
Increase in shares of common stock (share)	2,191,748	1,504,535
(Share subscription rights (share))	(2,191,748)	(1,504,535)
Residual securities excluded in the calculation of profit after adjustment for residual securities due to the fact that these securities had no dilutive effect	—	—

2. Net assets per share were calculated based on the following:

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Total net assets on consolidated balance sheet (million yen)	10,294	10,662
Amount to be deducted from total net assets (million yen)	0	0
Amount attributable to common stock (million yen)	10,293	10,662
Number of common shares used for calculating net assets per share (shares)	37,647,128	38,114,948

(Significant Subsequent Events)

(Business Combination by Acquisition)

At the Board of Directors meeting held on December 24, 2025, the Company resolved to acquire 100% of the outstanding shares of MIXENSE, Inc. and make it a subsidiary.

Based on this resolution, the Company acquired 100% of the company's shares on January 5, 2026.

(1) Overview of the Business Combination

① Name and Business of the Acquired Company

Name of the Acquired Company: MIXENSE, Inc.

Business Description: Software Contract Development

② Main Reasons for the Business Combination

MIXENSE, Inc., aims to "provide an environment where customers can focus on their own business" and develops a variety of systems tailored to customer needs in a variety of fields, including operational and control systems. Highly regarded for its proposal capabilities, technical expertise, and flexibility, the company has maintained long-term relationships with clients, including major telecommunications carriers.

By welcoming MIXENSE, Inc. into the Group through this share acquisition, we will expand the value we provide in the "digitization" field, which is our Group's responsibility. Furthermore, by creating synergies such as collaboration across our customer base and mutual utilization of management resources, we will further strengthen our DX support and aim to realize our vision of "a world where everyone can immerse themselves in value creation."

③ Date of Business Combination

January 5, 2026

④ Legal Form of Business Combination

Acquisition of shares in exchange for cash

⑤ Name of Post-Combination Company

The name of the post-combination company will remain unchanged.

⑥ Percentage of Voting Rights Acquired

100%

⑦ Primary Basis for Determining the Acquiring Company

This is because we will acquire 100% of the shares of Global Gear Co., Ltd. in exchange for cash.

(3) Details and amounts of major acquisition-related costs

Advisory fees, etc. (estimated): 51 million yen

(4) Amount of goodwill incurred, cause of occurrence, amortization method, and amortization period

Not yet determined.

(5) Amounts of assets acquired and liabilities assumed on the date of the business combination, and their main breakdown

Not yet determined.

(6) Method of procurement and payment of funds

Bank loans and internal funds will be used for the payment.

(Significant amount of borrowing)

At the Board of Directors meeting held on January 21, 2026, the Company resolved to borrow from Mizuho Bank, Ltd. pursuant to a special overdraft agreement, and has borrowed as follows:

Use of Funds: Working Capital

Lender: Mizuho Bank, Ltd.

Total Loan Amount: 1,500 million yen

Interest Rate: Floating

Date of Loan Execution: January 28, 2026

Repayment Method: Installment Repayment

Repayment Date: January 2027

(Issuance of stock acquisition rights (paid stock options))

At our Board of Directors meeting held on January 29, 2026, we resolved to issue stock acquisition rights to our directors and senior executives, as well as to directors of our subsidiaries, pursuant to Articles 236, 238, and 240 of the Companies Act.

(1) Purpose and Reason for Offering Stock Acquisition Rights

In order to align our perspective with that of our shareholders and aim to expand our business performance and increase our corporate value over the medium to long term, we will issue stock acquisition rights, for a fee, to our directors and senior executives, as well as to directors of our subsidiaries, with the aim of further increasing motivation and morale and strengthening our unity.

(2) Number of Stock Acquisition Rights:

12,300 (100 shares per stock acquisition right)

(3) Issue Price of Stock Acquisition Rights:

¥200 per stock acquisition right

(4) Type and Number of Shares Subject to Stock Acquisition Rights:

1,230,000 shares of our common stock

(5) Exercise Price:

¥45,500 per stock acquisition right (¥455 per share)

(6) Period during which stock acquisition rights can be exercised

April 1, 2029 to March 31, 2032

(7) Matters Concerning Increases in Capital and Capital Reserves

① The amount of increase in capital resulting from the issuance of shares upon the exercise of these stock acquisition rights shall be half of the maximum increase in capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules. Any fractional amounts less than one yen shall be rounded up.

② The amount of increase in capital reserve resulting from the issuance of shares upon the exercise of these stock acquisition rights shall be the maximum increase in capital, etc. set forth in (i) above minus the amount of increase in capital set forth in ① above.

(8) Conditions for Exercise of Stock Acquisition Rights

① Persons allotted stock acquisition rights (hereinafter referred to as "Stock Acquisition Rights Holders") may exercise up to the percentage of stock acquisition rights allotted to them (hereinafter referred to as the "Exercise Ratio") specified in the following items if the consolidated gross profit for the fiscal year ending December 2028, as reported in the Company's audited consolidated income statement in its securities report (or, if a consolidated income statement has not been prepared, the income statement), meets the following conditions:

(a) If consolidated gross profit reaches 11,000 million yen or more: Exercise Ratio: 70%

(b) If consolidated gross profit reaches 12,000 million yen or more: Exercise Ratio: 80%

(c) If consolidated gross profit reaches 13,000 million yen or more: Exercise Ratio: 90%

(d) If consolidated gross profit reaches 14,000 million yen or more: Exercise Ratio: 100%

In determining the above consolidated gross profit, if our Board of Directors determines that it is inappropriate to use the actual figures recorded in our consolidated income statement (or income statement if we do not prepare a consolidated income statement) due to a change in applicable accounting standards or an event such as a corporate acquisition that has a significant impact on our business performance, our Board of Directors may adjust the actual figures used in the determination to exclude the impact of the corporate acquisition, etc., within a reasonable range. Furthermore, if there is a significant change in the concept of items to be referenced due to the application of International Financial Reporting Standards, a change in the fiscal year end, etc., our Board of Directors shall determine separate indicators to be referenced.

Furthermore, in calculating the exercisable ratio, if the number of exercisable stock acquisition rights by each stock

acquisition right holder is less than one, the fractional number shall be rounded down.

② A holder of stock acquisition rights must be a director, auditor, or employee of the Company or its affiliates from the allotment date through December 31, 2027. However, this does not apply in cases where the Board of Directors recognizes that the holder has resigned due to the expiration of his/her term of office, reached mandatory retirement age, or for other legitimate reasons.

③ Stock acquisition rights may not be exercised by the heirs of a stock acquisition right holder.

④ If the exercise of a stock acquisition right would cause the total number of issued shares of the Company to exceed the total number of authorized shares at that time, the stock acquisition right cannot be exercised.

⑤ Less than one stock acquisition right may not be exercised.

(9) Allocation Date of Stock Acquisition Rights:

February 27, 2026

(10) Recipients and Number of Stock Acquisition Rights:

Directors of the Company: 2 people, 2,000 units

Senior officers and employees of the Company: 27 people, 9,300 units

Directors of the Company's Subsidiaries: 3 people, 1,000 units