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May 15, 2026

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



Company name: SOURCENEXT CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 4344
 URL: <http://www.sourcenext.com>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(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	2,867	-	(375)	-	(323)	-	(247)	-
June 30, 2025	2,710	7.7	(678)	-	(841)	-	(644)	-

Note: Comprehensive income For the three months ended March 31, 2026: ¥ (652) million [-%]
 For the three months ended June 30, 2025: ¥ (878) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2026	(1.79)	-
June 30, 2025	(4.66)	-

Note: Effective from the fiscal year ended December 31, 2025, the Company changed its fiscal year-end from March 31 to December 31. Due to this change, the periods covered by the first quarter of the current and previous fiscal years are different as follows.

Accordingly, the percentage changes from the previous year are not presented.

- Three months ended March 31, 2026: January 1, 2026 to March 31, 2026
- Three months ended June 30, 2025: April 1, 2025 to June 30, 2025

[Reference] The following percentage changes (adjusted) are calculated by comparing the results for the current first quarter with the results of the same period of the previous year (January 1, 2025 to March 31, 2025). (Millions of yen, %)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
2,805 2.2%	(1,336) -%	(1,777) -%	(1,977) -%

(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	13,670	6,204	37.1	36.64
December 31, 2025	14,544	6,787	38.3	40.33

Reference: Equity

As of March 31, 2026: ¥ 5,068 million
 As of December 31, 2025: ¥ 5,577 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	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		-	-	-	-

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

The dividend forecast for the fiscal year ending December 31, 2026, is currently undetermined.

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

Regarding the consolidated earnings forecast for the fiscal year ending December 31, 2026, we have chosen not to disclose the figures at this time because it is difficult to provide a highly accurate forecast.

* Notes

(1) Significant changes in the scope of consolidation during the period: None
 Newly included: - companies()
 Excluded: - companies()

(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	139,115,100 shares
As of December 31, 2025	139,115,100 shares

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

As of March 31, 2026	800,123 shares
As of December 31, 2025	800,112 shares

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

Three months ended March 31, 2026	138,314,983 shares
Three months ended June 30, 2025	138,310,188 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

(1) Statements regarding the future, such as performance forecasts, contained in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual results may differ significantly due to various factors.

(2) The financial results briefing materials will be promptly posted on our website today, May 15.

(URL of the Company's website) <https://sourcnext.co.jp/ir-english/library/settlement>

Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	4,918,066	4,619,813
Accounts receivable - trade	1,592,216	1,578,548
Merchandise and finished goods	2,953,520	2,762,808
Raw materials and supplies	50,322	47,945
Advance payments to suppliers	410,696	250,516
Income taxes refund receivable	668	668
Other	379,201	649,338
Allowance for doubtful accounts	(1,870)	(2,466)
Total current assets	10,302,820	9,907,172
Non-current assets		
Property, plant and equipment		
Property, plant and equipment	289,290	309,980
Accumulated depreciation	(164,408)	(195,519)
Total property, plant and equipment	124,882	114,460
Intangible assets		
Software	1,201,002	1,242,292
Contract based intangible assets	457,201	-
Other	45,281	327,012
Total intangible assets	1,703,486	1,569,305
Investments and other assets		
Investment securities	2,372,989	2,052,059
Other	40,764	27,949
Total investments and other assets	2,413,754	2,080,009
Total non-current assets	4,242,123	3,763,774
Total assets	14,544,943	13,670,947

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	461,758	267,712
Short-term borrowings	3,100,000	3,100,000
Current portion of long-term borrowings	318,912	308,544
Accounts payable - other	936,768	894,660
Income taxes payable	35,900	19,988
Unearned revenue	607,352	554,981
Provision for bonuses	8,707	-
Other	453,178	315,382
Total current liabilities	5,922,576	5,461,268
Non-current liabilities		
Bonds payable	-	250,000
Long-term borrowings	1,314,164	1,300,954
Long-term unearned revenue	451,473	404,284
Deferred tax liabilities	23,759	6,704
Other	45,446	42,805
Total non-current liabilities	1,834,844	2,004,748
Total liabilities	7,757,421	7,466,017
Net assets		
Shareholders' equity		
Share capital	4,009,527	4,009,527
Capital surplus	11,596,643	11,628,861
Retained earnings	(10,085,337)	(10,333,021)
Treasury shares	(163,142)	(163,144)
Total shareholders' equity	5,357,690	5,142,222
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,376	(254,073)
Foreign currency translation adjustment	170,832	180,232
Total accumulated other comprehensive income	220,208	(73,841)
Share acquisition rights	497,202	517,013
Non-controlling interests	712,420	619,534
Total net assets	6,787,522	6,204,929
Total liabilities and net assets	14,544,943	13,670,947

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended March 31, 2026
Net sales	2,710,054	2,867,699
Cost of sales	1,329,058	1,355,339
Gross profit	1,380,995	1,512,360
Selling, general and administrative expenses	2,059,056	1,887,921
Operating loss	(678,061)	(375,560)
Non-operating income		
Interest income	1,352	6,733
Dividend income	500	-
Foreign exchange gains	-	72,943
Gain on investments in silent partnerships	-	34,510
Interest subsidy	1,931	717
Other	1,286	3,322
Total non-operating income	5,070	118,227
Non-operating expenses		
Interest expenses	22,921	25,165
Share of loss of entities accounted for using equity method	54,632	32,540
Foreign exchange losses	91,359	-
Loss on investments in silent partnerships	-	7,564
Other	75	1,239
Total non-operating expenses	168,989	66,508
Ordinary loss	(841,979)	(323,842)
Extraordinary income		
Gain on reversal of share acquisition rights	19,946	5,637
Total extraordinary income	19,946	5,637
Extraordinary losses		
Business restructuring expenses	-	18,164
Loss on sale of businesses	-	12,920
Total extraordinary losses	-	31,084
Loss before income taxes	(822,032)	(349,289)
Income taxes - current	2,479	2,119
Total income taxes	2,479	2,119
Loss	(824,512)	(351,408)
Loss attributable to non-controlling interests	(180,196)	(103,724)
Loss attributable to owners of parent	(644,315)	(247,683)

Quarterly Consolidated Statement of Comprehensive Income
For the Three-Month Period

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended March 31, 2026
Loss	(824,512)	(351,408)
Other comprehensive income		
Valuation difference on available-for-sale securities	(57,960)	(303,450)
Foreign currency translation adjustment	3,504	2,455
Total other comprehensive income	(54,456)	(300,994)
Comprehensive income	(878,968)	(652,403)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(702,485)	(541,741)
Comprehensive income attributable to non-controlling interests	(176,483)	(110,662)