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Consolidated Financial Results for the Six Months Ended August 31, 2025 (under IFRS)

October 15, 2025

Company name: **WingArc1st Inc.**
Listing: Tokyo Stock Exchange
Securities code: 4432
URL: https://www.wingarc.com/en/
Representative: Jun Tanaka, President, Executive Officer and CEO
Inquiries: Taisuke Fujimoto, Director, Executive Officer and CFO
TEL: +81-3-5962-7400
Scheduled date to file semi-annual securities report: October 15, 2025
Scheduled date to commence dividend payments: November 10, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
August 31, 2025	14,712	(1.1)	4,108	(17.2)	4,144	(17.0)	2,929	(18.3)
August 31, 2024	14,875	10.2	4,964	5.2	4,994	6.0	3,585	6.1

	Profit attributable to equity holders of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended						
August 31, 2025	2,938	(18.3)	4,567	24.1	84.84	84.31
August 31, 2024	3,597	6.0	3,680	(0.4)	104.43	103.53

Note: Effective the fiscal year ended February 28, 2022, the Company has adopted a share-based remuneration system which utilizes an officer remuneration BIP trust, and shares of the Company held by the trust are included in treasury shares. In line with this, for the calculation of basic earnings per share and diluted earnings per share, the number of the Company's own shares held by the trust was included in the number of treasury shares, which are excluded from the calculation for the weighted average number of ordinary shares outstanding during the period.

(Reference)

	EBITDA	
	Millions of yen	%
Six months ended		
August 31, 2025	4,856	(14.3)
August 31, 2024	5,667	6.2

Note: The Group uses EBITDA as an important management indicator. For information about the indicator, refer to "(Notes when referring to summary information)" below.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to equity holders of the parent	Ratio of equity attributable to equity holders of the parent
	Millions of yen	Millions of yen	Millions of yen	%
As of				
August 31, 2025	71,981	44,384	44,339	61.6
February 28, 2025	68,436	41,846	41,792	61.1

2. Cash dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	0.00	42.00	0.00	62.00	104.00
Fiscal year ending February 28, 2026	0.00	52.00			
Fiscal year ending February 28, 2026 (Forecast)			0.00	52.00	104.00

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

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		EBITDA		Profit attributable to equity holders of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending February 28, 2026	31,200	8.7	8,950	8.9	10,460	8.4	6,400	7.9

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

* Notes

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

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of August 31, 2025	34,987,170 shares
As of February 28, 2025	34,932,870 shares

b. Number of treasury shares at the end of the period

As of August 31, 2025	329,732 shares
As of February 28, 2025	389,428 shares

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

For the six months ended August 31, 2025	34,635,621 shares
For the six months ended August 31, 2024	34,445,958 shares

* **Semi-annual financial results reports are exempt from reviews conducted by certified public accountants or an audit corporation.**

* **Proper use of earnings forecasts, and other special items**

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

(Notes when referring to summary information)

1. EBITDA = Operating profit + Depreciation and amortization expenses
2. From the fiscal year ended February 29, 2020, due to the adoption of IFRS 16, the right of use related to office leases is recognized as a right-of-use asset, and depreciation related to this asset is also recorded. However, in the calculation of EBITDA, depreciation related to this right-of-use asset is excluded from “Depreciation and amortization expenses.”
3. EBITDA is not a measure prescribed by IFRS, but rather is a financial measure that the Group believes is useful for investors to evaluate the Group’s performance.
4. EBITDA should not be considered as an alternative measure to other measures presented in accordance with IFRS, as it excludes some of the items that affect profit and has significant limitations as a means of analysis. EBITDA for the Group may not be comparable to the measures used by other companies in the industry due to different calculation methods from those used for the same or similar measures. As a result, its usefulness may be reduced.

Condensed Semi-annual Consolidated Financial Statements

(1) Condensed semi-annual consolidated statements of financial position

(Unit: thousand yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and cash equivalents	14,715,413	13,390,095
Trade and other receivables	2,451,376	2,356,451
Other financial assets	81,750	93,059
Other current assets	575,509	1,203,917
Total current assets	17,824,050	17,043,524
Non-current assets		
Property and equipment	2,076,237	1,908,246
Goodwill	27,674,087	30,112,661
Other intangible assets	15,055,624	14,669,915
Investments accounted for using equity method	454,516	474,389
Other financial assets	5,315,992	7,724,817
Other non-current assets	36,443	47,626
Total non-current assets	50,612,902	54,937,657
Total assets	68,436,952	71,981,181
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	988,411	1,117,683
Contract liabilities	8,082,590	9,372,487
Current portion of long-term borrowings	1,452,125	1,431,612
Income taxes payable	1,291,671	1,022,493
Other financial liabilities	613,887	617,555
Other current liabilities	2,411,553	2,283,085
Total current liabilities	14,840,239	15,844,918
Non-current liabilities		
Long-term borrowings	7,106,203	6,395,796
Provisions	192,820	244,678
Other financial liabilities	243,757	132,531
Deferred tax liabilities	4,207,737	4,979,028
Total non-current liabilities	11,750,519	11,752,034
Total liabilities	26,590,758	27,596,952
Equity		
Issued capital	1,228,008	1,241,950
Capital surplus	12,399,974	12,432,207
Other components of equity	2,059,091	3,695,733
Retained earnings	26,611,769	27,398,644
Treasury shares	(506,450)	(428,959)
Equity attributable to equity holders of the parent	41,792,393	44,339,576
Non-controlling interests	53,800	44,652
Total equity	41,846,194	44,384,229
Total liabilities and equity	68,436,952	71,981,181

(2) Condensed semi-annual consolidated statements of profit or loss and condensed semi-annual consolidated statements of comprehensive income
(Condensed semi-annual consolidated statements of profit or loss)

(Unit: thousand yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Revenue	14,875,339	14,712,285
Personnel expenses except those included in research and development costs	(3,435,050)	(3,891,530)
Research and development costs	(1,645,538)	(1,814,127)
Outsourcing expenses	(1,361,874)	(1,559,306)
Commission expenses	(679,356)	(570,440)
Other operating income	18,470	28,787
Other operating expenses	(2,807,907)	(2,796,807)
Operating profit	4,964,081	4,108,859
Finance income	69,152	82,553
Finance costs	(39,144)	(77,725)
Share of profit (loss) of investments accounted for using equity method	–	31,122
Profit before income taxes	4,994,089	4,144,810
Income taxes	(1,408,832)	(1,215,422)
Profit	3,585,257	2,929,387
Profit attributable to:		
Equity holders of the parent	3,597,411	2,938,535
Non-controlling interests	(12,154)	(9,147)
Profit	3,585,257	2,929,387
Earnings per share		
Basic earnings per share (yen)	104.43	84.84
Diluted earnings per share (yen)	103.53	84.31

(Condensed semi-annual consolidated statements of comprehensive income)

(Unit: thousand yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Profit	3,585,257	2,929,387
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	74,739	1,614,790
Total of items that will not be reclassified to profit or loss	74,739	1,614,790
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	20,781	22,895
Total of items that may be reclassified to profit or loss	20,781	22,895
Other comprehensive income, net of income taxes	95,521	1,637,686
Total comprehensive income, net of income taxes	3,680,778	4,567,074
Attributable to:		
Equity holders of the parent	3,692,932	4,576,222
Non-controlling interests	(12,154)	(9,147)
Total comprehensive income	3,680,778	4,567,074

(3) Condensed semi-annual consolidated statement of changes in equity
Six months ended August 31, 2024

(Unit: thousand yen)

	Equity attributable to equity holders of the parent					
			Other components of equity			
	Issued capital	Capital surplus	Exchange differences on translation of foreign operations	Stock acquisition rights	Financial assets measured at fair value through other comprehensive income	Total
As of March 1, 2024	1,199,817	12,250,296	182,288	5,586	2,300,096	2,487,971
Profit						–
Other comprehensive income			20,781		74,739	95,521
Comprehensive income	–	–	20,781	–	74,739	95,521
Dividends						–
Share-based payment transactions		(11,327)				–
Exercise of stock acquisition rights	11,142	11,142		(585)		(585)
Total transactions with equity holders	11,142	(184)	–	(585)	–	(585)
As of August 31, 2024	1,210,960	12,250,111	203,070	5,000	2,374,835	2,582,906

(Unit: thousand yen)

	Equity attributable to equity holders of the parent			Non-controlling interests	Total
	Retained earnings	Treasury shares	Total		
As of March 1, 2024	23,700,677	(564,305)	39,074,456	21,993	39,096,449
Profit	3,597,411		3,597,411	(12,154)	3,585,257
Other comprehensive income			95,521		95,521
Comprehensive income	3,597,411	–	3,692,932	(12,154)	3,680,778
Dividends	(1,563,667)		(1,563,667)		(1,563,667)
Share-based payment transactions		57,855	46,527		46,527
Exercise of stock acquisition rights			21,700		21,700
Total transactions with equity holders	(1,563,667)	57,855	(1,495,440)	–	(1,495,440)
As of August 31, 2024	25,734,421	(506,450)	41,271,949	9,838	41,281,788

Six months ended August 31, 2025

(Unit: thousand yen)

	Equity attributable to equity holders of the parent					
			Other components of equity			
	Issued capital	Capital surplus	Exchange differences on translation of foreign operations	Stock acquisition rights	Financial assets measured at fair value through other comprehensive income	Total
As of March 1, 2025	1,228,008	12,399,974	156,416	4,104	1,898,570	2,059,091
Profit						–
Other comprehensive income			22,895		1,614,790	1,637,686
Comprehensive income	–	–	22,895	–	1,614,790	1,637,686
Dividends						–
Share-based payment transactions		17,980				–
Exercise of stock acquisition rights	13,941	13,941		(733)		(733)
Forfeiture of stock acquisition rights		310		(310)		(310)
Purchase of treasury shares						–
Total transactions with equity holders	13,941	32,232	–	(1,043)	–	(1,043)
As of August 31, 2025	1,241,950	12,432,207	179,311	3,060	3,513,361	3,695,733

(Unit: thousand yen)

	Equity attributable to equity holders of the parent			Non-controlling interests	Total
	Retained earnings	Treasury shares	Total		
As of March 1, 2025	26,611,769	(506,450)	41,792,393	53,800	41,846,194
Profit	2,938,535		2,938,535	(9,147)	2,929,387
Other comprehensive income			1,637,686		1,637,686
Comprehensive income	2,938,535	–	4,576,222	(9,147)	4,567,074
Dividends	(2,151,660)		(2,151,660)		(2,151,660)
Share-based payment transactions		77,667	95,647		95,647
Exercise of stock acquisition rights			27,150		27,150
Forfeiture of stock acquisition rights			–		–
Purchase of treasury shares		(176)	(176)		(176)
Total transactions with equity holders	(2,151,660)	77,490	(2,029,039)	–	(2,029,039)
As of August 31, 2025	27,398,644	(428,959)	44,339,576	44,652	44,384,229

(4) Condensed semi-annual consolidated statements of cash flows

(Unit: thousand yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,994,089	4,144,810
Depreciation and amortization expenses	869,881	885,485
Finance income	(70,250)	(82,553)
Finance costs	29,820	65,636
Decrease (increase) in trade and other receivables	(1,582,561)	94,924
Increase (decrease) in trade and other payables	48,348	2,432
Increase (decrease) in contract liabilities	1,474,051	1,229,133
Others	(573,688)	(615,439)
Subtotal	5,189,691	5,724,430
Interest and dividends received	62,492	82,530
Dividends received from investments accounted for using equity method	–	11,250
Interest paid	(27,518)	(61,406)
Income taxes paid	(1,336,742)	(1,418,220)
Net cash flows from operating activities	3,887,923	4,338,583
Cash flows from investing activities		
Purchase of property and equipment	(193,693)	(84,479)
Purchase of intangible assets	(215,489)	(238,070)
Payments for leasehold and guarantee deposits	(22,469)	(226)
Proceeds from refund of leasehold and guarantee deposits	1,993	206
Proceeds from sale and redemption of investments	612	2,027
Payments for acquisition of subsidiaries	(410,059)	(2,266,304)
Others	2,542	(8,906)
Net cash flows used in investing activities	(836,561)	(2,595,753)
Cash flows from financing activities		
Repayments of lease liabilities	(210,645)	(211,463)
Repayments of long-term borrowings	(733,726)	(737,463)
Dividends paid	(1,562,204)	(2,147,751)
Proceeds from issuance of new shares	21,700	27,150
Purchase of treasury shares	–	(176)
Others	(1,799)	–
Net cash flows used in financing activities	(2,486,676)	(3,069,705)
Net foreign exchange differences	23,640	1,556
Net increase (decrease) in cash and cash equivalents	588,325	(1,325,317)
Cash and cash equivalents at the beginning of the period	12,986,833	14,715,413
Cash and cash equivalents at the end of the period	13,575,158	13,390,095