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Consolidated Financial Results for the Three Months Ended May 31, 2026 (under IFRS)

July 14, 2026

Company name: **WingArc1st Inc.**
Listing: Tokyo Stock Exchange
Securities code: 4432
URL: https://ir.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 commence dividend payments: –
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 three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026)

(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	%
Three months ended								
May 31, 2026	7,806	6.7	2,167	3.3	2,178	4.3	1,550	5.9
May 31, 2025	7,314	2.7	2,097	(13.1)	2,088	(13.2)	1,463	(16.0)

	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
Three months ended						
May 31, 2026	1,559	6.3	339	(84.6)	44.91	44.71
May 31, 2025	1,466	(16.1)	2,209	62.6	42.36	42.08

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	%
Three months ended		
May 31, 2026	2,565	4.0
May 31, 2025	2,467	(10.6)

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				
May 31, 2026	72,508	45,609	45,585	62.9
February 28, 2026	73,490	47,032	47,000	64.0

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, 2026	0.00	52.00	0.00	52.00	104.00
Fiscal year ending February 28, 2027	0.00				
Fiscal year ending February 28, 2027 (Forecast)		54.00	0.00	54.00	108.00

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

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(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, 2027	34,300	10.8	10,600	17.9	12,100	14.9	7,420	14.2

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 May 31, 2026	35,020,470 shares
As of February 28, 2026	35,009,470 shares

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

As of May 31, 2026	276,110 shares
As of February 28, 2026	329,732 shares

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

For the three months ended May 31, 2026	34,713,253 shares
For the three months ended May 31, 2025	34,623,171 shares

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None**

*** 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 Quarterly Consolidated Financial Statements

(1) Condensed quarterly consolidated statements of financial position

(Unit: thousand yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and cash equivalents	13,339,865	15,320,856
Trade and other receivables	3,899,849	2,469,034
Other financial assets	96,735	107,301
Other current assets	676,673	1,186,643
Total current assets	18,013,124	19,083,835
Non-current assets		
Property and equipment	1,859,489	1,799,730
Goodwill	30,209,905	30,233,400
Other intangible assets	14,199,585	13,962,488
Investments accounted for using equity method	490,589	527,925
Other financial assets	8,667,453	6,847,992
Other non-current assets	50,663	52,725
Total non-current assets	55,477,686	53,424,262
Total assets	73,490,811	72,508,098
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	1,128,270	1,154,799
Contract liabilities	8,091,691	10,056,848
Current portion of long-term borrowings	1,431,236	1,430,779
Income taxes payable	1,266,199	559,593
Other financial liabilities	593,083	971,182
Other current liabilities	2,790,033	2,153,898
Total current liabilities	15,300,514	16,327,102
Non-current liabilities		
Long-term borrowings	5,685,875	5,688,057
Provisions	245,638	246,094
Other financial liabilities	147,698	137,544
Deferred tax liabilities	5,078,489	4,499,520
Total non-current liabilities	11,157,702	10,571,216
Total liabilities	26,458,217	26,898,319
Equity		
Issued capital	1,247,675	1,250,499
Capital surplus	12,532,674	12,506,738
Other components of equity	4,495,920	3,291,556
Retained earnings	29,152,827	28,896,060
Treasury shares	(428,959)	(359,251)
Equity attributable to equity holders of the parent	47,000,138	45,585,603
Non-controlling interests	32,455	24,175
Total equity	47,032,593	45,609,779
Total liabilities and equity	73,490,811	72,508,098

(2) Condensed quarterly consolidated statements of profit or loss and condensed quarterly consolidated statements of comprehensive income

(Condensed quarterly consolidated statements of profit or loss)

(Unit: thousand yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Revenue	7,314,189	7,806,371
Personnel expenses except those included in research and development costs	(1,918,338)	(2,177,194)
Research and development costs	(897,297)	(904,671)
Outsourcing expenses	(746,313)	(850,583)
Commission expenses	(283,203)	(283,637)
Other operating income	26,572	23,580
Other operating expenses	(1,398,446)	(1,446,728)
Operating profit	2,097,162	2,167,136
Finance income	5,199	6,088
Finance costs	(39,749)	(32,296)
Share of profit (loss) of investments accounted for using equity method	26,277	37,336
Profit before income taxes	2,088,890	2,178,265
Income taxes	(624,995)	(627,340)
Profit	1,463,894	1,550,924
Profit attributable to:		
Equity holders of the parent	1,466,750	1,559,205
Non-controlling interests	(2,855)	(8,280)
Profit	1,463,894	1,550,924
Earnings per share		
Basic earnings per share (yen)	42.36	44.91
Diluted earnings per share (yen)	42.08	44.71

(Condensed quarterly consolidated statements of comprehensive income)

(Unit: thousand yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Profit	1,463,894	1,550,924
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	761,116	(1,257,647)
Total of items that will not be reclassified to profit or loss	761,116	(1,257,647)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(15,653)	46,058
Total of items that may be reclassified to profit or loss	(15,653)	46,058
Other comprehensive income, net of income taxes	745,462	(1,211,588)
Total comprehensive income, net of income taxes	2,209,356	339,336
Attributable to:		
Equity holders of the parent	2,212,212	347,616
Non-controlling interests	(2,855)	(8,280)
Total comprehensive income	2,209,356	339,336

(3) Condensed quarterly consolidated statement of changes in equity

Three months ended May 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			(15,653)		761,116	745,462
Comprehensive income	–	–	(15,653)	–	761,116	745,462
Dividends						–
Share-based payment transactions		(24,931)				–
Exercise of stock acquisition rights	6,007	6,007		(315)		(315)
Purchase of treasury shares						–
Total transactions with equity holders	6,007	(18,923)	–	(315)	–	(315)
As of May 31, 2025	1,234,016	12,381,051	140,762	3,788	2,659,687	2,804,237

(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	1,466,750		1,466,750	(2,855)	1,463,894
Other comprehensive income			745,462		745,462
Comprehensive income	1,466,750	–	2,212,212	(2,855)	2,209,356
Dividends	(2,151,660)		(2,151,660)		(2,151,660)
Share-based payment transactions		77,667	52,735		52,735
Exercise of stock acquisition rights			11,700		11,700
Purchase of treasury shares		(176)	(176)		(176)
Total transactions with equity holders	(2,151,660)	77,490	(2,087,401)	–	(2,087,401)
As of May 31, 2025	25,926,858	(428,959)	41,917,204	50,944	41,968,149

Three months ended May 31, 2026

(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, 2026	1,247,675	12,532,674	368,433	2,759	4,124,727	4,495,920
Profit						–
Other comprehensive income			46,058		(1,257,647)	(1,211,588)
Comprehensive income	–	–	46,058	–	(1,257,647)	(1,211,588)
Dividends						–
Share-based payment transactions		(28,760)				–
Exercise of stock acquisition rights	2,824	2,824		(148)		(148)
Transfer from other components of equity to retained earnings					7,372	7,372
Total transactions with equity holders	2,824	(25,935)	–	(148)	7,372	7,224
As of May 31, 2026	1,250,499	12,506,738	414,492	2,610	2,874,452	3,291,556

(Unit: thousand yen)

	Equity attributable to equity holders of the parent			Non-controlling interests	Total
	Retained earnings	Treasury shares	Total		
As of March 1, 2026	29,152,827	(428,959)	47,000,138	32,455	47,032,593
Profit	1,559,205		1,559,205	(8,280)	1,550,924
Other comprehensive income			(1,211,588)		(1,211,588)
Comprehensive income	1,559,205	–	347,616	(8,280)	339,336
Dividends	(1,808,599)		(1,808,599)		(1,808,599)
Share-based payment transactions		69,708	40,948		40,948
Exercise of stock acquisition rights			5,500		5,500
Transfer from other components of equity to retained earnings	(7,372)		–		–
Total transactions with equity holders	(1,815,972)	69,708	(1,762,150)	–	(1,762,150)
As of May 31, 2026	28,896,060	(359,251)	45,585,603	24,175	45,609,779

(4) Condensed quarterly consolidated statements of cash flows

(Unit: thousand yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,088,890	2,178,265
Depreciation and amortization expenses	432,553	465,781
Finance income	(5,199)	(5,924)
Finance costs	24,898	37,845
Decrease (increase) in trade and other receivables	13,195	1,430,814
Increase (decrease) in trade and other payables	(146,567)	25,008
Increase (decrease) in contract liabilities	1,173,375	1,965,157
Increase (decrease) in other current liabilities	(415,193)	(617,776)
Others	177,717	(51,447)
Subtotal	3,343,669	5,427,724
Interest and dividends received	5,199	5,924
Interest paid	(30,367)	(29,318)
Income taxes paid	(1,401,605)	(1,319,354)
Net cash flows from operating activities	1,916,897	4,084,976
Cash flows from investing activities		
Purchase of property and equipment	(69,342)	(123,808)
Purchase of intangible assets	(152,803)	(92,250)
Payments for leasehold and guarantee deposits	(226)	(27,019)
Proceeds from refund of leasehold and guarantee deposits	156	1,909
Proceeds from sale and redemption of investments	–	21,076
Others	(8,342)	(8,259)
Net cash flows used in investing activities	(230,558)	(228,351)
Cash flows from financing activities		
Repayments of lease liabilities	(95,881)	(107,108)
Repayments of long-term borrowings	(14,747)	(1,002)
Dividends paid	(2,151,610)	(1,807,079)
Proceeds from issuance of new shares	11,700	5,500
Purchase of treasury shares	(176)	–
Net cash flows used in financing activities	(2,250,716)	(1,909,689)
Net foreign exchange differences	(15,143)	34,056
Net increase (decrease) in cash and cash equivalents	(579,520)	1,980,990
Cash and cash equivalents at the beginning of the period	14,715,413	13,339,865
Cash and cash equivalents at the end of the period	14,135,892	15,320,856