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February 5, 2026

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



Company name: Future Corporation
Listing: Tokyo Stock Exchange
Securities code: 4722
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Scheduled date of annual general meeting of shareholders: March 26, 2026
Scheduled date to commence dividend payments: March 27, 2026
Scheduled date to file annual securities report: March 25, 2026
Preparation of supplementary material on financial results: None
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA [※]		Operating profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2025	75,993	8.8	19,596	12.4	16,176	10.3	11,712	13.5
December 31, 2024	69,878	17.8	17,431	16.1	14,667	7.1	10,322	11.9

(Note) Comprehensive income: Fiscal year ended December 31, 2025: ¥ 11,077 million [44.6%]
Fiscal year ended December 31, 2024: ¥ 7,658 million [(23.8) %]

[※] EBITDA = Operating profit + Depreciation + Amortization of goodwill

	Basic earnings per share	Rate of return on equity	Operating profit to net sales ratio
Fiscal year ended December 31, 2025	Yen 132.11	% 19.8	% 21.3
December 31, 2024	116.49	19.3	21.0

(Reference) Equity in earnings (losses) of affiliated companies: For the fiscal year ended December 31, 2025: ¥ 203 million
For the fiscal year ended December 31, 2024: ¥ 193 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of December 31, 2025	Millions of yen 97,491	Millions of yen 62,755	% 64.4	Yen 707.69
December 31, 2024	92,048	55,489	60.3	626.10

(Reference) Equity: As of December 31, 2025: ¥ 62,755 million
As of December 31, 2024: ¥ 55,489 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended December 31, 2025	Millions of yen 8,664	Millions of yen (1,391)	Millions of yen (6,885)	Millions of yen 32,800
December 31, 2024	10,683	(20,406)	13,812	32,374

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended December 31, 2024	Yen -	Yen 21.00	Yen -	Yen 21.00	Yen 42.00	Millions of yen 3,722	% 36.1	% 7.0
December 31, 2025	-	23.00	-	23.00	46.00	4,079	34.8	6.9
Fiscal year ending December 31, 2026 (Forecast)	-	24.00	-	24.00	48.00		36.1	

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2026	38,100	6.9	9,150	4.4	7,300	2.7	4,900	7.2	55.26
Full year	80,600	6.1	21,200	8.2	17,500	8.2	11,800	0.7	133.07

* Notes:

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

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares)

December 31, 2025	95,328,000 shares
December 31, 2024	95,328,000 shares
- 2) Number of treasury shares at the end of the period

December 31, 2025	6,652,039 shares
December 31, 2024	6,700,416 shares
- 3) Average number of shares outstanding during the period

Fiscal Year ended December 31, 2025	88,657,267 shares
Fiscal Year ended December 31, 2024	88,610,489 shares

(Reference) Overview of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating revenue		Operating profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2025	2,819	29.3	10,975	11.2	7,372	4.3	8,296	25.6
December 31, 2024	2,180	(6.0)	9,873	(28.2)	7,071	(39.2)	6,604	(35.5)

	Basic earnings per share
	Yen
Fiscal year ended December 31, 2025	93.58
December 31, 2024	74.54

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2025	65,798	46,108	70.1	519.97
December 31, 2024	64,910	42,511	65.5	479.67

(Reference) Equity: As of December 31, 2025: ¥ 46,108 million

As of December 31, 2024: ¥ 42,511 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Points to note about the proper use of projections, and other noteworthy events

Any forward-looking statement, including earnings forecasts, contained in this document is based on information currently held by the Company and assumptions the Company considers to be reasonable, and the Company does not promise to achieve any of them. Actual results may differ significantly from forecasts due to various uncertain factors.

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1.Overview of Operating Results and Other

(1) Overview of operating results for fiscal 2025

(Overview of the fiscal year under review)

Consolidated results of the Group for the fiscal year under review (January 1, 2025, to December 31, 2025) were as follows:

Net sales	¥75,993 million	(up 8.8% year on year)
Operating Profit	¥16,176 million	(up 10.3% year on year)
Profit attributable to owners of parent	¥11,712 million	(up 13.5% year on year)

During the current consolidated fiscal year, uncertainty in the global economy has remained high due to the prolonged geopolitical risks in Ukraine and the Middle East, as well as the increasingly clear protectionist trade policies and isolationist foreign policies favoring national interests under the Trump administration in the United States. In the domestic economy, the business environment is becoming increasingly severe due to rising prices, gradual interest rate hikes, and increased costs for raw materials and labor resulting from the weak yen and labor shortages.

Despite these economic conditions, IT-driven management reforms and business improvements continue to be vigorous, and active IT investment remains robust. These efforts include business reforms through DX (Digital Transformation), responses to severe labor shortages by improving productivity, and reviews of the entire corporate supply chain from a BCP (Business Continuity Planning) perspective in light of the international situation. Additionally, the development of new digital services leveraging AI (including generative AI) and efforts to enhance business efficiency through AI are accelerating.

Under these circumstances, Future Architect, Inc. successfully launched the stable operation of its cloud-based core banking system, the "Next-Generation Banking System," for the second bank (THE SHIMANE BANK, LTD.) in July. Furthermore, the implementation for three new banks (THE SENDAI BANK LTD., Kirayaka Bank, Ltd., and THE TOWA BANK, LTD.) has been decided, and the design phase has commenced (*).

In addition, the performance of Revamp Corporation, which has been consolidated since the second quarter of the previous fiscal year, is growing as synergies from joint sales activities and other initiatives materialize. Other companies in the IT Consulting & Service Business also demonstrated steady growth.

As a result, net sales, operating profit, and profit attributable to owners of parent increased year-on-year, representing increases in both sales and income.

(*)As announced in the Company's press release dated January 30, 2026, the implementation of the "Next-Generation Banking System" for SBI Shinsei Bank, Limited. has been decided.

https://www.future.co.jp/press_room/PDF/PressRelease_JisedaiBankingSystem_260130.pdf

(1) IT Consulting & Service Business

Future Architect, Inc. (including the technology segment of Future Corporation) has seen the launch and steady progress of large-scale DX projects across various industries, including retail, food wholesale, and finance, in addition to government-led medical DX system construction projects. Regarding projects utilizing intellectual property (IP) that contribute to the Group's medium-to-long-term growth, in addition to the new implementation of the "Next-Generation Banking System," the "FutureBANK" loan support system for financial institutions also saw progress in new adoptions and the implementation of new functions utilizing generative AI to improve productivity. Furthermore, the development phase of a large-scale project to implement "FutureApparel," a core platform system for the apparel industry, is progressing steadily. In addition to the expansion of these IP-based solutions, the Group acquired new business from customers with a view toward long-term partnerships as a DX strategy partner, leading to the launch of several new projects. As a result, net sales and operating profit increased year-on-year.

Future Inspace Corporation recorded a year-on-year decrease in net sales and operating profit. Although steady maintenance and operation services, as well as the development of system infrastructure upgrades and cloud migration projects for existing customers, remained strong, the results were affected by the completion of large-scale development projects.

FutureOne, Inc. recorded a year-on-year increase in net sales and operating profit. In the sales of its strength, the "InfiniOne" original ERP package software, the company expanded new orders through industry-specific sales activities, such as for the steel industry. Furthermore, orders for system development projects increased through proposals for business process improvements to existing customers.

Future Artisan, Inc. recorded a year-on-year increase in net sales, contributed by the acquisition of new large-scale projects through full-scale entry into the PLM business and the value proposition of DX consulting projects. However, operating profit remained largely flat year-on-year due to the impact of business transfers within the Group and an increase in the burden of software amortization.

Future SecureWave Corporation recorded a year-on-year increase in net sales and operating profit. Although sales of communication equipment and security-related products decreased due to changes in its business model, orders for new security service projects increased.

Revamp Corporation outperformed its plan in both the Management Marketing Business, which supports the management operations of various companies, and the DX Business, which provides core system overhauls and company-wide structural reform consulting. In addition, the Management Marketing Business recorded success fees associated with the improvement of corporate value for its clients. The company's profit and loss have been newly consolidated since the second quarter of the previous fiscal year. In addition to the full-year contribution to performance from the current fiscal year, the company achieved year-on-year increases in net sales and operating profit (compared to the same period after consolidation) due to the manifestation of group synergies through joint sales activities with Future Architect and the acquisition of new projects.

As a result, this segment reported net sales of 67,515 million yen (up 10.9% year-on-year) and operating profit of 16,381 million yen (up 12.7% year-on-year), representing year-on-year increases in both sales and income.

(2) Business Innovation Business

YOCABITO Co., Ltd. saw a year-on-year decrease in revenue, primarily due to measures for management reform, such as narrowing down the range of national brand products. However, its operating loss narrowed compared to the previous fiscal year, driven by strong sales of high-margin private-label products and a reduction in fixed costs.

Tokyo Calendar, Inc. achieved year-on-year growth in both revenue and profit. This success was driven by advertising revenue in its content business and earnings from actively held events, combined with strong performance from online services such as "TOKYO CALENDAR DATE."

LaiBlitz, Inc. continued to promote DX in the sports world through initiatives such as digital baseball lessons and the provision of data analysis reports leveraging generative AI in its "FastBall for Personal" analysis service for amateurs. However, net sales decreased year-on-year, as resources were diverted to improving the quality of certain projects. On the other hand, operating profit increased year-on-year as a result of appropriate control of SG&A and other costs.

CURIOSITY, Inc. completed store design projects for several overseas luxury brands, including watches and bags. However, it saw a year-on-year decrease in both revenue and profit due to a reactionary decline following the completion of a large-scale store design project for a jewelry brand in the previous fiscal year.

As a result, this segment reported net sales of 8,486 million yen (down 6.1% year-on-year) and operating profit of 178 million yen (down 53.2% year-on-year), representing year-on-year declines in both sales and income.

(Note) The above segment performance figures are before adjustment for intersegment sales or transfers.

(2) Overview of the financial position for fiscal 2025

(Assets, liabilities and net assets)

The following is the analysis of financial position for the fiscal year under review.

Assets	¥97,491 million	(up 5.9% year on year)
Liabilities	¥34,736 million	(down 5.0% year on year)
Net assets	¥62,755 million	(up 13.1% year on year)

The following is the analysis of financial position for the fiscal year under review.

(1) Assets

Current assets increased 6,583 million yen to 57,370 million yen, fixed assets decreased 1,140 million yen to 40,120 million yen, and total assets increased 5,442 million yen to 97,491 million yen. The main factors were an increase in notes and accounts receivable-trade and contract assets (up 6,498 million yen from the end of the previous consolidated fiscal year) and an increase in buildings and structures (up 1,376 million yen) due to the expansion and renovation of the Company's building, offset by a decrease in goodwill (down 694 million yen) and a decrease in customer-related intangible assets (down 720 million yen).

(2) Liabilities

Current liabilities at the end of the current consolidated fiscal year increased 1,180 million yen to 17,054 million yen, noncurrent liabilities decreased 3,003 million yen to 17,681 million yen, and total liabilities decreased 1,823 million yen to 34,736 million yen. The main factors were an increase in accounts payable-other (up 806 million yen from the end of the previous consolidated fiscal year), offset by a decrease in long-term borrowings (down 2,856 million yen) due to repayments.

(3) Net assets

Net assets at the end of the current consolidated fiscal year increased 7,265 million yen from the end of the previous consolidated fiscal year to 62,755 million yen. The main factors were an increase in retained earnings (up 7,811 million yen from the end of the previous consolidated fiscal year), offset by a decrease in valuation difference on available-for-sale securities (down 635 million yen) due to the sale of shares held.

(3) Overview of cash flows for fiscal 2025

The following is a summary of the Group's cash flows for the fiscal year under review.

(1) Cash flows from operating activities

Net cash provided by operating activities totaled 8,664 million yen (10,683 million yen in the previous consolidated fiscal year). This was primarily due to the recording of 17,259 million yen in profit before income taxes, as well as 2,395 million yen in depreciation and 1,024 million yen in amortization of goodwill, which were partially offset by 5,936 million yen in income taxes paid.

(2) Net cash provided by (used in) investing activities

Net cash used in investing activities totaled 1,391 million yen (20,406 million yen in the previous consolidated fiscal year). This was primarily due to 1,648 million yen in purchase of property, plant and equipment, while there were 1,125 million yen in proceeds from sales of investment securities.

(3) Net cash provided by (used in) financing activities

Net cash used in financing activities totaled 6,885 million yen (13,812 million yen provided by the previous consolidated fiscal year). This was primarily due to cash dividends paid of 3,900 million yen and repayments of long-term borrowings of 2,856 million yen.

(4) Cash and cash equivalents at end of period

These operating, investing, and financing activities resulted in a net increase in cash and cash equivalents of 425 million yen, and the balance of cash and cash equivalents at the end of the period amounted to 32,800 million yen.

(4) Future outlook

The Group's earnings forecast for the fiscal year ending December 31, 2025, is as follows.

Net sales	¥ 80,600 million	(up 6.1% year on year)
Operating Profit	¥ 17,500 million	(up 8.2% year on year)
Profit attributable to owners of parent	¥ 11,800 million	(up 0.7% year on year)

In the medium- to long-term business environment, AI (including generative AI) and robotics have the potential to bring about fundamental changes that could radically transform the business environment across all industries. Against this backdrop, the approach to DX investment by companies may also undergo a significant transformation in the future.

The Group will strive to gain even greater support from its diverse clientele by not only assisting customers in their fundamental management reforms through AI but also by providing multifaceted and proactive support while leveraging Group synergies, such as joint sales activities that combine functions across Group companies. Furthermore, we will work to significantly improve our own productivity through the thorough utilization of AI, such as by overhauling our design and development processes to be AI-driven.

In addition, by effectively utilizing the Group's intellectual property and making flexible strategic investments, including M&A, we will evolve our business model, which will lead to further growth in the next fiscal year and beyond. At the same time, we will proceed with the development of a business foundation that will contribute to future growth, such as through continuous personnel recruitment, training, and investment in R&D.

Regarding recruitment, we will strengthen our competitive edge by raising the estimated annual salary for new graduate recruitment in fiscal 2026. We will also raise the compensation levels for "Value Recruitment" (a program launched in 2024 that provides rewards based on the capabilities of individuals who possess advanced IT skills and business knowledge, even among new graduates). Furthermore, we will accelerate the development of advanced technical personnel by introducing the "Future PhD Support Program," a support system for employees to obtain doctoral degrees, providing an environment where they can conduct research and study while working in advanced fields such as AI. At the same time, we will strengthen group governance by enhancing internal communication within the Group and further improving the accuracy of quality management.

Special notes for each segment are as follows

(1) IT Consulting & Service Business

Future Architect, Inc. has strengthened its structure to address customers' management issues through management and IT consulting by further promoting collaboration with group companies. As a result, it secured new projects such as core system renewals and data platform construction from customers seeking management reforms and DX promotion. Through group-wide collaboration, the company will address a wide range of customer and industry challenges, including the construction of robust IT security and support for the development and insourcing of advanced IT talent within customer organizations.

Its medium- to long-term growth strategy is focused on "Expanding DX Strategic Partnerships" and "Establishing IP Deployment Models." Through the former, we will build a collaborative foundation to provide comprehensive, long-term support – not limited to large-scale system development – but covering DX strategy formulation, execution, and the strengthening of customers' IT organizations and talent. In the latter, we will deploy existing intellectual property such as "Next-Generation Banking System," "FutureBANK," "GlyphFeeds," and "FutureApparel." This will allow us to build a stable earnings base through a hybrid revenue model combining licensing, consulting, and customized development, while also proceeding with the strategic development of new IP. Furthermore, we will build a structure to lead the coming era by investing in talent acquisition and education, and by strengthening quality control and project management.

Future Inspace, Inc. will provide high-quality and stable operation and maintenance services while strengthening its structure through proactive investment in human resources. It will also expand its high-value-added system development business by leveraging its customer base and trust.

Future One, Inc. aims to further expand earnings by continuing industry-focused sales of its flagship original software package "InfiniOne." It will also strive to enhance the product and provide customers with total solutions through an integrated manufacturing and sales approach.

Future Artisan, Inc. aims to expand its business by providing a series of services ranging from core system renewal and business reform support to the planning and manufacturing of core business areas for the manufacturing industry, in addition to DX consulting and "Smart Factory" construction. It also aims for further profit growth by providing the "ESG Management Co-creation Service" centered on the ESG management platform "Kkuon," and the customer touchpoint DX solution for the manufacturing industry "Fleacia."

Future Secure Wave, Inc. will focus on its "SECURE WAVE Partner" service, which provides comprehensive support for security challenges faced by companies, leveraging its strength in total security operations including incident response, to achieve further revenue growth.

Revamp Corporation aims to expand its DX business projects, centered on supporting the global expansion of existing customers, while steadily executing existing projects in its Management Marketing business. It will also develop new customers through collaboration with investee companies and overseas advanced technology firms. Furthermore, it will continue to maximize the resources and expertise of the Future Group in both businesses to create joint projects, improve quality, and further expand synergies.

(2) Business Innovation Business

YOCABITO Co., Ltd. will strive for earnings improvement and business recovery by continuing to strengthen its private-label brands and promoting ongoing cost reductions.

Tokyo Calendar, Inc. will continue to further enhance its brand power and user engagement through various media platforms, events, and online services. Furthermore, it aims for further growth and profit expansion in each of its businesses by fully promoting the use of technologies such as AI to improve service convenience and operational productivity.

LaiBlitz, Inc. will promote DX and AI utilization in the sports world by developing "FastBall AI," which generates reports based on accumulated sports data, and "FastBiz AI," which supports customer attraction and marketing operations. Additionally, the company will drive further growth and revenue expansion by broadly deploying its AI technology into the fields of regional revitalization and the entertainment industry.

CURIOSITY, Inc. will focus on interior design projects for large-scale luxury hotels and high-end residences, while continuously securing store design orders for global brands in line with their international expansion. At the same time, the company will proceed with the recruitment and development of designers who understand and practice CURIOSITY's design philosophy and are capable of operating on a global scale.

(5) Dividend policy and dividends for the current and next year

The Company regards the return of profits to shareholders as an important management issue and determines dividends by comprehensively taking into account profit/loss for the period, cash flow conditions, and treasury stock purchases, while securing internal reserves to ensure continued sustainable growth.

The Company's policy is to maintain a dividend payout ratio of 35% or more based on consolidated financial results. Based on the above policy, the Company plans to pay a dividend of 23 yen per share from retained earnings at the end of the current fiscal year, which, when combined with the interim dividend already paid, will bring the annual dividend to 46 yen per share (consolidated payout ratio: 34.8%).

For the next fiscal year, the Company plans to pay an ordinary dividend of 48 yen per share (interim dividend: 24 yen, year-end dividend: 24 yen; consolidated dividend payout ratio: 36.1%).

2.The Future Group

The Group (the Company and its related companies) has introduced a holding company structure, and consists of 20 consolidated subsidiaries and four equity-method affiliates as of December 31, 2025.

The Company, as a holding company, establishes the Group's growth strategy, monitors management of the Group companies, and provides specialty services to these companies. Details of the business segments of the Group and how major related companies in charge are positioned in the relevant segment are as follows.

(IT Consulting & Service Business)

In this business, the Group helps clients solve problems, by sharing management issues with them from a managerial perspective, understanding the essence of the clients' businesses and establishing information systems for them using advanced IT.

Company name:	Business activities
Future Architect, Inc. (subsidiary)	Provision of IT consulting services from an objective and independent standpoint by using leading-edge information technology
Future Inspace, Inc. (subsidiary)	Additional development as well as maintenance and operation services for projects primarily developed by Future Architect, Inc.
Future Artisan, Inc. (subsidiary)	Provision of IT consulting services, including a solution for integrating and analyzing quality information, mainly to customers in the manufacturing business
Future One, Inc. (subsidiary)	Development, sales and maintenance of mission-critical packaged software for sales management, production management, accounting and other processes as well as provision of cloud-based services
Future Secure Wave, Inc. (subsidiary)	Security consulting and forensic services Sales of products for network operations and security
Revamp Corporation (subsidiary)	Support for business operations and provision of marketing and creative services, DX support, corporate investment
Logizard Co., Ltd. (affiliate)	Development and sales of and support for cloud-based logistics and inventory management software (WMS)

(Business Innovation Business)

In this business, the Group provides original services using IT and creates business innovations.

Company name:	Business activities
Tokyo Calendar Inc. (subsidiary)	Publication of the magazine "Tokyo Calendar," provision of information using websites and smartphone applications, and services including reservations for tables at restaurants
YOCABITO CO., LTD. (subsidiary)	Sales of sports, outdoor and fitness gear on the Internet
CodeCamp Co, Inc. (subsidiary)	Online and offline educational service including operation of the online programming school "CodeCamp"
LaiBlitz, Inc. (subsidiary)	Development of software related to sports and entertainment and operation of online services
CURIOSITY inc. (subsidiary)	Planning and production of commercial and industrial designs, and planning, development, design, and production of new products

Among affiliated companies engaged in businesses that are not included in the two businesses mentioned above, such as management of a handball team, investing in, as well as holding and managing securities, the main companies are as follows:

- Major affiliated company
- Zeekstar Sports Entertainment, Inc. (subsidiary)
- Future Investment Corp. (subsidiary)

3. Basic Approach to Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements among enterprises, the Group prepares consolidated financial statements under Japanese GAAP.

The Company intends to adopt International Financial Reporting Standards (IFRS) appropriately in consideration of circumstances inside and outside of Japan.

4.Consolidated Financial Statements and Primary Notes

(1)Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	32,374	32,800
Notes and accounts receivable - trade, and contract assets	15,208	21,706
Merchandise and finished goods	825	523
Work in process	20	21
Other	2,358	2,343
Allowance for doubtful accounts	(0)	(24)
Total current assets	<u>50,787</u>	<u>57,370</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,981	3,358
Accumulated depreciation	(1,486)	(1,578)
Buildings and structures, net	494	1,779
Land	0	0
Other	2,769	2,554
Accumulated depreciation	(2,235)	(1,737)
Other, net	533	817
Total property, plant and equipment	<u>1,029</u>	<u>2,598</u>
Intangible assets		
Goodwill	11,168	10,473
Software	3,323	2,619
Customer-related intangible assets	9,982	9,262
Technology related assets	1,010	886
Other	11	17
Total intangible assets	<u>25,496</u>	<u>23,259</u>
Investments and other assets		
Investment securities	13,048	12,544
Leasehold and guarantee deposits	1,559	1,526
Deferred tax assets	0	-
Other	133	198
Allowance for doubtful accounts	(6)	(5)
Total investments and other assets	<u>14,735</u>	<u>14,263</u>
Total non-current assets	<u>41,261</u>	<u>40,120</u>
Total assets	<u>92,048</u>	<u>97,491</u>

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,239	1,440
Current portion of long-term borrowings	2,856	2,856
Accounts payable - other	2,636	3,442
Income taxes payable	3,480	3,550
Provision for bonuses	293	331
Reserve for quality assurance	96	35
Provision for loss on project contracts	33	315
Other	5,237	5,081
Total current liabilities	15,874	17,054
Non-current liabilities		
Long-term borrowings	15,000	12,143
Asset retirement obligations	355	773
Deferred tax liabilities	5,253	4,669
Other	74	94
Total non-current liabilities	20,685	17,681
Total liabilities	36,559	34,736
Net assets		
Shareholders' equity		
Share capital	4,000	4,000
Capital surplus	146	219
Retained earnings	48,227	56,038
Treasury shares	(2,186)	(2,170)
Total shareholders' equity	50,187	58,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,260	4,625
Deferred gains or losses on hedges	5	3
Foreign currency translation adjustment	36	38
Total accumulated other comprehensive income	5,302	4,667
Total net assets	55,489	62,755
Total liabilities and net assets	92,048	97,491

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	69,878	75,993
Cost of sales	36,177	39,006
Gross profit	33,700	36,987
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	831	894
Salaries and bonuses	8,080	8,666
Other salaries	342	379
Rent expenses on land and buildings	1,162	1,342
Training expenses	840	781
Research and development expenses	1,288	1,536
Depreciation	1,258	1,273
Hiring expenses	1,011	1,325
Amortization of goodwill	731	1,024
Other	3,486	3,586
Total selling, general and administrative expenses	19,033	20,810
Operating profit	14,667	16,176
Non-operating income		
Interest income	1	43
Dividend income	319	313
Share of profit of entities accounted for using equity method	193	203
Foreign exchange gains	65	9
Gain on sale of investment securities	148	174
Other	65	86
Total non-operating income	794	830
Non-operating expenses		
Interest expenses	152	172
Loss on investments in investment partnerships	88	112
Loss on retirement of non-current assets	0	12
Financial fees	220	-
Other	47	37
Total non-operating expenses	510	334
Ordinary profit	14,951	16,672
Extraordinary income		
Gain on sale of investment securities	564	850
Total extraordinary income	564	850
Extraordinary losses		
Loss on valuation of investment securities	2	122
Impairment losses	-	140
Loss on retirement of software	196	-
Restructuring expenses	318	-
Total extraordinary losses	517	262
Profit before income taxes	14,999	17,259
Income taxes - current	5,201	5,970
Income taxes - deferred	(523)	(422)
Total income taxes	4,677	5,547
Profit	10,322	11,712
Profit attributable to		
Profit attributable to owners of parent	10,322	11,712

	(Millions of yen)	
	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,678)	(635)
Deferred gains or losses on hedges	7	(1)
Foreign currency translation adjustment	6	1
Total other comprehensive income	(2,663)	(634)
Comprehensive income		
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,658	11,077

(3) Consolidated Statement of Changes in Equity
For the fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	84	41,537	(2,201)	43,421
Changes during period					
Dividends of surplus			(3,632)		(3,632)
Profit attributable to owners of parent			10,322		10,322
Disposal of treasury shares		62		14	76
Net changes in items other than shareholders' equity					
Total changes during period	-	62	6,689	14	6,766
Balance at end of period	4,000	146	48,227	(2,186)	50,187

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	7,938	(2)	30	7,966	51,387
Changes during period					
Dividends of surplus					(3,632)
Profit attributable to owners of parent					10,322
Disposal of treasury shares					76
Net changes in items other than shareholders' equity	(2,678)	7	6	(2,663)	(2,663)
Total changes during period	(2,678)	7	6	(2,663)	4,102
Balance at end of period	5,260	5	36	5,302	55,489

For the fiscal year ended December 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	146	48,227	(2,186)	50,187
Changes during period					
Dividends of surplus			(3,900)		(3,900)
Profit attributable to owners of parent			11,712		11,712
Disposal of treasury shares		72		16	88
Net changes in items other than shareholders' equity					
Total changes during period	-	72	7,811	16	7,900
Balance at end of period	4,000	219	56,038	(2,170)	58,087

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	5,260	5	36	5,302	55,489
Changes during period					
Dividends of surplus					(3,900)
Profit attributable to owners of parent					11,712
Disposal of treasury shares					88
Net changes in items other than shareholders' equity	(635)	(1)	1	(634)	(634)
Total changes during period	(635)	(1)	1	(634)	7,265
Balance at end of period	4,625	3	38	4,667	62,755

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	14,999	17,259
Depreciation	2,033	2,395
Amortization of goodwill	731	1,024
Increase (decrease) in allowance for doubtful accounts	(2)	24
Increase (decrease) in provision for bonuses	15	38
Increase (decrease) in reserves for quality assurance	(6)	(61)
Increase (decrease) in provision for loss on project contracts	(4)	281
Interest and dividend income	(323)	(364)
Interest expenses	152	172
Share of loss (profit) of entities accounted for using equity method	(193)	(203)
Loss (gain) on investments in investment partnerships	88	112
Foreign exchange losses (gains)	(65)	(9)
Loss (gain) on sale of investment securities	(713)	(1,024)
Loss (gain) on valuation of investment securities	2	122
Financial fees	220	-
Loss on retirement of non-current assets	-	12
Impairment losses	-	140
Loss on retirement of software	196	-
Restructuring expenses	318	-
Decrease (increase) in accounts receivable - trade, and contract assets	(4,082)	(6,495)
Decrease (increase) in inventories	33	301
Increase (decrease) in trade payables	(134)	201
Increase (decrease) in accounts payable - other	32	479
Decrease (increase) in other assets	39	90
Increase (decrease) in other liabilities	(1,213)	(106)
Subtotal	12,122	14,392
Interest and dividends received	340	381
Interest paid	(149)	(172)
Income taxes paid	(1,629)	(5,936)
Net cash provided by (used in) operating activities	10,683	8,664

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(396)	(1,648)
Purchase of intangible assets	(752)	(384)
Payments for asset retirement obligations	(1)	(8)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(19,021)	-
Purchase of investment securities	(311)	(4)
Proceeds from sale of investment securities	802	1,125
Payments for investments in capital	(561)	(472)
Payments of leasehold and guarantee deposits	(230)	(23)
Proceeds from refund of leasehold and guarantee deposits	19	48
Proceeds from divestments	-	2
Other, net	47	(24)
Net cash provided by (used in) investing activities	(20,406)	(1,391)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	39
Proceeds from long-term borrowings	20,000	-
Repayments of long-term borrowings	(2,142)	(2,856)
Repayments of finance lease liabilities	(192)	(167)
Dividends paid	(3,632)	(3,900)
Other, net	(220)	-
Net cash provided by (used in) financing activities	13,812	(6,885)
Effect of exchange rate change on cash and cash equivalents	69	37
Net increase (decrease) in cash and cash equivalents	4,159	425
Cash and cash equivalents at beginning of period	28,215	32,374
Cash and cash equivalents at end of period	32,374	32,800

(5) Notes to consolidated financial statements

(Notes on premise of a going concern)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Income Taxes, Resident Taxes, and Business Taxes, etc.)

The Company has applied the "Accounting Standard for Income Taxes, Resident Taxes, and Business Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "2022 Revised Accounting Standard") and other related standards from the beginning of the current consolidated fiscal year.

Regarding the amendment concerning the classification of income taxes (taxation of other comprehensive income), the Company has followed the transitional treatment specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2(2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "2022 Revised Implementation Guidance"). This has no impact on the consolidated financial statements.

Furthermore, regarding the amendment related to the revised treatment in consolidated financial statements for the tax deferral of gains or losses on sales of subsidiary shares between consolidated companies, the Company has applied the 2022 Revised Implementation Guidance from the beginning of the current consolidated fiscal year. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been restated to reflect this change. This retrospective application has no impact on the consolidated financial statements for the previous fiscal year.

(Segment information)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are constituent units of the Company for which separate financial information can be obtained, and the Board of Directors examines such information on a regular basis to determine the allocation of management resources and evaluate business performance.

The Group defines the classification of business segments by comprehensively taking into account main services, solutions, customers and markets, and has two reportable segments: the IT Consulting & Service Business and Business Innovation Business.

The business operations of the two reportable segments are as follows:

Reportable segments	Business operations
IT Consulting & Service Business	In this business, the Group helps clients solve problems, by sharing management issues with them from a managerial perspective, understanding the essence of the clients' businesses and establishing information systems for them using advanced IT.
Business Innovation Business	In this business, the Group provides original services using IT and creates business innovations.

2. Methods of calculating net sales, income or loss, assets, liabilities, and other items by reportable segment

The accounting method applied to the above-mentioned business segments is a method in accordance with the accounting policy applied to the preparation of the consolidated financial statements.

Income of reportable segments is based on operating profit.

Intersegment sales and transfers are based on market prices.

3. Information on the amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Previous consolidated fiscal year (from January 01, 2024, to December 31, 2024)

(in millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in the financial statements (Note 3)
	IT Consulting & Service Business	Business Innovation Business	Total				
Net sales							
Sales to outside clients	60,798	8,895	69,693	185	69,878	—	69,878
Intersegment sales or transfer	83	146	229	469	699	(699)	—
Total	60,881	9,041	69,923	654	70,577	(699)	69,878
Segment profit (loss)	14,538	381	14,920	(133)	14,787	(119)	14,667
Segment assets	64,048	7,462	71,511	8,286	79,798	12,250	92,048
Other items							
Depreciation	1,660	295	1,955	35	1,991	41	2,033
Amortization of goodwill	540	190	731	—	731	—	731
Increase in property, plant and equipment and intangible assets	890	169	1,059	12	1,072	117	1,189

(Note)1. “Other” is a segment for operations not included in reportable segments. The segment covers an operation business of a handball team, and investment in, holding of, and management of securities.

2. Adjustments to segment profit (loss) and segment assets represent the amount of intersegment transactions eliminated and income, expenses and assets of the holding company excluding the technology segment.
3. Segment profit (loss) is adjusted with operating profit in consolidated financial statements.
4. The increase in tangible and intangible fixed assets does not include the increase in assets due to business combinations.

Consolidated fiscal year under review (from January 01, 2025, to December 31, 2025)

(in millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in the financial statements (Note 3)
	IT Consulting & Service Business	Business Innovation Business	Total				
Net sales							
Sales to outside clients	67,445	8,341	75,787	206	75,993	—	75,993
Intersegment sales or transfer	70	145	215	696	912	(912)	—
Total	67,515	8,486	76,002	903	76,905	(912)	75,993
Segment profit (loss)	16,381	178	16,560	(84)	16,476	(299)	16,176
Segment assets	68,801	6,954	75,756	8,317	84,073	13,418	97,491
Other items							
Depreciation	1,905	266	2,171	40	2,212	183	2,395
Amortization of goodwill	721	303	1,024	—	1,024	—	1,024
Increase in property, plant and equipment and intangible assets	720	175	896	61	958	1,615	2,573

(Note)1. “Other” is a segment for operations not included in reportable segments. The segment covers an operation business of a handball team, and investment in, holding of, and management of securities.

2. Adjustments to segment profit (loss) and segment assets represent the amount of intersegment transactions eliminated and income, expenses and assets of the holding company excluding the technology segment.
3. Segment profit (loss) is adjusted with operating profit in consolidated financial statements.

(Per Share Information)

	Previous consolidated fiscal year (From January 01, 2024, to December 31, 2024)	Consolidated fiscal year under review (From January 01, 2025, to December 31, 2025)
Net assets per share	¥626.10	¥707.69
Profit per share	¥116.49	¥132.11

(Note) 1. Diluted profit per share is not recorded because there are no potential shares.

2. Profit per share is calculated based on the following:

	Previous consolidated fiscal year (From January 01, 2024, to December 31, 2024)	Consolidated fiscal year under review (From January 01, 2025, to December 31, 2025)
Profit per share		
Profit attributable to owners of parent (millions of yen)	10,322	11,712
Amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common stock (millions of yen)	10,322	11,712
Average number of outstanding shares during the period under review (share)	88,610,489	88,657,267

(Significant subsequent events)

Not applicable.