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Consolidated Financial Results for the Nine Months Ended May 31, 2025 (Under Japanese GAAP)

July 15, 2025

Company name: and factory, inc
 Stock exchange listing: Tokyo
 Stock code: 7035 URL <https://andfactory.co.jp/>
 Representative: Rinji Aoki, President and Representative Director
 Contact: Tomoki Hasumi, Director Phone: +81-3-6712-7646
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of annual financial results meeting: No

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the nine months ended May 31, 2025 (From September 1, 2024, to May 31, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes.

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended May 31, 2025	2,418	—	(169)	—	(170)	—	(172)	—
Nine months ended May 31, 2024	—	—	—	—	—	—	—	—

Note: Comprehensive income (million yen) Nine months ended May 31, 2025: (167) (—%)

Nine months ended May 31, 2024: — (—%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended May 31, 2025	(15.31)	—
Nine months ended May 31, 2024	—	—

- Notes: 1. Although diluted shares exist, diluted earnings per share for the nine months ended May 31, 2025 are not stated because the Company posted a net loss per share for the quarter.
2. Since quarterly consolidated financial statements have been prepared from the nine months ended May 31, 2025, we have not included the numerical values or year-on-year changes for the nine months ended May 31, 2024, or the year-on-year changes for the nine months ended May 31, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2025	2,125	1,046	49.2
As of May 31, 2024	—	—	—

(Reference) Equity capital: As of May 31, 2025: ¥1,045 million As of August 31, 2024: ¥— million

Notes: The Company has prepared quarterly consolidated financial statements since the nine months ended May 31, 2025. Therefore, figures for the fiscal year ended August 31, 2024 are omitted.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Total
Year ended August 31, 2024	—	0.00	—	0.00	0.00
Year ending August 31, 2025	—	—	—		
Year ending August 31, 2025 (Forecast)				0.00	0.00

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

3. Forecast of consolidated financial results for the year ending August 31, 2025 (From September 1, 2024 to August 31, 2025)

Percentages indicate year-on-year changes.

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,200	—	(310)	—	(310)	—	(380)	—	(33.74)

- Notes:
- Revisions to the consolidated earnings forecasts most recently announced: None
 - The Company transitioned to consolidated financial statements from the nine months ended May 31, 2025. Since it did not prepare consolidated financial statements for the fiscal year ended August 2024, the year-on-year changes are not stated.

4. Notes

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 companies (SouthWorks Co., Ltd)

Excluded: 0 companies (—)

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

- (4) Number of issued shares (common shares)

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

As of May 31, 2025	11,261,970 shares	As of August 31, 2024	11,261,970 shares
Number of treasury shares at the end of the period			
As of May 31, 2025	277 shares	As of August 31, 2024	257 shares
Average number of shares during the period (cumulative from the beginning of the fiscal year)			
Nine months ended May 31, 2025	11,261,696 shares	Nine months ended May 31, 2024	11,261,713 shares

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

Forward-looking statements provided in this document, including earnings forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Such statements are included without any guarantee as to their future achievement. Actual business and other results may differ materially from the forecasts depending on various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

As of May 31, 2025

Assets	
Current assets	
Cash and deposits	1,026,002
Accounts receivable trade	478,160
Work in process	17,228
Advances paid	149,062
Consumption taxes refund receivable	57,858
Other	188,946
Allowance for doubtful accounts	(36,183)
Total current assets	1,881,076
Non-current assets	
Property, plant and equipment	
Buildings	21,522
Tools, furniture and fixtures	91,294
Accumulated depreciation	(71,008)
Total property, plant and equipment	41,808
Intangible assets	
Software	25,665
Software in progress	166
Goodwill	41,312
Total intangible assets	67,144
Investments and other assets	
Investment securities	45,902
Long-term loans receivable	30,000
Leasehold and guarantee deposits	53,419
Other	6,048
Total investments and other assets	135,370
Total non-current assets	244,322
Total assets	2,125,399

(Thousands of yen)

As of May 31, 2025

Liabilities	
Current liabilities	
Accounts payable–trade	165,191
Short-term borrowings	105,000
Current portion of long-term borrowings	29,918
Accounts payable–other	470,090
Income taxes payable	6,389
Provision for shareholder benefit program	1,058
Other	54,559
Total current liabilities	832,206
Non-current liabilities	
Long-term borrowings	244,885
Deferred tax liabilities	1,680
Total non-current liabilities	246,565
Total liabilities	1,078,771
Net assets	
Shareholders' equity	
Share capital	801,818
Capital surplus	800,460
Retained earnings	(560,472)
Treasury shares	(578)
Total shareholders' equity	1,041,227
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	3,806
Total accumulated other comprehensive income	3,806
Share acquisition rights	2,585
Non-controlling interests	(991)
Total net assets	1,046,628
Total liabilities and net assets	2,125,399

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income

	(Thousands of yen)
	Nine months ended
	May 31, 2025
Net sales	2,418,168
Cost of sales	1,351,195
Gross profit	1,066,973
Selling, general and administrative expenses	1,236,639
Operating profit (loss)	(169,666)
Non-operating income	
Interest income	800
Subsidy income	3,681
Compensation income	724
Other	911
Total non-operating income	6,118
Non-operating expenses	
Interest expenses	5,291
Foreign exchange losses	923
Other	348
Total non-operating expenses	6,563
Ordinary profit (loss)	(170,111)
Extraordinary income	
Insurance claim income	2,712
Profit resulting from a change in the method of revenue recognition	28,135
Total extraordinary income	30,848
Extraordinary losses	
Impairment losses	5,591
Loss on retirement of non-current assets	22,099
Loss on valuation of investment securities	3,003
Total extraordinary losses	30,695
Profit (loss) before income taxes	(169,958)
Income taxes	1,785
Profit (loss)	(171,744)
Profit attributable to non-controlling interests	658
Loss attributable to owners of parent	(172,402)

Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

Nine months ended

May 31, 2025

Net Loss	(171,744)
Other Comprehensive Income	
Valuation Difference on Available-for-sale Securities	3,806
Total Other Comprehensive Income	3,806
Comprehensive Income	(167,937)
Breakdown	
Comprehensive Income Attributable to Owners of Parent	(168,596)
Comprehensive Income Attributable to Non-controlling Interests	658