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Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Based on Japanese GAAP)

October 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 of General Meeting of Shareholders: November 26, 2025
Scheduled date to file annual securities report: November 25, 2025
Scheduled date to commence dividend payments: —
Preparation of supplementary material on annual 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 Fiscal Year ended August 31, 2025 (From September 1, 2024 to August 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	%
Fiscal Year ended August 31, 2025	3,209	—	(270)	—	(266)	—	(326)	—
Fiscal Year ended August 31, 2024	—	—	—	—	—	—	—	—

Note: Comprehensive income (million yen) Fiscal Year ended August 31, 2025: (319) (—%) Fiscal Year ended August 31, 2024: — (—%)

	Earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal Year ended August 31, 2024	(28.95)	—	(36.8)	(13.0)	(8.4)
Fiscal Year ended August 31, 2023	—	—	—	—	—

Notes: 1. Although diluted shares exist, diluted earnings per share for the Fiscal Year ended August 31, 2025 are not stated because the Company posted a net loss per share for the Fiscal Year.
2. Since consolidated financial statements have been prepared from the fiscal year ended August 31, 2025, we have not included the numerical values or year-on-year changes for the fiscal year ended August 31, 2024, or the year-on-year changes for the Fiscal Year ended August 31, 2025. In addition, since this is the first fiscal year of consolidation, "return on equity" and "return on operating income to total assets" are calculated based on end-of-period equity and end-of-period total assets, respectively.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2025	2,020	892	43.9	78.79
As of August 31, 2024	—	—	—	—

(Reference) Equity capital: August 31, 2025: ¥887 million August 31, 2024: — million

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

(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 the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year ended August 31, 2025	(428)	(122)	(151)	860
Fiscal Year ended August 31, 2024	—	—	—	—

Notes: The Company has prepared quarterly consolidated financial statements since Fiscal Year ended August 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	Total dividends	Payout ratio	Net assets dividend ratio
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended August 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Year ending August 31, 2025	—	0.00	—	0.00	0.00	—	—	—
Year ending August 31, 2026 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of consolidated financial results for the year ending August 31, 2026 (From September 1, 2025 to August 31, 2026)
Percentages indicate year-on-year changes.

	Net sales		Operating profit		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	3,072	(4.2)	0	—	0	—	0	—	0.00

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 stock)

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

As of August 31, 2025	11,261,970 shares	As of August 31, 2024	11,261,970 shares
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Number of treasury shares at the end of the period

As of August 31, 2025	277 shares	As of August 31, 2024	257 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended August 31, 2025	11,261,696 shares	Fiscal year ended August 31, 2024	11,261,713 shares
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Notes: This financial report is exempt from the review.

Explanation about appropriate usage of business forecasts and other special notes:

The forecasts above are based on the judgments made on the basis of currently available information. Forecasts therefore include risks and uncertainties.

Actual results may differ significantly from projections due to a variety of factors.

(Method of obtaining supplementary financial results materials)

The financial results briefing materials will be posted on the Company's website.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

As of August 31, 2025	
Assets	
Current assets	
Cash and deposits	860,671
Accounts receivable - trade	533,725
Merchandise	1,740
Work in process	17,849
Advances paid	200,259
Short-term loans receivable	6,600
Accounts receivable - other	104,329
Consumption taxes refund receivable	103,937
Other	44,194
Allowance for doubtful accounts	(32,821)
Total current assets	1,840,487
Non-current assets	
Property, plant and equipment	
Buildings	6,688
Tools, furniture and fixtures	60,316
Accumulated depreciation	(66,344)
Total property, plant and equipment	661
Intangible assets	
Software	18,952
Software in progress	166
Goodwill	38,882
Total intangible assets	58,000
Investments and other assets	
Investment securities	45,832
Long-term loans receivable	20,400
Leasehold and guarantee deposits	41,588
Other	13,487
Total investments and other assets	121,307
Total non-current assets	179,969
Total assets	2,020,456

(Thousands of yen)

As of August 31, 2025

Liabilities	
Current liabilities	
Accounts payable - trade	175,425
Short-term borrowings	90,000
Current portion of long-term borrowings	31,118
Accounts payable - other	466,464
Income taxes payable	9,999
Provision for bonuses	1,268
Provision for shareholder benefit program	35,975
Other	79,792
Total current liabilities	890,042
Non-current liabilities	
Long-term borrowings	235,943
Deferred tax liabilities	1,658
Total non-current liabilities	237,601
Total liabilities	1,127,644
Net assets	
Shareholders' equity	
Share capital	801,818
Capital surplus	800,460
Retained earnings	(718,180)
Treasury shares	(578)
Total shareholders' equity	883,519
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	3,758
Total accumulated other comprehensive income	3,758
Share acquisition rights	4,136
Non-controlling interests	1,396
Total net assets	892,811
Total liabilities and net assets	2,020,456

Consolidated Statements of Income

(2) Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended August 31, 2025
Net sales	3,209,035
Cost of sales	1,823,131
Gross profit	1,385,904
Selling, general and administrative expenses	1,655,955
Operating loss	(270,051)
Non-operating income	
Interest income	1,829
Subsidy income	6,367
Compensation income	724
Consumption taxes for prior periods	4,030
Other	78
Total non-operating income	13,030
Non-operating expenses	
Interest expenses	6,870
Foreign exchange losses	1,878
Other	415
Total non-operating expenses	9,165
Ordinary loss	(266,186)
Extraordinary income	
Gain on sale of non-current assets	194
Insurance claim income	2,712
Profit resulting from a change in the method of revenue recognition	28,135
Total extraordinary income	31,043
Extraordinary losses	
Impairment losses	59,505
Loss on retirement of non-current assets	22,813
Loss on valuation of investment securities	3,003
Total extraordinary losses	85,322
Loss before income taxes	(320,466)
Income taxes - current	2,566
Total income taxes	2,566
Loss	(323,033)
Profit attributable to non-controlling interests	3,047
Loss attributable to owners of parent	(326,080)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal Year
	August 31, 2025
Loss	(323,033)
Other comprehensive income	
Valuation difference on available-for-sale securities	3,758
Total other comprehensive income	3,758
Comprehensive income	(319,274)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(322,322)
Comprehensive income attributable to non-controlling interests	3,047

(3) Consolidated Statements of Changes in Equity

Fiscal year ended August 31, 2025 (September 1, 2024, to August 31, 2025)

	stockholder's equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	801,818	800,460	(392,100)	(572)	1,209,605
Changes during period					
Purchase of treasury shares				(5)	(5)
Loss attributable to owners of parent			(326,080)		(326,080)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(326,080)	(5)	(326,085)
Balance at end of period	801,818	800,460	(718,180)	(578)	883,519

((Thousands of yen))

Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
-	-	-	-	1,209,605
				(5)
				(326,080)
3,758	3,758	4,136	1,396	9,291
3,758	3,758	4,136	1,396	(316,794)
3,758	3,758	4,136	1,396	892,811

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended August 31, 2025
Cash flows from operating activities	
Loss before income taxes	(320,466)
Depreciation	30,218
Amortization of goodwill	10,228
Impairment losses	59,505
Loss (gain) on sale of non-current assets	(194)
Loss on retirement of non-current assets	22,813
Loss (gain) on valuation of investment securities	3,003
Increase (decrease) in allowance for doubtful accounts	13,147
Increase (decrease) in provision for bonuses	(456)
Increase (decrease) in provision for shareholder benefit program	11,418
Interest and dividend income	(1,829)
Subsidy income	(6,367)
Interest expenses	6,870
Decrease (increase) in trade receivables	103,038
Decrease (increase) in accounts receivable - other	(43,571)
Decrease (increase) in inventories	4,003
Decrease (increase) in prepaid expenses	(8,358)
Decrease (increase) in advances paid	19,970
Decrease (increase) in consumption taxes refund receivable	(103,937)
Increase (decrease) in trade payables	59,100
Increase (decrease) in accounts payable - other	(76,364)
Increase (decrease) in accrued consumption taxes	(191,896)
Other, net	(21,994)
Subtotal	(432,117)
Interest and dividends received	1,829
Interest paid	(6,835)
Subsidies received	4,429
Income taxes paid	(4,350)
Income taxes refund	8.158
Net cash provided by (used in) operating activities	(428,885)

	(Thousands of yen)
	For the fiscal year Ended August 31, 2025
Cash flows from investing activities	
Purchase of property, plant and equipment	(31,350)
Purchase of intangible assets	(28,526)
Payments of leasehold and guarantee deposits	(13,696)
Proceeds from refund of leasehold and guarantee deposits	97
Purchase of investment securities	(20,000)
Proceeds from sale of property, plant and equipment	205
Payments for acquisition of businesses	(6,700)
Loan advances	(30,000)
Proceeds from collection of loans receivable	13,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,445)
Other, net	10
Net cash provided by (used in) investing activities	(122,405)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(60,000)
Repayments of long-term borrowings	(91,892)
Purchase of treasury shares	(5)
Net cash provided by (used in) financing activities	(151,897)
Net increase (decrease) in cash and cash equivalents	(703,188)
Cash and cash equivalents at beginning of period	1,563,860
Cash and cash equivalents at end of period	860,671