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Consolidated Financial Results for the Six Months Ended February 28, 2026 (Under Japanese GAAP)

April 14, 2026

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: Masataka Nagae, 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 three months ended February 28, 2026

(From September 1, 2025, to February 28, 2026)

(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	%
Six months ended February 28, 2026	1,424	△9.9	(90)	—	(92)	—	(83)	—
Six months ended February 28, 2025	1,581	—	(122)	—	(122)	—	(152)	—

Note: Comprehensive income (million yen) Six months ended February 28, 2026: (83)(-%)

Six months ended February 28, 2025: (147)(-%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended February 28, 2026	(7.45)		—	
Six months ended February 28, 2025	(13.52)		—	

- Notes:
- Diluted net income per share for the first quarter of the fiscal year ending August 2025 and the first quarter of the fiscal year ending August 2026 is not stated due to the existence of potential shares but the resulting quarterly net loss per share.
 - As we have been preparing quarterly consolidated financial statements since the first quarter of the fiscal year ending August 2025, we have not disclosed the year-on-year change rate for the first quarter of the fiscal year ending August 2025.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2026	1,727	812	46.5
As of August 30, 2025	2,020	892	43.9

(Reference) Equity capital: As of February 28, 2026: ¥803 million As of August 31, 2025: ¥887 million

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, 2025	—	0.00	—	0.00	0.00
Year ending August 31, 2026	—				
Year ending August 31, 2026 (Forecast)		0.00	—	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, 2026

(From September 1, 2025 to August 31, 2026)

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	3,072	△4.2	0	—	0	—	0	—	0.00

Notes: Revisions to the consolidated earnings forecasts most recently announced: None

4. Notes

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

Newly included: 0 companies (—)

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: No

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 February 28, 2026	11,261,970 shares	As of August 31, 2025	11,261,970 shares
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Number of treasury shares at the end of the period

As of February 28, 2026	277 shares	As of August 31, 2025	277 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended February 28, 2026	11,261,693 shares	Six months ended February 28, 2025	11,261,703 shares
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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.

The amounts for items and other items presented in our quarterly consolidated financial statements were previously stated in thousands of yen. Starting from the first quarter and first quarter of the current fiscal year, we have changed to presenting amounts in millions of yen. In addition, for ease of comparison, we have also changed to presenting amounts in millions of yen for the previous fiscal year and first quarter of the previous fiscal year.

Semi-annual Consolidated Financial Statements

(1) Semi -annual Consolidated Balance Sheets

	(Millions of yen)	
	As of August 31, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	860	812
Accounts receivable trade	533	450
Merchandise	1	-
Work in process	17	35
Short-term loans receivable	6	7
Advances paid	-	2
Accounts receivable - other	304	248
Income taxes refund receivable	103	-
Other	44	40
Allowance for doubtful accounts	(32)	(36)
Total current assets	1,840	1,559
Non-current assets		
Property, plant and equipment		
Buildings	6	6
Tools, furniture and fixtures	60	60
Accumulated depreciation	(66)	(66)
Total property, plant and equipment	0	0
Intangible assets		
Software	18	13
Software in progress	0	7
Goodwill	38	31
Total intangible assets	58	52
Investments and other assets		
Investment securities	45	45
Long-term loans receivable	20	16
Leasehold and guarantee deposits	41	41
Other	13	9
Total investments and other assets	121	113
Total non-current assets	179	167
Total assets	2,020	1,727

	(Millions of yen)	
	As of August 31, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable–trade	175	125
Short-term borrowings	90	65
Current portion of long-term borrowings	31	29
Accounts payable–other	466	440
Income taxes payable	9	0
Provision for bonuses	1	0
Provision for shareholder benefit program	35	-
Accrued consumption taxes	-	13
Other	79	16
Total current liabilities	890	691
Non-current liabilities		
Long-term borrowings	235	222
Deferred tax liabilities	1	1
Total non-current liabilities	237	224
Total liabilities	1,127	915
Net assets		
Shareholders' equity		
Share capital	801	70
Capital surplus	800	817
Retained earnings	(718)	(86)
Treasury shares	(0)	(0)
Total shareholders' equity	883	800
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	3
Total accumulated other comprehensive income	3	3
Share acquisition rights	4	7
Non-controlling interests	1	1
Total net assets	892	812
Total liabilities and net assets	2,020	1,727

(2) Semi-annual Consolidated Statements of Income and Semi-annual Statements of Comprehensive Income
Semi-annual Consolidated Statements of Income

	(Millions of yen)	
	For Six months ended	For Six months ended
	February 28, 2025	February 28, 2026
Net sales	1,581	1,424
Cost of sales	858	778
Gross profit	723	646
Selling, general and administrative expenses	845	736
Operating loss	(122)	(90)
Non-operating income		
Interest income	0	1
Subsidy income	3	0
Foreign exchange gains	-	0
Miscellaneous income	-	0
Other	0	-
Total non-operating income	4	3
Non-operating expenses		
Interest expenses	3	2
Foreign exchange losses	1	-
Miscellaneous losses	-	2
Other	0	-
Total non-operating expenses	5	5
Ordinary loss	(122)	(92)
Extraordinary income		
Insurance claim income	2	-
Profit resulting from a change in the method of revenue recognition	-	9
Total extraordinary income	2	9
Extraordinary losses		
Impairment losses	5	-
Loss on retirement of non-current assets	22	-
Loss on valuation of investment securities	2	-
Total extraordinary losses	29	-
Loss before income taxes	(150)	(83)
Income taxes	1	0
Loss	(151)	(83)
Profit attributable to non-controlling interests	0	0
Loss attributable to owners of parent	(152)	(83)

Semi-annual Consolidated Statements of Comprehensive Income

(millions of yen)		
	For Six months ended	For Six months ended
	February 28, 2025	February 28, 2026
Loss	(151)	(83)
Comprehensive income	(147)	(83)
Valuation difference on available-for-sale securities	3	0
Total other comprehensive income	3	0
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(148)	(84)
Comprehensive income attributable to non-controlling interests	0	0

(3) Semi-annual Consolidated Statements of Cash Flows

	(millions of yen)	
	For the six months	For the six months
	ended February 28, 2025	ended February 28, 2026
Cash flows from operating activities		
Loss before income taxes	(150)	(83)
Depreciation	19	5
Impairment losses	5	-
Loss on retirement of non-current assets	22	-
Loss (gain) on valuation of investment securities	2	-
Increase (decrease) in allowance for doubtful accounts	13	4
Increase (decrease) in provision for bonuses	(1)	(0)
Increase (decrease) in provision for shareholder benefit program	(24)	(35)
Interest and dividend income	(0)	(1)
Subsidy income	(3)	(0)
Interest expenses	3	2
Decrease (increase) in trade receivables	108	83
Decrease (increase) in accounts receivable - other	15	52
Decrease (increase) in inventories	(30)	(15)
Decrease (increase) in prepaid expenses	(4)	3
Decrease (increase) in consumption taxes refund receivable	(50)	103
Increase (decrease) in trade payables	54	(49)
Increase (decrease) in accounts payable - other	(54)	(26)
Amortization of goodwill	-	4
Increase (decrease) in accrued consumption taxes	(183)	13
Other, net	(15)	(62)
Subtotal	(273)	(2)
Interest and dividends received	0	1
Interest paid	(3)	(2)
Subsidies received	2	1
Income taxes paid	(5)	(2)
Income taxes refund	8	-
Net cash provided by (used in) operating activities	271	(4)
Cash flows from investing activities		
Purchase of property, plant and equipment	(26)	(0)
Purchase of intangible assets	(28)	(7)
Payments of leasehold and guarantee deposits	(13)	-
Proceeds from refund of leasehold and guarantee deposits	0	-
Purchase of investment securities	(20)	-
Payments for acquisition of businesses	(6)	-
Loan advances	(30)	-
Proceeds from collection of loans receivable	10	3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5)	-
Other, net	(0)	-

Net cash provided by (used in) investing activities	(119)	(4)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(35)	(25)
Repayments of long-term borrowings	(59)	(14)
Purchase of treasury shares	(0)	-
Net cash provided by (used in) financing activities	(94)	(39)
Effect of exchange rate change on cash and cash equivalents	-	1
Net increase (decrease) in cash and cash equivalents	(486)	(49)
Cash and cash equivalents at beginning of period	1,563	860
Cash and cash equivalents at end of period	1,077	812