

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [IFRS]

February 13, 2026

Company name: f-code Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9211

URL: <https://f-code.co.jp>

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Scheduled date of annual general meeting of shareholders: March 27, 2026

Scheduled date of filing annual securities report: March 26, 2026

Scheduled date of commencing dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (online)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 1.2025 (January 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes.)

	Revenue		Operating income		Income before income taxes		Net income		Profit attributable to owners of the parent		Comprehensive income Total amount	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2025	11,937	132.7	2,344	76.4	2,115	73.5	1,505	73.8	1,451	73.2	1,505	73.8
December 31, 2024	5,130	106.7	1,328	106.2	1,219	101.6	866	80.8	838	74.7	866	80.8

	Basic per share	Diluted	Equity attributable to owners of the parent	Total assets	Revenue
	Net income	Earnings per share	company Net margin	Income before income taxes	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	118.59	109.91	20.4	8.7	19.6
December 31, 2024	72.11	67.27	17.0	7.5	25.9

(Reference) Equity in earnings (losses) of affiliates

Year ended December 31, 2025 - Millions of yen

Year ended December 31, 2024 - Millions of yen

(Note) 1. The Company conducted a stock split at a ratio of two shares for every one common share effective April 1, 2024. Basic earnings per share and diluted earnings per share for the fiscal year ending December 2024 have been calculated assuming that the stock split was effective at the beginning of the fiscal year.

2. In the fiscal year ending December 2025, the Company finalized the provisional accounting treatment related to the business combination. Accordingly, the figures for the fiscal year ending December 2024 have been adjusted to reflect the finalized accounting treatment.

(2) Consolidated Financial Position

	Total assets	Total shareholders' equity	To the owners of the parent Equity attributable to	Owners of the parent Imputed equity ratio	Parent company per share Equity attributable to owners
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of December 31, 2025	26,741	6,766	7,544	28.2	618.0
December 31, 2024	21,682	6,036	6,660	30.7	543.3

(3) Consolidated Cash Flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents
	Cash Flows	Cash Flows	Cash Flows	Balance at end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	1,346	(3,659)	4,131	8,056
December 31, 2024	916	(3,088)	4,365	6,236

(Note) In the fiscal year ending December 2025, the Company finalized the provisional accounting treatment related to the business combination. Accordingly, the figures for the fiscal year ending December 2024 have been adjusted to reflect the finalized accounting treatment.

2. Dividends

	Annual dividends					Total dividends	Dividend payout ratio (Consolidated)	Owners of the parent Ratio of dividends to imputed equity (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2024	-	0.00	-	0.00	0.00	-	-	-
FY2025	-	0.00	-	0.00	0.00	-	-	-
FY2026 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating income		Income before income taxes		Net income		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	14,500	121.5	3,300	140.8	3,000	141.8	2,000	132.9	1,900	130.9	155.63

(Note) We manage our business results on an annual basis and, therefore, have omitted the presentation of consolidated financial results forecasts for the interim accounting period. For details, see Attachment page 3 [1. Please refer to (4) Future Outlook of Business Results and Others.

* Notes :

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

		(Company name)
		ZEROTUS Inc.
		Ciel Zero Inc.
New	6 Company	Smart Contact Inc.
		DEITORA Inc.
		Real us Inc.
		VST Inc.

Exclusion	- Company	(Company name)
		-

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1) Changes in accounting policies required by IFRS : None
 2) Changes in accounting policies due to reasons other than 1) : None
 3) Changes in accounting estimates : None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury stock)
 As of December 31, 2025 12,409,400 shares
 As of December 31, 2024 12,260,600 shares
 2) Number of treasury stock at the end of the period
 As of December 31, 2025 200,631 shares
 As of December 31, 2024 515 shares
 3) Average number of shares during the period
 As of December 31, 2025 12,241,331 shares
 As of December 31, 2024 11,620,762 shares

(Note) The Company conducted a 2-for-1 stock split effective April 1, 2024. Accordingly, basic earnings per share and diluted earnings per share for the fiscal year ending December 2024 have been calculated assuming that the stock split was effective at the beginning of the fiscal year

(Reference) Summary 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 represent year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	1,320	(33.4)	(202)	(255.1)	513	2.6	283	15.2
December 31, 2024	1,980	32.2	130	(44.2)	500	56.1	246	(0.6)

Fiscal year ended	Per share Net income	Diluted Net income per share
	Yen	Yen
December 31, 2025	23.16	21.47
December 31, 2024	21.17	19.54

(2) Non-Consolidated Financial Position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2025	18,752	5,747	30.6	470.48
December 31, 2024	13,807	5,757	41.7	469.59

Shareholders' equity

(Reference)	As of December 31, 2025	5,744	Millions of yen
	As of December 31, 2024	5,757	Millions of yen

(Note) The Company conducted a 2-for-1 stock split effective April 1, 2024. Accordingly, net income per share and diluted net income per share for the fiscal year ending December 2024 have been calculated assuming that the stock split was effective at the beginning of the fiscal year.

<Reasons for Differences from the Previous Fiscal Year's Non-Consolidated Results>

In the current fiscal year, net sales decreased by 33.4% year on year due to a reactionary decline following the temporary surge in revenue in the previous fiscal year, which was driven by multiple large-scale orders. In addition, operating income decreased by 255.1% year on year, primarily because the parent company bore the increased management and administrative costs associated with the expansion of the Group resulting from our proactive M&A activities. Meanwhile, ordinary income increased by 2.6% year on year, as the Company continued to record management advisory fee income from multiple consolidated subsidiaries.

- * The financial results are outside the scope of audits by a certified public accountant or an auditing firm.
- * Explanation of the proper use of financial forecasts and other special notes

(Notes on forward-looking statements)

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. For assumptions used as the basis for the earnings forecasts and notes on the use of the earnings forecasts, see page 3 [1. Please refer to (4) Future Outlook for Business Results and Others.

(Method of Obtaining Supplementary Briefing Materials on Financial Results)

Supplementary materials will be posted on our website on February 13, 2026.

○ Appendix Contents

1. Overview of Operating Results.....	6
(1) Overview of Operating Results for the Fiscal Year under Review	6
(2) Overview of Financial Position for the Fiscal Year under Review	6
(3) Overview of cash flows for the fiscal year under review	7
(4) Future Outlook	7
2. Basic Approach to Selection of Accounting Standards	8
3. Consolidated Financial Statements and Major Notes.....	9
(1) Consolidated Statements of Financial Position	9
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	11
Consolidated Statements of Income.....	11
Consolidated Statements of Comprehensive Income	12
(3) Consolidated Statements of Changes in Equity	13
(4) Consolidated Statements of Cash Flows	15
(5) Notes to Consolidated Financial Statements	16
(Notes on Going Concern Assumption)	16
(Changes in accounting policies)	16
(Changes in accounting estimates).....	16
(Segment Information).....	16
(Per Share Information)	17
(Significant subsequent events)	18

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

During the current consolidated fiscal year, the Japanese economy has been on a gradual recovery trend, supported by improvements in corporate earnings, wages, and employment conditions, although certain areas of personal consumption have shown signs of slowing due to rising prices. At the same time, uncertainty regarding the future outlook persists, partly due to concerns over potential policy changes associated with the change in administration in the United States.

In the digital transformation (DX) market and the digital-related IT and business consulting markets in which our Group operates, the rapid shift toward online consumption since the COVID-19 pandemic has further diversified consumer media touchpoints. As a result, many companies have been accelerating their digital shift to respond to these changes. In addition, the remarkable advancement of AI technologies in recent years has begun to make it increasingly feasible for companies to dramatically enhance productivity through automation and more sophisticated decision-making. DX initiatives incorporating these technologies are gaining attention not only as a means of improving operational efficiency but also as a driver of new value creation and competitive advantage. Against this backdrop, these markets continue to attract strong interest as high-growth fields expected to expand further in the coming years.

Under these business conditions, our Group provides services in two primary areas with the aim of supporting corporate digital transformation. First, in the Marketing domain, we assist companies in maximizing their marketing performance by helping them respond to the increasing number of digital touchpoints. Second, in the AI & Technology domain, we support companies in promoting DX and advanced digitalization through the utilization of AI and system development.

Furthermore, our Group actively pursues M&A with the objective of expanding our service capabilities and enhancing profitability through the creation of synergies, including cross-selling among services that leverage the strengths and customer bases of each Group company.

During the current consolidated fiscal year, we acquired all shares of ZEROTUS Inc. on January 17, 2025; a portion of the shares of Ciel Zero Inc. on February 14, 2025; a portion of the shares of Smart Contact Inc. on March 10, 2025; a portion of the shares of DEITORA Inc. on July 1, 2025; a portion of the shares of Real us Inc. on August 4, 2025; and all shares of VST Inc. on August 19, 2025, thereby making each company a consolidated subsidiary. As a result, the number of consolidated subsidiaries increased by six from the end of the previous consolidated fiscal year.

As a result, in the fiscal year under review, revenue was ¥11,937,987 thousand (up 132.7% year on year), operating income was ¥2,344,098 thousand (up 76.4% year on year), income before income taxes was ¥2,115,242 thousand (up 73.5% year on year), and profit attributable to owners of the parent was ¥1,451,666 thousand (up 73.2% year on year), due to steady orders for technology, SaaS, and various professional services, as well as contributions from the business performance of Group companies that became consolidated subsidiaries through M&A in the previous and current fiscal years.

(2) Overview of Financial Position for the Fiscal Year under Review

1) Assets, Liabilities and Equity

(Assets)

Total assets at the end of the current consolidated fiscal year amounted to ¥26,741,356 thousand, an increase of ¥5,059,245 thousand compared to the end of the previous consolidated fiscal year. The main factors were increases of ¥1,849,746 thousand in cash and cash equivalents, ¥895,227 thousand in trade and other receivables, and ¥1,486,948 thousand in other non-current financial assets, due to the execution of new M&A transactions and changes in the fair value of compensation assets related to existing M&A transactions.

(Liabilities)

Total liabilities at the end of the current consolidated fiscal year amounted to ¥19,974,645 thousand, an increase of ¥4,329,233 thousand compared to the end of the previous consolidated fiscal year. The main factors were increases of ¥1,043,218 thousand in bonds and borrowings under current liabilities and ¥4,110,532 thousand in bonds and borrowings under non-current liabilities.

(Equity)

Total equity at the end of the current consolidated fiscal year amounted to ¥6,766,711 thousand, an increase of ¥730,011 thousand compared to the end of the previous consolidated fiscal year. The main factors included a ¥1,451,666 thousand increase in retained

earnings due to the recording of profit attributable to owners of the parent, while capital surplus decreased by ¥241,023 thousand and non-controlling interests decreased by ¥154,310 thousand as a result of additional acquisitions of shares in subsidiaries, the exercise of written put options related to non-controlling shareholders, and the recognition of new put options. In addition, treasury stock increased by ¥355,932 thousand.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter, “funds”) at the end of the current consolidated fiscal year amounted to ¥8,056,077 thousand, an increase of ¥1,819,746 thousand compared to the end of the previous consolidated fiscal year. The status of each cash flow and the factors affecting them are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities in the current consolidated fiscal year amounted to ¥1,346,903 thousand (compared with ¥916,485 thousand in the previous consolidated fiscal year). The main factors increasing cash flows included income before income taxes of ¥2,115,242 thousand, impairment losses of ¥2,338,989 thousand, and finance costs of ¥253,136 thousand. The main factors decreasing cash flows included other income of ¥2,982,670 thousand and an increase of ¥659,824 thousand in trade and other receivables.

(Cash Flows from Investing Activities)

Net cash used in investing activities in the current consolidated fiscal year amounted to ¥3,659,982 thousand (compared with ¥3,088,057 thousand used in the previous consolidated fiscal year). This was mainly due to ¥3,347,371 thousand in payments for the acquisition of subsidiaries.

(Cash Flows from Financing Activities)

Net cash provided by financing activities in the current consolidated fiscal year amounted to ¥4,131,775 thousand (compared with ¥4,365,064 thousand in the previous consolidated fiscal year). This was mainly due to ¥7,296,567 thousand in proceeds from the issuance of bonds and long-term borrowings, ¥2,078,574 thousand in repayments of bonds and long-term borrowings, and ¥800,000 thousand in payments for the acquisition of shares of subsidiaries from non-controlling interests.

(4) Future Outlook

During the fiscal year ended December 2025, the Group achieved significant growth in its overall consolidated results, driven by continued contributions to revenue and profit from past M&A transactions and the growth of each Group company.

For the next fiscal year ending December 2026, while aiming to maintain the growth of existing Group companies, we will continue to actively pursue M&A to enhance the corporate value of the Group.

Recently, the Group has already executed several transactions, including the acquisition of reskilling and sales support businesses by JITT Inc., a consolidated subsidiary, on January 22, 2026, and the acquisition of shares of En Place Inc. (making it a second-tier subsidiary) by Real us Inc., also a consolidated subsidiary, on February 2, 2026. In addition, as announced on February 10, 2026 in the “Notice Regarding the Acquisition of Shares of AI ONE Inc. (Conversion into a Subsidiary),” we plan to acquire shares of AI ONE Inc., which operates an AI-related education business, on February 24, 2026, thereby making it a consolidated subsidiary. Through these initiatives, we aim to further improve the profitability and competitiveness of the Group, as well as strengthen and streamline business operations and management functions under the Group management structure.

Based on these developments, we expect revenue of 14,500 million yen, operating income of 3,300 million yen, income before income taxes of 3,000 million yen, and profit attributable to owners of the parent of 1,900 million yen for the fiscal year ending December 2026.

The forward-looking statements, including performance forecasts contained in this document, are based on information available at the time of preparation and on assumptions deemed reasonable. Actual results may differ materially due to various factors.

2. Basic Approach to Selection of Accounting Standards

From the third quarter of the fiscal year ending December 31, 2023, our Group has voluntarily adopted the International Financial Reporting Standards (IFRS) in place of the previous Japanese GAAP in order to provide more useful information to shareholders, investors, and other stakeholders, and to promote global management in the future by improving the international comparability of financial information and enhancing disclosure.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statements of Financial Position

(Thousands of yen)

	Previous consolidated fiscal year As of December 31, 2024	Current consolidated fiscal year As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	6,236,331	8,086,077
Trade and other receivables	1,237,228	2,132,455
Other financial assets	35,796	126,939
Other current assets	1,196,079	1,107,591
Total current assets	8,705,434	11,453,064
Non-current assets		
Property, plant and equipment	283,269	460,514
Goodwill	11,371,071	11,649,237
Intangible assets	222,403	203,203
Other financial assets	160,737	1,647,686
Deferred tax assets	937,301	1,318,669
Other non-current assets	1,892	8,979
Total non-current assets	12,976,676	15,288,291
Total assets	21,682,111	26,741,356

(Thousands of yen)

	Previous consolidated fiscal year As of December 31, 2024	Current consolidated fiscal year As of December 31, 2025
Liabilities and Shareholders' Equity		
Liabilities		
Current liabilities		
Trade and other payables	551,021	757,157
Contractual liabilities	1,378,661	595,711
Short-term borrowings	48,334	266,676
Bonds and borrowings	1,797,727	2,840,945
Lease liabilities	82,008	107,042
Income taxes payable	168,167	334,278
Other financial liabilities	1,197,529	698,218
Other current liabilities	847,689	1,691,147
Total current liabilities	6,071,139	7,291,178
Non-current liabilities		
Bonds and borrowings	5,443,435	9,553,967
Lease liabilities	155,599	272,378
Deferred tax liabilities	—	15,294
Other financial liabilities	3,960,795	2,820,728
Provision	14,442	21,099
Total non-current liabilities	9,574,272	12,683,467
Total liabilities	15,645,411	19,974,645
Shareholders' equity		
Common stock	27,910	57,521
Capital surplus	5,485,614	5,244,591
Retained earnings	1,147,405	2,599,072
Treasury stock	(485)	(356,417)
Total equity attributable to owners of the parent	6,660,445	7,544,767
Non-controlling interests	(623,746)	(778,056)
Total shareholders' equity	6,036,699	6,766,711
Total liabilities and shareholders' equity	21,682,111	26,741,356

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

Consolidated Statements of Income

(Thousands of yen)

	Previous consolidated fiscal year (January 1, 2024 To December 31, 2024)	Current consolidated fiscal year (January 1, 2025 To December 31, 2025)
Revenue	5,130,876	11,937,987
Cost of sales	2,289,685	4,812,651
Gross profit on sales	2,841,190	7,125,336
Selling, general and administrative expenses	1,795,823	5,223,356
Other income	959,901	2,982,670
Other expenses	676,401	2,540,551
Operating income	1,328,867	2,344,098
Finance income	5,503	24,280
Finance costs	115,337	253,136
Income before income taxes	1,219,033	2,115,242
Income tax expense	352,738	609,743
Net income	866,294	1,505,498
Profit attributable to		
Owners of the parent	838,000	1,451,666
Non-controlling interests	28,293	53,832
Net income	866,294	1,505,498
Earnings per share		
Basic earnings per share (yen)	72.11	118.59
Diluted earnings per share (yen)	67.27	109.91

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Previous consolidated fiscal year (January 1, 2024 To December 31, 2024)	Current consolidated fiscal year (January 1, 2025 To December 31, 2025)
Net income	866,294	1,505,498
Other comprehensive income	—	—
Comprehensive income	866,294	1,505,498
Comprehensive income attributable to:		
Owners of the parent	838,000	1,451,666
Non-controlling interests	28,293	53,832
Comprehensive income	866,294	1,505,498

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (from January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Equity attributable to owners of the parent				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
January 1, 2024	15,970	2,862,240	309,404	(432)	3,187,182
Net income	—	—	838,000	—	838,000
Other comprehensive income	—	—	—	—	—
Comprehensive income	—	—	838,000	—	838,000
Issuance of new shares	1,207,169	1,183,915	—	—	2,391,084
Capital reduction	(1,242,989)	1,242,989	—	—	—
Purchase of treasury stock	—	—	—	(52)	(52)
Exercise of stock acquisition rights	47,760	47,760	—	—	95,520
Be granted to non-controlling interests	—	—	—	—	—
Put option	—	—	—	—	—
Changes in interests in consolidated subsidiaries	—	143,667	—	—	143,667
Changes due to business combinations	—	—	—	—	—
Other	—	5,042	—	—	5,042
Total transactions with owners	11,940	2,623,374	—	(52)	2,635,261
December 31, 2024	27,910	5,485,614	1,147,405	(485)	6,660,445

	Non-controlling interests	Total shareholders' equity
January 1, 2024	132,585	3,319,768
Net income	28,293	866,294
Other comprehensive income	—	—
Comprehensive income	28,293	866,294
Issuance of new shares	—	2,391,084
Capital reduction	—	—
Purchase of treasury stock	—	(52)
Exercise of stock acquisition rights	—	95,520
Be granted to non-controlling interests	(912,476)	(912,476)
Put option	—	—
Changes in interests in consolidated subsidiaries	63,219	206,886
Changes due to business combinations	64,631	64,631
Other	—	5,042
Total transactions with owners	(784,625)	1,850,636
December 31, 2024	(623,746)	6,036,699

Current fiscal year (from January 1, 2025 to December 31, 2025)

(Thousands of yen)

	Equity attributable to owners of the parent				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
January 1, 2025	27,910	5,485,614	1,147,405	(485)	6,660,445
Net income	—	—	1,451,666	—	1,451,666
Other comprehensive income	—	—	—	—	—
Comprehensive income	—	—	1,451,666	—	1,451,666
Purchase of treasury stock	—	—	—	(355,932)	(355,932)
Issuance of stock acquisition rights	—	2,929	—	—	2,929
Exercise of stock acquisition rights	29,611	22,896	—	—	52,508
Be granted to non-controlling interests	—	378,249	—	—	378,249
Put option	—	(646,537)	—	—	(646,537)
Changes in interests in consolidated subsidiaries	—	—	—	—	—
Changes due to business combinations	—	—	—	—	—
Other	—	1,438	—	—	1,438
Total transactions with owners	29,611	(241,023)	—	(355,932)	(567,344)
December 31, 2025	57,521	5,244,591	2,599,072	(356,417)	7,544,767

	Non-controlling interests	Total shareholders' equity
January 1, 2025	(623,746)	6,036,699
Net income	53,832	1,505,498
Other comprehensive income	—	—
Comprehensive income	53,832	1,505,498
Purchase of treasury stock	—	(355,932)
Issuance of stock acquisition rights	—	2,929
Exercise of stock acquisition rights	—	52,508
Be granted to non-controlling interests	(231,977)	146,271
Put option	—	—
Changes in interests in consolidated subsidiaries	(153,221)	(799,759)
Changes due to business combinations	177,056	177,056
Other	—	1,438
Total transactions with owners	(208,142)	(775,487)
December 31, 2025	(778,056)	6,766,711

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous consolidated fiscal year (January 1, 2024 To December 31, 2024)	Current consolidated fiscal year (January 1, 2025 To December 31, 2025)
Net cash provided by operating activities		
Income before income taxes	1,219,033	2,115,242
Depreciation and amortization	192,854	211,172
Impairment loss	247,106	2,338,989
Other income	(959,901)	(2,982,670)
Other expenses	429,294	201,562
Finance income	(5,503)	(24,280)
Finance costs	115,337	253,136
Decrease (increase) in trade and other receivables	(537,290)	(659,824)
Increase (decrease) in trade and other payables	343,439	98,454
Others	102,735	180,962
Subtotal	1,147,107	1,732,745
Interest and dividend income received	1,136	11,424
Interest paid	(68,524)	(142,730)
Income taxes paid	(163,234)	(254,535)
Net cash provided by operating activities	916,485	1,346,903
Cash flows from investing activities		
Payments into time deposits	—	(30,000)
Proceeds from withdrawal of time deposits	100,000	—
Purchase of property, plant and equipment	(5,109)	(13,140)
Purchase of intangible assets	(94,044)	(241,779)
Purchases of investments	—	(49,984)
Payments for acquisition of subsidiaries	(3,195,234)	(3,347,371)
Others	106,330	22,292
Cash flows from investing activities	(3,088,057)	(3,659,982)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(244,691)	218,342
Proceeds from issuance of bonds and long-term borrowings	3,640,000	7,296,567
Redemption of Bonds and Repayment of Long-Term Borrowings	(1,685,337)	(2,078,574)
Proceeds from issuance of new shares	2,414,338	—
Payments for purchase of treasury stock	—	(355,932)
Proceeds from exercise of stock acquisition rights	95,520	59,222
Repayments of lease liabilities	(62,616)	(130,779)
Proceeds from contributions by non-controlling interests	206,886	—
Payments for acquisition of interests from non-controlling interests	—	(800,000)
Others	964	(77,070)
Cash flows from financing activities	4,365,064	4,131,775
Effect of exchange rate changes on cash and cash equivalents	2,890	1,050
Net increase (decrease) in cash and cash equivalents	2,196,382	1,819,746
Cash and cash equivalents at beginning of year	4,039,948	6,236,331
Cash and cash equivalents at end of year	6,236,331	8,056,077

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Segment Information)

Since our group is a single segment of the DX business, the description is omitted.

(Per Share Information)

(1) Basis for calculating basic earnings per share

Basic earnings per share and the calculation basis are as follows.

	(Thousands of yen)	
	Previous consolidated fiscal year (January 1, 2024 To December 31, 2024)	Current consolidated fiscal year (January 1, 2025 To December 31, 2025)
Profit attributable to owners of parent		
Profit attributable to owners of the parent	838,000	1,451,666
Amount not attributable to common shareholders of the parent company	—	—
Use to calculate basic earnings per share Net income	838,000	1,451,666
Average number of shares of common stock outstanding	11,620,762	12,241,331
Basic earnings per share	72.11	118.59

(2) Basis for calculating diluted earnings per share

Diluted earnings per share and the calculation basis are as follows:

	(Thousands of yen)	
	Previous consolidated fiscal year (January 1, 2024 To December 31, 2024)	Current consolidated fiscal year (January 1, 2025 To December 31, 2025)
Diluted net income available to common shareholders		
Use to calculate basic earnings per share Net income	838,000	1,451,666
Adjustments to net income	—	—
Use to calculate diluted earnings per share Net income	838,000	1,451,666
Average number of shares of common stock outstanding	11,620,762	12,241,331
Effect of dilutive potential common shares: Stock acquisition rights	837,448	966,339
Adjusted for dilutive effect	12,458,210	13,207,670
Diluted earnings per share	67.27	109.91

(Note) The Company conducted a 2-for-1 stock split on April 1, 2024. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(Significant subsequent events)

(Business Combination achieved through Acquisition)

At the meeting of the Board of Directors held on February 10, 2026, the Company resolved to acquire a portion of the shares of AI ONE Inc. and make it a consolidated subsidiary. The share acquisition is scheduled to be executed on February 24, 2026, after which the company will become a consolidated subsidiary of the Company.

(1) Overview of Business Combination through Share Acquisition

1) Name of the acquired company and details of business acquired

Name of counterparty: AI ONE Inc.

Description of Business: Operation of AI training schools

Business scale Capital: 5,000 thousand yen

2) Name of the counterparty for the share acquisition

Kazumasa Moriya

3) Main reasons for the business combination

The Group aims to maximize customer value by comprehensively covering the increasing number of digital touchpoints in the continuously growing marketing and AI/technology domains. We support companies in maximizing their marketing outcomes and provide high-quality services that promote corporate DX and advanced digitalization. Through these initiatives, the Group seeks to achieve sustainable and significant revenue growth while maintaining high profitability.

AI ONE Inc. operates an AI-related training school business that offers practical programs utilizing the latest AI tools and provides a structured curriculum covering AI-driven marketing, content creation, operational efficiency, and other related areas.

AI ONE's strengths include its easy-to-understand explanations for beginners and its comprehensive support system. By continuously sharing the latest trends in the rapidly evolving AI field, the company enhances learners' ability to apply AI effectively in practical business settings.

In addition to providing educational services, AI ONE also offers end-to-end consulting services, including the selection and implementation of AI tools tailored to business needs, proposals for AI-driven operational efficiency and automation, and the planning and operational support of AI-based marketing strategies.

Through this share acquisition, the Group will integrate AI ONE's practical expertise in AI-based education and consulting with the Group's capabilities in marketing support, web production, application development, and the operation of various training schools. This integration will further strengthen the Group's ability to provide human resource development services that cultivate multifaceted skill sets, while advancing and accelerating the sophistication and growth of the AI-related training business.

In addition, by enhancing and streamlining course development, customer acquisition, and operational structures, and by collaborating with the Group's corporate-focused services, the Group aims to further enhance its comprehensive DX support framework, which seamlessly provides AI implementation support, operational support, and human resource development.

Taking these factors into overall consideration, the Company determined that this share acquisition would contribute to strengthening the Group's revenue base and enhancing its competitiveness, and therefore decided to proceed with the transaction.

4) Schedule of the business combination

Board resolution date: February 10, 2026

Contract execution date: February 10, 2026

Share transfer completion date: February 24, 2026

5) Legal form of business combination

Acquisition of shares for cash consideration

6) Name of the company after the combination

There is no change.

7) Percentage of voting rights acquired

75.0%

8) Main rationale for determining the company to acquire

We acquire shares in exchange for cash.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition Cash	1,200 million yen
Acquisition cost	1,200 million yen

The Company has reached an agreement with the counterparty regarding certain covenants to be observed before and after the transfer of shares, as well as the adjustment of the consideration for the transfer based on the future business performance of AI ONE Inc. Accordingly, the Company may pay additional consideration or adjust the amount of the acquisition consideration depending on the performance of the relevant business. If such an event occurs, the Company will inform you promptly once it becomes known.

(3) Details and amount of major acquisition-related expenses

Advisory fees, etc. (approximate) 51 million yen

(4) Amount of goodwill arising, cause, amortization method, and amortization period

It has not been determined at this time.

(5) Amounts of assets acquired and liabilities assumed on the date of the business combination and their main breakdown

It has not been determined at this time.