

May 7, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Japan Communications Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9424  
 URL: <http://www.j-com.co.jp>  
 Representative: Naohisa Fukuda, Representative Director-President and CEO  
 Inquiries: Mitsuru Kodaira, Executive Officer and CFO  
 Telephone: +81-3-5776-1700  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2026  
 Scheduled date to commence dividend payments: -  
 Scheduled date to file annual securities report: June 18, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors, securities analysts and the press)

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net revenue     |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|-------------------|-----------------|------|------------------|--------|-----------------|--------|---|--------|
|                   | Millions of yen | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| March 31, 2026    | 11,633          | 25.9 | 1,134            | 17.8   | 1,117           | 11.8   | 763                                     | (10.1) |
| March 31, 2025    | 9,238           | 24.8 | 962              | (15.5) | 1,000           | (15.5) | 849                                     | (37.8) |

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥666 million [(14.7)%]  
 For the fiscal year ended March 31, 2025: ¥781 million [(40.1)%]

| Fiscal year ended | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net revenue |
|-------------------|--------------------------|----------------------------|------------------|--|--|
|                   | Yen                      | Yen                        | %                | %  | %  |
| March 31, 2026    | 4.58                     | -                          | 18.6             | 11.6                                     | 9.7                                      |
| March 31, 2025    | 5.12                     | -                          | 26.3             | 17.0                                     | 10.4                                     |

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2026: ¥22 million  
 For the fiscal year ended March 31, 2025: ¥16 million

#### (2) Consolidated financial position

| As of          | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
|                | Millions of yen | Millions of yen | %                     | Yen                  |
| March 31, 2026 | 11,995          | 4,642           | 37.6                  | 27.01                |
| March 31, 2025 | 7,340           | 3,870           | 50.4                  | 22.31                |

Reference: Equity  
 As of March 31, 2026: ¥4,506 million  
 As of March 31, 2025: ¥3,702 million

#### (3) Consolidated cash flows

| Fiscal year ended | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                   | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| March 31, 2026    | 1,321                                | (2,155)                              | 3,636                                | 7,107                                      |
| March 31, 2025    | 930                                  | (1,104)                              | 1,957                                | 4,300                                      |

## 2. Cash dividends

|  | Annual dividends per share |                    |                   |                 |       | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|---|
|  | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |                              |                             |   |
|  | Yen                        | Yen                | Yen               | Yen             | Yen   | Millions of yen              | %                           | %   |
| Fiscal year ended March 31, 2025             | -                          | 0.00               | -                 | 0.00            | 0.00  | -                            | -                           | -   |
| Fiscal year ended March 31, 2026             | -                          | 0.00               | -                 | 0.00            | 0.00  | -                            | -                           | -   |
| Fiscal year ending March 31, 2027 (Forecast) |                            | 0.00               |                   | 0.00            | 0.00  |                              | -                           |   |

## 3. Overview and Management Policy for the fiscal year ending March 31, 2027

In May 2026, the Company formulated the "Vision 2030" as a Medium-to Long-Term Management Policy for FY2030. Through these efforts over the past decade based on "New business strategy" which was formulated and disclosed in 2016, JCI found the path to become a company capable of sustainable long-term growth, by constructing its technology platform as a source of competitive advantage. JCI will grow both the telecommunications business and digital trust businesses based on the technology platform and will aim for 65 billion yen as revenue and 15 billion yen as operating profit in FY2030.

For more details, please refer to the "Vision 2030" document released on May 7, 2026.

For FY2027, as the first year of Vision 2030, JCI will realize Neo carrier (scheduled for November 24), will promote the spread of FPoS starting commercial services, and will enhance the digital Authentication Infrastructure.

\*

**Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

|                      |                    |
|----------------------|--------------------|
| As of March 31, 2026 | 166,838,739 shares |
| As of March 31, 2025 | 165,923,739 shares |

(ii) Number of treasury shares at the end of the period

|                      |               |
|----------------------|---------------|
| As of March 31, 2026 | 29,504 shares |
| As of March 31, 2025 | 15,004 shares |

(iii) Average number of shares outstanding during the period

|                                  |                    |
|----------------------------------|--------------------|
| Fiscal year ended March 31, 2026 | 166,546,899 shares |
| Fiscal year ended March 31, 2025 | 165,640,648 shares |

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net revenue     |      | Operating profit |        | Ordinary profit |        | Profit          |        |
|-------------------|-----------------|------|------------------|--------|-----------------|--------|-----------------|--------|
|                   | Millions of yen | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| March 31, 2026    | 11,507          | 27.0 | 1,294            | 17.7   | 1,256           | 14.7   | 394             | (56.3) |
| March 31, 2025    | 9,064           | 25.1 | 1,099            | (15.0) | 1,095           | (12.9) | 902             | (35.5) |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| March 31, 2026    | 2.36                     | -                          |
| March 31, 2025    | 5.45                     | -                          |

**(2) Non-consolidated financial position**

| As of          | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
|                | Millions of yen | Millions of yen | %                     | Yen                  |
| March 31, 2026 | 11,893          | 4,412           | 36.1                  | 25.76                |
| March 31, 2025 | 7,442           | 3,913           | 51.0                  | 22.88                |

Reference: Equity

As of March 31, 2026: ¥4,298 million

As of March 31, 2025: ¥3,797 million

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

\* Proper use of earnings forecasts, and other special matters

A financial results meeting will be held on Friday, May 8, 2026 for institutional investors, analysts and the press. The Company plans to post a video of this financial results meeting on its website promptly after the meeting is held.

## 1. Explanation on operating results, etc.

### (1) Explanation on operating results for the year ended March 31, 2026

#### (i) Mobile Telecommunications Service (MVNO/MVNE business)

##### Nihon Tsushin SIM

Upon a ruling by the Minister of Internal Affairs and Communications in June 2020, since the Company launched the “Nihon Tsushin SIM” which provides flat-rate voice plans equivalent to those of major mobile phone operators in July 2020, the Company has strengthened its product lineup to fit customer’s lifestyle. The “Nihon Tsushin SIM” was awarded the first prize of total satisfaction for two years running in the category of MVNO for the customer satisfaction survey on the mobile phone service for 2025, by J.D. Power Japan, Inc. The “Nihon Tsushin SIM” is highly regarded in communication quality and reasonable price and these result steady growth in both revenue and number of subscriptions. The number of subscriptions of “Nihon Tsushin SIM” reached 947 thousand as of March 31, 2026.

In the fourth quarter of the current fiscal year, the Company confined the KYC (Know Your Customer) procedure for application of “Nihon Tsushin SIM” to the way by means of “Nihon Tsushin App” that uses the electronic certificate for digital signature of Individual Number Card, based on the amendment of Ordinance for Enforcement of the Act to Prevent Unauthorized Use of Mobile Phones as of April 1, 2026. Also, the Company is going to upgrade the “Nihon Tsushin App” to work with FPoS (FinTech Platform over SIM), which is the Company’s patented technology and the technology being recognized by the Financial Services Agency as conducive to ensuring security and improving convenience of financial transactions, in June 2026. That makes security strengthen in customer login to my page and makes an effective KYC without compromising convenience when customers add their lines.

The Company is working on the interconnection with the voice and SMS network of NTT DOCOMO, INC. (“DOCOMO”) and is going to provide new service based on the above interconnection as “Neo-carrier” in November 2026. The upgraded “Nihon Tsushin App” to work with FPoS makes customers of “Nihon Tsushin SIM” to move to new service as “Neo-carrier” smoothly.

The Company will continuously provide high-quality communication services at a reasonable price, in a secure manner, taking advantage of authentication by FPoS.

##### Neo-carrier

The Company is working on the construction of mobile core network for voice and SMS service to provide new service as “Neo-carrier”. The Company anticipates approximately 6.5 billion yen for an initial capital investment to become “Neo-carrier,” and the Company raised 2 billion yen by issuing the first unsecured bonds (for qualified institutional investors only) to MUFG Bank, Ltd. as the underwriter in March 2025. In the fourth quarter of the current fiscal year, the Company raised 4 billion yen in total amount by March 26, 2026, by issuing the second, third and fourth unsecured bonds (every for qualified institutional investors only) to Resona Bank, Limited, The Bank of Yokohama, Ltd. and MUFG Bank, Ltd. as the underwriters. Now the Company completed raising initial capital for “Neo-carrier,” the Company is going ahead with building a network, connection test, and establishment of operations, etc. to provide the service in November 2026.

#### (ii) Mobile Solution (MSP business)

##### Telecommunications business through local mobile networks (local 4G/5G business)

For the business, the Company aims to build actual results in the U.S., where there are many advanced showcases, and taking advantage with this experience to expand in Japan. The U.S. subsidiary of the Company operates a business that provides SIMs used for connections with local mobile networks in the U.S. market.

Through the U.S. subsidiary, the Company is accumulating technologies and expertise on the telecommunications business through local mobile networks (local 4G/5G business), and by taking advantage of these technologies and expertise, the Company provides SIMs that can connect to local mobile networks set up by Japanese partner and customer companies.

In addition, the Company takes advantage of the technology and infrastructure of SIM authentication which the Company has developed in the U.S. to provide new service as “Neo-carrier”.

## Others

The Company provides various solutions using mobile telecommunication such as private SIM-to-SIM telecommunication, secure payment solution completely conforming to PCI DSS, the global payment security standard, upload-prioritized SIM for IoT devices and security cameras.

### (iii) FPoS business

As digital transformation (DX) is underway in many areas of society and the economy, the importance of digital IDs is recognized again, and the Company is pushing forward with a business that will establish and provide digital IDs that can be used on smartphones using FPoS.

#### FPoS security

The authentication by FPoS is implemented as follows:

i) certain verification of customer's identity

When a customer installs FPoS in their smartphone (iPhone and Android), FPoS will verify their identity by private key and electronic certificate, which are equipped with an IC chip in a customer's Individual Number Card (Japanese Public Key Infrastructure: JPKI),

ii) generation of private key and issuance of electronic certificate

The Electronic certification authority, which is accredited under the Electronic Signatures Act, generates private key and issues electronic certificate in the secure area built in a customer's smartphone, and

iii) guarantee of identity and authenticity

By examining the combination of a public key contained in an electronic certificate and a private key, FPoS guarantees the identity (confirmation of the person's identity) and authenticity (confirmation that the person's intent is not falsified) of a customer.

As stated above, the authentication by FPoS has a high-level security equal to an Individual Number Card. Accordingly, a customer could not be impersonated and the customer's data could not be falsified, though they are common concern using applications on a smartphone.

And FPoS has a function of "Dynamic Opt-in" that allows a customer to confirm their Recipients of Personal Information and enables a customer to easily manage their Recipients of Personal Information, such as authorize or revoke to authorize.

While an Individual Number Card shall be used as a digital ID in administrative procedures, FPoS can be used as a digital ID and authentication infrastructure in a wide range of areas including administrative procedures by local governments and business operators.

#### FPoS performance

FPoS is moving from demonstration test to commercial services. The number of digital certificates provided by FPoS reached 127,646 as of March 31, 2026.

The service provider of FPoS is my FinTech Inc. ("my FinTech"), a subsidiary of the Company.

-In July 2025

WELLNET CORPORATION provides safe and secure payment using electronic certificate by incorporating FPoS into their payment application on smartphones. This payment application implements KYC by an Individual Number Card when a customer creates their account and the customer authentication is implemented using private key managed in Hardware Security Module (HSM) built in smartphone and electronic certificate, other than the former authentication by ID and password. This provides a fundamental solution to the problems of impersonation, and unauthorized logins through man-in-the-middle attack, and data falsification.

-In January 2026

The cumulative total payment amount of Local payment service taking advantage of FPoS (such services as Mebuku Pay in Maebashi, Gunma run by Mebuku Ground Inc. and Yudepi in Omura, Nagasaki run by Juhachi-Shinwa Bank, Ltd., etc.) exceeded 5 billion yen from their start time, December 2023 to January 31, 2026.

-In April 2026

my FinTech provides KYC service to financial institutes such as regional bank in collaboration with Chigin Network Service Co., Ltd. The KYC service is compatible with Act on Prevention of Transfer of Criminal Proceeds and supports identity verification by financial institutions by connecting bank websites to FPoS.

As a result of the above, the Group's consolidated net revenue for the current fiscal year was 11,633 million yen, an increase of 2,394 million yen (up 25.9%) compared to previous fiscal year (hereinafter referred to as the "previous year"). This was because of the growth of the flat-rate or semi-flat-rate voice services centered on "Nihon Tsushin SIM."

Cost of revenue was 7,219 million yen, an increase of 1,823 million yen (up 33.8%) compared to the previous year. This was mainly due to an increase in mobile network procurement costs associated with the growth of "Nihon Tsushin SIM." However, the mobile network procurement costs by the Company from DOCOMO have been set not to exceed the amount of the appropriate costs under efficient management plus appropriate profit, for both of data and voice communications.

Gross profit was 4,414 million yen, an increase of 571 million yen (up 14.9%) compared to the previous year. The sales, general and administrative expenses was 3,280 million yen (2,880 million yen in the previous year).

As a result, the operating profit was 1,134 million yen (962 million yen in the previous year), ordinary profit was 1,117 million yen (1,000 million yen in the previous year).

Profit attributable to owners of parent was 763 million yen (849 million yen in the previous year). This was due to reduce the book value of the business assets held by my FinTech, the consolidated subsidiary of the Company, to the recoverable amount and post extraordinary loss of 215 million yen as impairment loss, since my FinTech has continuously posted the operating losses in the past fiscal years and indications of impairment were found, as a result of considering the future recoverability of the business assets, in accordance with "Accounting Standards for Impairment of Fixed Assets."

## **(2) Explanation on financial position for the year ended March 31, 2026**

### Assets

Current assets at the end of the current fiscal year were 8,453 million yen, an increase of 2,946 million yen compared to the end of the previous year. This was mainly due to an increase of 2,806 million yen in cash and deposits resulting from the issuance of corporate bonds. Non-current assets were 3,454 million yen, an increase of 1,648 million yen compared to the end of the previous year. This was mainly due to increases of 162 million yen in property, plant, and equipment, 1,428 million yen in intangible assets. Deferred assets were 87 million yen, an increase of 59 million yen compared to the end of the previous year. This was due to an increase of 59 million yen in bond issuance costs.

As a result, total assets amounted to 11,995 million yen, an increase of 4,654 million yen compared to the end of the previous year.

### Liabilities

Current liabilities at the end of the current fiscal year were 2,443 million yen, an increase of 770 million yen compared to the end of the previous year. This was mainly due to increases of 566 million yen in current portion of corporate bonds payable, 102 million yen in accounts payable - other. Non-current liabilities were 4,909 million yen, an increase of 3,112 million yen compared to the end of the previous year. This was mainly due to an increase of 3,148 million yen in corporate bonds.

As a result, liabilities amounted to 7,353 million yen, an increase of 3,883 million yen compared to the end of the previous year.

### Net assets

Net assets at the end of the current fiscal year were 4,642 million yen, an increase of 771 million yen compared to the end of the previous year. This was mainly due to recording 763 million yen in profit attributable to owners of parent.

As a result, the equity ratio was 37.6% (50.4% at the end of the previous year).

## **(3) Explanation on status of cash flows for the year ended March 31, 2026**

Cash and cash equivalents at the end of the current fiscal year were 7,107 million yen, an increase of 2,806 million yen compared to the end of the previous year.

The status of cash flows and their factors at the end of the current fiscal year are as follows.

### Cash flows from operating activities.

Net cash provided by operating activities totaled 1,321 million yen (an inflow of 930 million yen in the previous year). This was mainly due to recording profit before income taxes of 861 million yen, depreciation expense of 314 million yen and impairment loss of 215 million yen.

#### Cash flows from investing activities.

Net cash used in investing activities totaled 2,155 million yen (an outflow of 1,104 million yen in the previous year). This was mainly due to payment for purchase of property, plant, and equipment of 334 million yen and payment for purchase of intangible assets of 1,698 million yen.

#### Cash flows from financing activities.

Net cash provided by financing activities totaled 3,636 million yen (an inflow of 1,957 million yen in the previous year). This was mainly due to proceeds of 3,935 million yen from the issuance of corporate bonds.

#### **(4) Explanation on future forecast information such as consolidated business forecast**

In May 2026, the Company formulated the “Vision 2030” as a Medium-to Long-Term Management Policy for FY2030. Through these efforts over the past decade based on “New business strategy” which was formulated and disclosed in 2016, JCI found the path to become a company capable of sustainable long-term growth, by constructing its technology platform as a source of competitive advantage. JCI will grow both the telecommunications business and digital trust businesses based on the technology platform and will aim for 65 billion yen as revenue and 15 billion yen as operating profit in FY2030.

For more details, please refer to the "Vision 2030" document released on May 7, 2026.

For FY2027, as the first year of Vision 2030, JCI will realize Neo carrier (scheduled for November 24), will promote the spread of FPoS starting commercial services, and will enhance the digital Authentication Infrastructure.

## **2. Basic concept regarding the selection of accounting standards**

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, in light of the comparability of periods of consolidated financial statements and between companies, as well as the burden of preparing consolidated financial statements under International Financial Reporting Standards (IFRS). The Group’s policy is to take an appropriate response with respect to the timing of the adoption of IFRS, taking into consideration various conditions in Japan and overseas.

# Consolidated balance sheet

(Thousands of yen)

|  | As of March 31, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| <b>Assets</b>                              |                      |                      |
| <b>Current assets</b>                      |                      |                      |
| Cash and deposits                          | 4,300,365            | 7,107,324            |
| Accounts receivable - trade                | 796,320              | 879,731              |
| Merchandise                                | 49,284               | 67,018               |
| Supplies                                   | -                    | 3,967                |
| Accounts receivable - other                | 98,834               | 98,386               |
| Other                                      | 269,813              | 339,302              |
| Allowance for doubtful accounts            | (7,411)              | (41,837)             |
| <b>Total current assets</b>                | <b>5,507,208</b>     | <b>8,453,893</b>     |
| <b>Non-current assets</b>                  |                      |                      |
| <b>Property, plant and equipment</b>       |                      |                      |
| Buildings                                  | 138,091              | 149,437              |
| Accumulated depreciation                   | (78,138)             | (81,801)             |
| Buildings, net                             | 59,952               | 67,636               |
| Vehicles                                   | 27,110               | 28,707               |
| Accumulated depreciation                   | (10,632)             | (16,385)             |
| Vehicles, net                              | 16,478               | 12,321               |
| Tools, furniture and fixtures              | 946,691              | 1,241,473            |
| Accumulated depreciation                   | (748,928)            | (905,995)            |
| Tools, furniture and fixtures, net         | 197,763              | 335,478              |
| Leased assets                              | 342,537              | 342,537              |
| Accumulated depreciation                   | (307,113)            | (319,311)            |
| Leased assets, net                         | 35,424               | 23,225               |
| Land                                       | 59,918               | 59,918               |
| Construction in progress                   | -                    | 33,452               |
| <b>Total property, plant and equipment</b> | <b>369,536</b>       | <b>532,031</b>       |
| <b>Intangible assets</b>                   |                      |                      |
| Trademark right                            | 4,289                | 3,696                |
| Software                                   | 370,733              | 448,954              |
| Software in progress                       | 440,005              | 1,790,470            |
| <b>Total intangible assets</b>             | <b>815,028</b>       | <b>2,243,121</b>     |
| <b>Investments and other assets</b>        |                      |                      |
| Investment securities                      | 166,341              | 190,973              |
| Long-term loans receivable                 | 300,000              | 300,000              |
| Leasehold and guarantee deposits           | 84,380               | 87,885               |
| Other                                      | 70,344               | 100,244              |
| <b>Total investments and other assets</b>  | <b>621,066</b>       | <b>679,104</b>       |
| <b>Total non-current assets</b>            | <b>1,805,631</b>     | <b>3,454,257</b>     |
| <b>Deferred assets</b>                     |                      |                      |
| Bond issuance costs                        | 27,771               | 87,092               |
| <b>Total deferred assets</b>               | <b>27,771</b>        | <b>87,092</b>        |
| <b>Total assets</b>                        | <b>7,340,611</b>     | <b>11,995,243</b>    |

(Thousands of yen)

|  | As of March 31, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| <b>Liabilities</b>                           |                      |                      |
| Current liabilities                          |                      |                      |
| Accounts payable - trade                     | 473,613              | 571,960              |
| Current portion of bonds payable             | 286,000              | 852,000              |
| Accounts payable - other                     | 181,435              | 283,453              |
| Income taxes payable                         | 67,055               | 160,139              |
| Unearned revenue                             | 105,240              | 97,991               |
| Deposits received                            | 341,948              | 309,822              |
| Other  | 217,834              | 167,952              |
| Total current liabilities                    | 1,673,128            | 2,443,320            |
| Non-current liabilities                      |                      |                      |
| Bonds payable                                | 1,714,000            | 4,862,000            |
| Long-term accounts payable - other           | 9,404                | 6,684                |
| Long-term unearned revenue                   | 33,267               | 14,889               |
| Lease liabilities                            | 40,250               | 26,251               |
| Total non-current liabilities                | 1,796,922            | 4,909,824            |
| <b>Total liabilities</b>                     | <b>3,470,050</b>     | <b>7,353,145</b>     |
| Net assets                                   |                      |                      |
| Shareholders' equity                         |                      |                      |
| Share capital                                | 600,350              | 653,878              |
| Capital surplus                              | 288,636              | 261,680              |
| Retained earnings                            | 2,745,019            | 3,508,829            |
| Treasury shares                              | (2,192)              | (2,192)              |
| Total shareholders' equity                   | 3,631,813            | 4,422,196            |
| Accumulated other comprehensive income       |                      |                      |
| Foreign currency translation adjustment      | 70,516               | 84,409               |
| Total accumulated other comprehensive income | 70,516               | 84,409               |
| Share acquisition rights                     | 116,215              | 114,055              |
| Non-controlling interests                    | 52,015               | 21,436               |
| Total net assets                             | 3,870,560            | 4,642,097            |
| <b>Total liabilities and net assets</b>      | <b>7,340,611</b>     | <b>11,995,243</b>    |

# Consolidated statement of income

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2025 | Fiscal year ended<br>March 31, 2026 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 9,238,862                           | 11,633,829                          |
| Cost of sales   | 5,396,150                           | 7,219,759                           |
| Gross profit  | 3,842,711                           | 4,414,069                           |
| Selling, general and administrative expenses                  | 2,880,226                           | 3,280,031                           |
| Operating profit  | 962,484                             | 1,134,037                           |
| Non-operating income  |                                     |                                     |
| Interest income   | 2,931                               | 10,087                              |
| Foreign exchange gains  | 23,411                              | -                                   |
| Share of profit of entities accounted for using equity method | 16,499                              | 22,100                              |
| Miscellaneous income  | 800                                 | 483                                 |
| Total non-operating income                                    | 43,643                              | 32,671                              |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 2,040                               | 1,476                               |
| Interest expenses on bonds                                    | 400                                 | 29,692                              |
| Amortization of bond issuance costs                           | 334                                 | 4,822                               |
| Foreign exchange losses                                       | -                                   | 10,812                              |
| Commission expenses   | -                                   | 401                                 |
| Miscellaneous losses  | 3,140                               | 1,529                               |
| Total non-operating expenses                                  | 5,915                               | 48,734                              |
| Ordinary profit   | 1,000,212                           | 1,117,974                           |
| Extraordinary income  |                                     |                                     |
| Gain on sale of non-current assets                            | 150                                 | -                                   |
| Gain on reversal of share acquisition rights                  | 57                                  | 2,160                               |
| Total extraordinary income                                    | 208                                 | 2,160                               |
| Extraordinary losses  |                                     |                                     |
| Loss on retirement of communication equipment                 | 35,729                              | -                                   |
| Impairment losses   | -                                   | 215,656                             |
| Loss on valuation of investment securities                    | -                                   | 42,512                              |
| Total extraordinary losses                                    | 35,729                              | 258,168                             |
| Profit before income taxes                                    | 964,691                             | 861,966                             |
| Income taxes - current  | 158,000                             | 209,219                             |
| Total income taxes  | 158,000                             | 209,219                             |
| Profit  | 806,690                             | 652,746                             |
| Loss attributable to non-controlling interests                | (42,675)                            | (111,064)                           |
| Profit attributable to owners of parent                       | 849,366                             | 763,810                             |

## Consolidated statement of comprehensive income

(Thousands of yen)

|  | Fiscal year ended<br>March 31, 2025 | Fiscal year ended<br>March 31, 2026 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 806,690                             | 652,746                             |
| Other comprehensive income                                     |                                     |                                     |
| Foreign currency translation adjustment                        | (25,338)                            | 13,893                              |
| Total other comprehensive income                               | (25,338)                            | 13,893                              |
| Comprehensive income   | 781,352                             | 666,639                             |
| Comprehensive income attributable to                           |                                     |                                     |
| Comprehensive income attributable to owners of parent          | 824,027                             | 777,703                             |
| Comprehensive income attributable to non-controlling interests | (42,675)                            | (111,064)                           |

## Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

|   | Shareholders' equity |                 |                   |                 |                            | Accumulated other comprehensive income  |  | Share acquisition rights |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|---|--|--------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Foreign currency translation adjustment | Total accumulated other comprehensive income |                          |
| Balance at beginning of period  | 545,666              | 233,952         | 1,895,653         | (2,192)         | 2,673,080                  | 95,854                                  | 95,854                                       | 116,272                  |
| Changes during period   |                      |                 |                   |                 |                            |   |  |                          |
| restricted stock  | 54,683               | 54,683          |                   |                 | 109,367                    |   |  |                          |
| Profit (loss) attributable to owners of parent  |                      |                 | 849,366           |                 | 849,366                    |   |  |                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      |                 |                   |                 |                            |   |  |                          |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            | (25,338)                                | (25,338)                                     | (57)                     |
| Total changes during period   | 54,683               | 54,683          | 849,366           | -               | 958,733                    | (25,338)                                | (25,338)                                     | (57)                     |
| Balance at end of period  | 600,350              | 288,636         | 2,745,019         | (2,192)         | 3,631,813                  | 70,516                                  | 70,516                                       | 116,215                  |

|   | Non-controlling interests | Total net assets |
|---|---------------------------|------------------|
| Balance at beginning of period  | 94,690                    | 2,979,898        |
| Changes during period   |                           |                  |
| restricted stock  |                           | 109,367          |
| Profit (loss) attributable to owners of parent  |                           | 849,366          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                           |                  |
| Net changes in items other than shareholders' equity                                      | (42,675)                  | (68,071)         |
| Total changes during period   | (42,675)                  | 890,661          |
| Balance at end of period  | 52,015                    | 3,870,560        |

## Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Thousands of yen)

|   | Shareholders' equity |                 |                   |                 |                            | Accumulated other comprehensive income  |  | Share acquisition rights |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|---|--|--------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Foreign currency translation adjustment | Total accumulated other comprehensive income |                          |
| Balance at beginning of period  | 600,350              | 288,636         | 2,745,019         | (2,192)         | 3,631,813                  | 70,516                                  | 70,516                                       | 116,215                  |
| Changes during period   |                      |                 |                   |                 |                            |   |  |                          |
| restricted stock  | 53,528               | 53,528          |                   |                 | 107,057                    |   |  |                          |
| Profit (loss) attributable to owners of parent  |                      |                 | 763,810           |                 | 763,810                    |   |  |                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (80,485)        |                   |                 | (80,485)                   |   |  |                          |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            | 13,893                                  | 13,893                                       | (2,160)                  |
| Total changes during period   | 53,528               | (26,956)        | 763,810           | -               | 790,383                    | 13,893                                  | 13,893                                       | (2,160)                  |
| Balance at end of period  | 653,878              | 261,680         | 3,508,829         | (2,192)         | 4,422,196                  | 84,409                                  | 84,409                                       | 114,055                  |

|   | Non-controlling interests | Total net assets |
|---|---------------------------|------------------|
| Balance at beginning of period  | 52,015                    | 3,870,560        |
| Changes during period   |                           |                  |
| restricted stock  |                           | 107,057          |
| Profit (loss) attributable to owners of parent  |                           | 763,810          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                           | (80,485)         |
| Net changes in items other than shareholders' equity                                      | (30,578)                  | (18,845)         |
| Total changes during period   | (30,578)                  | 771,537          |
| Balance at end of period  | 21,436                    | 4,642,097        |

# Consolidated statement of cash flows

(Thousands of yen)

|  | Fiscal year ended<br>March 31, 2025 | Fiscal year ended<br>March 31, 2026 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities   |                                     |                                     |
| Profit before income taxes   | 964,691                             | 861,966                             |
| Depreciation   | 198,129                             | 314,394                             |
| Interest and dividend income   | (2,931)                             | (10,087)                            |
| Interest expenses on borrowings and bonds  | 2,440                               | 31,168                              |
| Share of loss (profit) of entities accounted for using equity method               | (16,499)                            | (22,100)                            |
| Foreign exchange losses (gains)  | (24,400)                            | 6,250                               |
| Gain on sale of non-current assets   | (150)                               | -                                   |
| Gain on reversal of share acquisition rights                                       | (57)                                | (2,160)                             |
| Loss on retirement of communication equipment                                      | 35,729                              | -                                   |
| Impairment losses  | -                                   | 215,656                             |
| Loss (gain) on valuation of investment securities                                  | -                                   | 42,512                              |
| Decrease (increase) in trade receivables   | (71,273)                            | (82,701)                            |
| Decrease (increase) in inventories   | 9,119                               | (25,302)                            |
| Increase (decrease) in trade payables  | 116,609                             | 97,726                              |
| Decrease (increase) in accounts receivable - other                                 | 13,053                              | 447                                 |
| Increase (decrease) in unearned revenue  | (8,257)                             | (9,289)                             |
| Increase (decrease) in Long-term unearned revenue                                  | (31,096)                            | (22,585)                            |
| Increase/decrease in consumption taxes payable/consumption taxes refund receivable | (46,389)                            | 14,257                              |
| Other, net   | 67,822                              | 53,981                              |
| Subtotal   | 1,206,538                           | 1,464,135                           |
| Interest and dividends received  | 1,282                               | 10,087                              |
| Interest paid  | (2,040)                             | (29,632)                            |
| Income taxes refund (paid)   | (275,595)                           | (123,075)                           |
| Net cash provided by (used in) operating activities                                | 930,183                             | 1,321,514                           |
| Cash flows from investing activities   |                                     |                                     |
| Decrease (increase) in short-term loans receivable                                 | -                                   | (2,645)                             |
| Purchase of property, plant and equipment  | (257,266)                           | (334,147)                           |
| Proceeds from sale of property, plant and equipment                                | 150                                 | -                                   |
| Purchase of intangible assets  | (545,680)                           | (1,698,827)                         |
| Long-term loan advances  | (300,000)                           | -                                   |
| Purchase of investment securities  | -                                   | (45,044)                            |
| Payments of leasehold and guarantee deposits                                       | (838)                               | (24,542)                            |
| Proceeds from refund of leasehold and guarantee deposits                           | 2,178                               | -                                   |
| Purchase of long-term prepaid expenses   | -                                   | (50,670)                            |
| Other, net   | (3,276)                             | -                                   |
| Net cash provided by (used in) investing activities                                | (1,104,732)                         | (2,155,878)                         |
| Cash flows from financing activities   |                                     |                                     |
| Proceeds from issuance of bonds  | 1,971,893                           | 3,935,856                           |
| Redemption of bonds  | -                                   | (286,000)                           |
| Repayments of lease liabilities  | (14,029)                            | (13,578)                            |
| Net cash provided by (used in) financing activities                                | 1,957,864                           | 3,636,278                           |
| Effect of exchange rate change on cash and cash equivalents                        | (969)                               | 5,045                               |
| Net increase (decrease) in cash and cash equivalents                               | 1,782,345                           | 2,806,959                           |
| Cash and cash equivalents at beginning of period                                   | 2,518,019                           | 4,300,365                           |
| Cash and cash equivalents at end of period   | 4,300,365                           | 7,107,324                           |