Speed up your AI
FIXSTARS

Fixstars Corporation

FY2025 Third Quarter Consolidated Financial Results

2025/8/14

This is an English translation from the original presentation in Japanese

Disclaimer

This presentation contains forward-looking statements reflecting the plans, expectations, and the assumptions of Fixstars Corporation and its consolidated subsidiaries ("Fixstars").

Please be advised that Fixstars' actual financial results could differ from those described in the forward-looking statements due to various factors including, but not limited to uncertainties in Fixstars' assumptions and decisions and changes in economic conditions and market demands.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

1 FY2025 Third Quarter Financial Results

· **Year-over-year we achieved huge growth in revenue and profit**

   · Revenue (Millions of yen)   : 7,073 (+21.5% YoY)

   · Operating profit (Millions of yen) : 2,086 (+33.6% YoY)

   · Headquarters relocation is scheduled for December 2025. As we are reviewing the impact on this fiscal year's results, including a revised estimate of the current office restoration cost, the full-year earnings forecast remains unchanged.

· **Solution Business: Securing steady revenue and profit growth**

   · High demand for software acceleration services, particularly in the automotive and semiconductor industries, is driving growth

   · Continued and deepened efforts to build a recurring revenue model

   · Actively engaged in talent acquisition

· **SaaS Business: Driving each SaaS business for positive profit**

   · "Fixstars Amplify" experienced a temporary decline in revenue due to seasonal factors, primarily related to researchers

   · We continue to invest in expanding revenue from "Fixstars AIBooster" and "Fixstars AIStation"

Consolidated Financial Results

Consolidated Profit and Loss Results

Driven largely by the strong performance of our core Solution Business, we achieved significant year-on-year growth in both revenue and profit.

Net profit increased significantly year on year, as the tax burden was temporarily reduced (by approximately 180 million yen) due to the liquidation of consolidated subsidiary Sider Corporation in the second quarter.
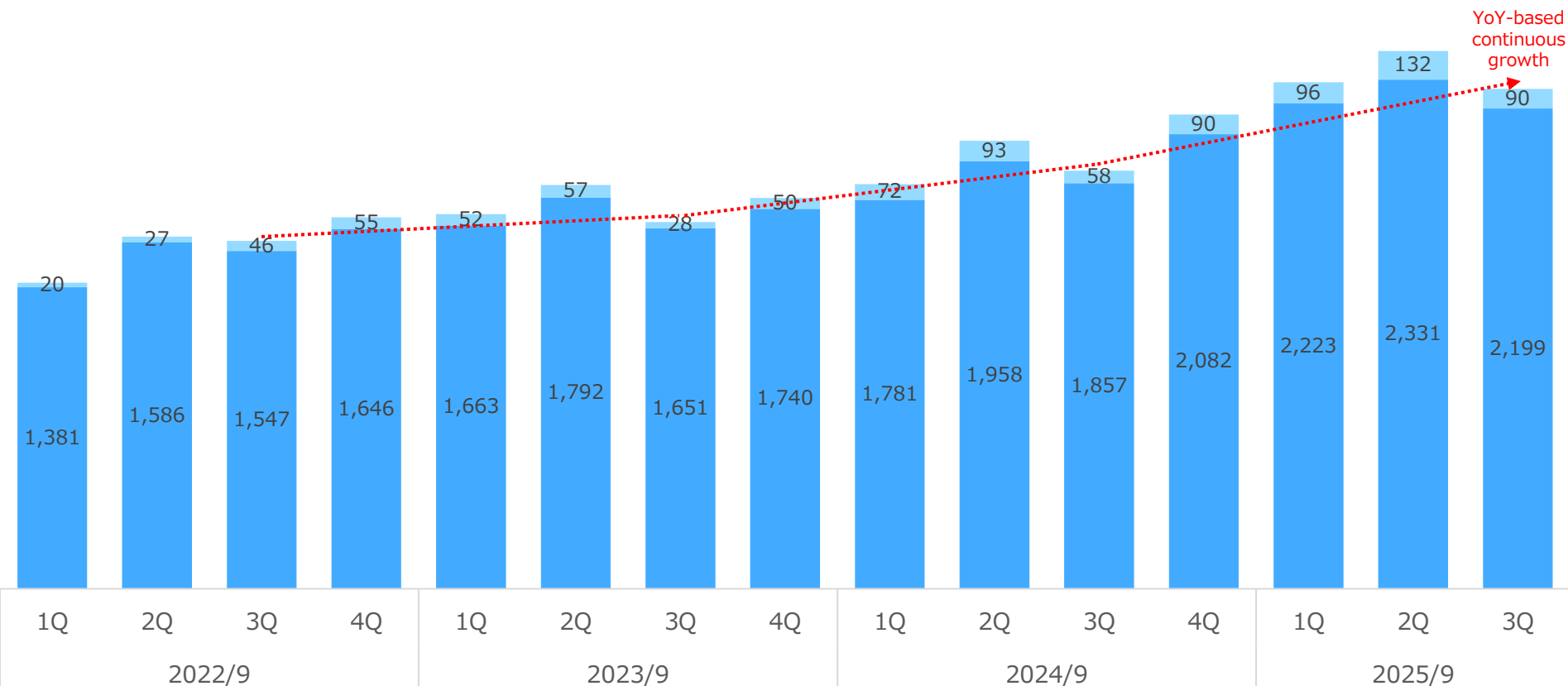
(Millions of yen)	FY2024 3Q (cumulative)	FY2025 3Q (cumulative)		
	Actual	Actual	YoY	Progress
Revenue	5,821	7,073	+21.5%	76.1%
Operating profit	1,561	2,086	+33.6%	80.2%
Operating profit to revenue ratio	26.8%	29.5%	+2.7pt	
Profit attributable to owners of parent	1,010	1,627	+61.1%	85.7%
Net profit margin	17.4%	23.0%	+5.7pt	

Consolidated Financial Results

Consolidated revenue trends

3Q revenue has declined as in previous years, but we expect 4Q revenue will recover.
We achieved continuous revenue growth in 3Q year-over-year.

SaaS Business
Solution Business
(Millions of yen)

YoY-based continuous growth

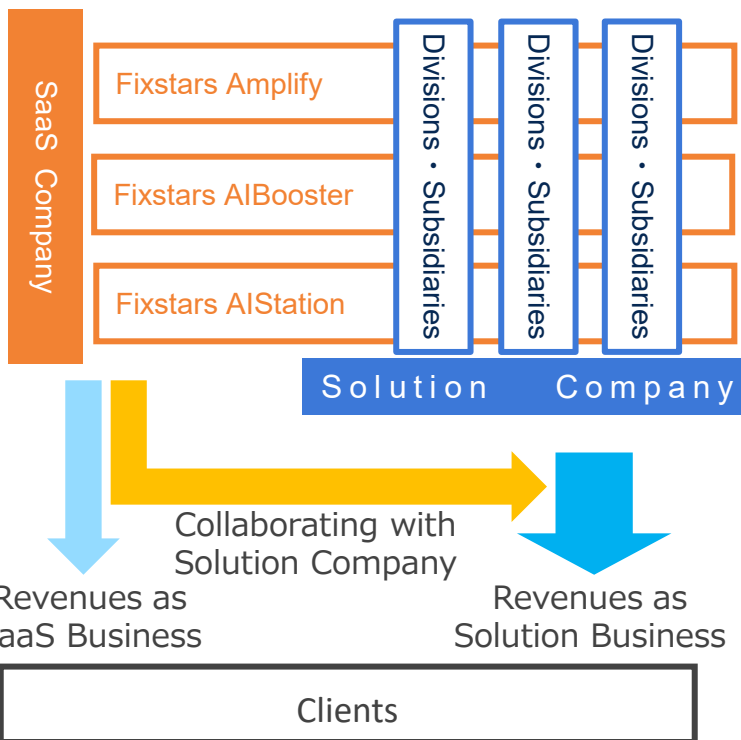|	2022/9				2023/9				2024/9				2025/9		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
SaaS	20	27	46	55	52	57	28	50	72	93	58	90	96	132	90
Solution	1,381	1,586	1,547	1,646	1,663	1,792	1,651	1,740	1,781	1,958	1,857	2,082	2,223	2,331	2,199

Consolidated Financial Results

Revenues: : SaaS related revenue trends

We are focusing on growing our recurring SaaS and VAR revenues based on our medium-term business plan. Harnessing a synergy with Solution Company, we are driving sales of our SaaS products (Fixstars Amplify and Fixstars AIBooster).

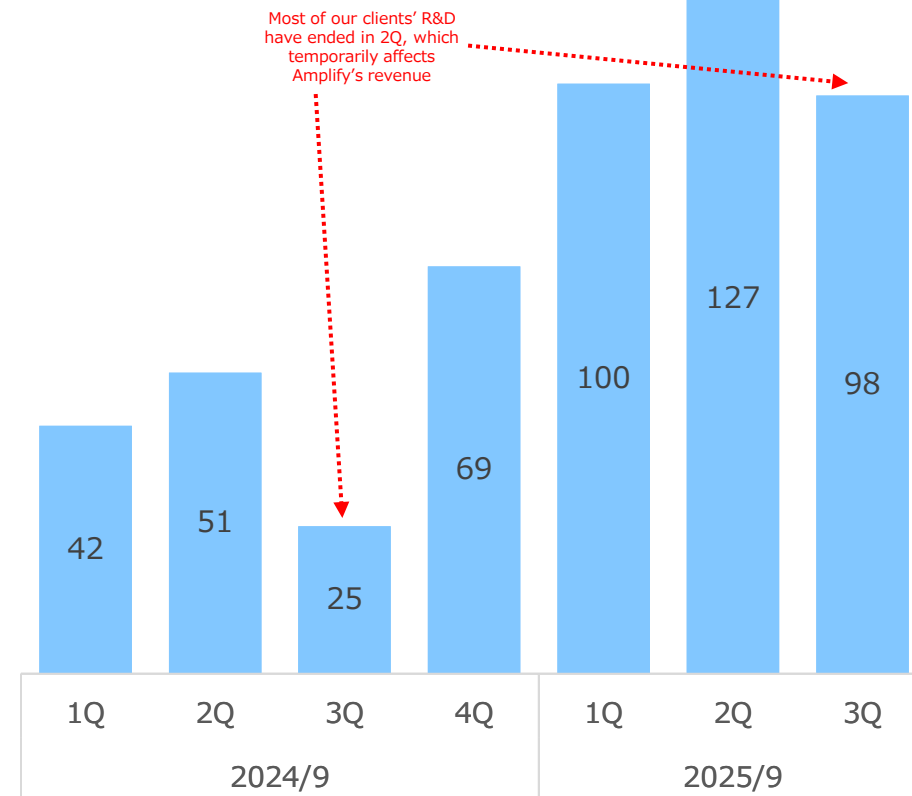### Our strategy to expand SaaS recurring revenue and profit

Building a scheme to sell SaaS company products across divisions of the Solution Company and our subsidiaries

SaaS Company
- Fixstars Amplify
- Fixstars AIBooster
- Fixstars AIStation

Divisions・Subsidiaries
Divisions・Subsidiaries
Divisions・Subsidiaries

Solution   Company

Collaborating with Solution Company

Revenues as SaaS Business

Revenues as Solution Business

Clients

Recurring revenue trend in SaaS Business

(Millions of yen)

Most of our clients' R&D have ended in 2Q, which temporarily affects Amplify's revenue

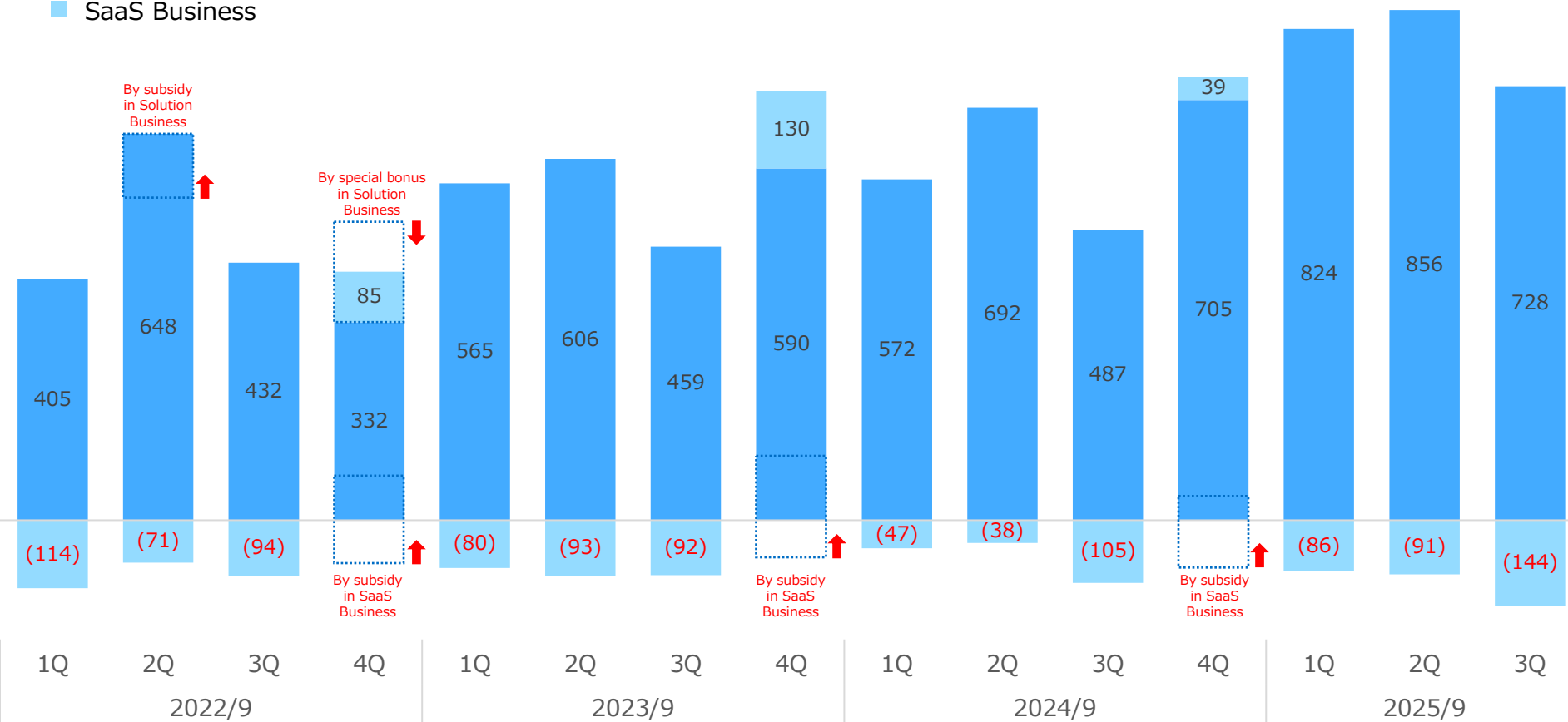|	2024/9				2025/9		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	42	51	25	69	100	127	98

Operating profit trends*

* Described main segments only

Secure stable revenue from the Solution business while continuing to actively invest in the SaaS business.

Similar to revenue, 3Q operating profit temporarily declined but maintained year-over-year growth.

(Millions of yen)

- Solution Business
- SaaS Business

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	405	648	432	332/85	565	606	459	590/130	572	692	487	705/39	824	856	728
SaaS	(114)	(71)	(94)		(80)	(93)	(92)		(47)	(38)	(105)		(86)	(91)	(144)
	2022/9				2023/9				2024/9				2025/9		

Consolidated Financial Results

Revenue/Operating profit achievement*

Both revenue and operating profit exceeded the 1Q progress rate of previous years, marking a strong start.
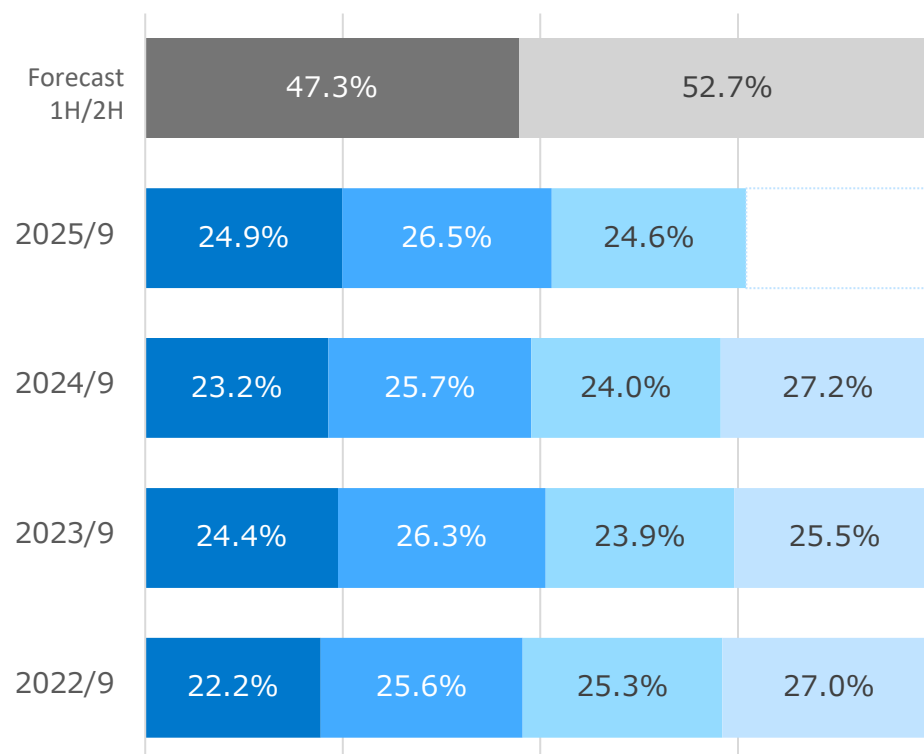
We are reviewing the impact of the headquarters relocation decision on this fiscal year's results, and the full-year earnings forecast remains unchanged.

* FY25 current achievement trend : quarterly performance/fiscal year forecast

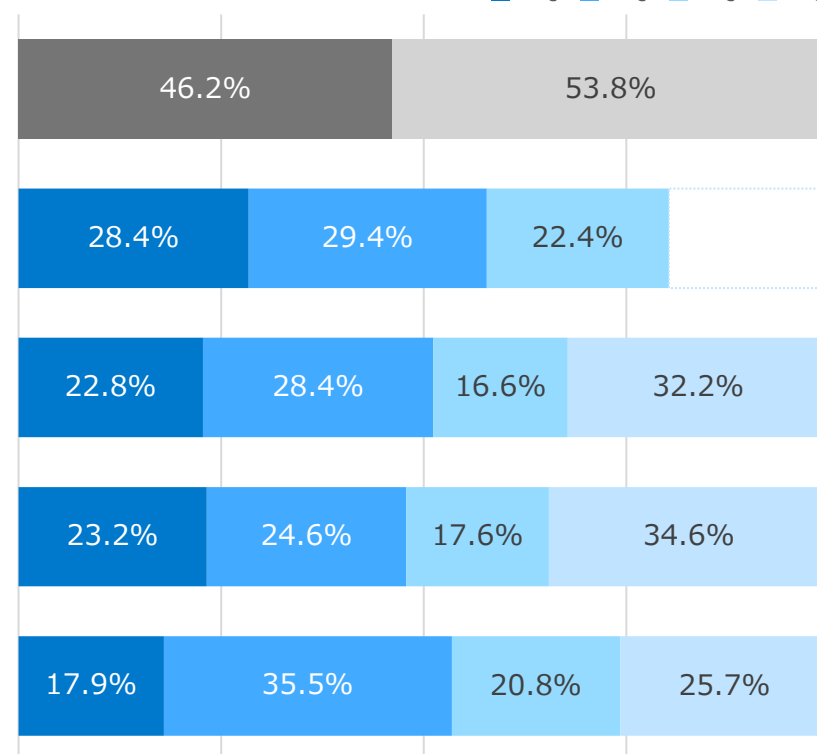Past achievement trend : quarterly performance/fiscal year performance

(rounding to the nearest hundredth)

Revenue achievement

	1Q	2Q	3Q	4Q
Forecast 1H/2H	47.3%		52.7%	
2025/9	24.9%	26.5%	24.6%	
2024/9	23.2%	25.7%	24.0%	27.2%
2023/9	24.4%	26.3%	23.9%	25.5%
2022/9	22.2%	25.6%	25.3%	27.0%

Operating profit achievement

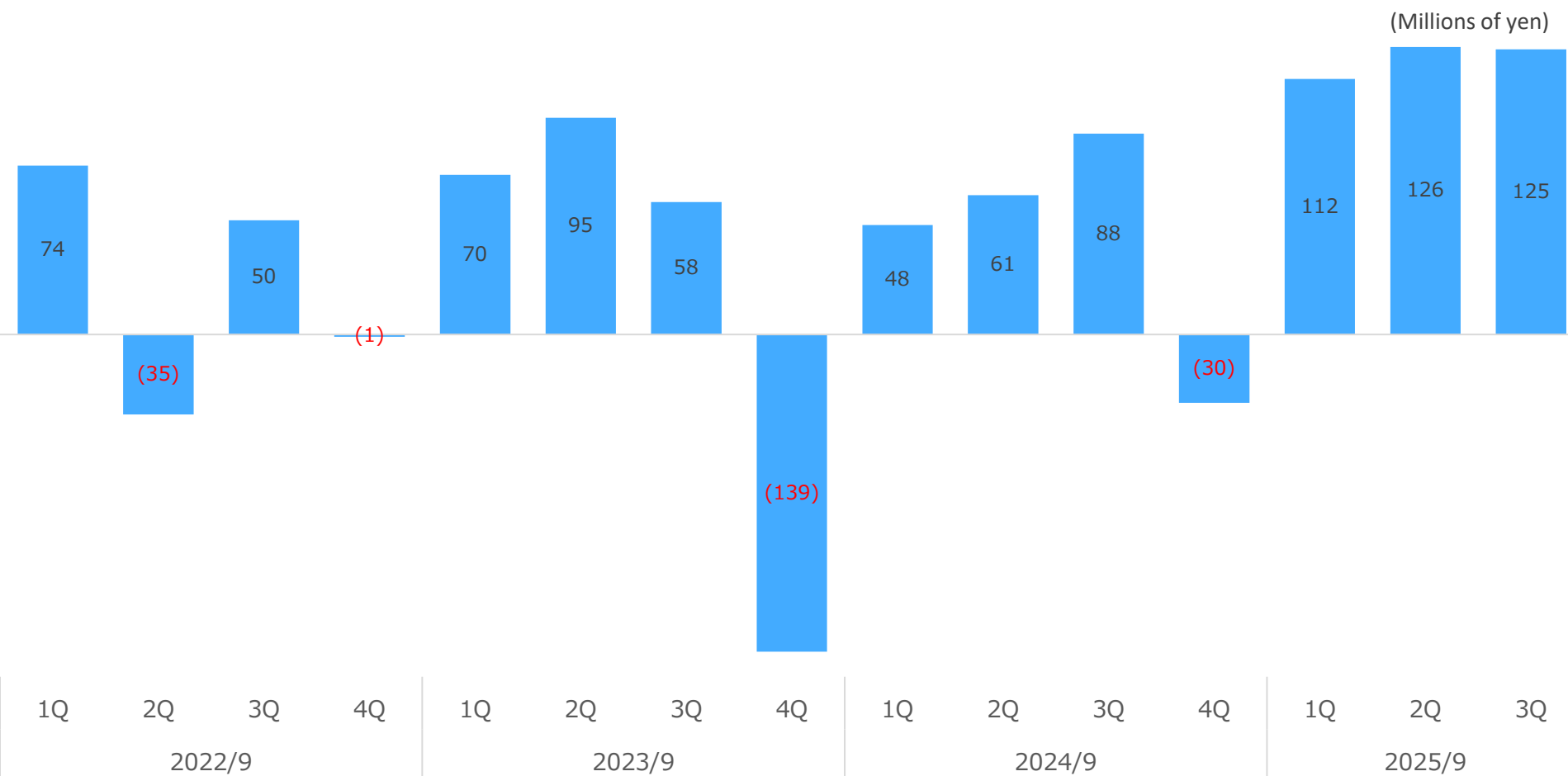|	1Q	2Q	3Q	4Q
Forecast 1H/2H	46.2%		53.8%	
2025/9	28.4%	29.4%	22.4%	
2024/9	22.8%	28.4%	16.6%	32.2%
2023/9	23.2%	24.6%	17.6%	34.6%
2022/9	17.9%	35.5%	20.8%	25.7%

R&D expenses

Expanded R&D in AI-related projects. In quantum computing, leveraged subsidies from sources such as NEDO to reduce cost burdens.

Confirmed subsidy amounts are deducted from R&D expenses, resulting in lower recorded R&D costs in the quarters when subsidies are finalized (each Q4 and Q2 of FY September 2022).
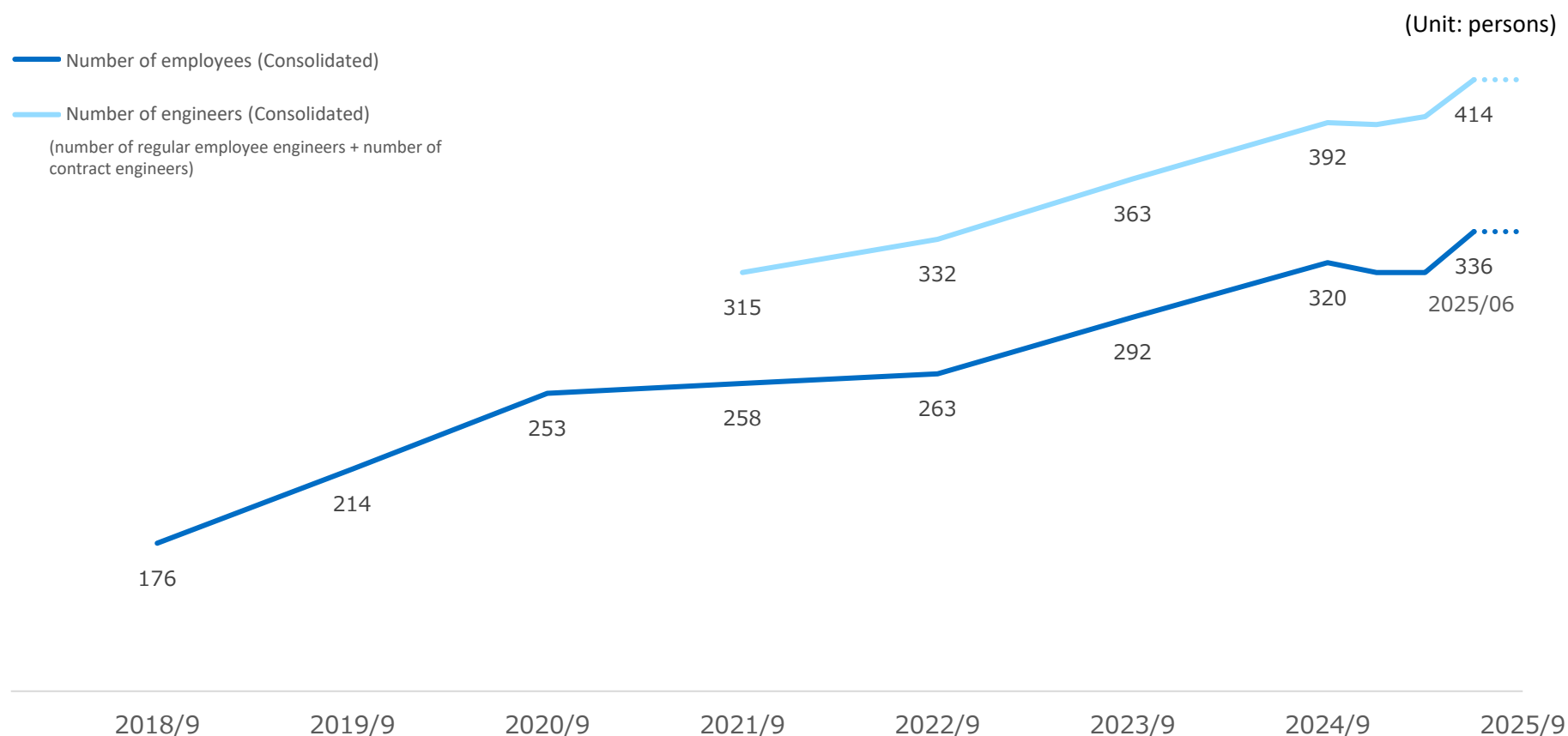
(Millions of yen)

	2022/9				2023/9				2024/9				2025/9		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	74	(35)	50	(1)	70	95	58	(139)	48	61	88	(30)	112	126	125

Consolidated Financial Results

The number of employees and engineers* trend

* Tracking of the number of engineers started in September, 2021

Our hiring team strives to acquire talent through various recruiting channels.
We hired 26 new grads in April, and the number of engineers in the current fiscal year is expected to see a net increase of around 20.

(Unit: persons)

— Number of employees (Consolidated)

— Number of engineers (Consolidated)
(number of regular employee engineers + number of contract engineers)

Number of engineers (Consolidated): 315, 332, 363, 392, 414

Number of employees (Consolidated): 176, 214, 253, 258, 263, 292, 320, 336 (2025/06)

Years: 2018/9, 2019/9, 2020/9, 2021/9, 2022/9, 2023/9, 2024/9, 2025/9

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FY2025 Financial Forecasts

FY2025 Financial Forecasts

- **We expect record-high revenue and profit**
    - Revenue (Millions of yen) : 9,300 (+16.3% YoY)
    - Operating profit (Millions of yen): 2,600 (+12.8% YoY)

- **Towards the medium-term management vision**
    - While continuing the sustainable growth of transactional revenue, we aim to expand recurring revenue through these opportunities.
    - Strengthen collaboration between the Solution Business and the SaaS business
    - Continue the development of talent with expertise in both technology and management

FY2025 Financial and Dividend Forecasts

Consolidated P/L・Dividend Forecasts

We anticipate record-high revenue and profit for the fourth consecutive fiscal year. As a result of a one-time tax relief associated with the liquidation of a subsidiary, YoY increase in net profit will become larger. Dividends will be implemented based on a consolidated payout ratio guideline of 30%.

(Millions of yen)	FY2024	FY2025	
	Actual	Forecast	YoY
Revenue	7,995	9,300	+16.3%
Operating profit	2,304	2,600	+12.8%
Operating profit to revenue ratio	28.8%	28.0%	-0.9pt
Profit attributable to owners of parent	1,494	1,900	+27.2%
Net profit margin	18.7%	20.4%	+1.7pt
EPS	46.39 yen	58.98 yen	+27.1%
Dividend per share	14 yen + Commemorative: 5 yen	18 yen	+4 yen (excluded commemorative)

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Appendix

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Appendix ①
Business Updates

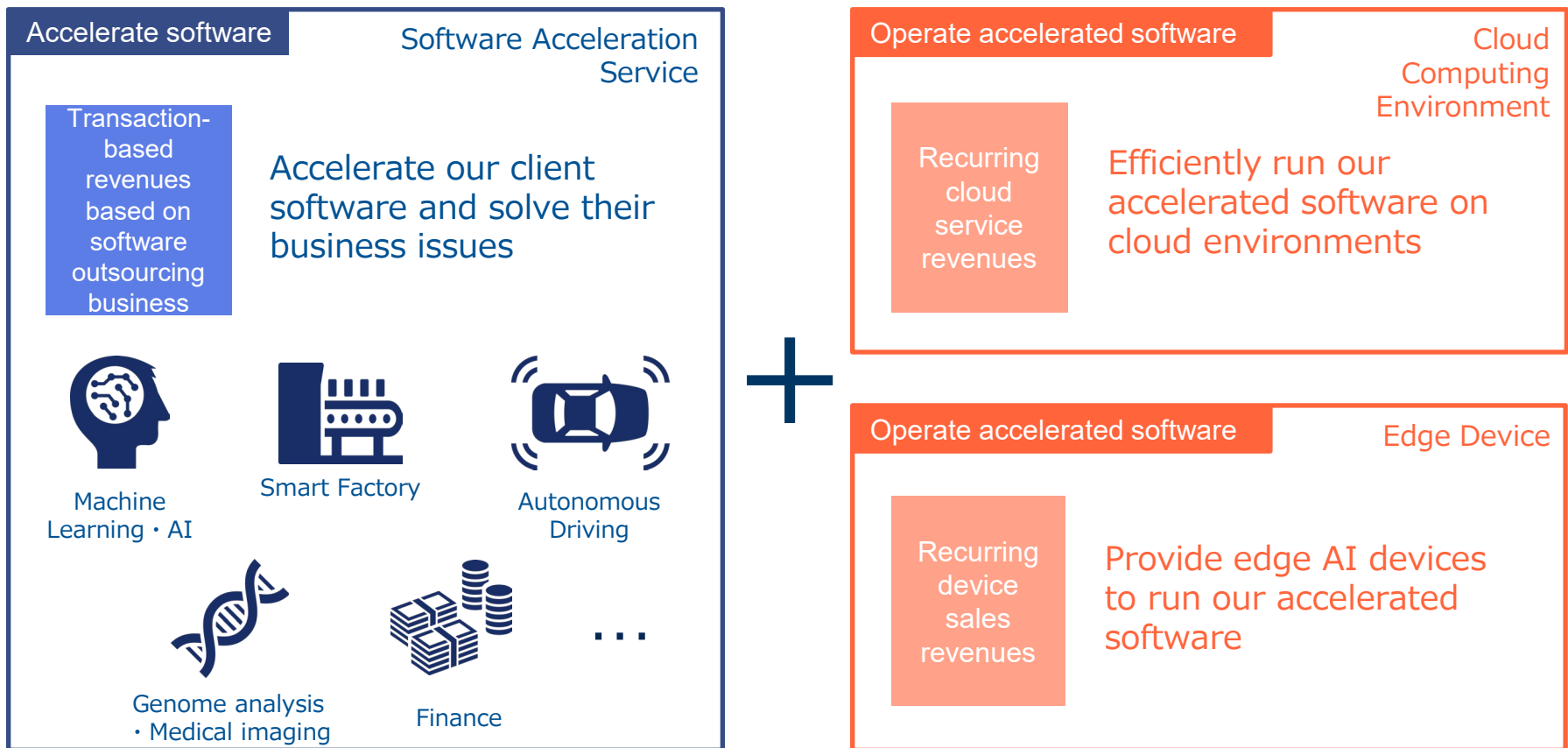# Medium Term Business Plan

"Accelerate software" + "Operate accelerated software"

We are building a robust business model where we keep growing our main software outsourcing business ("Accelerate software") and expand recurring revenue business ("Operate accelerated software") by providing accelerated software execution environments.

Accelerate software

Software Acceleration Service

Transaction-based revenues based on software outsourcing business

Accelerate our client software and solve their business issues

Machine Learning · AI

Smart Factory

Autonomous Driving

Genome analysis · Medical imaging

Finance

...

+

Operate accelerated software

Cloud Computing Environment

Recurring cloud service revenues

Efficiently run our accelerated software on cloud environments

Operate accelerated software

Edge Device

Recurring device sales revenues

Provide edge AI devices to run our accelerated software

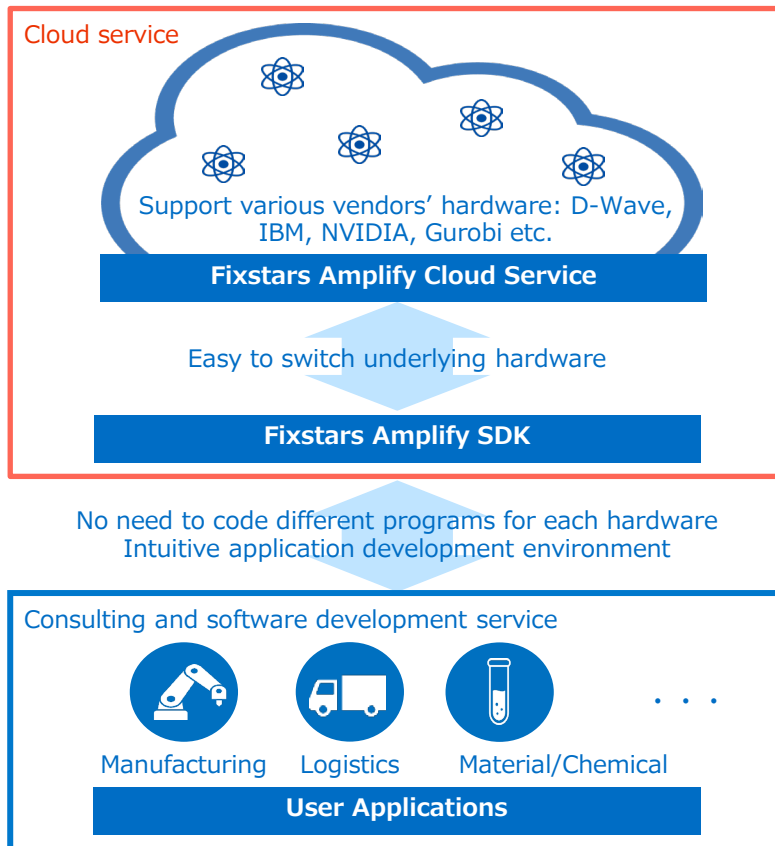# Fixstars Amplify (Quantum-Inspired Computing)

"Quantum-Inspired Computing" is being put into practical use

Our "Quantum-inspired technology" running on conventional computers contributes to solving complex combinatorial problems.

We are driving our business in both transaction-based revenues, such as consulting and software development for problem-solving as well as subscription-based revenues from cloud usage fees.

Service Overview

Cloud service

Support various vendors' hardware: D-Wave, IBM, NVIDIA, Gurobi etc.

Fixstars Amplify Cloud Service

Easy to switch underlying hardware

Fixstars Amplify SDK

No need to code different programs for each hardware
Intuitive application development environment

Consulting and software development service

Manufacturing   Logistics   Material/Chemical   . . .

User Applications

Business Status

- ☑ Launched an on-premises version of Fixstars Amplify for installation and operation within the user's environment.

- ☑ The Amplify SDK was selected for ABCI-Q, a computing platform for quantum-classical hybrid computing.

- ☑ Fixstars Amplify has exceeded 80 million total executions and is steadily progressing toward becoming the de facto standard platform.
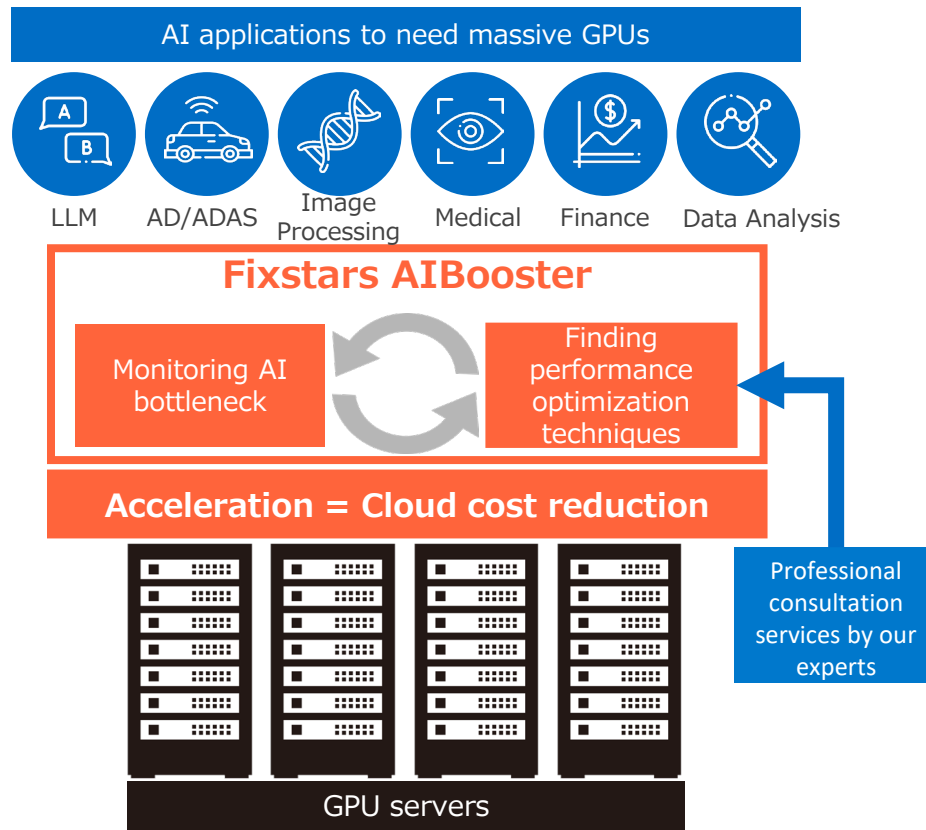
Future Initiatives

- ☑ Exploring the use of Fixstars Amplify to optimize AI workloads and strengthen collaboration within the Fixstars Group.

- ☑ Aim to become the de facto standard in combinatorial problem solving platforms by updating the Amplify cloud service.

- ☑ Initiatives for the global expansion of the Fixstars Amplify cloud service.

Fixstars AIBooster (aka Fixstars K4)

Performance engineering platform to enable high ROI in AI development and operations

GPUs have become essential in the development and operation of AI. However, there are still many cases where their high computational power is not being fully utilized. Fixstars AIBooster unleashes GPU performance and contributes to enhancing competitiveness of our clients' products by shortening development period and reducing operational costs.

Service Overview

AI applications to need massive GPUs

LLM AD/ADAS Image Processing Medical Finance Data Analysis

Fixstars AIBooster

Monitoring AI bottleneck ⟳ Finding performance optimization techniques

Acceleration = Cloud cost reduction

Professional consultation services by our experts

GPU servers

Business Status

☑ Continuing to acquire users through a freemium model offering a performance monitoring feature that visualizes ongoing AI performance data at no cost.

☑ Accelerating the adoption of Fixstars AIBooster with a focus on the automotive industry.

☑ Won a new Fixstars AIBooster deployment by leveraging customer relationships from the Solution business.
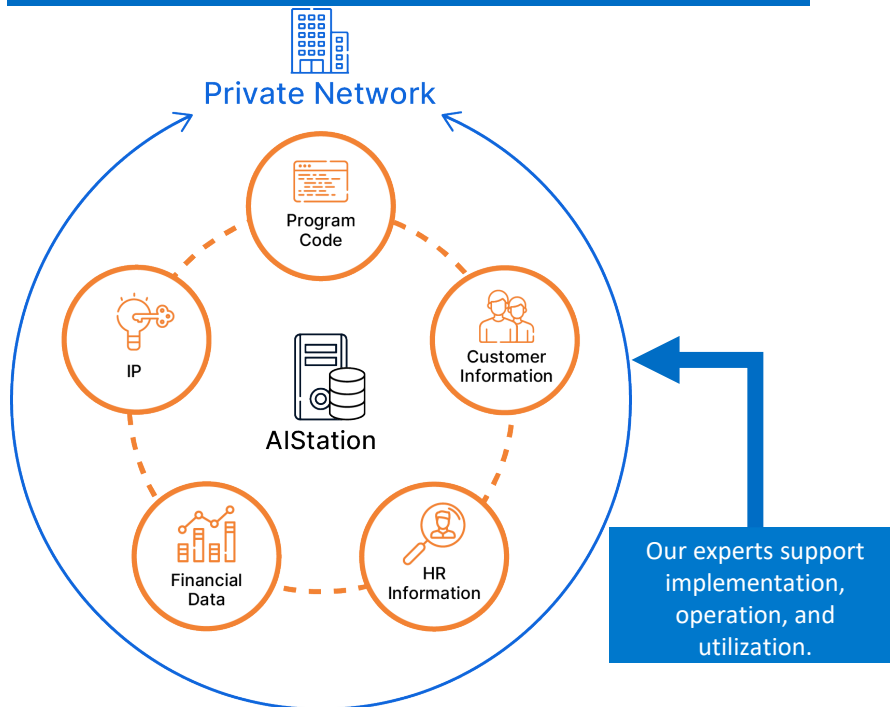
Future Initiatives

☑ Promoting sales activities that combine a vertical strategy focused on the automotive industry with a horizontal strategy for LLM/AI platforms.

☑ Enhancing development efforts toward the launch of the SaaS version of Fixstars AIBooster.

☑ Product enhancements focused on performance improvement, accumulation of use cases, and increased brand awareness.

☑ Initiatives for the global expansion.

Fixstars AIStation (Secure private AI environment)

A secure all-in-one AI environment enabling immediate use of local LLMs upon delivery

Fixstars AIStation executes all AI processing locally, reducing the risk of information leakage while enabling the use of the latest AI models.

In addition, as the latest verified LLM/AI models and applications are pre-installed, secure AI can be used immediately upon delivery.

Service Overview

Offering pre-configured AI-dedicated workstations for rent.
(including software usage fees and support costs).

Private Network

Program Code

IP

Customer Information

AIStation

Financial Data

HR Information

Our experts support implementation, operation, and utilization.

Business Status

- ☑ Launched rental service for "Fixstars AIStation" equipped with the latest LLM/AI models and high-performance GPUs.

- ☑ Promoting activities toward the deployment of "Fixstars AIStation" and primarily targeting users handling highly confidential information.

- ☑ Equipped with the GPU optimization engine "Fixstars AIBooster".

Future Initiatives

- ☑ Expanding and promoting sales activities by leveraging customer relationships from the Solution business and sales partners.

- ☑ Expansion of verified AI models.

- ☑ Enhancing product features, developing numerous case studies, and increasing brand awareness.

AI-assisted breast cancer diagnosis business

We aim to reduce the burden on physicians by using AI to quickly and accurately determine whether further investigation is necessary, based on breast ultrasound images. We will provide services that promote the early detection of breast cancer and offer comprehensive care services to patients even after a diagnosis of cancer.

Service Overview

Conducting trial operations of METIS Eye at multiple medical institutions toward service deployment.

Medical doctors/specialists

Patients

Providing a reassuring environment

AI-assisted breast cancer diagnosis as SaaS

Future integration with diagnosis devices

Patient support by Apps

App-based patient information services

METIS Eye
(AI-assisted ultrasound-based breast cancer diagnosis)

Patients support by ePRO[1] / PSP[2]

AI乳がん検診 **Smaopi** スマオピ (Our subsidiary)

Business Status

- ☑ Started a PoC project with Mayo Clinic, a top-ranked hospital in the U.S., as a stepping stone to enter the U.S. market.
- ☑ Working on integration with various vendors' PACS.
- ☑ Providing ePRO and PSPs to pharmaceutical companies.

Future Initiatives

- ☑ Promoting the adoption of "AI-assisted Breast Cancer Screening" through various media channels.
- ☑ Building brand recognition to promote adoption of METIS Eye.
- ☑ Driving international expansion.

Note: 1) e-PRO: Smartphone app-based patient-reported outcome system for symptoms and adverse events
2) PSP: Programs designed to support patients throughout their treatment journey and improve their quality of life (QOL)

Liquid-cooled Containerized Data Center Business

## High Performance Data Center for AI era

We are building a liquid-cooled containerized data center in Nagano prefecture with a grant from Nagano.

Through this project, we will expand recurring revenue business.

About Data Center (planned)

- ☑ Containerized Data Center
  - No need for large facilities. Flexible to install. Can be built quickly.

- ☑ Liquid-cooling

  Can operate high performance servers since it is better than air-cooling in terms of heat and energy efficiencies.

Racks/servers	Power system
Network infrastructure	Cooling system

conceptual image
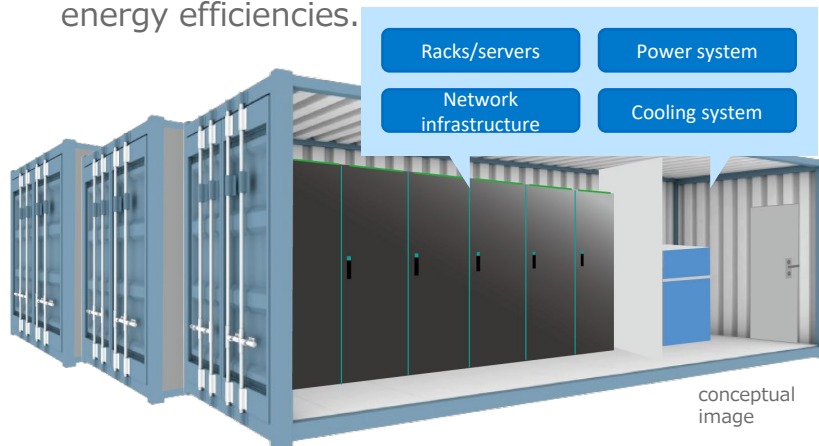
Background and our strategies

- ☑ "Cooling servers" is currently a large challenge. Massive computation power demands driven by the rise of generative AI cause intense heat issues in data centers.
- ☑ Acquiring knowledges about liquid-cooling containerized data center operations ahead of the other companies in Japan
- ☑ Creating a new revenue stream by server operations in addition to server hosting. We distinguish our service by providing each client-specific accelerated software environments.
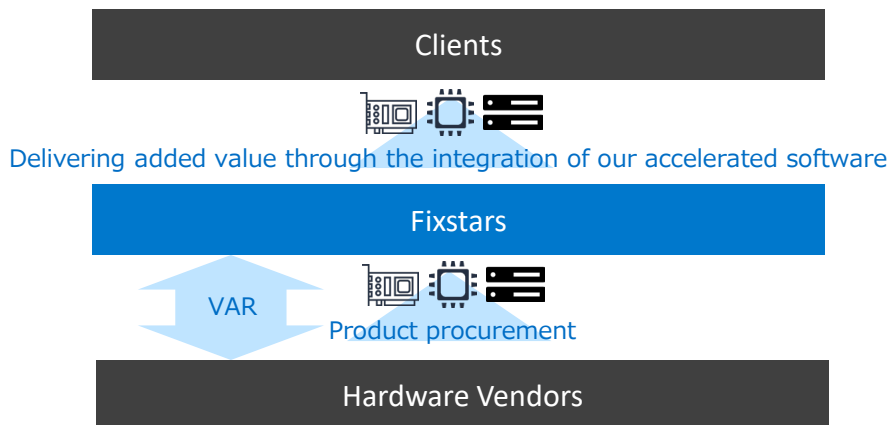
Future Initiatives and Plans

- ☑ Achieving industry-leading energy efficiency in liquid-cooled server PoC projects.
- ☑ The specifications of the data center facility and equipment are currently under discussion with our partners. Operations are scheduled to commence after September 2025.
- ☑ We plan to invest 840 million yen in containers and servers, of which 300 million yen will be a grant from Nagano Prefecture.

VAR (Value Added Reseller） Initiative

We are expanding our Value-Added Reseller (VAR) business by delivering value through the integration of our accelerated software with hardware vendors' products. We will focus our resources on technically strong areas such as AMD-Xilinx FPGA boards, sensors, and liquid-cooling servers.

Business Overview

☑ Resell hardware with our accelerated software to deliver added value to clients.

・Integrate high-performance and high-efficiency FPGA logic with FPGA boards.

・Integrate our SaaS products with on-premise servers/workstations.

Clients

Delivering added value through the integration of our accelerated software

Fixstars

VAR

Product procurement

Hardware Vendors

Our Strategy

☑ To establish a new business model of product sales based recurring revenues in addition to person-month based existing outsourcing business.

Future Initiatives

☑ Expand business of AMD-Xilinx FPGA board sales.

AMD◢
ALVEO

Alveo Accelerator Card Partner Network / Solution Integrators

☑ Sales of new appliance servers bundled with Fixstars Amplify which meets the demand for high security and privacy environments where cloud usage is restricted.

☑ Make case studies with new offerings like sensors, liquid-cooling servers, and etc.

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Appendix ②
About Fixstars

Company Profile

Experts in Software Acceleration Solutions

Fixstars is a technology company guided by the company tagline "Speed up your AI".

We are a team of experts dedicated to accelerating AI inference and training through advanced software optimization solutions.

About Us

Company name	Fixstars Corporation
Headquarter	Tamachi Station Tower N 28th Floor 3-1-1 Shibaura, Minato-ku, Tokyo
Founded	August, 2002
Stock exchange	Prime Market of the Tokyo Stock Exchange (Code: 3687)
Fonder and CEO	Satoshi Miki
Capital	554 million yen (as of June, 2025)
Number of employees (consolidated)	336 (as of June, 2025)
Main clients	Kioxia Corporation Sony Honda Mobility Inc. NEXTY Electronics Corporation Mizuho Securities Co., Ltd.

Group Companies

Fixstars Corporation

Fixstars Solutions, Inc.

Consolidated subsidiary
Sales and development in the U.S.

Fixstars Autonomous Technologies

JV with NEXTY Electronics
Develops software for autonomous driving

Fixstars Amplify Corporation

Consolidated subsidiary
Operates quantum computing cloud business

Smart Opinion Inc.
Consolidated subsidiary
Operates a breast cancer AI imaging diagnosis support business

Oscar Technology Corporation

Consolidated subsidiary
Provides software auto-parallelization services

Fixstars Investment

Consolidated subsidiary
invests in and provides business support to deep-tech startups.

Drone Autopilot Lab
Consolidated subsidiary
Technology development and PoC projects for automated drone operation. *in liquidation.

4-b   Company History

With the advancement of computers

We adapted to hardware trend changes and its evolution and have grown along with our software acceleration business.

Year	Month	History
2002	Aug	Founded Fixstars, LLC in Yokohama city, Kanagawa prefecture, Japan. Converted to Fixstars Corporation.
2004	Jul	Established Multicore Tech Dev Dept, started Cell/B.E. software development service business
2008	Dec	Started GPU acceleration service business
2009	Dec	Published a programming book titled "The OpenCL Programming Book"
2010	Nov	Constructed large scale cluster using PlayStation 3s at the US Air Force Research Lab
2011	Oct	Started FPGA system development service
2012	Jan	Started software development business for NAND Flash memory
2014	Apr	Listed on the Tokyo Stock Exchange Mothers market
2016	Nov	Moved listing from the Tokyo Stock Exchange Mothers market to the First market
2017	Jun	Started collaboration with D-Wave Systems Inc., who develops commercial quantum computers
2018	Feb	Established Fixstars Autonomous Technologies, a joint venture with NEXTY Electronics Corporation
2021	Oct	Established Fixstars Amplify Corporation to enhance services for the quantum computing
2022	Apr	Transferred to the Prime Market in the new market segments
2025	Mar	Updated its company tagline to "Speed up your AI"

Bring computing benefits to everybody

We are committed to supporting the future where computers will play an even greater role by leveraging software acceleration and SDK development technologies that unlock the full potential of computing systems

Fixstars' efficient software will build and support computing infrastructures of both edge and cloud sides.

Purpose

Developing and running software efficiently

- Enables effective computation with limited computing power

- Reduces power consumption of computation

Core Value

Software acceleration skills

SDK development skills

Deep knowledge about software and hardware architectures

Main Business Scheme

Our Main Business: Software Acceleration Service

Fixstars' skilled engineers unleash hardware performance by software optimization and algorithm improvement which enables acceleration of massive data processing.

Original Source Code

Accelerated Source Code

Fixstars

Clients

Consultation → Acceleration → Support

- Benchmark
- Identify bottleneck

- Improve and develop algorithms
- Optimize software for specified hardware
- Generate reports

- Q&A to reports and source codes
- Support for integration into actual products

Our ESG initiatives (1)
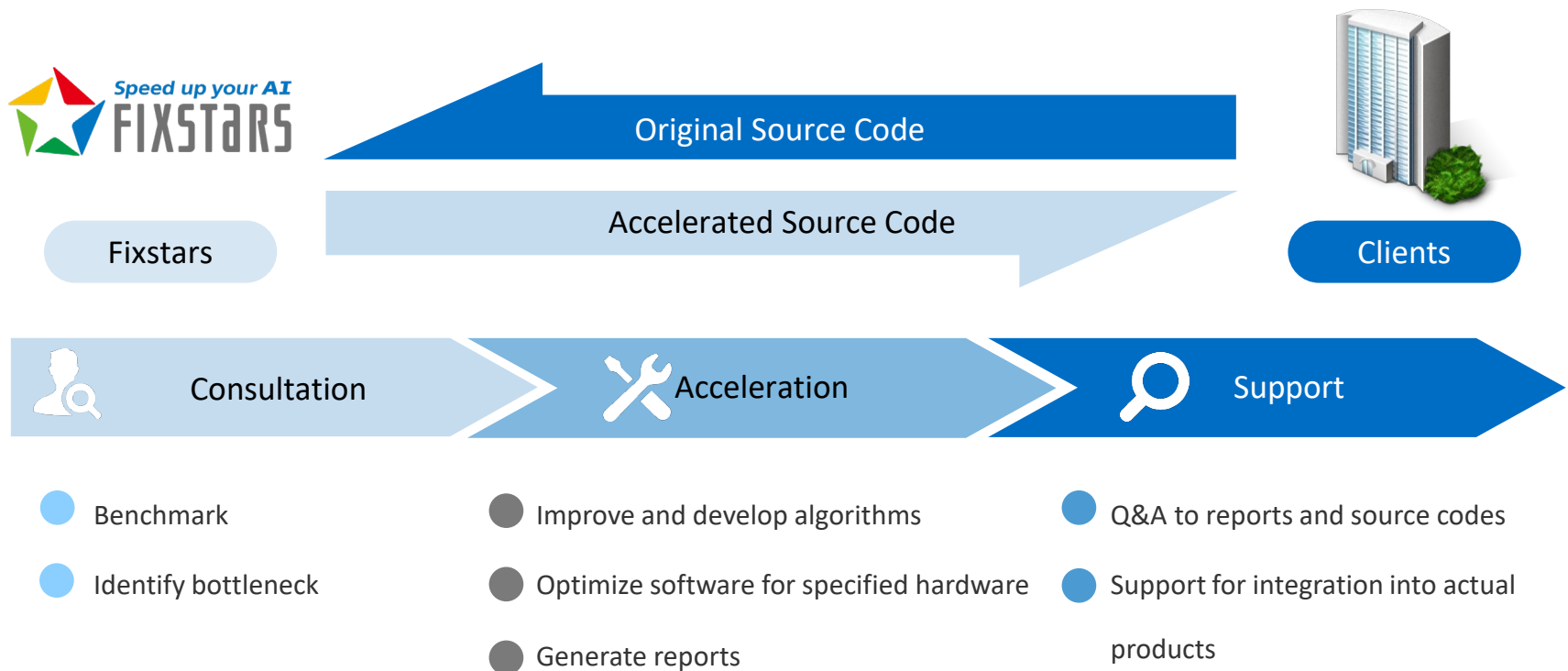
Reduction of environmental impact by software acceleration

Fixstars contributes to reduction of environmental impact with our software acceleration solutions.
Many industries enjoy energy savings by using our services.

Acceleration solutions across a wide variety of industries

Semiconductor
· Firmware development of NAND flash memory
· SDK development for next generation AI chips

Mobility[1]
· Deployment and enchantment of autonomous driving
· Research and development support for next-generation personal mobility

Life Science
· Acceleration of genome sequencing
· Acceleration of medical imaging

Finance
· Acceleration of derivative trading system
· Acceleration of HFT (High Frequency Trading)

Industrial
· Smart Factory化支援
· Acceleration of machine vision systems

Minimizing duration of power consumption by tenfold to hundredfold software acceleration

Huge power savings

Environmental impact reduction

Note: 1) According to our estimates, accelerating image recognition for autonomous driving (one vehicle model) could reduce CO_2 emissions by approximately 14,000 tons in 2020.

Our ESG initiatives (2)

Social contributions beyond software acceleration

We contributed to solving environmental and social issues by covering various areas such as autonomous driving and medical imaging in addition to power savings by software acceleration.

Our Business Domain

Social Impact

Deployment and enhancement of autonomous driving

Research and development support for next-generation personal mobility

Elimination of Traffic Accidents

Support for Vulnerable Road Users

AI imaging & diagnostics development support

Easier and higher-quality access to diagnosis and treatment

Productivity and work efficiency improvement by quantum computing

Contribution to carbon neutral society