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**Consolidated Financial Results
for the Three Months Ended November 30, 2025
(Under Japanese GAAP)**

January 14, 2026

Company name:	and factory, inc	URL https://andfactory.co.jp/
Stock exchange listing:	Tokyo	Phone: +81-3-6712-7646
Stock code:	7035	—
Representative:	Rinji Aoki, President and Representative Director	Yes
Contact:	Masataka Nagae, Director	No
Scheduled date to commence dividend payments:	—	(Amounts less than one million yen are rounded down.)
Preparation of supplementary material on quarterly financial results:	—	
Holding of annual financial results meeting:	—	

1. Consolidated financial results for the three months ended November 30, 2025

(From September 1, 2025, to November 30, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes.

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended November 30, 2025	699	△8.0	(72)	—	(74)	—	(65)	—
Three months ended November 30, 2024	760	—	(59)	—	(55)	—	(57)	—

Note: Comprehensive income (million yen) Three months ended November 30, 2025: (61) (−%)

Three months ended November 30, 2024: (56) (−%)

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Three months ended November 30, 2025	(5.79)	—	—	—
Three months ended November 30, 2024	(5.10)	—	—	—

Notes:

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

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2025	1,894	829	43.4
As of August 30, 2025	2,020	892	43.9

(Reference) Equity capital: As of November 30, 2025: ¥822 million As of August 31, 2025: ¥887 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended August 31, 2025	Yen —	Yen 0.00	Yen —	Yen 0.00	Total 0.00
Year ending August 31, 2026	—	—	—	—	—
Year ending August 31, 2026 (Forecast)	—	0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending August 31, 2026

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

Percentages indicate year-on-year changes.

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,072	△4.2	0	—	0	—	0	—	0.00

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

4. Notes

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

Newly included: 0 companies (—)

Excluded: 0 companies (—)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of November 30, 2025	11,261,970 shares	As of August 31, 2025	11,261,970 shares
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Number of treasury shares at the end of the period

As of November 30, 2025	277 shares	As of August 31, 2025	277 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended November 30, 2025	11,261,693 shares	Three months ended November 30, 2024	11,261,703 shares
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Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

Forward-looking statements provided in this document, including earnings forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Such statements are included without any guarantee as to their future achievement. Actual business and other results may differ materially from the forecasts depending on various factors.

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

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of August 31, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	860	906
Accounts receivable trade	533	467
Merchandise	1	-
Work in process	17	26
Short-term loans receivable	6	7
Accounts receivable - other	304	304
Income taxes refund receivable	103	-
Other	44	48
Allowance for doubtful accounts	(32)	(35)
Total current assets	1,840	1725
Non-current assets		
Property, plant and equipment		
Buildings	6	6
Tools, furniture and fixtures	60	60
Accumulated depreciation	(66)	(66)
Total property, plant and equipment	0	0
Intangible assets		
Software	18	18
Software in progress	0	0
Goodwill	38	34
Total intangible assets	58	50
Investments and other assets		
Investment securities	45	45
Long-term loans receivable	20	18
Leasehold and guarantee deposits	41	41
Other	13	11
Total investments and other assets	121	117
Total non-current assets	179	169
Total assets	2,020	1,894

	(Millions of yen)	
	As of August 31, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Accounts payable—trade	175	133
Short-term borrowings	90	75
Current portion of long-term borrowings	31	31
Accounts payable—other	466	483
Income taxes payable	9	0
Provision for bonuses	1	1
Provision for shareholder benefit program	35	20
Accrued consumption taxes	-	25
Other	79	65
Total current liabilities	890	835
Non-current liabilities		
Long-term borrowings	235	228
Deferred tax liabilities	1	1
Total non-current liabilities	237	230
Total liabilities	1,127	1,065
Net assets		
Shareholders' equity		
Share capital	801	801
Capital surplus	800	801
Retained earnings	(718)	(783)
Treasury shares	(0)	(0)
Total shareholders' equity	883	819
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	3
Total accumulated other comprehensive income	3	3
Share acquisition rights	4	5
Non-controlling interests	1	0
Total net assets	892	829
Total liabilities and net assets	2,020	1,894

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

	(Millions of yen)	
	Three months ended	Three months ended
	November 30, 2024	November 30, 2025
Net sales	760	699
Cost of sales	402	397
Gross profit	357	301
Selling, general and administrative expenses	416	374
Operating profit (loss)	(59)	(72)
Non-operating income		
Interest income	0	0
Foreign exchange gains	-	1
Subsidy income	2	0
Gain on valuation of derivatives	4	-
Other	0	0
Total non-operating income	6	2
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	1	-
Loss from prior period of consumption	-	2
Other	0	-
Total non-operating expenses	3	4
Ordinary profit (loss)	(55)	(74)
Extraordinary income		
Profit resulting from a change in the method of revenue recognition	-	9
Total extraordinary income	-	9
Profit (loss) before income taxes	(55)	(64)
Income taxes	0	0
Profit (loss)	(56)	(65)
Profit attributable to non-controlling interests	1	0
Loss attributable to owners of parent	(57)	(65)

Quarterly Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Three months ended	Three months ended
	November 30, 2024	November 30, 2025
Loss	(56)	(65)
Comprehensive income	(56)	(65)
Valuation difference on available-for-sale securities	-	3
Total other comprehensive income	-	3
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(57)	(61)
Comprehensive income attributable to non-controlling interests	1	0