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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
 Stock exchange listing: Tokyo
 Stock code: 7035 URL <https://andfactory.co.jp/>
 Representative: Rinji Aoki, President and Representative Director
 Contact: Masataka Nagae, Director Phone: +81-3-6712-7646
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of annual financial results meeting: No

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the three months ended 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 |
| 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 |
| | Yen | Yen | Yen | Yen | Total |
| Year ended August 31, 2025 | — | 0.00 | — | 0.00 | 0.00 |
| Year ending August 31, 2026 | — | | | | |
| Year ending August 31, 2026 (Forecast) | | 0.00 | — | 0.00 | 0.00 |

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

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

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

Percentages indicate year-on-year changes.

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

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

4. Notes

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

Newly included: 0 companies (—)

Excluded: 0 companies (—)

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

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

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

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

| | | | |
|-------------------------|-------------------|-----------------------|-------------------|
| As of November 30, 2025 | 11,261,970 shares | As of August 31, 2025 | 11,261,970 shares |
|-------------------------|-------------------|-----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|------------|-----------------------|------------|
| As of November 30, 2025 | 277 shares | As of August 31, 2025 | 277 shares |
|-------------------------|------------|-----------------------|------------|

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 |
|---|-------------------|---|-------------------|

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 | 1,725 |
| 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 |