



February 5, 2026

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 Listing: Tokyo Stock Exchange
 Securities code: 4414
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Notice Concerning Revisions to Full-Year Earnings Forecasts and the Expected Extraordinary Loss (Loss on Valuation of Shares in an Associate)

FLECT Co., Ltd. (the “Company”) hereby announces that, at the meeting of the Board of Directors held on February 5, 2026, we revised the earnings forecast for the fiscal year ending March 31, 2026, which was announced on May 8, 2025, as described below.

- (1) Revisions to the full year consolidated financial forecasts for fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Million Yen)

	Net Sales	Operating Income	Ordinary Income	Net income	Net Income per Share(yen)
Previous Forecast (A)	9,600	1,429	1,424	863	142.34
Revised Forecast (B)	8,237	1,204	1,202	644	104.88
Increase (Decrease) (B-A)	(1,362)	(224)	(221)	(219)	
Percentage (%)	(14.2)	(15.7)	(15.6)	(25.4)	
(Reference) Results for fiscal year ended March 31, 2025	7,949	1,085	1,081	720	118.81

(2) Reasons for these revisions

During the third quarter of the current fiscal year, against a backdrop of strong demand for DX support, we achieved a record-high third quarter net sales.

As our efforts to strengthen our proposal organization have led to expanded business with some existing customers, the number of customers with quarterly sales exceeding ¥50 million totaled 13 companies (10 companies in the corresponding period of the previous fiscal year; 10 companies in the previous quarter).

However, although expansion among existing customers progressed, sales did not increase enough to recover the slower sales progress since the first quarter. As a result, we determined that achieving the full-year sales forecast of JPY 9,600 million would be difficult and have therefore lowered our sales outlook.

Gross profit margin remained at a high level through rigorous operations, including sound project execution, optimized engineer assignments, and the use of in-house AI. While we also curtailed certain SG&A expenses, this was insufficient to offset the decline in sales, and we have therefore lowered our operating profit outlook as well.

In addition, as stated in “(3) Expected Recording of Valuation Loss on Shares in an Associate,” we expect to record a valuation loss on shares in an associate held by the Company, and have included JPY 102 million as an extraordinary loss.

In light of the above, we have revised our full-year earnings forecast.

(3) Expected Recording of Valuation Loss on Shares in an Associate

Regarding the shares in an associate held by the Company (Cariot, Inc.), the acquisition of large-scale projects has taken longer than we expected, resulting in a variance from our forecasts. Accordingly, we expect to record a valuation loss of up to JPY 102 million in the fourth quarter of the current fiscal year. We will provide an update once the amount is finalized.

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The earnings forecasts presented in this document are based on judgments and assumptions made using information available as of the date of this document, and actual results may differ from the forecast figures due to various factors.