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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

February 13, 2026

Company name:	Segue Group Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	3968
URL:	https://segue-g.jp/
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Scheduled date for ordinary general meeting of shareholders:	March 25, 2026
Scheduled date for dividend payment:	March 26, 2026
Scheduled date for submission of securities report:	March 26, 2026
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (from January 01, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
December 31, 2025	25,074	34.0	1,854	157.5	2,001	88.8	1,191	134.6
December 31, 2024	18,717	7.3	720	(33.7)	1,060	4.4	507	(23.1)

(Note) Comprehensive income For the fiscal year ending December 2025: 1,562 million yen (136.4%) For the fiscal year ended December 2024: 660 million yen ((2.8)%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Net sales Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	37.58	37.20	33.6	12.4	7.4
December 31, 2024	15.73	15.58	14.7	8.3	3.8

(Reference) Investment profit (loss) on equity method Fiscal year ending December 2025 - million yen Fiscal year ending December 2024 - million yen

(Note) The Company conducted a three-for-one stock split of its common shares effective March 1, 2024. "Basic earnings per share" and "Diluted earnings per share" have been calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial positions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2025	18,647	4,400	22.1	129.55
December 31, 2024	13,633	3,193	21.8	93.89

(Reference) Owner's equity Fiscal year ending December 2025: 4,112 million yen Fiscal year ending December 2024: 2,971 million yen

(Note) The Company conducted a three-for-one stock split of its common shares effective March 1, 2024. "Net assets per share" has been calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2025	(2,810)	(90)	1,238	2,535
December 31, 2024	1,755	(991)	(335)	4,066

2. Cash dividends

	Annual dividends per share					Total dividends (aggregate)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of the third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2024	-	5.00	-	6.00	11.00	363	69.8	10.4
Fiscal year ending December 31, 2025		6.00		7.00	13.00	418	35.1	11.6
Fiscal year ending December 2026 (Forecast)		9.00		9.00	18.00		47.2	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to December 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending December 31, 2026	30,000	19.6	2,300	24.0	2,299	14.8	1,403	17.8	38.60

* Notes

(1) Significant changes in the scope of consolidation during the period : None

Although this does not constitute a significant change in the scope of consolidation, J's Solution Co., Ltd., a consolidated subsidiary, was dissolved through an absorption-type merger with the Company as the surviving entity, and has therefore been excluded from the scope of consolidation from the third quarter of the consolidated fiscal period.

(2) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies based on revisions of accounting standard : Yes

(ii) Changes in accounting policies other than (i) above : None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(3) Number of shares issued (common stock)

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

As of December 31, 2025	32,564,077 shares
As of December 31, 2024	32,560,086 shares

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

As of December 31, 2025	819,200 shares
As of December 31, 2024	913,600 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	31,699,387 shares
Fiscal year ended December 31, 2024	32,278,739 shares

(Note) The Company conducted a stock split at a ratio of 3 shares for each common share effective March 1, 2024. Accordingly, the number of shares outstanding at the end of the period (including treasury shares), number of treasury shares at the period end, and average number of shares have been calculated as if the stock split had been conducted at the beginning of the previous consolidated fiscal year.

(Reference) Overview of Non-consolidated Results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 01, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate YoY changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	1,380	10.1	486	42.0	709	(0.1)	649	3.9
December 31, 2024	1,254	5.8	342	(47.2)	710	15.7	625	2.4
Fiscal year ended	Basic earnings per share		Diluted earnings per share					
	Yen		Yen					
December 31, 2025	20.50		20.29					
December 31, 2024	19.38		19.19					

(Note) The Company conducted a three-for-one stock split of its common shares effective March 1, 2024. "Basic earnings per share" and "Diluted earnings per share" have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial positions

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2025	3,778	2,312	59.2	70.42
December 31, 2024	3,530	1,771	48.2	53.73

(Reference) Owner's equity Fiscal year ending December 2025: 2,235 million yen Fiscal year ended December 2024: 1,700 million yen

(Note) On March 1, 2024, the Company conducted a three-for-one stock split of its common shares. "Net assets per share" has been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

* Financial results reports are not subject to audits by certified public accountants or audit corporations.

* Notes regarding the appropriate use of forecasts and other special items

• The forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable. They are not intended as a guarantee of achievement by the Company. Actual results may differ significantly due to various factors. For the conditions underlying the forecasts and notes on the use of forecasts, please refer to the attached document on page 5, "1. Overview of Operating Results, etc. (4) Outlook for the Future." • The Company plans to hold a financial results briefing for institutional investors and analysts on Friday, February 20, 2026. Materials distributed at this briefing will be promptly posted on the Company's website after the event.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the period

During the consolidated fiscal year, the Japanese economy is expected to experience a moderate recovery, supported by improvements in the employment and income environment as well as the effects of various policies. On the other hand, downside risks remain due to developments in U.S. trade policy. Furthermore, there are concerns that continued price increases may restrain personal consumption and hinder the recovery of the domestic economy, resulting in a situation where the outlook remains uncertain.

In the IT industry to which our group belongs, DX (Digital Transformation) investments aimed at improving corporate productivity and strengthening competitiveness have continued, and demand for investments in IT infrastructure and cybersecurity measures by government agencies and private companies remains at a high level. In particular, with the promotion of digital government policies, IT investments by central government ministries and local governments are steadily expanding, and a favorable business environment continues for our group, which has a high ratio of net sales to government ministries and local governments.

Under such a business environment, we have been working to strengthen our proposal and order acquisition capabilities by reorganizing the sales and technical structures of our core operating companies and establishing a nationwide cross-functional organizational structure. As a result, in the fiscal year under review, we not only secured numerous large-scale projects but also received multiple orders for the ultra-large-scale GSS (Government Solution Service) projects, leading to order intake and order backlog significantly exceeding those of the previous fiscal year.

Regarding the status by business segment, in the VAD (Value Added Distribution) business, performance expanded significantly due to large-scale projects in addition to GSS projects.

In the system integration business, while the acquisition of large-scale projects for government agencies and private companies contributed to business expansion, some large projects became a factor in lowering profit margins.

In our in-house development business, we steadily accumulated projects for local governments and medical institutions, and stock-type services such as RevoWorks Cloud and Managed Security Service (MSS) also performed well. However, as the sales recognition of projects ordered by government agencies was deferred to the next fiscal period, both net sales and gross profit were sluggish.

In overseas business, the addition of First One Systems Co., Ltd. to the group in May last year has led to an expansion of our business scale. Focusing on DX infrastructure and cybersecurity demand, we have not only secured projects related to public transportation infrastructure in Thailand, but have also been working to expand business with local Japanese companies, thereby strengthening our business foundation.

In addition, during the fiscal year under review, based on the strong order environment and the progress of business performance, we revised our consolidated forecasts.

As a result, for the fiscal year, net sales of the Solution Product business were 16,633,166 thousand yen (up 51.2% YoY), net sales of the Solution Service business were 8,441,316 thousand yen (up 9.4% YoY), with total net sales of 25,074,483 thousand yen (up 34.0% YoY), operating profit of 1,854,284 thousand yen (up 157.5% YoY), ordinary profit of 2,001,769 thousand yen (up 88.8% YoY), and profit attributable to owners of parent of 1,191,196 thousand yen (up 134.6% YoY).

(2) Overview of the financial position for the period

(Assets)

At the end of the fiscal year, total assets amounted to 18,647,258 thousand yen, an increase of 5,014,148 thousand yen compared to the end of the previous fiscal year. Current assets amounted to 15,579,725 thousand yen, an increase of 4,783,814 thousand yen compared to the end of the previous fiscal year. Noncurrent assets amounted to 3,067,533 thousand yen, an increase of 230,333 thousand yen compared to the end of the previous fiscal year.

The main factors for the increase in current assets were the increases in notes and accounts receivable - trade, inventories, and advance payments - trade.

The main reason for the increase in noncurrent assets is due to an increase in investment securities, among other factors.

(Liabilities)

Total liabilities at the end of the fiscal year amounted to 14,246,697 thousand yen, an increase of 3,806,616 thousand yen compared to the end of the previous fiscal year. Current liabilities amounted to 12,789,298 thousand yen, an increase of 4,476,391 thousand yen compared to the end of the previous fiscal year. Noncurrent liabilities amounted to 1,457,399 thousand yen, a decrease of 669,774 thousand yen compared to the end of the previous fiscal year.

The main reason for the increase in current liabilities was primarily due to an increase in short-term debt and advances received. The main reason for the decrease in noncurrent liabilities was primarily due to a decrease in long-term debt.

(Net assets)

At the end of the fiscal year, net assets amounted to 4,400,561 thousand yen, an increase of 1,207,532 thousand yen compared to the end of the previous fiscal year. The main reason for this increase was the rise in retained earnings, among other factors.

(3) Overview of Cash Flows for the Period

Cash and cash equivalents at the end of the fiscal year were 2,535,199 thousand yen, a decrease of 1,531,165 thousand yen (37.7%) compared to the same period of the previous year.

The cash flows and their factors are as follows.

(Cash flows from operating activities)

Cash flows from operating activities decreased by 4,565,564 thousand yen in income compared to the previous consolidated fiscal year, resulting in an outflow of 2,810,300 thousand yen. This was mainly due to a pre-tax net income of 1,891,448 thousand yen and an increase in advances received of 1,878,610 thousand yen, while there were increases in accounts receivable of 2,374,678 thousand yen, inventories of 2,218,315 thousand yen, and advance payments - trade of 1,536,961 thousand yen, among other factors.

(Cash flows from investing activities)

Cash flows from investing activities decreased by 901,186 thousand yen in expenditures compared to the previous consolidated fiscal year, resulting in expenditures of 90,098 thousand yen. This was mainly due to proceeds from sale of investment securities of 259,133 thousand yen, while there were also purchases of property, plant and equipment amounting to 199,696 thousand yen.

(Cash flows from financing activities)

Cash flows from financing activities increased by 1,573,361 thousand yen compared to the previous consolidated fiscal year, resulting in net cash inflows of 1,238,323 thousand yen. This was mainly due to net proceeds from short-term debt amounting to 2,173,829 thousand yen, among other factors.

(Reference) Trends in cash flow-related indicators

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ending December 31, 2024	Fiscal year ending December 31, 2025
Equity-to-asset ratio	36.5	32.0	33.3	21.8	22.1
Equity-to-asset ratio on a market value basis	1.0	0.8	0.9	1.5	1.1
Ratio of cash flows to interest-bearing liabilities	3.3	1.0	0.5	1.3	(1.4)
Interest Coverage Ratio	(660.2)	164.3	103.4	72.9	(59.5)

Equity-to-asset ratio: Owner's equity / Total assets

Market value-based Equity-to-asset ratio: Market value of equity / Total assets

Cash flow to interest-bearing liabilities ratio: Interest-bearing liabilities / cash flow

Interest coverage ratio: Cash flow / Interest payments

(Note 1) All figures are calculated based on consolidated financial data.

(Note 2) Market capitalization is calculated based on the number of shares issued excluding treasury shares.

(Note 3) Cash flow refers to operating cash flow.

(Note 4) Interest-bearing liabilities include all liabilities recorded on the consolidated balance sheet for which interest is paid.

(4) Future Outlook

Going forward, while the Japanese economy is expected to continue its moderate recovery supported by improvements in the employment and income environment, the outlook remains uncertain due to concerns such as rising prices and a slowdown in overseas economies.

In the business environment surrounding our group, in addition to the growing demand for DX promotion and digital cybersecurity, which are key government policies, IT investment by government ministries, agencies, and local governments is also expected to remain strong.

Under these circumstances, with increased revenue visibility due to a substantial backlog of orders, our group will continue to secure large-scale projects for government agencies, including GSS, strengthen sales of advanced security products, and promote the development of new finished goods to reinforce our earnings base. At the same time, we will strive to enhance our corporate value over the medium to long term through growth investments and M&A utilizing our financial base.

Based on the above, the consolidated earnings forecast for the fiscal year ending December 2026 is as follows: Net sales of 30,000 million yen (up 19.6% YoY), operating profit of 2,300 million yen (up 24.0% YoY), ordinary profit of 2,299 million yen (up 14.8% YoY), and profit attributable to owners of parent of 1,403 million yen (up 17.8% YoY) are projected.

(Note) The above forecasts are based on information available as of the date of this announcement, and actual results may differ from the forecast figures due to various factors in the future.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

We recognize that, while enhancing internal reserves and actively investing in business efficiency and expansion, returning profits to shareholders is an important management issue.

With regard to dividends, our basic policy is to pay interim and year-end dividends twice a year, aiming for a payout ratio of approximately 50% until the fiscal year ending December 2026, and to continue doing so on a continuous and stable basis. This policy is determined by comprehensively considering consolidated business performance, the soundness of our financial position, and the level of internal reserves for future business development.

Based on this policy, the interim dividend for the fiscal year ending December 2025 was implemented at 6 yen per share as initially forecast. In addition, the year-end dividend is also scheduled to be 7 yen per share as initially forecast.

Regarding dividends for the fiscal year ending December 2026, taking into comprehensive consideration the forecasts and the basic policy on dividends, we expect a dividend of 18 yen per share (an interim dividend of 9 yen and a year-end dividend of 9 yen).

In addition, as a token of our appreciation for the continued support of our shareholders and with the aim of increasing awareness of our group and enhancing the attractiveness of our shares, we have introduced a shareholder benefit program under which shareholders listed or recorded in the shareholder register as of December 31 each year are presented with a Digital Gift®. However, in order to encourage shareholders to hold our shares from a medium- to long-term perspective and to balance the methods of shareholder returns, we will establish the "Segue Group Premier Shareholder Benefit Club" starting from the fiscal year ending December 2026. Eligible shareholders will be awarded shareholder benefit points according to the number of shares held, which can be exchanged for their preferred benefit merchandise.

For details, please refer to the "Notice Regarding Changes to the Shareholder Benefit Program (From the Fiscal Year Ending December 2026)" dated January 23, 2026. Regarding the future of the shareholder benefit program, unless there are extraordinary changes in circumstances such as a drastic change in the business environment, we do not plan to make further changes to or abolish the shareholder benefit program for the four years through the fiscal year ending December 2029, which is the final year of the next medium-term management plan.

2. Basic policy regarding the selection of accounting standards

Our group applies Japanese accounting standards in order to ensure comparability with domestic industry peers.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	3,909,297	2,382,084
Notes and accounts receivable - trade	2,830,423	4,822,341
Electronically recorded monetary claims	264,387	678,867
Investment securities	157,067	153,115
Inventories	1,687,584	3,909,030
Advance payments - trade	1,371,193	2,908,772
Accounts receivable - other	295,441	376,651
Other	288,341	358,865
Allowance for doubtful accounts	(7,827)	(10,002)
Total current assets	10,795,910	15,579,725
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	164,191	172,003
Accumulated depreciation	(59,557)	(69,943)
Buildings and structures, net	104,634	102,060
Automotive equipment	7,990	8,558
Accumulated depreciation	(4,972)	(6,073)
Vehicles, net	3,017	2,485
Tools, furniture and fixtures	1,216,503	1,339,743
Accumulated depreciation	(971,608)	(1,035,775)
Tools, furniture and fixtures, net	244,894	303,967
Leased assets	73,447	80,844
Accumulated depreciation	(49,324)	(57,857)
Leased assets, net	24,123	22,987
Land	639	639
Total property, plant and equipment	377,309	432,140
Intangible assets		
Goodwill	1,467,136	1,225,147
Software	68,210	80,854
Software in progress	38,401	38,473
Other	1,314	1,314
Total intangible assets	1,575,062	1,345,790
Investments and other assets		
Investment securities	235,409	579,128
Long-term guarantee deposits	180,745	194,011
Deferred tax assets	198,180	219,253
Insurance funds	87,638	81,876
Other	182,853	215,331
Total investments and other assets	884,827	1,289,602
Total noncurrent assets	2,837,199	3,067,533
Total assets	13,633,110	18,647,258

(Unit: Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	1,410,538	1,368,866
Short-term debt	80,887	2,267,107
Current portion of long-term borrowings	551,512	762,578
Lease liabilities	19,766	11,413
Accounts payable	179,256	249,301
Accrued expenses	405,127	417,010
Income taxes payable	350,459	493,336
Accrued consumption taxes	308,286	109,058
Advances received	4,873,561	6,759,701
Provision for bonuses	26,455	23,201
Provision for bonuses for directors (and other officers)	10,540	19,730
Provision for share-based remuneration	-	15,617
Provision for shareholder benefit program	-	198,788
Other provisions	2,056	2,304
Other	94,457	91,282
Total current liabilities	8,312,907	12,789,298
Noncurrent liabilities		
Long-term debt	1,652,657	925,594
Retirement benefit liability	360,050	394,384
Provision for share-based remuneration	43,765	14,821
Deferred tax liabilities	-	46,875
Long-term accounts payable - other	64,648	64,648
Lease liabilities	6,052	11,074
Total noncurrent liabilities	2,127,173	1,457,399
Total liabilities	10,440,081	14,246,697
Net assets		
Shareholders' equity		
Capital stock	528,173	528,629
Retained earnings	2,827,418	3,633,061
Treasury shares	(467,366)	(442,697)
Total shareholders' equity	2,888,224	3,718,994
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	438	241,699
Deferred gains or losses on hedges	1,522	14,618
Foreign currency translation adjustment	81,235	137,310
Total accumulated other comprehensive income	83,197	393,629
Share subscription rights	71,325	77,097
Non-controlling interests	150,280	210,839
Total net assets	3,193,028	4,400,561
Total liabilities and net assets	13,633,110	18,647,258

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

(Unit: Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	18,717,665	25,074,483
Cost of sales	14,125,210	19,143,254
Gross profit	4,592,455	5,931,229
Selling, general and administrative expenses	3,872,241	4,076,944
Operating profit	720,213	1,854,284
Non-operating income		
Interest income and dividends	3,857	6,683
Gain on sale of securities	-	244,838
Surrender value of insurance	13,008	5,235
Subsidy income	15,524	10,100
Gain on cancellation of derivatives	404,160	-
Other	13,408	21,423
Total non-operating income	449,958	288,282
Non-operating expenses		
Interest expenses	24,054	47,249
Loss on sale of securities	29,330	-
Guarantee commission	411	415
Foreign exchange loss	50,021	89,947
Other	5,975	3,185
Total non-operating expenses	109,794	140,797
Ordinary profit	1,060,377	2,001,769
Extraordinary income		
Gains on sales of investment securities	34,022	-
(Gain) loss on sales of subsidiaries' stock	234,492	-
Total extraordinary income	268,514	-
Extraordinary losses		
Impairment losses	-	110,321
Loss on valuation of investment securities	195,913	-
Total extraordinary losses	195,913	110,321
Net income before income taxes	1,132,978	1,891,448
Income taxes - current	581,574	722,356
Income taxes-deferred	16,896	(62,573)
Total income tax	598,470	659,783
Net income	534,508	1,231,664
Net income attributable to non-controlling interests	26,817	40,468
Profit attributable to owners of parent	507,691	1,191,196

Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net income	534,508	1,231,664
Other comprehensive income		
Valuation difference on available-for-sale securities	26,596	241,260
Deferred gains or losses on hedges	2,388	13,095

Foreign currency translation adjustment	97,294	76,164
Total other comprehensive income	126,280	330,521
Comprehensive income	660,788	1,562,186
Profit attributable to		
Comprehensive income attributable to owners of parent	612,859	1,501,628
Comprehensive income attributable to non-controlling interests	47,928	60,558

(3) Consolidated Statement of Changes in Shareholders' Equity, etc.

For the fiscal year ended December 31, 2024

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	525,563	297,245	3,520,077	(381,733)	3,961,152
Changes during period					
Issuance of new shares	2,609	2,609			5,219
Cash dividends			(328,217)		(328,217)
Profit attributable to owners of parent			507,691		507,691
Acquisitions of treasury shares				(1,279,402)	(1,279,402)
Treasury shares sold		380		30,103	30,484
Cancellation of treasury shares		(1,163,665)		1,163,665	-
Changes in equity due to capital transactions		(15,000)			(15,000)
Changes in the scope of consolidation			6,296		6,296
Transfer to capital surplus from retained earnings		878,429	(878,429)		-
Net changes during the period other than shareholders' equity					
Total changes during period	2,609	(297,245)	(692,659)	(85,633)	(1,072,928)
Balance at end of period	528,173	-	2,827,418	(467,366)	2,888,224

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the period	(26,157)	(866)	5,052	(21,971)	64,192	11,000	4,014,375
Changes during period							
Issuance of new shares							5,219
Cash dividends							(328,217)
Profit attributable to owners of parent							507,691
Acquisitions of treasury shares							(1,279,402)
Treasury shares sold							30,484
Cancellation of treasury shares							-
Changes in ownership interests due to capital transactions							(15,000)
Changes in the scope of consolidation							6,296
Transfer to capital surplus from retained earnings							-
Net changes during the period for items other than shareholders' equity	26,596	2,388	76,183	105,168	7,132	139,280	251,581
Total changes during period	26,596	2,388	76,183	105,168	7,132	139,280	(821,346)
Balance at end of period	438	1,522	81,235	83,197	71,325	150,280	3,193,028

For the fiscal year ended December 31, 2025

(Unit: Thousands of yen)

	Shareholders' equity					Share subscription rights	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at the beginning of the period	528,173	-	2,827,418	(467,366)	2,888,224			
Changes during period								
Issuance of new shares	456	456			912			912
Cash dividends			(380,282)		(380,282)			(380,282)
Profit attributable to owners of parent			1,191,196		1,191,196			1,191,196
Acquisitions of treasury shares					-			-
Treasury shares sold		(726)		24,669	23,943			23,943
Cancellation of treasury shares					-			-
Changes in equity due to capital transactions		(5,000)			(5,000)			(5,000)
Changes in the scope of consolidation					-			-
Transfer to capital surplus from retained earnings		5,270	(5,270)		-			-
Net changes during the period in items other than shareholders' equity								
Total changes during period	456	-	805,643	24,669	830,769			
Balance at end of period	528,629	-	3,633,061	(442,697)	3,718,994			
	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets	
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income				
Balance at the beginning of the period	438	1,522	81,235	83,197	71,325	150,280	3,193,028	
Changes during period								
Issuance of new shares							912	
Cash dividends							(380,282)	
Profit attributable to owners of parent							1,191,196	
Acquisitions of treasury shares							-	
Treasury shares sold							23,943	
Cancellation of treasury shares							-	
Changes in equity due to capital transactions							(5,000)	
Changes in the scope of consolidation							-	
Transfer to capital surplus from retained earnings							-	
Net changes during the period in items other than shareholders' equity	241,260	13,095	56,074	310,431	5,772	60,558	376,762	
Total changes during period	241,260	13,095	56,074	310,431	5,772	60,558	1,207,532	
Balance at end of period	241,699	14,618	137,310	393,629	77,097	210,839	4,400,561	

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Net income before income taxes	1,132,978	1,891,448
Depreciation	177,189	205,284
Impairment losses	-	110,321
Amortization of goodwill	129,303	240,524
Share-based payment expenses	12,352	6,681
Increase (decrease) in provision for share awards	(21,330)	(13,326)
Increase (decrease) in allowance for doubtful accounts	(5,338)	1,484
Increase (decrease) in provision for bonuses for directors (and other officers) (- indicates decrease)	(5,280)	9,190
Increase (decrease) in liabilities for retirement benefits	32,906	33,065
Increase (decrease) in provision for shareholder benefit program	-	198,788
Interest income and dividends income	(3,857)	(6,683)
Interest expenses	24,054	47,249
Loss (gain) on sale of investment securities	(6,927)	(244,838)
Loss (gain) on sale of shares of subsidiaries	(234,492)	-
Loss (gain) on valuation of investment securities	195,913	-
Foreign exchange loss	(109,678)	(108,700)
Decrease (increase) in trade receivables	(833,672)	(2,374,678)
Increase (decrease) in accounts receivable - other (- indicates increase)	(97,662)	(53,596)
(Increase) decrease in inventories	1,192,056	(2,218,315)
Decrease (increase) in advance payments to suppliers	(122,994)	(1,536,961)
Increase (decrease) in trade payables	(156,509)	(62,460)
Increase (decrease) in advances received	776,934	1,878,610
Other	(6,488)	(149,113)
Subtotal	2,069,457	(2,146,029)
Interest and dividends received	3,857	6,683
Interest paid	(24,086)	(47,192)
Income taxes paid	(293,965)	(623,763)
Cash flows from operating activities	1,755,263	(2,810,300)
Cash flows from investing activities		
Purchase of investment securities	(51,000)	(1,491)
Proceeds from the sale of investment securities	223,270	259,133
Purchase of shares of subsidiaries	(15,000)	(5,000)
Purchase of property and equipment	(118,573)	(199,696)
Purchase of intangible assets	(44,388)	(59,370)
Payment for acquisition of subsidiaries resulting in change in scope of consolidation	(1,406,473)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	245,854	-
Payments for acquisition of businesses	-	(60,000)
Payments of leasehold and guarantee deposits	(5,872)	(28,332)
Proceeds from refund of leasehold and guarantee deposits	11,698	4,659
Proceeds from collection of long-term deposits	169,200	-
Cash flows from investing activities	(991,284)	(90,098)
Cash flows from financing activities		

Net increase (decrease) in short-term borrowings	(22,143)	2,173,829
Proceeds from long-term borrowings	1,724,239	-
Repayment of long-term borrowings	(374,570)	(551,055)
Proceeds from issuance of shares	-	912
Acquisition of treasury shares	(1,279,402)	-
Proceeds from sale of treasury shares	30,484	15,880
Repayments of finance lease liabilities	(16,838)	(20,961)
Cash dividends paid	(328,217)	(380,282)
Dividends paid to non-controlling interests	(68,590)	-
Cash flows from financing activities	(335,038)	1,238,323
Effect of exchange rate change on cash and cash equivalents	185,623	130,910
Increase (decrease) in cash and cash equivalents	614,564	(1,531,165)
Cash and cash equivalents at the beginning of the period	3,451,801	4,066,365
Cash and cash equivalents at end of the period	4,066,365	2,535,199

(5) Notes to Consolidated Financial Statements

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Changes in accounting policies)

(Application of accounting standards such as 'Income taxes - current')

The "Accounting Standard for Income Taxes - Current, etc." (ASBJ Statement No. 27, October 28, 2022), the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022), and the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) have been applied from the beginning of the current consolidated fiscal year. These changes have no impact on the consolidated financial statements.

(Revenue recognition related)

Breakdown of revenue from contracts with customers

(Unit: Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Solution Product Business	10,999,568	16,633,166
Solution Services Business	7,718,097	8,441,316
Total	18,717,665	25,074,483

(Segment Information, etc.)

As our group operates a single business segment, the IT Solutions business, segment information is omitted.

(Per share information)

The amounts and calculation bases for basic earnings per share and diluted earnings per share are as follows.

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net assets per share	93.89 yen	129.55 yen
Basic earnings per share (Yen)	15.73 yen	37.58 yen
Diluted earnings per share (Yen)	15.58 yen	37.20 yen

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Basic earnings per share (Yen)		
Profit attributable to owners of parent (Thousand yen)	507,691	1,191,196
Amount not attributable to common shareholders (Thousand yen)	-	-
Profit attributable to owners of parent related to common stock (Thousand yen)	507,691	1,191,196
Average number of common shares (shares)	32,278,739	31,699,387
Diluted earnings per share (Yen)		
Adjustment to profit attributable to owners of parent	-	-
Increase in number of common shares (shares)	313,608	324,611
(of which, Share subscription rights (shares))	(313,608)	(324,611)
Overview of potential shares not included in the calculation of diluted earnings per share due to having no dilutive effect		-

(Note) 1. On March 1, 2024, the Company conducted a stock split at a ratio of three shares for each common share. The amounts per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous

consolidated fiscal year.

2. In calculating net assets per share, basic earnings per share, and diluted earnings per share, the average number of shares of common stock used excludes the Company's shares held by the stock benefit trust (J-ESOP) as trust assets under the stock benefit trust system.

(432,116 shares for the previous consolidated fiscal year, 502,825 shares for the current consolidated fiscal year)

(Significant Subsequent Events)

(Issuance of new shares through public offering and secondary offering of shares, etc.)

At the Board of Directors meeting held on January 23, 2026, the Company resolved to issue new shares through a public offering (general offering), to conduct a secondary offering of shares (offering by purchase and underwriting by underwriters), to conduct a secondary offering of shares (over-allotment), and to issue new shares through a third-party allotment (related to over-allotment). The payment for the new shares issued through the public offering (general offering) was completed on February 9, 2026, and the delivery for the secondary offering of shares (offering by purchase and underwriting by underwriters) and the secondary offering of shares (over-allotment) was completed on February 10, 2026.

The summary is as follows.

1. Issuance of new shares through public offering (general offering)

(1) Type and number of shares to be issued	4,600,000 shares of common stock of the Company
(2) Issue price (offering price)	516 yen per share
(3) Total amount of issue price	2 billion 373 million 600 thousand yen
(4) Amount paid	494.72 yen per share
(5) Total amount of paid-in capital	2 billion 275 million 712 thousand yen
(6) Amount of increased capital stock and legal capital surplus	Amount of increased capital stock: 1 billion 137 million 856 thousand yen Amount of increased legal capital surplus: 1 billion 137 million 856 thousand yen
(7) Application period	From February 3, 2026 to February 4, 2026
(8) Payment date	February 9, 2026

2. Secondary offering of the Company's shares (offering by purchase and underwriting by underwriters)

(1) Type and number of shares to be offered	625,000 shares of the Company's common stock
(2) Offering price	516 yen per share
(3) Total amount of offering price	322 million 500 thousand yen
(4) Application period	From February 3, 2026 to February 4, 2026
(5) Settlement date	February 10, 2026

3. Secondary offering of the Company's shares (offering by over-allotment)

(1) Type and number of shares to be offered	783,700 shares of the Company's common stock
(2) Offering price	516 yen per share
(3) Total amount of offering price	404 million 389 thousand 200 yen
(4) Application period	From February 3, 2026 to February 4, 2026
(5) Settlement date	February 10, 2026

4. Issuance of new shares through third-party allotment (related to over-allotment)

(1) Type and number of shares to be issued	783,700 shares of the Company's common stock
(2) Paid-in amount	494.72 yen per share
(3) Total amount of paid-in capital	(Upper limit) 387,712,064 yen
(4) Amount of increase in capital stock and legal capital surplus	The amount of increased capital stock (maximum): 193,856,032 yen The amount of increased legal capital surplus (maximum): 193,856,032 yen

(5) Application period	March 4, 2026
(6) Payment date	March 5, 2026
(7) Allottees	Mizuho Securities Co., Ltd.

5. Use of Funds

Regarding the maximum total estimated net proceeds of 2 billion 641 million 424 thousand 64 yen from this public offering and third-party allotment, we plan to allocate 1 billion 981 million yen to meet funding needs for large-scale orders from government agencies by the end of the fiscal year ending December 2026, and 660 million 424 thousand 64 yen as standby funds for M&A activities to support the business expansion of our group by the end of the fiscal year ending December 2027.

(Note) The above events do not revise the figures in the consolidated financial statements as of the end of the current fiscal year (December 31, 2025).

(Issuance of stock compensation-type stock options (Share subscription rights))

At the 7th Annual General Meeting of Shareholders held on March 25, 2021, the proposal regarding the determination of the amount and details of stock-based compensation-type stock options for directors was approved. Based on this approval, the Company may grant up to 80,000 share subscription rights per year and up to 80,000 thousand yen per year to directors (excluding directors who are Audit and Supervisory Committee members), and up to 5,000 share subscription rights per year and up to 5,000 thousand yen per year to directors who are Audit and Supervisory Committee members, as compensation for the issuance of stock options (share subscription rights). In accordance with this, at the Board of Directors meeting held on February 13, 2026, the Company resolved the details of the share subscription rights to be issued as stock-based compensation-type stock options to directors. For further details, please refer to the "Notice Regarding the Issuance of Stock-Based Compensation-Type Stock Options (Share Subscription Rights) to Directors" announced today.