

May 13, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3040
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated Operating Results (Cumulative)

(Percentage reflects the change compared to the same period of the preceding year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2026	5,165	12.7	908	53.2	949	79.7	685	71.1
March 31, 2025	4,585	0.2	593	21.3	528	(7.4)	400	2.4

Note: Comprehensive income For the three months ended March 31, 2026: ¥682 million [71.4%]
 For the three months ended March 31, 2025: ¥398 million [16.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2026	37.00	-
March 31, 2025	21.63	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2026	25,203	13,420	53.2
December 31, 2025	26,228	13,256	50.5

Reference: Equity
 As of March 31, 2026: ¥13,411 million
 As of December 31, 2025: ¥13,247 million

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	26.00	-	28.00	54.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		30.00		30.00	60.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentage reflects the change compared to the same period of the preceding year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2026	21,200	7.3	3,150	10.7	3,200	7.5	2,350	2.3	126.74

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

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

Excluded: 1 company (Sound-FinTech Inc.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2026	19,738,888 shares
As of December 31, 2025	19,738,888 shares

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

As of March 31, 2026	1,197,498 shares
As of December 31, 2025	1,197,498 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	18,541,390 shares
Three months ended March 31, 2025	18,537,101 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results contained in these materials, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	10,858	8,715
Electronically recorded monetary claims - operating	1,349	1,009
Accounts receivable - trade	2,695	2,460
Investments in leases	97	89
Securities	6,000	8,000
Merchandise and finished goods	1,050	999
Work in process	66	67
Raw materials and supplies	48	47
Prepaid expenses	1,677	1,677
Other	125	127
Allowance for doubtful accounts	(14)	(16)
Total current assets	23,954	23,177
Non-current assets		
Property, plant and equipment	731	727
Intangible assets		
Software	210	225
Software in progress	60	18
Other	14	14
Total intangible assets	285	258
Investments and other assets		
Investment securities	12	12
Guarantee deposits	378	375
Deferred tax assets	393	170
Other	472	480
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,257	1,040
Total non-current assets	2,274	2,026
Total assets	26,228	25,203

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,420	1,193
Lease liabilities	32	32
Accounts payable - other	564	705
Income taxes payable	655	128
Contract liabilities	8,931	9,073
Provision for bonuses	752	250
Provision for bonuses for directors (and other officers)	57	-
Other	482	333
Total current liabilities	12,896	11,716
Non-current liabilities		
Lease liabilities	65	57
Other	10	10
Total non-current liabilities	75	67
Total liabilities	12,971	11,783
Net assets		
Shareholders' equity		
Share capital	1,326	1,326
Capital surplus	1,406	1,406
Retained earnings	12,163	12,330
Treasury shares	(1,310)	(1,310)
Total shareholders' equity	13,585	13,752
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	(338)	(341)
Total accumulated other comprehensive income	(338)	(341)
Non-controlling interests	9	9
Total net assets	13,256	13,420
Total liabilities and net assets	26,228	25,203

Quarterly Consolidated Statement of Income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	4,585	5,165
Cost of sales	2,479	2,646
Gross profit	2,106	2,518
Selling, general and administrative expenses	1,512	1,609
Operating profit	593	908
Non-operating income		
Interest income	1	26
Dividend income	0	0
Foreign exchange gains	-	17
Reversal of allowance for doubtful accounts	-	0
Recoveries of written off receivables	2	-
Other	1	1
Total non-operating income	5	45
Non-operating expenses		
Interest expenses	0	-
Foreign exchange losses	60	-
Loss on retirement of non-current assets	0	-
Loss on investments in investment partnerships	9	4
Other	-	0
Total non-operating expenses	70	4
Ordinary profit	528	949
Extraordinary income		
Gain on sale of non-current assets	-	-
Gain on sale of shares of subsidiaries	-	63
Total extraordinary income	-	63
Extraordinary losses		
Loss on valuation of investment securities	13	-
Loss on sale of investment in affiliates	73	-
Total extraordinary losses	86	-
Profit before income taxes	442	1,012
Income taxes - current	16	104
Income taxes - deferred	25	222
Total income taxes	42	327
Profit	399	685
Profit (loss) attributable to non-controlling interests	(1)	(0)
Profit attributable to owners of parent	400	685

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	399	685
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(0)
Foreign currency translation adjustment	(1)	(2)
Total other comprehensive income	(1)	(3)
Comprehensive income	398	682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	399	682
Comprehensive income attributable to non-controlling interests	(1)	(0)

(Notes on Segment Information)
Segment Information

I. Changes to Reporting Segments

From the first quarter of the current fiscal year, the expenses of the video transmission basic technology development team, which were previously included in the "company-wide expenses," were changed to include in the "Mobile Video Communication BU." In accordance with this segment change, the segment information for the three months of the previous fiscal year is based on the segment classification after the change.

II. The Three Months of The Previous Fiscal Year (January 1, 2025 to March 31, 2025)

1. Information on Sales, Profits or Losses, Assets, Liabilities and Other Amounts by Reporting Segment, and Breakdown of Earnings

(Millions of yen)

	Reporting segments			Total
	IT Security BU	Mobile Video Communication BU	Eco Innovative BU	
Products				
Maintenance	1,458	75	28	1,563
Cloud services	1,361	15	-	1,377
Services and other revenues	647	26	-	673
Products	840	108	21	969
Revenue generated from customer contracts	4,308	226	49	4,585
Revenues from external customers	4,308	226	49	4,585
Transactions with other segments	1	2	5	9
Total	4,309	228	55	4,594
Segment profit (loss)	805	(36)	(37)	731

2. The Differences between the Total Amount of Profit or Loss of the Reporting Segments and the Amount Recorded in the Quarterly Consolidated Statements of Income and the Main Details of the Differences (Matters related to Adjustment of Differences)

(Millions of yen)

Profit	Amount
Total amount of reporting segments	731
Company-wide expenses (Note)	(137)
Operating Income in Quarterly Consolidated Statements of Income	593

Note: Company-wide expenses are the difference in the allocation of related departmental expenses, which are mainly borne by the reporting segment.

3. Information on Impairment Losses or Goodwill on Fixed Assets by Reporting Segment

Not applicable.

III. The Three Months of the Current Fiscal Year (January 1, 2026 to March 31, 2026)

1. Information on Sales, Profits or Losses, Assets, Liabilities and Other Amounts by Reporting Segment, and Breakdown of Earnings

(Millions of yen)

	Reporting segments			Total
	IT Security BU	Mobile Video Communication BU	Eco Innovative BU	
Products				
Maintenance	1,755	102	43	1,901
Cloud services	1,376	16	-	1,392
Services and other revenues	707	29	-	737
Products	1,009	119	4	1,133
Revenue generated from customer contracts	4,850	267	47	5,165
Revenues from external customers	4,850	267	47	5,165
Transactions with other segments	7	4	-	11
Total	4,857	271	47	5,176
Segment profit (loss)	1,169	(60)	(55)	1,053

2. The Differences between the Total Amount of Profit or Loss of the Reporting Segments and the Amount Recorded in the Quarterly Consolidated Statements of Income and the Main Details of the Differences (Matters related to Adjustment of Differences)

(Millions of yen)

Profit	Amount
Total Reporting Segments	1,053
Company-wide expenses (Note)	(144)
Operating Income in Quarterly Consolidated Statements of Income	908

Note: Company-wide expenses are the difference in the allocation of related departmental expenses, which are mainly borne by the reporting segment.

3. Information on Impairment Losses or Goodwill on Fixed Assets by Reporting Segment

Not applicable.