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MEMBERSHIP

May 14, 2026

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

Company name: Fixstars Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 3687
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended March 31, 2026 (from October 1, 2025 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
March 31, 2026	5,442	13.8	1,635	8.8	1,641	9.5	964	(19.1)
March 31, 2025	4,783	22.4	1,502	27.4	1,499	27.3	1,192	56.4

Note: Comprehensive income For the six months ended March 31, 2026: ¥1,041 million [(16.2)%]
 For the six months ended March 31, 2025: ¥1,243 million [59.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
March 31, 2026	29.90	–
March 31, 2025	36.99	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	10,456	8,959	83.7	270.84
September 30, 2025	9,871	8,522	83.6	255.71

Reference: Equity As of March 31, 2026: ¥8,749 million
 As of September 30, 2025: ¥8,247 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 September 30, 2025	–	0.00	–	18.00	18.00
Fiscal year ending September 30, 2026	–	0.00			
Fiscal year ending September 30, 2026 (Forecast)			–	19.00	19.00

Notes: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial forecast for the fiscal year ending September 30, 2026 (from October 1, 2025 to September 30, 2026)

(Percentages indicate year-on-year changes.)

	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 September 30, 2026	10,800	12.3	3,100	20.2	3,100	20.1	1,950	0.2	60.39

Note: Revisions to the earnings forecasts most recently announced: Yes

* **Notes**

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

Excluded: 1 company (Drone Autopilot Lab Corporation)

(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	33,635,000 shares
As of September 30, 2025	33,635,000 shares

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

As of March 31, 2026	1,331,742 shares
As of September 30, 2025	1,382,142 shares

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

Six months ended March 31, 2026	32,273,628 shares
Six months ended March 31, 2025	32,230,815 shares

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

* Proper use of earnings forecasts, and other special matters

Caution concerning forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to Fixstars Corporation (the “Company”) at the time of announcement thereof and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. For assumptions used for earnings forecasts and notes on the use of earnings forecasts, please refer to “1. Overview of operating results and others, (3) Explanation of forward-looking statements including consolidated earnings forecasts” on page 3 of the attached material.

Method of obtaining the supplementary material on financial results

The supplementary material on financial results is disclosed on the Timely Disclosure network (TDnet) on the same day as the financial results, and it is made available on the Company’s website.

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1. Overview of operating results and others

(1) Overview of operating results for the period

In the six months ended March 31, 2026, the Japanese economy experienced a moderate recovery, underpinned by improvements in the employment and wage environment and the positive impact of various policy initiatives. Meanwhile, numerous downside risks to the economy have emerged, including the impact of intensifying tensions in the Middle East on commodity prices, volatility in financial and capital markets, and developments in U.S. trade policy, resulting in a continued climate of uncertainty regarding the outlook.

In this management environment, the Company created a new slogan of “Speed up your AI” and applied advanced software technologies we developed to the AI domain. We are driving our business in this domain to help our clients accelerate their AI development and deployment in this AI era.

In the Solution Business, the Company’s core business, algorithm development and acceleration projects for automated/autonomous driving, and software development projects for semiconductor manufacturers have continued stably over the long term. In other businesses, we earned stable revenue mainly from projects for manufacturers in Japan, supported by strong demand for acceleration services.

In the SaaS Business, the Company is developing “Fixstars Amplify,” a cloud-based quantum computing platform, “METIS Eye,” a support program for AI-based image diagnosis of breast cancer, “Fixstars AI Booster,” a performance engineering platform for AI development and deployment, and so forth.

Furthermore, for overseas businesses, Fixstars Solutions, Inc., a subsidiary in the U.S., played a role in the U.S.-based operations of customers in Japan, while working to expand acceleration projects for research institutions and others.

As a result, for the six months ended March 31, 2026, net sales were ¥5,442,443 thousand (up 13.8% year on year), operating profit was ¥1,635,017 thousand (up 8.8% year on year), ordinary profit was ¥1,641,884 thousand (up 9.5% year on year), and profit attributable to owners of parent was ¥964,944 thousand (down 19.1% year on year).

Business performance by major segment is as follows. The figures shown below are the amounts after elimination of intersegment transactions.

(i) Solution Business

We developed firmware and device drivers for NAND flash memories, the use of which has been advancing in mobile devices, data centers and others in the semiconductor field, and engaged in algorithm development and acceleration projects for automated/autonomous driving as well as in research and development and acceleration support in relation to next-generation mobility in the mobility field. In addition, we provided real-time high-definition image processing and genomic analysis in medical image diagnosis equipment in the life science field, acceleration support for risk calculation and high-frequency trading (HFT) in the finance field, and acceleration support for machine vision systems in industrial equipment, etc. and others in the industrial field.

As a result, net sales were ¥5,049,292 thousand (up 10.9% year on year), and segment profit (operating profit) was ¥1,932,635 thousand (up 15.0% year on year).

(ii) SaaS Business

In each business of the SaaS Business, we proactively made investments and conducted development toward earning revenue in the future.

As a result, net sales were ¥393,150 thousand (up 72.2% year on year), and segment loss (operating loss) was ¥295,563 thousand (segment loss (operating loss) of ¥177,955 thousand in the same period of the previous fiscal year).

(iii) Other

In our Corporate Venture Capital (CVC) business, we invest in and provide operational support to deep-tech startups.

As a result, this segment loss (operating loss) was ¥2,053 thousand (segment loss (operating loss) of ¥163 thousand in the same period of the previous fiscal year).

(2) Overview of financial position for the period

(i) Assets, liabilities, and net assets

Total assets

As of March 31, 2026, total assets amounted to ¥10,456,352 thousand, an increase of ¥585,116 thousand from the end of the previous fiscal year. This was principally due to an increase of ¥326,805 thousand in accounts receivable, an increase of ¥239,296 thousand in operational investment securities, and a decrease of ¥125,271 thousand in contract assets.

Liabilities

As of March 31, 2026, total liabilities amounted to ¥1,496,589 thousand, an increase of ¥147,413 thousand from the end of the previous fiscal year. This was principally due to an increase of ¥224,236 thousand in accounts payable, an increase of ¥185,898 thousand in accrued expenses, both included in Current liabilities - Other, and a decrease of ¥161,518 thousand in provision for bonuses.

Net assets

As of March 31, 2026, total net assets amounted to ¥8,959,763 thousand, an increase of ¥437,703 thousand from the end of the previous fiscal year. This was principally due to an increase of ¥384,392 thousand in retained earnings.

(ii) Cash flows

As of March 31, 2026, cash and cash equivalents amounted to ¥5,085,268 thousand, a decrease of ¥92,882 thousand from the end of the previous fiscal year.

Each cash flow in this period is as follows.

Cash flows from operating activities

Net cash from operating activities amounted to ¥822,044 thousand (down 3.0% year on year). This was due to ¥1,412,539 thousand in profit before income taxes, an increase of ¥193,008 thousand in accounts receivable, an increase of ¥220,957 thousand in operational investment securities, and contract assets and income tax payment of ¥302,653 thousand.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥255,067 thousand (up 351.8% year-on-year). This was principally due to purchase of property, plant and equipment, ¥184,063 thousand.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥691,796 thousand (down 34.1% year-on-year). This was principally due to payment of dividends, ¥578,744 thousand.

(3) Explanation of forward-looking statements including consolidated earnings forecasts

Based on recent business conditions, the Company has revised its consolidated financial results forecast and dividend forecast for the fiscal year ending September 30, 2026, which were previously announced on November 14, 2025. For details, please refer to the 'Notice Concerning Difference between Second Quarter (Interim) Consolidated Forecasts and Actual Results, and Revisions to Full-Year Consolidated Forecasts and Dividend Forecasts' announced today (May 14, 2026).

Note that earnings forecasts are based on information currently available to the Company, and actual results may differ from forecasts due to various factors going forward.

2. Interim consolidated financial statements and significant notes thereto

(1) Interim consolidated balance sheets

(Thousands of yen)

	As of September 30, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	5,178,150	5,085,268
Accounts receivable - trade	2,815,421	3,142,226
Contract assets	219,862	94,590
Operational investment securities	50,099	289,395
Inventories	3,504	11,608
Other	385,857	543,197
Total current assets	8,652,896	9,166,287
Non-current assets		
Property, plant and equipment	258,300	356,281
Intangible assets		
Other	2,481	2,010
Total intangible assets	2,481	2,010
Investments and other assets		
Investment securities	115,666	165,079
Deferred tax assets	318,515	261,143
Leasehold and guarantee deposits	513,375	495,550
Other	10,000	10,000
Total investments and other assets	957,557	931,772
Total non-current assets	1,218,339	1,290,064
Total assets	9,871,235	10,456,352
Liabilities		
Current liabilities		
Accounts payable - trade	142,056	156,274
Lease liabilities	25,427	27,901
Contract liabilities	151,187	61,928
Income taxes payable	317,268	357,732
Provision for bonuses	206,793	45,275
Other	484,693	832,249
Total current liabilities	1,327,426	1,481,361
Non-current liabilities		
Lease liabilities	21,749	8,730
Deferred tax liabilities	-	6,497
Total non-current liabilities	21,749	15,227
Total liabilities	1,349,176	1,496,589
Net assets		
Shareholders' equity		
Share capital	554,468	554,468
Capital surplus	698,396	729,579
Retained earnings	8,072,300	8,456,693
Treasury shares	(1,263,671)	(1,217,591)
Total shareholders' equity	8,061,494	8,523,150
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,838	23,893
Foreign currency translation adjustment	157,195	202,045
Total accumulated other comprehensive income	186,034	225,939
Non-controlling interests	274,530	210,673
Total net assets	8,522,059	8,959,763
Total liabilities and net assets	9,871,235	10,456,352

(2) Interim consolidated statements of income and consolidated statements of comprehensive income
Interim consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Net sales	4,783,240	5,442,443
Cost of sales	2,169,137	2,373,714
Gross profit	2,614,102	3,068,728
Selling, general and administrative expenses	1,111,597	1,433,711
Operating profit	1,502,504	1,635,017
Non-operating income		
Interest income	1,100	5,323
Gain on forfeiture of unclaimed dividends	262	354
Subsidy income	—	2,350
Other	142	473
Total non-operating income	1,505	8,501
Non-operating expenses		
Interest expenses	663	181
Foreign exchange losses	3,977	1,454
Other	165	—
Total non-operating expenses	4,805	1,635
Ordinary profit	1,499,204	1,641,884
Extraordinary income		
Gain on sale of investment securities	4,487	—
Total extraordinary income	4,487	—
Extraordinary losses		
Head office relocation expenses	—	229,344
Total extraordinary losses	—	229,344
Profit before income taxes	1,503,692	1,412,539
Income taxes - current	291,466	346,418
Income taxes - deferred	(11,445)	64,784
Total income taxes	280,021	411,202
Profit	1,223,671	1,001,336
Profit attributable to non-controlling interests	31,385	36,392
Profit attributable to owners of parent	1,192,285	964,944

Interim consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Profit	1,223,671	1,001,336
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,821)	(4,945)
Foreign currency translation adjustment	27,339	44,850
Total other comprehensive income	19,518	39,905
Comprehensive income	1,243,189	1,041,242
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,211,804	1,004,849
Comprehensive income attributable to non-controlling interests	31,385	36,392

(3) Interim consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,503,692	1,412,539
Depreciation	78,238	77,982
Increase (decrease) in provision for bonuses	16,579	(163,431)
Loss (gain) on sale of investment securities	(4,487)	—
Interest and dividend income	(1,100)	(5,323)
Interest expenses	663	181
Foreign exchange losses (gains)	1,366	3,523
Subsidy income	—	(2,350)
Relocation expenses	—	229,344
Decrease (increase) in accounts receivable - trade, and contract assets	(410,939)	(193,008)
Decrease (increase) in inventories	14,816	(8,104)
Decrease (increase) in operational investment securities	—	(220,957)
Increase (decrease) in trade payables	57,889	13,739
Other, net	94,318	199,897
Subtotal	1,351,036	1,344,033
Interest and dividends received	1,100	5,323
Interest paid	(550)	(178)
Subsidies received	—	2,350
Payments of relocation expenses	—	(226,829)
Income taxes paid	(503,823)	(302,653)
Net cash provided by (used in) operating activities	847,763	822,044
Cash flows from investing activities		
Purchase of property, plant and equipment	(62,757)	(184,063)
Purchase of investment securities	—	(70,461)
Proceeds from sale of investment securities	6,305	—
Payments of leasehold and guarantee deposits	—	(543)
Net cash provided by (used in) investing activities	(56,451)	(255,067)
Cash flows from financing activities		
Repayments of long-term borrowings	(418,018)	—
Purchase of treasury shares	(86)	—
Repayments of lease liabilities	(12,724)	(12,802)
Dividends paid	(610,597)	(578,744)
Dividends paid to non-controlling interests	(8,297)	(100,250)
Net cash provided by (used in) financing activities	(1,049,723)	(691,796)
Effect of exchange rate change on cash and cash equivalents	20,924	31,937
Net increase (decrease) in cash and cash equivalents	(237,487)	(92,882)
Cash and cash equivalents at beginning of period	4,856,480	5,178,150
Cash and cash equivalents at end of period	4,618,993	5,085,268

(4) Notes to quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes on important changes in the scope of consolidation

We excluded Drone Autopilot Lab from the scope of consolidation due to its liquidation in the current interim consolidated fiscal period.

Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

Notes on segment information*Segment information*

I Six months ended March 31, 2025 (from October 1, 2024 to March 31, 2025)

1. Information on the amounts of net sales and profit or loss and information on disaggregation of revenue for each reportable segment

(Thousands of yen)

	Reportable segments			Adjustments	Total
	Solution Business	SaaS Business	Total		
Net sales					
Goods transferred at a point in time	3,384,399	51,562	3,435,961	–	3,435,961
Goods transferred over time	1,170,479	176,798	1,347,278	–	1,347,278
Revenue from contracts with customers	4,554,879	228,360	4,783,240	–	4,783,240
Other revenue	–	–	–	–	–
Sales to external customers	4,554,879	228,360	4,783,240	–	4,783,240
Intersegment sales or transfers	3,644	131,123	134,768	(134,768)	–
Total	4,558,524	359,484	4,918,008	(134,768)	4,783,240
Segment profit (loss)	1,680,623	(177,955)	1,502,667	–	1,502,504

- Notes: 1. The “Other” category is a business segment not included in reportable segments and includes the CVC business.
2. Adjustments represents the elimination of intersegment transactions.
3. The total amount of the segment profit (loss) corresponds to operating profit described in the quarterly consolidated statements of income.

II Six months ended March 31, 2026 (from October 1, 2025 to March 31, 2026)

1. Information on the amounts of net sales and profit or loss and information on disaggregation of revenue for each reportable segment

(Thousands of yen)

	Reportable segments			Other	Total	Adjustments	Amount recorded in quarterly consolidated statements of income
	Solution Business	SaaS Business	Total				
Net sales							
Goods transferred at a point in time	3,738,068	11,817	3,749,886	–	3,749,886	–	3,749,886
Goods transferred over time	1,311,224	381,332	1,692,556	–	1,692,556	–	1,692,556
Revenue from contracts with customers	5,049,292	393,150	5,442,443	–	5,442,443	–	5,442,443
Other revenue	–	–	–	–	–	–	–
Sales to external customers	5,049,292	393,150	5,442,443	–	5,442,443	–	5,442,443
Intersegment sales or transfers	21,525	93,386	114,912	–	114,912	(114,912)	–
Total	5,070,817	486,537	5,557,355	–	5,557,355	(114,912)	5,442,443
Segment profit (loss)	1,932,635	(295,563)	1,637,071	(2,053)	1,635,017	–	1,635,017

- Notes: 1. The “Other” category is a business segment not included in reportable segments and includes the CVC business.
2. Adjustments represents the elimination of intersegment transactions.
3. The total amount of the segment profit (loss) corresponds to operating profit described in the quarterly consolidated statements of income.

Subsequent events

Not applicable.