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November 6, 2026

Consolidated Financial Results for the Fiscal Year Ended September 30, 2026 (Under Japanese GAAP)

Company name: Fixstars Corporation
Listing: Tokyo Stock Exchange
Securities code: 3687
URL: https://www.fixstars.com/en
Representative: Satoshi Miki, Chief Executive Officer, Founder
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Scheduled date of annual general meeting of shareholders: December 23, 2026
Scheduled date to commence dividend payments: December 24, 2026
Scheduled date to file annual securities report: December 22, 2026
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 fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	10,650	10.7	2,901	12.5	2,897	12.3	1,955	0.5
September 30, 2025	9,617	20.3	2,578	11.9	2,581	12.0	1,945	30.2

Note: Comprehensive income For the fiscal year ended September 30, 2026: ¥2,083 million [2.1%]
For the fiscal year ended September 30, 2025: ¥2,040 million [36.1%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2026	60.56	—	21.7	26.3	27.2
September 30, 2025	60.34	—	26.0	27.8	26.8

Note: Investment profit (loss) on equity method For the fiscal year ended September 30, 2026: - millions of yen
For the fiscal year ended September 30, 2025: - millions of yen

(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
September 30, 2026	12,149	10,127	80.3	301.98
September 30, 2025	9,871	8,522	83.6	255.71

Reference: Equity As of September 30, 2026: ¥9,754 million
As of September 30, 2025: ¥8,247 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2026	2,214	(126)	(583)	6,707
September 30, 2025	1,978	(631)	(1,043)	5,178

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2025	–	0.00	–	18.00	18.00	580	29.8	7.8
Fiscal year ended September 30, 2026	–	0.00	–	19.00	19.00	613	31.4	6.8
Fiscal year ending September 30, 2027 (Forecast)	–	0.00	–	22.00	22.00		32.3	

3. Consolidated financial forecast for the fiscal year ending September 30, 2027 (from October 1, 2026 to September 30, 2027)

(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
Six months ending March 31, 2027	5,800	6.6	1,500	(8.3)	1,500	(8.6)	1,050	8.8	32.50
Fiscal year ending September 30, 2027	12,000	12.7	3,100	6.9	3,100	7.0	2,200	12.5	68.10

*** Notes**

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

Excluded: 1 company (Drone Autopilot Lab Corporation)

(2) 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

(3) Number of issued shares (common shares)

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

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

(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2026	32,288,484 shares
Fiscal year ended September 30, 2025	32,241,867 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

(Percentages indicate year-on-year changes.)

(1) Non-consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	9,024	12.1	2,348	0.1	2,634	17.8	1,938	14.8
September 30, 2025	8,048	19.0	2,345	16.3	2,236	12.2	1,689	21.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2026	60.04	―
September 30, 2025	52.39	―

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	10,130	8,438	83.3	261.22
September 30, 2025	8,092	7,004	86.5	217.17

Reference: Owner's Equity As of September 30, 2026: ¥8,438 million
As of September 30, 2025: ¥7,004 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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) Outlook for the next fiscal year" on page 4 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.

Attached material

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1. Overview of operating results and others

(1) Overview of operating results

In the fiscal year ended September 30, 2026, The Japanese economy continued on a moderate recovery trend, supported by improvements in employment and income conditions as well as the effects of various policy measures. Meanwhile, in the global economy, uncertainty persists, particularly regarding the situation in the Middle East, requiring continued vigilance against downside risks to economic activity, including fluctuations in financial and capital markets and the impact of successive natural disasters.

In this management environment, the Company is operating based on a 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 Vega," a secure AI appliance for embedded software development, 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 fiscal year ended September 30, 2026, net sales were ¥10,650,978 thousand (up 10.7% year on year), operating profit was ¥2,901,084 thousand (up 12.5% year on year), ordinary profit was ¥2,897,768 thousand (up 12.3% year on year), and profit attributable to owners of parent was ¥1,955,254 thousand (up 0.5% 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 ¥9,987,852 thousand (up 8.9% year on year), and segment profit (operating profit) was ¥3,591,800 thousand (up 11.0% 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 ¥663,125 thousand (up 48.6% year on year), and segment loss (operating loss) was ¥640,736 thousand (segment loss (operating loss) of ¥424,065 thousand in the same period of the previous fiscal year).

(iii) Other

In the CVC Business segment, we recorded a loss on valuation of operational investment securities of ¥47,066 thousand in cost of sales, resulting from a write-down of our equity holdings.

As a result, this segment loss (operating loss) was ¥49,980 thousand (segment loss (operating loss) of ¥233,743 thousand in the same period of the previous fiscal year).

(2) Overview of financial position

(i) Assets, liabilities, and net assets

Total assets

As of September 30, 2026, total assets amounted to ¥12,149,289 thousand, an increase of ¥2,278,054 thousand from the end of the previous fiscal year. This was principally due to an increase of ¥1,529,608 thousand in cash and deposits, an increase of ¥206,542 thousand in accounts receivable - trade, an increase of ¥246,183 thousand in tools, furniture and fixtures, and an increase of ¥310,419 thousand in operating investment securities.

Liabilities

As of September 30, 2026, total liabilities amounted to ¥2,022,286 thousand, an increase of ¥673,110 thousand from the end of the previous fiscal year. This was principally due to an increase of other liabilities: an increase of ¥89,219 thousand in other payables, an increase of ¥415,510 thousand in accrued expenses, and an increase of ¥144,453 thousand in income taxes payable and other taxes, respectively.

Net assets

As of September 30, 2026, total net assets amounted to ¥10,127,003 thousand, an increase of ¥1,604,943 thousand from the end of the previous fiscal year. This was principally due to an increase of ¥1,374,703 thousand in retained earnings and an increase of ¥125,000 thousand in share acquisition rights.

(ii) Cash flows

As of September 30, 2026, cash and cash equivalents amounted to ¥6,707,759 thousand, an increase of ¥1,529,608 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 ¥2,214,650 thousand (up 11.9% year on year). This was principally due to ¥2,667,977 thousand of profit before income taxes and ¥666,431 thousand of income taxes paid.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥126,845 thousand (down 79.9% year-on-year). This was principally due to ¥200,855 thousand of purchase of property, plant and equipment, ¥106,546 thousand of purchase of investment securities, and ¥184,711 thousand of proceeds from refund of leasehold and guarantee deposits.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥583,534 thousand (down 44.1% year-on-year). This was principally due to ¥580,413 thousand of payment of dividends.

(Reference) Trends in cash flow-related indicators

	FY ended Sept 30, 2022	FY ended Sept 30, 2023	FY ended Sept 30, 2024	FY ended Sept 30, 2025	FY ended Sept 30, 2026
Equity-to-asset ratio (%)	54.1	68.9	77.1	83.6	80.3
Equity-to-asset ratio based on market value (%)	433.5	481.4	615.3	624.9	620.1
Ratio of interest-bearing debt to cash flows (years)	1.4	1.8	0.3	0.0	0.0
Interest coverage ratio (times)	250.7	193.3	712.3	3,597.2	6,509.1

Equity-to-asset ratio: Equity/Total assets
Equity-to-asset ratio based on market value: Market capitalization/Total assets
Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Cash flows
Interest coverage ratio: Cash flows/Interest payments
(Notes) 1. All the above indicators are calculated using consolidated financial figures.
2. Market capitalization is calculated based on the share closing price at the end of the fiscal year multiplied by the total number of issued shares at the end of the fiscal year.
3. Operating cash flow is used for cash flows.
4. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets for which interest is being paid.
5. Interest payments are calculated using the figures for interest paid in the consolidated statements of cash flows.

(3) Outlook for the next fiscal year

Today, the Company announced its three-year medium-term management vision, with the fiscal year ending September 2027 as its first year. For the fiscal year ending September 30, 2027, following the previous consolidated fiscal year, the Company expects to achieve growth in both net sales and operating profit, driven by initiatives to promote AI utilization, the launch of shared inference environments, and sales promotion of Fixstars Vega.

The Company expects net sales of ¥12,000 million (up 12.7% year on year), operating profit of ¥3,100 million (up 6.9% year on year), ordinary profit of ¥3,100 million (up 7.0% year on year), and profit attributable to owners of parent of ¥2,200 million (up 12.5% year on year).

(4) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company recognizes that returning profits to shareholders is one of the most important management priorities, and our basic policy is to proactively and flexibly distribute profits in line with business performance, taking into account the dividend payout ratio and the dividend on equity ratio (DOE), while securing the internal reserves necessary for future business development and strengthening the management base.

The specific dividend amount will be determined based on factors such as cash flows, but the target is a medium-term consolidated dividend payout ratio of 30% and DOE of 7% or higher on a consolidated basis.

For the fiscal year ended September 30, 2026, the Company plans to pay a fiscal year-end dividend of ¥19.00 (annual dividend of ¥19.00), and as a result, the consolidated dividend payout ratio is expected to be 31.4% and the DOE is projected to be 7.0%.

In addition, for the fiscal year ending September 30, 2027, the Company plans to pay a fiscal year-end dividend of ¥22.00 (annual dividend of ¥22.00), and the consolidated dividend payout ratio is expected to be 32.3% and the DOE is projected to be 6.9%.

2. Basic approach to the selection of accounting standards

The group adopts a policy to prepare its consolidated financial statements in accordance with the Japanese GAAP for the time being, taking into account the year-on-year comparability and intercompany comparability of consolidated financial statements. With respect to the application of IFRS in the future, the Group has its policy to take appropriate actions taking into account the circumstances both in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	5,178,150	6,707,759
Accounts receivable - trade	2,815,421	3,021,964
Contract assets	219,862	147,702
Operational investment securities	50,099	360,519
Inventories	3,504	10,960
Other	385,857	138,574
Total current assets	8,652,896	10,387,480
Non-current assets		
Property, plant and equipment		
Buildings	433,767	159,507
Accumulated depreciation	(379,690)	(23,724)
Buildings, net	54,077	135,782
Tools, furniture and fixtures	472,301	804,514
Accumulated depreciation	(287,408)	(373,437)
Tools, furniture and fixtures, net	184,892	431,076
Machinery, equipment and vehicles	12,570	12,570
Accumulated depreciation	(4,057)	(5,947)
Machinery, equipment and vehicles, net	8,513	6,623
Leased assets	11,000	11,000
Accumulated depreciation	(183)	(2,383)
Leased assets, net	10,816	8,616
Construction in progress	—	13,068
Total property, plant and equipment	258,300	595,168
Intangible assets		
Other	2,481	5,028
Total intangible assets	2,481	5,028
Investments and other assets		
Investment securities	115,666	204,514
Deferred tax assets	318,515	479,035
Leasehold and guarantee deposits	513,375	468,062
Other	10,000	10,000
Total investments and other assets	957,557	1,161,611
Total non-current assets	1,218,339	1,761,808
Total assets	9,871,235	12,149,289

(Thousands of yen)

	As of September 30, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	142,056	149,286
Lease liabilities	25,427	22,787
Income taxes payable	317,268	461,722
Contract liabilities	151,187	224,072
Provision for bonuses	206,793	157,025
Other	484,693	921,532
Total current liabilities	1,327,426	1,936,426
Non-current liabilities		
Lease liabilities	21,749	71,084
Deferred tax liabilities	—	14,775
Total non-current liabilities	21,749	85,860
Total liabilities	1,349,176	2,022,286
Net assets		
Shareholders' equity		
Share capital	554,468	554,468
Capital surplus	698,396	729,579
Retained earnings	8,072,300	9,447,003
Treasury shares	(1,263,671)	(1,217,591)
Total shareholders' equity	8,061,494	9,513,460
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,838	51,133
Foreign currency translation adjustment	157,195	190,390
Total accumulated other comprehensive income	186,034	241,524
Share acquisition rights	—	125,000
Non-controlling interests	274,530	247,018
Total net assets	8,522,059	10,127,003
Total liabilities and net assets	9,871,235	12,149,289

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Net sales	9,617,686	10,650,978
Cost of sales	4,611,389	4,798,717
Gross profit	5,006,296	5,852,260
Selling, general and administrative expenses	2,428,093	2,951,176
Operating profit	2,578,202	2,901,084
Non-operating income		
Interest income	5,432	13,149
Gain on forfeiture of unclaimed dividends	262	354
Compensation income	—	2,750
Subsidy income	1,822	2,600
Other	48	350
Total non-operating income	7,566	19,204
Non-operating expenses		
Interest expenses	693	341
Foreign exchange losses	2,065	5,109
Loss on investments in investment partnerships	1,297	16,643
Other	196	425
Total non-operating expenses	4,252	22,520
Ordinary profit	2,581,516	2,897,768
Extraordinary income		
Gain on sale of investment securities	4,487	—
Total extraordinary income	4,487	—
Extraordinary losses		
Office relocation expenses	—	229,344
Other	—	445
Total extraordinary losses	—	229,790
Profit before income taxes	2,586,004	2,667,977
Income taxes - current	685,212	798,095
Income taxes - deferred	(111,295)	(158,109)
Total income taxes	573,917	639,985
Profit	2,012,086	2,027,992
Profit attributable to non-controlling interests	66,729	72,737
Profit attributable to owners of parent	1,945,356	1,955,254

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Profit	2,012,086	2,027,992
Other comprehensive income		
Valuation difference on available-for-sale securities	2,071	22,294
Foreign currency translation adjustment	26,106	33,195
Total other comprehensive income	28,178	55,490
Comprehensive income	2,040,264	2,083,482
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,973,535	2,010,744
Comprehensive income attributable to non-controlling interests	66,729	72,737

(3) Consolidated statements of changes in equity

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	554,468	573,237	6,739,042	(1,297,594)	6,569,153	26,767	131,088	157,855	216,098	6,943,107
Changes during period										
Capital increase of consolidated subsidiaries		90,312			90,312					90,312
Dividends of surplus			(612,098)		(612,098)					(612,098)
Profit attributable to owners of parent			1,945,356		1,945,356					1,945,356
Purchase of treasury shares				(86)	(86)					(86)
Disposal of treasury shares		34,847		34,010	68,857					68,857
Net changes in items other than shareholders' equity						2,071	26,106	28,178	58,432	86,611
Total changes during period	—	125,159	1,333,258	33,923	1,492,340	2,071	26,106	28,178	58,432	1,578,951
Balance at end of period	554,468	698,396	8,072,300	(1,263,671)	8,061,494	28,838	157,195	186,034	274,530	8,522,059

Fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	554,468	698,396	8,072,300	(1,263,671)	8,061,494	28,838	157,195	186,034	—	274,530	8,522,059
Changes during period											
Dividends of surplus			(580,551)		(580,551)						(580,551)
Profit attributable to owners of parent			1,955,254		1,955,254						1,955,254
Disposal of treasury shares		31,183		46,079	77,263						77,263
Net changes in items other than shareholders' equity						22,294	33,195	55,490	125,000	(27,512)	152,977
Total changes during period	—	31,183	1,374,703	46,079	1,451,966	22,294	33,195	55,490	125,000	(27,512)	1,604,943
Balance at end of period	554,468	729,579	9,447,003	(1,217,591)	9,513,460	51,133	190,390	241,524	125,000	247,018	10,127,003

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	2,586,004	2,667,977
Depreciation	166,610	174,384
Increase (decrease) in provision for bonuses	41,597	(52,208)
Loss (gain) on sale of investment securities	(4,487)	—
Loss on valuation of operational investment securities	232,459	47,066
Interest and dividend income	(5,432)	(13,149)
Interest expenses	693	341
Foreign exchange losses (gains)	3,196	2,600
Compensation income	—	(2,750)
Subsidy income	(1,822)	(2,600)
Relocation expenses	—	229,344
Loss (gain) on investments in investment partnerships	1,297	16,643
Decrease (increase) in accounts receivable - trade, and contract assets	(514,876)	(127,779)
Decrease (increase) in inventories	26,842	(7,456)
Decrease (increase) in operational investment securities	—	(320,982)
Increase (decrease) in trade payables	27,481	6,973
Increase (decrease) in accounts payable - other	(11,121)	(167,277)
Other, net	328,488	638,620
Subtotal	2,876,931	3,089,752
Interest and dividends received	5,432	13,149
Interest paid	(550)	(340)
Proceeds from compensation	—	2,750
Subsidies received	1,822	2,600
Payments of relocation expenses	—	(226,829)
Income taxes paid	(905,027)	(666,431)
Net cash provided by (used in) operating activities	1,978,609	2,214,650
Cash flows from investing activities		
Purchase of property, plant and equipment	(109,631)	(200,855)
Purchase of investment securities	(22,207)	(106,546)
Proceeds from sale of investment securities	6,305	—
Proceeds from refund of leasehold and guarantee deposits	—	184,711
Payments of leasehold and guarantee deposits	(506,250)	(543)
Other, net	—	(3,612)
Net cash provided by (used in) investing activities	(631,784)	(126,845)
Cash flows from financing activities		
Repayments of long-term borrowings	(493,018)	—
Proceeds from issuance of share acquisition rights	—	125,000
Repayments of lease liabilities	(21,541)	(27,871)
Proceeds from share issuance to non-controlling shareholders	90,312	—
Purchase of treasury shares	(86)	—
Dividends paid	(610,993)	(580,413)
Dividends paid to non-controlling interests	(8,297)	(100,250)
Net cash provided by (used in) financing activities	(1,043,624)	(583,534)
Effect of exchange rate change on cash and cash equivalents	18,470	25,338
Net increase (decrease) in cash and cash equivalents	321,669	1,529,608
Cash and cash equivalents at beginning of period	4,856,480	5,178,150
Cash and cash equivalents at end of period	5,178,150	6,707,759

(5) Notes to 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 Corporation from the scope of consolidation due to its liquidation in the current fiscal year.

Notes on segment information

Segment information

1. Description of reportable segments

   The Group's reportable segments are those constituent units of the Group for which separate financial statements are available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

   The Group has two reportable segments, the Solution Business and the SaaS Business, which are based on management control categories that take into account the characteristics of the business activities.

   The Solution Business provides real-time image processing, large-scale simulation, big data analysis and storage-related software development and acceleration services, as well as related hardware.

   The SaaS Business develops and provides multiple services as SaaS based on the knowledge it has cultivated to date, including "Fixstars Amplify", a development and execution platform for quantum computer programs, "METIS Eye", a support program for AI-based image diagnosis of breast cancer, and "Fixstars Vega", a secure AI appliance for embedded software development.

2. Method of calculation of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

   The accounting method for the operating segments that are reportable is generally the same as the accounting methods applied to the preparation of consolidated financial statements. In addition, profit by reportable segment is based on operating profit.

3. Information on net sales, profit (loss), assets, liabilities, and other items for each reportable segment, and information on disaggregation of revenue

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Reportable segments			Other	Total	Reconciling items	Per consolidated financial statements
	Solution business	SaaS business	Reportable segments				
Sales							
Goods transferred at a point in time	7,044,887	107,178	7,152,065	—	7,152,065	—	7,152,065
Goods transferred over time	2,126,455	339,164	2,465,620	—	2,465,620	—	2,465,620
Revenue from contracts with customers	9,171,343	446,343	9,617,686	—	9,617,686	—	9,617,686
Other revenue	—	—	—	—	—	—	—
Revenues from external customers	9,171,343	446,343	9,617,686	—	9,617,686	—	9,617,686
Transactions with other segments	21,369	286,918	308,288	—	308,288	(308,288)	—
Net sales	9,192,712	733,261	9,925,974	—	9,925,974	(308,288)	9,617,686
Operating profit (loss)	3,236,011	(424,065)	2,811,945	(233,743)	2,578,202	—	2,578,202
Other items							
Depreciation	127,029	39,581	166,610	—	166,610	—	166,610

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 consolidated statements of income.
4. Segment assets are not disclosed, as the Company does not allocate assets to its reportable segments.

Fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

(Thousands of yen)

	Reportable segments			Other	Total	Reconciling items	Per consolidated financial statements
	Solution business	SaaS business	Reportable segments				
Sales							
Goods transferred at a point in time	8,067,661	74,163	8,141,825	—	8,141,825	—	8,141,825
Goods transferred over time	1,920,191	588,961	2,509,153	—	2,509,153	—	2,509,153
Revenue from contracts with customers	9,987,852	663,125	10,650,978	—	10,650,978	—	10,650,978
Other revenue	—	—	—	—	—	—	—
Revenues from external customers	9,987,852	663,125	10,650,978	—	10,650,978	—	10,650,978
Transactions with other segments	41,148	201,659	242,808	—	242,808	(242,808)	—
Net sales	10,029,001	864,785	10,893,787	—	10,893,787	(242,808)	10,650,978
Operating profit (loss)	3,591,800	(640,736)	2,951,064	(49,980)	2,901,084	—	2,901,084
Other items							
Depreciation	85,130	89,253	174,384	—	174,384	—	174,384

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 consolidated statements of income.
4. Segment assets are not disclosed, as the Company does not allocate assets to its reportable segments.

Related Information

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

1. Information for each product or service

   The information is omitted, because it is the same as reportable segments.

2. Information for each region

   (1) Net sales

   The information is omitted, because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statements of income.

   (2) Property, plant and equipment

   The information is omitted, because the amount of property, plant and equipment located in Japan accounted for more than 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information for each of main customers

(Thousands of yen)

Name of the customer	Net sales	Related segment name
Kioxia Corporation	1,647,361	Solution Business
NEXTY Electronics Corporation	1,118,787	Solution Business

Fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

1. Information for each product or service

   The information is omitted, because it is the same as reportable segments.

2. Information for each region

   (1) Net sales

   The information is omitted, because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statements of income.

   (2) Property, plant and equipment

(Thousands of yen)

Japan	US	Total
480,240	114,928	595,168

3. Information for each of main customers

(Thousands of yen)

Name of the customer	Net sales	Related segment name
Kioxia Corporation	1,768,389	Solution Business
NEXTY Electronics Corporation	1,216,514	Solution Business

Information about impairment loss of non-current assets by reportable segment

Not applicable.

Information about amortization and unamortized balance of goodwill by reportable segment

Not applicable.

Information about gain on bargain purchase by reportable segment

Not applicable.

Per share information

	Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)	Fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)
Net assets per share	¥255.71	¥301.98
Basic earnings per share	¥60.34	¥60.56

(Notes)

1. Even though the Company has dilutive shares, diluted earnings per share are not presented because they have no dilutive effects.
2. The basis for calculating basic earnings per share is as follows.

	Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)	Fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)
Profit attributable to owners of parent (Thousands of yen)	1,945,356	1,955,254
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Thousands of yen)	1,945,356	1,955,254
Average number of common shares during the period (Shares)	32,241,867	32,288,484
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects and have changed materially since the end of the previous fiscal year	—	(Consolidated Subsidiary) Smart Opinion Inc. 1st Series of J-KISS Stock Acquisition Rights Number of Stock Acquisition Rights: 125 units These share acquisition rights are excluded from the calculation of diluted net income per share as they have no dilutive effect.

Subsequent events

Not applicable.