

Consolidated Financial Results for the Six Months Ended June 30, 2025 [IFRS]

August 14, 2025

Company name: f-code Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9211
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 Scheduled date of interim report submission: August 14, 2025
 Scheduled date of commencing dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (online)

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (Cumulative) (Percentages represent changes from the same quarter of the previous year.)

	Revenue		Operating income		Income before income taxes		Net income		Interim profit attributable to owners of the parent company		Comprehensive income Total amount	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2025	5,212	155.8	1,177	96.8	1,093	98.8	709	100.1	646	88.3	709	100.1
June 30, 2024	2,037	135.8	598	166.3	550	161.1	354	157.3	343	148.9	354	157.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	52.64	49.13
June 30, 2024	30.93	28.39

(Note) 1. We conducted a 2-for-1 stock split on April 1, 2024. Basic earnings per share and diluted earnings per share have been calculated as if the stock split had taken place at the beginning of the fiscal year ended December 31, 2024.

2. The provisional accounting treatment for business combinations was finalized in the first quarter of the fiscal year ending December 31, 2025. Each figure related to the first quarter of the fiscal year ending December 31, 2024 reflects the details of the finalization of the provisional accounting treatment.

(2) Consolidated Financial Position

	Total Asset	Total Equity	Equity attributable to owner of the parent company	Equity attributable to owner of the parent company ratio
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2025	25,838	6,083	6,741	26.1
As of December 12, 2024	21,687	6,041	6,665	30.7

(Note) The provisional accounting treatment for business combinations was finalized in the first quarter of the fiscal year ending December 31, 2025. Each figure related to the fiscal year ended December 31, 2024 reflects the details of the finalization of the provisional accounting treatment.

2. Dividends

	Annual dividends				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	0.00	-	0.00	0.00
FY2025	-	0.00			
FY2025(Forecast)		0.00	-	0.00	0.00

(Note) Revisions to the dividend forecasts most recently announced : None

3. Forecast of Consolidated Financial Results for the Year Ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating income		Income before income taxes		Net income		Profit attributable to owners of the parent		Basic earnings per share
Full year	Millions of yen 10,000	% 94.9	Millions of yen 2,200	% 64.6	Millions of yen 2,033	% 65.7	Millions of yen 1,319	% 51.4	Millions of yen 1,285	% 52.4	Yen 104.84

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

(Note) We finalized the provisional accounting treatment for business combinations in the first quarter of the fiscal year ending December 31, 2025. The rate of change in the forecast of consolidated financial results compared with the previous fiscal year is based on a comparison with the consolidated financial results for the fiscal year ended December 31, 2024, which reflects the details of the finalization of the provisional accounting treatment.

* Notes :

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

		(Company name)
New	3 Company	ZEROTUS Inc. Ciel Zero Inc. Smart Contact Inc.

Exclusion	- Company	(Company name)	-
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(2) Changes in Accounting Policies and Changes in Accounting Estimates

1) Changes in accounting policies required by IFRS : None

2) Changes in accounting policies due to reasons other than 1) : None

3) Changes in accounting estimates : None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury stock)

As of June 30, 2025 : 12,401,000 shares

As of December 31, 2024 : 12,260,600 shares

2) Number of treasury stock at the end of the period

As of June 30, 2025 : 200,599 shares

As of December 31, 2024 : 515 shares

3) Average number of shares during the period

As of June 30, 2025 : 12,274,682 shares

As of June 30, 2024 : 11,095,044 shares

(Note) We conducted a 2-for-1 stock split on April 1, 2024. Accordingly, the number of shares issued at the end of the period, the number of shares of treasury stock at the end of the period, and the average number of shares during the period have been calculated as if this stock split had taken place at the beginning of the period ended December 2024.

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm : None

* Explanation of the proper use of financial forecasts and other special notes

(Note regarding forward-looking statements)

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. For assumptions used as the basis for the earnings forecasts and notes on the use of the earnings forecasts, see page 3 [1. Please refer to "(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements" of the Quarterly Consolidated Financial Results for the Period under Review.

(Method to acquire supplementary material on financial results)

Supplementary materials for quarterly financial results will be posted on our website on August 14, 2025.

○ Appendix Contents

1. Qualitative Information on Quarterly Financial Results	5
(1) Explanation of Operating Results.....	5
(2) Explanation of Financial Position	5
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements	6
2. Condensed Interim Consolidated Financial Statements and Major Notes.....	7
(1) Condensed Interim Consolidated Statement of Financial Position	7
(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income.....	9
Condensed Interim Consolidated Statements of Income	9
Interim consolidated accounting period	9
(3) Condensed Interim Consolidated Statement of Changes in Equity	11
(4) Condensed Interim Consolidated Statements of Cash Flows.....	13
(5) Notes to Condensed Interim Consolidated Financial Statements	14
(Notes on Going Concern Assumption)	14
(Changes in accounting policies)	14
(Changes in accounting estimates).....	14
(Notes on Significant Changes in the Amount of Shareholders' Equity)	14
(Segment Information)	14
(Significant subsequent events)	14

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

Forward-looking statements herein reflect the judgments of the Company Group as of the end of the current interim consolidated fiscal period.

① Operating Results

During the current interim consolidated accounting period, the Japanese economy is heading toward a moderate recovery due to improvements in corporate earnings, wages, and the employment situation, despite a slowdown in some areas of personal consumption due to high prices. On the other hand, the outlook remains uncertain due to concerns about the impact of policy changes resulting from the change in the U.S. administration.

In the digital transformation (DX) market and the digital-related IT & business consulting market, in which our group operates, consumer media contact points are becoming increasingly diversified due to the rapid development of online consumer activities after the Corona crisis, and digital shifts to respond to this are being actively promoted in many companies. In addition, with the recent remarkable advances in AI technology, the possibility of dramatically increasing corporate productivity through the automation of operations and the sophistication of decision-making is becoming a reality. DX's efforts that incorporate this technology are attracting attention not only as a means of improving operational efficiency, but also as a means of creating new value and establishing a competitive advantage. Against this backdrop, this market continues to attract attention as an area where high growth is expected in the future.

During the current interim consolidated accounting period, all shares of ZEROTUS Inc. were acquired on January 17, 2025, certain shares of Ciel Zero Inc. were acquired on February 14, 2025, and certain shares of Smart Contact Inc. were acquired on March 10, 2025, making them consolidated subsidiaries. On July 1, 2025, the Company acquired a portion of the shares of DEITORA Inc. and on August 1, 2025, the Company acquired a portion of the shares of Real us Inc. and converted them to consolidated subsidiaries. Furthermore, on August 12, 2025, the Company entered into a share transfer agreement to acquire a portion of the shares of VST Inc. On August 19, 2025, the Company plans to acquire the shares and convert them into a consolidated subsidiary.

As a result, in the interim consolidated accounting period under review, revenue was ¥5,212,394 thousand (up 155.8% year on year), operating profit was ¥1,177,970 thousand (up 96.8% year on year), profit before tax was ¥1,093,796 thousand (up 98.8% year on year), and interim profit attributable to owners of the parent company was ¥646,168 thousand (up 88.3% year on year) due to steady orders for Technology SaaS and various professional services, and contributions from the group companies that became consolidated subsidiaries through M&A in the previous fiscal year.

(2) Explanation of Financial Position

① Assets, Liabilities and Equity

(Assets)

Total assets at the end of the consolidated interim accounting period ended June 30, 2025, were ¥25,838,300 thousand, an increase of ¥4,150,921 thousand yen from the end of the previous consolidated accounting year. This was mainly due to increases of ¥969,345 thousand in cash and cash equivalents, ¥2,077,951 thousand in goodwill and ¥489,804 thousand in deferred tax assets following the execution of a new M&A.

(Liabilities)

Total liabilities at the end of the consolidated interim accounting period ended June 30, 2025, were ¥19,755,280 thousand, an increase of ¥4,109,868 thousand from the end of the previous consolidated accounting year. This was mainly due to increases of ¥634,191 thousand in bonds and borrowings under current liabilities and ¥2,813,847 thousand in bonds and borrowings under non-current liabilities.

(Equity)

Total equity at the end of the consolidated interim accounting period ended June 30, 2025, were ¥6,083,020 thousand yen, an increase of ¥41,052 thousand yen from the end of the previous consolidated accounting year. This was mainly attributable to an increase of ¥646,168 thousand in retained earnings due to the recording of interim profits attributable to owners of the parent, and

a decrease of ¥242,694 thousand in capital surplus and ¥34,477 thousand in non-controlling interests due to the acquisition of additional shares of subsidiaries and the exercise of written put options related to non-controlling interests, as well as the recognition of new put options, and an increase of ¥355,883 thousand in treasury stock.

② Status of Cash Flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the current interim consolidated accounting period amounted to ¥7,205,676 thousand, an increase of ¥969,345 thousand from the end of the previous consolidated accounting year. The status of each cash flow and its factors are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities was ¥829,994 thousand, compared with ¥351,799 thousand in the same period of the previous fiscal year. This was mainly attributable to income before income taxes of ¥1,093,796 thousand and an impairment loss of ¥363,067 thousand, partially offset by an increase in trade and other receivables of ¥252,735 thousand and an increase in other receivables of ¥461,628 thousand.

(Cash Flows from Investing Activities)

Net cash used in investing activities during the current interim consolidated accounting period was ¥2,065,808 thousand (compared with net cash used of ¥2,300,278 thousand in the same period of the previous fiscal year). This was mainly due to purchase of subsidiaries of ¥1,778,633 thousand.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was ¥2,206,546 thousand (compared with ¥5,139,339 thousand provided in the same period of the previous fiscal year).

Major items included proceeds from issuance of bonds and long-term loans payable of ¥4,087,000 thousand, offset by purchase of investments in subsidiaries from non-controlling interests of ¥800,000 thousand and ¥355,883 thousand for the repurchase of treasury shares.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

At this time, there are no changes to the forecast for the fiscal year ending December 31, 2025, which was announced on February 14, 2025. The earnings forecasts are based on information available as of the date of announcement of these materials. Actual results may differ from the forecasts due to various factors going forward.

2. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	6,236,331	7,205,676
Trade and other receivables	1,237,228	1,665,101
Other financial assets	35,796	101,167
Other current assets	1,196,079	988,271
Total current assets	8,705,434	9,960,217
Non-current assets		
Property, plant and equipment	283,269	482,740
Goodwill	11,402,681	13,480,633
Intangible assets	182,132	236,275
Other financial assets	160,737	231,559
Deferred tax assets	951,231	1,441,036
Other non-current assets	1,892	5,838
Total non-current assets	12,981,945	15,878,083
Total assets	21,687,379	25,838,300

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities and Shareholders' Equity		
Liabilities		
Current liabilities		
Trade and other payables	551,021	801,853
Contractual liabilities	1,378,661	1,245,688
Short-term borrowings	48,334	-
Bonds and borrowings	1,797,727	2,431,919
Lease liabilities	82,008	132,835
Income taxes payable	168,167	280,586
Other financial liabilities	1,197,529	791,278
Other current liabilities	847,689	1,238,876
Total current liabilities	6,071,139	6,923,036
Non-current liabilities		
Bonds and borrowings	5,443,435	8,257,283
Lease liabilities	155,599	281,545
Other financial liabilities	3,960,795	4,272,315
Provision	14,442	21,099
Total non-current liabilities	9,574,272	12,832,243
Total liabilities	15,645,411	19,755,280
Shareholders' equity		
Common stock	27,910	55,849
Capital surplus	5,485,614	5,242,920
Retained earnings	1,152,674	1,798,842
Treasury stock	(485)	(356,368)
Total equity attributable to owners of the parent	6,665,714	6,741,244
Non-controlling interests	(623,746)	(658,223)
Total shareholders' equity	6,041,967	6,083,020
Total liabilities and shareholders' equity	21,687,379	25,838,300

(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statements of Income

Interim consolidated accounting period

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Revenue	2,037,669	5,212,394
Cost of sales	836,041	2,027,509
Gross profit on sales	1,201,628	3,184,885
Selling, general and administrative expenses	676,675	2,319,377
Other income	83,212	769,498
Other expenses	9,705	457,036
Operating income	598,459	1,177,970
Finance income	3,055	5,069
Finance costs	51,191	89,243
Income before income taxes	550,323	1,093,796
Income tax expense	195,540	383,980
Interim profit	354,782	709,815
Attribution of Interim Profit		
Owners of the parent	343,165	646,168
Non-controlling interests	11,617	63,647
Interim profit	354,782	709,815
Interim Earnings per Share		
Basic interim earnings per share (yen)	30.93	52.64
Diluted earnings per share (yen)	28.39	49.13

Condensed Interim Consolidated Statements of Comprehensive Income

Interim consolidated accounting period

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Interim profit	354,782	709,815
Other comprehensive income	-	-
Comprehensive income	354,782	709,815
Comprehensive income attributable to		
Owners of the parent	343,165	646,168
Non-controlling interests	11,617	63,647
Comprehensive income	354,782	709,815

(3) Condensed Interim Consolidated Statement of Changes in Equity

Previous Interim consolidated accounting period (from January 1, 2024 to June 30, 2024)

(Thousands of yen)

	Equity attributable to owners of the parent				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
January 1, 2024	15,970	2,862,240	309,404	(432)	3,187,182
Interim profit	-	-	343,165	-	343,165
Other comprehensive income	-	-	-	-	-
Comprehensive income	-	-	343,165	-	343,165
Issuance of new shares	1,207,169	1,184,266	-	-	2,391,435
Purchase of treasury stock	-	-	-	(5)	(5)
Issuance of stock acquisition rights	-	1,016	-	-	1,016
Exercise of stock acquisition rights	17,910	17,910	-	-	35,820
Put options granted to non-controlling interests	-	-	-	-	-
Changes due to business combinations	-	-	-	-	-
Total transactions with owners	1,225,079	1,203,193	-	(5)	2,428,267
June 30, 2024	1,241,049	4,065,434	652,570	(438)	5,958,615

	Non-controlling interests	Shareholders' equity Total
January 1, 2024	132,585	3,319,768
Interim profit	11,617	354,782
Other comprehensive income	-	-
Comprehensive income	11,617	354,782
Issuance of new shares	-	2,391,435
Purchase of treasury stock	-	(5)
Issuance of stock acquisition rights	-	1,016
Exercise of stock acquisition rights	-	35,820
Put options granted to non-controlling interests	(644,011)	(644,011)
Changes due to business combinations	60,219	60,219
Total transactions with owners	(583,791)	1,844,475
June 30, 2024	(439,588)	5,519,026

Current Interim consolidated accounting period (From January 1, 2025 to June 30, 2025)

(Thousands of yen)

	Equity attributable to owners of the parent				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
January 1, 2025	27,910	5,485,614	1,152,674	(485)	6,665,714
Interim profit	-	-	646,168	-	646,168
Other comprehensive income	-	-	-	-	-
Comprehensive income	-	-	646,168	-	646,168
Issuance of new shares	-	-	-	-	-
Purchase of treasury stock	-	-	-	(355,883)	(355,883)
Issuance of stock acquisition rights	-	2,929	-	-	2,929
Exercise of stock acquisition rights	27,939	22,896	-	-	50,836
Put options granted to non-controlling interests	-	378,249	-	-	378,249
Changes in interests in consolidated subsidiaries	-	(646,770)	-	-	(646,770)
Changes due to business combinations	-	-	-	-	-
Total transactions with owners	27,939	(242,694)	-	(355,883)	(570,638)
June 30, 2025	55,849	5,242,920	1,798,842	(356,368)	6,741,244

	Non-controlling interests	Shareholders' equity Total
January 1, 2025	(623,746)	6,041,967
Interim profit	63,647	709,815
Other comprehensive income	-	-
Comprehensive income	63,647	709,815
Issuance of new shares	-	-
Purchase of treasury stock	-	(355,883)
Issuance of stock acquisition rights	-	2,929
Exercise of stock acquisition rights	-	50,836
Put options granted to non-controlling interests	(85,253)	292,995
Changes in interests in consolidated subsidiaries	(153,229)	(800,000)
Changes due to business combinations	140,358	140,358
Total transactions with owners	(98,124)	(668,763)
June 30, 2025	(658,223)	6,083,020

(4) Condensed Interim Consolidated Statements of Cash Flows

	(Thousands of yen)	
	Previous Interim consolidated accounting period (January 1, 2024) To June 30, 2024)	Current Interim consolidated accounting period (January 1, 2025) To June 30, 2025)
Net cash provided by operating activities		
Income before income taxes	550,323	1,093,796
Depreciation and amortization	88,361	78,124
Impairment loss	-	363,067
Finance income	(3,055)	(5,069)
Finance costs	51,191	89,243
Decrease (increase) in trade and other receivables	12,904	(252,735)
Increase (decrease) in trade and other payables	9,639	144,073
Others	(192,255)	(461,628)
Subtotal	517,108	1,048,871
Interest and dividend income received	88	3,776
Interest paid	(31,700)	(51,901)
Income taxes paid	(133,697)	(170,751)
Net cash provided by operating activities	351,799	829,994
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	100,000	-
Purchase of property, plant and equipment	(3,001)	(4,637)
Purchase of intangible assets	(36,797)	(75,828)
Purchase of subsidiaries	(2,360,769)	(1,778,633)
Others	290	(206,707)
Cash flows from investing activities	(2,300,278)	(2,065,808)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	357,042	(48,334)
Proceeds from issuance of bonds and long-term debt	3,180,000	4,087,000
Redemption of bonds and repayment of long- term debt	(820,827)	(595,085)
Proceeds from issuance of new shares	2,414,338	-
Purchase of treasury stock	-	(355,883)
Proceeds from exercise of stock acquisition rights	35,820	55,879
Repayments of lease liabilities	(28,044)	(59,959)
Purchase of interests in subsidiaries from non- controlling interests	-	(800,000)
Others	1,011	(77,070)
Cash flows from financing activities	5,139,339	2,206,546
Effect of exchange rate changes on cash and cash equivalents	2,194	(1,386)
Net increase (decrease) in cash and cash equivalents	3,193,055	969,345
Cash and cash equivalents at beginning of year	4,039,948	6,236,331
Cash and cash equivalents at the end of the period	7,233,004	7,205,676

(5) Notes to Condensed Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Purchase of treasury stock

Based on the resolution of the Board of Directors meeting held on March 13, 2025 and April 2, 2025, the Company acquired a total of 200,000 shares of treasury stock in the current Interim consolidated accounting period. Primarily as a result of this, treasury stock increased by ¥355,883 thousand.

Additional acquisition of shares of subsidiaries

During the first half of the fiscal year under review, we acquired additional shares in our consolidated subsidiary CRAFT Co., Ltd., making it a wholly owned subsidiary. As a result, capital surplus and non-controlling interests decreased by ¥646,537 thousand and ¥153,462 thousand respectively.

The share acquisition is also based on the exercise of written put options on subsidiary interests that were granted to the owners of the noncontrolling interest in CRAFT Inc. A short put option on a subsidiary's interest granted to the owner of the noncontrolling interest recognized the present value of the exercise price as a financial liability and reduced the amount by the same amount as the non-controlling interest. Following the exercise of the put option, the non-controlling interest was reversed and the difference with the actual redemption amount was recorded as capital surplus in the amount of ¥378,249 thousand (increase).

As a result, capital surplus was ¥5,242,920 thousand and treasury stock was ¥356,368 thousand for the current Interim consolidated accounting period.

(Segment Information)

Since our group is a single segment of the DX business, the description is omitted.

(Significant subsequent events)

(Business Combination through Acquisition)

At the meeting of the Board of Directors held on June 30, 2025, we resolved to acquire a portion of the shares of DEITORA Inc. and make it a consolidated subsidiary. In addition, the Company acquired shares on July 1, 2025 and made this company a consolidated subsidiary of the Company.

(1) Overview of Business Combination through Share Acquisition

① Name of the acquired company and details of business acquired

Name of counterparty: DEITORA Inc.

Business Activities : Education and Media Businesses

Business scale : Capital ¥1,000 thousand

② Name of the other company to acquire shares

Shohei Otaki, Koki Toda, Hiroaki Ito, Ryota Funakoshi

③ Main reasons for the business combination

Our company operates in the continually expanding Marketing and AI/Technology domains, where we aim to comprehensively cover the increasing number of digital touchpoints. We support companies in maximizing their marketing

outcomes, while also providing high-quality services that facilitate digital transformation (DX) and advanced digitization. Through these efforts, we strive to achieve sustained and significant revenue growth with high profitability, ultimately maximizing customer value.

DEITORA operates an online school that offers training in digital skills such as web design, video editing, and programming, and has been expanding its business alongside the growing freelance and side-business market.

By acquiring DEITORA's expertise and track record in general digital skills education, and integrating it with our group's experience in social media and engineering skills training, we aim to accelerate the growth of our educational business. We also believe this acquisition will enable us to contribute more meaningfully to addressing client needs and broader social issues related to the shortage of DX talent and skills.

After considering all of these factors, we decided to acquire the shares as we believe it will contribute to further improving the profitability and strengthening the competitiveness of our Group.

④ Schedule of the business combination

Date of resolution at the meeting of the Board of Directors : June 30, 2025

Date of conclusion of the agreement : June 30, 2025

Date of commencement of share transfer : July 1, 2025

⑤ Legal form of business combination

Acquisition of shares for cash consideration

⑥ Name of the company after the combination

There is no change.

⑦ Percentage of voting rights acquired

80.0%

⑧ Main rationale for determining the company to acquire

We acquire shares in exchange for cash.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition Cash	¥991,913 thousand
Acquisition cost	¥991,913 thousand

The Company has reached an agreement with the counterparty regarding the adjustment of the consideration for the transfer based on the performance of DEITORA Inc. in the future and the pledged items before and after the transfer of shares. Accordingly, the Company may pay additional consideration or adjust the amount of the acquisition consideration depending on the performance of the relevant business. If such an event occurs, we will inform you as soon as it becomes known.

(3) Details and amount of major acquisition-related expenses

Advisory fees, etc. (approximate) ¥7,000 thousand

(4) Amount of goodwill arising, cause, amortization method, and amortization period

It has not been determined at this time.

(5) Amounts of assets acquired and liabilities assumed on the date of the business combination and their main breakdown

It has not been determined at this time.

(Business Combination through Acquisition)

At the meeting of the Board of Directors held on August 1, 2025, we resolved to acquire a portion of the shares of Real us Inc. and make it a consolidated subsidiary. In addition, the Company acquired shares on August 4, 2025 and made this company a consolidated subsidiary of the Company.

(1) Overview of Business Combination through Share Acquisition

① Name of the acquired company and details of business acquired

Name of counterparty : Real us Inc.

Business: Influencer Platform Business

Business scale : Capital ¥900 thousand

② Name of the other company to acquire shares

Riku Kobayashi, Kimiaki Kato, and two others

③ Main reasons for the business combination

Our company operates in the continually expanding Marketing and AI/Technology domains, where we aim to comprehensively cover the increasing number of digital touchpoints. We support companies in maximizing their marketing outcomes, while also providing high-quality services that facilitate digital transformation (DX) and advanced digitization. Through these efforts, we strive to achieve sustained and significant revenue growth with high profitability, ultimately maximizing customer value.

Real us Inc. operates a career school that supports influencers in their business activities and helps students acquire practical skills such as design, video editing, and online assistance. The company is expanding its business through unique marketing strategies utilizing social media platforms.

In the field of influencer support, Real us has a proven track record of supporting over 1,000 individuals. Since launching its career school business in 2025, the company has also supported around 100 participants in a short period, demonstrating strong growth potential.

Through this acquisition of shares, we aim to leverage the know-how and operational capabilities Real us possesses in influencer support and practical skills education, alongside the synergies with our group's existing SNS support services and online school business. This collaboration is expected to strengthen cooperation in areas such as marketing, course development, and customer support, and to further accelerate the growth of our group's educational ventures.

Furthermore, by supporting career development as influencers and freelancers, we anticipate contributing to the development of practical DX talent and the resolution of societal challenges.

After considering all of these factors, we decided to acquire the shares as we believe it will contribute to further improving the profitability and strengthening the competitiveness of our Group.

④ Schedule of the business combination

Date of resolution at the meeting of the Board of Directors : August 1, 2025

Date of conclusion of the agreement : August 1, 2025

Date of commencement of share transfer : August 4, 2025

⑤ Legal form of business combination

Acquisition of shares for cash consideration

⑥ Name of the company after the combination

There is no change.

⑦ Percentage of voting rights acquired

85.0%

⑧ Main rationale for determining the company to acquire

We acquire shares in exchange for cash.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition Cash	¥292,132 thousand
Acquisition cost	¥292,132 thousand

The Company has reached an agreement with the counterparty to adjust consideration for the transfer based on the performance of Real us Inc. in the future and the pledged items before and after the transfer of shares. Accordingly, the Company may pay additional consideration or adjust the amount of acquisition consideration depending on the performance of the relevant business. If such an event occurs, we will inform you as soon as it becomes known.

(3) Details and amount of major acquisition-related expenses

Advisory fees, etc. (approximate) ¥11,000 thousand

(4) Amount of goodwill arising, cause, amortization method, and amortization period

It has not been determined at this time.

- (5) Amounts of assets acquired and liabilities assumed on the date of the business combination and their main breakdown
It has not been determined at this time.

(Business Combination through Acquisition)

At the meeting of the Board of Directors held on August 12, 2025, we resolved to acquire all the shares of VST Inc. and make it a consolidated subsidiary. The share acquisition is scheduled to be executed on August 19, 2025, and after the execution, the Company will become a consolidated subsidiary of the Company.

(1) Overview of Business Combination through Share Acquisition

① Name of acquired company and details of business to be acquired

Name of counterparty: VST Inc.

Business Activities: Video Production Online School Business

Business scale Capital : ¥1,000 thousand

② Name of the counterparty to the share acquisition

Kazuma Yamada

③ Main reasons for business combination

Our company operates in the continually expanding Marketing and AI/Technology domains, where we aim to comprehensively cover the increasing number of digital touchpoints. We support companies in maximizing their marketing outcomes, while also providing high-quality services that facilitate digital transformation (DX) and advanced digitization. Through these efforts, we strive to achieve sustained and significant revenue growth with high profitability, ultimately maximizing customer value.

VST operates V-Pro, a practical video editing school that covers a wide range of topics—from basic to advanced video editing skills, to acquiring client projects and project management—targeted at beginners through intermediate learners. Leveraging its own social media channels, VST attracts students by delivering a wealth of video-editing-related content. In approximately two and a half years since its launch, the school has enrolled over 700 students in total, with many graduates now working successfully as freelancers or business owners, achieving remarkable growth in a short period of time.

Through this share acquisition, we aim to combine VST's extensive know-how in video editing education and its content production capabilities with our Group's operational foundation in marketing, course development, and customer support within our online school business. This synergy is expected to drive both the expansion and accelerated growth of the Group's overall school business.

After considering all of these factors, we decided to acquire the shares as we believe it will contribute to further improving profitability and strengthening the competitiveness of our Group.

④ Schedule of the business combination

Date of resolution at the meeting of the Board of Directors: August 12, 2025

Date of conclusion of the agreement: August 12, 2025 (scheduled)

Date of commencement of share transfer : August 19, 2025 (scheduled)

⑤ Legal form of business combination

Acquisition of shares for cash consideration

⑥ Name of the company after the combination

There is no change.

⑦ Percentage of voting rights to be acquired

100.0%

⑧ Main rationale for determining the company to acquire

We acquire shares in exchange for cash.

(2) Acquisition cost of the company to be acquired and breakdown by type of consideration

Consideration for acquisition Cash	¥334,460 thousand
Acquisition cost	¥334,460 thousand

The Company has reached an agreement with the counterparty to adjust the consideration for the transfer based on the performance of VST Inc. in the future and the pledged items before and after the transfer of shares. Accordingly, the Company may pay additional consideration or adjust the amount of the acquisition consideration depending on the performance of the relevant business. If such an event occurs, we will inform you as soon as it becomes known.

- (3) Details and amount of major acquisition-related expenses
Advisory fees, etc. (approximate) ¥12,000 thousand
- (4) Amount, cause, amortization method, and amortization period of goodwill to be generated
It has not been determined at this time.
- (5) Amounts of assets to be accepted and liabilities to be assumed on the date of the business combination and their main breakdown
It has not been determined at this time.

(Borrowing of Large Amounts of Funds)

At the meeting of the Board of Directors held on July 29, 2025, we resolved to conclude a loan agreement with financial riders as follows. On the same date, we concluded a loan agreement and executed the loan.

- (1) Purpose of borrowing: Financing for acquisition of shares of Ciel Zero Inc.
- (2) Agreement date : July 29, 2025
- (3) Name of borrower : Mizuho Bank, Ltd.
- (4) Borrowing amount : ¥1.310,000 thousand
- (5) Borrowing rate : Base rate +0.50%
- (6) Loan Disbursement Date : July 31, 2025
- (7) Maturity date : July 31, 2032
- (8) Collateral and guarantee : Unsecured, jointly guaranteed by Ciel Zero Inc.
- (9) Details of financial riders
 - ① The amount of net assets on the consolidated balance sheet of the lessee as of the last day of each fiscal year shall be 50% or more of the greater of the amount of net assets on the consolidated balance sheet of the lessee as of the last day of the fiscal year ending December 2024 and the immediately preceding fiscal year, with the settlement of the fiscal year ending December 2025 as the first time and thereafter.
 - ② To ensure that the core operating profit or loss calculated in the following formula in the consolidated statements of income of the lessee for each fiscal year shall not result in a loss for two consecutive fiscal years from the beginning of the fiscal year ending December 2025. The initial determination will be made for the fiscal year ending December 31, 2025 and the subsequent fiscal year.
(Calculation formula) Operating income - Other income + Other expenses
 - ③ The net leverage ratio calculated by the following formula in the consolidated statements of income of the lessee and the consolidated balance sheet for each fiscal year shall be maintained at no more than six times for each fiscal year ending after the beginning of the fiscal year ended December 31, 2025.
(Formula) Net Leverage Ratio = (Interest-Bearing Debt - Cash and Deposits) / EBITDA
 ※ Interest-bearing debt = Short-term borrowings + Current portion of long-term borrowings + Current portion of bonds + Long-term borrowings + Bonds (including bonds with subscription rights to shares).
 ※ EBITDA = Operating income + Depreciation and amortization (including lease depreciation but limited to those deducted from operating income) + Amortization of goodwill (limited to those deducted from operating income) + Other amortization + Impairment of goodwill