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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]



February 13, 2026

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4371
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 Scheduled date of annual general meeting of shareholders: March 30, 2026
 Scheduled date of commencing dividend payments: March 16, 2026
 Scheduled date of filing annual securities report: March 27, 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 December 31, 2025 (January 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	20,878	8.9	2,201	9.7	2,202	7.7	1,501	4.3
December 31, 2024	19,166	20.4	2,007	15.1	2,046	15.9	1,439	10.5

Note: Comprehensive income As of December 31, 2025: 1,501 million yen (4.3%)
 As of December 31, 2024: 1,439 million yen (10.5%)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2025	89.80	86.59	32.5	26.6	10.5
December 31, 2024	85.58	82.06	38.9	29.0	10.5

Reference: Share of loss (profit) of entities accounted for using equity method
 Fiscal year ended December 31, 2025: 10 million yen
 Fiscal year ended December 31, 2024: 42 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	8,561	5,058	59.1	311.65
As of December 31, 2024	8,009	4,195	52.4	250.96

Reference: Equity As of December 31, 2025: 5,056 million yen
 As of December 31, 2024: 4,194 million yen

(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	Million yen	Million yen	Million yen	Million yen
December 31, 2025	1,835	(281)	(1,303)	2,314
December 31, 2024	983	(970)	232	2,064

2. Dividends

	Annual dividends per share					Total dividends (consolidated)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended	-	0.00	-	19.00	19.00	308	21.2	6.8
December 31, 2025								
Fiscal year ending	-	0.00	-	21.00	21.00		25.4	
December 31, 2026 (Forecast)								

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	23,000	10.2	2,430	10.4	2,450	11.2	1,330	(11.4)	82.53

* Notes:

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

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

Note: For details, please refer to “3. Consolidated Financial Statements and Primary Notes (5) Notes to the Consolidated Financial Statements (Changes in accounting policies)” on page 11 of the attachments.

(3) Total number of issued shares (common shares)

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

As of December 31, 2025: 17,602,800 shares

As of December 31, 2024: 17,487,600 shares

2) Total number of treasury shares at the end of the period:

As of December 31, 2025: 1,376,888 shares

As of December 31, 2024: 776,288 shares

- 3) Average number of shares outstanding during the period:
 Fiscal year ended December 31, 2025: 16,723,910 shares
 Fiscal year ended December 31, 2024: 16,818,835 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	19,088	6.2	2,037	(1.7)	2,034	(1.9)	1,407	(8.2)
December 31, 2024	17,977	15.0	2,072	15.7	2,073	16.2	1,533	15.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2025	84.16	81.16
December 31, 2024	91.19	87.44

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	8,164	5,087	62.3	313.47
As of December 31, 2024	7,599	4,318	56.8	258.36

Reference: Equity: As of December 31, 2025: 5,086 million yen
 As of December 31, 2024: 4,317 million yen

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

* Proper use of earnings forecasts and other special matters

(Cautionary statement regarding forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee that they will be achieved by the Company. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions used as the basis for the earnings forecasts and precautions regarding their use, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy recovered slowly, due to improvements in the labor situation and increased wages, as well as signs of moderate recovery of capital investment. On the other hand, the outlook remained uncertain due to risks of a downward swing in the economy, such as impacts of trade policies in the United States.

Although the tariff measures by the United States have had impact on IT investments mainly in the manufacturing industry in Japan, the Group believes that the impact on the Group's performance for the current fiscal year will be limited.

In the information service industry to which the Group belongs, with the scale of the system integration (SI) market expected to expand moderately over the medium to long term, the share attributable to the digital transformation (DX) market, in which the Group provides services, is expected to expand. The Group is focusing on the manufacturing, construction, and logistics industries. These industries are facing substantial business challenges, including responding to workforce shortages, passing on know-how from veteran employees, and engaging in decarbonization. Not only the digitalization of some operations up to now, but companywide DX investment is accelerating, mainly among large corporations, and this is driving market expansion.

Moreover, the IT industry is also experiencing an expansion in the scale of the business process outsourcing (BPO) market. Meanwhile, in a situation of tight supply and demand due to a shortage of IT engineers, the Group is leveraging "Ohgi," its database of small- and medium-sized IT enterprises and their employees, to respond swiftly to the IT staffing demands of its clients. Further, the Group brings another of its strengths to bear by using "Ohgi" to build a project system capable of receiving orders for a larger number of DX projects than the number of its employees.

Under these conditions, net sales in the area of DX support were 10,052,613 thousand yen (up 10.7% year on year), and net sales in the area of IT personnel staffing support were 10,825,847 thousand yen (up 7.3% year on year).

For the fiscal year ended December 31, 2025, net sales were 20,878,460 thousand yen (up 8.9% year on year), operating profit was 2,201,675 thousand yen (up 9.7% year on year), ordinary profit was 2,202,799 thousand yen (up 7.7% year on year), and profit attributable to owners of parent was 1,501,810 thousand yen (up 4.3% year on year).

Since the Group operates in a single segment of DX-related business, segment information is not presented.

(Net sales)

Net sales for the fiscal year under review increased by 1,711,554 thousand yen from the previous fiscal year to 20,878,460 thousand yen (up 8.9% year on year). In the area of DX support, as a result of the Group's efforts to follow up with existing clients, net sales were 10,052,613 thousand yen (up 10.7% year on year). In the area of IT personnel staffing support, where orders increased primarily from existing customers but the effects of operational improvement were slow to appear, net sales were 10,825,847 thousand yen (up 7.3% year on year).

(Cost of sales and gross profit)

Cost of sales for the fiscal year under review increased by 1,047,335 thousand yen from the previous fiscal year to 15,193,821 thousand yen (up 7.4% year on year). This was mainly due to an increase in outsourcing expenses associated with the rise in sales and an increase in personnel expenses for recruitment, which resulted in increases of 467,349 thousand yen (up 8.1% year on year) in DX support and 579,985 thousand yen (up 6.9% year on year) in IT personnel staffing support.

As a result, gross profit for the fiscal year under review increased by 664,218 thousand yen from the previous fiscal year to 5,684,639 thousand yen (up 13.2% year on year). This was attributable to 3,823,148 thousand yen

(up 15.2% year on year) in DX support and 1,861,490 thousand yen (up 9.3% year on year) in IT personnel staffing support.

(Selling, general and administrative expenses and operating profit)

Selling, general and administrative expenses for the fiscal year under review increased by 469,922 thousand yen from the previous fiscal year to 3,482,963 thousand yen (up 15.6% year on year). This was mainly due to increases in personnel expenses arising from hiring new graduates and experienced employees.

As a result, operating profit for the fiscal year under review increased by 194,296 thousand yen from the previous fiscal year to 2,201,675 thousand yen (up 9.7% year on year), and the operating profit to net sales was 10.5% (compared to 10.5% in the previous fiscal year).

(Non-operating income and expenses and ordinary profit)

Non-operating income for the fiscal year under review decreased by 40,000 thousand yen from the previous fiscal year to 43,213 thousand yen (down 48.1% year on year). This was mainly due to a decrease in share of profit of entities accounted for using equity method. Non-operating expenses for the fiscal year under review decreased by 2,333 thousand yen from the previous fiscal year to 42,089 thousand yen (down 5.3% year on year). This was mainly due to recording of the loss on investments in investment partnerships related to the investment in REVA Investment Limited Partnership No. 1.

As a result, ordinary profit for the fiscal year under review increased by 156,629 thousand yen from the previous fiscal year to 2,202,799 thousand yen (up 7.7% year on year).

(Extraordinary income and loss, income taxes, and profit)

Income taxes for the fiscal year under review increased by 94,287 thousand yen from the previous fiscal year to 700,989 thousand yen (up 15.5% year on year).

As a result, profit attributable to owners of parent for the fiscal year under review increased by 62,341 thousand yen from the previous fiscal year to 1,501,810 thousand yen (up 4.3% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Total assets as of December 31, 2025 increased by 552,496 thousand yen from the end of the previous fiscal year to 8,561,779 thousand yen. This is mainly attributable to an increase in cash and deposits of 310,671 thousand yen due to an increase in cash flows from operating activities, an increase in accounts receivable - trade, and contract assets of 212,168 thousand yen due to an increase in net sales, and an increase in investment securities of 76,802 thousand yen due mainly to the payment for an injection of capital into REVA Investment Limited Partnership No. 1 despite decreases in goodwill and customer-related intangible assets of 71,114 thousand yen and 26,716 thousand yen respectively.

(Liabilities)

Liabilities as of December 31, 2025 decreased by 310,462 thousand yen from the end of the previous fiscal year to 3,503,770 thousand yen. This is mainly attributable to a decrease in short-term borrowings of 650,000 thousand yen due to repayment of acquisition-related borrowings from the previous fiscal year with cash from operating activities, despite an increase in accounts payable - trade of 156,177 thousand yen due to an increase in outsourcing expenses and an increase in income taxes payable of 176,425 thousand yen due to an income increase.

(Net assets)

Net assets as of December 31, 2025 increased by 862,958 thousand yen from the end of the previous fiscal year to 5,058,008 thousand yen. This is mainly attributable to an increase in retained earnings of 1,501,810 thousand yen from the posting of profit attributable to owners of parent, despite the purchase of treasury shares of 647,491 thousand yen. As a result, equity capital ratio stood at 59.1% (52.4% at the end of the previous year).

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “capital”) at the end of the fiscal year under review increased by 250,655 thousand yen from the end of the previous fiscal year to 2,314,983 thousand yen.

The status of each cash flows and their factors during the fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,835,427 thousand yen (983,055 thousand yen provided in the previous fiscal year) as a result of steady growth in business performance.

The main items of cash inflows were profit before income taxes of 2,202,799 thousand yen and depreciation of 157,105 thousand yen. The main item of cash outflows was income taxes paid of 524,050 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 281,443 thousand yen (970,752 thousand yen used in the previous fiscal year).

The main items of cash outflows were purchase of property, plant and equipment and intangible assets of 131,612 thousand yen and purchase of investment securities of 173,055 thousand yen. The main item of cash inflows was proceeds from distributions from investment partnerships of 83,769 thousand yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 1,303,328 thousand yen (232,126 thousand yen provided in the previous fiscal year).

The main items of cash outflows were a decrease in short-term borrowings of 650,000 thousand yen due to the repayment of acquisition-related borrowings from the previous fiscal year with cash from operating activities, and purchase of treasury shares of 647,491 thousand yen.

(4) Future Outlook

The Japanese economy is expected to continue to be on a gradual recovery trend. The outlook for business conditions is, however, anticipated to remain uncertain owing to concerns over impacts by the U.S. trade policies and the impacts of continuing price increases on consumer spending.

Under this environment, the Group has been pursuing efforts to increase the volume of marketing activities through reorganization and to steadily increase the number of leads by strengthening relationships with partner companies. This aims to strengthen upselling in existing projects and cross-selling across all products to existing clients and develop new clients to achieve a sustained growth at a steady rate.

Based on this, for the fiscal year ending December 31, 2026, the Group forecasts net sales of 23,000 million yen (up 10.2 % year on year), operating profit of 2,430 million yen (up 10.4% year on year), ordinary profit of 2,450 million yen (up 11.2% year on year), and profit attributable to owners of parent of 1,330 million yen (down 11.4 % year on year).

2. Basic Policy on Selection of Accounting Standards

The Group prepares its non-consolidated financial statements based on Japanese GAAP, taking into consideration the comparability of financial statements across periods and among companies.

The Group plans to appropriately address the adoption of the International Financial Reporting Standards (IFRS) upon considering various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	2,195,129	2,505,801
Accounts receivable - trade, and contract assets	3,273,287	3,485,455
Work in process	28,590	36,331
Prepaid expenses	326,269	394,770
Other	12,557	16,028
Allowance for doubtful accounts	(7,682)	(8,295)
Total current assets	5,828,151	6,430,092
Non-current assets		
Property, plant and equipment		
Buildings, net	174,468	158,920
Tools, furniture and fixtures, net	102,165	78,419
Land	369	369
Leased assets, net	206	93
Total property, plant and equipment	277,209	237,802
Intangible assets		
Software	247,724	287,910
Goodwill	641,792	570,677
Customer-related intangible assets	244,521	217,804
Other	150	150
Total intangible assets	1,134,187	1,076,543
Investments and other assets		
Investment securities	196,091	272,893
Shares of subsidiaries and associates	76,077	64,530
Leasehold and guarantee deposits	272,701	272,793
Deferred tax assets	209,983	191,968
Other	14,881	15,152
Total investments and other assets	769,735	817,340
Total non-current assets	2,181,131	2,131,686
Total assets	8,009,282	8,561,779

(Thousand yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,138,578	1,294,756
Short-term borrowings	830,000	180,000
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	4,356	2,856
Lease liabilities	121	101
Accounts payable - other	241,297	125,000
Accrued expenses	255,186	274,735
Income taxes payable	281,370	457,796
Accrued consumption taxes	208,291	221,397
Contract liabilities	131,152	201,423
Deposits received	107,466	120,300
Provision for bonuses	337,866	330,017
Reserve for quality assurance	11,636	14,811
Provision for loss on orders received	25,244	60,652
Total current liabilities	3,582,568	3,293,847
Non-current liabilities		
Bonds payable	25,000	15,000
Long-term borrowings	37,144	34,288
Retirement benefit liability	25,000	24,000
Lease liabilities	101	—
Asset retirement obligations	57,414	57,489
Long-term accounts payable - other	2,530	2,631
Deferred tax liabilities	84,474	76,514
Total non-current liabilities	231,663	209,923
Total liabilities	3,814,232	3,503,770
Net assets		
Shareholders' equity		
Share capital	566,028	570,348
Capital surplus	530,310	534,630
Retained earnings	4,558,536	6,060,346
Treasury shares	(1,460,874)	(2,108,365)
Total shareholders' equity	4,194,000	5,056,958
Share acquisition rights	1,050	1,050
Total net assets	4,195,050	5,058,008
Total liabilities and net assets	8,009,282	8,561,779

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

(Thousand yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	19,166,906	20,878,460
Cost of sales	14,146,485	15,193,821
Gross profit	5,020,420	5,684,639
Selling, general and administrative expenses	3,013,041	3,482,963
Operating profit	2,007,379	2,201,675
Non-operating income		
Interest income	136	3,158
Share of profit of entities accounted for using equity method	42,725	10,152
Subsidy income	26,572	18,764
Surrender value of insurance policies	9,031	8,059
Other	4,747	3,078
Total non-operating income	83,213	43,213
Non-operating expenses		
Interest expenses	3,803	2,745
Loss on investments in investment partnerships	20,439	12,483
Commission expenses	17,948	26,155
Other	2,231	704
Total non-operating expenses	44,422	42,089
Ordinary profit	2,046,170	2,202,799
Profit before income taxes	2,046,170	2,202,799
Income taxes – current	536,413	690,934
Income taxes – deferred	70,288	10,054
Total income taxes	606,701	700,989
Profit	1,439,468	1,501,810
Profit attributable to owners of parent	1,439,468	1,501,810

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Profit	1,439,468	1,501,810
Comprehensive income	1,439,468	1,501,810
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,439,468	1,501,810

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Thousand yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	562,173	526,455	3,119,067	(1,000,248)	3,207,447	1,050	3,208,497
Changes during period							
Issuance of new shares	3,855	3,855			7,710		7,710
Profit attributable to owners of parent			1,439,468		1,439,468		1,439,468
Purchase of treasury shares				(460,625)	(460,625)		(460,625)
Net changes in items other than shareholders' equity					-		-
Total changes during period	3,855	3,855	1,439,468	(460,625)	986,552	-	986,552
Balance at end of period	566,028	530,310	4,558,536	(1,460,874)	4,194,000	1,050	4,195,050

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Thousand yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	566,028	530,310	4,558,536	(1,460,874)	4,194,000	1,050	4,195,050
Changes during period							
Issuance of new shares	4,320	4,320			8,640		8,640
Profit attributable to owners of parent			1,501,810		1,501,810		1,501,810
Purchase of treasury shares				(647,491)	(647,491)		(647,491)
Net changes in items other than shareholders' equity					-		-
Total changes during period	4,320	4,320	1,501,810	(647,491)	862,958	-	862,958
Balance at end of period	570,348	534,630	6,060,346	(2,108,365)	5,056,958	1,050	5,058,008

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,046,170	2,202,799
Depreciation	127,459	157,105
Amortization of goodwill	50,991	71,114
Increase (decrease) in provisions	(224,787)	30,346
Loss (gain) on investments in investment partnerships	20,439	12,483
Interest and dividend income	(138)	(3,169)
Interest expenses on borrowings and bonds	3,803	2,745
Share of loss (profit) of entities accounted for using equity method	(42,725)	(10,152)
Subsidy income	(25,309)	(18,764)
Decrease (increase) in work in process	15,098	(7,741)
Decrease (increase) in trade receivables	(416,657)	(212,168)
Increase (decrease) in trade payables	140,903	156,177
Increase (decrease) in contract liabilities	36,307	70,271
Increase (decrease) in accounts payable - other	(14,956)	(115,549)
Increase (decrease) in accrued consumption taxes	(29,387)	13,106
Increase (decrease) in income taxes payable - factor based tax	1,819	12,290
Other, net	(73,711)	(50,363)
Subtotal	1,615,317	2,310,532
Interest and dividends received	23,425	24,867
Interest paid	(3,803)	(2,745)
Subsidies received	25,309	18,764
Proceeds from surrender value of insurance policies	—	8,059
Income taxes paid	(677,192)	(524,050)
Net cash provided by (used in) operating activities	983,055	1,835,427
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(148,183)	(131,612)
Purchase of investment securities	(219,738)	(173,055)
Proceeds from distributions from investment partnerships	31,935	83,769
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(616,632)	—
Payments of leasehold deposits	(7,711)	(439)
Other, net	(10,422)	(60,105)
Net cash provided by (used in) investing activities	(970,752)	(281,443)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	730,000	(650,000)
Repayments of long-term borrowings	(54,513)	(4,356)
Proceeds from long-term borrowings	20,000	—
Redemption of bonds	(10,000)	(10,000)
Repayments of lease liabilities	(444)	(121)
Proceeds from issuance of shares	7,710	8,640
Purchase of treasury shares	(460,625)	(647,491)
Net cash provided by (used in) financing activities	232,126	(1,303,328)
Net increase (decrease) in cash and cash equivalents	244,429	250,655
Cash and cash equivalents at beginning of period	1,819,899	2,064,328
Cash and cash equivalents at end of period	2,064,328	2,314,983

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been applied effective from the beginning of the fiscal year ended December 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the Revised Guidance 2022 has been applied effective from the beginning of the fiscal year ended December 31, 2025. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

(Segment information)

[Segment information]

Segment information is not presented, as the Company operates in a single segment of DX-related business.

[Related information]

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

1. Information by product and service

Information by product and service is not presented as net sales of a single product/service category account for over 90% of net sales on the consolidated statements of income.

2. Information by region

(1) Net sales

Information by region is not presented as net sales to external clients within Japan account for over 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

Information by region is not presented as the amount of property, plant and equipment within Japan accounts for over 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major client

Information by major client is not presented as there are no specific clients for which net sales account for 10% or more of the net sales on the consolidated statements of income.

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

1. Information by product and service

Information by product and service is not presented as net sales of a single product/service category account for over 90% of net sales on the consolidated statements of income.

2. Information by region

(1) Net sales

Information by region is not presented as net sales to external clients within Japan account for over 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

Information by region is not presented as the amount of property, plant and equipment within Japan accounts for over 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major client

Information by major client is not presented as there are no specific clients for which net sales account for 10% or more of the net sales on the consolidated statements of income.

[Information regarding impairment losses on non-current assets by reportable segment]

Not applicable.

[Information regarding amortization of goodwill and unamortized balance by reportable segment]

Information regarding amortization of goodwill and unamortized balance by reportable segment is not presented due to a lack of materiality.

[Information regarding gain on bargain purchase by reportable segment]

Not applicable.

(Per share information)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net assets per share	250.96 yen	311.65 yen
Basic earnings per share	85.58 yen	89.80 yen
Diluted earnings per share	82.06 yen	86.59 yen

(Note) The basis used to calculate basic earnings per share and diluted earnings per share is as follows:

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	1,439,468	1,501,810
Amount not attributable to common shareholders (Thousand yen)	-	-
Profit attributable to owners of parent relating to common shares (Thousand yen)	1,439,468	1,501,810
Average number of common shares during the period (Shares)	16,818,835	16,723,910
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Thousand yen)	-	-
Increase in the number of common shares (Shares)	721,395	618,375
[Of which, share acquisition rights (Shares)]	[721,395]	[618,375]
Overview of diluted shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	-	-

(Significant subsequent events)

(Absorption-type merger of consolidated subsidiary)

The Company resolved at the Board of Directors meeting held on February 13, 2026 that it would merge with Pros Cons, Inc., a wholly owned subsidiary of the Company, through an absorption-type merger and entered into the merger agreement on the same date.

1. Summary of transaction

(1) Name of the absorbed company and details of its business

(Name of the company absorbed in absorption-type merger)

Pros Cons, Inc.

Details of business: -Planning, design, and development of AI-based systems
-Development and sales of visual inspection AI software, “Gemini eye”
-Design, manufacture, and sales of visual inspection instruments

(2) Date of business combination

April 1, 2026

(3) Legal form of business combination

The merger will be an absorption-type with the Company as the surviving company and Pros Cons, Inc. as the disappearing company.

(4) Name of company post combination

Core Concept Technologies Inc.

(5) Purpose of business combination

Pros Cons, Inc. became a wholly owned subsidiary of the Company in February 2024. It offers AI-based visual inspection solutions for automating visual inspections in both software and hardware aspects for manufacturing companies using its own-developed software, “Gemini eye,” which utilizes a proprietary quality learning AI algorithm, playing a part in the Company’s DX support services for manufacturers. On the other hand, Pros Cons, Inc. is facing challenges in corporate growth due to its small organizational size with only several employees. The merger will integrate the operations of Pros Cons, Inc. into the Company’s business organization and consolidate their resources to enhance efficiency and speed of business while strengthening governance.

2. Summary of the accounting treatment to be implemented

The transaction will be accounted for as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No.21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10, January 16, 2019).

(Change in the method of granting of share acquisition rights)

At the Board of Directors meeting held on February 13, 2026, the Company resolved to change the method of granting of a portion of its third share acquisition rights. Consequently, an extraordinary loss will be recorded. In terms of financial impact, although the extraordinary loss will be recorded, there will be no cash outflow and no impact on net assets or shareholders’ equity, and theoretically, there will be no impact on corporate value.

1. The third share acquisition rights

The Company has introduced an incentive plan using a market value issue share acquisition rights trust R.

(1) Overview of the third share acquisition rights

Date of resolution	December 15, 2020
Number of share acquisition rights	1,500
Class and number of shares subject to the share acquisition rights	600,000 common shares
Amount to be paid in upon exercise of share acquisition rights	75 yen
Exercise period of share acquisition rights	From December 26, 2020 to December 25, 2030
Issue price of shares upon issuance of shares as a result of the exercise of share acquisition rights and the amount of capital incorporation	Issue price of shares: 75 yen Amount to be paid into capital: 37.50 yen

(2) Overview of the trust

Name of trust	Third share acquisition rights (market value issue share acquisition rights trust R)
Trustor	Takeshi Kaneko and Katsunori Shimomura
Trustee	Kotaeru Trust Co., Ltd.
Beneficiaries	Those who meet the beneficiary eligibility requirements (certain prescribed procedures must be completed after occurrence of the events determining the beneficial rights)
Trust contract date	December 22, 2020
Number of share acquisition rights	1,500
Trust expiration date (issuance record date)	March 31, 2025 (If the date falls on a trustee's non-business day, the preceding business day)

2. Details of change in the method of granting of share acquisition rights

The method will be changed as described below.

- Number of share acquisition rights affected: 720 (288,000 shares)
- The third share acquisition rights grants stock options to beneficiaries (the "stock-option-grant" scheme). In the new method, however, for a portion of these options, stock options are exercised within the trust and shares instead of stock options are granted to beneficiaries after they are determined (the "share-grant" scheme).
- In the share-grant scheme, Kotaeru Trust borrows funds from financial institutions to cover the payment at the time of exercise, and then repays the borrowing by selling a portion of the shares acquired through the exercise. Beneficiaries receive shares excluding the sold portion, and no payment is required from the beneficiaries.
- For contracts with a stock-option-grant scheme entered into prior to the promulgation of the 2025 tax reform, withholding income tax is imposed upon the exercise of stock options on the beneficiary, but not under the share-grant scheme (the capital gains tax is imposed upon sale of shares by the beneficiary).
- For the share-grant scheme, the difference between the market price and the exercise price is recorded as a loss for the Company at the time of the scheme change.

3. Reasons for the change

The reasons for the change is described below.

- The National Tax Agency published a document titled “Taxation on Stock Options (Q&A)” in May 2023, indicating that under conventional contract terms, beneficiaries will be subject to withholding income tax upon exercise of stock options. This causes a greater tax burden compared to taxation upon transfer alone.
- The Company hence deemed that it should offer some remedial measures for beneficiaries.
- It has been confirmed that, under the share-grant-type scheme, no taxation arises upon grant of shares but the capital gains tax arises upon transfer of shares. Therefore, tax burdens on beneficiaries will remain largely unchanged, allowing the plan to produce the intended effect.
- In terms of financial impacts, although the extraordinary loss will be recorded, this is expected to cause no cash outflow and no impact on net assets or shareholders’ equity, and theoretically, no impact on corporate value.

4. Impact on the financial results

As a result of the decision, a loss related to trust-type stock options is expected to be recorded as an extraordinary loss in the fiscal year ending December 31, 2026 (*), and retained earnings as well as share capital and capital surplus are expected to change by the same amount with no impact on net assets.

The Company does not intend to apply the share-grant-type scheme to future beneficiaries and anticipates no impact on its profit or loss.

(*) Based on the average closing stock price for the most recent month, January 2026, the estimated impact is 354,528 thousand yen.

4. Other Matters

(1) Changes in Executives

(1) Changes in Representative (planned on March 30, 2026)

Candidate for additional Representative Director:

Kazuaki Nakajima (Representative Director, Vice President, CFO)

(2) Changes in other Executives

Not applicable.