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FY25 Consolidated Financial Results [JGAAP]

November 2, 2026

Company Name: Insource Co., Ltd. Stock Exchange Listing: Tokyo
Code number: 6200 URL: https://www.insource.co.jp/index.html
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Scheduled date of the ordinary general meeting of shareholders: December 18, 2026
Scheduled date to commence dividend payments: December 21, 2026
Scheduled date to submit annual securities report: December 16, 2026
Preparation of supplementary materials on financial results: Yes
Financial results briefing: Yes (for analysts)

(Amounts are rounded down to the nearest million yen)

1. FY25 Consolidated Financial Results (October 1, 2025 – September 30, 2026)

(1) Consolidated Financial Results (% indicates changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	mil yen	%	mil yen	%	mil yen	%	mil yen	%
FY25	15,556	7.2	6,161	3.1	6,226	3.8	4,374	5.9
FY24	14,510	16.3	5,978	21.1	5,997	21.4	4,130	23.1

(Note) Comprehensive income: FY25 4,367 million yen (5.1%) FY24 4,155 million yen (23.9%)

	Earnings per share	Fully diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to sales ratio
	yen sen	yen sen	%	%	%
FY25	52.36	—	34.6	38.4	39.6
FY24	49.20	—	36.8	40.9	41.2

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	mil yen	mil yen	%	yen sen
FY25	16,265	12,803	78.7	157.43
FY24	16,149	12,487	77.3	148.70

(Reference) Equity attributable to owners of parent: FY25 12,803 million yen FY24 12,487 million yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	mil yen	mil yen	mil yen	mil yen
FY25	4,252	(678)	(4,102)	7,663
FY24	4,395	(231)	(1,678)	8,191

2. Dividends

	Annual cash dividends per share					Total dividend	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	yen sen	yen sen	yen sen	yen sen	yen sen	mil yen	%	%
FY24 Full-year	—	0.00	—	25.00	25.00	2,099	50.8	18.7
FY25 Full-year	—	0.00	—	35.00	35.00	2,846	66.8	22.9
FY26 (forecast)	—	0.00	—	36.00	36.00		61.0	

(Note) Breakdown of FY25 year-end dividend: Ordinary dividend 29.50 yen; commemorative dividend 5.50 yen.

3. Consolidated Financial Forecast for FY26 (October 1, 2026 – September 30, 2027)

(% indicates changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	mil yen	%	mil yen	%	mil yen	%	mil yen	%	yen sen
2Q FY26 (Cumulative)	8,050	6.1	3,060	3.7	3,060	2.9	2,150	6.1	26.43
FY26 Full-year	17,110	10.0	6,850	11.2	6,850	10.0	4,800	9.7	59.01

* Notes

(1) Significant changes in the scope of consolidation during the current fiscal year : None (Newly consolidated: — companies; Excluded: — companies)

(2) Changes in accounting policies, estimates and restatements

(i) Changes in accounting policies due to the revision of accounting standards : None

(ii) Changes in accounting policies other than (2)-(i) : None

(iii) Changes in accounting estimates : None

(iv) Restatements : None

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

(i)Total number of issued shares at the end of the period (including treasury shares)	FY25	81,543,700	shares	FY24	85,243,000	shares
(ii)Total number of treasury shares at the end of the period	FY25	213,071	shares	FY24	1,269,169	shares
(iii)Average number of shares during the period	FY25	83,552,216	shares	FY24	83,947,385	shares

* These consolidated financial results are not subject to an audit by a certified public accountant or audit firm

* Explanation for the appropriate use of financial forecasts and other special notes:

(Cautionary note on forward-looking statement)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. Actual results may differ materially from those expressed or implied in these statements due to various factors.

(How to obtain supplementary explanatory materials for financial results)

Supplementary materials for financial results are disclosed via TDnet on the same day.

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1. Overview of Business Performance and Other Key Indicators

(1) Overview of Business Results for the Current Fiscal Year

i. Business Results for the Current Fiscal Year

During the current consolidated fiscal year (From October 1, 2025 to September 30, 2026), the training market for working professionals continued to expand against the backdrop of growing interest in human capital management, labor shortages, and difficulties in recruiting personnel. Meanwhile, in the DX (digital transformation) training market, basic generative AI training became relatively widespread, particularly among large enterprises, with training demand showing signs of shifting to the next phase.

Against this backdrop, under the theme "Bringing AI to 100 Million People," the Group worked to evolve into a comprehensive solutions provider supporting the practical implementation of generative AI. Specifically, the Group strengthened the development and promotion of new AI- and DX-related services, including the launch of "AI BOAT," an AI-powered learning support tool; consulting services that support clients from the formulation of generative AI utilization policies through implementation and adoption in daily operations; and the "AI/DX Management Academy," a community for executives.

Internally, the Group provided AI agent training to all employees and promoted business efficiency improvements through AI utilization. The Group also worked to increase productivity and reduce costs by reviewing work allocation and staffing.

In sales activities, in addition to improving service quality and revising prices, the Group reviewed its sales structure to expand business with large enterprises. It also strengthened sales activities using the "AI-Plants" sales support system and sought to raise brand awareness through transit advertising. As a result, the number of inquiries increased by 8.2% YoY.

Regarding the On-Site Training Business, average revenue per training session increased by 5.4% YoY as a result of price revisions and a higher share of DX-related training. The acquisition of large-scale public-sector projects also contributed to sales growth.

In the Open Seminars Business, net sales increased due to price revisions, growing demand for DX-related training, and an increase in the number of participants. Average revenue per participant increased by 5.3% YoY, while the number of participants increased by 2.0% YoY.

In the IT Services Business, the Group focused on enhancing the added value of its LMS "Leaf" (*1) and strengthening sales promotion, including by adding new generative AI-powered features and expanding its lineup of video learning materials. The number of active users increased by 10.1% YoY to 5.52 million, while the number of paying organizations reached 936, up 76 from the end of the previous fiscal year. Accordingly, monthly recurring revenue (MRR, *2) from Leaf increased, and annual recurring revenue (ARR, *3) reached 1,581 million yen, up 8.5% from the end of the previous fiscal year.

In Other Businesses, the number of video and e-Learning products sold decreased by 0.1% YoY, while the number of video production projects completed increased by 44.8% YoY.

The Group also worked to curb increases in selling, general and administrative expenses through productivity improvements enabled by generative AI, optimization of staffing, and selective recruitment. As a result, selling, general and administrative expenses increased by 10.5% YoY, while operating profit increased by 3.1% YoY.

As a result of the above, for the consolidated fiscal year under review, net sales were 15,556,680 thousand yen (+ 7.2% YoY), operating profit was 6,161,812 thousand yen (+ 3.1% YoY), ordinary profit was 6,226,851 thousand yen (+3.8% YoY), profit attributable to owners of parent was 4,374,619 thousand yen (+5.9% YoY), setting new record highs.

*1: LMS (Learning Management System): A system necessary for implementing e-Learning.

*2: MRR: Monthly Recurring Revenue

*3: ARR: Annual Recurring Revenue. Calculated by multiplying the MRR of the last month of each term by 12.

■Net sales by business (cumulative)

(Unit: thousand yen)

Business	The 23rd consolidated fiscal year (Oct.1, 2024 – Sep.30, 2025)	YoY (%)	The 24th consolidated fiscal year (Oct.1, 2025 – Sep.30, 2026)	YoY (%)
On-Site Training	6,914,664	117.5	7,532,592	108.9
Open Seminars	3,579,759	117.0	3,843,827	107.4
IT Services	1,929,551	105.9	2,004,576	103.9
Other Businesses	2,086,970	122.2	2,175,684	104.3
Total	14,510,945	116.3	15,556,680	107.2

(Note) Since the Group has a single business segment, which is the education service business, the information herein is presented by business category instead of segment.

ii. Future Outlook

The training market for working professionals is expected to continue to see a certain level of demand, supported by growing interest in human capital management and labor shortages. In the DX (digital transformation) training market, demand is expected to increase for practical training and support for the implementation and adoption of generative AI as its use in business operations advances.

Against this backdrop, in FY26, the Group will clarify its sales and development strategies according to client size and advance a shift toward management that emphasizes profit growth rather than merely expanding net sales.

For large enterprises, the Group established the Business Strategy Development Department in October 2026, bringing together specialists from the content development department and sales representatives to promote sophisticated problem-solving and the provision of high-value-added services. With this department playing a central role, the Group will strengthen proposals combining AI, IT, training, and consulting services, with the aim of expanding transactions in the large-enterprise market. For medium-sized and small enterprises, meanwhile, the Group will prioritize the allocation of management resources and pursue deeper relationships with existing clients and the acquisition of new clients through integrated proposals centered on HR Smart Pack. In particular, in the Open Seminars Business, the Group will strengthen new client acquisition and develop KPIs to measure contributions to sales and profits, including the number of new clients and the number of new clients whose transaction amounts exceed a specified threshold. The Group will also expand sales of standardized products through the web and advertising to reduce personnel costs associated with sales activities.

With regard to products and services, the Group will develop practical generative AI training and advanced AI content, while seeking to improve profitability by identifying client challenges through tools such as the generative AI Utilization Test and offering integrated proposals. The Group will also offer services that support companies in developing their own in-house training capabilities using “AI BOAT” and the LMS “Leaf.” At the Insource Utsunomiya AI Research and Development Center, the Group will pursue research and development of AI-related products and improvements in service quality to create new value.

To improve profitability, the Group will seek to increase productivity per employee through the use of generative AI, standardization of operations, stronger web-based sales, and optimal personnel allocation. The Group will also expand sales of recurring-revenue services, including “Leaf” and “AI BOAT,” and promote multi-year contracts for services such as stress checks, assessments, training systems, and training programs, with the aim of increasing stable revenue. In addition, the Group will work to improve profitability across the Group by scaling down or withdrawing from low-profitability businesses, reallocating management resources, establishing sales KPIs that emphasize profitability, and developing performance evaluation and management systems that focus on operating profit.

Through these measures, in FY26 the Group aims to establish a business structure capable of delivering sustainable profit growth and to restore double-digit profit growth.

For FY26, the Group forecasts net sales of 17,110 million yen, operating profit of 6,850 million yen, ordinary profit of 6,850 million yen, and profit attributable to owners of parent of 4,800 million yen.

(2) Overview of Financial Position for the Current Fiscal Year

i. Situation of the assets, liabilities and net assets

(Current Assets)

At the end of the consolidated fiscal year under review, current assets decreased by 408,056 thousand yen from the end of the previous consolidated fiscal year to 9,792,784 thousand yen (down 4.0% from the previous fiscal year). This was mainly attributable to a decrease of 527,623 thousand yen in cash and deposits.

(Non-current assets)

At the end of the consolidated fiscal year under review, non-current assets increased by 523,949 thousand yen from the end of the previous consolidated fiscal year to 6,472,550 thousand yen (up 8.8%). This was mainly attributable to an increase of 565,632 thousand yen in buildings, net.

(Current liabilities)

At the end of the consolidated fiscal year under review, current liabilities decreased by 231,951 thousand yen from the end of the previous consolidated fiscal year to 3,360,749 thousand yen (down 6.5%). This was mainly attributable to a decrease of 255,616 thousand yen in income taxes payable.

(Non-current liabilities)

At the end of the consolidated fiscal year under review, non-current liabilities increased by 31,158 thousand yen from the end of the previous consolidated fiscal year to 100,824 thousand yen (up 44.7%). This was mainly attributable to an increase of 31,158 thousand yen in asset retirement obligations.

(Net assets)

At the end of the consolidated fiscal year under review, net assets increased by 316,686 thousand yen from the end of the previous consolidated fiscal year to 12,803,760 thousand yen (up 2.5%). This was mainly attributable to an decrease of 527,525 thousand yen in the treasury shares balance.

ii. Overview of Cash Flows

During the consolidated fiscal year under review, cash and cash equivalents decreased by 527,623 thousand yen, bringing the balance at the end of the fiscal year to 7,663,635 thousand yen. Cash flows for the fiscal year and the principal factors behind them were as follows.

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 4,252,833 thousand yen during the consolidated fiscal year under review (compared with net cash provided of 4,395,202 thousand yen in the previous consolidated fiscal year). This was mainly attributable to the recording of profit before income taxes of 6,226,148 thousand yen.

(Cash flow from investing activities)

Net cash used in investing activities amounted to 678,482 thousand yen during the consolidated fiscal year under review (compared with net cash used of 231,097 thousand yen in the previous consolidated fiscal year). This was mainly attributable to payments of 676,751 thousand yen for the purchase of property, plant and equipment.

(Cash flow from financing activities)

Net cash used in financing activities amounted to 4,102,342 thousand yen during the consolidated fiscal year under review (compared with net cash used of 1,678,212 thousand yen in the previous consolidated fiscal year). This was mainly attributable to dividend payments of 2,099,345 thousand yen.

(3) Profits Distribution Policy and Current Dividend Payment

Starting from July 22, 2024, the Company has adopted a shareholder return policy that incorporates a capital efficiency perspective as our basic dividend policy, aiming for a "dividend payout ratio of 50% and a dividend on equity (DOE) of 18%." Taking into consideration the consolidated results for FY25, the Company has decided to pay a year-end dividend of 35.00 yen per share, consisting of an ordinary dividend of 29.50 yen and a commemorative dividend of 5.50 yen, in line with the dividend forecast announced on July 21, 2026. The dividend payout ratio based on the ordinary dividend is 56.3%, and the DOE ratio is 19.3%.

(4) Business Risks

The matters described below are those among the business and financial matters presented in this document that the Group believes could have a significant impact on investors' decisions. While the Group recognizes the possibility of these risks and intends to take measures to prevent them from materializing and to minimize their impact should they occur, investment decisions regarding the Company's shares should be made only after carefully considering the following business risks as well as the other information contained in this document.

The forward-looking statements in this report are based on the judgment of the Group as of the date of submission of this report.

i. Business environment

As the services provided by the Group relate to human resource development at companies and other organizations, demand for these services tends to be affected by economic conditions and the profitability of those companies and organizations. If clients reduce their education and training budgets due to a deterioration in economic conditions, the Group's business results may be affected. To respond to such changes in the economic environment, the Group will provide a diverse range of high-value-added services by developing innovative offerings that leverage AI and digital technologies, providing flexible training formats that combine online and in-person delivery, and designing highly customizable training programs tailored to customer needs. Furthermore, while expansion of the generative AI market presents new growth opportunities for the Group, its businesses and profitability may be affected if it fails to respond appropriately to the pace of technological innovation, changes in training needs, or legal issues involving copyright, data use, and other matters. To respond quickly to these changes in the business environment, the Group has assigned at least one person responsible for generative AI to each department and division and is rapidly pursuing improvements in internal operations. In addition, the Group has established a system for quickly commercializing examples of such improvements and developing a diverse content lineup that accurately addresses customer needs.

Beyond the education and training field, the Group will also actively enter new markets, including generative AI utilization consulting and technical support, to maintain and improve profitability.

ii. About the Group's business

(System)

a. System Failures

The services provided by the Group and the internal operations that support those services make extensive use of computer and Internet technologies and are highly dependent on telecommunications network services provided by telecommunications carriers. Accordingly, if telecommunications networks or servers become unavailable due to unforeseen disruptions or other incidents, the Group may experience difficulties in providing its services.

Should such an event occur, the Group could face claims for damages from customers and other parties and a loss of public trust, which could have a material adverse effect on the Group's business and operating results.

b. Cyber Security

The Group has implemented various security measures to prevent system failures and information leaks resulting from cyberattacks and other incidents. However, as cyberattacks have become increasingly sophisticated and complex in recent years, risks have risen, including business interruptions and data encryption caused by ransomware, as well as leaks of personal and confidential information resulting from unauthorized access. If any such incident were to occur, it could not only disrupt business operations but also have a material adverse effect on the Group's operating results due to claims for damages and a loss of public trust.

c. Internal Systems Development Structure

The Group has actively promoted the systematization of internal operations to curb increases in personnel expenses accompanying business expansion and maintain price competitiveness. However, if it becomes difficult to secure the necessary personnel and progress in system development is delayed, the efficient operation of internal business processes could be hindered, potentially affecting the Group’s operating results.

(Products and services)

If the Group becomes unable to maintain its competitive advantage in its ability to develop a diverse range of new content and in its business support services for human resources and general affairs departments, which have served as sources of its competitiveness, the Group’s operating results may be affected.

(Sales activities using the web)

The Group has been expanding its websites to enhance the effectiveness of its sales promotion activities. As the use of generative AI increases, traffic to the Group’s conventional websites (measured by the number of sessions) may decrease, potentially reducing the effectiveness of its sales promotion activities. To address this risk, the Group is rapidly developing information structures that make its content easier for AI systems to retrieve and use. Specifically, the Group is organizing information in formats that can respond to natural-language questions from customers. It is also publishing proprietary primary data that differentiates the Group from other companies and clearly presenting up-to-date numerical information that AI systems can readily use when generating responses. Through these initiatives, the Group will continue to strengthen its web-based sales activities in the emerging field known as LLMO (Large Language Model Optimization).

(Intellectual Property Rights)

As one of the Group’s strengths is delivering training programs using original content, the Group considers it important to secure intellectual property rights, including copyrights, trademark rights, and portrait rights. Although the Group endeavors to obtain trademark rights, clearly indicate copyrights, and protect and preserve the technologies and know-how it has developed, imitation of its services by malicious third parties or similar conduct could hinder the Group’s business activities and adversely affect its operating results.

The Group also takes great care to avoid infringing on intellectual property rights belonging to third parties, including by investigating the relevant rights in advance. If the Group were to infringe on a third party’s intellectual property rights, it could lose public trust and incur losses arising from claims for damages, which could affect the Group’s operating results.

(Securing trainers)

The quality of instructors is one of the key factors determining the success of a training program. Securing instructors with appropriate skills, knowledge, and experience is essential to delivering high-quality training.

The Group intends to continue its efforts to secure such instructors. If, in the future, the Group becomes unable to secure instructors who have the skills, knowledge, and experience it requires under appropriate contractual terms, its ability to deliver training programs could be seriously impaired, potentially affecting the Group’s operating results.

(Mergers and Acquisitions)

The Group believes that mergers and acquisitions (M&A), including the acquisition of subsidiaries, acquisition of businesses, and equity investments, can complement and strengthen its business, and it actively pursues such transactions. In doing so, the Group seeks to avoid risks to the greatest extent possible by gathering information considered necessary and sufficient for decision-making, thoroughly examining investment efficiency, and conducting detailed due diligence on target companies and businesses, including their business conditions and financial, tax, legal, and labor-related matters.

Nevertheless, if issues not previously identified by the Group come to light after an M&A transaction, or if business development does not proceed as planned for any reason, the Group may be required to recognize impairment losses on the shares of the acquired company or the acquired assets. Such circumstances could affect the Group’s operating results and financial position.

iii. Competitors

Numerous companies operate in the training market for working professionals, including training providers, consulting firms, and think-tank-affiliated training companies. If companies from industries outside the training business enter the market with business models that bring about a paradigm shift in training, the Group's sales activities could be disrupted, potentially affecting its operating results.

iv. Risks related to Sustainability

The Group has identified five sustainability-related risks involving events that may have an impact over the medium to long term or that should be recognized despite a low likelihood of occurrence: "human rights violations," "damage to business sites and servers caused by large-scale natural disasters," "bribery and corruption," "loss of competitiveness due to an inadequate response to changes in the business environment accompanying advances in generative AI," and "cost increases due to changes in the external environment." These risks are regularly monitored and assessed by the Sustainability Committee, in coordination with the Risk and Compliance Committee, to reduce the risks and minimize their impact if they materialize.

Priority	Risks related to sustainability	Financial impact
1	Human rights violations	Significant
2	Damage to business sites and servers due to large-scale natural disasters	Moderate
2	Bribery and corruption	Moderate
2	Loss of competitiveness due to an inadequate response to changes in the business environment accompanying advances in generative AI	Moderate
3	Cost increases due to changes in the external environment	Minimal

v. Compliance Violations and Misconduct

The Group regards compliance as one of its key management priorities and requires each director, officer and employee to maintain an awareness of compliance in carrying out their daily duties. Nevertheless, it is difficult to completely eliminate the risk of misconduct by directors, officers or employees, such as embezzlement or breach of trust; violations of laws and regulations, including insider trading regulations; human rights violations, such as harassment; and corrupt practices, including bribery. If any such incident occurs, loss of public trust in the Group, claims for damages, administrative sanctions or other consequences could have a significant impact on the Group's operating results. To minimize these risks, the Group will continue to improve its compliance framework by strengthening compliance training, enhancing its internal whistleblowing system, and reinforcing internal audits.

(5) Others

i. Personal Information and Confidential Information

Due to the nature of its business operations, the Group handles personal and confidential information concerning customers, trainees, employees and other stakeholders. The Group has established and operates a management system for this information in accordance with the Act on the Protection of Personal Information and other applicable laws and regulations, and has obtained Privacy Mark certification.

However, as cyberattacks have grown increasingly sophisticated, there is a risk of leakage, loss, damage, or unauthorized use of personal or confidential information due to ransomware attacks, unauthorized access exploiting system vulnerabilities, breaches through service providers or cloud services, or intentional acts or negligence by employees. Such incidents could result in costs for investigation and recovery, recurrence prevention and responses to affected parties, claims for damages, and guidance, recommendations or orders from relevant authorities, potentially having a material adverse effect on the Group's business, operating results and public trust.

ii. Risks of misconduct, rumors, etc. of trainers and e-Learning performers

If trainers or presenters appearing in e-Learning programs and other content provided by the Group cause or become involved in accidents, incidents, misconduct or similar events, or if their reputations are seriously damaged by the spread of rumors or other circumstances, the Group may need to take measures such as suspending the relevant instructors from delivering training or discontinuing the use of e-Learning content featuring the relevant presenters. These measures could affect the Group's operating results. Furthermore, regardless of how the Group responds to such events, if information about them spreads among investors, the mass media, on the Internet or throughout society in a manner detrimental to the Group, public trust in the Group may be damaged, which could also affect the Group's operating results.

2. Overview of Group's Activities

As of the end of the current consolidated fiscal year, the Group consists of the Company and seven subsidiaries. The overview of consolidated subsidiaries is as follows;

Name	Address	Business
Mitemo Co., Ltd	Chiyoda-ku, Tokyo	・Regional Revitalization Business ・Workshops/ Consulting Business ・e-Learning Business ・Production of Training Materials Business
Rashiku Corporation	Chiyoda-ku, Tokyo	・Employment Placement Business
Insource Digital Academy Corporation	Chiyoda-ku, Tokyo	・IT-related On-Site Training and Open Seminars
Insource Business Rep Corporation	Chiyoda-ku, Tokyo	・Call center Service ・Setup Service ・IT Support Service
Insource Consulting Corporation	Chiyoda-ku, Tokyo	・Human resources strategy ・Consulting ・Training of specialized personnel
Insource Creative Solutions Corporation	Chiyoda-ku, Tokyo	・Training content and video production ・Homepage Creation ・Consulting
Insource Research Institute Corporation	Chiyoda-ku, Tokyo	・Survey, research ・Consulting ・Industry-academia collaboration projects

(Note) 1. The Group operates in a single business segment, namely the education services business.

(Note) 2. Insource Digital Academy Corporation changed its name to Insource Consulting & Digital Corporation effective November 1, 2026.

3. Basic Approach in Choosing Accounting Standard

Since most of the Group's stakeholders are domestic shareholders, creditors, business partners, etc., there is little need to raise funds from overseas, the Group applies Japanese GAAP for accounting standards.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(unit: thousand yen)

	FY24 (As of Sep.30, 2025)	FY25 (As of Sep.30, 2026)
Assets		
Current assets		
Cash and deposits	8,191,258	7,663,635
Accounts receivable - trade	1,877,534	1,915,606
Merchandise	10,367	2,263
Work in process	29,684	24,024
Prepaid expenses	73,339	100,671
Other	20,153	88,198
Allowance for doubtful accounts	-1,497	-1,614
Total current assets	10,200,841	9,792,784
Non-current assets		
Property, plant and equipment		
Buildings	1,923,702	2,587,254
Accumulated depreciation	-349,205	-447,124
Buildings, net	1,574,497	2,140,129
Tools, furniture and fixtures	115,564	143,114
Accumulated depreciation	-69,834	-88,731
Tools, furniture and fixtures, net	45,729	54,382
Land	1,974,413	1,974,413
Total property, plant and equipment	3,594,640	4,168,925
Intangible assets		
Leasehold interests in land	769,778	769,778
Goodwill	5,841	－
Software	161,198	194,639
Other	3,183	346
Total intangible assets	940,002	964,765
Investments and other assets		
Investment securities	96,648	86,402
Long-term prepaid expenses	40,926	32,711
Leasehold and guarantee deposits	889,620	934,553
Deferred tax assets	385,797	284,407
Other	964	784
Total investments and other assets	1,413,957	1,338,859
Total non-current assets	5,948,600	6,472,550
Total assets	16,149,441	16,265,334

(unit: thousand yen)

	FY24 (As of Sep.30, 2025)	FY25 (As of Sep.30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	217,941	231,655
Accounts payable - other	681,408	762,906
Income taxes payable	1,162,924	907,307
Accrued consumption taxes	317,188	211,169
Advances received	1,097,267	1,135,833
Deposits received	90,957	85,260
Other	25,012	26,616
Total current liabilities	3,592,701	3,360,749
Non-current liabilities		
Asset retirement obligations	69,666	100,824
Total non-current liabilities	69,666	100,824
Total liabilities	3,662,367	3,461,573
Net assets		
Shareholders' equity		
Share capital	800,623	800,623
Capital surplus	941,782	641,793
Retained earnings	11,379,746	11,476,066
Treasury shares	-670,710	-143,184
Total shareholders' equity	12,451,441	12,775,298
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,632	28,462
Total accumulated other comprehensive income	35,632	28,462
Total net assets	12,487,074	12,803,760
Total liabilities and net assets	16,149,441	16,265,334

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(unit: thousand yen)

	FY24 (Oct.1, 2024- Sep.30, 2025)	FY25 (Oct.1, 2025 - Sep.30, 2026)
Net sales	14,510,945	15,556,680
Cost of sales	3,352,095	3,669,015
Gross profit	11,158,849	11,887,665
Selling, general and administrative expenses	5,180,249	5,725,852
Operating profit	5,978,600	6,161,812
Non-operating income		
Interest income	8,433	19,697
Dividend income	857	1,054
Gain on sale of investment securities	10,419	43,886
Foreign exchange gains	－	367
Subsidies for employment adjustment	1,218	－
Subsidy income	－	1,700
Income from base station installation	2,008	1,806
Surrender value of insurance policies	549	1,425
Other	1,652	2,506
Total non-operating income	25,140	72,445
Non-operating expenses		
Foreign exchange losses	3	－
Commission for purchase of treasury shares	－	2,999
Loss on extinguishment of stock-based compensation expenses	4,717	3,593
Consumption tax difference	1,121	813
Total non-operating expenses	5,842	7,407
Ordinary profit	5,997,897	6,226,851
Extraordinary losses		
Loss on valuation of investment securities	108,591	252
Loss on retirement of non-current assets	－	449
Total extraordinary losses	108,591	702
Profit before income taxes	5,889,305	6,226,148
Income taxes - current	1,843,630	1,746,815
Income taxes - deferred	-84,415	104,714
Total income taxes	1,759,214	1,851,529
Profit	4,130,091	4,374,619
Profit attributable to owners of parent	4,130,091	4,374,619

(Consolidated Statements of Comprehensive Income)

(For the fiscal years ended September 30, 2025 and 2026)

(unit: thousand yen)

	FY24 (Oct.1, 2024-Sep.30, 2025)	FY25 (Oct.1, 2025-Sep.30, 2026)
Profit	4,130,091	4,374,619
Other comprehensive income		
Valuation difference on available-for-sale securities	24,920	-7,170
Total other comprehensive income	24,920	-7,170
Comprehensive income	4,155,011	4,367,448
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,155,011	4,367,448
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statement of Changes in Equity

FY24 (October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	800,623	904,576	8,927,868	-708,300	9,924,767	10,712	10,712	9,935,479
Changes during period								
Dividends of surplus			-1,678,212		-1,678,212			-1,678,212
Profit attributable to owners of parent			4,130,091		4,130,091			4,130,091
Purchase of treasury shares					—			—
Disposal of treasury shares		37,205		37,589	74,795			74,795
Cancellation of treasury shares					—			—
Transfer from retained earnings to capital surplus					—			—
Net changes in items other than shareholders' equity						24,920	24,920	24,920
Total changes during period	—	37,205	2,451,878	37,589	2,526,673	24,920	24,920	2,551,594
Balance at end of period	800,623	941,782	11,379,746	-670,710	12,451,441	35,632	35,632	12,487,074

FY25 (October 1, 2025 to September 30, 2026)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	800,623	941,782	11,379,746	-670,710	12,451,441	35,632	35,632	12,487,074
Changes during period								
Dividends of surplus			-2,099,345		-2,099,345			-2,099,345
Profit attributable to owners of parent			4,374,619		4,374,619			4,374,619
Purchase of treasury shares				-1,999,996	-1,999,996			-1,999,996
Disposal of treasury shares		15,203		33,376	48,580			48,580
Cancellation of treasury shares		-2,494,145		2,494,145	—			—
Transfer from retained earnings to capital surplus		2,178,953	-2,178,953		—			—
Net changes in items other than shareholders' equity						-7,170	-7,170	-7,170
Total changes during period	—	-299,988	96,320	527,525	323,856	-7,170	-7,170	316,686
Balance at end of period	800,623	641,793	11,476,066	-143,184	12,775,298	28,462	28,462	12,803,760

(4) Consolidated Statements of Cash Flows

(unit: thousand yen)

	FY24 (Oct.1, 2024-Sep.30, 2025)	FY25 (Oct.1, 2025-Sep.30, 2026)
Cash flows from operating activities		
Profit before income taxes	5,889,305	6,226,148
Depreciation	180,366	201,828
Amortization of goodwill	7,789	5,841
Share-based payment expenses	41,328	47,959
Loss on retirement of non-current assets	–	449
Loss (gain) on valuation of investment securities	108,591	252
Loss (gain) on sale of investment securities	-10,419	-43,886
Increase (decrease) in allowance for doubtful accounts	164	117
Interest and dividend income	-9,291	-20,752
Foreign exchange losses (gains)	3	-367
Decrease (increase) in trade receivables	-334,150	-38,071
Decrease (increase) in inventories	16,962	13,764
Increase (decrease) in trade payables	11,496	13,713
Other, net	91,110	-153,717
Subtotal	5,993,257	6,253,280
Interest and dividends received	9,291	20,752
Income taxes paid	-1,607,345	-2,021,199
Net cash provided by operating activities	4,395,202	4,252,833
Cash flows from investing activities		
Purchase of investment securities	-122	-122
Proceeds from sale of investment securities	10,547	43,886
Purchase of property, plant and equipment	-79,265	-676,751
Payments of leasehold and guarantee deposits	-173,884	-54,443
Proceeds from refund of leasehold and guarantee deposits	11,847	9,344
Loan advances	-2,925	-550
Proceeds from collection of loans receivable	2,705	1,010
Other, net	–	-857
Net cash used in investing activities	-231,097	-678,482
Cash flows from financing activities		
Purchase of treasury shares	–	-2,002,996
Dividends paid	-1,678,212	-2,099,345
Net cash used in financing activities	-1,678,212	-4,102,342
Effect of exchange rate changes on cash and cash equivalents	-3	367
Net increase (decrease) in cash and cash equivalents	2,485,889	-527,623
Cash and cash equivalents at beginning of period	5,705,369	8,191,258
Cash and cash equivalents at end of period	8,191,258	7,663,635

(5) Notes to Consolidated Financial Statements

(Notes Regarding to the Going Concern Assumption)

No applicable matters.

(Segment Information, etc.)

This information is omitted as the Group operates in a single business segment, namely the education services business.

(Per share information)

	Previous fiscal year (Oct. 1, 2024 - Sep. 30, 2025)	Current fiscal year (Oct. 1, 2025 - Sep. 30, 2026)
Net assets per share	148.70 yen	157.43 yen
Earnings per share	49.20 yen	52.36 yen
Fully diluted earnings per share	—	—

The basis for calculating earnings per share and diluted earnings per share is as follows:

	The previous consolidated fiscal year (Oct. 1, 2024 - Sep. 30, 2025)	The current consolidated fiscal year (Oct. 1, 2025 - Sep. 30, 2026)
Earnings per Share		
Profit attributable to owners of parent (thousand yen)	4,130,091	4,374,619
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent attributable to common stock (thousand yen)	4,130,091	4,374,619
Average number of shares during the period (shares)	83,947,385	83,552,216

* Diluted earnings per share is not presented because the Company has no potentially dilutive shares.

(Significant Subsequent Events)

No applicable matters.