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March 17, 2026

Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 (Under Japanese GAAP)

Company name: Pole To Win Holdings, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 3657
 URL: <https://www.phd.inc/en/>
 Representative: Teppei Tachibana, President & CEO
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 Scheduled date of annual general meeting of shareholders: April 23, 2026
 Scheduled date to commence dividend payments: April 24, 2026
 Scheduled date to file annual securities report: April 21, 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 January 31, 2026 (from February 1, 2025 to January 31, 2026)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2026	48,837	-6.5	-238	—	-508	—	-3,479	—
January 31, 2025	52,225	11.8	786	76.4	756	43.8	-692	—

Note: Comprehensive income: For the fiscal year ended January 31, 2026: -3,456 million [—%]
 For the fiscal year ended January 31, 2025: -147 million [—%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
January 31, 2026	-98.41	—	-33.4	-2.0	-0.5
January 31, 2025	-19.58	—	-5.4	2.9	1.5

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended January 31, 2026: — million
 For the fiscal year ended January 31, 2025: — million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2026	22,328	8,422	37.7	238.08
January 31, 2025	28,441	12,445	43.7	351.75

Reference: Equity:
 As of January 31, 2026: 8,418 million
 As of January 31, 2025: 12,438 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2026	385	-282	12	6,986
January 31, 2025	919	-3,178	1,252	7,012

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended January 31, 2025	—	8.00	—	8.0	16.0	565	—	4.4
Fiscal year ended January 31, 2026	—	8.00	—	8.0	16.0	565	—	5.4
Fiscal year ending January 31, 2027 (Forecast)	—	8.00	—	8.0	16.0		80.8	

3. Consolidated Financial Forecasts for the Fiscal Year Ending January 31, 2027 (from February 1, 2026 to January 31, 2027)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd quarter ending July 31, 2027 (cumulative)	21,691	-12.1	304	—	230	—	-174	—	-4.94
Fiscal year ending January 31, 2027	47,082	-3.6	2,014	—	1,891	—	700	—	19.81

Notes:

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

Newly included: — companies (—)

Excluded: 9 companies (HIKE Inc. and 8 other companies)

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: See “(5) Notes to Consolidated Financial Statements (Notes on Changes in Accounting Policies)” under “3. Consolidated Financial Statements and Main Notes” on page 12 of the attachment for details.

(3) Number of issued shares (common shares)

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

As of January 31, 2026	38,156,000 shares
As of January 31, 2025	38,156,000 shares

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

As of January 31, 2026	2,795,751 shares
As of January 31, 2025	2,795,751 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended January 31, 2026	35,360,259 shares
Fiscal year ended January 31, 2025	35,360,249 shares

[Reference] Overview of non-consolidated financial results**Non-consolidated financial results for the fiscal year ended January 31, 2026
(from February 1, 2025 to January 31, 2026)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenues		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2026	1,802	-58.2	741	-75.5	794	-65.4	295	-86.0
January 31, 2025	4,315	61.3	3,024	128.2	2,297	99.3	2,112	303.7

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2026	8.36	—
January 31, 2025	59.74	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2026	11,954	4,310	36.1	121.92
January 31, 2025	11,928	4,582	38.4	129.59

Reference: Equity:

As of January 31, 2026: 4,310 million

As of January 31, 2025: 4,582 million

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

* Proper use of earnings forecasts, and other special matters
(Disclaimer to forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to several factors. See “(4) Future Outlook” under “1. Overview of Operating Results” on page 4 of the attachment for the underlying assumptions of and precautions for using the forecasts.

(How to obtain supplementary material on financial results)

Supplementary material on financial results is disclosed on TDnet on the same day.

The company also plans to hold a financial results briefing for institutional investors and analysts on March 19, 2026 (Thursday). The video of the meeting and the content of the presentation will be posted on the Company's website promptly after the meeting along with the financial results presentation materials used on the day of the briefing.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year

During the current consolidated fiscal year, the Japanese economy continued its moderate recovery supported by improvements in employment and income conditions as well as the effects of various policies, while uncertainty about the future outlook remained. Looking at the global economy, uncertainty continued in the United States regarding the timing of monetary policy shifts, while in Europe, fluctuations in energy prices due to prolonged geopolitical risks affected corporate activities. In the Asian region, the slowdown of the Chinese economy became more apparent, with weakening demand particularly in the manufacturing sector, and continued close attention must be paid to fluctuations in financial and capital markets due to factors such as the recent Middle East situation and trends in U.S. trade policy.

Under these economic conditions, the Group has been globally promoting its Service Lifecycle Solutions business, which provides quality consulting, game QA, software testing, environment setup and migration support, monitoring, customer support, fraud prevention, BPR support, and other services throughout the planning, development, release, operation, and improvement processes (service lifecycle) of clients' services and products. During the current consolidated fiscal year, PTW International Holdings Limited announced in March its name change to Side International Holdings Limited and the unification of the names and brands of its group companies under "Side," aiming to improve sales and marketing efficiency and brand recognition. Additionally, we announced our withdrawal from Media Contents business, completed the transfer of shares in HIKE Inc. and its consolidated subsidiary group through an MBO in June, and transferred shares in AQUAPLUS Co., Ltd. and its consolidated subsidiary to YUKE'S Co., Ltd. in August. In September, Pole To Win, Inc. relocated and consolidated two locations in Tokyo, opening the Akihabara Second Center. In January, Side International Holdings Limited has been actively working toward business expansion, including opening a new studio in Taiwan. Regarding business performance, revenue increased in both Domestic Solutions and Overseas Solutions. Regarding expenses, while we advanced improvements to our revenue structure through withdrawal from Media Contents business, business restructuring costs were incurred to respond flexibly to temporary revenue declines in Overseas Solutions, and costs were incurred for building sales structures and promotional activities to strengthen orders for software testing and development in Domestic Solutions.

As a result, net sales for the current fiscal year amounted to 48,837,730 thousand yen (down 6.5% year on year), while operating loss amounted to 238,516 thousand yen (profit of 786,509 thousand yen in the previous fiscal year). Ordinary loss amounted to 508,193 thousand yen (profit of 756,060 thousand yen in the previous fiscal year), and loss attributable to owners of parent amounted to 3,479,626 thousand yen (loss of 692,472 thousand yen in the previous fiscal year) as a result of recording the impairment losses of 3,060,244 thousand yen as extraordinary losses.

Results by service category were as follows.

(Domestic Solutions)

In this business, domestic subsidiaries provide services related to QA, customer support, localization, and support for overseas expansion for the game market. For Tech marketplace, we provide services related to software testing, environmental construction, server monitoring, data center operations, and kitting. For the e-commerce market, we provide services related to monitoring and customer support. Net sales increased due to Nintendo Switch 2 related business and an increase in man-hour unit prices in the robust domestic gaming market.

As a result, Domestic Solutions sales amounted to 25,904,945 thousand yen (up 5.3% year on year).

(Overseas Solutions)

In this business, the Company's overseas subsidiaries primarily provide services related to QA, localization, voice recording, customer support, product development support, and art production. During the fiscal year under review, the environment in the overseas game industry picked up, and there was an increase in voice recording and other factors, which contributed to the consolidation and the effect of the depreciation of the yen, resulting in an increase in net sales.

As a result, Overseas Solutions sales amounted to 20,792,883 thousand yen (up 2.7% year on year).

(Media Contents)

In this business, the Company's domestic subsidiaries mainly engage in services related to animation production, game publishing, graphic development, marketing support, barrier-free subtitles and voice guide production, centered on "IP 360 development." Due to the selection and concentration of businesses, sales decreased due to the transfer of shares in the second and third quarters.

As a result, Media Contents sales amounted to 2,139,901 thousand yen (down 71.1% year on year).

(2) Overview of Financial Position at the End of the Fiscal Year

(Assets)

Current assets decreased by 3,176,653 thousand yen (16.1%) from the end of the previous fiscal year, falling to 16,530,886 thousand yen. This was primarily due to a decrease of 1,605,918 thousand yen in notes and accounts receivable - trade, and contract assets and 1,451,017 thousand yen decrease in work in process.

Non-current assets decreased by 2,935,724 thousand yen (33.6%) from the end of the previous fiscal year, falling to 5,797,957 thousand yen. This was primarily due to 2,066,449 thousand yen decrease in goodwill, 568,327 thousand yen decrease in software and 1,186,871 thousand yen decrease in intangible assets, despite 320,005 thousand yen increase in buildings and structures, and 834,979 thousand yen increase in deferred tax assets.

As a result, total assets decreased by 6,112,378 thousand yen (21.5%) from the end of the previous fiscal year falling to 22,328,843 thousand yen.

(Liabilities)

Current liabilities decreased by 1,757,992 thousand yen (11.4%) from the end of the previous fiscal year, falling to 13,633,007 thousand yen. This was primarily due to a decrease of 1,143,076 thousand yen in accounts payable - other, 298,592 thousand yen in accrued expenses, 317,211 thousand yen in income taxes payable and 513,791 thousand yen in other liabilities (such as advance payments) despite short-term borrowings increased by 600,000 thousand yen.

Non-current liabilities decreased by 331,803 thousand yen (54.9%) from the end of the previous fiscal year, falling to 272,905 thousand yen. This was primarily due to a decrease of 266,489 thousand yen in deferred tax liabilities.

As a result, total liabilities decreased by 2,089,795 thousand yen (13.1%) from the end of the previous fiscal year, falling to 13,905,912 thousand yen.

(Net assets)

Total net assets decreased by 4,022,582 thousand yen (32.3%) from the end of the previous fiscal year, falling to 8,422,931 thousand yen. This was mainly due to a decrease of 4,045,390 thousand yen in retained earnings resulting from the recording of a loss attributable to owners of parent and the payment of dividends.

(3) Overview of Cash Flows for the Fiscal Year

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current fiscal year decreased by 26,657 thousand yen from the previous fiscal year-end, to 6,986,036 thousand yen.

The status of each of the cash flow categories and their factors in the current fiscal year under review are as follows.

(Cash flows from operating activities)

Cash flows from operating activities amounted to 385,542 thousand yen (previous fiscal year: 919,697 thousand yen). The main factors are loss before income taxes of -3,846,971 thousand yen, depreciation of 959,657 thousand yen, impairment losses of 3,060,244 thousand yen, amortization of goodwill of 335,438 thousand yen, increase in allowance for doubtful accounts of 108,871 thousand yen, gain on sale of shares of subsidiaries and associates of -135,027 thousand yen, increase in accounts receivable - trade, and contract assets of 916,108 thousand yen, increase in inventories of -331,515 thousand yen, increase in accounts receivable - other of -206,466 thousand yen, decrease in accounts payable - other of -410,223 thousand yen, increase in contract liabilities of 175,294 thousand yen, extra retirement payments of 147,497 thousand yen and income taxes paid of -935,434 thousand yen.

(Cash flows from investing activities)

Cash flows from investing activities amounted to -282,130 thousand yen (previous fiscal year: -3,178,950 thousand yen). The main factors were purchase of property, plant and equipment of -706,554 thousand yen, purchase of intangible assets of -109,109 thousand yen, purchase of investment securities of -114,701 thousand yen, proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 887,789 thousand yen and payments for acquisition of businesses of -210,519 thousand yen.

(Cash flows from financing activities)

Cash flows from financing activities amounted to 12,828 thousand yen (previous fiscal year: 1,252,223 thousand yen). The main factors were net increase in short-term borrowings of 600,000 thousand yen and dividends paid of -565,763 thousand yen.

(4) Future Outlook

In the fiscal year ended January 2026, although sales declined due to withdrawal from Media Contents business, revenues recovered due to higher sales of our mainstay Domestic Solutions and Overseas Solutions. In terms of profits, we incurred expenses related to the restructuring of unprofitable operations and agile organizational downsizing to ensure profitability from the fiscal year ended January 31, 2027, which is positioned as the beginning of a period of renewed growth. As a result, both sales and profits decreased.

In the fiscal year ending January 2027, while Domestic Solutions are expected to achieve record sales, we anticipate a decline in sales due to the absence of Media Contents related business contributions and a temporary decline in sales of Overseas Solutions. Nevertheless, with strategic initiatives to recover and re-grow profitability and our determination to turn around, we are committed to achieving a return to profitability at the net income level—after recording losses for the past three fiscal years—and to realizing sustainable business growth.

As a result of the above, for the fiscal year ending January 2027, we forecast net sales of 47,082 million yen (down 3.6% year on year), operating income of 2,014 million yen (loss of 238 million yen in the same period of the previous fiscal year), ordinary income of 1,891 million yen (loss of 508 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent of 700 million yen (loss of 3,479 million yen in the same period of the previous fiscal year).

The earnings forecasts are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and we do not promise to achieve such results. Actual results may differ from these forecasts due to various factors.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being, taking into account the comparability of the consolidated financial statements between periods and between entities.

It is the Company's policy to apply international accounting standards as appropriate, taking into account various domestic and international circumstances.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	7,012,693	6,986,036
Notes and accounts receivable - trade, and contract assets	9,357,920	7,752,002
Merchandise and finished goods	19,784	—
Work in process	1,493,080	42,063
Other	1,853,221	1,788,817
Allowance for doubtful accounts	-29,161	-38,032
Total current assets	19,707,539	16,530,886
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,110,978	2,656,121
Accumulated depreciation	-776,549	-1,001,687
Buildings and structures, net	1,334,429	1,654,434
Machinery, equipment and vehicles	80,207	80,047
Accumulated depreciation	-42,884	-45,486
Machinery, equipment and vehicles, net	37,323	34,561
Tools, furniture and fixtures	3,724,560	3,644,659
Accumulated depreciation	-3,071,075	-3,045,647
Tools, furniture and fixtures, net	653,484	599,011
Other	106,651	27,856
Total property, plant and equipment	2,131,888	2,315,864
Intangible assets		
Goodwill	2,183,313	116,863
Software	810,484	242,157
Intangible assets	1,186,871	—
Other	3,997	1,734
Total intangible assets	4,184,666	360,755
Investments and other assets		
Investment securities	627,107	696,216
Leasehold and guarantee deposits	1,184,824	1,138,729
Deferred tax assets	418,795	1,253,775
Other	589,112	170,578
Allowance for doubtful accounts	-402,711	-137,962
Total investments and other assets	2,417,126	3,121,337
Total non-current assets	8,733,682	5,797,957
Total assets	28,441,222	22,328,843

(Thousands of yen)

	As of January 31, 2025	As of January 31, 2026
Liabilities		
Current liabilities		
Short-term borrowings	7,000,000	7,600,000
Current portion of long-term borrowings	33,643	—
Accounts payable - other	5,318,014	4,174,937
Accrued expenses	611,064	312,472
Income taxes payable	500,505	183,293
Provision for bonuses	51,676	—
Other	1,876,094	1,362,303
Total current liabilities	15,390,999	13,633,007
Non-current liabilities		
Long-term borrowings	62,100	—
Retirement benefit liability	151,340	160,144
Deferred tax liabilities	266,778	288
Other	124,490	112,472
Total non-current liabilities	604,709	272,905
Total liabilities	15,995,708	13,905,912
Net assets		
Shareholders' equity		
Share capital	1,239,064	1,239,064
Capital surplus	2,183,442	2,183,442
Retained earnings	10,384,336	6,338,946
Treasury shares	-2,552,270	-2,552,270
Total shareholders' equity	11,254,573	7,209,183
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,039	956
Foreign currency translation adjustment	1,182,437	1,208,306
Total accumulated other comprehensive income	1,183,477	1,209,262
Non-controlling interests	7,462	4,485
Total net assets	12,445,513	8,422,931
Total liabilities and net assets	28,441,222	22,328,843

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

(Consolidated Statements of Income)

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Net sales	52,225,791	48,837,730
Cost of sales	40,613,294	37,649,616
Gross profit	11,612,496	11,188,114
Selling, general and administrative expenses	10,825,987	11,426,631
Operating profit (loss)	786,509	-238,516
Non-operating income		
Interest income	13,603	13,389
Dividend income	—	30,712
Subsidy income	73,132	39,309
Reversal of allowance for doubtful accounts	16,450	3,550
Surrender value of insurance policies	5,783	—
Other	32,087	28,776
Total non-operating income	141,056	115,738
Non-operating expenses		
Interest expenses	37,521	90,677
Foreign exchange losses	97,771	236,316
Loss on investment securities	21,993	6,227
Other	14,218	52,192
Total non-operating expenses	171,505	385,414
Ordinary profit (loss)	756,060	-508,193
Extraordinary income		
Gain on sale of non-current assets	7,718	—
Gain on sale of shares of subsidiaries and associates	—	135,027
Total extraordinary income	7,718	135,027
Extraordinary losses		
Loss on sale of non-current assets	589	—
Loss on retirement of non-current assets	11,515	92,457
Loss on valuation of investment securities	246,621	21,115
Impairment losses	276,266	3,060,244
Extra retirement payments	—	299,988
Total extraordinary losses	534,992	3,473,805
Profit (loss) before income taxes	228,786	-3,846,971
Income taxes - current	935,157	678,988
Income taxes - deferred	-15,928	-1,043,356
Total income taxes	919,229	-364,368
Loss	-690,443	-3,482,603
Profit (loss) attributable to non-controlling interests	2,028	-2,977
Loss attributable to owners of parent	-692,472	-3,479,626

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Loss	-690,443	-3,482,603
Other comprehensive income		
Valuation difference on available-for-sale securities	29,997	-83
Foreign currency translation adjustment	513,347	25,868
Total other comprehensive income	543,345	25,784
Comprehensive income	-147,097	-3,456,818
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-149,126	-3,453,841
Comprehensive income attributable to non-controlling interests	2,028	-2,977

(3) Consolidated Statements of Changes in Net Assets

(Fiscal Year Ended January 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,239,064	2,183,442	11,925,454	-2,552,259	12,795,701
Changes during period					
Dividends of surplus			-848,646		-848,646
Profit (loss) attributable to owners of parent			-692,472		-692,472
Purchase of treasury shares				-10	-10
Net changes in items other than shareholders' equity					
Total changes during period	—	—	-1,541,118	-10	-1,541,128
Balance at end of period	1,239,064	2,183,442	10,384,336	-2,552,270	11,254,573

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	-28,957	669,089	640,131	5,434	13,441,267
Changes during period					
Dividends of surplus					-848,646
Profit (loss) attributable to owners of parent					-692,472
Purchase of treasury shares					-10
Net changes in items other than shareholders' equity	29,997	513,347	543,345	2,028	545,374
Total changes during period	29,997	513,347	543,345	2,028	-995,754
Balance at end of period	1,039	1,182,437	1,183,477	7,462	12,445,513

(Fiscal Year Ended January 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,239,064	2,183,442	10,384,336	-2,552,270	11,254,573
Changes during period					
Dividends of surplus			-565,763		-565,763
Profit (loss) attributable to owners of parent			-3,479,626		-3,479,626
Net changes in items other than shareholders' equity					
Total changes during period	—	—	-4,045,390	—	-4,045,390
Balance at end of period	1,239,064	2,183,442	6,338,946	-2,552,270	7,209,183

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,039	1,182,437	1,183,477	7,462	12,445,513
Changes during period					
Dividends of surplus					-565,763
Profit (loss) attributable to owners of parent					-3,479,626
Net changes in items other than shareholders' equity	-83	25,868	25,784	-2,977	22,807
Total changes during period	-83	25,868	25,784	-2,977	-4,022,582
Balance at end of period	956	1,208,306	1,209,262	4,485	8,422,931

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	228,786	(3,846,971)
Depreciation	1,005,292	959,657
Impairment losses	276,266	3,060,244
Amortization of goodwill	341,740	335,438
Increase (decrease) in allowance for doubtful accounts	43,745	108,871
Increase (decrease) in provision for bonuses	22,508	(51,676)
Increase (decrease) in retirement benefit liability	(9,162)	13,767
Interest and dividend income	(13,603)	(44,102)
Subsidy income	(73,132)	(39,309)
Interest expenses	37,521	90,677
Foreign exchange losses (gains)	(223,637)	(33,390)
Loss (profit) on investment securities	21,993	6,220
Loss (gain) on sale of non-current assets	(7,128)	—
Loss on retirement of non-current assets	11,515	92,457
Loss (gain) on valuation of investment securities	246,621	21,115
Loss (gain) on sale of shares of subsidiaries and associates	—	(135,027)
Extra retirement payments	—	299,988
Decrease (increase) in accounts receivable - trade, and contract assets	(2,585,310)	916,108
Decrease (increase) in inventories	(682,735)	(331,515)
Decrease (increase) in accounts receivable - other	107,084	(206,466)
Increase (decrease) in accounts payable - other	2,076,541	(410,223)
Increase (decrease) in accrued expenses	19,787	55,619
Increase (decrease) in accrued consumption taxes	246,161	(74,434)
Increase (decrease) in contract liabilities	251,062	175,294
Increase (decrease) in deposits received	13,291	75,136
Other, net	334,767	440,226
Subtotal	1,689,976	1,477,705
Interest and dividends received	13,603	44,102
Subsidies received	73,132	39,309
Interest paid	(40,772)	(92,643)
Extra retirement payments	—	(147,497)
Income taxes paid	(816,243)	(935,434)
Net cash provided by (used in) operating activities	919,697	385,542
Cash flows from investing activities		
Purchase of property, plant and equipment	(748,618)	(706,554)
Proceeds from sale of property, plant and equipment	212,066	3,400
Purchase of intangible assets	(477,542)	(109,109)
Purchase of investment securities	(216,757)	(114,701)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	887,789
Payments for acquisition of businesses	(1,920,155)	(210,519)
Proceeds from collection of loans receivable	5,084	1,940
Payments of leasehold and guarantee deposits	(82,662)	(89,516)
Proceeds from refund of leasehold and guarantee deposits	49,634	55,139
Net cash provided by (used in) investing activities	(3,178,950)	(282,130)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,494,029	600,000
Repayments of long-term borrowings	(393,150)	(21,408)
Dividends paid	(848,646)	(565,763)
Purchase of treasury shares	(10)	—
Net cash provided by (used in) financing activities	1,252,223	12,828
Effect of exchange rate change on cash and cash equivalents	176,161	(142,897)
Net increase (decrease) in cash and cash equivalents	(830,868)	(26,657)
Cash and cash equivalents at beginning of period	7,843,562	7,012,693
Cash and cash equivalents at end of period	7,012,693	6,986,036

- (5) Notes to Consolidated Financial Statements
(Notes on Premise of Going Concern)
Not applicable.

(Notes on Changes in Accounting Policies)

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

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) has been applied from the beginning of the current fiscal year.

With respect to the revision related to the classification of current income taxes (taxation on other comprehensive income), the Company adheres to the transitional treatment stipulated in the provisory clause of Paragraph 20-3 of the Revised Accounting Standard 2022 as well as that in the provisory clause of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policy has no impact on the consolidated financial statements.

In addition, with respect to the revision related to the treatment in consolidated financial statements of the deferral for tax purposes of gains and losses arising from the sale of subsidiary shares, etc., between consolidated companies, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter of the current fiscal year. The change in accounting policy has been applied retrospectively, and the previous fiscal year have been restated accordingly. The change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information)

[Segment information]

This information is omitted as the Group has a single segment, “Service Lifecycle Solutions Business”.

[Related information]

Fiscal year ended January 31, 2025

1. Product and services-specific information

This information is omitted as the Group has a single segment, “Service Lifecycle Solutions Business” and as revenues from external customers in a single product or service category exceed 90% of net sales in the consolidated statements of income.

2. Geographical information

(1) Net sales

(Thousands of yen)					
Japan	Asia	United States	Europe	Other	Total
32,738,438	4,473,173	8,906,245	5,075,920	1,032,014	52,225,791

Note: Sales are categorized by country or region based on customer locations.

(2) Property, plant and equipment

(Thousands of yen)					
Japan	Asia	United States	Europe	Other	Total
1,348,692	174,944	325,042	181,044	102,165	2,131,888

3. Key customer information

This information is omitted because no customer accounts for more than 10% of net sales in the Consolidated Statements of Income.

Fiscal year ended January 31, 2026

1. Product and services-specific information

This information is omitted as the Group has a single segment, “Service Lifecycle Solutions Business” and as revenues from external customers in a single product or service category exceed 90% of net sales in the consolidated statements of income.

2. Geographical information

(1) Net sales

(Thousands of yen)

Japan	Asia	United States	Europe	Other	Total
29,799,238	4,576,781	9,274,204	4,674,933	512,572	48,837,730

Note: Sales are categorized by country or region based on customer locations

(2) Property, plant and equipment

(Thousands of yen)

Japan	Asia	United States	Europe	Other	Total
1,333,945	236,202	315,180	173,297	257,237	2,315,864

3. Key customer information

This information is omitted because no customer accounts for more than 10% of net sales in the Consolidated Statements of Income.

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

This information is omitted as the Group has a single segment, “Service Lifecycle Solutions Business”.

[Information on amortisation of goodwill and unamortised balance by reporting segment]

This information is omitted as the Group has a single segment, “Service Lifecycle Solutions Business”.

[Information on gain on negative goodwill by reporting segment]

Not applicable.

(Per Share Information)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Net assets per share	351.75 yen	238.08 yen
Loss per share	19.58 yen	98.41 yen

Note: 1. Dilutive earnings per share is not stated due to the loss per share and no dilutive shares.

2. The basis for calculating loss per share is as follows.

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2025
Loss per share		
Loss attributable to owners of parent (thousands of yen)	692,472	3,479,626
Amount not attributable to common stockholders (thousands of yen)	—	—
Loss attributable to owners of parent per share of common stock (thousands of yen)	692,472	3,479,626
Average number of shares of common stock outstanding during period	35,360,259	35,360,249

(Significant Subsequent Events)

Not applicable.