

Fixstars Corporation

FY2026 Third Quarter Consolidated Financial Results

2026/08/07

This is an English translation from the original presentation in Japanese

Disclaimer

This presentation contains forward-looking statements reflecting the plans, expectations, and the assumptions of Fixstars Corporation and its consolidated subsidiaries (“Fixstars”).

Please be advised that Fixstars’ actual financial results could differ from those described in the forward-looking statements due to various factors including, but not limited to, uncertainties in Fixstars’ assumptions and decisions and changes in economic conditions and market demands.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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FY2026 Third Quarter Financial Results

Revenue and profit increased YoY.

Our original AI-driven software development product, “Fixstars Vega” contributed to productivity and profitability in this quarter.

Revenue

7,917 (Millions of yen)
+ 11.9% YoY

Operating Profit

2,222 (Millions of yen)
+ 6.5% YoY

Factors Behind Revenue/Profit Upside

- High demand for software acceleration services, particularly in the semiconductor and industrial equipment industries, is driving growth. This momentum effectively offsets the negative impact of a major automotive client's project cancellation.

Factors Behind Revenue/Profit Downside

- Recurring revenue in “Fixstars Amplify” is temporarily declined due to seasonality.
- Recurring revenue in “Fixstars AIBooster” is temporarily declined due to a major client’s project cancellation.

Consolidated Profit and Loss Results

Despite the temporary impact of a major client's product development project cancellation, we maintained year-over-year revenue growth. On the profitability front, operating profit increased year-over-year as we successfully absorbed the higher costs associated with substantial wage increases and the head office relocation.

However, net income declined due to the absence of a tax benefit recorded in the previous year (related to the liquidation of a subsidiary), as well as the recording of extraordinary losses associated with the head office relocation.

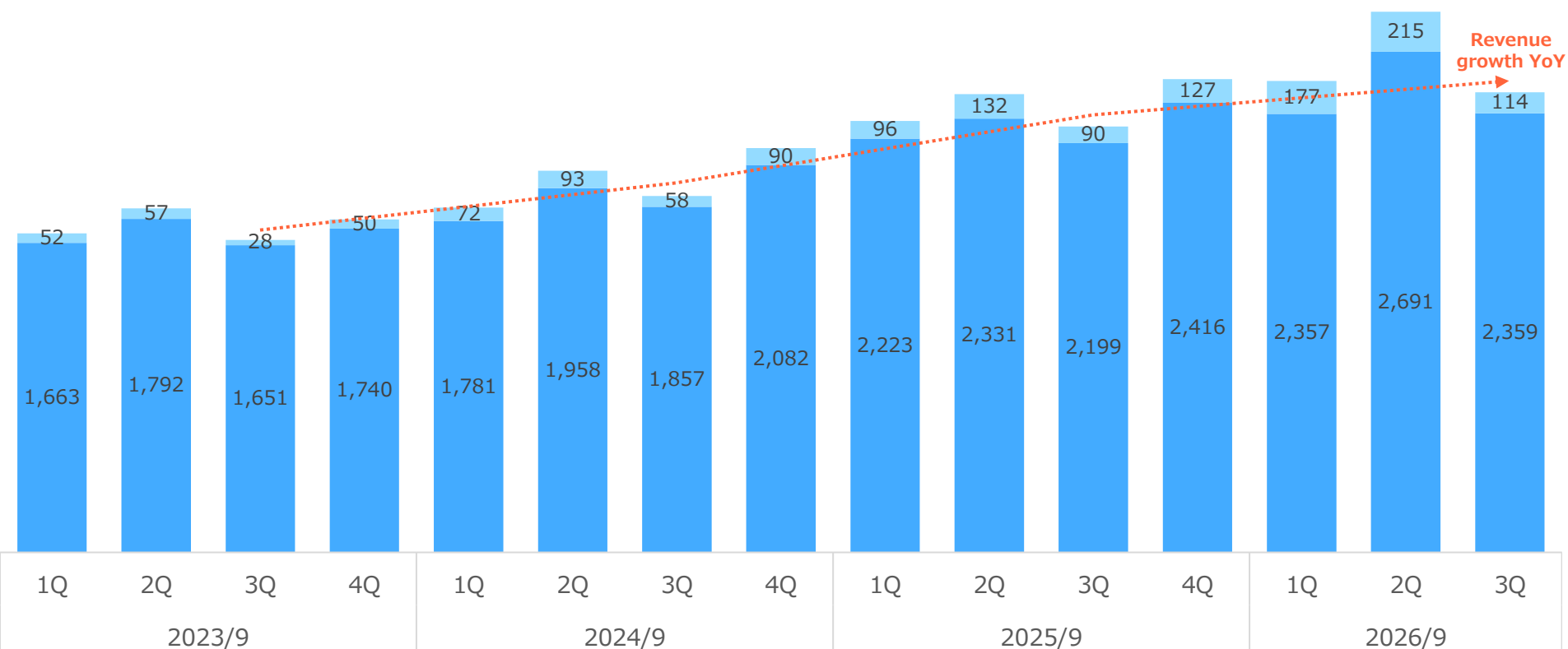
(Millions of yen)	FY2025 3Q (cumulative)	FY2026 3Q (cumulative)		
	Actual	Actual	YoY	Progress
Revenue	7,073	7,917	+11.9%	73.3%
Operating profit	2,086	2,222	+6.5%	71.7%
Operating profit to revenue ratio	29.5%	28.1%	-1.4pt	
Profit attributable to owners of parent	1,627	1,315	-19.2%	67.4%
Net profit margin	23.0%	16.6%	-6.4pt	

Consolidated revenue trends

Across all business segments, while revenue declined quarter-over-quarter due to seasonality and other factors, we achieved year-over-year revenue growth. Demand for software acceleration and AI-driven development services remained robust. The automotive sector continued to account for the largest share of total revenue, despite the impact of a major project completion. Furthermore, growing demand from the semiconductor and industrial equipment sectors successfully underpinned our overall performance. The revenue breakdown by industry is approximately as follows: Automotive 40%, Semiconductors 35%, Industrial Equipment 10%, Financial 5%, and Others 10%.

- SaaS Business
- Solution Business

(Millions of yen)

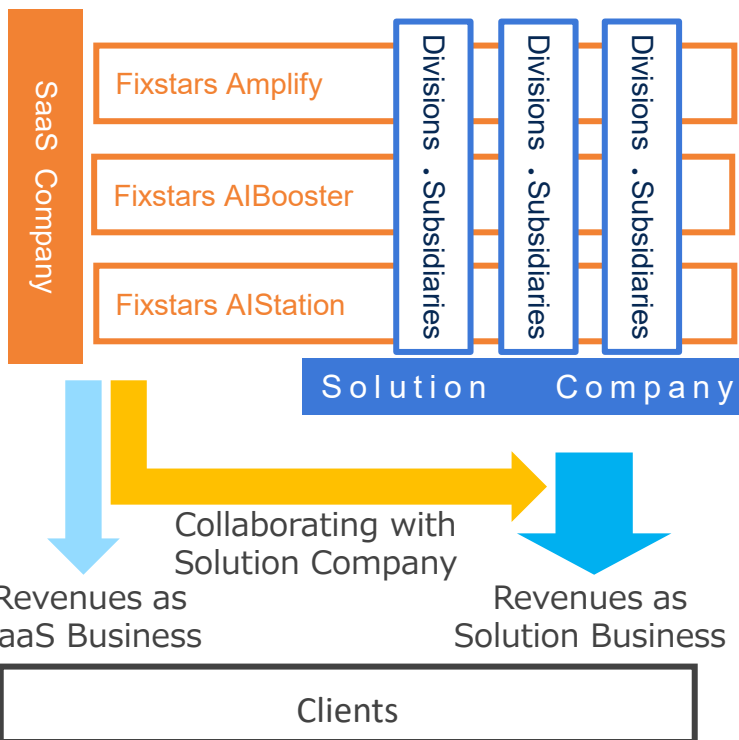


Revenues: SaaS related revenue trends

As our medium-term business strategy, we are strengthening initiatives to expand recurring revenue. We are promoting sales of our core SaaS products, namely “Fixstars Amplify”, “Fixstars AIBooster”, and “Fixstars AIStation” in collaboration with various organizations within our Solution Company. Recurring revenue is experiencing accelerated growth, driven by the wider adoption of our SaaS products. However, its 3Q revenue declined temporarily due to seasonality in “Fixstars Amplify” and a major client’s cancellation of “Fixstars AIBooster”.

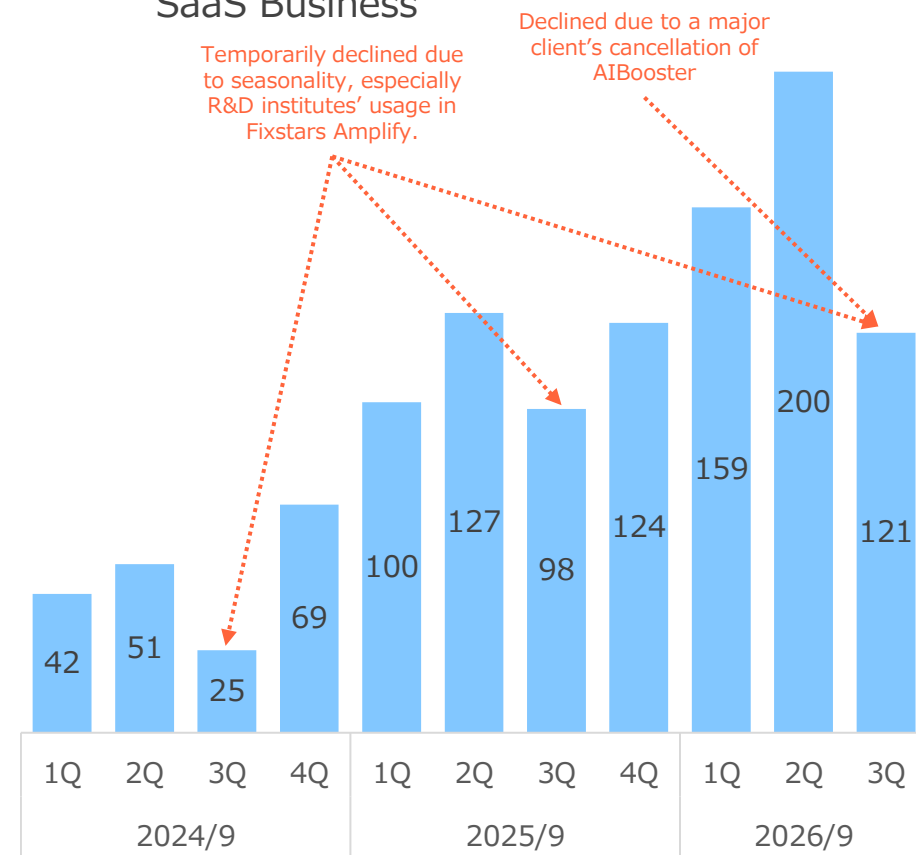
Our strategy to expand SaaS recurring revenue and profit

Building a scheme to sell SaaS company products across divisions of the Solution Company and our subsidiaries



Recurring revenue trend in SaaS Business

(Millions of yen)



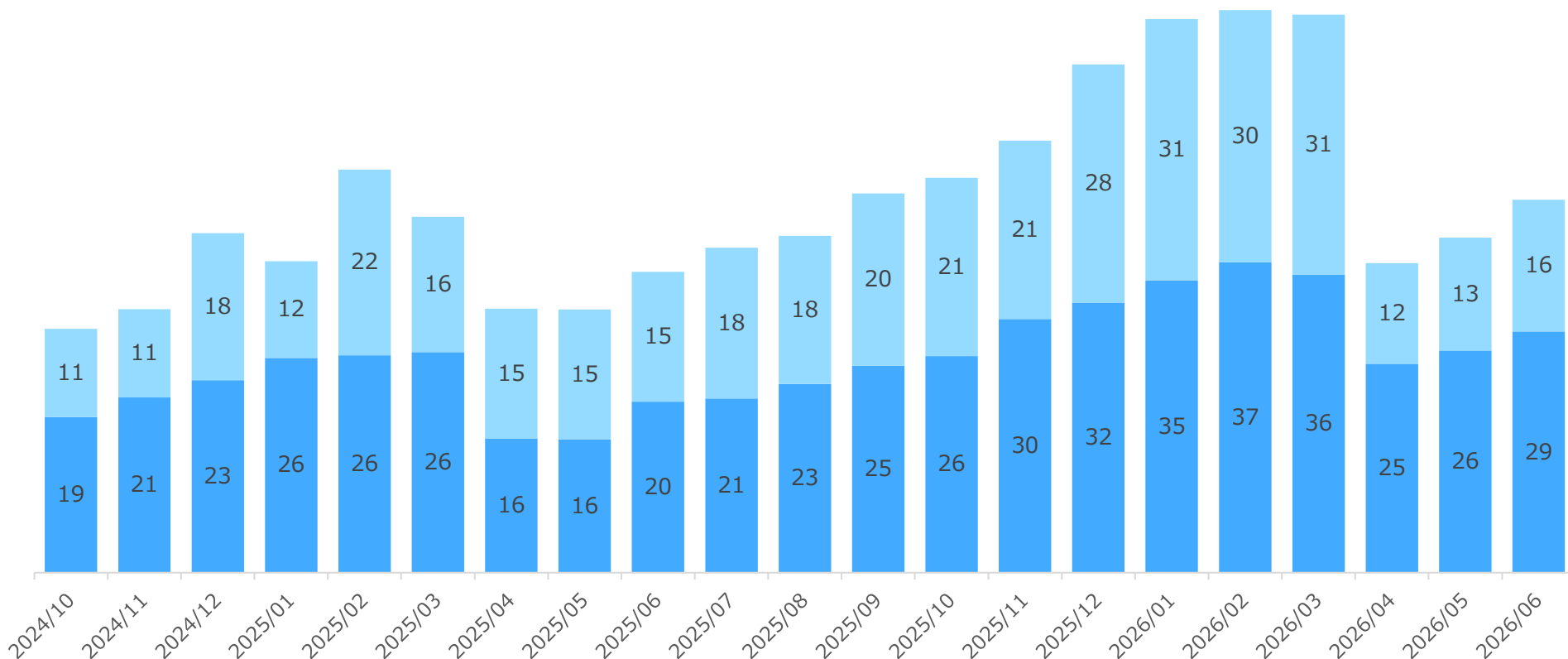
Revenues : Breakdown of SaaS Monthly Revenue (MR)

Monthly Revenue experienced a temporary decline due to seasonal factors affecting “Fixstars Amplify” and the completion of a major project for “Fixstars AIBooster”. Moving forward, we aim to drive a return to growth in Monthly Revenue through the expanded adoption of “Fixstars Amplify” across a wide range of industries, and by broadening the deployment of “Fixstars AIBooster” in both our automotive-focused vertical business and our cross-industry horizontal business.

■ Fixstars Amplify

■ Fixstars AIBooster/AIStation

(Millions of yen)



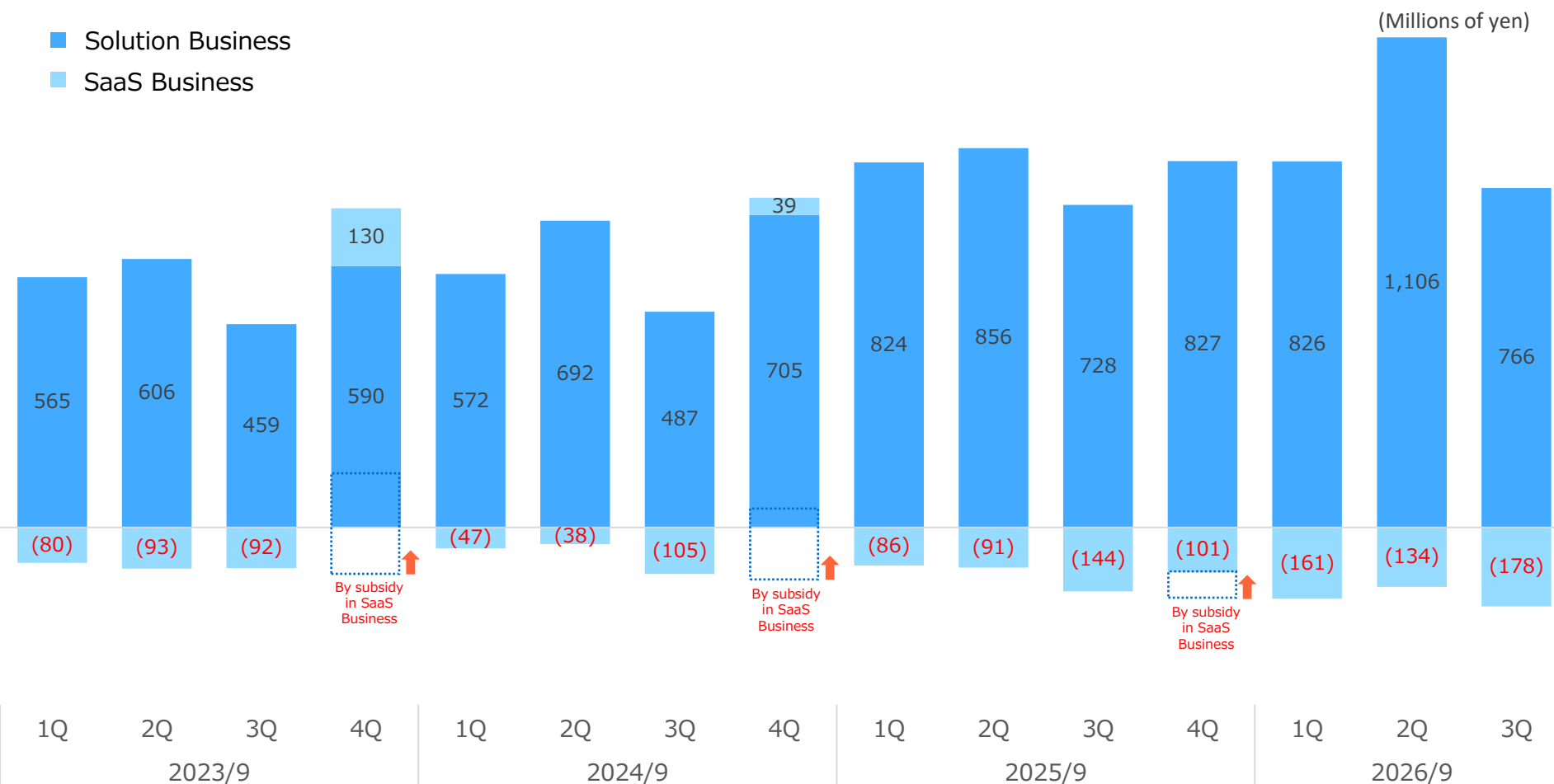
Operating profit trends*

* Described main segments only

The Solution Business continues to generate stable earnings, allowing us to maintain aggressive investment in the SaaS Business.

Losses in the SaaS business are on a widening trend due to increased resource allocation to this segment.

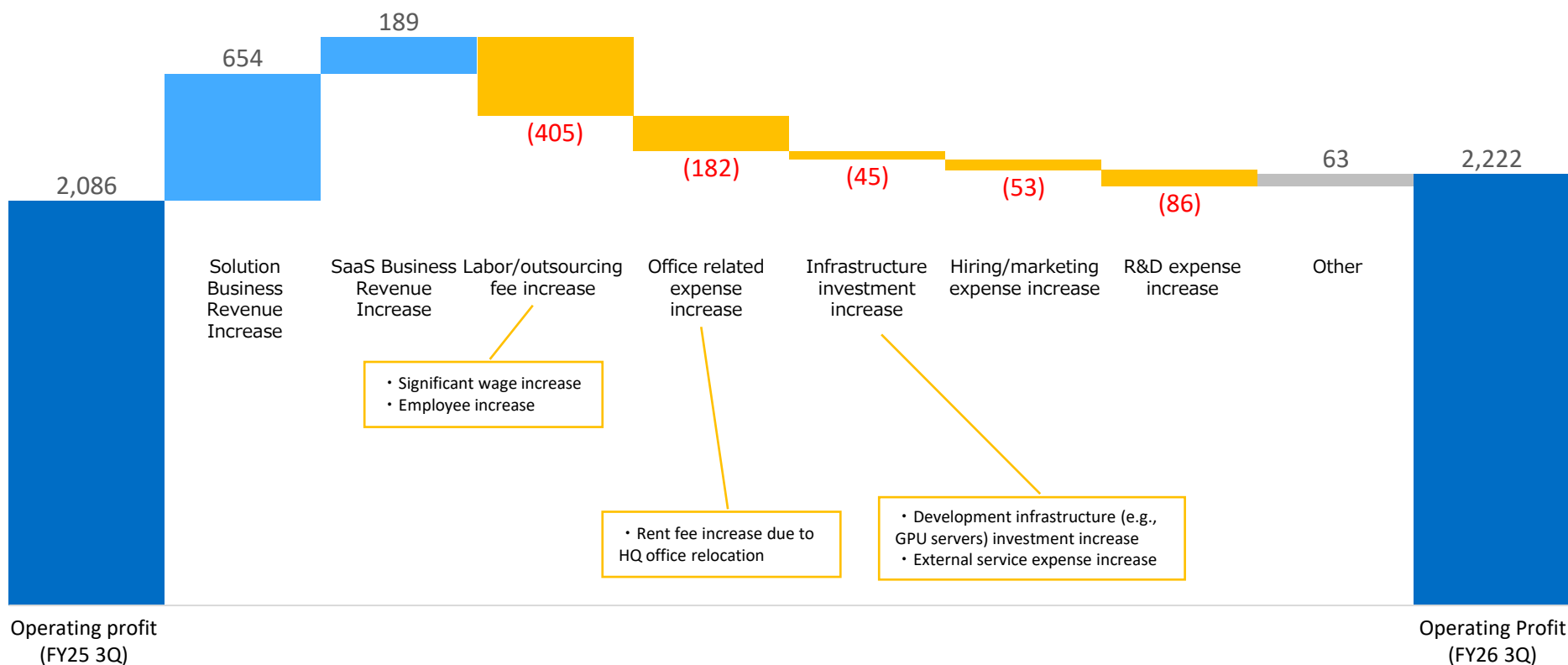
■ Solution Business
■ SaaS Business



Impact factors to operating profit

We achieved year-over-year profit growth, as the increase in revenue significantly outpaced the initially anticipated cost increases from wage hikes and the head office relocation.

(Millions of yen)



Revenue/Operating profit achievement*

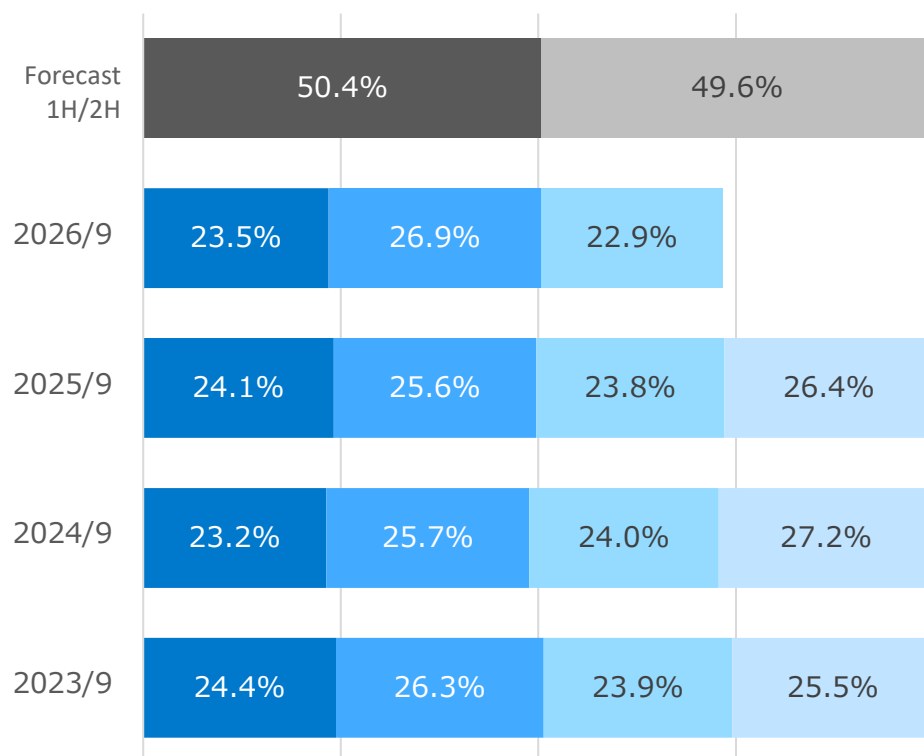
Despite the temporary impact of a major client's product development project cancellation, revenue progress is tracking broadly in line with expectations, thanks to the reallocation of personnel to other projects. While progress against our operating profit target declined following a decrease in 3Q operating profit, our operating profit is historically weighted toward 4Q. This is due to factors such as the timing of deducting finalized subsidy amounts from R&D expenses. As in previous years, we expect our operating profit progress rate to improve in 4Q.

* FY26 current achievement trend : quarterly performance/fiscal year forecast

Past achievement trend : quarterly performance/fiscal year performance

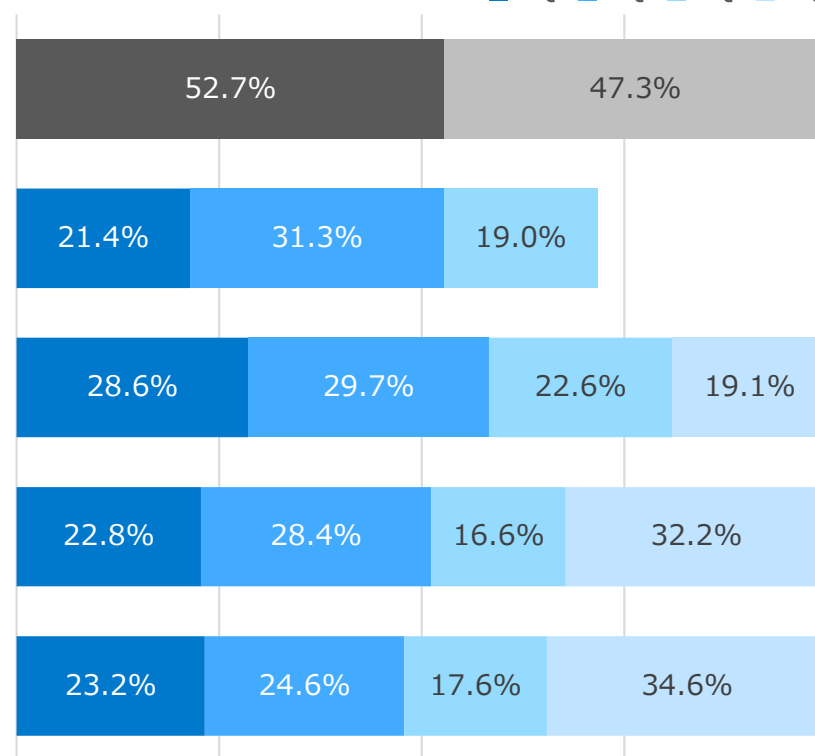
(rounding to the nearest hundredth)

Revenue achievement



Operating profit achievement

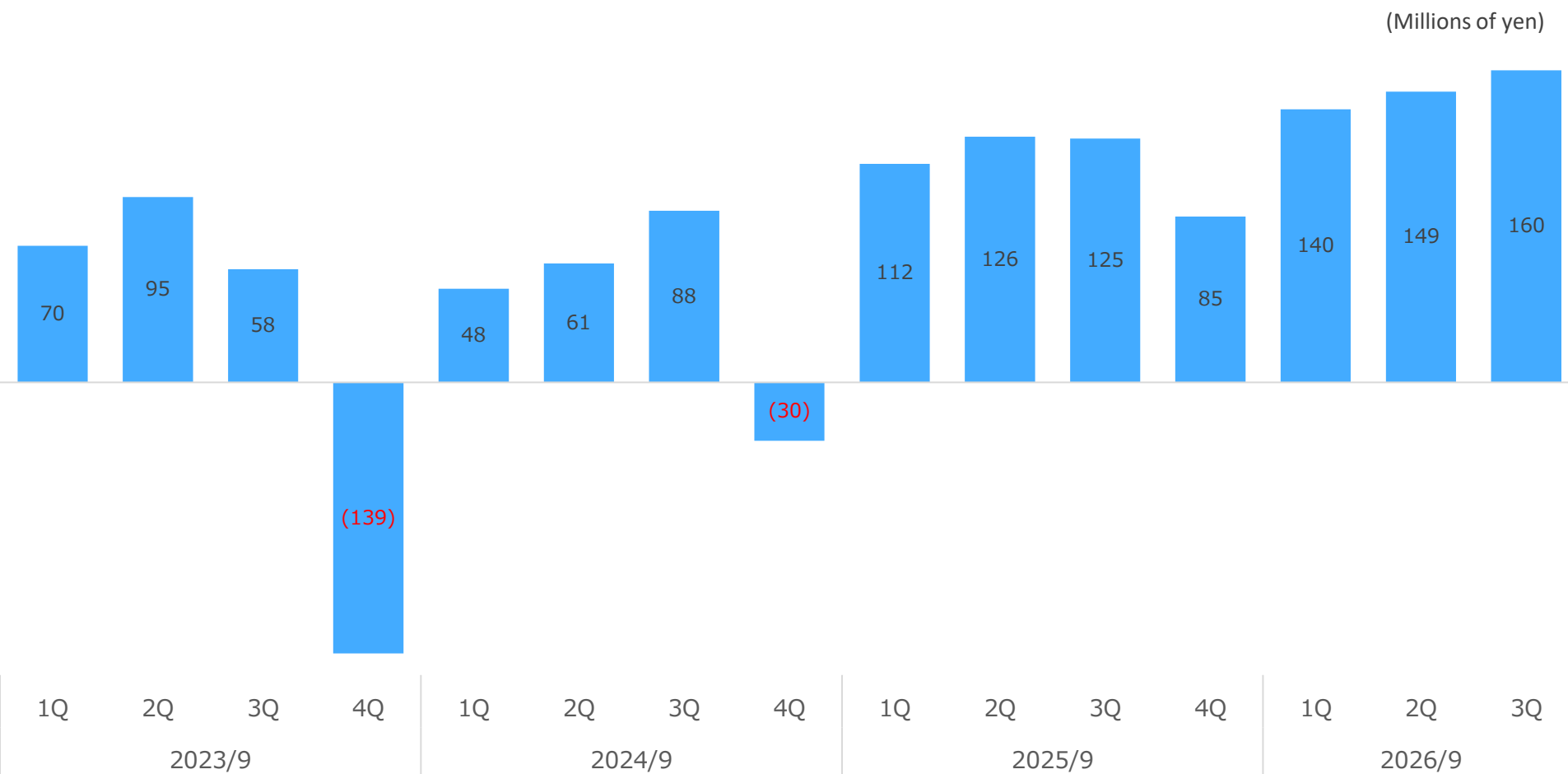
■ 1Q ■ 2Q ■ 3Q ■ 4Q



R&D expenses

Expanded R&D in AI-related projects. In quantum computing, leveraged subsidies from sources such as NEDO to reduce cost burdens.

Confirmed subsidy amounts are deducted from R&D expenses, resulting in lower recorded R&D costs in the quarters when subsidies are finalized (each 4Q).



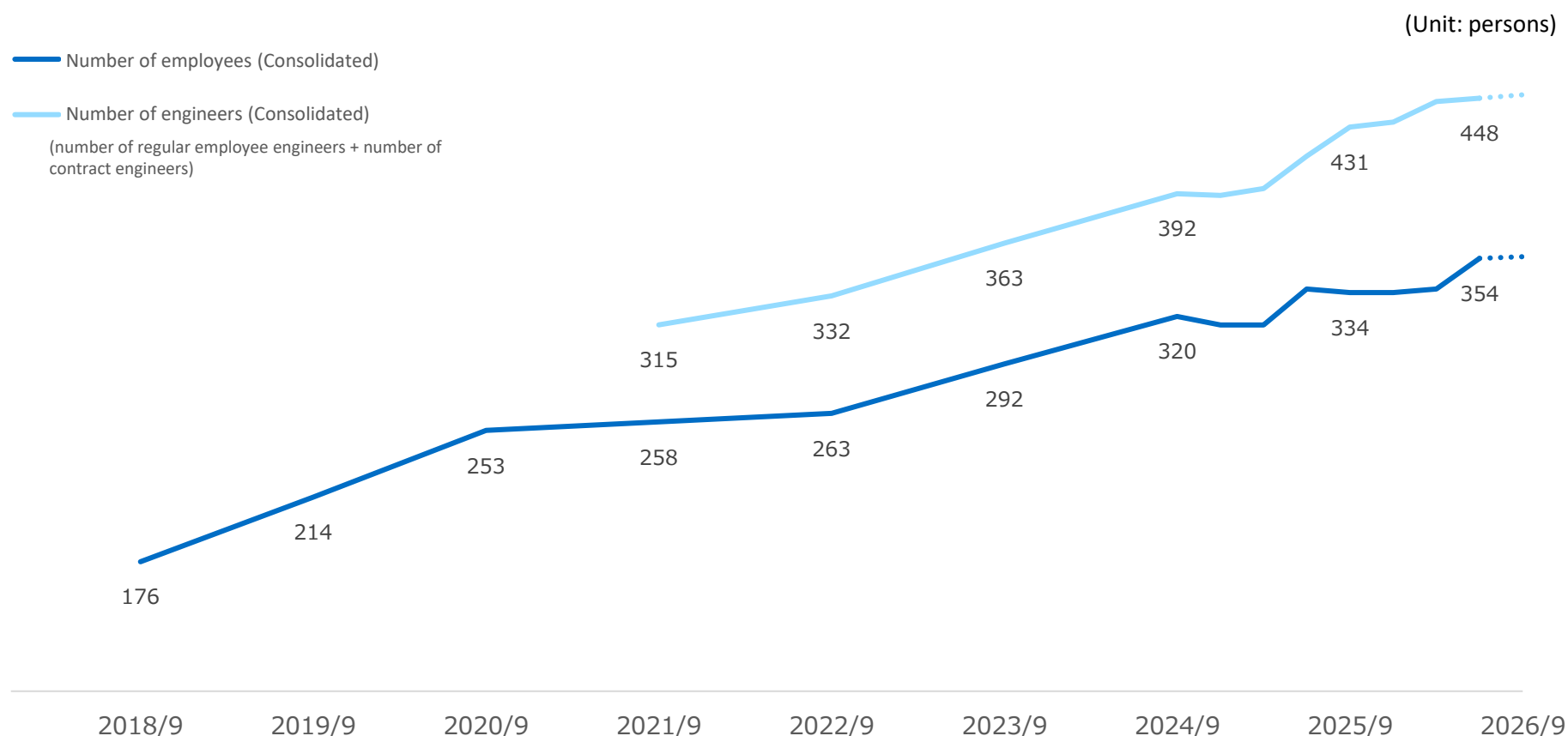
The number of employees and engineers* trend

Employee headcount increased significantly quarter-over-quarter, driven primarily by the hiring of new graduates.

However, the overall number of engineers remained flat. This was due to flexible adjustments made to our partner engineer allocations in response to the cancellation of a major client's product development project.

* Tracking of the number of engineers started in September, 2021

** Up to the fiscal year ended September 2024, only year-end headcount was reported.



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FY2026 Financial Forecasts

- We expect record-high revenue and profit.

Full-year earnings forecast revised upward.

- Revenue (Millions of yen) : 10,800 (+12.3% YoY)
 - Operating profit (Millions of yen): 3,100 (+20.2% YoY)
 - We expect 2H revenue and profit in line with the initial forecast.
- Towards the medium-term management vision
 - Accelerating IP-driven growth in AI and Quantum Computing, leveraging our core acceleration technology.
 - Will expand recurring revenue by strengthening collaboration between the Solution and SaaS businesses and accelerating contract development initiatives that lead to recurring revenue.
 - Continue the development of talent with expertise in both “technology” and “management”

Consolidated P/L · Dividend Forecasts

Net income is projected to similar amount as FY2025, affected by the absence of the previous year's special factors (a reduction in tax burden due to subsidiary liquidation) and the recording of extraordinary losses related to the head office relocation. Our dividend policy is to maintain a consolidated payout ratio of 30% and a dividend on equity (DOE) of 7% as benchmarks. We will expect 1-yen dividend increase from FY2025.

(Millions of yen)	FY2025	FY2026	
	Actual	Forecast	YoY
Revenue	9,617	10,800	+12.3%
Operating profit	2,578	3,100	+20.2%
Operating profit to revenue ratio	26.8%	28.7%	+1.9pt
Profit attributable to owners of parent	1,945	1,950	+0.2%
Net profit margin	20.2%	18.1%	-2.2pt
EPS	60.34 yen	60.39 yen	+0.1%
Dividend per share	18 yen	19 yen	+1 yen

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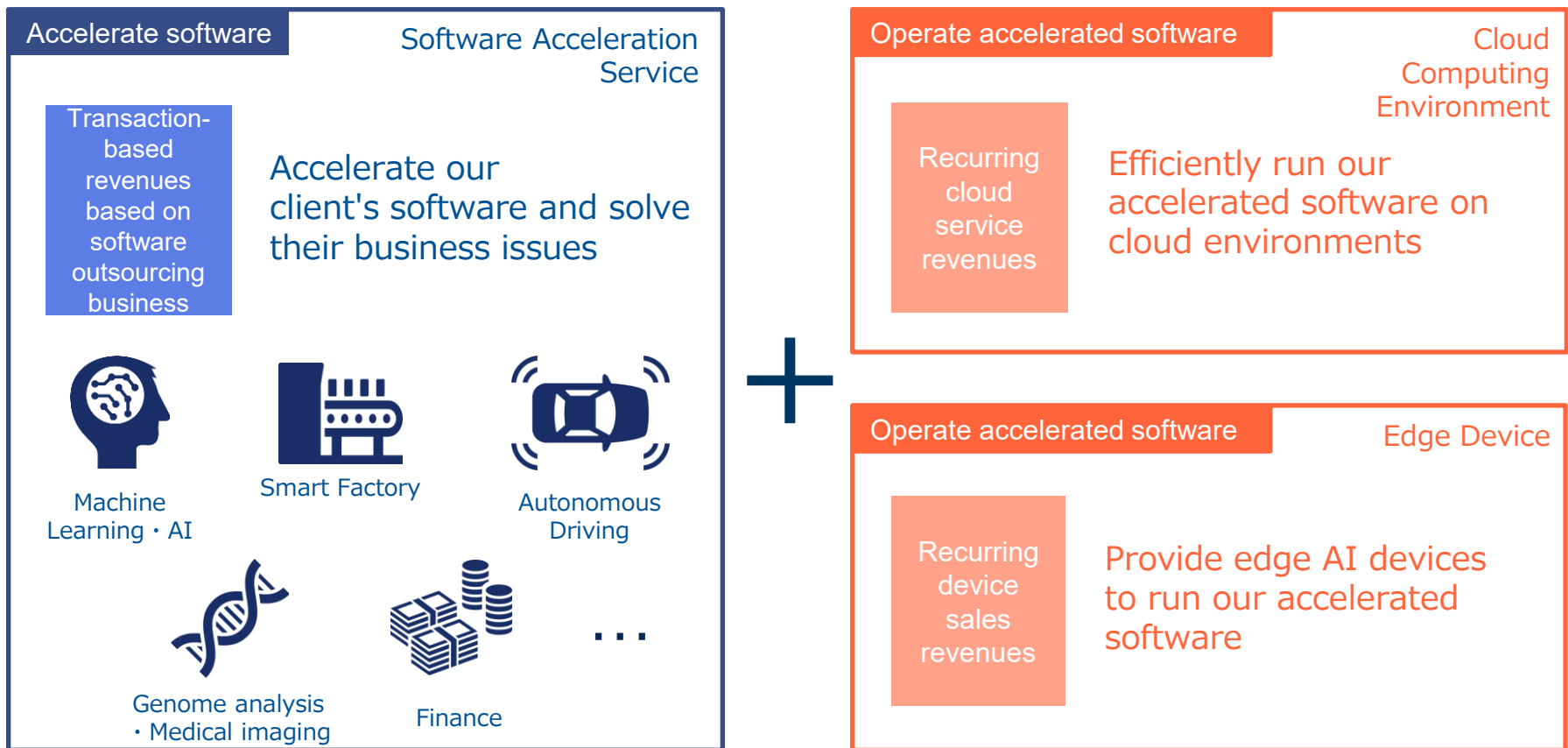
Appendix

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Appendix ① Business Updates

“Accelerate software” + “Operate accelerated software”

We are building a robust business model where we keep growing our main software outsourcing business (“Accelerate software”) and expand recurring revenue business (“Operate accelerated software”) by providing accelerated software execution environments.

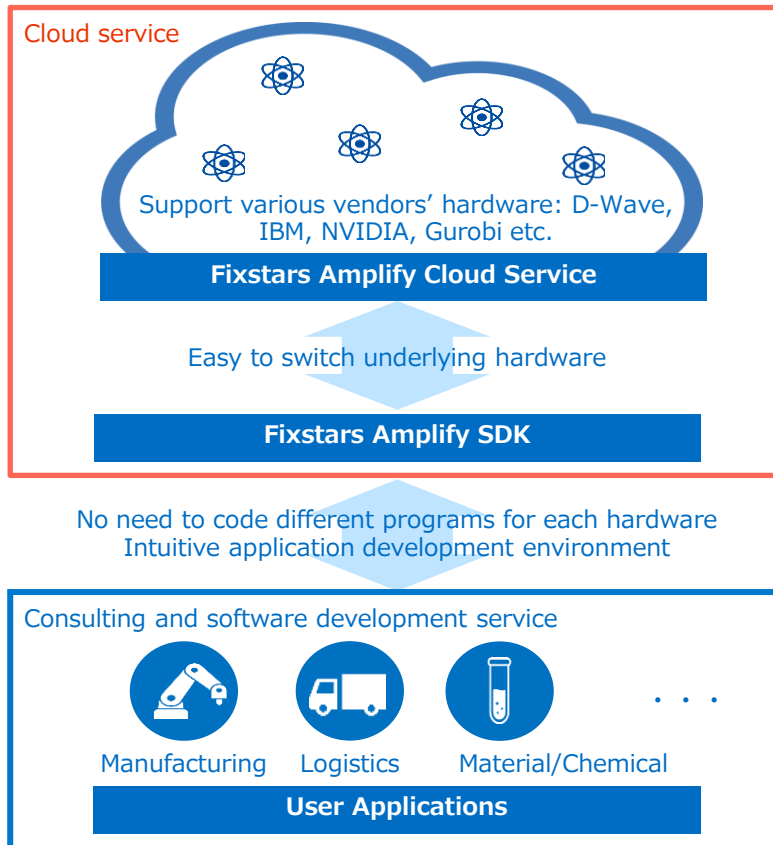


"Quantum-Inspired Computing" is being put into practical use

Our "Quantum-inspired technology" running on conventional computers contributes to solving complex combinatorial problems.

We are driving our business in both transaction-based revenues, such as consulting and software development for problem-solving, as well as subscription-based revenues from cloud usage fees.

Service Overview



Business Status

- ✓ Released "Amplify AE v1.2" and "Amplify SDK v1.6.0," delivering high-speed and high-precision performance for large-scale combinatorial optimization problems.
- ✓ Although Amplify's recurring revenue (cloud usage fees) declined quarter-over-quarter due to seasonality, it achieved strong year-over-year growth of more than 150%.
- ✓ Registered organizations totaled 1,300, and cumulative execution count reached 150 million (170% YoY).

Future Initiatives

- ✓ In collaboration with Fixstars AIBooster, we plan to leverage Fixstars Amplify to optimize large-scale AI models.
- ✓ Aim to become the de facto standard in combinatorial problem solving platforms by updating the Amplify cloud service.
- ✓ To accelerate the business expansion of the Fixstars Amplify cloud service, we have entered into strategic partnerships with quantum computing vendors in Japan and overseas.

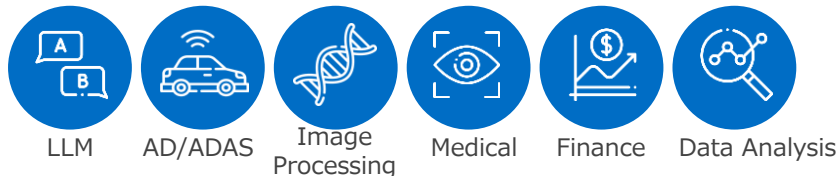
Performance engineering platform to enable high ROI in AI development and operations

GPUs have become essential in the development and operation of AI. However, there are still many cases where their high computational power is not being fully utilized.

Fixstars AIBooster unleashes GPU performance and contributes to enhancing competitiveness of our clients' products by shortening development period and reducing operational costs. Additionally, by providing the cost-optimized Fixstars AIBooster Cloud for AI development and operations, we help reduce our customers' cloud usage costs.

Service Overview

AI applications to need massive GPUs



Fixstars AIBooster Cloud

Fixstars AIBooster

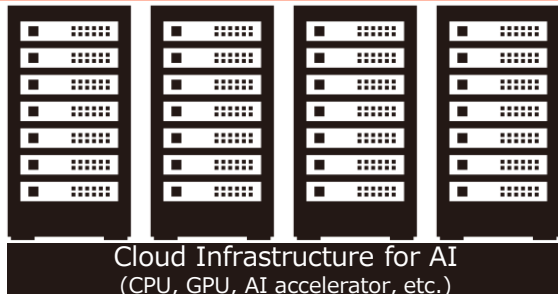
Monitoring AI bottlenecks



Finding performance optimization methods

Acceleration = Cloud cost reduction

With our partners



Business Status

- ✓ By enhancing the automated hyperparameter optimization feature, we reduced the search time in AI training to 1/16th of conventional levels, thereby significantly cutting AI training costs.
- ✓ Continued enhancing the AI acceleration platform by adding autonomous optimization capabilities for edge AI inference.
- ✓ We have developed a proprietary performance optimization agent and the 'Fixstars Vega' secure AI appliance for embedded development, both powered by Fixstars AIBooster. We will launch these solutions starting in 4Q.

Future Initiatives

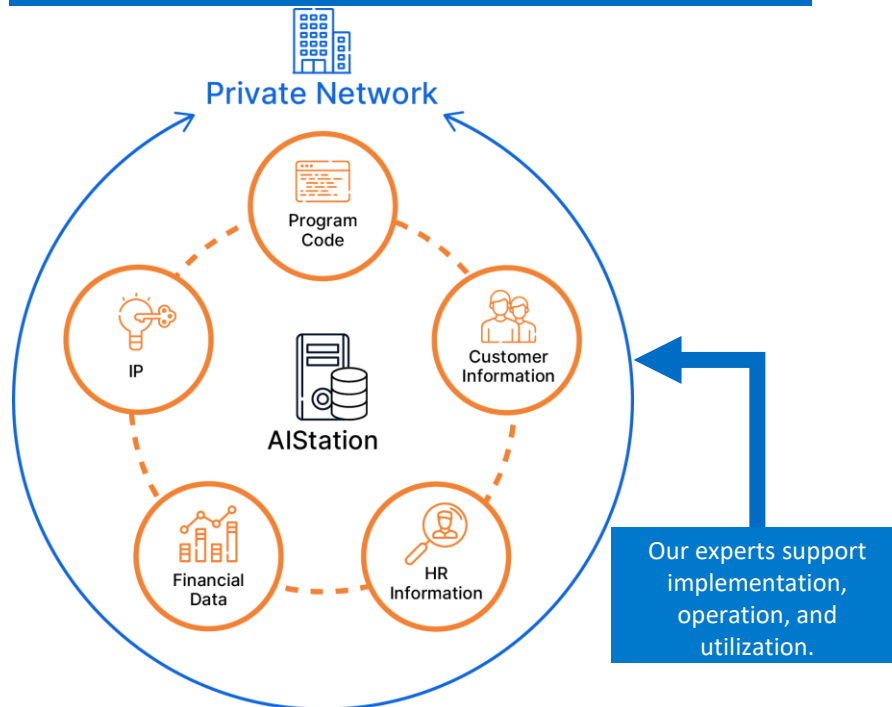
- ✓ Promoting sales activities that combine a vertical strategy focused on the automotive industry with a horizontal strategy for LLM/AI platforms.
- ✓ Product enhancements focused on performance improvement, accumulation of use cases, and increased brand awareness.
- ✓ Initiatives for the global expansion.

A secure all-in-one AI environment enabling immediate use of local LLMs upon delivery

Fixstars AISTation executes all AI processing locally, reducing the risk of information leakage while enabling the use of the latest AI models. In addition, as the latest verified LLM/AI models and applications are pre-installed, secure AI can be used immediately upon delivery.

Service Overview

Offering pre-configured AI-dedicated workstations for rent.
(including software usage fees and support costs).



Business Status

- ✓ Launched rental service for "Fixstars AISTation" equipped with the latest LLM/AI models and high-performance GPUs.
- ✓ Promoting activities toward the deployment of "Fixstars AISTation" and primarily targeting users handling highly confidential information.
- ✓ "Fixstars AISTation" is being utilized as a secure AI environment in the partnership with GRCS, a risk management cloud service provider.

Future Initiatives

- ✓ Development and launch of the Next-Generation "Fixstars AISTation" supporting the latest large-scale open-weight LLMs.
- ✓ Development of a Next-Generation AI agent capable of secure on-premises execution (generative AI + quantum technology + business support)
- ✓ Expansion of verified AI models, enhancing product features, and increasing brand awareness.

A secure AI appliance for embedded software development teams

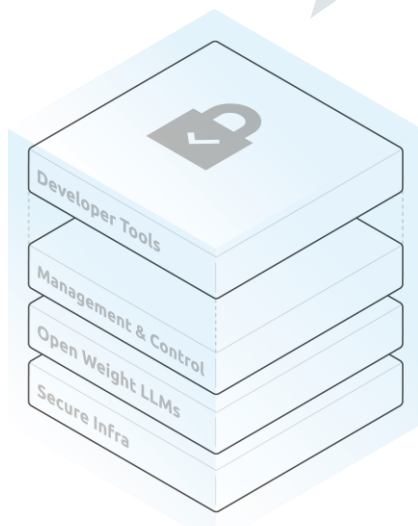
By leveraging open-weight LLMs, we improve development efficiency while securely protecting confidential information in on-premises environments.

Our engineers provide end-to-end support, from building a secure AI environment to driving team adoption of AI-driven development.

Service Overview (What is Fixstars Vega?)

A secure AI appliance that enables embedded development teams to leverage AI without transferring source code or design data outside the enterprise.

Delivered as an integrated appliance



Secure

Enables AI-assisted coding in an on-premises environment without transferring source code outside the organization.

High-Speed, State-of-the-Art AI Models

Optimized high-performance open-weight LLMs for fast inference.

Predictable, Fixed-Cost Operation

The flat-rate pricing model delivers greater cost efficiency as usage volume increases.

Optimized for Embedded Development

Leveraging our development expertise and domain knowledge, the AI becomes increasingly intelligent through continued use.

Fully operates within the internal network, ensuring that no data is transferred outside the organization.

Business Status

- ✓ Launch of "Fixstars Vega" and expansion of enterprise generative AI solutions.
- ✓ Launch of "AI-Driven development" seminars to uncover demand for AI adoption and drive market expansion.
- ✓ Driving cross-selling to existing clients in the Solutions segment, thereby expanding our sales opportunities and increasing project conversions.

Future Initiatives

- ✓ Regularly hosting "AI-Driven Development" seminars to enhance new lead generation.
- ✓ Providing seamless support from AI implementation to organizational adoption through private seminars tailored to customers' needs.
- ✓ Driving order growth by compiling and publishing success stories and use cases for "Fixstars Vega".

AI-assisted breast cancer diagnosis business

We aim to reduce the burden on physicians by using AI to quickly and accurately determine whether further investigation is necessary, based on breast ultrasound images. We will provide services that promote the early detection of breast cancer and offer comprehensive care services to patients even after a diagnosis of cancer.

Service Overview

Conducting trial operations of METIS Eye at multiple medical institutions toward service deployment.

Medical doctors/specialists



Providing a reassuring environment

Patients



AI-assisted breast cancer diagnosis as SaaS
Future integration with diagnosis devices

Patient support by Apps

App-based patient information services

METIS Eye
(AI-assisted ultrasound-based breast cancer diagnosis)

Patients support by ePRO¹ / PSP²



Business Status

- ☑ "METIS Eye" was featured in TV news programs, increasing awareness.
- ☑ Began deploying "METIS Eye" to medical institutions including regional hospitals.
- ☑ Developed a generative AI-based breast imaging diagnostic support technology using clinical data from Mayo Clinic.

Future Initiatives

- ☑ Increase awareness in preparation for the rollout of dense breast notifications³ by local governments.
- ☑ Preparations for partial change approval in PMDA.
- ☑ Strengthening sales to corporates and health insurance associations.
- ☑ Driving international expansion.

Note: 1) e-PRO: Smartphone app-based patient-reported outcome system for symptoms and adverse events
 2) PSP: Programs designed to support patients throughout their treatment journey and improve their quality of life (QOL)
 3) A program that notifies breast cancer screening participants if they have dense breast tissue. Because mammography is significantly less effective for women with dense breasts, demand for supplemental ultrasound screening is expected to increase.

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Appendix ② About Fixstars

Experts in Software Acceleration Solutions

Fixstars is a technology company guided by the company tagline “Speed up your AI”.

We are a team of experts dedicated to accelerating AI inference and training through advanced software optimization solutions.

About Us

Company name	Fixstars Corporation
Headquarter	31F BLUE FRONT SHIBAURA TOWER S, 1-1-1 Shibaura, Minato-ku, Tokyo
Founded	August, 2002
Stock exchange	Prime Market of the Tokyo Stock Exchange (Code: 3687)
Founder and CEO	Satoshi Miki
Capital	554 million yen (as of June, 2026)
Number of employees (consolidated)	354 (as of June, 2026)
Main clients	Kioxia Corporation Sony Honda Mobility Inc. NEXTY Electronics Corporation Mizuho Securities Co., Ltd.

Group Companies

Fixstars Corporation

Fixstars Solutions, Inc.

Consolidated subsidiary
Sales and development in the U.S.

Fixstars Autonomous Technologies Corporation

JV with NEXTY Electronics
Develops software for autonomous driving

Fixstars Amplify Corporation

Consolidated subsidiary
Operates quantum computing cloud business

Smart Opinion Inc.

Consolidated subsidiary
Operates a breast cancer AI imaging diagnosis support business

Oscar Technology Corporation

Consolidated subsidiary
Provides software auto-parallelization services

Fixstars Investment Corporation

Consolidated subsidiary
Invests in and provides business support to deep-tech startups.

With the advancement of computers

We adapted to hardware trend changes and its evolution and have grown along with our software acceleration business.

Year Month	History
2002 Aug	Founded Fixstars, LLC in Yokohama city, Kanagawa prefecture, Japan. Converted to Fixstars Corporation.
2004 Jul	Established Multicore Tech Dev Dept, started Cell/B.E. software development service business
2008 Dec	Started GPU acceleration service business
2009 Dec	Published a programming book titled “The OpenCL Programming Book”
2010 Nov	Constructed large scale cluster using PlayStation 3s at the US Air Force Research Lab
2011 Oct	Started FPGA system development service
2012 Jan	Started software development business for NAND Flash memory
2014 Apr	Listed on the Tokyo Stock Exchange Mothers market
2016 Nov	Moved listing from the Tokyo Stock Exchange Mothers market to the First market
2017 Jun	Started collaboration with D-Wave Systems Inc., who develops commercial quantum computers
2018 Feb	Established Fixstars Autonomous Technologies, a joint venture with NEXTY Electronics Corporation
2021 Oct	Established Fixstars Amplify Corporation to enhance services for the quantum computing
2022 Apr	Transferred to the Prime Market in the new market segments
2025 Mar	Updated its company tagline to “Speed up your AI”

Bring computing benefits to everybody

We are committed to supporting the future where computers will play an even greater role by leveraging software acceleration and SDK development technologies that unlock the full potential of computing systems

Fixstars' efficient software will build and support computing infrastructures of both edge and cloud sides.

Purpose

Developing and running software efficiently

- Enables effective computation with limited computing power
- Reduces power consumption of computation

Core Value

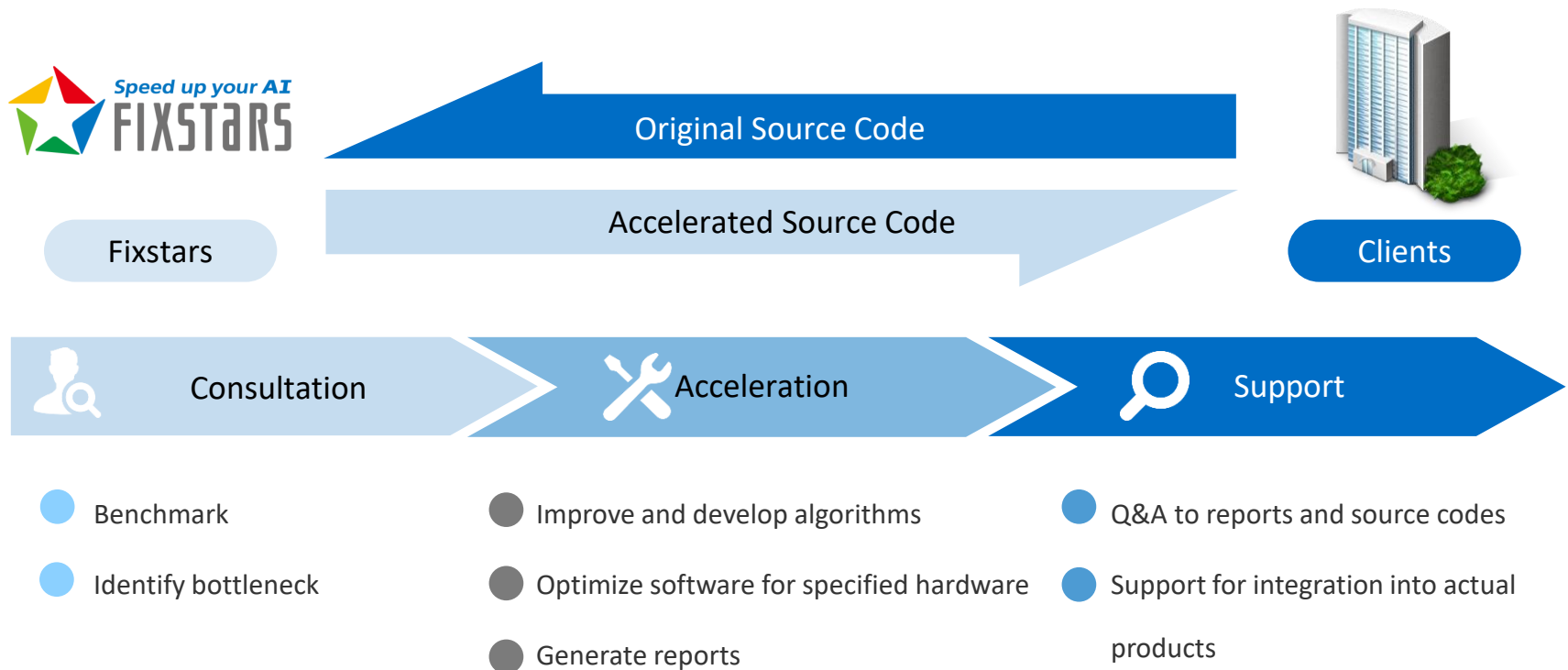
Software acceleration skills

SDK development skills

Deep knowledge about software and hardware architectures

Our Main Business: Software Acceleration Service

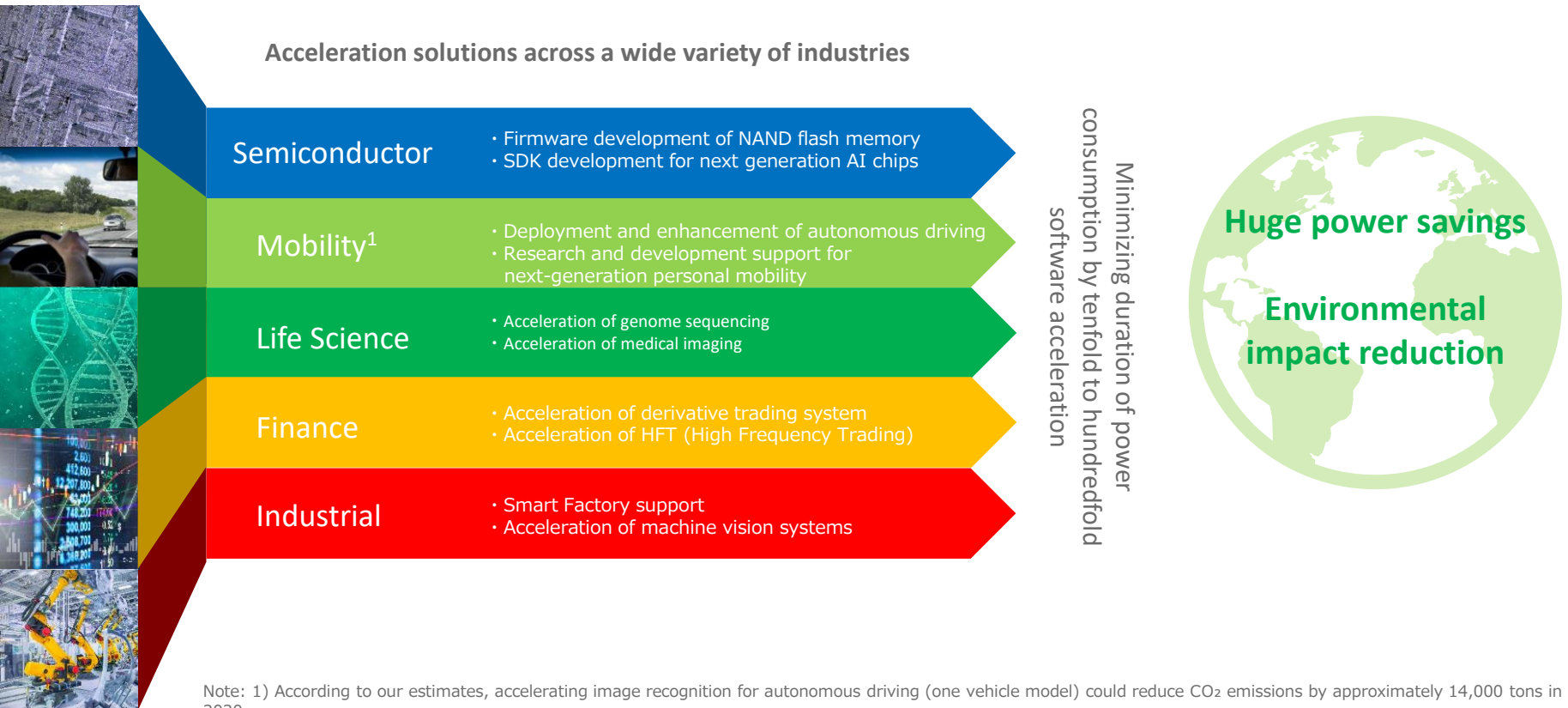
Fixstars' skilled engineers unleash hardware performance by software optimization and algorithm improvement which enables acceleration of massive data processing.



Reduction of environmental impact by software acceleration

Fixstars contributes to reduction of environmental impact with our software acceleration solutions.

Many industries enjoy energy savings by using our services.



Social contributions beyond software acceleration

We contributed to solving environmental and social issues by covering various areas such as autonomous driving and medical imaging in addition to power savings by software acceleration.

Our Business Domain

Social Impact



Deployment and enhancement of autonomous driving
Research and development support for next-generation personal mobility

Elimination of Traffic Accidents

Support for Vulnerable Road Users



AI imaging & diagnostics development support

Easier and higher-quality access to diagnosis and treatment



Productivity and work efficiency improvement by quantum computing

Contribution to carbon neutral society

