Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

# Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (Under Japanese GAAP)

April 14, 2026

Company name TerraSky Co., Ltd. Stock exchange listings: Tokyo Prime
Securities code 3915 URL http://www.terrasky.co.jp
Representative Representative Director Executive President and CEO Hideya Sato
Inquiries Director Executive Managing Officer and CFO Koichiro Tsukada (Tel)03-5255-3410
Date of general shareholders' meeting (as planned) May 27, 2026 Dividend payable date (as planned) May 28, 2026
Annual securities report filing date (as planned) May 25, 2026
Supplemental material of annual results：Yes
Convening briefing of annual results ：None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| February 28, 2026 | 28,056 | 13.5 | 1,560 | 7.4 | 1,727 | 7.7 | 1,572 | 54.4 |
| February 28, 2025 | 24,709 | 29.1 | 1,452 | 177.8 | 1,603 | 144.7 | 1,018 | 239.4 |

Note:Comprehensive income For the fiscal year ended February 28, 2026 1,588Millions of yen (－%) For the fiscal year ended February 28, 2025 (64)Millions of yen (－%)

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|---|---|---|---|---|---|
| Fiscal year ended | Yen | Yen | % | % | % |
| February 28, 2026 | 121.81 | ― | 13.3 | 8.3 | 5.6 |
| February 28, 2025 | 78.94 | 78.89 | 9.2 | 8.5 | 5.9 |

Reference:Investment profit (loss) on equity method For the fiscal year ended February 28, 2026 43Millions of yen For the fiscal year ended February 28, 2025 55Millions of yen

(2) Consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | % | Yen |
| February 28, 2026 | 22,212 | 14,967 | 56.5 | 972.86 |
| February 28, 2025 | 19,470 | 12,839 | 56.9 | 857.93 |

Reference:Owner's equity As of February 28, 2026 12,558Millions of yen As of February 28, 2025 11,075Millions of yen

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and equivalents, end of period |
|---|---|---|---|---|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| February 28, 2026 | 1,763 | (106) | 92 | 8,265 |
| February 28, 2025 | 1,558 | (1,008) | 345 | 6,512 |

2. Cash dividends

| | Dividend per share | | | | | Total dividend paid | Payout ratio (consolidated) | Ratio of total amount of dividends to net assets (consolidated) |
|---|---|---|---|---|---|---|---|---|
| | First quarter | Second quarter | Third quarter | Year end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended February 28, 2025 | — | 0.00 | — | 0.00 | 0.00 | — | — | — |
| Fiscal year ended February 28, 2026 | — | 0.00 | — | 16.00 | 16.00 | 206 | 13.3 | 1.7 |
| Fiscal year ending February 28, 2027 (Forecast) | — | 0.00 | — | 17.00 | 17.00 | | 14.4 | |

3. Consolidated financial forecast for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending February 28, 2027 | 34,349 | 22.4 | 2,541 | 62.9 | 2,628 | 52.2 | 1,526 | (2.9) | 118.21 |

* Notes

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

Newly included: 1 company - Kitalive

(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 : Yes

(iv) Restatement : None

(3) Number of issued shares (common shares)

| | | | |
|---|---|---|---|
| ① Number of issued and outstanding shares at the end of fiscal year (including treasury stock) | As of February 28, 2026 | 12,918,380 shares | As of February 28, 2025 | 12,918,380 shares |
| ② Number of treasury stock at the end of fiscal year | As of February 28, 2026 | 9,503 shares | As of February 28, 2025 | 9,003 shares |
| ③ Average number of shares | Fiscal year ended February 28, 2026 | 12,909,130 shares | Fiscal year ended February 28, 2025 | 12,901,191 shares |

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|---|---|---|---|---|---|---|---|---|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| February 28, 2026 | 13,870 | 14.5 | 778 | (7.8) | 779 | (8.3) | 910 | 54.7 |
| February 28, 2025 | 12,111 | 36.1 | 845 | — | 850 | — | 588 | — |

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Fiscal year ended | Yen | Yen |
| February 28, 2026 | 70.50 | — |
| February 28, 2025 | 45.59 | 45.57 |

(2) Non-consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | % | Yen |
| February 28, 2026 | 13,618 | 9,478 | 69.6 | 733.76 |
| February 28, 2025 | 12,541 | 8,688 | 69.2 | 672.51 |

| | | | | | |
|---|---|---|---|---|---|
| Reference:Owner's equity | As of February 28, 2026 | 9,472 | Millions of yen | As of February 28, 2025 | 8,681 | Millions of yen |

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

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of February 28, 2025 | As of February 28, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,512,437 | 8,265,447 |
| Accounts receivable - trade, and contract assets | 4,494,799 | 5,055,820 |
| Allowance for doubtful accounts | — | (9,844) |
| Prepaid expenses | 1,800,148 | 2,220,957 |
| Other | 37,530 | 21,858 |
| Total current assets | 12,844,915 | 15,554,238 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 417,127 | 519,940 |
| Accumulated depreciation | (161,895) | (245,593) |
| Buildings, net | 255,232 | 274,346 |
| Other | 429,561 | 523,982 |
| Accumulated depreciation | (284,359) | (365,856) |
| Other, net | 145,201 | 158,126 |
| Total property, plant and equipment | 400,433 | 432,472 |
| Intangible assets | | |
| Software | 806,988 | 1,368,873 |
| Goodwill | 7,790 | 313,444 |
| Other | 431,609 | 29,523 |
| Total intangible assets | 1,246,388 | 1,711,840 |
| Investments and other assets | | |
| Investment securities | 4,269,158 | 3,614,961 |
| Deferred tax assets | 100,864 | 60,856 |
| Leasehold and guarantee deposits | 568,388 | 825,606 |
| Other | 39,941 | 12,468 |
| Total investments and other assets | 4,978,352 | 4,513,893 |
| Total non-current assets | 6,625,175 | 6,658,206 |
| Total assets | 19,470,090 | 22,212,445 |

Consolidated balance sheets (continued)

(Thousands of yen)

| | As of February 28, 2025 | As of February 28, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,594,187 | 1,894,660 |
| Short-term borrowings | 200,000 | 200,000 |
| Current portion of long-term borrowings | 3,672 | — |
| Income taxes payable | 484,591 | 418,715 |
| Contract liabilities | 2,249,044 | 2,481,600 |
| Provision for loss on orders received | 5,386 | 8,392 |
| Other | 1,187,878 | 1,422,747 |
| Total current liabilities | 5,724,761 | 6,426,116 |
| Non-current liabilities | | |
| Long-term borrowings | 2,286 | — |
| Deferred tax liabilities | 893,565 | 800,858 |
| Other | 9,933 | 18,466 |
| Total non-current liabilities | 905,784 | 819,324 |
| Total liabilities | 6,630,545 | 7,245,441 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,256,892 | 1,256,892 |
| Capital surplus | 1,897,683 | 1,958,377 |
| Retained earnings | 5,800,091 | 7,372,491 |
| Treasury shares | (851) | (851) |
| Total shareholders' equity | 8,953,816 | 10,586,910 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,115,839 | 1,996,087 |
| Foreign currency translation adjustment | 5,703 | (24,527) |
| Total accumulated other comprehensive income | 2,121,543 | 1,971,560 |
| Share acquisition rights | 6,934 | 9,650 |
| Non-controlling interests | 1,757,251 | 2,398,882 |
| Total net assets | 12,839,545 | 14,967,003 |
| Total liabilities and net assets | 19,470,090 | 22,212,445 |

Consolidated statements of income

(Thousands of yen)

| | Fiscal year ended February 28, 2025 | Fiscal year ended February 28, 2026 |
|---|---|---|
| Net sales | 24,709,987 | 28,056,820 |
| Cost of sales | 18,034,884 | 20,584,009 |
| Gross profit | 6,675,102 | 7,472,811 |
| Selling, general and administrative expenses | 5,222,930 | 5,912,576 |
| Operating profit | 1,452,172 | 1,560,235 |
| Non-operating income | | |
| Interest income | 2,935 | 12,658 |
| Dividend income | 17,151 | 21,940 |
| Commission income | 34,531 | 58,413 |
| Subsidy income | 18,102 | 23,498 |
| Gain on investments in investment partnerships | 6,488 | — |
| Foreign exchange gains | 6,246 | 40,499 |
| Share of profit of entities accounted for using equity method | 55,849 | 43,459 |
| Other | 11,915 | 7,943 |
| Total non-operating income | 153,221 | 208,412 |
| Non-operating expenses | | |
| Interest expenses | 1,527 | 2,300 |
| Loss on investments in investment partnerships | — | 36,217 |
| Loss on retirement of non-current assets | — | 2,829 |
| Total non-operating expenses | 1,527 | 41,346 |
| Ordinary profit | 1,603,866 | 1,727,301 |
| Extraordinary income | | |
| Gain on sale of investment securities | 29,855 | 238,227 |
| Gain on step acquisitions | — | 341,126 |
| Other | — | 17,658 |
| Total extraordinary income | 29,855 | 597,012 |
| Profit before income taxes | 1,633,721 | 2,324,313 |
| Income taxes - current | 534,253 | 569,498 |
| Income taxes - deferred | (72,766) | 16,541 |
| Total income taxes | 461,487 | 586,040 |
| Profit | 1,172,234 | 1,738,272 |
| Profit attributable to non-controlling interests | 153,807 | 165,872 |
| Profit attributable to owners of parent | 1,018,427 | 1,572,400 |

Consolidated statements of comprehensive income

(Thousands of yen)

| | Fiscal year ended February 28, 2025 | Fiscal year ended February 28, 2026 |
|---|---|---|
| Profit | 1,172,234 | 1,738,272 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1,227,006) | (119,751) |
| Foreign currency translation adjustment | (9,810) | (30,231) |
| Total other comprehensive income | (1,236,816) | (149,983) |
| Comprehensive income | (64,582) | 1,588,289 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (203,516) | 1,408,277 |
| Comprehensive income attributable to non-controlling interests | 138,933 | 180,011 |

Consolidated statements of cash flows

(Thousands of yen)

| | Fiscal year ended February 28, 2025 | Fiscal year ended February 28, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,633,721 | 2,324,313 |
| Depreciation | 476,162 | 714,979 |
| Loss (gain) on step acquisitions | — | (341,126) |
| Amortization of goodwill | 31,161 | 36,285 |
| Share-based payment expenses | 9,339 | 4,939 |
| Share of loss (profit) of entities accounted for using equity method | (55,849) | (43,459) |
| Loss (gain) on sale of investment securities | (29,855) | (238,227) |
| Interest income | (2,935) | (12,658) |
| Dividend income | (17,151) | (21,940) |
| Interest expenses | 1,527 | 2,300 |
| Decrease (increase) in accounts receivable - trade, and contract assets | (1,006,594) | (400,549) |
| Decrease (increase) in prepaid expenses | (306,829) | (373,879) |
| Increase (decrease) in trade payables | 350,428 | 286,842 |
| Increase (decrease) in deposits received | 30,382 | 97,652 |
| Increase (decrease) in accounts payable - other, and accrued expenses | 113,537 | 150,299 |
| Increase (decrease) in accrued consumption taxes | 84,584 | (38,141) |
| Increase (decrease) in contract liabilities | 395,345 | 176,340 |
| Increase (decrease) in long-term accounts payable - other | (1,937) | (1,937) |
| Other, net | 47,702 | 65,102 |
| Subtotal | 1,752,740 | 2,387,133 |
| Interest and dividends received | 20,086 | 34,598 |
| Interest paid | (1,523) | (2,300) |
| Income taxes paid | (230,882) | (679,776) |
| Subsidy income | 18,102 | 23,498 |
| Net cash provided by (used in) operating activities | 1,558,523 | 1,763,153 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (168,238) | (123,015) |
| Purchase of intangible assets | (730,352) | (760,960) |
| Purchase of investment securities | (58,671) | (97,465) |
| Proceeds from sale of investment securities | 52,186 | 386,037 |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | — | 802,593 |
| Payments of leasehold and guarantee deposits | (104,294) | (314,456) |
| Proceeds from refund of leasehold and guarantee deposits | 585 | 914 |
| Other, net | — | 36 |
| Net cash provided by (used in) investing activities | (1,008,785) | (106,315) |

Consolidated statements of cash flows (continued)

(Thousands of yen)

| | Fiscal year ended February 28, 2025 | Fiscal year ended February 28, 2026 |
|---|---|---|
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (23,122) | (5,958) |
| Proceeds from issuance of shares | 7,799 | — |
| Proceeds from share issuance to non-controlling shareholders | 350,295 | 15,411 |
| Proceeds from issuance of share acquisition rights | 6,934 | — |
| Distributions to non-controlling interests in consolidated investment funds | (4,135) | (13,685) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (3,949) | (137,717) |
| Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation | 11,616 | 234,781 |
| Net cash provided by (used in) financing activities | 345,438 | 92,831 |
| Effect of exchange rate change on cash and cash equivalents | 1,085 | 3,340 |
| Net increase (decrease) in cash and cash equivalents | 896,261 | 1,753,009 |
| Cash and cash equivalents at beginning of period | 5,616,176 | 6,512,437 |
| Cash and cash equivalents at end of period | 6,512,437 | 8,265,447 |