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October 15, 2026

Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)



Company name: Serverworks Co.,Ltd.

Listing: Tokyo Stock Exchange

Securities code: 4434

URL: <https://www.serverworks.co.jp/>

Representative: Ryo Oishi

Representative Director, President

Inquiries: Toshiaki Okawa

Back office executive officer

Telephone: +81-3 (5579) 8029

Scheduled date to file semi-annual securities report: October 15, 2026

Scheduled date to commence dividend payments: November 11, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	24,731	32.0	924	922.0	991	718.5	806	-
August 31, 2025	18,736	8.4	90	(85.0)	121	(79.0)	(903)	-

Note: Comprehensive income For the six months ended August 31, 2026: ¥ 1,553 million [-%]
For the six months ended August 31, 2025: ¥ (874) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	108.67	108.30
August 31, 2025	(117.08)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2026	24,867	11,166	44.8
February 28, 2026	20,258	9,735	48.0

Reference: Equity

As of August 31, 2026: ¥ 11,132 million

As of February 28, 2026: ¥ 9,726 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	-	0.00	-	25.00	25.00
Fiscal year ending February 28, 2027	-	15.00			
Fiscal year ending February 28, 2027 (Forecast)			-	15.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: Breakdown of the second quarter dividend for the fiscal year ending February 28, 2027 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated financial result forecasts 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
Full year	51,995	30.0	1,665	166.3	1,852	141.8	1,538	-	207.43

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

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

Newly included: - companies()
Excluded: - companies()

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of August 31, 2026	7,964,181 shares
As of February 28, 2026	7,936,261 shares

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

As of August 31, 2026	522,667 shares
As of February 28, 2026	522,667 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2026	7,421,449 shares
Six months ended August 31, 2025	7,713,472 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	6,655,493	7,046,021
Accounts receivable - trade, and contract assets	5,769,678	6,570,300
Securities	-	649,355
Advance payments to suppliers	2,836,304	4,089,835
Other	310,610	351,182
Allowance for doubtful accounts	(5,017)	(8,804)
Total current assets	15,567,069	18,697,891
Non-current assets		
Property, plant and equipment	164,349	190,167
Intangible assets	209,449	455,174
Investments and other assets		
Investment securities	4,000,400	5,152,246
Shares of subsidiaries and associates	174,689	237,717
Distressed receivables	1,001	12,426
Other	142,988	134,595
Allowance for doubtful accounts	(1,001)	(12,426)
Total investments and other assets	4,318,079	5,524,558
Total non-current assets	4,691,877	6,169,900
Total assets	20,258,946	24,867,792

(Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	5,907,845	7,835,655
Short-term borrowings	720,000	600,000
Contract liabilities	2,087,838	3,056,219
Lease liabilities	-	3,262
Income taxes payable	228,683	197,945
Asset retirement obligations	2,650	-
Provision for bonuses	331,759	302,636
Provision for loss on orders received	220,034	106,661
Other	511,594	723,308
Total current liabilities	10,010,406	12,825,689
Non-current liabilities		
Lease liabilities	-	22,353
Deferred tax liabilities	429,940	769,624
Asset retirement obligations	83,394	83,994
Total non-current liabilities	513,335	875,972
Total liabilities	10,523,742	13,701,661
Net assets		
Shareholders' equity		
Share capital	3,291,121	3,310,262
Capital surplus	3,175,444	3,194,585
Retained earnings	3,159,981	3,781,125
Treasury shares	(1,119,651)	(1,119,651)
Total shareholders' equity	8,506,895	9,166,322
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,219,898	1,970,582
Deferred gains or losses on hedges	-	(3,932)
Total accumulated other comprehensive income	1,219,898	1,966,650
Share acquisition rights	8,409	33,158
Total net assets	9,735,204	11,166,130
Total liabilities and net assets	20,258,946	24,867,792

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Net sales	18,736,207	24,731,887
Cost of sales	17,138,441	22,117,218
Gross profit	1,597,765	2,614,669
Selling, general and administrative expenses	1,507,299	1,690,073
Operating profit	90,465	924,596
Non-operating income		
Interest income	52,980	43,193
Dividend income	23,392	27,054
Share of profit of entities accounted for using equity method	-	10,807
Foreign exchange gains	19,497	3,253
Subsidy income	24,000	26,732
Other	1,312	2,836
Total non-operating income	121,183	113,877
Non-operating expenses		
Interest expenses	-	4,315
Share of loss of entities accounted for using equity method	30,170	-
Loss on investments in investment partnerships	41,790	25,162
Compensation payments	-	14,330
Other	18,554	3,190
Total non-operating expenses	90,515	46,998
Ordinary profit	121,133	991,475
Extraordinary income		
Gain on sale of investment securities	6,764	-
Non-recurring income	-	37,036
Total extraordinary income	6,764	37,036
Extraordinary losses		
Loss on retirement of non-current assets	-	717
Loss on valuation of investment securities	1,944	51,724
Amortization of goodwill	742,966	-
Non-recurring loss	98,848	-
Total extraordinary losses	843,759	52,441
Profit (loss) before income taxes	(715,861)	976,070
Income taxes	187,260	169,586
Profit (loss)	(903,121)	806,484
Profit (loss) attributable to owners of parent	(903,121)	806,484

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Profit (loss)	(903,121)	806,484
Other comprehensive income		
Valuation difference on available-for-sale securities	28,686	750,683
Deferred gains or losses on hedges	(72)	(3,932)
Total other comprehensive income	28,614	746,751
Comprehensive income	(874,507)	1,553,235
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(874,507)	1,553,235

Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(715,861)	976,070
Depreciation	40,181	53,035
Amortization of goodwill	797,330	-
Increase (decrease) in allowance for doubtful accounts	5,968	15,211
Interest expenses	-	4,315
Loss (gain) on sale of investment securities	(6,764)	-
Increase (decrease) in provision for bonuses	(53,213)	(29,123)
Increase (decrease) in provision for loss on orders received	218,588	(113,372)
Interest and dividend income	(76,373)	(70,248)
Foreign exchange losses (gains)	(29,616)	(19,938)
Share-based payment expenses	11,409	36,143
Share issuance costs	1,429	1,245
Share of loss (profit) of entities accounted for using equity method	30,170	(10,807)
Loss (gain) on investments in investment partnerships	41,790	25,162
Decrease (increase) in accounts receivable - trade, and contract assets	117,801	(800,365)
Decrease (increase) in deposits paid	350	441
Decrease (increase) in advance payments to suppliers	48,053	(1,253,531)
Increase (decrease) in trade payables	(208,242)	1,927,810
Increase (decrease) in provision for bonuses for directors (and other officers)	(5,920)	-
Loss (gain) on valuation of investment securities	1,944	51,724
Loss (gain) on sale of shares of subsidiaries and associates	620	-
Loss on retirement of non-current assets	-	717
Subsidy income	(24,000)	(26,732)
Increase (decrease) in accounts payable - other	128,709	69,612
Increase (decrease) in contract liabilities	(32,165)	968,380
Decrease (increase) in distressed receivables	(5,904)	(11,424)
Other, net	17,033	19,030
Subtotal	303,320	1,813,356
Interest and dividends received	76,373	70,248
Interest paid	-	(4,315)
Income taxes paid	(170,634)	(197,093)
Income taxes refund	-	262
Subsidies received	24,000	131,904
Net cash provided by (used in) operating activities	233,059	1,814,362

(Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from investing activities		
Purchase of securities	-	(629,800)
Purchase of property, plant and equipment	(6,380)	(20,826)
Purchase of intangible assets	(52,416)	(292,863)
Purchase of investment securities	(318,620)	(145,678)
Proceeds from sale of investment securities	21,178	-
Payments for asset retirement obligations	-	(2,650)
Purchase of shares of subsidiaries and associates	-	(52,220)
Proceeds from sale of shares of subsidiaries and associates	98,727	-
Purchase of golf club membership	(14,400)	-
Payments of guarantee deposits	(1,528)	-
Proceeds from refund of leasehold and guarantee deposits	-	2,888
Other, net	(122)	(122)
Net cash provided by (used in) investing activities	(273,563)	(1,141,272)
Cash flows from financing activities		
Repayments of short-term borrowings	-	(120,000)
Proceeds from issuance of shares	10,785	2,839
Purchase of treasury shares	(504,967)	-
Dividends paid	-	(185,339)
Net cash provided by (used in) financing activities	(494,181)	(302,500)
Effect of exchange rate change on cash and cash equivalents	29,616	19,938
Net increase (decrease) in cash and cash equivalents	(505,070)	390,527
Cash and cash equivalents at beginning of period	6,041,973	6,645,493
Cash and cash equivalents at end of period	5,536,903	7,036,021