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February 10, 2026

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

Company name: ibis inc.
Listing: Tokyo Stock Exchange
Securities code: 9343
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Scheduled date of annual general meeting of shareholders: March 26, 2026
Scheduled date to commence dividend payments: March 10, 2026
Scheduled date to file annual securities report: March 23, 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 fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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	%
December 31, 2025	5,005	–	1,201	–	1,215	–	848	–
December 31, 2024	–	–	–	–	–	–	–	–

(Note) Comprehensive income For the fiscal year ended December 31, 2025: ¥ 852 million [–%]
For the fiscal year ended December 31, 2024: ¥ – million [–%]

	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
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	46.37	44.09	29.9	29.0	24.0
December 31, 2024	–	–	–	–	–

(Reference) Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended December 31, 2025: ¥ –million
For the fiscal year ended December 31, 2024: ¥ –million

(Notes) 1. As consolidated financial statements have been prepared since the fiscal year ended December 2025, the figures for the fiscal year ended December 2024 and the percentage change from the same period of the previous year as well as the percentage change from the same period of the previous year for the fiscal year ended December 2025 are not stated. Return on equity and Ratio of ordinary profit to total assets are calculated based on period-end equity and period-end total assets, respectively, as they are for the first fiscal year of consolidation.

2. The Company implemented a five-for-one stock split of its common shares effective October 1, 2025. Earnings per share and diluted earnings per share presented are calculated assuming that the stock split was implemented at the beginning of the fiscal year ended December 31, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	4,187	2,899	67.8	154.14
December 31, 2024	–	–	–	–

(Reference) Equity
As of December 31, 2025: ¥ 2,838 million
As of December 31, 2024: ¥ – million

(Note) 1. As consolidated financial statements have been prepared since the fiscal year ended December 2025, the figures

for the fiscal year ended December 2024 are not stated.

2. The Company implemented a five-for-one stock split of its common shares effective October 1, 2025. Earnings per share and diluted earnings per share presented are calculated assuming that the stock split was implemented at the beginning of the fiscal year ended December 31, 2024.

(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
December 31, 2025	961	(977)	(133)	2,083
December 31, 2024	–	–	–	–

(Note) As consolidated financial statements have been prepared since the fiscal year ended December 2025, the figures for the fiscal year ended December 2024 are not stated.

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 December 31, 2024	–	0.00	–	40.00	40.00	146	–	–
Fiscal year ended December 31, 2025	–	0.00	–	10.00	10.00	184	21.5	6.5
Fiscal year ending December 31, 2026 (Forecast)	–	0.00	–	12.00	12.00		23.4	

(Notes) 1. Revisions to the forecast of cash dividends most recently announced: None.

2. The Company implemented a five-for-one stock split of its common shares effective October 1, 2025. The amount of dividends at the end of the fiscal year ended December 2024 is the actual amount of dividends before the stock split.

2. As consolidated financial statements have been prepared since the fiscal year ended December 2025, Payout ratio (Consolidated) and Ratio of dividends to net assets (Consolidated) for the fiscal year ended December 2024 are not stated. Ratio of dividends to net assets (Consolidated) for the fiscal year ended December 2025 is calculated based on net assets per share at the end of the period because this is the first fiscal year of consolidation.

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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	5,454	9.0	1,355	12.8	1,362	12.1	940	10.8	51.37

*** Notes**

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

Newly included: 2 companies (Techno-Speech, Inc., Zeroichi Start Co., Ltd.)

Excluded: – 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

(3) Number of issued shares (common shares)

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

As of December 31, 2025	18,416,095 shares
As of December 31, 2024	18,300,220 shares

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

As of December 31, 2025	330 shares
As of December 31, 2024	330 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended December 31, 2025	18,306,680 shares
Fiscal Year ended December 31, 2024	18,240,395 shares

(Note) The Company implemented a five-for-one stock split of its common shares effective October 1, 2025. "Average number of shares outstanding (cumulative from the beginning of the fiscal year)" for the fiscal year ended December 31, 2024 is calculated assuming that the stock split was implemented at the beginning of the fiscal year ended December 31, 2024.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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	%
December 31, 2025	4,886	5.6	1,289	11.6	1,303	11.4	933	11.2
December 31, 2024	4,625	13.2	1,155	166.1	1,170	173.4	839	190.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	50.97	48.45
December 31, 2024	46.01	43.48

(Note) The Company implemented a five-for-one stock split of its common shares effective October 1, 2025. "Earnings per share" and "Diluted earnings per share" for the fiscal year ended December 31, 2024 are calculated assuming that the stock split was implemented at the beginning of the fiscal year ended December 31, 2024.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	4,098	2,983	71.3	158.70
December 31, 2024	3,200	2,129	65.4	114.42

(Note) The Company implemented a five-for-one stock split of its common shares effective October 1, 2025. Net assets per share for the fiscal year ended December 31, 2024 are calculated assuming that the stock split was implemented the fiscal year ended December 31, 2024.

(Reference) Equity

As of December 31, 2025: ¥ 2,922 million
As of December 31, 2024: ¥ 2,093 million

* Financial results reports are exempt from audits conducted by certified public accountants or audit firms.

* Proper use of earnings forecasts and other special matters

The financial results forecast and other forward-looking statements in this document are based on information available to ibis inc. (the "Company") as of the date of this document and certain assumptions it considers reasonable. The Company does not promise that these will be achieved. Actual results may differ significantly from these forecasts due to various factors. Please refer to page 5 of the attached document "1. Overview of Operating Results (4) Future Outlook" for the conditions that serve as the basis for the performance forecast and notes regarding the use of the performance forecast.

Contents of Attachments

1. Overview of Operating Results....2
(1) Overview of Operating Results for the Fiscal Year Ended December 2025....2
(2) Overview of Financial Position....4
(3) Overview of Cash Flows for the Fiscal Year....4
(4) Future Outlook....5
2. Basic Approach to Selection of Accounting Standards....6
3. Consolidated Financial Statements and Primary Notes....7
(1) Consolidated Balance Sheets....7
(2) Consolidated Statements of Income and Comprehensive Income....9
Consolidated Statements of Income....9
Consolidated Statement of Comprehensive Income....10
(3) Consolidated Statement of Changes in Equity....11
(4) Consolidated Statement of Cash Flows....12
(5) Notes to Consolidated Financial Statements....13
(Notes on Going Concern Assumption)....13
(Changes in Accounting Policies)....13
(Change in Scope of Consolidation or Equity Method Application)....13
(Segment Information)....13
(Revenue Recognition)....15
(Per Share Information)....16
(Significant Subsequent Events)....17

1. Overview of Operating Results

As consolidated financial statements have been prepared since the fiscal year ended December 2025, a comparative analysis with the previous fiscal year has not been conducted.

(1) Overview of Operating Results for the Fiscal Year Ended December 2025

In the fiscal year ended December 31, 2025, the Japanese economy remains on a moderate recovery trend, with wage increases and continued improvements in the employment and income environment. On the other hand, prices will continue to rise due to fluctuations in foreign exchange rates, persistently high energy and raw material prices, and concerns about the lingering downside risks to private consumption. Furthermore, the outlook for the economy has become increasingly uncertain due to the impact of international geopolitical risks such as concerns about the U.S. trade policy shift, the stagnant Chinese economy, the prolonged conflict between Russia and Ukraine, tensions in the Middle East, and the unstable domestic political landscape.

In this environment, the Company conducted aggressive business development in the following two existing businesses of the Mobile business, which is a self-produced product segment focusing on profitability as a high growth business; and Solutions business, which has been highly evaluated since its establishment as a stable growth business, as well as AI Singing Voice Synthesis segment, a venture segment originating from Nagoya Institute of Technology aiming to disseminate the world's most advanced voice-related technologies, which was established in April 2025 as its third reportable segment.

In the "Mobile segment," we conducted business centered on the development and operation of ibisPaint series of mobile paint applications. "ibisPaint" is used in more than 200 countries and regions worldwide, and we focused on offering trend-driven new features and services for digitally illustrating users. We also worked to enhance monetization through subscriptions and other means for sustainable growth.

In the "Solution segment," we supported the development of applications for smartphones, tablets and other internet devices. Against the backdrop of growing social needs for the use of information technology, such as the DX of companies, we continued to recruit and train IT engineers, whose demand is growing, and strengthened our proposal-based sales activities for corporate customers. In addition, in this segment, as of November 21, 2025, Zeroichi Start Co., Ltd., which is engaged in the no-code system development business, was made a wholly-owned subsidiary, and worked to strengthen its business foundation going forward.

In the "AI Singing Voice Synthesis segment," we developed a product strategy centered on the AI Singing Voice Synthesis application "VoiSona" targeting a wide range of creator users in the music production market. We expanded our voice library by renowned artists in Japan and overseas, expanded it into the mobile domain, and built a stable revenue model based on subscriptions.

As a result, we recorded net sales of 5,005,091 thousand yen, operating profit of 1,201,981 thousand yen, ordinary profit of 1,215,520 thousand yen, and profit attributable to owners of parent of 848,969 thousand yen recorded for the fiscal year ended December 31, 2025.

Results by business segment are as follows.

< Mobile segment >

During the fiscal year ended December 31, 2025, ibisPaint, our mainstay product, reached a record 500 million downloads as of September 10, 2025, marking 520.52 million downloads as of the end of December 2025, thanks to accumulated series downloads. We have consistently supported creative activities, such as continuously improving our app (Ver. 12.2.13 to Ver. 13.1. 17), posting picture course videos on YouTube, holding themed contests tailored to seasons and trends (45th to 48th edition), and adding a wealth of free materials. In addition, following a major update on March 5, 2025, the Company released a total of nine new tools, including new features such as "Original Brush Pattern," which allows users to create and share original brush patterns, and the "Filling Tool: Filling/Filling & Erasing," which enables users to instantly fill a closed area within a selection with a designated color and remove fills. Some of these new tools are offered as premium members-only tools and have achieved a certain amount of sales, contributing to an increase in the number of subscriptions immediately after their release and an increase in the number of subscriptions over the medium to long term. In addition, on August 28, 2025, we released "ibisPaint for Mac," laying the foundation for our entry into the professional market by supporting all of the major devices: Windows, Mac, iPhone/iPad and Android. This further strengthens our brand and ensures a solid position in the creative field, with the trust of even more user customers. In April, the Company added "ibisPaint Edu for Android" to its "ibisPaint Edu" product for educational institutions, making it compatible with both iOS and Android. This has resulted in a steady increase in the number of applications at educational institutions, and we have prepared an environment to support students in registering for paid membership in the future by using school handsets.

In addition, the Company has progressed the development of "ibisWorks," AI cloud services for companies, which can be useful in business settings other than creative activities by leveraging the technologies it has developed through the development of mobile apps. In June, the Company launched the AI minutes service "ibisScribe" and aims to acquire new users through collaboration with the storage service "ibisStorage."

As a result, sales amounted to 2,830.23 thousand yen. Domestic Sales and Overseas Sales by sales category are as follows:

		Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)	
		Amount (thousands of yen)	Composition (%)
In-app Advertising	Domestic Sales	288,746	21.4
	Overseas Sales	1,060,851	78.6
	Total	1,349,597	100.0
Subscriptions	Domestic Sales	326,545	27.2
	Overseas Sales	875,526	72.8
	Total	1,202,072	100.0
One-time Purchase App	Domestic Sales	61,931	22.9
	Overseas Sales	208,553	77.1
	Total	270,485	100.0
Total (including others)	Domestic Sales	681,652	24.1
	Overseas Sales	2,148,578	75.9
	Total	2,830,230	100.0

In in-app advertising, which serves as the primary source of sales for this business, the Company stably acquired the free users and DAU (Daily Active Users) continued to remain at a high level due to high engagement. On the other hand, advertising market conditions remained weak, compounded by changes in ad delivery algorithms, and "eCPM (effective Cost Per Mille)" declined to 1,349,597 thousand yen in sales. To improve advertising sales, the Company has been working on efforts to increase advertising effectiveness by analyzing and reviewing operations based on users' behavior data while looking at changes in advertising delivery algorithms, movements of competing apps, and the balance with the Company's advertising strategy. On the other hand, in in-app purchase, subscriptions remained strong, and the addition of various new tools and services and promotion measures for existing users were successful. As a result, sales reached 1,202,072 thousand yen with 397,640 members. This stabilized the regular revenue source and strengthened the revenue base. In the one-time purchase app, subscriptions were promoted to both mobile and PC platforms, resulting in sales of 270,485 thousand yen and 151,212 units sold (Note). During the nine months ended September 30, 2025, sales of in-app purchase (total of subscriptions and one-time purchase app) surpassed sales of In-app Advertising and this trend continued through the twelve months ended December 31, 2025. As a result, sales of in-app purchase (1,472,557 thousand yen) surpassed sales of In-app Advertising (1,349,597 thousand yen), and it is clear that charge revenue is becoming a mainstay in the revenue structure.

As a result of shifting to organic growth from the previous fiscal year and implementing effective advertising investment, segment profit amounted to 1,500,796 thousand yen.

(Note) ibisPaint Edu is excluded from the sales of one-time purchase starting from the third quarter of the fiscal year ended December 31, 2025 because it is provided free of charge.

< Solutions segment >

During the fiscal year ended December 31, 2025, amid the advanced use of generative AI and Copilot, interest in improving efficiency and productivity in corporate application development continued to remain at a high level. In this environment, the need for application development support for the Company has steadily increased. In particular, there has been progress in the acquisition of contract development projects through direct transactions with end users.

In the Contract Development business, although orders for scratch-type application development projects are restrained in some areas, the number of contracted projects has been on an increasing trend, mainly for high value-added projects, and strengthening our development system centering on the web application domain is bearing fruit. As a result, the number of contracted projects started to increase from the third quarter, and in the fourth quarter, contract development sales were the highest ever on a quarterly basis. Behind this, improvements in the skills of participating engineers and optimization of the development process using AI tools have significantly contributed. In addition, the Company continues to promote the sophistication of its AI-driven business operations, and we are striving to both improve work efficiency and improve skills through support using tools such as Copilot, as well as through in-house workshops and e-learning training. This has led to a reduction in overtime hours and an improvement in the retention rate of human resources, thereby stabilizing the on-site structure. At the same time, a system has been in place to advance multiple projects in parallel, and productivity has also improved. In IT Engineers Dispatch Services business, throughout the fiscal year ended December 31, 2025, we have experienced stable acceptance by several corporate customers.

Amid this situation, recruitment activities of IT engineers are on a recovery trend, and the foundation is being laid for the stabilization of development resources. As a result, the stability of the field system and the facilitation of operations have further progressed.

Furthermore, the organizational reforms implemented in the first quarter aimed at strengthening collaboration between sales and technical departments and speeding up decision-making process continued to function stably, and the number of IT engineers recovered from 241 at the end of the first quarter to 255 at the end of the third quarter, and was almost the same level at 254 at the end of the fourth quarter. The recovery and stability of the field system were seen and this system is expected to contribute to business performance in the next quarter and beyond.

In addition, in November 2025, the Company made Zeroichi Start Co., Ltd. a wholly-owned subsidiary in order to achieve synergies with the Solutions segment. Going forward, we will make use of the company's business consulting insight, experience in operating no-code development, and SEO know-how to develop business as a group.

As a result, sales were 2,055,883 thousand yen, consisting of 537,604 thousand yen of Contract Development business and 1,518,278 thousand yen in IT Engineers Dispatch Services business. Segment income was 266,494 thousand yen, driven by the continued promotion of initiatives to invest in engineers, such as the recruitment of highly skilled IT engineers, and offset by M&A expenses.

< AI Singing Voice Synthesis segment >

During the fiscal year ended December 31, 2025, in the AI Singing Voice Synthesis segment, we promoted the VoiSona business (BtoC) and Contract Development business (BtoB) and conducted business activities with the use of AI-based Speech Synthesis Technology. In the VoiSona business, sales increased due to the release of 6 new song voice libraries (2 of which are Chinese) and 3 new talk voice libraries (1 of which is English). In particular, "VoiSona Ui (CV: Shigureui)" attracted attention as a user's music video ranked 6th in Japan on YouTube's music video ranking (Note) immediately after the release. In addition, to enhance user experience, we added the "10 Second Trial Tool" to the PC Song App, "Audio Track Tool." "External Collaboration Tool" to the PC Talk App, and "Vertical View Tool" and "Multi Touch Tool" to the iOS Song App. Furthermore, in September, certain song voice libraries were updated to support multi-language (English, Japanese, Chinese) mixed tracks. In the Contract Development business, we secured stable sales by providing licenses on a continuous basis and conducted advanced R&D on multi-task models for both speech and singing voice synthesis. Both businesses are strengthening their marketing and sales activities to attract new customers.

As a result, sales came to 118,977 thousand yen, VoiSona accounted for 92,935 thousand yen, and Contract Development accounted for 26,042 thousand yen. Also, technology-related assets amortization and goodwill amortization of 45,332 thousand yen were recorded, resulting in a segment loss of 62,157 thousand yen. Furthermore, pursuant to the provisions of deemed acquisition date stipulated in the Accounting Standard for Consolidated Financial Statements, Techno-Speech, Inc. which was made a wholly-owned subsidiary as of January 31, 2025, is integrated in the Consolidated Statements of Income from April 1, 2025 (Accordingly, the accounting period of the segment for the fiscal year ended December 31, 2025 is exceptionally nine months).

(Note) YouTube Music Global Charts "Top 100 Popular Music Videos," as of the end of June 2025.

(2) Overview of Financial Position

(Assets)

Total assets at the end of the fiscal year ended December 2025 amounted to 4,187,678 thousand yen. This was mainly due to cash and deposits of 2,083,187 thousand yen and accounts receivable and contract assets of 632,427 thousand yen, goodwill of 616,431 thousand yen and technology-related assets of 185,031 thousand yen.

(Liabilities)

Total liabilities at the end of the fiscal year ended December 2025 amounted to 1,288,359 thousand yen. This was mainly due to contract liabilities of 337,447 thousand yen, accounts payable of 285,769 thousand yen and income taxes payable of 231,340 thousand yen.

(Net assets)

Total net assets at the end of the fiscal year ended December 2025 amounted to 2,899,319 thousand yen. The main components were stated capital of 411,163 thousand yen, capital surplus of 408,764 thousand yen and retained earnings of 2,018,912 thousand yen.

(3) Overview of Cash Flows for the Fiscal Year

Cash and cash equivalents (hereafter "cash") at the end of the fiscal year ended December 2025 were 2,083,187 thousand yen. The status of each type of cash flow at the end of the fiscal year ended December 2025 and the underlying factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities during the fiscal year ended December 2025 was 961,398 thousand yen. This was mainly due to profit before income taxes of 1,218,384 thousand yen and income taxes paid of 441,134 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities during the fiscal year ended December 2025 was 977,557 thousand yen. This was mainly due to purchase of shares of subsidiaries resulting in change in scope of consolidation of 772,145 thousand yen and purchase of intangible assets of 165,212 thousand yen.

(Cash flows from financing activities)

Net cash used in financing activities during the fiscal year ended December 2025 was 133,709 thousand yen. This was mainly due to dividends paid of 146,299 thousand yen.

(4) Future Outlook

With regard to the future outlook, the outlook for the economy is expected to remain uncertain due to the impact of the prolonged international geopolitical risks, such as U.S. trade policy trend, the slowdown in the Chinese economy as well as the rising price due to fluctuations in foreign exchange rates and persistently high energy and raw material prices. Under such circumstances, the Company has maintained a management policy that focuses on the amount and growth rate of consolidated operating profit in all segments, including the Mobile segment, the Solutions segment, and the AI Singing Voice Synthesis segment, while achieving sales growth.

The outlook by business segment is as follows.

<Mobile segment>

For the Mobile segment, which is a high-growth business, six key points of the forecast are as follows.

- As for net sales, the Company conservatively estimated net sales of 3,084 million yen (up 9.0% year on year) as a result of cautiously forecasting TTB of 140 yen for the full year ending December 2026 on an assumed dollar-yen exchange rate applied for calculating net sales and accounts receivable denominated in JPY for platform operators such as Google LLC and Supply Side Platform (SSP) operators, which are customers of the mobile paint app “ibisPaint,” the Company’s flagship product in the segment. Since it is a new billing service and difficult to predict, the forecast does not include the sales of “Smart Credit (Pay-as-you-go, new AI-driven tool coming soon),” which is the third billing model following the sales of one-time purchase app and subscription charge scheduled to start in the fiscal year ending December 31, 2026.
- As for “ibisPaint” subscription sales, the Company conservatively estimates 1,731 million yen (up 44.1% year on year), given the average increase in the number of members in the last 12 months for mobile sales and the average increase in the number of members in the last 6 months for PC sales. The Company will continue to give top priority to strengthening premium members-only services (subscription billing). In the fiscal year ending December 31, 2026, the Company aims to establish a solid revenue base that is not affected by the advertising market conditions by assuming that the ratio of subscription sales in this segment will exceed in-app advertising sales alone.
- As for in-app advertising sales, “DAU (Daily Active Users)” and “impression (number of ad views)/person-day.” are expected to continue to remain at a high level, but “eCPM (effective Cost Per Mille)” is conservatively estimated and calculated at 1,151 million yen (down 14.7% year on year) due to the possibility that the impact of unexpected fluctuations in the AI algorithms of SSP that continued from the previous fiscal year may continue and further decline.
- Advertising expenses are estimated to be 291 million yen (down 8.9% year on year) due to the fact that the Company has shifted to a phase of placing more emphasis on the number of active users (quality) in its overseas promotion investment for “ibisPaint” since the previous fiscal year and judging that this policy is generally successful.
- Although “ibisPaint” subscription sales, which are highly profitable, are expected to account for the majority of segment profit due to the above results, segment profit is estimated to be 1,618 million yen (up 7.8% year on year) with the continued investment to increase the total development capabilities of mobile app development engineers (investment in development human resources), which is the source of growth.
- The M & A investigation in this segment has been temporarily completed with Techno-Speech, Inc., which has the strength in the world-class advanced AI-based Speech-related technology, becoming a wholly-owned subsidiary as of January 31, 2025, but will be resumed from the second quarter of the fiscal year ending December 31, 2026 in order to further increase added value.

<Solutions segment>

For the Solutions segment, which is a stable growth business, 3 key points of the forecast are as follows.

- Net sales are conservatively estimated to be 2,196 million yen (up 6.8% year on year), very carefully taking into account the risk of unexpected standby man-hours, although we will promote expansion and deep cultivation through direct transactions with major enterprise companies in anticipation of the merger of Zeroichi Start Co., Ltd. (which became a wholly-owned subsidiary as of November 21, 2025), engaged in no-code system development business, in this segment as of April 1, 2026 and increase the ratio of the Contract Development business that realized high profitability and high reproducibility compared with the fiscal year ended December 31, 2025.
- Segment profit is estimated to be 289 million yen (up 8.7% year on year) with the continued investment to increase the total development capabilities of IT engineers (investment in development human resources), which is the source of growth, as in the

Mobile segment.

・ M & A investigation in this segment will continue to be conducted in order to pursue the possibility of further business expansion.

<AI Singing Voice Synthesis segment>

For the AI Singing Voice Synthesis segment, which is a new growth business, 3 key points of the forecast are as follows.

・ Net sales are estimated to be 174 million yen (- % year on year), centered on the sales growth in the production of voice libraries for BtoC and in in-app purchase for VoiSona, a singing compositing app that realistically reproduces human singing using AI technology.

・ Segment loss is estimated to be 55 million yen (- % year on year), given depreciation of 13 million yen in technology-related assets (intangible assets amortized over 14 years) and 46 million yen in amortization of goodwill (goodwill amortized over 7 years), calculated in the fiscal year ended December 31, 2025.

・ The segment is expected to become profitable on a non-consolidated operating profit basis within 3 years, and on a segment profit basis including the above depreciation within 5 years.

As a result of the above initiatives, full year forecasts for the fiscal year ending March 31, 2026 are net sales of 5,454 million yen (up 9.0% year on year), operating profit of 1,355 million yen (up 12.8% year on year), ordinary profit of 1,362 million yen (up 12.1% year on year), and profit attributable to owners of parent of 940 million yen (up 10.8% year on year).

The above forecasts are based on information available to the Company as of the date of this announcement and on certain assumptions that are judged to be reasonable, and the Company does not guarantee that it will achieve these forecasts.

Actual performance may differ from the above forecasts due to various factors. An announcement will be made promptly in case a revision of the business forecasts becomes necessary due to factors as the change in business conditions in the future.

2. Basic Approach to Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements between periods and between companies, our policy for the time being is to prepare consolidated financial statements in accordance with Japanese GAAP. In the future, we intend to consider the adoption of International Financial Reporting Standards in light of various domestic and overseas circumstances.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2025
Assets	
Current assets	
Cash and deposits	2,083,187
Accounts receivable-trade, and contract assets	632,427
Merchandise and finished goods	1,890
Supplies	152
Advance payments to suppliers	5,720
Prepaid expenses	98,829
Other	25,988
Allowance for doubtful accounts	(1,960)
Total current assets	2,846,236
Non-current assets	
Property, plant and equipment	
Buildings	22,049
Tools, furniture and fixtures	17,951
Accumulated depreciation	(17,672)
Total property, plant and equipment	22,328
Fixed assets	
Software	227,022
Goodwill	616,431
Technology-related assets	185,031
Other	1,050
Total non-current assets	1,029,535
Investments and other assets	
Long-term prepaid expenses	6,072
Deferred tax assets	82,648
Other	200,856
Total investments and other assets	289,577
Total non-current assets	1,341,442
Total assets	4,187,678

(Thousands of yen)

	As of December 31, 2025
Liabilities	
Current liabilities	
Accounts payable	14,105
Current portion of long-term borrowings	25,392
Accounts payable - other	285,769
Accrued expenses	51,942
Income taxes payable	231,340
Contract liabilities	337,447
Deposits received	38,240
Provision for bonuses	129,855
Total current liabilities	1,114,093
Non-current liabilities	
Long-term borrowings	43,830
Deferred tax liabilities	65,279
Provision for retirement benefits for directors (and other officers)	60,136
Other	5,021
Total non-current liabilities	174,266
Total liabilities	1,288,359
Net assets	
Shareholders' equity	
Share capital	411,163
Capital surplus	408,764
Retained earnings	2,018,912
Treasury shares	(275)
Total shareholders' equity	2,838,564
Share acquisition rights	60,755
Total net assets	2,899,319
Total liabilities and net assets	4,187,678

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2025
Net sales	5,005,091
Cost of sales	1,956,194
Gross profit	3,048,897
Selling, general and administrative expenses	1,846,915
Operating profit	1,201,981
Non-operating income	
Interest income	1,349
Foreign exchange gains	5,205
Received incentive	4,145
Refund of defined contribution pension plan	1,955
Other	1,435
Total non-operating income	14,091
Non-operating expenses	
Interest expenses	430
Other	121
Total non-operating expenses	552
Ordinary profit	1,215,520
Extraordinary income	
Gain on reversal of share acquisition rights	2,863
Total extraordinary income	2,863
Extraordinary expenses	
Loss on disposal of fixed assets	0
Total extraordinary expenses	0
Profit before income taxes	1,218,384
Income taxes - current taxes	388,168
Income taxes-deferred	(18,753)
Total income taxes	369,414
Profit	848,969
Profit attributable to owners of parent	848,969

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2025
Profit	848,969
Comprehensive profit	848,969
Comprehensive profit attributable to:	
Comprehensive profit attributable to owners of parent	848,969

(3) Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained arnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	390,087	387,688	1,316,341	(275)	2,093,841
Changes during the period					
Issuance of new shares - exercise of share acquisition rights	21, 076	21,076			42,152
Dividends of surplus			(146,399)		(146,399)
Profit attributable to owners of parent			848,969		848,969
Net changes in items other than shareholders' equity					
Total changes during the period	21, 076	21,076	702,570	–	744,722
Balance at the end of current period	411,163	408,764	2,018,912	(275)	2,838,564

	Share acquisition rights	Total net assets
Balance at the beginning of current period	35,987	2,129,829
Changes during the period		
Issuance of new shares - exercise of share acquisition rights		42,152
Dividends of surplus		(146,399)
Profit attributable to owners of parent		848,969
Net changes in items other than shareholders' equity	24,767	24,767
Total changes during the period	24,767	769,490
Balance at the end of current period	60,755	2,899,319

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2025
Cash flows from operating activities	
Profit before income taxes	1,218,384
Depreciation	118,626
Amortization of goodwill	34,859
Decrease (increase) in accounts receivable - trade, and contract assets	(118,807)
Decrease (increase) in inventories	5,660
Increase (decrease) in trade payables	2,336
Increase (decrease) in provision for bonuses	13,846
Interest expenses	430
Increase (decrease) in accounts payable - other	(42,879)
Gain on reversal of share acquisition rights	(2,863)
Increase (decrease) in contract liabilities	142,502
Increase (decrease) in allowance for doubtful accounts	1,960
Interest and dividend income	(1,349)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13,899
Increase (decrease) in income taxes payable - factor based tax	(3,567)
Other	18,560
Subtotal	1,401,597
Interest and dividends received	1,349
Interest paid	(414)
Income taxes paid	(441,134)
Net cash provided by (used in) operating activities	961,398
Cash flows from investing activities	
Purchase of intangible assets	(165,212)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(772,145)
Other	(40,199)
Net cash provided by (used in) investing activities	(977,557)
Cash flows from financing activities	
Repayments of long-term borrowings	(20,454)
Proceeds from issuance of shares	33,043
Dividends paid	(146,299)
Net cash provided by (used in) financing activities	(133,709)
Effect of exchange rate change on cash and cash equivalents	5,205
Net increase (decrease) in cash and cash equivalents	(144,663)
Cash and cash equivalents at beginning of period	2,227,851
Cash and cash equivalents at end of period	2,083,187

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Application of "Accounting Standard for Current Income Taxes," Etc.)

The Company has adopted the new accounting standard, "Accounting Standard for Current Income Taxes" ASBJ Statement No. 27, October 28, 2022, from the beginning of the fiscal year ended December 31, 2025. The changes in accounting policies have no impact on the consolidated financial statements.

(Change in Scope of Consolidation or Equity Method Application)

Techno-Speech, Inc. and Zeroichi Start Co., Ltd. are included in the scope of consolidation as the Company acquired all of its shares and made them wholly-owned subsidiaries in the fiscal year ended December 31, 2025.

(Segment Information)

1. Overview of Reportable Segments

(1) Method of determining reportable segments

The Company's reportable segments are units constituting the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

Our group has three reportable segments: "Mobile segment," "Solutions segment," and "AI Singing Voice Synthesis segment."

(2) Types of products and services belonging to each reportable segment

The "Mobile segment" is a segment focusing on the development and operation of ibisPaint series of mobile paint applications, and is a self-produced product segment focusing on profitability.

The "Solutions segment" is a segment providing contract development of web applications and the dispatch of IT engineers for domestic companies.

The "AI Singing Voice Synthesis segment" is a venture segment originating from Nagoya Institute of Technology, focusing on the development and operation of the AI Singing Voice Synthesis application "VoiSona."

2. Method of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting method for the reported business segments is generally the same as that adopted for the preparation of the consolidated financial statements. Profits of reportable segments are based on operating profit.

3. Matters related to changes in reportable segments

During the fiscal year ended December 2025, the Company acquired all of the shares of Techno-Speech, Inc. and made it a wholly-owned subsidiary. Accordingly, the "AI Singing Voice Synthesis" segment was added to the reportable segments.

Since consolidated financial statements have been prepared since the first quarter of the fiscal year ended December 31, 2025, segment information for the previous fiscal year ended December 31, 2024 is not stated.

4. Information on net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Thousands of yen)

	Reportable segment				Adjustments (Note 2, 3, 4)	Carrying amount on the consolidated financial statements (Note 5)
	Mobile	Solutions	AI Singing Voice Synthesis (Note 1)	Total		
Net sales						
Sales to external customers	2,830,230	2,055,883	118,977	5,005,091	–	5,005,091
Internal sales between segments or transfers	–	–	–	–	–	–
Total	2,830,230	2,055,883	118,977	5,005,091	–	5,005,091
Segment profit / loss	1,500,796	266,494	(62,157)	1,705,132	(503,151)	1,201,981
Segment assets	687,923	334,130	119,172	1,141,226	3,046,452	4,187,678
Other items						
Depreciation	102,033	1,372	14,355	117,761	865	118,626
Increase in property, plant and equipment and intangible assets (Note 6)	150,984	–	14,228	165,212	–	165,212

(Notes) 1. Segment loss in the AI Singing Voice Synthesis segment of -62,157 thousand yen includes amortization of goodwill of -34,859 thousand yen and depreciation of technology-related assets of -10,473 thousand yen.

2. Adjustments of segment loss of -503,151 thousand yen is not allocated to each reportable segment. Company-wide expenses are mainly general and administrative expenses not attributable to reportable segments.

3. Adjustments of segment assets of 3,046,452 thousand yen are company-wide assets not allocated to elimination of inter-segment transactions and each reportable segment.

4. Depreciation in the Adjustments of 865 thousand yen in other items is related to company-wide assets not allocated to each reportable segment.

5. Segment profit is reconciled with Operating Profit in the consolidated financial statements.

6. The increase in tangible and intangible fixed assets excludes assets acquired upon the consolidation of new subsidiaries..

(Revenue Recognition)

1. Breaking down revenue arising from contracts with customers

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Thousands of yen)

	Reportable segment			Total
	Mobile	Solution	AI Singing Voice Synthesis	
In-app Advertising	1,349,597	–	–	1,349,597
Subscriptions	1,202,072	–	–	1,202,072
One-time Purchase App	270,485		–	270,485
IT Engineers Dispatch Services	–	1,518,278	–	1,518,278
Contract Development	–	537,604	26,042	563,646
VoiSona	–	–	92,935	92,935
Other	8,075	–	–	8,075
Revenue arising from contracts with customers	2,830,230	2,055,883	118,977	5,005,091
Other revenue	–	–	–	–
Sales to external customers	2,830,230	2,055,883	118,977	5,005,091

(Per Share Information)

	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Net assets per share	154.14 yen
Basic earnings per share	46.37 yen
Diluted earnings per share	44.09 yen

(Notes) 1. The basis for calculating earnings per share is as follows:

Item	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Basic earnings per share	
Profit attributable to owners of parent (thousands of yen)	848,969
Amount not attributable to common shareholders (thousands of yen)	–
Profit attributable to owners of parent related to common shares (thousands of yen)	848,969
Average number of shares of common shares during the period (shares)	18,306,680
Diluted earnings per share	
Profit attributable to owners of parent (thousands of yen)	–
Number of shares of common shares increased (shares)	950,647
(Stock acquisition rights) (shares)	950,647
Details of diluted shares not included in the calculation of diluted earnings per share due to no dilutive effect income per share because they have no dilutive effect	One class of share subscription rights (Number of share subscription rights: 225,000)

2. The basis for the calculation of net assets per share is as follows:

Item	As of December 31, 2025
Total net assets (thousands of yen)	2,899,319
Amount to be deducted from total net assets (thousands of yen)	60,755
(Share acquisition rights) (thousands of yen)	(60,755)
Net assets of common shares at the end of period (thousands of yen)	2,838,564
Number of shares of common shares used in the calculation of net assets per share at the end of period (shares)	18,415,765

(Significant Subsequent Events)

(Absorption-Type Merger of Wholly Owned Subsidiary)

At its board of directors meeting held on February 10, 2026, the Company resolved to implement the absorption-type merger of Zeroichi Start Co., Ltd., a wholly owned subsidiary, to consolidate into the Company, effective April 1, 2026 (planned).

1. Overview of the Business Combination

(1) Name of Acquired Company and Its Business Description

Name of the Acquired Company: Zeroichi Start Co., Ltd.

Business Description: No-code low-code system development business

(2) Business Combination Date

April 1, 2026

(3) Legal Form of the Business Combination

Absorption-type merger with the Company as the surviving company and Zeroichi Start Co., Ltd. as the dissolved company

(4) Other Matters Related to the Outline of the Transaction

① Purpose of the Merger

The Company has decided to merge the subsidiary in order to maximize synergies and further accelerate the structure toward the Company's goal of becoming a SIer and increase revenues by incorporating and boosting the strengths of Zeroichi Start Co., Ltd., wholly-owned subsidiary - (1) business consulting insight, (2) knowledge in the operation of no-code tools with extremely high development productivity, and (3) SEO (search engine optimization) know-hows, into the Company's Solutions business.

② Details of Allotment in Relation to Merger

Since the Merger is a merger between wholly owned subsidiaries of the Company, there will be no issuance of new shares or payment to Zeroichi Start Co., Ltd.

2. Summary of Accounting to be Implemented

The transaction will be treated as a transaction under common control, in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).