

Year ended December 31, 2025

Consolidated Financial Results for FY2025 (Year Ended December 31, 2025)

February 10, 2026

(All financial information herein has been prepared in accordance with accounting principles generally accepted in Japan. This document is an English translation from the original Japanese-language document. This translation is not subject to auditing standards in the U.S.)

Listed company name: Original Engineering Consultants Co., Ltd. Stock listing: Tokyo Stock Exchange, Standard Market
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 Director
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 Financial Affairs Division

Planned Annual General Meeting of Shareholders: March 26, 2026

Date of scheduled payment of dividends: March 27, 2026

Planned submission date of annual earnings report: March 26, 2026

Earnings supplementary explanatory documents: None

Earnings presentation: None

(Amounts less than ¥1 million are truncated)

1. CONSOLIDATED FINANCIAL RESULTS FOR FY2025 (January 1, 2025, to December 31, 2025)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025 ended December 31, 2025	8,515	—	921	—	934	—	541	—
FY2024 ended December 31, 2024	—	—	—	—	—	—	—	—

(Note) Comprehensive income FY2025 ended December 31, 2025: ¥1,141 million (- %)

FY2024 ended December 31, 2024: ¥ - million (- %)

	Profit per share – basic	Profit per share – diluted	Return on equity	Ordinary income to total assets	Operating margin
	Yen	Yen	%	%	%
FY2025 ended December 31, 2025	91.54	—	6.9	7.8	10.8
FY2024 ended December 31, 2024	—	—	—	—	—

(Reference) Gain (loss) on investment by equity method:

FY2025: ¥ - million

FY2024: ¥ - million

(Note) As quarterly consolidated financial statements have been prepared from the first quarter of the FY2025 ended December 31, 2025, figures for the FY2024 ended December 31, 2024, and year-on-year changes are not shown.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025 ended December 31, 2025	11,956	7,898	66.1	1,325.19
FY2024 ended December 31, 2024	—	—	—	—

(Reference) Shareholders' equity: As of December 31, 2025: ¥7,898 million As of December 31, 2024: ¥ - million

(Note) As quarterly consolidated financial statements have been prepared from the first quarter of the FY2025 ended December 31, 2025, figures for the FY2024 ended December 31, 2024 are not shown.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
FY2025 ended December 31, 2025	604	-1,495	1,307	3,548
FY2024 ended December 31, 2024	—	—	—	—

(Note) As quarterly consolidated financial statements have been prepared from the first quarter of the FY2025 ended December 31, 2025, figures for the FY2024 ended December 31, 2024 are not shown.

2. DIVIDENDS

	Dividends per share					Total dividend amount (Full year)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2024 ended December 31, 2024	—	0.00	—	32.00	32.00	190	—	—
FY2025 ended December 31, 2025	—	0.00	—	35.00	35.00	210	38.2	2.6
FY2026 ending December 31, 2026 (forecast)	—	0.00	—	40.00	40.00		40.0	

(Note) As quarterly consolidated financial statements have been prepared from the first quarter of the FY2025 ended December 31, 2025, figures for the payout ratio (consolidated) and ratio of dividends to net assets (consolidated) for the FY2024 ended December 31, 2024 are not shown.

Dividends per share for the FY2026 ending December 31, 2026 (forecast) include the commemorative dividend for our 65th anniversary of ¥5.00.

3. FORECAST OF CONSOLIDATED RESULTS FOR FY2026 (January 1, 2026, to December 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share – basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	9,600	12.7	1,000	8.5	1,000	7.0	600	10.8	99.90

The business results forecasts presented are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, actual results may differ from any projections due to various factors. For matters relating to results forecasts, please refer to “1. SUMMARY OF BUSINESS RESULTS,” “(4) Future Outlook” on page 5 of the Attachment.

* NOTES

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

New 2 (company name) CRUXSYSTEM INC. and NIHON ENGINEERING SERVICE CO., LTD.,
Excluded - (company name)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatements:

- (i) Changes in accounting policies in accordance with revision of accounting standards : Yes
- (ii) Changes in accounting policies other than (i) above : None
- (iii) Changes in accounting estimates : None
- (iv) Retrospective restatements : None

(3) Number of outstanding shares (common stock)

(i) Number of shares outstanding at end of period, including treasury stock	As of December 31, 2025:	7,396,800 shares	As of December 31, 2024:	7,796,800 shares
(ii) Number of shares of treasury stock at end of period	As of December 31, 2025:	1,436,687 shares	As of December 31, 2024:	1,884,262 shares
(iii) Average number of shares outstanding for each period	FY2025 ended December 31, 2025:	5,914,055 shares	FY2024 ended December 31, 2024:	5,894,365 shares

(Reference) Summary of Non-consolidated Financial Results

1. NON-CONSOLIDATED FINANCIAL RESULTS FOR FY2025 (January 1, 2025, to December 31, 2025)

(1) Non-consolidated Operating Results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025 ended December 31, 2025	7,355	3.3	1,026	21.3	1,035	20.1	671	3.2
FY2024 ended December 31, 2024	7,122	7.4	845	9.4	862	9.4	650	36.2

	Profit per share – basic		Profit per share – diluted	
	Yen		Yen	
FY2025 ended December 31, 2025	113.46		—	
FY2024 ended December 31, 2024	110.31		—	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Shareholders' equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
FY2025 ended December 31, 2025	10,700		7,698		71.9		1,291.67	
FY2024 ended December 31, 2024	8,310		7,059		85.0		1,194.00	

(Reference) Shareholders' equity: As of December 31, 2025: ¥7,698 million As of December 31, 2024: ¥7,059 million

2. FORECAST OF NON-CONSOLIDATED RESULTS FOR FY2026 (January 1, 2026, to December 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit		Profit per share – basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	7,607	3.4	1,027	0.1	1,027	-0.8	700	4.3	116.54

* This summary of financial results is not subject to audit by certified public accountants or audit corporations.

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1. SUMMARY OF BUSINESS RESULTS

(1) Summary of Business Results for Current Period

As the Group started preparing consolidated financial statements from the current fiscal year, comparative analysis with the same period of the previous consolidated accounting period and the end of the previous fiscal year was not performed. Further, the Group acquired all the shares of CRUXSYSTEM INC. in January 2025, and all the shares (excluding treasury stock) of NIHON ENGINEERING SERVICE CO., LTD. in July 2025, which became consolidated subsidiaries of the Group.

Forward-looking statements in this document are based on the Company's judgment as of the last day of the current fiscal year.

According to a provisional calculation of the Cabinet Office, Japan's water and sewerage infrastructure assets amount to approximately ¥130 trillion, which indicates that the water and sewerage infrastructure stock is the second-largest in the country by sector after that of roads. Among these, the penetration rate of water supplies is 98.2% as of December 31, 2023, with the total length of water pipes reaching around 740,000 kilometers across Japan. However, the national average annual rate of renewing water pipes is as low as 0.64%, which means that it will take about 130 years to renew all of these pipes. The statutory useful life of water pipes is 40 years, and much of the stock was built during the high-growth period of the 1970s. There are issues such as aging infrastructure, slow progress in making water pipes earthquake-resistant (with the earthquake-resistance conformity rate of key water pipes at the end of fiscal 2023 being 43.3%), and a decrease in water service revenue due to a declining population and other factors. Further, many water utilities operators are of a small scale with a vulnerable management foundation, resulting in insufficient provision for systematic renewal. Water supply maintenance and management administration, which had been under the purview of the Ministry of Health, Labour and Welfare for many years, was transferred to the Ministry of Land, Infrastructure, Transport and Tourism for management and maintenance of the infrastructure and to the Ministry of Environment for water quality and hygiene in April 2024. As a result, the fiscal 2024 budget requests for water projects include the establishment of a new project to promote the integrated efficiency and strengthening of infrastructure of water and sewerage systems to support integrated measures for water supply and sewerage, and the expansion of project survey costs regarding water infrastructure improvement.

In the sewage field, the number of people with access to sewage treatment facilities is 93.7% in Japan (as of the end of FY2024), but only 81.8% have access to sewers, which means nearly 7.8 million people still live without access to wastewater treatment plants. Therefore, it is necessary to accelerate the spread of sewage treatment. While the need to construct new facilities is on the decrease, a great number of water and sewerage facilities that were rapidly built during the high-growth period are reaching the end of their useful lives every year. Maintenance and renewal of these infrastructure assets, which are indispensable for ensuring a safe, secure and cultural life, are thus in demand. In addition, needs are growing for flood control measures to protect human lives and assets from localized torrential rainfall and large typhoons, which have occurred frequently in recent years, anti-seismic measures including ensuring that toilet facilities remain usable during earthquakes, measures for reinforcing water and sewerage systems to make them tsunami resistant, and initiatives to create "green innovation sewerage systems" in line with a shift to a decarbonized and recycling-oriented society.

Out of Japan's national budget for FY2025, passed and enacted in March 2025, the total amount to be allocated, as announced by the Ministry of Land, Infrastructure, Transport and Tourism, which is closely connected with the business of the Company, is approximately ¥471.9 billion for sewerage, about ¥32.5 billion for water supply and about ¥3.6 billion for integrated water supply and sewerage operations. The budgets of local governments across the country, which are responsible for executing water and sewerage projects, have also been announced.

In this operating environment, with the themes set by the Water Supply and Sewerage Group of the Ministry of Land, Infrastructure, Transport and Tourism in mind, the Company pursues orders for services related to asset management in line with the new water supply vision in the water supply field, and those in line with seven major themes in the sewerage field. These are: strengthening earthquake recovery and reconstruction support and implementing national measures for safety and peace of mind; promptly reducing areas lacking sewerage

infrastructure; promoting water environmental management; improving facility management and operations; strengthening sewerage management; promoting measures to achieve a low-carbon, recycling-oriented society; and promoting international water businesses through globalization and private-public initiatives.

Summarizing our efforts to win orders in the domestic market, we are doubling down on sales activities to cultivate new fields and customers. We are doing so based on our long track record, while steadily securing orders that have high order-repeat rates through offering fine-tuned technological proposals and flexible customer service. We do this on the back of our superiority resulting from accumulated knowledge of the status of facility development and operational issues in local public entities who are our existing customers.

With respect to entry into new business domains, staff from the two companies that newly joined the Group and the Company are brought together at “Innovation MTG,” a new business development workshop, to discuss business plans.

On the other hand, with regard to its internal work environment, the Company has provided more than 90% of its employees with smartphones and notebook PCs, and created an office environment with a free-address office system (hot-desking, with no fixed seating). A flexible work style has been established, enabling employees to work at home and host/participate in web conferencing outside the office or on the go as needed, which has resulted in a reduction in overtime hours.

As initiatives to improve productivity and workplace comfort, the Company is providing the following internal systems which focus on the perspective of the employees: facilitating prompt information-sharing and chatting between different levels and groups; speedily responding to departmental issues by checking management targets by department when necessary; conducting appropriate execution budget management, process control, progress management, and outsourcing management for projects secured; upgrading in-house engineers’ skills; hosting career design training; newly establishing a recruiting group in the general affairs and human resources department to strengthen new graduates and mid-career hiring; reducing overtime; providing Apple Watches to all employees who wish to get them loaned (about 40% of employees) for voluntary health promotion (promoting well-being management); utilizing internal systems, such as a staggered working hours system; and promoting the use of maternity/parental leave systems and paid leaves, as well as a customized work system that allows employees to work flexibly according to their individual circumstances. In the internal business management system which we developed in-house with function enhancements made over many years and have been operating, we have digitized the approval function for each business workflow, from receiving an order for investigation and design work, etc. to starting the project, preparing and changing the execution budget, and completing the project, thereby accelerating budget management and enabling monthly financial reporting with higher accuracy. Through these efforts, we are striving to improve productivity and reduce costs, and to increase employee returns and earnings.

Consequently, orders received during the fiscal year under review amounted to ¥9,110 million. On the other hand, net sales of contracts completed amounted to ¥8,515 million. Operating income, ordinary income and profit attributable to owners of parent were ¥921 million, ¥934 million and ¥541 million, respectively.

Results by segment of the Group were as follows.

[Engineering Consultant Business]

In the Engineering Consultant Business, we have been promoting disaster recovery support projects related to the Noto Peninsula Earthquake, and projects that have been increasing in number against the backdrop of the National Resilience Plan and countermeasures to combat the aging of facilities.

Consequently, orders received amounted to ¥8,022 million. Contracts completed and segment profit were ¥7,506 million and ¥1,030 million, respectively.

[Information Processing Services Business]

In the Information Processing Services Business, we have been working to acquire economies of scale, strengthen management functions, and increase the ratio of outsourced sales to develop a foundation for the continued expansion of orders.

As a result, orders received amounted to ¥1,089 million. Contracts completed and segment profit were ¥1,008 million and ¥17 million, respectively.

(2) Summary of Financial Position for Current Period

(Current assets)

Current assets for the fiscal year under review amounted to ¥7,263 million. This was mainly due to cash and deposits and accounts receivable—completed operation and contract assets, which is accounts receivable—operating.

(Noncurrent assets)

Noncurrent assets for the fiscal year under review amounted to ¥4,693 million. This was attributable mainly to Customer-related intangible assets and goodwill arising from business combinations.

(Current liabilities)

Current liabilities for the fiscal year under review stood at ¥1,685 million. The increase was mainly due to advances received on uncompleted contracts, which are advances received for work in progress, and income taxes payable.

(Noncurrent liabilities)

Noncurrent liabilities for the fiscal year under review stood at ¥2,372 million. This was mainly due to long-term borrowings related to business combinations.

(Net assets)

Net assets for the fiscal year under review amounted to ¥7,898 million. This primarily reflects an increase in retained earnings.

(3) Summary of Cash Flows for Current Period

Cash and cash equivalents (hereinafter referred to as “cash”) stood at ¥3,548 million at the end of the fiscal year under review.

The status of respective cash flows in the fiscal year under review and its factors are as follows:

(Cash flows from operating activities)

Net cash obtained from operating activities amounted to ¥604 million. The main factors contributing to this change were the posting of profit before income taxes and a decrease in accounts receivable—trade.

(Cash flows from investing activities)

Net cash used by investing activities amounted to ¥1,495 million. This was mainly due to the acquisition of the shares of subsidiaries arising from business combinations.

(Cash flows from financing activities)

Net cash obtained from financing activities amounted to ¥1,307 million. This was attributable mainly to long-term borrowings arising from business combinations.

	FY2025 ended December 31, 2025
Shareholders' equity ratio (%)	66.1
Shareholders' equity ratio on a market value basis (%)	76.6
Interest-bearing debt to cash flow ratio (years)	3.05
Interest coverage ratio (times)	40.46

All indicators are calculated using figures on the financial statements on a consolidated basis as follows.

- Shareholders' equity ratio: Shareholders' equity / total assets
- Shareholders' equity ratio on a market value basis: Market capitalization / total assets
- Interest-bearing debt to cash flow ratio: Interest-bearing debt / cash flows
- Interest coverage ratio: Cash flows / interest payments

- Notes: 1. Market capitalization is calculated by multiplying the closing stock price at end of period by the number of shares issued at end of period (excluding treasury stock).
2. Cash flows are those from operating activities stated in the Consolidated Statement of Cash Flows. Interest-bearing liabilities include all liabilities presented on the Consolidated Balance Sheet that are subject to interest expenses. Interest payments are based on interest paid as presented in the Consolidated Statement of Cash Flows.

(4) Future Outlook

According to an outline of the Ministry of Land, Infrastructure, Transport and Tourism's fiscal 2026 budget for public works projects, which has close ties with projects in the Company's consolidated group, ¥852.9 billion (1.01 times year-on-year) in the Disaster Prevention and Safety Grant and ¥459.6 billion (0.94 times year-on-year) in the General Grant for Social Infrastructure Development are expected to be appropriated for sewerage projects by local governments. On the other hand, in light of the transfer of water supply maintenance and management administration to the Ministry of Land, Infrastructure, Transport and Tourism in April 2024, the total amount of individual subsidies to sewerage systems is expected to be ¥160.1 billion, 1.16 times higher than the previous year, due to the establishment of a new project to promote the integrated efficiency and strengthening of infrastructure of water and sewerage systems, in addition to subsidies for sewerage disaster prevention projects, subsidies for sewerage projects, and sewerage project survey costs.

In fiscal 2025, the budgets related to water supply and sewerage projects by local governments were generally executed as planned. These included countermeasures to combat the aging of and improve seismic resistance of facilities, resolving the underdevelopment of sewage systems, countermeasures against flooding of inland waters, expansion of area coverage and communalization, countermeasures against infiltration during rainy weather, and decarbonization.

In June 2023, the Cabinet Office published a revised version of the PPP/PFI Promotion Action Plan, whose aim was to realize 100 projects in total, under a concession system under the name of "Water PPP" and another similar system, a public-private partnership in which maintenance, management and renewal are integrated in a long-term contract.

In fiscal 2025, momentum has been growing for the introduction of "Water PPP," especially among small and medium-sized local public entities whose business execution capabilities are deteriorating, given that it was made a requirement to introduce "Water PPP," starting from fiscal 2027, in order to use the General Grant for Social Infrastructure Development for rebuilding sewage pipes of sewerage systems.

To meet these needs, we strengthened internal capabilities by forming specialized teams of experienced engineers. In addition, we have established a Special Team for Water PPP Countermeasures within the Company in order to address future issues. Furthermore, the DX Promotion Department will strive to resolve social issues not only in the main water supply and sewerage field but also in the surrounding fields by upgrading digitization services for water supply and sewerage information with ICT technologies that have been developed and accumulated over the years, as well as through synergies with new business partners.

Orders for local governments' public procurement, which account for the majority of the Company's orders received, are placed through competitive bidding based on price. As a result, there is often a gap between successful bid prices and our target prices. Accordingly, the Company recognizes the need to address several management challenges in order to achieve its business objectives. These include competition among firms; fluctuations in bidding prices; higher costs of work due to an increase in planning and designing operations for rebuilding and renewal that require complex and advanced experience and expertise; an increase in personnel expenses to respond to recruiting activities that are becoming increasingly difficult year by year and to prevent turnover of, secure, and foster talented human resources.

Meanwhile, the Company believes there has been an improvement in the corporate image thanks to measures taken by the management consistently rather than on a temporary basis to provide an effective working environment, based on personal dialogue between top management and all employees that has been held annually for more than 10 years. These measures aim to foster a company-wide sense of ownership and to build an open and transparent organizational culture. The Company has also worked on its employment support system aimed at balancing childcare and work while respecting the diverse values that continue to evolve. As there is a growing need for personnel who are thoroughly familiar with government operations in response to the increasing momentum for the introduction of the Water PPP, recruitment of individuals with experience in government offices has remained steady. In addition, the addition of two companies to the Group has enhanced our image as a Group that aggressively takes on new challenges, and there has been an increase in the number of hires from talent pools that previously had little contact with the Company.

Passing on techniques of senior engineers and securing and fostering young employees who will lead the next generation remain critical management issues for the Company. Based on its solid financial base, the Company will endeavor to overcome management issues by continuing to improve and provide a work environment aligned with employees' perspectives, improve employee satisfaction, and work on hiring even more talented human resources.

A growing number of local governments, which are our customers, are seeing a decline in the number of employees in parallel with the shrinking population and we believe that collaboration with and support from private companies is as essential as ever in order to sustain water and sewerage services in the future. Under such social circumstances, the Company aims to resolve social issues and enhance corporate value by providing customized consulting services tailored to meet social needs, thereby contributing to sustaining water and sewerage services essential for people's safe and secure lives.

In addition, post-merger integration (PMI), covering the integration of management, operations, and corporate culture, with CRUXSYSTEM INC. and NIHON ENGINEERING SERVICE CO., LTD., which were acquired as wholly owned subsidiaries, has been proceeding steadily. Group synergies have begun to emerge as follows: The integration with the former has led to the acquisition of economies of scale, strengthening of management functions, an increase in the ratio of outsourced sales, and the development of a foundation for continued expansion of orders. The integration with the latter has led to the development of a growing human resource base through the hiring of new graduates, young mid-career employees, and mid-career employees who are able to make immediate contributions.

In the fiscal year ending December 31, 2026, we expect orders to reach ¥10,236 million (up 12.3% year-on-year) and contracts completed to total ¥9,600 million (up 12.7% year-on-year). Operating income and ordinary income are each expected to reach ¥1,000 million, representing increases of 8.5% and 7.0%, respectively. Profit attributable to owners of parent is projected at ¥600 million (up 10.8% year-on-year).

2. BASIC POLICY FOR THE SELECTION OF ACCOUNTING STANDARDS

The Company's stakeholders are mostly domestic shareholders, creditors and business partners, and hence the Company does not currently have significant need to raise funds overseas. Considering these factors, the Company applies Japanese accounting standards.

3. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheet

	Amount (thousand yen)
	FY2025 (as of December 31, 2025)
Assets	
Current assets	
Cash and deposits	3,991,237
Accounts receivable–completed operation and contract assets	3,159,651
Costs on uncompleted services	5,533
Prepaid expenses	71,699
Advances receivable from group affiliates	116
Other	105,270
Allowance for doubtful accounts	-70,243
Total current assets	7,263,264
Noncurrent assets	
Property, plant and equipment	
Buildings and structures	616,089
Accumulated depreciation	-380,396
Buildings and structures, net	235,693
Vehicles	5,270
Accumulated depreciation	-5,270
Vehicles, net	0
Tools, furniture and fixtures	175,874
Accumulated depreciation	-112,760
Tools, furniture and fixtures, net	63,113
Land	111,383
Lease assets	131,472
Accumulated depreciation	-76,758
Lease assets, net	54,713
Total property, plant and equipment	464,903
Intangible assets	
Customer-related intangible assets	846,063
Goodwill	1,142,331
Software	124,061
Telephone subscription right	4,728
Other	3,340
Total intangible assets	2,120,525

Amount (thousand yen)

	FY2025 (as of December 31, 2025)
Investments and other assets	
Investment securities	902,639
Shares of subsidiaries and associates	50,000
Long-term loans receivable from employees	1,800
Insurance funds	141,761
Guarantee deposits	216,134
Long-term prepaid expenses	3,025
Retirement benefit asset	702,414
Deferred tax assets	64,474
Other	27,859
Allowance for doubtful accounts	-2,200
Total investments and other assets	2,107,911
Total noncurrent assets	4,693,340
Total assets	11,956,605
Liabilities	
Current liabilities	
Accounts payable—operating	308,909
Short-term borrowings	221,482
Lease obligations	15,179
Accounts payable—other	77,434
Accrued expenses	286,224
Income taxes payable	288,440
Accrued consumption taxes	98,478
Advances received on uncompleted contracts	158,035
Deposits received	149,365
Provision for bonuses	72,363
Provision for loss on orders received	9,814
Total current liabilities	1,685,728
Noncurrent liabilities	
Long-term borrowings	1,566,251
Provision for retirement benefits for directors (and other officers)	141,892
Retirement benefit liability	34,299
Lease obligations	40,607
Asset retirement obligations	62,776
Deferred tax liabilities	526,786
Total noncurrent liabilities	2,372,612
Total liabilities	4,058,340

Amount (thousand yen)

	FY2025 (as of December 31, 2025)
Net assets	
Shareholders' equity	
Capital stock	1,093,000
Capital surplus	2,591,757
Retained earnings	4,789,279
Treasury stock	-1,175,685
Total shareholders' equity	7,298,350
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	270,503
Total remeasurements of retirement benefit plans	329,410
Total accumulated other comprehensive income	599,914
Non-controlling interests	-
Total net assets	7,898,265
Total liabilities and net assets	11,956,605

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

Consolidated Statements of Operations

Amount (thousand yen)

	FY2025 (From January 1, 2025, to December 31, 2025)
Net sales of contracts completed	8,515,210
Costs of completed contracts	5,663,316
Gross profit	2,851,893
Selling, general and administrative expenses	1,930,096
Operating income	921,797
Non-operating income	
Interest income	1,816
Interest on securities	1,533
Dividend income	13,384
Reimbursement for seconded employees	2,582
Commission fee	1,080
Gain on investments in silent partnerships	7,676
Gain on sale of investment securities	865
Subsidy income	3,061
Other	6,903
Total non-operating income	38,904
Non-operating expenses	
Interest expenses	14,940
Expenses for securities transactions	9,143
Foreign exchange losses	108
Other	2,351
Total non-operating expenses	26,543
Ordinary income	934,157
Extraordinary loss	
Loss on retirement of noncurrent assets	2,699
Loss on valuation of golf club membership	350
Warranties for completed construction	4,070
Refund of commission fees	9,240
Total extraordinary loss	16,359
Profit before income taxes	917,798
Income taxes—current	359,269
Income taxes—deferred	17,184
Total income taxes	376,454
Profit	541,343
Profit attributable to non-controlling interests	-
Profit attributable to owners of parent	541,343

Consolidated Statements of Comprehensive Income

Amount (thousand yen)

	FY2025 (From January 1, 2025, to December 31, 2025)
Profit	541,343
Other comprehensive income	
Valuation difference on available-for-sale securities	270,503
Remeasurements of retirement benefit plans	329,410
Total other comprehensive income	599,914
Comprehensive income	1,141,258
(Breakdown)	
Comprehensive income attributable to owners of parent	1,141,258
Comprehensive income attributable to non-controlling interests	-

(3) Consolidated Statement of Changes in Net Assets

FY2025 (from January 1, 2025, to December 31, 2025)

Amount (thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	1,093,000	2,899,954	4,440,269	-1,548,162	6,885,061
Changes during the period					
Dividends of surplus			-192,334		-192,334
Profit attributable to owners of parent			541,343		541,343
Cancellation of treasury stock		-324,584		324,584	-
Purchase of treasury stock				-40	-40
Disposal of treasury stock		16,386		47,933	64,320
Net changes of items other than shareholders' equity					
Total changes during the period	-	-308,197	349,009	372,476	413,289
Balance at the end of current period	1,093,000	2,591,757	4,789,278	-1,175,685	7,298,350

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total rereasurements of retirement benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	174,490	-	174,490	-	7,059,551
Changes during the period					
Dividends of surplus					-192,334
Profit attributable to owners of parent					541,343
Cancellation of treasury stock					-
Purchase of treasury stock					-40
Disposal of treasury stock					64,320
Net changes of items other than shareholders' equity	96,013	329,410	425,424	-	425,424
Total changes during the period	96,013	329,410	425,424	-	838,713
Balance at the end of current period	270,503	329,410	599,914	-	7,898,265

(4) Consolidated Statement of Cash Flows

Amount (thousand yen)

	FY2025 (From January 1, 2025, to December 31, 2025)
Cash flows from operating activities	
Profit before income taxes	917,798
Depreciation and amortization	104,370
Amortization of goodwill	84,679
Amortization of customer-related intangible assets	43,936
Increase (decrease) in allowance for doubtful accounts	-2,035
Interest and dividend income	-16,734
Interest expenses	14,940
Loss on retirement of property, plant and equipment	2,699
Loss on valuation of golf club membership	350
Warranties for completed construction	4,070
Refund of commission fees	9,240
Decrease (increase) in notes and accounts receivable–trade	-71,941
Decrease (increase) in costs on uncompleted contracts	-2,692
Increase (decrease) in notes and accounts payable–trade	-118,278
Increase (decrease) in advances received on uncompleted contracts	23,804
Loss (gain) on sale of investment securities	-865
Increase (decrease) in provision for bonuses	-39,540
Increase (decrease) in provision for shareholder benefits	-5,000
Increase (decrease) in provision for loss on orders received	1,105
Increase (decrease) in provision for share benefit	-41,217
Increase (decrease) in assets for retirement benefit	-126,577
Increase (decrease) in liabilities for retirement benefit	-490
Other	73,246
Subtotal	854,865
Interest and dividend income received	16,231
Interest expenses paid	-14,940
Payment of warranties for completed construction	-4,070
Refund of commission fees paid	-9,240
Income taxes paid	-239,326
Refund of income taxes	946
Net cash provided by (used in) operating activities	604,466
Cash flows from investing activities	
Payments into time deposits	-2,200
Proceeds from withdrawal of time deposits	526,409
Purchase of property, plant and equipment	-118,157
Purchase of intangible assets	-51,476
Purchase of investment securities	-100,000
Proceeds from sale of investment securities	4,151
Proceeds from redemption of investment securities	100,000
Proceeds from withdrawal of investments in silent partnerships	5,648
Payments for lease and guarantee deposits	-21,189
Proceeds from collection of lease and guarantee deposits	1,587
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-1,856,647
Other	15,908
Net cash provided by (used in) investing activities	-1,495,967

Amount (thousand yen)

	FY2025 (From January 1, 2025, to December 31, 2025)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	-92,000
Proceeds from long-term borrowings	1,700,000
Repayments of long-term borrowings	-127,898
Repayments of lease obligations	-26,415
Purchase of treasury stock	-40
Proceeds from disposal of treasury stock	46,596
Cash dividends paid	-192,334
Net cash provided by (used in) financing activities	1,307,908
Effect of exchange rate change on cash and cash equivalents	-109
Net increase (decrease) in cash and cash equivalents	416,298
Balance of cash and cash equivalents at beginning of the year	3,132,180
Balance of cash and cash equivalents at end of the year	3,548,478

(5) Notes regarding the Consolidated Financial Statements

(Matters Affecting the Assumption of a Going Concern)

Not applicable.

(Notes regarding Significant Changes in Shareholders' Equity)

CRUXSYSTEM INC. was included in the scope of consolidation, starting from the current consolidated fiscal year. As a result, retained earnings decreased by ¥113,714 thousand in the consolidated fiscal year under review to stand at ¥4,789,279 thousand.

Also, based on the resolution of the Board of Directors held on March 26, 2025, 400,000 shares of treasury stock were cancelled on April 24, 2025. Accordingly, capital surplus and treasury stock each decreased by ¥324,584 thousand in the consolidated fiscal year under review, resulting in capital surplus of ¥2,591,757 thousand and treasury stock of ¥1,175,685 thousand at the end of the consolidated fiscal year under review.

(Changes in Accounting Policies)

(Application of Accounting Standards for Current Income Tax, etc.)

“Accounting Standard for Current Income Tax, etc.” (ASBJ Statement No. 27, October 28, 2022), “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022), and “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022) have been applied from the beginning of the fiscal year under review. There is no impact on the consolidated financial statements.

(Segment Information)

[Segment Information]

FY2025 (from January 1, 2025, to December 31, 2025)

1. Information on the amount of net sales and profit or loss by reportable segment and information on the breakdown of revenue

	Reportable segment			Amount (thousand yen)		
	Engineering Consultant Business	Information Processing Services Business	Total	Full year	Adjustments (Note 1)	Amount recorded on consolidated statements of operations (Note 2)
Net sales						
Revenue from customer contracts	7,506,494	1,027,922	8,534,417	8,534,417	-19,207	8,515,210
Other revenues	-	-	-	-	-	-
Sales to external customers	7,506,494	1,008,715	8,515,210	8,515,210	-	8,515,210
Inter-segment sales or transfers	-	19,207	19,207	19,207	-19,207	-
Total	7,506,494	1,027,922	8,534,417	8,534,417	-19,207	8,515,210
Segment profit (loss)	1,030,155	17,482	1,047,637	1,047,637	-125,839	921,797

- (Notes) 1. Adjustments to segment profit of minus ¥125,839 thousand include company-wide expenses of ¥124,417 thousand that are not allocated to each reportable segment. Company-wide expenses are mainly selling, general and administrative expenses that are not attributable to reportable segments.
2. Segment profit (loss) is reconciled with operating income in the consolidated statements of operations.

2. Information on impairment losses of noncurrent assets or goodwill, etc. by reportable segment

In January 2025, we acquired all of the shares of CRUXSYSTEM INC. This resulted in goodwill of ¥1,150,780 thousand in the Information Processing Services Business segment. The amount of goodwill reflects a material revision to the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment for the business combination.

In July 2025, we acquired all of the shares (excluding treasury stock) of NIHON ENGINEERING SERVICE CO., LTD. This resulted in goodwill of ¥76,230 thousand in the Engineering Consultant Business segment. The amount of goodwill reflects a material revision to the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment for the business combination.

(Per Share Information)

	FY2025 (From January 1, 2025, to December 31, 2025)
Net assets per share	¥1,325.19
Profit per share – basic	¥91.54
Profit per share – diluted	-

(Note) 1. Diluted profit per share is not presented because there are no dilutive shares.

(Note) 2. The basis for calculating profit per share is as follows:

	FY2025 (From January 1, 2025, to December 31, 2025)
Profit per share – basic	
Profit attributable to owners of parent (thousand yen)	541,343
Amount not attributable to common shareholders (thousand yen)	-
Profit on common stock attributable to owners of parent (thousand yen)	541,343
Average number of common stock outstanding for the period (shares)	5,914,055

(Note) 3. The basis for calculation of net assets per share is as follows:

	FY2025 (as of December 31, 2025)
Total net assets (thousand yen)	7,898,265
Amount to be deducted from total net assets (thousand yen)	-
Net assets related to common stock at the end of the period (thousand yen)	7,898,265
Closing number of common stock used in the calculation of net assets per share (shares)	5,960,113

The Company's shares held in trust that are recognized as treasury stock in shareholders' equity are included in the treasury stock deducted in the calculation of the average number of shares during the period for calculation of profit per share (96,380 shares as of December 31, 2025).

The Company's shares held in trust that are recognized as treasury stock within shareholders' equity are included in the treasury stock deducted from the number of shares outstanding at end of the period, used for calculating "net assets per share" (50,300 shares as of December 31, 2025).

(Significant Subsequent Events)

Not applicable.