



Consolidated Financial Results
for the Fiscal Year Ended December 31, 2025
[Under Japanese GAAP]

February 12, 2026

Company name: FINDEX Inc.
Listing: Tokyo Stock Exchange
Securities code: 3649
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Scheduled date of annual general meeting of shareholders: March 26, 2026
Scheduled date to commence dividend payments: March 27, 2026
Scheduled date to file annual securities report: March 25, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes for analysts

1. Consolidated Financial Results for the Fiscal Year ended December 31, 2025
(From January 1, 2025, to December 31, 2025)

**Figures are rounded down to the nearest million yen, except share and per share data*

**“%” indicates year-on-year changes from the previous corresponding period*

(1) Consolidated Operating Results (Cumulative)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
Fiscal year ended	JPY MM	%	JPY MM	%	JPY MM	%	JPY MM	%
December 31, 2025	6,109	4.6	1,790	17.3	1,840	19.2	1,256	8.1
December 31, 2024	5,841	12.5	1,525	1.9	1,544	1.1	1,162	9.7

(Note) Comprehensive income: FY2025: 1,250 million yen [8.6%], FY2024: 1,151 million yen [9.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	JPY	JPY	%	%	%
December 31, 2025	50.07	—	22.8	27.3	29.3
December 31, 2024	45.30	—	22.3	24.5	26.1

(Ref.) Share of profit (loss) of entities accounted for using equity method:

FY2025: - million yen, FY2024: -million yen

(Note) No statement is indicated above for the number of diluted earnings per share because there were no issuable shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	JPY MM	JPY MM	%	JPY
December 31, 2025	6,807	5,467	79.9	222.91
December 31, 2024	6,684	5,607	83.8	218.24

(Ref.) Equity amount as of: FY2025: 5,440 million yen, FY2024: 5,602 million yen

(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 period
Fiscal year ended	JPY MM	JPY MM	%	JPY
December 31, 2025	1,652	(297)	(1,410)	1,558
December 31, 2024	1,898	(2,434)	(412)	1,614

2. Cash Dividends

	Annual dividends per share					Total cash dividend	Payout ratio	Ratio of dividend to net assets
	1st quarter	2nd quarter	3rd quarter	Year-end	Total			
	JPY	JPY	JPY	JPY	JPY	JPY MM	%	%
Fiscal year ended December 31, 2024	—	7.00	—	8.00	15.00	387	33.1	7.4
Fiscal year ended December 31, 2025	—	8.00	—	14.00	22.00	545	43.9	10.0
Fiscal year ending December 31, 2026 (Forecast)	—	13.00	—	14.00	27.00		50.6	

3. Consolidated Financial Forecasts for the Fiscal Year ending December 31, 2026 (From January 1, 2026, to December 31, 2026)

* Figures are rounded down to the nearest million yen, except share and per share data

* “%” indicates year-on-year changes from the previous corresponding period

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	JPY MM	%	JPY MM	%	JPY MM	%	JPY MM	%	JPY
Fiscal year ending December 31, 2026	6,209	1.6	1,829	2.2	1,889	2.6	1,302	3.6	53.34

*Notes:

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

Newly included companies: None, Newly excluded companies: None

(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 other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to page 14 of the attached document, “3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to the Consolidated Financial Statements (Notes on Changes in Accounting Policies)”.

(3) Number of issued shares (Common Shares)

	As of December 31, 2025	As of December 31, 2024
Number of shares outstanding at the end of the period (including treasury shares)	26,608,800	26,608,800
Number of treasury shares at the end of the period	2,200,265	937,033
	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
Average number of outstanding shares (cumulative for the nine months)	25,105,070	25,661,312

(Note) The number of treasury shares at the end of the period includes our shares held by Custody Bank of Japan, Ltd. (Trust Account E) (132,200 shares for FY2025, 140,000 shares for FY2024). The Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury share deducted in the calculation of the average number of outstanding shares during the period (135,041 shares for FY2025, 147,430 shares for FY2024).

(Ref.) 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)****Figures are rounded down to the nearest million yen, except share and per share data***“%” indicates year-on-year changes from the previous corresponding period***(1) Non-Consolidated Operating Results**

	Net sales		Operating profit		Recurring profit		Profit	
Fiscal year ended	JPY MM	%	JPY MM	%	JPY MM	%	JPY MM	%
December 31, 2025	5,930	2.2	1,683	12.5	1,735	14.4	1,206	8.2
December 31, 2024	5,800	12.6	1,495	3.2	1,516	2.4	1,115	8.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	JPY	JPY
December 31, 2025	48.08	—
December 31, 2024	43.45	—

(Note) No statement is indicated above for the number of diluted earnings per share because there were no issuable shares.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	JPY MM	JPY MM	%	JPY
December 31, 2025	6,764	5,475	80.9	224.32
December 31, 2024	6,767	5,686	84.0	221.52

(Ref.) Equity: As of FY2025: 5,475 million yen, As of FY2024: 5,686 million yen

* This quarterly financial results report is out of scope of the quarterly review by a certified public accountant nor audit firm.

* Explanation on appropriate use of performance forecasts and other special notes:

(Caution statement regarding forward-looking statements and descriptions)

The performance forecast described in this report is based on information that is available to the Group, as well as certain assumptions and estimates that are deemed to be reasonable, and we make no assurance that such descriptions prove to be correct. Actual figures may significantly differ due to various factors. For assumptions used in forecasting operating results and precautions regarding the use of the forecast, please refer to “1. Status of the Group (4) Explanation on Consolidated Financial Forecasts and Other Forward-looking Statements” on page 7 of the attached document for further information.

(Availability of financial results briefing details)

A summary of the financial results briefing will be available on the Company's website at a later date.

Attached Material

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1. Qualitative Information on Consolidated Financial Results

(1) Explanation on Operating Results

■Market trends and our initiatives

To realize our corporate philosophy, “Enriching society through the creation of valuable technologies”, the Group develops and provides products and services centered on medical software and devices, as well as solutions that promote digital transformation (DX) for governmental organizations. Our fundamental management policy is to drive “research and development that inspires the joy of craftsmanship” based on the “pursuit of innovative ideas and technologies”, and to deliver “products that exceed customer expectations and contribute to the development of society”.

Furthermore, the Group is further strengthening its initiatives related to sustainability. Regarding environmental efforts, we are proactively engaging with both domestic and international sustainability initiatives, including responding to the questionnaires from the Carbon Disclosure Project (CDP). In March 2025, our efforts to promote employee health and enhance job satisfaction were recognized, and we received certification as an “Outstanding Health and Productivity Management Organization”. As a result of these dedicated efforts, the Company was ranked in “World’s Best Companies in Sustainable Growth 2026”, selected by TIME magazine and Statista. We will continue to strive for sustainable growth and the enhancement of our corporate value over the medium to long term.

■Operating results

The consolidated financial results for the fiscal year ended December 31, 2025 are as follows.

(JPY in thousands)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Change (amount)	Change (%)	FY2025 achievement rate
Net sales	5,841,379	6,109,941	286,561	4.6%	101.5%
Operating profit	1,525,418	1,790,029	264,611	17.3%	122.2%
Recurring profit	1,544,705	1,840,735	296,029	19.2%	121.5%
Profit attributable to owners of the parent	1,162,365	1,256,970	94,605	8.1%	113.4%

For the fiscal year ended December 31, 2025, consolidated net sales were ¥6,109,941 thousand (up 4.6% YoY), operating profit was ¥1,790,029 thousand (up 17.3% YoY), recurring profit was ¥1,840,735 thousand (up 19.2% YoY), and profit attributable to owners of the parent was ¥1,256,970 thousand (up 8.1%). The achievement rates against the full-year earnings forecasts were 101.5% for net sales, 122.2% for operating profit, 121.5% for recurring profit, and 113.4% for profit attributable to owners of parent.

During the consolidated fiscal year, overall revenue increased due to the steady accumulation of sales in the Public Business, as well as sales growth in the Medical Business during the fourth quarter. On the profit front, the gross profit margin increased as the cost of sales ratio declined, driven by the expansion of high-margin services and lower purchase costs. Although SG&A expenses rose due to HR investments, the higher gross profit absorbed this increase, resulting in profit growth at all levels.

Consolidated results by segment for the fiscal year ended December 31, 2025 are as follows.

《Medical Business》

(JPY in thousands)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Change (amount)	Change (%)
Net sales	5,494,943	5,691,403	196,459	3.6%
Operating profit	1,653,229	1,895,062	241,833	14.6%

In the Medical Business segment, our flagship products include the data management software *Claio*, the clinical note system *C-Note*, and the document management software *DocuMaker*, all of which support digital transformation (DX) for medical institutions. In addition to conventional on-premises products, we are expanding our cloud services, such as the patient guidance app *PiCls Medical Avenue* and the electronic tracing report service *PiCls AAdE-Report*, to further drive DX in hospitals.

For the fiscal year ended December 31, 2025, we completed 80 projects for hospitals and 150 projects for

clinics, including new installations, add-ons, and system updates. As a result, the segment recorded net sales of ¥5,691,403 thousand (up 3.6% YoY) and operating profit of ¥1,895,062 thousand (up 14.6% YoY). The primary drivers for the increase in both sales and profit were steady demand for system updates and the acquisition of new users. Furthermore, profitability increased due to a lower cost-of-sales ratio and higher gross margins, driven by the expansion of maintenance and cloud services, an increased sales mix of high-value-added products, and a reduction in procurement costs.

The *PiCls* series, a cloud service that assists large hospitals in improving profitability and reducing costs, as well as *CocktailAI*, a medical document generation solution leveraging generative AI from our subsidiary Fitting Cloud Inc., have received high acclaim, leading to an increase in installations for the full year. Additionally, the number of users for *DocuMaker Cloud*, our cloud-based SaaS for clinics, has grown, and we have begun to see a track record of users converting from free to paid plans.

Despite the challenging management environment many hospitals currently face, our products remain indispensable systems and services for medical professionals, maintaining a high retention rate of over 99% during this fiscal year. Our clinic client base primarily consists of medical specialties with stable business operations, and our hospital clients are centered around acute care hospitals. Consequently, we have achieved solid business operations supported by a highly stable customer base.

《Public Sector Business》

(JPY in thousands)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Change (amount)	Change (%)
Net sales	289,548	355,184	65,635	22.7%
Operating profit	101,202	109,897	8,695	8.6%

The flagship product of our Public Business segment is *DocuMaker Office*, a SaaS-based DX solution. For public institutions and local governments, the segment provides high-performance electronic approval and official document management systems featuring superior UI/UX. For the administrative departments of medical institutions, it offers systems designed for automated administrative document creation and management, as well as electronic approvals.

For the fiscal year ended December 31, 2025, 16 packages for local governments and 4 packages for medical institutions went live. As a result, the segment recorded net sales of ¥355,184 thousand (up 22.7% YoY) and operating profit of ¥109,897 thousand (up 8.6% YoY). The primary drivers for the increase in both revenue and profit were the growth in the number of installations and operational facilities. The increase in revenue successfully offset rising costs, such as personnel expenses, allowing the segment to maintain high profitability.

Regarding our packages for local governments, our track record of installations at prefectural offices and other major entities has served as a positive catalyst. Consequently, we secured orders for four direct sales projects and four agency-mediated projects during the fourth quarter. We are also diligently proceeding with the implementation of a project for a municipality within Tokyo's 23 wards, which was ordered in the third quarter. We remain actively engaged in sales activities, with multiple negotiations currently underway for new projects in the coming and subsequent fiscal years, including proposal-based projects where we leverage our competitive strengths. With many local governments currently considering the replacement of existing systems or having yet to implement such systems, market opportunities remain abundant. By proactively reaching out to municipalities with these needs through efficient sales strategies, we aim to steadily accumulate projects and expand our business scale.

Since the launch of the service, a cumulative total of 55 packages for local governments and 13 packages for medical institutions have gone live, with the total number of users reaching approximately 48,000. The churn rate has remained at zero since the service began, and we continue to build a steady customer base. Given that our proposal capabilities and product quality are highly regarded, we expect the number of projects to grow steadily and the overall scale of this business to expand further.

《Health Tech Business》

(JPY in thousands)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Change (amount)	Change (%)
Net sales	56,887	63,353	6,466	11.4%
Operating loss	(229,013)	(214,930)	14,082	-

Mainstay products in the Health Tech Business segment are the gaze analyzing perimeter *GAP*^{*1} and *GAP-screener*^{*2}.

GAP is an affordable, groundbreaking wearable device that enhances availability by measuring a patient's visual field with a completely different approach to that of conventional examination methods. It can also contribute to the early detection of retinal diseases, such as glaucoma and other conditions that lack obvious symptoms in the early stages. Unlike a conventional visual field examination, the product does not require the use of a dark room, thus shortening the examination time and alleviating the burden on the patient. Moreover, by promoting the use of *GAP* at facilities that conduct medical exams and health checkups, data of patients with early-stage retinal disease can be shared with R&D centers in Japan and overseas with the potential for it to contribute to the innovation of technology and solutions in numerous fields, including pharmaceuticals and life insurance.

For the fiscal year ended December 31, 2025, a total of 58 units were sold. As a result, net sales in this segment were ¥63,353 thousand (up 11.4% YoY), with an operating loss of ¥214,930 thousand, compared to ¥229,013 thousand in the same period of the previous fiscal year. While overseas shipments contributed to higher sales, operating profit decreased due to an increase in development costs for the MCI (Mild Cognitive Impairment) testing device, which is currently being prepared for a Japanese medical device application, and higher expenses associated with the expansion of the AI analytics team for medical vital data.

In terms of sales structure, *GAP* is sold to ophthalmology hospitals and clinics through ophthalmic medical equipment distributors across Japan, while *GAP-screener* is sold to health checkup facilities. In the domestic market, a distributorship agreement has been entered into with CANON MEDTECH SUPPLY CORPORATION (headquartered in Kanagawa Prefecture), which has a strong sales network among health checkup facilities, thereby strengthening the sales framework through the expansion of distributor networks. In addition, we have launched new maintenance plans aimed at enhancing user convenience and improving our support framework. We have also introduced incentive programs for our sales agencies to strengthen our sales promotion structure. The number of overseas sales agencies has expanded to 72, spanning regions including Asia and South America. As a result, we anticipate a phased expansion of sales starting from the next fiscal year and beyond.

On September 30, 2025, the Company was officially certified by the Cabinet Office as a “Enterprises Certified for Entrustment with Handling Medical and Other Data” under the Next Generation Medical Infrastructure Act^{*3}. Following this certification, the Company has integrated this business area into the HealthTech Business segment and started its operation on November 1 2025. This business aims to provide and support an environment where clinical data held by medical institutions is collected and integrated - following secure anonymous or pseudonymous processing - to be utilized for research and development by medical research institutions and corporations, drug discovery support, and policymaking. By facilitating the utilization of high-value-added medical data that reflects real-world clinical practice, we strive to contribute to the advancement and efficiency of R&D in the healthcare field.

Simultaneously, to promote the secure utilization of medical data based on the Act on Anonymous Medical Data to Contribute to Medical Research and Development (the “Next-Generation Medical Infrastructure Act”), the Company is developing a “Visiting Environment”^{*4} a secure workspace where data users can safely access and analyze information—with completion targeted for March 2026.

Moving forward, we will leverage synergies with our existing Medical and HealthTech businesses to build a comprehensive system that covers everything from medical information management to utilization support. Through these efforts, we aim to strengthen our business foundation in the medical data utilization sector.

(Note 1) Gaze Analyzing Perimeter, *GAP* (Notification No. of medical device manufacturing and sales 38B2X10003000002)

- (Note 2) Gaze Analyzing Perimeter, *GAP-screener* (Notification No. of medical device manufacturing and sales 38B2X10003000003)
- (Note 3) Next Generation Medical Infrastructure Act: The official name is the “Act on Anonymously Processed Medical Information and Pseudonymized Medical Information for the Purpose of Research and Development in the Medical Field”. This law promotes the utilization of medical data by allowing secondary use, such as for new drug development, after processing personal information, including clinical and physical data, so that individuals cannot be identified.
- (Note 4) Visiting environment: A secure cloud-based environment defined under the Next-Generation Medical Infrastructure Act, which allows users to access and utilize necessary medical data safely.

(2) Explanation on the Financial Position

Status of Assets, Liabilities, and Net assets

(JPY in thousands)

	As of December 31, 2024	As of September 30, 2025	Change in Amount
Assets	6,684,103	6,807,858	123,754
Liabilities	1,076,912	1,340,763	263,850
Net Assets	5,607,191	5,467,095	(140,096)

(Assets)

Total assets amounted to ¥6,807,858 thousand, an increase of ¥123,754 thousand from the end of FY2024.

Current assets amounted to ¥3,743,671 thousand as of FY2025 end, an increase of ¥161,208 thousand from FY2024 end, mainly due to a decrease of ¥55,504 thousand in cash and deposits, offset by an increase of ¥84,859 thousand in accounts receivable – trade, and an increase of ¥158,751 thousand in contract assets.

Non-current assets amounted to ¥3,064,186 thousand as of FY2025 end, a decrease of ¥37,453 thousand from FY2024 end, which is mainly composed of an increase of ¥67,645 thousand in deferred tax assets, offset by a decrease of ¥97,440 thousand in investment securities.

(Liabilities)

Liabilities totaled ¥1,340,763 thousand, increased by ¥263,850 thousand from the end of FY2025.

Current liabilities amounted to ¥1,026,550 thousand as of FY2025 end, an increase of ¥252,279 thousand from FY2024 end, which is mainly composed of an increase of ¥23,077 thousand in Accounts payable – other, and increase of ¥85,800 thousand in income taxes payable.

Non-current liabilities amounted to ¥314,213 thousand as of FY2025 end, a decrease of ¥11,571 thousand from FY2024 end.

(Net assets)

Net assets amounted to ¥5,467,095 thousand as of FY2025 end, a decrease of ¥140,096 thousand from FY2024 end. This was primarily due to an increase of ¥848,092 thousand in retained earnings, offset by a decrease in shareholders' equity of ¥133,839 thousand, primarily due to the acquisition of treasury shares amounting to ¥980,494 thousand.

(3) Explanation on Cash Flows for the Fiscal Year

(JPY in Thousands)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Change (amount)
Net cash provided by (used in) operating activities	1,898,767	1,652,441	(246,326)
Net cash provided by (used in) investing activities	(2,434,993)	(297,860)	2,137,133
Net cash provided by (used in) financing activities	(412,543)	(1,410,085)	(997,541)
Net increase (decrease) in cash and cash equivalents	(948,769)	(55,504)	893,265
Cash and cash equivalents at beginning of period	2,563,160	1,614,390	(948,769)
Cash and cash equivalents at end of period	1,614,390	1,558,886	(55,504)

Cash and cash equivalents (hereafter “cash”) as of FY2025 end amounted to ¥1,558,886 thousand, a decrease of ¥55,504 thousand from FY2024 end (down 3.4%). Cash flows from each activity and their significant components are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥1,652,441 thousand, a decrease of ¥246,326 thousand compared to FY2024. This is mainly attributable to ¥1,784,035 thousand of income before income taxes, and ¥242,924 thousand of increase due to a decrease in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥297,860 thousand, an increase of ¥2,137,133 thousand compared to FY2024. This is mainly attributable to ¥259,832 thousand of acquisition payment for intangible assets (mainly software for sales).

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,410,085 thousand, mainly attributable to ¥1,001,947 thousand for the acquisition of treasury shares and ¥408,138 thousand for the payment of dividends (The dividend payment for the previous consolidated fiscal year was ¥412,543 thousand).

(4) Explanation on Consolidated Financial Forecasts and Other Forward-looking Statements

The Group's consolidated financial forecast for the fiscal year ending December 31, 2026, is as follows.

(JPY in Thousands)

	Fiscal year ended December 31, 2025 (Result)			Fiscal year ending December 31, 2026 (Forecast)	YoY Change
	1 st Half	2 nd Half	Full year	Full year	
Net sales	3,125,603	2,984,337	6,109,941	6,209,000	1.6%
Operating profit	955,102	834,927	1,790,029	1,829,000	2.2%
Recurring profit	985,539	855,195	1,840,735	1,889,000	2.6%
Profit attributable to owners of parent	685,697	571,273	1,256,970	1,302,000	3.6%

Regarding the consolidated earnings forecast for the fiscal year ending December 31, 2026, we expect both net sales and profits to remain at the same level as the results for the fiscal year ended December 31, 2025.

In the Medical Business, while we anticipate continued stable demand through the successful launch of our cloud business and the expansion of our target market, we expect net sales to decrease year-on-year. This is due to the fact that fiscal year 2026 falls during a trough in the system update cycle for large-scale hospitals. In the Public Business, although the growth in sales and profits for 2026 will be limited - as many projects already secured are scheduled to go live in fiscal year 2027 - we expect performance to exceed the previous year's results due to the impact of proactive sales measures. In the HealthTech Business, we anticipate an increase in both revenue and profit, driven by a phased increase in medical device shipments and the launch of the Medical Data Platform business.

The reason we are able to forecast performance exceeding the 2025 full-year results - even as the Medical Business faces a cyclical decline in revenue - is the growth of businesses beyond traditional medical systems and an increase in recurring revenue. We believe this will provide a significant advantage for our performance from 2027 onwards, once the medical system update cycle returns to normal.

The forward-looking statements in this document are based on information available as of the date of publication. Actual results may differ from the forecast figures due to various factors. Should any revisions to the earnings forecast become necessary, we will disclose them promptly.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Group aims to maximize corporate value by establishing a strong market position through innovative product capabilities and advanced consulting expertise. At the same time, we recognize the return of profits to our shareholders as one of our key management priorities. Our fundamental policy is to maintain stable dividend payments while reflecting the improvement of our medium-to-long-term earning capacity in the dividend level.

For the year-end dividend for the fiscal year ended December 31, 2025, taking into account our business performance and future business development, we have decided on a dividend proposal of ¥14.00 per share. As a result, the annual dividend is expected to be ¥22.00 per share, an increase of ¥5.00 from the previous forecast. For the fiscal year ending December 31, 2026, with the aim of further strengthening our shareholder return measures, we plan to pay an annual dividend of ¥27.00 per share, which is a ¥5.00 increase from the previous consolidated fiscal year. This consists of an interim dividend of ¥13.00 per share and a year-end dividend of ¥14.00 per share.

Furthermore, we have established a basic policy of implementing stable and continuous dividend payments that are not affected by single-year performance fluctuations. To this end, we have set a payout ratio target of 50%, a minimum DOE (dividend on equity ratio) of 8.5%, and a minimum dividend floor.

2. Qualitative Information on Quarterly Consolidated Financial Results

For the time being, our policy is to prepare our consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability from period to period (horizontal analysis) and the comparability among companies (vertical analysis).

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	1,734,390	1,678,886
Notes receivable - trade	6,764	6,077
Accounts receivable - trade	863,188	948,048
Contract assets	680,224	838,976
Merchandise and finished goods	184,197	164,166
Work in process	5,304	7,232
Raw materials and supplies	50,383	19,964
Other	58,010	80,320
Total current assets	3,582,463	3,743,671
Non-current assets		
Property, plant and equipment		
Buildings	74,300	77,163
Accumulated depreciation	(27,108)	(31,909)
Buildings, net	47,192	45,254
Other	177,282	185,508
Accumulated depreciation	(144,261)	(144,781)
Other, net	33,020	40,727
Total property, plant and equipment	80,213	85,981
Intangible assets		
Software	310,519	299,227
Other	344	344
Total intangible assets	310,863	299,571
Investments and other assets		
Investment securities	2,315,050	2,217,610
Leasehold deposits	172,196	167,827
Deferred tax assets	213,935	281,580
Other	9,380	11,615
Total investments and other assets	2,710,563	2,678,633
Total non-current assets	3,101,640	3,064,186
Total assets	6,684,103	6,807,858
Liabilities		
Current liabilities		
Accounts payable - trade	67,289	36,090
Accounts payable - other	104,913	127,991
Income taxes payable	259,266	345,067
Other	342,800	517,400
Total current liabilities	774,270	1,026,550
Non-current liabilities		
Provision for share awards	271,210	314,130
Other	31,430	83
Total non-current liabilities	302,641	314,213
Total liabilities	1,076,912	1,340,763
Net assets		
Shareholders' equity		
Share capital	254,259	254,259
Capital surplus	227,222	225,785
Retained earnings	5,907,136	6,755,228
Treasury shares	(771,816)	(1,752,311)
Total shareholders' equity	5,616,802	5,482,962
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14,317)	(42,005)
Total accumulated other comprehensive income	(14,317)	(42,005)
Non-controlling interests	4,706	26,138
Total net assets	5,607,191	5,467,095
Total liabilities and net assets	6,684,103	6,807,858

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statement of Income, Cumulative)

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	5,841,379	6,109,941
Cost of sales	2,287,952	2,124,961
Gross profit	3,553,427	3,984,979
Selling, general and administrative expenses	2,028,008	2,194,949
Operating profit	1,525,418	1,790,029
Non-operating income		
Interest income	3,733	48,382
Subsidy income	13,530	—
Royalty income	1,660	1,660
Other	362	2,662
Total non-operating income	19,287	52,706
Non-operating expenses		
Commission for purchase of treasury shares	—	1,999
Other	—	1
Total non-operating expenses	—	2,000
Ordinary profit	1,544,705	1,840,735
Extraordinary losses		
Loss on valuation of investment securities	—	56,700
Impairment losses	1,944	—
Total extraordinary losses	1,944	56,700
Profit before income taxes	1,542,760	1,784,035
Income taxes - current	417,584	560,226
Income taxes - deferred	(35,373)	(54,593)
Total income taxes	382,211	505,632
Profit	1,160,548	1,278,403
Profit (loss) attributable to non-controlling interests	(1,816)	21,432
Profit attributable to owners of parent	1,162,365	1,256,970

(Consolidated Statement of Comprehensive Income, Cumulative)

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	1,160,548	1,278,403
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,930)	(27,688)
Total other comprehensive income	(8,930)	(27,688)
Comprehensive income	1,151,618	1,250,714
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,153,434	1,229,282
Comprehensive income attributable to non-controlling interests	(1,816)	21,432

(3) Consolidated Statement of Changes in Equity
Fiscal year ended December 31,2024 (From January 1, 2024 to December 31,2024)

(JPY in Thousands)

	Shareholders' equity					Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	254,259	224,259	5,157,662	(791,956)	4,844,223	(5,386)	(5,386)	6,522	4,845,360
Changes during period									
Dividends of surplus			(412,890)		(412,890)				(412,890)
Profit attributable to owners of parent			1,162,365		1,162,365				1,162,365
Disposal of treasury shares		2,963		20,139	23,103				23,103
Net changes in items other than shareholders' equity						(8,930)	(8,930)	(1,816)	(10,747)
Total changes during period	-	2,963	749,474	20,139	772,578	(8,930)	(8,930)	(1,816)	761,831
Balance at end of period	254,259	227,222	5,907,136	(771,816)	5,616,802	(14,317)	(14,317)	4,706	5,607,191

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

(JPY in Thousands)

	Shareholders' equity					Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	254,259	227,222	5,907,136	(771,816)	5,616,802	(14,317)	(14,317)	4,706	5,607,191
Changes during period									
Dividends of surplus			(408,878)		(408,878)				(408,878)
Profit attributable to owners of parent			1,256,970		1,256,970				1,256,970
Acquisition of treasury shares				(999,947)	(999,947)				(999,947)
Disposal of treasury shares		(1,437)		19,452	18,015				18,015
Net changes in items other than shareholders' equity						(27,688)	(27,688)	21,432	(6,256)
Total changes during period	-	(1,437)	848,092	(980,494)	(133,839)	(27,688)	(27,688)	21,432	(140,096)
Balance at end of period	254,259	225,785	6,755,228	(1,752,311)	5,482,962	(42,005)	(42,005)	26,138	5,467,059

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,542,760	1,784,035
Depreciation	41,411	37,980
Amortization of software	249,321	269,331
Impairment losses	1,944	—
Loss (gain) on valuation of investment securities	—	56,700
Share-based payment expenses	6,556	12,284
Increase (decrease) in provision for share awards	49,193	48,936
Interest and dividend income	(3,734)	(48,382)
Subsidy income	(13,530)	—
Commission for purchase of treasury shares	—	1,999
Decrease (increase) in trade receivables	373,926	(242,924)
Decrease (increase) in inventories	99,303	48,522
Increase (decrease) in trade payables	27,910	(31,199)
Increase (decrease) in accounts payable - other	7,517	21,437
Other, net	3,609	125,233
Subtotal	2,386,191	2,083,954
Interest and dividends received	620	45,699
Income taxes paid	(488,044)	(477,213)
Net cash provided by (used in) operating activities	1,898,767	1,652,441
Cash flows from investing activities		
Payments into time deposits	(170,000)	(180,000)
Proceeds from withdrawal of time deposits	180,000	180,000
Purchase of property, plant and equipment	(31,076)	(36,906)
Proceeds from sale of property, plant and equipment	194	—
Purchase of intangible assets	(271,585)	(259,832)
Purchase of investment securities	(2,128,770)	—
Payments of leasehold deposits	(13,148)	—
Proceeds from refund of leasehold deposits	235	220
Other, net	(844)	(1,341)
Net cash provided by (used in) investing activities	(2,434,993)	(297,860)
Cash flows from financing activities		
Purchase of treasury shares	—	(1,001,947)
Dividends paid	(412,543)	(408,138)
Net cash provided by (used in) financing activities	(412,543)	(1,410,085)
Net increase (decrease) in cash and cash equivalents	(948,769)	(55,504)
Cash and cash equivalents at beginning of period	2,563,160	1,614,390
Cash and cash equivalents at end of period	1,614,390	1,558,886

(5) Notes to the Consolidated Financial Statement

(Notes on Going Concern Assumption): N/A

(Notes on Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes” and Other Standards)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022), the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022), and the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the current consolidated fiscal year. These applications had no impact on the consolidated financial statements.

【Additional Information】

(Accounting Treatment for Employee Stock Ownership Plan, J-ESOP)

At the Board of Directors meeting held on October 29, 2015, the Company resolved to adopt an employee stock ownership plan (referred to as J-ESOP) as an incentive plan to grant Company shares purchased from the market to employees in order to more closely link the Company’s share price and earnings with employee compensation and to boost the motivation and morale of employees to improve the share price and earnings by sharing the economic benefits with shareholders.

Accordingly, Trust & Custody Services Bank, Ltd. (trust account E) (now Custody Bank of Japan, Ltd. (trust account E)) acquired 194,200 shares of the Company’s stock between November 13, 2015 and November 26, 2015.

Regarding accounting treatment for the J-ESOP, we have applied the gross method to record trust assets and liabilities as corporate assets and liabilities on the consolidated balance sheet in accordance with the Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

The treasury shares held by Custody Bank of Japan, Ltd. (trust account E) is shown as treasury shares in the net assets section of the quarterly consolidated balance sheet. The amount recorded at the end of the previous fiscal year was ¥108,000 thousand and the number of shares was 140,000. The amount recorded at the end of the current fiscal year was ¥101,983 thousand and the number of shares was 132,200.

(Notes on Segment Information etc.)

[Segment Information]

1. Overview of Reportable Segments

The Group's reportable segments are components for which discrete financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group has three reporting segments which are "Medical Business", "Public Sector Business", and "Health Tech Business". Description of reportable segments are as follows:

(Medical Business)

Development and sales of medical software, consulting, accumulation and analysis of medical data

(Public Sector Business)

Development and sales of document management and e-approval solutions

(Health Tech Business)

Development and sales of medical devices, processing and analysis of healthcare data

2. Calculation of Net Sales, Profit (Loss), Assets, and Other Items by Reportable Segments

The accounting method for the reported business segments is consistent with the accounting policies adopted for the preparation of the consolidated financial statements. Profits of reportable segments are operating income-based figures. Intersegment sales and transfers are based on prevailing market prices.

3. Sales and Profit or Loss by Reportable Segments

Fiscal year ended December 31, 2024 (From January 1, 2024, to December 31, 2024)

(JPY in Thousands)

	Reportable segments				Adjustments (Note1)	Amount in the consolidated financial statement (Note2)
	Medical Business	Public Sector Business	Health Tech Business	Total		
Net sales						
Sales for external customers	5,494,943	289,548	56,887	5,841,379	-	5,841,379
Internal sales or transfers between segments	-	-	-	-	-	-
Total	5,494,943	289,548	56,887	5,841,379	-	5,841,379
Segment profit or loss	1,653,229	101,202	(229,013)	1,525,418	-	1,525,418
Segment assets	2,075,097	201,983	156,318	2,433,398	4,250,705	6,684,103
Other						
Depreciation	236,050	25,039	29,643	290,733	-	290,733
Increase in property, plant and equipment and intangible assets	231,465	49,707	18,837	300,009	-	300,009

(Notes) 1. The adjustment amount for segment assets consists of corporate assets not allocated to each reportable segment (primarily cash and deposits of ¥1,727,778 thousand and investment securities of ¥2,315,050 thousand).

2. Aggregated amount of segment income or loss equals amount of operating profit reported for consolidated financial statements.

Fiscal year ended December 31, 2025 (From January 1, 2025, to December 31, 2024)

(JPY in Thousands)

	Reportable segments				Adjustments (Note1)	Amount in the consolidated financial statement (Note2)
	Medical Business	Public Sector Business	Health Tech Business	Total		
Net sales						
Sales for external customers	5,691,403	355,184	63,353	6,109,941	-	6,109,941
Internal sales or transfers between segments	-	-	-	-	-	-
Total	5,691,403	355,184	63,353	6,109,941	-	6,109,941
Segment profit or loss	1,895,062	109,897	(214,930)	1,790,029	-	1,790,029
Segment assets	2,370,151	199,861	69,863	2,639,876	4,167,981	6,807,858
Other						
Depreciation	236,793	48,344	22,173	307,311	-	307,311
Increase in property, plant and equipment and intangible assets	227,037	61,449	9,152	297,638	-	297,638

- (Notes) 1. The adjustment amount for segment assets consists of corporate assets not allocated to each reportable segment (primarily cash and deposits of ¥1,669,320 thousand and investment securities of ¥2,217,610 thousand).
2. Aggregated amount of segment income or loss equals amount of operating profit reported for consolidated financial statements.

(Related information)

FY2024 (From January 1, 2024, to December 31, 2024)

1. Information by product/service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

Sales to external customers in Japan are more than 90% of net sales in the consolidated statements of income, and information by region is omitted.

(2) Property, plant and equipment

Property, plant and equipment affiliated to Japan are more than 90% of property, plant and equipment in the consolidated balance sheets, and information by region is omitted.

3. Information by major customer: N/A

FY 2025 (From January 1, 2025, to December 31, 2025)

1. Information by product/service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

Sales to external customers in Japan are more than 90% of net sales in the consolidated statements of income, and information by region is omitted.

(2) Property, plant and equipment

Property, plant and equipment affiliated to Japan are more than 90% of property, plant and equipment in the consolidated balance sheets, and information by region is omitted.

3. Information by major customer: N/A

(Information on impairment of non-current assets by reportable segment)

FY 2024 (From January 1, 2024, to December 31, 2024):

(JPY in Thousands)

	Reportable segments			Unallocated amounts and elimination	Total
	Medical Business	Public Sector Business	Health Tech Business		
Impairment losses	—	—	1,944	—	1,944

FY 2025 (From January 1, 2025, to December 31, 2025): N/A

(Information on amortization and unamortized balance of goodwill by reportable segment)

FY 2024 (From January 1, 2024, to December 31, 2024): N/A

FY 2025 (From January 1, 2025, to December 31, 2025): N/A

(Information on gain on negative goodwill by reportable segment)

FY 2024 (From January 1, 2024, to December 31, 2024): N/A

FY 2025 (From January 1, 2025, to December 31, 2025): N/A

【Per Share Information】

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Net assets per share	218.24 yen	222.91 yen
Basic earnings per share	45.30 yen	50.07 yen

(Notes) 1. No statement is indicated above for the number of diluted earnings per share because there were no issuable shares.

2. Basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	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)	1,162,365	1,256,970
Amounts not attributable to common shareholders (Thousand of yen)	-	—
Profit attributable to owners of parent related to common shares (Thousands of yen)	1,162,365	1,256,970
Average number of common shares outstanding during the period (Shares)	25,661,312	25,105,070
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	-	-

(Note): For the purpose of basic earnings per share and diluted earnings per share, the average number of the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E) during the previous consolidated fiscal year and the current consolidated fiscal year are 147,430 shares and 135,041 shares, respectively.

【Significant Subsequent Event】 : N/A

4. Other

The Group has three reportable segments: Medical Business, Public Sector Business, and Health Tech Business.

Status of Productions, Orders and Sales

1) Actual result of production for FY2025

Reportable segments	Production (JPY in Thousands)	YoY (%)
Medical Business	1,516,784	99.4
Public Sector Business	125,623	136.6
Health Tech Business	135,974	84.7
Total	1,778,382	100.0

(Note): Figures above are calculated by total manufacturing cost for the current fiscal year.

2) Status of orders for FY2025

Reportable segments	Orders received (JPY in Thousands)	YoY (%)	Order backlog (JPY in Thousands)	YoY (%)
Medical Business	4,331,562	134.6	1,715,779	137.5
Public Sector Business	193,382	70.3	71,151	42.4
Health Tech Business	63,295	113.3	11,818	100.0
Total	4,588,241	129.3	1,798,749	126.0

3) Sales results for FY2025, Cumulative Amount by Segments, Solutions, and Channels

Segment, solution, channel	Sales amount (JPY in thousands)	Ratio (%)	YoY (%)
Medical Business			
Software [of via distributors]	2,959,928 [668,546]	48.5	98.2
Hardware [of via distributors]	420,569 [17,559]	6.9	89.3
Support [of via distributors]	1,710,620 (525,644)	28.0	107.5
Other	600,284	9.8	143.6
Public Sector Business			
Software [of via distributors]	354,491 [54,662]	5.8	129.4
Hardware	693	0.0	9.0
Other	-	-	-
Health Tech Business	63,353	1.0	111.4
Total	6,109,941	100.0	104.6