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 Stock exchange listings: Tokyo Stock Exchange (TSE)
 Code number : 3744
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(Note) All figures in the financial statements are rounded down to the nearest millionth.
 ‘-’ indicates a loss or negative figure.

1. Consolidated results (January 1, 2026 through March 31, 2026) (% of change from previous first quarter)

(1) Consolidated business results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3-month period(2026/3)	5,895	18.1	177	159.4	229	210.2	133	242.2
3-month period(2025/3)	4,992	-22.1	68	272.0	73	29.2	38	0.5

(Note) Comprehensive income

As of Mar. 31, 2026: 137 million yen/ 508.4%

As of Mar. 31, 2025: 22 million yen/ -55.0%

	Net income per share	Net income per share
	- Basic	- Diluted
	Yen	Yen
3-month period(2026/3)	15.35	-
3-month period(2025/3)	4.49	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3-month period(2026/3)	9,758	1,999	19.4
FY2025	8,662	1,856	20.2

(Reference) Equity

As of Mar. 31, 2026: 1,892 million yen

As of Dec. 31, 2025: 1,752 million yen

2. Cash dividends

Record Date	Dividend per share				
	End of Q1	Interim	End of Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2025	-	0.00	-	0.00	0.00
FY2026	-				
FY2026 (expected)		0.00	-	5.00	5.00

(Note) Revisions to recent dividend forecast: None

3. Forecast of consolidated results for FY2026 (January 1, 2026 through December 31, 2026)

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2025	20,000	4.9	450	12.1	510	2.5	370	15.6	42.68

(Note) Revisions to recent business forecast: None

4. Others

- (1) Reclassification of significant subsidiaries during the period (Reclassification due to change in scope of consolidation): None
- (2) Application of special accounting methods for the preparation of the consolidated quarterly financial statements: None
- (3) Change in accounting policies, accounting estimates and restatement
 - (i) Change in accounting policies associated with revision of accounting standards: None
 - (ii) Change arising from other factors: None
 - (iii) Change in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of outstanding shares (common shares)

(i) Number of outstanding shares (including treasury stock)	First quarter of FY2026	8,874,400 shares	FY2025	8,874,400 shares
(ii) Number of treasury stock	First quarter of FY2026	205,338 shares	FY2025	205,338 shares
(iii) Average number of outstanding shares (3-month period)	First quarter of FY2026	8,669,062 shares	First quarter of FY2025	8,668,568 shares

(Note) The Company's shares held by the Board Incentive Plan trust are included in the treasury stock deducted to calculate (ii) and (iii) above.

Explanation about proper use of forecasts of consolidated financial results and other special notes

1. Information Regarding the Audit Review Procedure: This report is outside the scope of the procedures for quarterly review of financial statements as required under the financial instruments and Exchange Act of Japan. The aforementioned procedures have not been completed as of the time of disclosure of this document.
2. Net income per share was calculated by the number of outstanding shares (excluding treasury stocks) at the end of fiscal year.
3. Forecasts announced by the company referred to above were prepared based on management's assumption with information available at this time and therefore involve known and unknown risks and uncertainties. Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts.
4. This information to above is an UNOFFICIAL English-language translation of the original Japanese-language version. The format and contents of this document are defined by the requirements of the Tokyo Stock Exchange's Standard.
To the extent that there are discrepancies between this translation and the original version, the original version shall be definitive.

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1. Qualitative Information on Consolidated Results

(1) Results of Operations

Overview of consolidated business performance for the three months ended March 31, 2026 (Q1 2026)

During the three months ended March 31, 2026, the Japanese economy demonstrated a moderate recovery trajectory. This recovery was characterized by positive developments in the labor market and the national per capita income and was sustained partly by the government's economic stimulus package. Nevertheless, uncertainties persisted over the nation's economy, due to escalating military conflicts in the Middle East and the volatile trade policies enforced by the U.S. administration. In the information service sector, where the SIOS Group operated, many Japanese businesses adopted a proactive approach to leveraging the rapidly advancing generative AI and AI agent technologies to augment their operational efficiency and productivity. Notably, the demand for strategic IT investment remained robust among businesses, driven by heightened requirements to upgrade their enterprise systems and employ AI technologies to streamline and automate their business processes.

In this business environment, the Group, in pursuit of its mission of "making the impossible possible for the people of the world," continued its efforts to enhance its long-term enterprise value and sustain business expansion. These efforts were addressed by maintaining agility and flexibility in responding to evolving operating conditions, with a focus on expanding the Group's recurring-revenue business models and placing a greater emphasis on its AI and open-source software solutions businesses.

The Group achieved consolidated business results by segment for the period under review as follows:

Effective from the period under review, some businesses previously reported in the "Products & Services" segment have been reclassified into the "Software Sales & Solution" segment. This adjustment reflects our intention to enhance the alignment of business decisions with the inherent nature of our business operations, as part of our initiatives to accomplish the Group's growth objectives for the fiscal year ending December 31, 2026, and beyond. For details, refer to "2. Disclosure of changes in reportable segments," located under "Segment Information" in this document. Financial results presented below for comparative purposes, pertaining to the first quarter of the previous fiscal year, were reported on the basis of the reclassified reportable segments.

(i) Products & Services

The Group achieved a year-on-year increase in both net sales and profit in this segment. This accomplishment was primarily attributed to robust sales of LifeKeeper¹, which is one of our core products in this segment, and the Gluegent series².

Sales and profit of LifeKeeper were up from the previous year, buoyed by strong sales of perpetual licenses and service contracts. The sales and profit of the Gluegent Flow cloud-based workflow management system and the Gluegent Gate cloud-based ID management system experienced consistent year-on-year growth. This growth was primarily attributed to the transition among existing corporate users to a higher-tier pricing plan that offers generative AI capabilities as standard and the acquisition of new users.

As a result, net sales in this segment amounted to 1,213 million yen, up 4.6% from the same period the previous year, with a segment profit of 162 million yen, up 29.8%.

(ii) Consulting & Integration

The Group achieved a year-on-year increase in both net sales and profit in this segment. This accomplishment was primarily attributed to continually robust project orders, which reflected aggressive IT investments by corporate clients.

We won and carried out new projects to develop and implement systems for financial institutions, which generated additional sales and profit. In addition, our generative AI implementation support services attracted new clients and contributed to the growth of net sales and profit in this segment. Furthermore, we bolstered profit in our API³ solutions services. This was attributed to consistent demand for perpetual licensing options, an increase in orders for on-site support projects to meet client requirements, and our intensified efforts to enhance profitability.

As a result, net sales in this segment amounted to 874 million yen, up 0.3% from the previous year, with a segment profit of 157 million yen, up 58.6%.

(iii) Software Sales & Solution

The Group achieved a year-on-year increase in both net sales and profit in this segment. This accomplishment was primarily attributed to an increase in revenue from service products based on solutions provided by Elastic N.V. As a result, net sales in this segment amounted to 3,807 million yen, up 28.6% from the previous year, with a segment profit of 76 million yen, up 108.2%.

The Group's net sales for the period under review were up 18.1% year on year, to 5,895 million yen. The Company posted a consolidated operating profit of 177 million yen, up 159.4%, and an ordinary profit of 229 million yen, up 210.2%—which included interest income and a gain on valuation of derivatives. The profit attributable to owners of parent amounted to 133 million yen after income taxes, which was up 242.2%.

The Group's key management metrics EBITDA (the sum of operating profit, depreciation, and amortization of goodwill) and ROIC (ratio obtained by dividing operating profit after tax by the sum of shareholders' equity and interest-bearing debts) for the period under review were as follows:

EBITDA: 198 million yen, up 159.6% from the previous year

ROIC (annualized): 23.5%, compared with 11.2% the previous year

1. LifeKeeper

A failover software product that automatically switches a failed primary server to a backup server.

2. Gluegent series

Service products designed to assist corporate clients in achieving greater operational efficiency using cloud solutions. The series includes the Gluegent Gate cloud-based management of user IDs, the Gluegent Flow cloud-based workflow system, and the Gluegent Apps Group Scheduler, which incorporated a function to manage schedules of team members into Google Calendar.

3. API

A mechanism for software and applications to exchange information with each other.

4. Elasticsearch K.K. Related Items

Consulting service for supporting RAG implementation projects, using Elasticsearch, an open-source high-speed search and analysis engine, to improve the accuracy rate of generative AI.

(2) Financial Position

i. Assets

Current assets amounted to 8,711 million yen as of March 31, 2026, up 14.9% from the end of the previous fiscal year, reflecting primarily an increase of 791 million yen in accounts receivable and contract assets.

Non-current assets decreased by 3.1% to 1,047 million yen, reflecting primarily a decrease of 15 million yen in guarantee deposits.

As a result, total assets increased by 12.7% to 9,758 million yen.

ii. Liabilities

Current liabilities amounted to 7,353 million yen, up 14.8% from the previous fiscal year-end, reflecting primarily an increase of 750 million yen in accounts payable.

Non-current liabilities amounted to 406 million yen, up 1.5%, reflecting primarily an increase of 8 million yen in retirement benefit liability.

As a result, total liabilities increased 14.0% to 7,759 million yen.

iii. Net assets

Total net assets amounted to 1,999 million yen, up 7.7% from the previous fiscal year-end, reflecting primarily an increase of 135 million yen in retained earnings.

(3) Forward-looking Statements Including Consolidated Business Forecasts

The Group's consolidated financial guidance for the fiscal year ending December 31, 2026, remains unchanged from the one previously announced in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2025, released on February 12, 2026. The Company will promptly provide an update on consolidated financial guidance, should any material changes occur.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In thousands of yen)

	December 31, 2025	March 31, 2026
Assets		
Current assets		
Cash and deposits	3,586,717	3,899,095
Notes and accounts receivable - trade, and contract assets	3,248,024	4,039,243
Work in process	2,623	3,778
Advance payments to suppliers	437,766	423,394
Other	305,860	345,967
Total current assets	7,580,992	8,711,479
Non-current assets		
Property, plant and equipment		
Buildings, net	25,575	24,412
Other, net	38,010	35,841
Total property, plant and equipment	63,585	60,254
Intangible assets		
Software	277,815	262,494
Other	1,441	1,441
Total intangible assets	279,256	263,936
Investments and other assets		
Investment securities	448,425	445,412
Retirement benefit asset	4,974	4,912
Guarantee deposits	108,432	92,473
Deferred tax assets	122,497	123,585
Other	53,859	56,916
Total investments and other assets	738,189	723,301
Total non-current assets	1,081,031	1,047,491
Total assets	8,662,023	9,758,971

(In thousands of yen)

	December 31, 2025	March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	2,006,139	2,756,242
Lease liabilities	19,507	21,042
Income taxes payable	43,312	84,694
Contract liabilities	3,952,929	4,012,183
Provision for shareholder benefit program	12,564	12,564
Other	370,501	466,295
Total current liabilities	6,404,953	7,353,022
Non-current liabilities		
Retirement benefit liability	330,105	338,884
Lease liabilities	27,730	21,731
Long-term deposits received	11,632	11,632
Provision for share awards for directors (and other officers)	30,865	34,148
Total non-current liabilities	400,333	406,397
Total liabilities	6,805,287	7,759,420
Net assets		
Shareholders' equity		
Share capital	1,481,520	1,481,520
Retained earnings	385,493	520,753
Treasury shares	-80,598	-80,598
Total shareholders' equity	1,786,415	1,921,674
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-948	-1,011
Deferred gains or losses on hedges	1,923	3,090
Foreign currency translation adjustment	-35,231	-31,538
Total accumulated other comprehensive income	-34,256	-29,458
Share acquisition rights	104,577	107,335
Total net assets	1,856,735	1,999,551
Total liabilities and net assets	8,662,023	9,758,971

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

For three months ended March 31

(In thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	4,992,860	5,895,191
Cost of sales	3,742,088	4,495,430
Gross profit	1,250,772	1,399,760
Selling, general and administrative expenses	1,182,407	1,222,428
Operating profit	68,364	177,332
Non-operating income		
Interest income	7,621	9,719
Foreign exchange gains	22,982	—
Gain on valuation of derivatives	—	17,105
Share of profit of entities accounted for using equity method	8,815	5,576
Penalty income	—	25,000
Other	1,573	1,964
Total non-operating income	40,992	59,365
Non-operating expenses		
Interest expenses	124	111
Foreign exchange losses	—	6,701
Loss on valuation of derivatives	34,657	—
Other	704	725
Total non-operating expenses	35,486	7,538
Ordinary profit	73,871	229,159
Extraordinary income		
Gain on sale of investment securities	—	498
Total extraordinary income	—	498
Profit before income taxes	73,871	229,658
Income taxes-current	3,510	96,157
Income taxes-deferred	31,467	419
Total income taxes	34,978	96,576
Profit	38,893	133,081
Profit attributable to owners of parent	38,893	133,081

Consolidated Statements of Comprehensive Income

For three months ended March 31

(In thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	38,893	133,081
Other comprehensive income		
Valuation difference on available-for-sale securities	19	-63
Deferred gains or losses on hedges	-6,617	1,167
Foreign currency translation adjustment	-9,329	3,893
Share of other comprehensive income of entities accounted for using equity method	-301	-199
Total other comprehensive income	-16,230	4,798
Comprehensive income	22,662	137,880
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	22,662	137,880

(3) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Quarterly Consolidated Statements of Cash Flows)

The Company did not prepare a quarterly consolidated cash flow statement for the period under review. The amount of depreciation, including amortization of intangible assets, recorded for the period under review is as follows:

(In thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Depreciation	7,905	20,704

(Segment Information)

I Three months ended March 31, 2024

1. Information regarding the amount of net sales and profit by reportable segment

(In thousands of yen)

	Reportable segment				Adjustments ¹	Amount recorded in quarterly consolidated statements of income ²
	Products & Services	Consulting & Integration	Software Sales & Solution	Total		
Net sales						
Sales to external customers	1,160,611	871,971	2,960,127	4,992,710	150	4,992,860
Intersegment sales and transfers	313	2,616	—	2,929	-2,929	—
Total	1,160,924	874,587	2,960,127	4,995,639	-2,779	4,992,860
Segment profit	125,034	99,330	36,612	260,977	-192,612	68,364

Note 1: The breakdown of adjustments is as follows:

- (i) The adjustment of -2,779 thousand yen to the segment net sales includes intersegment sales and transfers of -2,929 thousand yen and incidental revenue of 150 thousand yen, which includes revenue from the back-office and administrative support provided by the Company, not attributable to reportable segments.
- (ii) The adjustment of -192,612 thousand yen to the segment profit includes intersegment sales and transfers of -2,929 thousand yen and the corporate expenses of -189,683 thousand yen, which are expenses associated with the Company's back-office departments, not attributable to reportable segments.

Note 2: The total amount of segment profit is the same as the amount of operating profit presented in the Consolidated Statements of Income.

(Supplementary Information)

1. Information by region

In addition to the disclosure required by the “Accounting Standard for Quarterly Financial Statements,” information (net sales) by region is disclosed in accordance with the “Accounting Standard for the Disclosure of Segment Information” for the purpose of providing users of financial statements with valuable information.

Net sales

For three months ended March 31, 2025

(In thousands of yen)

Japan	Americas	Europe	Other regions	Total
4,796,542	114,258	59,690	22,370	4,992,860

Note: Sales are classified by country or region in which customers are located.

2. Information regarding loss on impairment of non-current assets or goodwill by reportable segment

Not applicable

II Three months ended March 31, 2025

1. Information regarding the amount of net sales and profit by reportable segment

(In thousands of yen)

	Reportable segment				Adjustments ¹	Amount recorded in quarterly consolidated statements of income ²
	Products & Services	Consulting & Integration	Software Sales & Solution	Total		
Net sales						
Sales to external customers	1,213,730	874,152	3,807,159	5,895,041	150	5,895,191
Intersegment sales and transfers	375	2,813	—	3,189	-3,189	—
Total	1,214,106	876,965	3,807,159	5,898,230	-3,039	5,895,191
Segment profit	162,282	157,490	76,240	396,013	-218,681	177,332

Note 1: The breakdown of adjustments is as follows:

- (i) The adjustment of -3,039 thousand yen to the segment net sales includes intersegment sales and transfers of -3,189 thousand yen and incidental revenue of 150 thousand yen, which includes revenue from the back-office and administrative support provided by the Company, not attributable to reportable segments.
- (ii) The adjustment of -218,681 thousand yen to the segment profit includes intersegment sales and transfers of -3,189 thousand yen and the corporate expenses of -215,491 thousand yen, which are expenses associated with the Company’s back-office departments, not attributable to reportable segments.

Note 2: The total amount of segment profit is the same as the amount of operating profit presented in the Consolidated Statements of Income.

2. Disclosure of changes in reportable segments

(Changes in reportable segments)

Effective from the period under review, some businesses previously reported in the “Products & Services” segment have been reclassified into the “Software Sales & Solution” segment. This adjustment reflects our intention to enhance the alignment of business decisions with the inherent nature of our business operations, as part of our initiatives to accomplish the Group’s growth objectives for the fiscal year ending December 31, 2026, and beyond.

The segment information for the same period the previous year, as reported in this document, is presented on the basis of the reclassified reportable segments.

(Supplementary Information)

1. Information by region

In addition to the disclosure required by the “Accounting Standard for Quarterly Financial Statements,” information (net sales) by region is disclosed in accordance with the “Accounting Standard for the Disclosure of Segment Information” for the purpose of providing users of financial statements with valuable information.

Net sales

For three months ended March 31, 2026

(In thousands of yen)

Japan	Americas	Europe	Other regions	Total
5,697,483	108,827	62,668	26,212	5,895,191

Note: Sales are classified by country or region in which customers are located.

2. Information regarding loss on impairment of non-current assets or goodwill by reportable segment

Not applicable

(Revenue Recognition)

Breakdown of revenue from contracts with customers

For the nine months from January 1, 2025, through March 31, 2025

(In thousands of yen)

	Reportable segment				Adjustments*	Total
	Products & Services	Consulting & Integration	Software Sales & Solution	Total		
Timing of revenue recognition						
Performance obligation to provide goods and services satisfied at a point in time	234,880	93,130	2,673,434	3,001,445	—	3,001,445
Performance obligation to provide services satisfied over time	925,731	778,840	286,692	1,991,265	150	1,991,415
Revenue from contracts with customers	1,160,611	871,971	2,960,127	4,992,710	150	4,992,860
Other revenue	—	—	—	—	—	—
Sales to external customers	1,160,611	871,971	2,960,127	4,992,710	150	4,992,860

Note: "Adjustments" refers to incidental revenue of 150 thousand yen, which includes revenue from the back-office and administrative support provided by the Company, not attributable to reportable segments.

For the nine months from January 1, 2026, through March 31, 2026

(In thousands of yen)

	Reportable segment				Adjustments*	Total
	Products & Services	Consulting & Integration	Software Sales & Solution	Total		
Timing of revenue recognition						
Performance obligation to provide goods and services satisfied at a point in time	222,399	73,747	3,529,293	3,825,439	—	3,825,439
Performance obligation to provide services satisfied over time	991,330	800,405	277,865	2,069,601	150	2,069,751
Revenue from contracts with customers	1,213,730	874,152	3,807,159	5,895,041	150	5,895,191
Other revenue	—	—	—	—	—	—
Sales to external customers	1,213,730	874,152	3,807,159	5,895,041	150	5,895,191

Note: "Adjustments" refers to incidental revenue of 150 thousand yen, which includes revenue from the back-office and administrative support provided by the Company, not attributable to reportable segments.

(Significant Subsequent Events)

Not applicable