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Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending February 28, 2026 (Japanese GAAP)

January 14, 2026

Company name  MetaReal Corp. Listing Market TSE

Stock Code 6182 URL <https://www.metareal.jp>

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Contact (Title) Executive Officer, General Manager of Administration Division, CFO (Name) Takayuki Kamaya TEL 03-6685-9570

Scheduled date of commencement of dividend payment -

Preparation of supplementary materials for financial results: Yes

Holding of financial results briefing: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending February 28, 2026 (March 1, 2025-November 30, 2025)

(1) Consolidated Results of Operation (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q3 FY2/26	3,367	8.2	117	△61.7	93	△67.7	△7	-
Q3 FY2/25	3,111	△2.1	307	△47.9	290	△53.2	424	15.4

(Note) Comprehensive income Q3 FY2/26 △4Millions of yen (-%) Q3 FY2/25 423Millions of yen (15.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Q3 FY2/26	△0.68	-
Q3 FY2/25	39.23	39.03

(Note) Diluted net income per share for the third quarter of the fiscal year ending February 28, 2026 is not presented because net loss per share was recorded and there were no dilutive shares.

(2) Consolidated Financial Position

	Total assets		Net assets		Shareholders' equity ratio	
	Millions of yen		Millions of yen		%	
Q3 FY2/26	5,149		1,951		37.9	
FY2/25	4,919		1,956		39.8	

(Reference) Shareholders' equity Q3 FY2/26 1,951Millions of yen FY2/25 1,956Millions of yen

2. Dividend payment

	Annual dividend per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2/25	-	0.00	-	0.00	0.00
FY2/26	-	0.00	-		
FY2/26 (Forecast)				0.00	0.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Consolidated Business Forecasts for the Fiscal Year Ending February 28, 2026 (March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,500	10.2	130	10.8	100	△11.4	10	△96.7	0.92

(Note) Revisions to the most recently announced business forecasts: None

◆ Consolidated Business Forecasts by Segment

(Percentages indicate year-on-year changes.)

	Net sales		Operating income	
	Millions of yen	%	Millions of yen	%
Full year				
AI business	2,800	△9.3	255	△48.4
HT business	700	△20.8	100	12.7
Metaverse business	200	75.4	△62	-
AI/MV Marketing business	800	-	20	-
Other corporate expenses	-	-	△183	-

(Note) 1. Metareal AI-related revenue projects, as part of our future growth strategy, include contract-based development projects, success-fee-based quasi-mandate (semi-delegated) arrangements, and licensing in the form of usage rights. The timing of revenue recognition varies significantly depending on product delivery, the timing of acceptance inspection, and the timing of license commencement (as well as the various license terms and conditions). Accordingly, revenue recognition may fluctuate from quarter to quarter. Our full-year performance forecast is formulated in light of these quarter-by-quarter variances within each fiscal year, and differences in acceptance inspection timing may result in changes to the timing of orders and bookings across adjacent quarters.

2. We will add a new AI/MV Marketing business from the fiscal year ending February 28, 2026. In AI/MV Marketing business, we will M&A companies in the field of specialized technology, which is expected to grow by utilizing AI (Artificial Intelligence)/MV (Metaverse), and expand AI/MV Marketing business while leveraging its client base and business know-how.

※ Notes

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

Newly included: None - Excluded: 1 company (Company Name) Xtra Co., Ltd.

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: Yes

(Note) For details, please refer to [2.Quarterly Consolidated Financial Statements, (3) Notes on Quarterly Consolidated Financial Statements (Notes on Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)] on page 7 of the Appendix.

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

① Changes in accounting policies due to revisions of accounting standards, etc.: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatements: None

(Note) For details, please refer to [2.Quarterly Consolidated Financial Statements, (3) Notes on Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)] on page 7 of the Appendix.

(4) Number of shares outstanding (common stock)

① Number of shares outstanding at the end of the period (including treasury stock)

② Treasury shares at the end of the year

③ Average number of shares outstanding during the period (cumulative)

Q3 FY2/26	10,888,060shares	FY2/25	10,888,060shares
Q3 FY2/26	490shares	FY2/25	490shares
Q3 FY2/26	10,887,570shares	Q3 FY2/25	10,826,246shares

※ Review by a certified public accountant or an auditing firm on the accompanying quarterly consolidated financial statements: Yes (optional)

* Explanations and other special notes concerning the appropriate use of business forecasts

(Cautionary Statement with Respect to Forward-Looking Statements)

Forecasts of future performance and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. The Company makes no promises concerning their achievement. Actual results may differ significantly from the forecasts due to various factors. Please refer to [1.Overview of Results of Operation, (3) Consolidated Business Forecasts] on page 3 of the Appendix for the assumptions underlying the forecasts and cautions concerning the use thereof.

(Method of Obtaining Financial Results Briefing Materials)

Supplementary materials for financial results were disclosed on the TDnet on the same date.

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1. Results of Operations and Financial Position

(1) Overview of Results of Operation for the Current Quarter

During the cumulative third quarter of the consolidated fiscal year under review (March 1 - November 30, 2025), net sales and operating income in the AI business declined year on year, while operating income in the HT business increased and the Metaverse business loss narrowed. Consequently, the Group recorded net sales of 3,367,100 thousand yen (up 8.2% year on year), operating income of 117,814 thousand yen (down 61.7% year on year), ordinary income of 93,814 thousand yen (down 67.7% year on year), and loss attributable to owners of parent of 7,457 thousand yen (profit attributable to owners of parent of 424,691 thousand yen in the same period of the previous fiscal year).

Segment performance is as follows: From the fourth quarter of the previous consolidated fiscal year, STUDIO55 Co., Ltd.'s VR-related results are included in the Metaverse business segment, and non-VR results in the AI/MV Marketing business segment. The AI/MV Marketing business segment is not compared with the same period of the previous fiscal year, as there were no results for the same period of the previous fiscal year, including this business.

① AI business

In the AI business, orders received were 2,005,095 thousand yen (down 9.0% year on year) and net sales were 2,139,865 thousand yen (down 11.3% year on year), reflecting lower orders received in the prior fiscal year. Segment income was 202,684 thousand yen (down 64.3% year on year), mainly due to advertising to win new projects and raise brand awareness, and investments to rebuild the management structure. Going forward, we will focus resources on four domains: "Translation AI that requires no human post-editing" as our top priority; Pharmaceutical-Specific Vertically Integrated Agent AI; Construction-Specific Vertically Integrated Agent AI; and Business Creation Fully Automatic AI. We will make forward-looking, value-creating investments, including aggressive investment in our core T-400 and proposal activities to promote corporate use of generative AI, to enhance service quality and profitability and drive a medium- to long-term recovery in performance.

② HT business

As for the HT business, sales were 546,481 thousand yen (down 21.8% year on year) and segment income was 98,761 thousand yen (up 53.4% year on year) due to the liquidation of Xtra Co., Ltd.

③ Metaverse business

As for the Metaverse business, sales were 95,284 thousand yen (compared to 887 thousand yen in the same period of the previous fiscal year), and segment loss was 50,521 thousand yen (segment loss of 146,680 thousand yen in the same period of the previous fiscal year), as a result of including the Company's VR business in the Metaverse business through the Group-in of STUDIO55 Co., Ltd., shifting short- to medium-term growth measures to the [Metareal AI] project, and reducing the amount of investment in the Metaverse business from a long-term perspective of 10±5 years.

④ AI/MV Marketing business

As for AI/MV Marketing business, sales were 585,468 thousand yen and segment loss was 38,848 thousand yen, due to the inclusion of businesses other than the Company's VRs in AI/MV Marketing business through the group-in of STUDIO55 Co., Ltd.

(2) Overview of Financial Position for the Current Quarter

(Assets)

Current assets increased by 371,244 thousand yen from the end of the previous fiscal year to 4,016,909 thousand yen at the end of the third quarter of the current fiscal year. This was mainly due to an increase of 387,073 thousand yen in cash and deposits and an increase of 88,348 thousand yen in notes and accounts receivable and contract assets, while other current assets decreased by 94,828 thousand yen as a result of a decrease in income taxes receivable. Non-current assets decreased by 141,374 thousand yen from the end of the previous consolidated fiscal year to 1,132,620 thousand yen. This was due mainly to a decrease of 68,467 thousand yen in property, plant and equipment and a decrease of 66,952 thousand yen in intangible assets.

(Liabilities)

Current liabilities decreased by 1,968 thousand yen from the end of the previous fiscal year to 2,118,911 thousand yen at the end of the third quarter of the current fiscal year. This was due mainly to a decrease of 52,610 thousand yen in short-term loans payable and an increase of 49,945 thousand yen in income taxes payable. Non-current liabilities increased by 236,458 thousand yen from the end of the previous fiscal year to 1,078,942 thousand yen. This was mainly due to an increase of 356,458 thousand yen in long-term debt and a decrease of 120,000 thousand yen in bonds payable.

(Net assets)

Net assets decreased by 4,619 thousand yen from the end of the previous consolidated fiscal year to 1,951,675 thousand yen at the end of the third quarter of the consolidated fiscal year under review. This was due mainly to a decrease of 7,457 thousand yen in retained earnings as a result of recording a loss attributable to owners of the parent.

(3) Consolidated Business Forecasts

Our four management themes for achieving further acceleration of growth are:

① Renovation of management team and management integration of MetaReal-Rozetta

Recognizing that the fundamental reason for the slump in business performance since the previous fiscal year is [the failure of the delegation stage in Rozetta management], as a countermeasure, we implemented the management integration of MetaReal & Rozetta, including the return of Goishi, our founder, to the field.

We also saw the weakness of our headquarters functions as a major task, and revamped the management team on the part of our headquarters. Beginning with the strengthening of executive officers such as the CSO (Strategy) and CMO (Marketing), we are working to strengthen the management foundation of the Group as a whole by recruiting outstanding management executives and staff from outside the Company for functions including M&A, IR, sales, business execution, and back-office support, and by rebuilding an elite, cross-functional team at the head office.

In addition, Group management will be directly involved in the management of Rozetta, and we will establish a responsibility management system with multiple, talented chief operating officers (COOs), and once again take on the challenge of achieving the transfer stage of authority. Through this structure, we will transform our business structure by balancing the profitability of each business with cooperation, aiming to reconstruct our earnings structure and expand to the next growth phase.

In addition, we have taken seriously the fact that the organizational capabilities that had been one of Rozetta's strengths during its high-growth era had been lost, and, once again placing our mission of "liberating humanity from constraints of place, time, language, and physical limitations" at the core, we have clearly articulated value standards in our business strategies, actions, communications, and human resource systems, and are thoroughly instilling them among all employees. In addition to enhancing centripetal force through the founder's return to on-site operations and rekindling the spirit of innovation, through these initiatives we are rebuilding the organizational culture of the Group as a whole and fostering a sense of unity, while establishing an organizational structure that enables the re-acceleration of growth.

② Focus on four strategic areas

[Translation AI that requires no human post-editing] [Pharmaceutical-Specific Vertically Integrated Agent AI] [Construction-Specific Vertically Integrated Agent AI] [Business Creation Fully Automatic AI] We will resolve issues such as speed and artificial numbers in customers' business processes by selecting and concentrating on the four strategic areas with high growth potential.

In particular, in the translation AI business, on December 4, 2025, we announced a new vision [Create Translation AI that requires no human post-editing] in addition to the mission [Liberate Japan from linguistic impairment] set forth since our founding. Based on this vision, we aim to realize the next stage to innovate the productivity of industrial translation as the culmination of translation innovation, which Rozetta has been challenging for 20 years, by eliminating manual modification work in translation operations and achieving full automation through AI.

③ Commencement of provision of consigned development solutions utilizing AI technology that automatically generates digital twins in the Metaverse business

As a long-term growth strategy aiming to achieve results in 10±5 years, the Metaverse business is addressing the task of the [Metaverser] concept and its method [Metaverse × AI], and in particular we are focusing on providing consigned development solutions using AI-technology that automatically generates digital twins. Previous methods of digital twin-building included [3D Laser Scan] and [Combination of Plane Capture Images]. However, there were issues such as trouble and cost in the former and limitations on viewpoints and perspectives in the latter. Accordingly, we will provide consigned AI-development solutions that automatically generate photo digital twins from videos taken on a smartphone without special equipment or work by using the next-generation 3D spatial configuration technique [Gaussian Splatting]. Use cases are assumed for industries centered on the construction, real estate, and manufacturing industries.

In addition, STUDIO55 Inc., which we welcomed as a group company, will serve as the growth platform for the VR/digital twin business. While up to now our cutting-edge technological capabilities related to Gaussian Splatting and generative AI have been our strengths, our weakness was that we do not have a customer base because of the thin knowledge of the construction industry. STUDIO55 Inc. has a high level of expertise and a broad customer base in the VR/CG/BIM field of architectural design, and has established a solid track record and reliability in the industry. We aim to grow in this field through the synergy effect of combining our cutting-edge AI technology with the specialized skills and customer base of STUDIO55 Inc.

④ Promote M&A strategy to strengthen specialized fields

The "AI/MV Marketing" segment, which aims to achieve growth by grouping companies that possess customer bases and technical know-how in industry-specific specialized fields through M&A and integrating the Company's cutting-edge AI/MV technologies, will advance M&A activities primarily in four specialized fields that will be future focus areas: pharmaceuticals, construction, media, and finance.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (February 28, 2025)	Current third quarter (November 30, 2025)
Assets		
Current assets		
Cash and deposits	2,903,833	3,290,906
Notes, accounts receivable and contract assets	429,783	518,131
Inventories	73,519	63,912
Other	247,057	152,229
Allowance for doubtful accounts	△8,529	△8,270
Total current assets	3,645,664	4,016,909
Non-current assets		
Property, plant and equipment	212,704	144,236
Intangible assets		
Goodwill	408,422	384,553
Software	307,176	205,229
Software in progress	40,419	102,194
Other	3,340	427
Total intangible assets	759,357	692,405
Investments and other assets		
Investment securities	53,030	56,797
Other	276,596	273,914
Allowance for doubtful accounts	△27,694	△34,732
Total investments and other assets	301,932	295,978
Total non-current assets	1,273,994	1,132,620
Total assets	4,919,659	5,149,529
Liabilities		
Current liabilities		
Notes and accounts payable-trade	107,109	104,945
Short-term borrowings	232,610	180,000
Current portion of long-term loans payable	402,114	443,200
Current portion of corporate bonds	194,000	172,000
Income taxes payable	24,352	74,298
Provision for bonuses	45,795	57,644
Advances received	783,716	759,438
Other	331,179	327,383
Total current liabilities	2,120,879	2,118,911
Non-current liabilities		
Corporate bonds	300,000	180,000
Long-term debt	542,484	898,942
Total non-current liabilities	842,484	1,078,942
Total liabilities	2,963,364	3,197,854
Net assets		
Shareholders' equity		
Common stock	802,289	802,289
Capital surplus	1,776,235	1,776,235
Retained earnings	△619,662	△627,119
Treasury stock	△986	△986
Total shareholders' equity	1,957,876	1,950,419
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△1,581	1,256
Total accumulated other comprehensive income	△1,581	1,256
Total net assets	1,956,295	1,951,675
Total liabilities and net assets	4,919,659	5,149,529

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the Nine-month Period)

(Thousands of yen)

	Previous cumulative third quarter (From March 1, 2024 to November 30, 2024)	Current cumulative third quarter (From March 1, 2025 to November 30, 2025)
Net sales	3,111,038	3,367,100
Cost of sales	969,389	1,309,144
Gross profit	2,141,649	2,057,955
Selling, general and administrative expenses		
Salaries, allowances and bonuses	553,776	562,774
Research and development expenses	173,441	84,722
Provision for bonuses	8,467	14,700
Retirement benefit expenses	5,590	5,793
Other	1,092,608	1,272,149
Total selling, general and administrative expenses	1,833,884	1,940,140
Operating income	307,764	117,814
Non-operating income		
Interest income	285	3,586
Gain on forgiveness of dividends payable	203	-
Cash-back income	249	-
Other	450	514
Total non-operating income	1,189	4,101
Non-operating expenses		
Interest expenses	7,199	18,501
Commissions paid	4,226	494
Provision for doubtful receivables	-	6,096
Share of loss of investments accounted for using equity method	1,726	245
Bond issuance expenses	3,463	-
Foreign exchange loss	1,572	2,525
Other	133	238
Total non-operating expenses	18,321	28,101
Ordinary income	290,631	93,814
Special income		
Income on sales of non-current assets	2,466	3,569
Gain on sale of investment securities	304,275	-
Gain on reversal of share subscription rights	41,146	-
Total special income	347,888	3,569
Special loss		
Loss on sales and retirement of noncurrent assets	930	0
Impairment loss	10,297	39,770
Loss on liquidation of subsidiaries and associates	21,972	-
Office transfer expenses	-	2,788
Total special loss	33,200	42,559
Income before income taxes	605,319	54,824
Income taxes	180,627	62,282
Net income or loss (Δ)	424,691	Δ 7,457
Net income or loss (Δ) attributable to owners of parent	424,691	Δ 7,457

(Quarterly Consolidated Statements of Comprehensive Income)
(For the Nine-month Period)

(Thousands of yen)

	Previous cumulative third quarter (From March 1, 2024 to November 30, 2024)	Current cumulative third quarter (From March 1, 2025 to November 30, 2025)
Net income or loss (Δ)	424,691	Δ 7,457
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ 1,187	2,837
Total other comprehensive income	Δ 1,187	2,837
Comprehensive income	423,503	Δ 4,619
Comprehensive income (loss) attributable to:		
Owners of parent	423,503	Δ 4,619
Non-controlling interests	-	-

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of [Accounting Standard for Income Taxes, Inhabitant Taxes, and Business Taxes])

We have applied the “Accounting Standard for Corporate Income Tax, Inhabitant Tax and Enterprise Tax, etc.” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 27, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”), the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, issued on October 28, 2022), and the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”) from the beginning of the first quarter of the current consolidated fiscal year.

With respect to the amendments concerning the classification of income taxes (taxation related to other comprehensive income), we have applied the transitional treatment prescribed in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to paragraph 65-2 (2) of the 2022 Revised Implementation Guidance. There is no impact of this change in accounting policy on the quarterly consolidated financial statements.

In addition, with regard to the amendments related to the review of the accounting treatment in the consolidated financial statements for gains or losses arising from the sale of shares of subsidiaries, etc. between consolidated companies when such gains or losses are deferred for tax purposes, we have applied the 2022 Revised Implementation Guidance from the beginning of the first quarter of the current consolidated fiscal year. There is no impact of this change in accounting policy on the quarterly consolidated financial statements for the same quarter of the previous fiscal year or on the consolidated financial statements for the previous fiscal year.

(Notes on Accounting Procedures Specific to Preparation of the Quarterly Consolidated Financial Statements)

Income tax expense is calculated by reasonably estimating the effective tax rate, after the application of tax effect accounting, applicable to income before income taxes for the consolidated fiscal year that includes the cumulative third quarter under review, and multiplying such estimated effective tax rate by quarterly income before income taxes.

However, when the use of such estimated effective tax rate would result in a calculation that is significantly unreasonable, income tax expense is calculated using the statutory effective tax rate.

Notes on Segment Information)

I Previous cumulative third quarter (From March 1, 2024 to November 30, 2024)

1. Information on net sales and income or loss by reportable segment and breakdown of income

(Thousands of yen)

	Reportable Segments				Adjustment (Note 1)	Amounts on the consolidated financial statements (Note 2)
	AI business (Note 3)	HT business	Metaverse business	Total		
By type of goods or services						
Machine translation	2,010,256	16,173	-	2,026,430	-	2,026,430
Human translation	47,618	682,414	-	730,032	-	730,032
Metaverse	-	-	887	887	-	887
Consigned development	353,688	-	-	353,688	-	353,688
Revenue from contracts with customers	2,411,563	698,588	887	3,111,038	-	3,111,038
Revenue recognition by period						
Goods or services transferred at a point in time	340,154	608,585	112	948,852	-	948,852
Goods or services that are transferred over a period of time	2,071,408	90,002	775	2,162,186	-	2,162,186
Revenue from contracts with customers	2,411,563	698,588	887	3,111,038	-	3,111,038
Net sales to unaffiliated customers	2,411,563	698,588	887	3,111,038	-	3,111,038
Intersegment sales or transfer	3,947	43,874	16,069	63,891	△63,891	-
Total	2,415,511	742,463	16,956	3,174,930	△63,891	3,111,038
Segment income or loss (△)	567,692	64,373	△146,680	485,385	△177,621	307,764

(Note) 1. The adjustment amount of segment profit or loss (△) of △177,621 thousand yen includes the elimination of inter-segment transactions of 184,985 thousand yen and corporate expenses not attributable to any reportable segment of △362,606 thousand yen. Corporate expenses mainly consist of costs related to the management departments of the parent company's headquarters, which are not attributable to any reportable segment.

2. Segment income or loss (△) is adjusted with operating income in the quarterly consolidated statements of income.

3. Sales related to generative AI are included in [Machine translation] for platform-type sales, and sales related to consigned development are included in [Consigned development].

2. Information on impairment loss on noncurrent assets or goodwill by reportable segment

(Significant impairment loss on noncurrent assets)

This information is omitted because it is not material.

II Current cumulative third quarter (From March 1, 2025 to November 30, 2025)

1. Information on net sales and income or loss by reportable segment and breakdown of income

(Thousands of yen)

	Reportable Segments					Adjustment (Note 1)	Amounts on the consolidated financial statements (Note 2)
	AI business (Note 3)	HT business	Metaverse business	AI/MV Marketing business	Total		
By type of goods or services							
Machine translation	1,862,265	-	-	-	1,862,265	-	1,862,265
Human translation	32,910	546,481	-	-	579,392	-	579,392
Metaverse	-	-	95,284	-	95,284	-	95,284
Consigned development	244,690	-	-	585,468	830,158	-	830,158
Revenue from contracts with customers	2,139,865	546,481	95,284	585,468	3,367,100	-	3,367,100
Revenue recognition by period							
Goods or services transferred at a point in time	196,700	472,139	94,784	585,468	1,349,092	-	1,349,092
Goods or services that are transferred over a period of time	1,943,165	74,342	500	-	2,018,007	-	2,018,007
Revenue from contracts with customers	2,139,865	546,481	95,284	585,468	3,367,100	-	3,367,100
Net sales to unaffiliated customers	2,139,865	546,481	95,284	585,468	3,367,100	-	3,367,100
Intersegment sales or transfer	8,766	20,365	20,566	-	49,698	△49,698	-
Total	2,148,632	566,847	115,850	585,468	3,416,798	△49,698	3,367,100
Segment income or loss (△)	202,684	98,761	△50,521	△38,848	212,076	△94,261	117,814

(Note) 1. The adjustment amount of segment profit or loss (△) of △94,261 thousand yen includes the elimination of inter-segment transactions of 333,004 thousand yen and corporate expenses not attributable to any reportable segment of △427,265 thousand yen. Corporate expenses mainly consist of costs related to the management departments of the parent company's headquarters, which are not attributable to any reportable segment.

2. Segment income or loss (△) is adjusted with operating income in the quarterly consolidated statements of income.

3. Sales related to generative AI are included in [Machine translation] for platform-type sales, and sales related to consigned development are included in [Consigned development].

2. Information on impairment loss on noncurrent assets or goodwill by reportable segment

(Significant impairment loss on noncurrent assets)

In the cumulative third quarter of the current consolidated fiscal year, with respect to Onyaku, a machine translation service in the "AI Business" segment, we decided to revise the development policy for the next version. In connection with this revision, we recorded an impairment loss of 30,259 thousand yen on software in progress, as the likelihood of its utilization in a manner consistent with the requirements of the new policy decreased. In addition, after reassessment of the profitability of T-3MT and The Reading and revision of concentration and selection of product groups, we decided to discontinue services in the following fiscal year. As a result, we have written down the book value of these business assets to the recoverable amount and recorded an impairment loss of 9,511 thousand yen.

3. Changes in reportable segments

(Changes in Reportable Segments)

During the fourth quarter of the previous fiscal year, STUDIO55 Co., Ltd. was converted into a consolidated subsidiary. As a result, [AI/MV Marketing business] has been added as a new reportable segment from the beginning of the first quarter of the fiscal year under review.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on the Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated cash flow statement for the third quarter consolidated cumulative period has not been prepared.

The depreciation expenses related to the third quarter consolidated cumulative period (including amortization expenses for intangible fixed assets excluding goodwill) and the amortization amount for goodwill are as follows.

	Previous cumulative third quarter (From March 1, 2024 to November 30, 2024)	Current cumulative third quarter (From March 1, 2025 to November 30, 2025)
Depreciation	183,926 thousand yen	179,003 thousand yen
Amortization of goodwill	-	23,868