

August 8, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: FAN Communications, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2461
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 Scheduled date to file semi-annual securities report: August 14, 2025
 Scheduled date to commence dividend payments: September 29, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	3,644	7.0	1,064	50.7	1,047	34.1	693	(16.4)
June 30, 2024	3,404	(9.6)	706	(37.9)	781	(32.0)	830	37.7

Note: Comprehensive income For the six months ended June 30, 2025: ¥649 million [(26.1)%]
 For the six months ended June 30, 2024: ¥879 million [35.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	10.47	10.47
June 30, 2024	12.53	12.53

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	22,950	17,452	75.8
December 31, 2024	23,356	18,059	77.1

Reference: Equity
 As of June 30, 2025: ¥17,395 million
 As of December 31, 2024: ¥18,004 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	19.00	19.00
Fiscal year ending December 31, 2025	-	8.00			
Fiscal year ending December 31, 2025 (Forecast)				19.00	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	7,440	6.9	1,950	22.2	1,940	16.2	1,280	(9.8)	19.32

Note: Revisions to the earnings forecasts most recently announced: Yes

***Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements:None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: Changes in accounting policies due to revisions to accounting standards, etc., are described in "2. Interim Consolidated Financial Statements and Major Note (3) Notes on Interim Consolidated Financial Statements (Notes on Changes in Accounting Policy)".

- (4) Number of issued shares (common shares)

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

As of June 30, 2025	66,248,429 shares
As of December 31, 2024	76,930,032 shares

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

As of June 30, 2025	0 shares
As of December 31, 2024	10,681,603 shares

- (iii) Average number of shares outstanding during the period(cumulative from the beginning of the fiscal year)

Six months ended June 30, 2025	66,248,429 shares
Six months ended June 30, 2024	66,248,429 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Please note that the forecasted figures presented above are outlooks based on information currently available and include a considerable number of uncertain factors. Actual results may differ from the above forecasts due to changes in business conditions and other factors. Please refer to page 3 of the attachment for information related to the above forecasts.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,917,898	14,394,604
Accounts receivable - trade	3,121,756	2,843,769
Securities	399,523	199,963
Other	358,350	215,771
Allowance for doubtful accounts	(11,574)	(7,281)
Total current assets	20,785,954	17,646,826
Non-current assets		
Property, plant and equipment		
Buildings, net	49,622	46,249
Tools, furniture and fixtures, net	3,889	32,565
Total property, plant and equipment	53,512	78,815
Intangible assets		
Goodwill	555,390	493,680
Other	461,296	505,043
Total intangible assets	1,016,687	998,724
Investments and other assets		
Investment securities	1,140,546	3,872,849
Other	361,306	354,213
Allowance for doubtful accounts	(1,170)	(1,250)
Total investments and other assets	1,500,682	4,225,812
Total non-current assets	2,570,881	5,303,352
Total assets	23,356,835	22,950,179

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	4,425,209	4,215,451
Income taxes payable	18,368	414,095
Provision for point card certificates	24,275	29,582
Provision for bonuses	4,345	34,315
Other	710,738	691,607
Total current liabilities	5,182,938	5,385,051
Non-current liabilities		
Other	114,262	112,862
Total non-current liabilities	114,262	112,862
Total liabilities	5,297,200	5,497,913
Net assets		
Shareholders' equity		
Share capital	1,173,673	1,173,673
Capital surplus	278,373	278,373
Retained earnings	21,212,893	15,868,742
Treasury shares	(4,779,247)	-
Total shareholders' equity	17,885,693	17,320,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	118,807	74,945
Total accumulated other comprehensive income	118,807	74,945
Share acquisition rights	55,134	56,530
Total net assets	18,059,635	17,452,265
Total liabilities and net assets	23,356,835	22,950,179

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	3,404,566	3,644,224
Cost of sales	587,335	385,273
Gross profit	2,817,230	3,258,951
Selling, general and administrative expenses	2,110,993	2,194,432
Operating profit	706,237	1,064,518
Non-operating income		
Interest income	4,109	17,402
Dividend income	2,400	1,750
Foreign exchange gains	56,401	-
Gain on investments in investment partnerships	-	3,161
Gain on forgiveness of debts	27,042	2,418
Other	7,476	4,850
Total non-operating income	97,430	29,583
Non-operating expenses		
Loss on investments in investment partnerships	22,260	-
Foreign exchange losses	-	46,453
Other	0	36
Total non-operating expenses	22,260	46,489
Ordinary profit	781,407	1,047,612
Extraordinary income		
Gain on sale of businesses	-	3,000
Gain on reversal of share acquisition rights	32,067	-
Other	-	19,454
Total extraordinary income	32,067	22,454
Extraordinary losses		
Loss on retirement of non-current assets	19,412	-
Loss on valuation of investment securities	-	9,994
Total extraordinary losses	19,412	9,994
Profit before income taxes	794,061	1,060,072
Income taxes - current	117,612	392,269
Income taxes - deferred	(153,635)	(26,013)
Total income taxes	(36,023)	366,256
Profit	830,084	693,815
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	830,084	693,815

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	830,084	693,815
Other comprehensive income		
Valuation difference on available-for-sale securities	49,727	(43,861)
Total other comprehensive income	49,727	(43,861)
Comprehensive income	879,812	649,953
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	879,812	649,953
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Unit: 1 thousand yen)

	Reportable segments			Adjustment amount (Note) 1	Interim Consolidated Statements of Income (Note)2
	Cost Per Action Solution Business	Strategic Business	Total		
Sales					
Revenue generated from customer contracts (Note)4	2,915,259	489,306	3,404,566	-	3,404,566
Revenues from external customers	2,915,259	489,306	3,404,566	-	3,404,566
Transactions with other segments	120,977	14,619	135,596	(135,596)	-
Total	3,036,236	503,925	3,540,162	(135,596)	3,404,566
Segment profit (loss)	1,617,660	(435,540)	1,182,120	(475,882)	706,237

Note: 1. Adjustments for segment profits or losses (loss) are company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are general and administrative expenses that are not attributable to the reporting segment.

2. Segment profit or loss (loss) is adjusted for operating income in the interim consolidated statements of income.

3. Segment assets and liabilities are omitted because the highest decision-making body does not allocate such information to each segment for management decision-making.

4. There is no revenue other than revenue generated from contracts with customers.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant fluctuations in the amount of goodwill)

In the interim consolidated accounting period under review, goodwill was generated in the strategic business as a result of the acquisition of WAND Co., Ltd. as a subsidiary.

The increase in goodwill due to this event was 617,100 thousand yen.

II. Interim Consolidated Accounting Period (January 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Unit: 1 thousand yen)

	Reportable segments			Adjustment amount (Note) 1	Interim Consolidated Statements of Income (Note)2
	Cost Per Action Solution Business	Strategic Business	Total		
Sales					
Revenue generated from customer contracts (Note)4	2,987,012	657,212	3,644,224	-	3,644,224
Revenues from external customers	2,987,012	657,212	3,644,224	-	3,644,224
Transactions with other segments	88,286	42,795	131,081	(131,081)	-
Total	3,075,298	700,007	3,775,306	(131,081)	3,644,224
Segment profit (loss)	2,011,639	(330,276)	1,681,362	(616,843)	1,064,518

Note: 1. Adjustments for segment profits or losses (loss) are company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are general and administrative expenses that are not attributable to the reporting segment.

2. Segment profit or loss (loss) is adjusted for operating income in the interim consolidated statements of income.

3. Segment assets and liabilities are omitted because the highest decision-making body does not allocate such information to each segment for management decision-making.

4. There is no revenue other than revenue generated from contracts with customers.

5. From the interim consolidated accounting period, the reporting segment, which was previously called "New Business," has been renamed "Strategic Business."The change is only the name of the reporting segment and does not affect the segment information. As a result, segment information for the previous interim consolidated accounting period is shown with the changed segment name.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.