

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2026
(Nine Months Ended March 31, 2026)

[Japanese GAAP]

May 15, 2026

Company name: Smartvalue Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 9417

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2026
(July 1, 2025 to March 31, 2026)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Mar. 31, 2026	4,220	45.0	(51)	-	(716)	-	(858)	-
Nine months ended Mar. 31, 2025	2,910	2.5	(253)	-	(322)	-	(323)	-

Note: Comprehensive income (millions of yen)

Nine months ended Mar. 31, 2026: (960) (-%)

Nine months ended Mar. 31, 2025: (351) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2026	(84.41)	-
Nine months ended Mar. 31, 2025	(31.16)	-

Note: Diluted net income per share is not presented because there are no latent shares with a dilution effect.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2026	22,648	1,766	6.2
As of Jun. 30, 2025	24,903	2,998	10.2

Reference: Shareholders' equity (millions of yen)

As of Mar. 31, 2026: 1,413

As of Jun. 30, 2025: 2,543

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2025	-	0.00	-	8.00	8.00
Fiscal year ending Jun. 30, 2026	-	0.00	-		
Fiscal year ending Jun. 30, 2026 (forecast)				10.00	10.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2026 (July 1, 2025 to June 30, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,936	36.1	261	-	(634)	-	(789)	-	(77.06)

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

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

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

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

As of Mar. 31, 2026:	10,679,800 shares	As of Jun. 30, 2025:	10,679,800 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2026:	710,690 shares	As of Jun. 30, 2025:	287,490 shares
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3) Average number of shares outstanding during the period

Nine months ended Mar. 31, 2026:	10,167,124 shares	Nine months ended Mar. 31, 2025:	10,392,310 shares
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* Review of the accompanying quarterly consolidated financial statements by certified public accountants or auditing firms : None

* Explanation of appropriate use of earnings forecast and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to Smartvalue's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to the section "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements" on page 3 of the attachments regarding preconditions or other related matters for the forecasts.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the current fiscal year, the Japanese economy continued to recover moderately. However, the economic outlook remained highly uncertain. The uncertainty was exacerbated by U.S. tariff policies and unstable international conditions. Meanwhile, consumer spending was stagnant due to rising consumer prices, especially in the energy sector.

In this challenging business climate, the activities of the Smartvalue Group are guided by the mission of “combining ‘smart’ systems and technologies to create social systems that can thrive for many years.”

Net sales increased significantly in the first nine months as the Group steadily acquired revenue sources, particularly through leasing and partnership contracts for GLION ARENA KOBE (note 1), a multi-purpose arena that opened in April 2025. In the Mobility Services segment, monthly recurring revenue (MRR) increased due to an increase in the number of contracts, and operational efficiency improved. Consolidated net sales increased 45.0% to 4,220 million yen. There was an operating loss of 51 million yen compared with a loss of 253 million yen one year earlier, an ordinary loss of 716 million yen compared with a loss of 322 million yen one year earlier, and loss attributable to owners of parent of 858 million yen compared with a loss of 323 million yen one year earlier.

In the first nine months under review, the recording of a large amount of interest expense due to the adoption of the lease accounting standard, and impairment loss on non-current assets of the Osaka Head office, which is planned to be relocated, put pressure on profitability.

Business segment performance was as follows. Segments changed in the first quarter of the fiscal year under review because certain operations of the Digital Government segment were transferred on June 30, 2025. Comparisons with results of operations in the first nine months of the previous fiscal year are based on the revised business segments. For further information, please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Segment and Other Information, 4. Information related to revisions for reportable segments.”

Mobility Services

This segment now faces a once-in-a-century turning point in the automobile industry. It operated a broad range of mobility IoT services. They include a connected car (note 2) service under the name of the CiEMS Series (note 3) and the provision of Kuruma Base (note 4), which is a platform for supporting the development of car-as-a-service applications, such as platforms and software for encouraging the use of automobile data as well as car sharing and other unmanned services.

There was a special demand due to the replacement of vehicle-mounted devices following the discontinuation of 3G mobile services in the first nine months under review. Additionally, the Group focused on reducing costs and improving operational efficiency to enhance profitability. Consequently, the cost ratio improved, leading to increases in both sales and profits.

As a result, segment sales increased 10.1% from one year earlier to 915 million yen and the segment profit increased 43.4% to 185 million yen.

Smart Venues

The Smart Venues segment has the goal of creating new markets based on the concepts of stadium and arena innovations and smart venues, which governments are positioning as growing business sectors. Operations of this business are centered on GLION ARENA KOBE, which opened in April 2025. The Group endeavors to develop the arena into a facility where the earnings from the facility will support growth of the Group.

In the first nine months under review, the Group established new leasing and partnership contracts for GLION ARENA KOBE and recorded ticket sales by hosting its own events. Consequently, both sales and profits increased.

Segment sales increased 219.5% from one year earlier to 3,327 million yen and the segment loss was 287 thousand yen compared with a loss of 302 million yen one year earlier.

Explanation of terms

Notes:

1. GLION ARENA KOBE: A multi-purpose arena was opened in the second jetty of the New Port Jetty West Area in the City of Kobe based on the Kobe Arena Project, which was established and is operated by the private sector and consists of a consortium of NTT Urban Development Corporation, NTT DOCOMO, INC., and the Company. The arena was officially named GLION ARENA KOBE in February 2024.
2. Connected car: Automobiles that use the internet to send and receive information
3. CiEMS Series: The Car intelligent Energy Management System provided by the Company that analyzes and utilizes a broad array of data associated with the operation of motor vehicles to eliminate traffic accidents, reduce traffic jams, operate vehicles more efficiently and provide other benefits. By fully utilizing data obtained from the operation of cars, this system also has the goal of helping solve a variety of social issues.
4. Kuruma Base: An integrated platform provided by the Company that encompasses car connectivity and car-as-a-service applications

(2) Explanation of Financial Position

1) Assets

Total assets at the end of the third quarter decreased 2,254 million yen from the end of the previous fiscal year to 22,648 million yen.

Current assets decreased 1,436 million yen to 3,974 million yen. Major items include decreases of 1,225 million yen in cash and deposits and 68 million yen in notes and accounts receivable - trade and contract assets.

Non-current assets decreased 817 million yen to 18,673 million yen. This mainly reflects decreases of 202 million yen in buildings and structures, 628 million yen in leased assets and 131 million yen in deferred tax assets, more than offsetting an increase of 65 million yen in leasehold and guarantee deposits.

Deferred assets decreased 1,370 thousand yen to 425 thousand yen. Major items include a decrease of 1,281 thousand yen in share issuance cost.

2) Liabilities

Total liabilities decreased 1,022 million yen from the end of the previous fiscal year to 20,881 million yen.

Current liabilities decreased 537 million yen to 2,292 million yen. Main items include decreases of 498 million yen in income taxes payable and 62 million yen in provision for bonuses.

Non-current liabilities decreased 485 million yen to 18,589 million yen. Major items include decreases of 153 million yen in long-term borrowings and 289 million yen in lease liabilities.

3) Net assets

Net assets decreased 1,232 million yen from the end of the previous fiscal year to 1,766 million yen. This decrease was mainly the result of dividend payments of 83 million yen, a decrease in retained earnings of 941 million yen due to loss attributable to owners of parent of 858 million yen and purchase of treasury shares of 188 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

Regarding the consolidated earnings forecast for the fiscal year ending June 30, 2026, there are no revisions to the full-year forecasts that were announced in the February 13, 2026 press release titled, "Notice of Differences between First Half Performance and Forecast, Posting of Extraordinary Income/Loss, Reversal of Deferred Tax Assets and Revision to Full-Year Earnings Forecast."

An announcement will be made promptly if a revision to the forecast is required due to upcoming changes in the operating environment.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY6/25 (As of Jun. 30, 2025)	Third quarter of FY6/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	4,126,767	2,901,739
Notes and accounts receivable - trade, and contract assets	497,092	428,415
Merchandise	67,928	66,984
Work in progress	347	3,204
Other	718,583	574,303
Total current assets	5,410,720	3,974,649
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,377,768	2,175,131
Leased assets, net	16,243,476	15,614,711
Other, net	75,684	142,463
Total property, plant and equipment	18,696,929	17,932,306
Intangible assets		
Software	112,589	146,745
Other	28,934	21,800
Total intangible assets	141,524	168,546
Investments and other assets		
Deferred tax assets	161,463	30,192
Leasehold and guarantee deposits	287,691	353,158
Other	203,310	189,159
Total investments and other assets	652,465	572,510
Total non-current assets	19,490,918	18,673,363
Deferred assets		
Organization expenses	88	-
Share issuance costs	1,707	425
Total deferred assets	1,796	425
Total assets	24,903,435	22,648,438

	(Thousands of yen)	
	FY6/25 (As of Jun. 30, 2025)	Third quarter of FY6/26 (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	79,876	79,308
Current portion of long-term borrowings	204,852	204,852
Lease liabilities	358,022	404,129
Income taxes payable	512,019	13,945
Contract liabilities	1,091,570	1,043,694
Provision for bonuses	95,233	32,897
Provision for customer loyalty points	675	1,844
Asset retirement obligations	12,268	8,692
Other	475,438	503,572
Total current liabilities	2,829,956	2,292,937
Non-current liabilities		
Long-term borrowings	1,792,872	1,639,233
Lease liabilities	16,311,366	16,021,820
Deferred tax liabilities	3,239	35,973
Asset retirement obligations	323,060	292,077
Other	644,185	599,912
Total non-current liabilities	19,074,723	18,589,016
Total liabilities	21,904,680	20,881,954
Net assets		
Shareholders' equity		
Share capital	1,044,944	1,044,944
Capital surplus	1,114,988	1,114,988
Retained earnings	537,861	(403,533)
Treasury shares	(154,411)	(342,861)
Total shareholders' equity	2,543,382	1,413,537
Non-controlling interests	455,373	352,947
Total net assets	2,998,755	1,766,484
Total liabilities and net assets	24,903,435	22,648,438

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

(Thousands of yen)

	First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025 – Mar. 31, 2026)
Net sales	2,910,759	4,220,225
Cost of sales	1,915,418	2,927,806
Gross profit	995,340	1,292,419
Selling, general and administrative expenses	1,249,124	1,343,819
Operating loss	(253,784)	(51,400)
Non-operating income		
Interest income	823	5,988
Subsidy income	-	8,304
Penalty income	6,749	5,859
Rent revenue	21,487	45,808
Other	2,530	5,416
Total non-operating income	31,591	71,377
Non-operating expenses		
Interest expenses	75,592	678,862
Amortization of organization expenses	88	88
Amortization of share issuance costs	1,581	1,281
Rental costs	19,232	41,808
Other	3,683	14,248
Total non-operating expenses	100,177	736,290
Ordinary loss	(322,370)	(716,313)
Extraordinary income		
Gain on reversal of asset retirement obligations	-	4,255
Gain on sale of non-current assets	-	39
Total extraordinary income	-	4,294
Extraordinary losses		
Loss on retirement of non-current assets	16	17
Impairment losses	-	68,704
Other	-	10,960
Total extraordinary losses	16	79,681
Loss before income taxes	(322,387)	(791,700)
Income taxes-current	10,419	4,977
Income taxes-deferred	19,130	164,003
Total income taxes	29,549	168,981
Loss	(351,937)	(960,682)
Loss attributable to non-controlling interests	(28,131)	(102,425)
Loss attributable to owners of parent	(323,805)	(858,256)

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

(Thousands of yen)

	First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025 – Mar. 31, 2026)
Loss	(351,937)	(960,682)
Comprehensive income	(351,937)	(960,682)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(323,805)	(858,256)
Comprehensive income attributable to non-controlling interests	(28,131)	(102,425)

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

The Company acquired 423,200 shares of treasury shares in accordance with resolutions of the Board of Directors at its meetings held on September 5 and November 19, 2025. As a result, treasury shares increased by 188 million yen during the first nine months under review, and treasury shares amounted to 342 million yen as of March 31, 2026.

Segment and Other Information

Segment Information

First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)

1. Information about net sales and profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Digital Government	Mobility Services	Smart Venues	Total		
Net sales						
Goods or services that are transferred at a point in time	2,886	289,529	189,768	482,184	-	482,184
Goods or services that are transferred over a certain period of time	1,063,320	542,197	823,057	2,428,574	-	2,428,574
Revenue from contracts with customers	1,066,206	831,726	1,012,825	2,910,759	-	2,910,759
Other revenue	-	-	-	-	-	-
External sales	1,066,206	831,726	1,012,825	2,910,759	-	2,910,759
Inter-segment sales and transfers	-	-	28,376	28,376	(28,376)	-
Total	1,066,206	831,726	1,041,202	2,939,135	(28,376)	2,910,759
Segment profit (loss)	213,019	129,581	(302,517)	40,083	(293,868)	(253,784)

Notes: 1. The adjustment to segment profit (loss) of negative 293 million yen is corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that do not belong to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating loss in the quarterly consolidated statement of income.

2. Information related to assets for reportable segments

Not applicable.

3. Information related to impairment losses of non-current assets or goodwill, etc. for reportable segments

Not applicable.

First nine months of FY6/26 (Jul. 1, 2025 – Mar. 31, 2026)

1. Information about net sales and profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Digital Government	Mobility Services	Smart Venues	Total		
Net sales						
Goods or services that are transferred at a point in time	-	332,948	650,449	983,398	-	983,398
Goods or services that are transferred over a certain period of time	-	582,836	1,525,066	2,107,903	-	2,107,903
Revenue from contracts with customers	-	915,785	2,175,516	3,091,301	-	3,091,301
Other revenue	-	-	1,128,924	1,128,924	-	1,128,924
External sales	-	915,785	3,304,440	4,220,225	-	4,220,225
Inter-segment sales and transfers	-	-	22,645	22,645	(22,645)	-
Total	-	915,785	3,327,085	4,242,870	(22,645)	4,220,225
Segment profit (loss)	-	185,858	(287)	185,571	(236,971)	(51,400)

Notes: 1. The adjustment to segment profit (loss) of negative 236 million yen is corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that do not belong to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating loss in the quarterly consolidated statement of income.

2. Information related to assets for reportable segments

Not applicable.

3. Information related to impairment losses on non-current assets or goodwill, etc. for reportable segments

(Significant impairment losses on non-current assets)

Regarding corporate assets that are not allocated to any of the reportable segments, the book value of the non-current assets of the Osaka Head Office, which is planned to be relocated, was reduced to the recoverable value, and the resulting decrease of 68 million yen was recorded under impairment losses.

4. Information related to revisions for reportable segments

(Reclassification of reportable segments)

For the fiscal year ended June 30, 2025, the Group had three reportable segments of Digital Government, Mobility Services and Smart Venues. Following the transfer of part of the Digital Government segment on June 30, 2025, the Digital Government segment was abolished at the close of the said fiscal year.

As a result, North Detail Co., Ltd., a consolidated subsidiary that fell under the Digital Government segment, has now been transferred to the Smart Venues segment, given that it plays a significant role in the information and communication technology (ICT) platform for community creation in the Smart Venues domain. From the first quarter of the fiscal year under review, the Group has two reportable segments of Mobility Services and Smart Venues. Reportable segment information for the first nine months of FY6/25 has been restated to conform with the new reportable segments.

Statement of Cash Flows

The Company does not prepare a quarterly consolidated statement of cash flows for the first nine months.

Depreciation (including the amortization of intangible assets excluding goodwill) and amortization of goodwill for the first nine months are as follows.

	(Thousands of yen)	
	First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)	First nine months of FY6/26 (Jul. 1, 2025 – Mar. 31, 2026)
Depreciation	152,271	811,805
Amortization of goodwill	12,181	-

Revenue Recognition

The information from the breakdown of revenue from contracts with customers is provided in Notes to Quarterly Consolidated Financial Statements, Segment and Other Information.

** This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*