FIRST READ | f-code Inc. (9211)

November 13, 2026 | 9M FY12/2026 | First look shortly after earnings

Growth remains strong; AI profitability and post-acquisition returns are the next tests

First Read			
Share price ¥1,136 (Nov. 13 close)	**Forecast EPS ¥155.62**	**Actual BPS ¥702.5 (Sep. 30)**	**Forecast dividend ¥0**
Implied ROE 22.2%	**Forecast P/E 7.3x**	**P/B 1.62x**	

First Read

Nine-month revenue reached ¥12.63 billion, up 50.3% year over year, while operating profit rose 45.0% to ¥2.54 billion. Profit growth continues to be supported by Marketing & School and the integration of acquired businesses. We lean toward maintaining the constructive stance presented in our previous second-quarter Update Report. Nevertheless, high growth alone does not establish an attractive valuation: margins in AI & Technology and returns on deployed acquisition capital remain the key tests.

What Matters in the Results : Changes in the Businesses Underpinning Profits

On a standalone quarterly basis, Marketing & School business profit increased to ¥737 million in Q3 from ¥614 million in Q2. AI & Technology business profit, by contrast, decreased to ¥326 million from ¥426 million, as product development, hiring and commercial investments continued. Consolidated Q3 operating profit was ¥892 million, a 20.1% margin. Meeting unchanged full-year operating profit guidance of ¥3.30 billion requires ¥762 million in Q4. Revenue has reached 87.1% of guidance, versus 76.9% for operating profit.

Quarterly business profit by domain and consolidated operating profit (¥100 million)

	Q1	Q2	Q3
Marketing & School	5.01	6.14	7.37
AI & Technology	4.67	4.26	3.26
Group operating profit	7.88	8.58	8.92

What Could Drive a Re-rating

At the November 13 close of ¥1,136, the shares trade at 7.3x guided earnings. The latest results support the underlying growth case, but the discount also reflects ¥13.38 billion of goodwill, borrowings, contingent consideration, liabilities associated with non-controlling interests, and a complex capital structure. Equity attributable to owners rose to ¥8.63 billion, while cash equivalents declined to ¥7.73 billion. No nine-month cash flow statement was prepared, so the latest earnings do not establish an improvement in free cash flow. Over the next one to two years, a recovery in AI margins will be crucial; over three to four years, post-acquisition ROIC and sustainable cash generation will be key to valuation. We intend to reassess the formal rating and fair value in a forthcoming Update Report after further review of the results and management commentary.

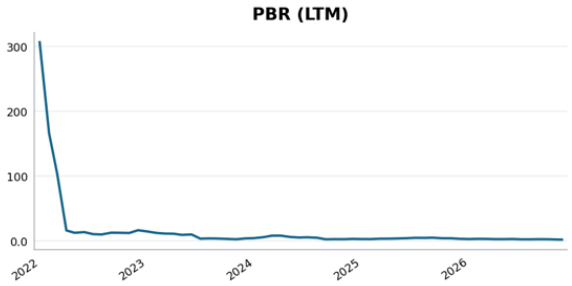
Company profile | Founded in 2006, f-code provides digital marketing, online education, AI implementation and software development. It has expanded through acquisitions and post-deal integration, operating across Marketing & School and AI & Technology.

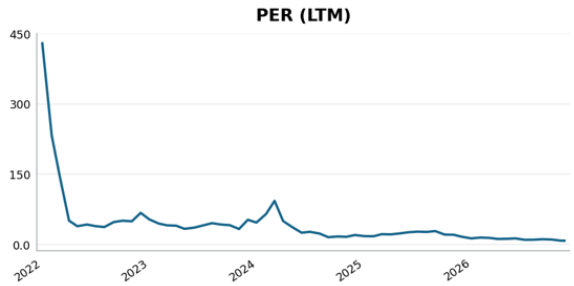
Notes: Share price is the November 13 close, before the earnings release. BPS is calculated using September 30 equity attributable to owners of ¥8,626,245 thousand divided by 12,280,145 shares outstanding excluding treasury shares. Implied ROE equals guided EPS divided by BPS. Quarterly figures are calculated by subtracting prior cumulative values.

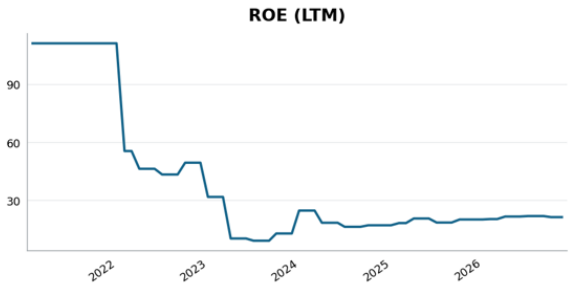
Materials reviewed: FY12/2026 Q3 earnings release and presentation; September 4, 2026 Q2 Update Report; 6 Charts; 8 Charts; November 13 share-price history.

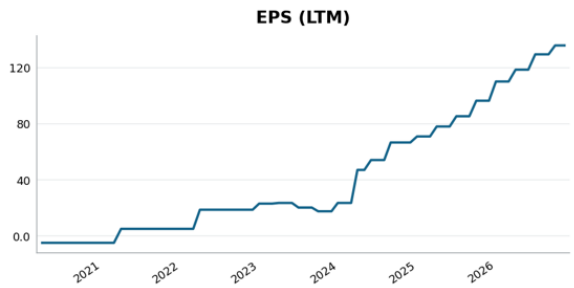
f-code Inc. (9211) | Share Price and Valuation History

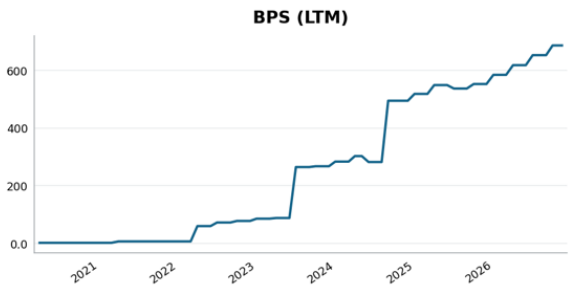












f-code Inc. (9211) | Financial Performance, Balance Sheet and Capital Efficiency

