

Consolidated Financial Report for Fiscal 2024 Ended March 31, 2025 [Japanese GAAP]

May 12, 2025

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 Listing: Tokyo Stock Exchange
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Scheduled date of the ordinary general meeting of shareholders: June 27, 2025
 Scheduled date of dividend payment: June 30, 2025
 Scheduled date of filing securities report: June 25, 2025
 Preparation of explanatory materials for annual financial results: Yes
 Holding of a briefing on annual financial results: Yes (video streaming)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for Fiscal 2024 Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net earnings attributable to owners of parent	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Fiscal year ended March 31, 2025	44,417	11.9	4,772	25.3	4,876	14.6	3,433	11.1
Fiscal year ended March 31, 2024	39,698	12.6	3,807	10.1	4,253	14.5	3,089	24.1

Note: Comprehensive income

Fiscal year ended March 31, 2025 ¥3,545 million (38.6%)
 Fiscal year ended March 31, 2024 ¥3,405 million (33.1%)

	Net earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
	Yen Sen	Yen Sen	%	%	%
Fiscal year ended March 31, 2025	72.86	—	17.4	18.1	10.7
Fiscal year ended March 31, 2024	64.90	—	17.7	17.6	9.6

Reference: Equity gains/(Losses) of Affiliates

Fiscal year ended March 31, 2025 ¥— million
 Fiscal year ended March 31, 2024 ¥— million

Note: The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024. Net earnings per share have been calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	Yen Sen
Fiscal year ended March 31, 2025	28,286	20,881	73.8	442.98
Fiscal year ended March 31, 2024	25,505	18,477	72.4	392.16

Reference: Owners' equity

As of March 31, 2025 ¥20,881 million
 As of March 31, 2024 ¥18,477 million

Note: The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024. Net assets per share have been calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at the end of the period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal year ended March 31, 2025	2,961	(1)	(1,089)	15,250
Fiscal year ended March 31, 2024	3,022	(296)	(1,357)	13,378

2. Dividends

	Dividends per share					Dividends (Total)	Dividend payout ratio (consolidated)	Dividend payout ratio on net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen	(Millions of yen)	%	%
Fiscal year ended March 31, 2024	—	0.00	—	48.00	48.00	1,148	37.0	6.5
Fiscal year ended March 31, 2025	—	0.00	—	27.00	27.00	1,291	37.1	6.5
Fiscal year ending March 31, 2026 (forecast)	—	0.00	—	30.00	30.00		40.2	

Note: The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024. For the fiscal year ended March 31, 2024, the indicated dividend amounts are from before the stock split. Additionally, if the stock split had been implemented at the beginning of the fiscal year ended March 31, 2024, the total dividends per share for the fiscal year ended March 31, 2024 would have been 24 yen.

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Full year and quarterly percentages represent changes from the previous fiscal year and the same quarter of the previous fiscal year, respectively)

	Net sales		Operating profit		Ordinary profit		Net earnings		Net earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	Yen Sen
Second quarter (cumulative)	22,900	7.3	2,410	0.4	2,460	0.7	1,665	0.8	35.32
Full year	48,000	8.1	5,100	6.9	5,200	6.6	3,520	2.5	74.67

*Notes

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

New:— (company name(s))

Excluded:— (company name(s))

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

a. Changes in accounting policies due to revisions in accounting standards, etc. : None

b. Changes in accounting policies other than a. above : None

c. Changes in accounting-based estimates : None

d. Restatements : None

(3) Number of shares outstanding (common stock)

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

b. Number of treasury shares at the end of period

c. Average number of shares during the period

Fiscal year ended March 31, 2025	50,227,200 shares	Fiscal year ended March 31, 2024	50,227,200 shares
Fiscal year ended March 31, 2025	3,088,605 shares	Fiscal year ended March 31, 2024	3,110,158 shares
Fiscal year ended March 31, 2025	47,131,825 shares	Fiscal year ended March 31, 2024	47,603,615 shares

Notes:

1. The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024. The number of shares outstanding at the end of period, the number of treasury shares at the end of period, and the average number of shares during the period have been calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

2. The number of treasury shares at the end of period includes the Company's shares (700,400 shares as of March 31, 2025; 722,000 shares as of March 31, 2024) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets in a Board Benefit Trust (BBT) and an Employee Stock Ownership Plan (J-ESOP). In addition, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in the treasury shares deducted from the calculation of the average number of shares during the period (as of March 31, 2025: 707,205 shares; as of March 31, 2024: 724,479 shares).

Reference: Summary of Individual Financial Results

Individual Financial Results for Fiscal 2024 Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Individual operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net earnings	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Fiscal year ended March 31, 2025	41,663	12.9	4,561	26.9	4,651	15.4	3,285	11.7
Fiscal year ended March 31, 2024	36,902	12.7	3,592	9.9	4,028	17.6	2,941	27.4

	Net earnings per share		Diluted earnings per share	
	Yen	Sen	Yen	Sen
Fiscal year ended March 31, 2025	69.70		—	
Fiscal year ended March 31, 2024	61.80		—	

(2) Individual financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	Yen Sen
Fiscal year ended March 31, 2025	26,805	19,741	73.6	418.98
Fiscal year ended March 31, 2024	24,045	17,489	72.7	371.19

Reference: Owners' equity

As of March 31, 2025 ¥19,741 million

As of March 31, 2024 ¥17,489 million

Note: The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024. Net assets per share have been calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

* The consolidated financial report is exempt from audits by certified public accountants or an audit firm.

* Explanation about the proper use of financial results forecasts and other noteworthy items

The report contains statements about the future, such as forecasts for financial results, that are based on information available to the Company at the time of disclosure and certain assumptions the Company believes to be reasonable. The Company gives no assurance that these statements will prove to be accurate. Actual results may differ significantly from these forecasts due to various factors. For matters related to the abovementioned forecasts, please refer to "1. Overview of Operating Results and Related Information (4) Business Outlook" on Page 7 of the appendix.

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1. Overview of Operating Results and Related Information

(1) Overview of Operating Results for the Period

During Fiscal 2024 (April 1, 2024 to March 31, 2025), while uncertainties persisted in the global economy due to inflation driven by the weak yen and policy trends in the United States, the Japanese economy continued on a moderate recovery trajectory, with improvements in employment and income conditions. In the information services industry, robust investment in systems is expected to continue, particularly in digital transformation (DX) initiatives aimed at enhancing corporate competitiveness. This includes system upgrades and cloud migration projects designed to improve operational efficiency and productivity.

Operating under such a climate, the Group has formulated its medium-term management plan “Shift to the Smart SI Plus” for the period up through March 2025, and this plan maintains the basic concept of providing high value-added IT services that meet the potential needs of the market and society, and adopts a vision of evolving into a next-generation system integration (“SI”) business based on which to promote corporate activities.

To make this vision a reality, we have three Group-wide core strategies.

One is to “create high-value-added SI services.” We tap into the latest elemental technologies to pursue services designed to meet the needs of customers promoting DX for value creation.

Next is to “support SI model reforms.” We use innovative approaches to build infrastructure for high-value-added SI services and to develop an SI process designed to ensure high productivity and high quality, and promote initiatives to differentiate ourselves from competitors.

Last is to “expand our business domain.” We are promoting measures to expand our SI business into the commodity area in our consulting business, which supports customers in formulating strategies for their digital transformation, in our sales business, which sells products, services, etc. that meet a diverse array of customers’ IT needs, and in providing managed services that integrate all aspects of IT solutions, starting from development through to operation and maintenance.

Specifically, we are pushing forward with the following initiatives.

a. Expansion of the consulting business

- Training and expansion of consulting staff based on the Scaled Agile Framework® of U.S. company Scaled Agile, Inc., with which we have formed a gold partner alliance
- Developing expertise into assets and establishing consulting methods to respond to customer digital needs covering everything from IT strategy formulation to use of digital technologies
- Advancement of promotion activities

b. Expansion of services and products sales business

- Expansion of marketing function and product sales function
- Expansion of product lineup that captures user needs and seeds

c. Expansion of SI business into commodity area

- Consolidation of operation and maintenance projects involving system modifications, etc.
- Pursuit of high productivity through modularization of common items, etc.

During Fiscal 2024, each business field performed well and net sales exceeded the plan, achieving an increase in revenue. On the profit front, we secured an increase in earnings due to the effect of higher revenue and continued efforts to ensure planned profitability across all projects through rigorous project management, including the utilization of project performance evaluation functions. SG&A expenses increased due to aggressive investments for future business expansion. However, these costs were absorbed by the effects of increased revenue, resulting in higher operating profit. With regard to specific investment initiatives, we are implementing a variety of human resource investments, including accelerating the development of newly hired graduates into effective members of the workforce; expanding recruitment efforts, including mid-career professionals; strengthening educational initiatives; and undertaking reforms of our personnel systems. Additionally, as business investments, we are promoting the acquisition of new technologies and marketing activities aimed at expanding our next-generation SI business.

As a result, for Fiscal 2024, net sales amounted to ¥44,417 million (up 11.9% YOY), operating profit was ¥4,772 million (up 25.3% YOY), ordinary profit was ¥4,876 million (up 14.6% YOY), and net earnings attributable to owners of parent was ¥3,433 million (up 11.1% YOY).

Status of activities by field

<IT consulting and services>

In the IT consulting and services field, we offer services that include developing IT strategies and systemization planning to facilitate customers' DX and providing technical consulting and educational services about the latest technologies and development methodologies. We also provide our internally developed cloud application services, along with solution services, such as BI (Note 1)/DWH (Note 2) and ERP (Note 3)/CRM (Note 4). During this fiscal year, the Group made solid progress on SaaS (Note 5) solution service projects for enterprises. As a result, net sales in this field increased 14.9% year on year to ¥7,775 million.

<IT solutions for financial services>

In the field of IT solutions for financial services, we offer integrated IT solutions for the financial sector, including systemization planning, design, development, and maintenance. During this period, the Group made solid progress on development projects for banking-related systems. As a result, net sales in this field increased 9.9% year on year to ¥19,356 million.

<IT solutions for public corporations>

In the field of IT solutions for public corporations, we offer integrated IT solutions for the logistics, manufacturing, and service industries as well as the public sector, including information system concepts, design, development, and maintenance. During this period, the Group made solid progress on development projects for the transportation, automobile, and travel sectors. As a result, net sales in this field increased 12.8% year on year to ¥11,996 million.

<Platform solutions>

In the field of platform solutions, we offer services such as the environmental design and construction of IT infrastructure, along with operational support, network product development, and network integration. During this period, the Group made solid progress on projects to build cloud-related infrastructure for communications-related projects and public agencies. As a result, net sales in this field increased 13.2% year on year to ¥5,289 million.

(Millions of yen)

Field	Fiscal year ended March 31, 2024 consolidated cumulative period		Fiscal year ended March 31, 2025 consolidated cumulative period		Year-on- year percentag e change
	Amount	Share	Amount	Share	
IT consulting and services	6,768	17.0%	7,775	17.5%	+14.9%
IT solutions for financial services	17,618	44.4%	19,356	43.6%	+9.9%
IT solutions for public corporations	10,637	26.8%	11,996	27.0%	+12.8%
Platform solutions	4,675	11.8%	5,289	11.9%	+13.2%
Total	39,698	100.0%	44,417	100.0%	+11.9%

- Notes: 1. BI: Business intelligence. A process for analyzing a company's internal information to harness it in business management.
 2. DWH: Data warehouse. An integrated database that collects necessary data from multiple systems, including core systems, to sort the data by objective and accumulate it chronologically for data analysis and decision-making.
 3. ERP: Enterprise resource planning. A core information system.
 4. CRM: Customer relationship management. A customer management system.
 5. SaaS: Software as a Service. A model in which software that runs on a server is provided as a service.

(2) Overview of the Financial Status for the Period

State of assets, liabilities, and net assets

Total assets at the end of this consolidated fiscal year increased by ¥2,780 million from the end of the previous consolidated fiscal year to ¥28,286 million.

Current assets increased by ¥2,813 million from the end of the previous consolidated fiscal year to ¥23,247 million. This is mainly due to increases of ¥2,000 million in securities and ¥872 million in notes and accounts receivable - trade, and contract assets.

Non-current assets decreased by ¥32 million from the end of the previous consolidated fiscal year to ¥5,039 million. This is mainly due to decreases of ¥77 million in property, plant and equipment and ¥3 million in intangible fixed assets despite an increase of ¥142 million in investment securities.

Current liabilities increased by ¥491 million from the end of the previous consolidated fiscal year to ¥6,870 million. This is mainly due to increases of ¥205 million in accounts payable – other, ¥179 million in accounts payable – trade, and ¥155 million in income taxes payable.

Non-current liabilities decreased by ¥114 million from the end of the previous consolidated fiscal year to ¥535 million. This is mainly due to decreases of ¥70 million in long-term accrued expenses and ¥29 million in long-term accounts payable – other included in Other.

Net assets increased by ¥2,403 million from the end of the previous consolidated fiscal year to ¥20,881 million. This is mainly due to an increase of ¥2,285 million in retained earnings.

(3) Overview of Cash Flow for the Period

The balance of cash and cash equivalents at the end of this consolidated fiscal year increased by ¥1,871 million from the end of the previous consolidated fiscal year to ¥15,250 million (¥13,378 million in the previous fiscal year).

Cash flow conditions and their factors are as stated below:

(Cash flows from operating activities)

While an increase in notes and accounts receivable – trade and contract assets was ¥872 million and income taxes paid were ¥1,235 million, net earnings before income taxes were ¥4,876 million. As a result, cash flows from operating activities amounted to ¥2,962 million (¥3,022 million in the previous fiscal year).

(Cash flows from investing activities)

While purchase of property, plant and equipment was ¥62 million, purchase of intangible fixed assets was ¥28 million, and purchase of investment securities was ¥17 million, interest and dividend income received was ¥94 million. As a result, cash flows from investing activities amounted to negative ¥1 million (negative ¥296 million in the previous fiscal year).

(Cash flows from financing activities)

While a net increase in short-term borrowings was ¥78 million, dividends paid totaled ¥1,148 million. As a result, cash flows from financing activities amounted to negative ¥1,089 million (negative ¥1,357 million in the previous fiscal year).

Reference: Trends in cash flow related indices

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Owners' equity ratio	73.3%	72.4%	72.1%	72.4%	73.8%
Equity ratio based on market value	131.7%	133.7%	155.6%	214.5%	212.1%
Ratio of interest-bearing liabilities to cash flow	0.2 year	0.2 year	0.2 year	0.2 year	0.2 year
Interest coverage ratio	684.2	620.8	567.2	811.4	485.9

Notes: Owners' equity ratio: Owners' equity / Total asset

Equity ratio based on market value: Market capitalization / Total assets

Ratio of interest-bearing liabilities to cash flow: Interest-bearing liabilities / Cash flows
from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payment

* Calculated from consolidated financial figures.

* Market capitalization is calculated by multiplying the closing stock price at the fiscal year end by outstanding stock issued at the fiscal year end (after subtracting treasury shares).

* The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024. Number of shares outstanding at the fiscal year end has been calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended March 31, 2021.

* Interest-bearing liabilities refer to all liabilities that bear interest out of those listed in the consolidated balance sheet. The interest payment is from the interest expenses amount in the consolidated statement of cash flows.

(4) Business Outlook

The future of our country's economy, despite improvement in employment and income conditions, is at risk of being adversely affected by downward pressure on the global economy due to U.S. policy trends. Therefore, uncertainty is expected to continue for the foreseeable future. As the information services industry demonstrates robust overall growth, IT needs related to business transformation and work reforms through DX are expanding while at the same time growing more diverse and complex.

Under these circumstances, our company has formulated a new medium-term management plan, "Be a visionary system integrator," which launched in fiscal 2025. Through this plan, we aim to contribute to solving our customers' actual challenges through the sophisticated technical capabilities we have cultivated over many years and foresight that enables us to anticipate social changes. As social issues become increasingly complex, we will enhance our foresight in terms of the near future and provide outstanding development technologies and services to be a one-of-a-kind partner for our customers and achieve long-term growth. To achieve this, we have established a business strategy, investment strategy, and human resource strategy and positioned them as priorities for enhancing and diversifying our knowledge and expertise while improving our ability to create value-driven proposals for customers. We will continue to implement various initiatives going forward.

Investments in specific technology areas will include the preemptive acquisition of elemental technologies that are likely to have a significant impact on the SI business in the future, such as security, UXD, networking, and data engineering, and the promotion of the development of services and products that meet the diverse IT needs of our customers through both top-down and bottom-up approaches. In our human resource investments, we will continue to promote branding strategies, strengthen training systems and educational initiatives through human resource system reforms, and make investments to create work mechanisms and environments that enable diverse talent to engage in their work more enthusiastically.

Against this backdrop, our financial results forecast for the fiscal year ending March 31, 2026, is for net sales to increase 8.1% to ¥48,000 million, for operating profit to increase 6.9% to ¥5,100 million, for ordinary profit to increase 6.6% to ¥5,200 million, and for profit attributable to owners of parent to increase 2.5% to ¥3,520 million.

Note that the forecasts above are based on information including economic trends and the market environment as of the date of this document's release. Actual performance may differ from these forecast figures due to various factors, and the forecasts themselves may be subject to future changes.

(5) Sustainability Initiatives

While our Group has been actively promoting sustainability management initiatives, our new medium-term management plan includes a reassessment of materiality and establishes revised greenhouse gas (GHG) emission targets. As societal demands for sustainability initiatives intensify, our Group will focus on the important ESG issues we have identified to achieve a smart society while aiming for sustainable growth. We will strive to build relationships based on trust by deepening mutual understanding with our stakeholders, and we will continue to develop alongside society.

2. Basic View on the Choice of Accounting Standards

Since the Group operates mainly in Japan and the ratio of foreign shareholders is low, we have decided to adopt the Japanese accounting standards for the time being. Going forward, we plan to consider the application of IFRS (International Financial Reporting Standards), taking into account overseas business development and changes in the ratio of foreign shareholders.

3. Consolidated Financial Statements and Primary Notes**(1) Consolidated Balance Sheet**

(Thousands of yen)

	Fiscal 2023 (as of March 31, 2024)	Fiscal 2024 (as of March 31, 2025)
Assets		
Current assets		
Cash and deposits	13,378,515	13,250,091
Notes and accounts receivable - trade, and contract assets	6,601,625	7,474,236
Securities	—	2,000,000
Work in process	49,292	95,290
Other	404,765	428,081
Total current assets	20,434,199	23,247,699
Non-current assets		
Property, plant and equipment		
Buildings	740,319	728,031
Tools, furniture and fixtures	229,867	168,656
Leased assets	23,157	19,524
Total property, plant and equipment	993,344	916,212
Intangible fixed assets		
Software	25,352	32,496
Software temporary account	16,955	18,397
Telephone subscription rights	4,973	4,973
Goodwill	46,526	23,263
Other	—	11,181
Total intangible fixed assets	93,808	90,312
Investments and other assets		
Investment securities	2,934,970	3,077,253
Deferred tax assets	233,621	138,650
Guarantee deposits	779,466	779,597
Other	36,587	37,095
Total investments and other assets	3,984,646	4,032,597
Total non-current assets	5,071,798	5,039,122
Total assets	25,505,998	28,286,821

	(Thousands of yen)	
	Fiscal 2023 (as of March 31, 2024)	Fiscal 2024 (as of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable – trade	1,705,273	1,885,043
Short-term borrowings	453,000	531,000
Accounts payable – other	450,871	656,804
Accrued expenses	2,189,653	2,124,663
Income taxes payable	692,725	848,043
Accrued consumption taxes	498,931	507,999
Provision for bonuses for directors (and other officers)	143,258	156,272
Other	244,782	160,515
Total current liabilities	6,378,496	6,870,341
Non-current liabilities		
Provision for share-based remuneration for employees	54,047	48,259
Provision for share-based remuneration for directors (and other officers)	83,110	89,720
Retirement benefit liabilities	40,733	41,563
Asset retirement obligations	230,684	233,322
Other	241,390	122,335
Total non-current liabilities	649,966	535,201
Total liabilities	7,028,462	7,405,542
Net assets		
Shareholders' equity		
Share capital	970,400	970,400
Capital surplus	986,256	986,256
Retained earnings	16,303,215	18,588,901
Treasury shares	(1,285,727)	(1,278,964)
Total shareholders' equity	16,974,143	19,266,592
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,503,392	1,614,686
Total accumulated other comprehensive income	1,503,392	1,614,686
Total net assets	18,477,535	20,881,279
Total liabilities and net assets	25,505,998	28,286,821

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Fiscal 2023 (from April 1, 2023 to March 31, 2024)	Fiscal 2024 (from April 1, 2024 to March 31, 2025)
Net sales	39,698,050	44,417,991
Cost of sales	31,585,745	34,912,751
Gross profit	8,112,305	9,505,239
Selling, general and administrative expenses	4,304,611	4,732,710
Operating profit	3,807,693	4,772,529
Non-operating income		
Interest income	120	6,916
Dividend income	76,933	86,692
Subsidy income	9,770	11,755
Gain on sales of investment securities	380,487	—
Other	9,023	10,705
Total non-operating income	476,335	116,069
Non-operating expenses		
Interest expenses	3,503	5,965
Loss on investments in partnerships	25,591	6,149
Other	1,375	28
Total non-operating expenses	30,470	12,142
Ordinary profit	4,253,558	4,876,455
Net earnings before income taxes	4,253,558	4,876,455
Income taxes – current	1,247,453	1,380,100
Income taxes – deferred	(83,301)	62,532
Income taxes	1,164,151	1,442,632
Net earnings	3,089,406	3,433,822
Net earnings attributable to non-controlling interests	—	—
Net earnings attributable to owners of parent	3,089,406	3,433,822

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal 2023 (from April 1, 2023 to March 31, 2024)	Fiscal 2024 (from April 1, 2024 to March 31, 2025)
Net earnings	3,089,406	3,433,822
Other comprehensive income		
Valuation difference on available- for-sale securities	315,869	111,293
Total other comprehensive income	315,869	111,293
Comprehensive income	3,405,276	3,545,116
Breakdown:		
Owners of parent	3,405,276	3,545,116
Non-controlling interests	—	—

(3) Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at the beginning of the period	970,400	986,256	13,939,945	(674,231)	15,222,370	1,187,522	1,187,522	16,409,892
Changes of items during the period								
Dividends of surplus			(726,136)		(726,136)			(726,136)
Net earnings attributable to owners of parent			3,089,406		3,089,406			3,089,406
Purchase of treasury shares				(616,809)	(616,809)			(616,809)
Disposal of treasury shares				5,313	5,313			5,313
Change in scope of consolidation					—			—
Net changes of items other than shareholders' equity					—	315,869	315,869	315,869
Total changes of items during the period	—	—	2,363,269	(611,496)	1,751,773	315,869	315,869	2,067,643
Balance at the end of the period	970,400	986,256	16,303,215	(1,285,727)	16,974,143	1,503,392	1,503,392	18,477,535

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at the beginning of the period	970,400	986,256	16,303,215	(1,285,727)	16,974,143	1,503,392	1,503,392	18,477,535
Changes of items during the period								
Dividends of surplus			(1,148,137)		(1,148,137)			(1,148,137)
Net earnings attributable to owners of parent			3,433,822		3,433,822			3,433,822
Purchase of treasury shares				(67)	(67)			(67)
Disposal of treasury shares				6,831	6,831			6,831
Change in scope of consolidation					—			—
Net changes of items other than shareholders' equity					—	111,293	111,293	111,293
Total changes of items during the period	—	—	2,285,685	6,763	2,292,449	111,293	111,293	2,403,743
Balance at the end of the period	970,400	986,256	18,588,901	(1,278,964)	19,266,592	1,614,686	1,614,686	20,881,279

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	Fiscal 2023 (from April 1, 2023 to March 31, 2024)	Fiscal 2024 (from April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Net earnings before income taxes	4,253,558	4,876,455
Depreciation and amortization	130,943	157,524
Amortization of goodwill	23,263	23,263
Increase (decrease) in provision for bonuses for directors (and other officers)	5,038	13,014
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	5,882	6,609
Increase (decrease) in provision for share-based remuneration for employees	1,518	1,043
Increase (decrease) in retirement benefit liability	1,978	829
Officer retirement benefits	—	(15,000)
Interest and dividend income	(77,053)	(93,608)
Interest expenses	3,503	5,965
Loss (gain) on sales of securities	—	(935)
Loss (gain) on sales of investment securities	(380,487)	—
Loss (gain) on investments in partnerships	25,591	6,149
Decrease (increase) in notes and accounts receivable – trade and contract assets	(725,257)	(872,611)
Decrease (increase) in inventories	9,515	(45,997)
Increase (decrease) in notes and accounts payable – trade	197,940	179,770
Increase (decrease) in accounts payable – other	(9,106)	176,832
Increase (decrease) in accrued expenses	283,061	(128,584)
Increase (decrease) in accrued consumption taxes	158,591	9,867
Other	491,082	(104,288)
Subtotal	4,399,563	4,197,234
Income taxes paid	(1,377,061)	(1,235,109)
Cash flows from operating activities	3,022,502	2,962,1
Cash flows from investing activities		
Purchase of property, plant and equipment	(901,295)	(62,589)
Purchase of intangible fixed assets	(24,998)	(28,137)
Purchase of investment securities	(98,613)	(17,109)
Proceeds from sales of investment securities	523,209	9,726
Proceeds of dividend distributions from partnerships	789	2,683
Payments of loans receivable to employees	(2,600)	(6,780)
Collection of loans receivable from employees	3,267	6,622
Payments for guarantee deposits	(240)	(131)
Payments for fulfillment of asset retirement obligations	(57,922)	—
Interest and dividend income received	77,053	94,254
Other	184,739	—
Cash flows from investing activities	(296,611)	(1461)
Cash flows from financing activities	(296,611)	(1461)
Net increase (decrease) in short-term borrowings		
Purchase of treasury shares	(616,809)	(67)
Interest expenses	(3,527)	(6,095)
Dividend payment	(726,136)	(1,148,137)
Repayments of lease obligations	(11,140)	(12,787)
Cash flows from financing activities	(1,357,614)	(1,089,088)
Net increase (decrease) in cash and cash equivalents	1,368,275	1,871,575
Balance of cash and cash equivalents at the beginning of the period	12,010,240	13,378,515
Balance of cash and cash equivalents at the end of the period	13,378,515	15,250,091

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes)

We have been applying the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) since the beginning of Fiscal 2024. Regarding the revision of the classification for recording income taxes (taxation on other comprehensive income), we follow the transitional treatment provided in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment provided in the proviso of Paragraph 65-2(2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the “2022 Revised Implementation Guidance”). Please note that this change in accounting policy has no impact on the consolidated financial statements.

Segment Information

As the Group has only one segment, the System Development segment, segment information and related matters are omitted in this consolidated financial report.

Related Information

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

1. Information by product and service

As net sales of one segment/service to external customers exceed 90% of net sales in the consolidated statement of income, information by product and service is omitted in this consolidated financial report.

2. Information by region

(1) Net sales

As net sales to external customers in Japan exceed 90% of net sales in the consolidated statement of income, information on net sales by region is omitted in this consolidated financial report.

(2) Property, plant and equipment

As the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet, information on property, plant and equipment by region is omitted in this consolidated financial report.

3. Key customer information

(Thousands of yen)

Customer name	Net sales	Related segment
NTT DATA Corporation	6,169,313	System development

Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)

1. Information by product and service

As net sales of one segment/service to external customers exceed 90% of net sales in the consolidated statement of income, information by product and service is omitted in this consolidated financial report.

2. Information by region

(1) Net sales

As net sales to external customers in Japan exceed 90% of net sales in the consolidated statement of income, information on net sales by region is omitted in this consolidated financial report.

(2) Property, plant and equipment

As the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet, information on property, plant and equipment by region is omitted in this consolidated financial report.

3. Key customer information

(Thousands of yen)

Customer name	Net sales	Related segment
NTT DATA Corporation	7,889,546	System development

(Per Share Information)

	Fiscal 2023 (from April 1, 2023 to March 31, 2024)	Fiscal 2024 (from April 1, 2024 to March 31, 2025)
Book value per share	¥392.16	¥442.98
Net earnings per share	¥64.90	¥72.86

Notes: 1. Diluted earnings per share is not listed as there are no dilutive shares.

2. The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024. The book value per share and net earnings per share have been calculated assuming that the stock split was implemented at the start of fiscal 2023.

3. Calculation of net earnings per share is based on the following information:

	Fiscal 2023 (from April 1, 2023 to March 31, 2024)	Fiscal 2024 (from April 1, 2024 to March 31, 2025)
Net earnings attributable to owners of parent (thousands of yen)	3,089,406	3,433,822
Amount not attributable to common shareholders (thousands of yen)	—	—
Net earnings attributable to owners of parent on common shares (thousands of yen)	3,089,406	3,433,822
Average number of common shares during the period (shares)	47,603,615	47,131,825

4. Calculation of book value per share is based on the following information:

	Fiscal 2023 (as of March 31, 2024)	Fiscal 2024 (as of March 31, 2025)
Total net assets (thousands of yen)	18,477,535	20,881,279
Amount to be deducted from total net assets (thousands of yen)	—	—
Net assets of common shares at the end of the period (thousands of yen)	18,477,535	20,881,279
Number of common shares at the end of the period used for calculating book value per share (shares)	47,117,042	47,138,595

5. The Company's shares remaining in the trust, which are reported as treasury shares in shareholders' equity, are included in treasury shares to be deducted from the total number of shares outstanding at the end of the fiscal year for the purpose of calculating book value per share, and are included in treasury shares to be deducted for the purpose of calculating net earnings per share for the fiscal year for the average number of shares outstanding. The number of treasury shares at the end of the fiscal year, which are deducted for the purpose of calculating book value per share, was 722,000 shares in fiscal 2023 and 704,000 shares in fiscal 2024, and the average number of treasury shares during the fiscal year, which are deducted for the purpose of calculating net earnings per share, was 724,479 shares in fiscal 2023 and 707,205 shares in fiscal 2024.

(Significant Subsequent Events)

Not applicable.