Note: This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results
for the Fiscal Year Ended December 31, 2024
[Under Japanese GAAP]

February 13, 2025

Company name:	**FINDEX Inc.**
Listing:	Tokyo Stock Exchange
Securities code:	3649
URL:	https://findex.co.jp/en/index.html
Representative:	Teruo Aibara, President & CEO
Inquiries:	Takashi Murakami, Corporate Officer, Finance & Investor Relations
Telephone:	+81-3-6271-8958

Scheduled date of annual general meeting of shareholders:	March 27, 2025
Scheduled date to commence dividend payments:	March 28, 2025
Scheduled date to file annual securities report:	March 28, 2025
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes for analysts

1. Consolidated Financial Results for the Fiscal Year ended December 31, 2024 (From January 1, 2024, to December 31, 2024)

**Figures are rounded down to the nearest million yen, except share and per share data*

**"%" indicates year-on-year changes from the previous corresponding period*

(1) Consolidated Operating Results

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
Fiscal year ended	JPY MM	%	JPY MM	%	JPY MM	%	JPY MM	%
December 31, 2024	5,841	12.5	1,525	1.9	1,544	1.1	1,162	9.7
December 31, 2023	5,191	14.3	1,496	45.5	1,527	44.7	1,059	46.5

(Note) Comprehensive income: FY2024: 1,151 million yen [9.1%], FY2023: 1,056 million yen [45.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	JPY	JPY	%	%	%
December 31, 2024	45.30	―	22.3	24.5	26.1
December 31, 2023	41.31	―	23.9	28.0	28.8

(Reference) Share of profit (loss) of entities accounted for using equity method:
FY2024: - million yen, FY2023: -million yen

(Note) No statement is indicated above for the number of diluted earnings per share because there were no issuable shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	JPY MM	JPY MM	%	JPY
December 31, 2024	6,684	5,607	83.8	218.24
December 31, 2023	5,934	4,845	81.5	188.67

(Reference) Equity: As of FY2024: 5,602 million yen, As of FY2023: 4,838 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows form financing activities	Cash and cash equivalents at end of period
Fiscal year ended	JPY MM	JPY MM	JPY MM	JPY MM
December 31, 2024	1,898	(2,434)	(412)	1,614
December 31, 2023	842	(296)	(270)	2,563

2. Cash Dividends

	Annual dividends per share					Total cash dividends	Payout Ratio	Ratio of dividends to net assets
	1st quarter	2nd quarter	3rd quarter	Year-end	Total			
	JPY	JPY	JPY	JPY	JPY	JPY MM	%	%
Fiscal year ended 31, 2023	―	4.00	―	9.00	13.00	335	31.5	7.5
Fiscal year ended 31, 2024	―	7.00	―	8.00	15.00	387	33.1	7.4
Fiscal year ending December 31, 2025 (Forecast)	―	8.00	―	9.00	17.00		39.4	

3. Consolidated Financial Forecasts for the Fiscal Year ending December 31, 2025 (From January 1, 2025, to December 31, 2025)

** "%" indicates year-on-year changes from the previous corresponding period*

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	JPY MM	%	JPY MM	%	JPY MM	%	JPY MM	%	JPY
Fiscal year ending December 31, 2025	6,022	3.1	1,465	(4.0)	1,515	(1.9)	1,108	(4.7)	43.18

*Notes:

(1) Significant changes in the scope of consolidation during the period: None
Newly included companies: None, Excluded companies: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies other than (i) above: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(3) Number of issued shares (common Shares)

	As of December 31, 2024	As of December 31, 2023
Total number of issued shares at the end of the period (including treasury shares)	26,608,800	26,608,800
Number of treasury shares at the end of the period	937,033	962,288
	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
Average number of shares outstanding during the period	25,661,312	25,637,246

(Note) The number of treasury shares at the end of the period includes our shares held by Custody Bank of Japan, Ltd. (Trust Account E) (140,000 shares for FY2024, 154,400 shares for FY2023). Our shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury share deducted in the calculation of the average number of shares outstanding during the period (147,430 shares for FY2024, 157,082 shares for FY2023).

(Reference) Overview of Non-consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year ended December 31, 2024

(From January 1, 2024, to December 31, 2024)

**Figures are rounded down to the nearest million yen, except share and per share data*

**" %" indicates year-on-year changes from the previous corresponding period*

(1) Non-Consolidated Operating Results

	Net sales		Operating profit		Recurring profit		Profit	
Fiscal year ended	JPY MM	%	JPY MM	%	JPY MM	%	JPY MM	%
December 31, 2024	5,800	12.6	1,495	3.2	1,516	2.4	1,115	8.5
December 31, 2023	5,153	14.8	1,448	41.0	1,481	40.2	1,028	39.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	JPY	JPY
December 31, 2024	43.45	―
December 31, 2023	40.10	―

(Note) No statement is indicated above for the number of diluted earnings per share because there were no issuable shares.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	JPY MM	JPY MM	%	JPY
December 31, 2024	6,767	5,686	84.0	221.52
December 31, 2023	6,057	4,970	82.1	193.81

(Reference) Equity: As of FY2024: 5,686 million yen, As of FY2023: 4,970 million yen

* This quarterly financial results report is out of scope of the quarterly review by a certified public accountant nor audit firm.

* Explanation on appropriate use of performance forecasts and other special notes:

(Caution statement regarding forward-looking statements and descriptions)

The performance forecast described in this report are based on information that is available to the Group, as well as certain assumptions and estimates that are deemed to be reasonable, and we make no assurance that such descriptions prove to be correct. Actual figures may significantly differ due to various factors. For assumptions used in forecasting operating results and precautions regarding the use of the forecast, please refer to "1. Status of the Group (4) Explanation on Consolidated Financial Forecasts and Other Forward-looking Statements" on page 6 of the attached document for further information.

(Availability of financial results briefing details)

A summary of the financial results briefing will be available on the Company's website at a later date.

Attached Material

Index

1. Qualitative Information on Consolidated Financial Results……. …….. 2
(1) Explanation on Operating Results……..…. 2
(2) Explanation on Financial Position ……..…… 5
(3) Explanation on Cash Flows…….……..……..……..……..… 5
(4) Explanation on Consolidated Financial Forecasts and Other Forward-looking Statements…… 6
(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years……..… 6
2. Qualitative Information on Quarterly Consolidated Financial Results……..……..…… 7
3. Consolidated Financial Statements and Significant Notes Thereto……..……..……..… 8
(1) Consolidated Balance Sheet …….. 8
(2) Consolidated Statements of Income and Comprehensive Income …….. …….. 9
Consolidated Statement of Income, Cumulative…….. 9
Consolidated Statement of Comprehensive Income, Cumulative …….…….. 10
(3) Consolidated Statement of Changes in Equity…… 11
(4) Consolidated Statements of Cash Flows……..…… 12
(5) Notes to the Consolidated Financial Statements…….. …….. 13
Notes on Going Concern Assumption ……..……. 13
Additional Information …….. 13
Segment Information etc.…… 14
Per Share Information……..……..……..……..……..…….. 17
Significant Subsequent Event…..……..……..……..……..……..… 17
4. Other …….…….……. 18

1. Qualitative Information on Consolidated Financial Results

(1) Explanation on Operating Results

The Group is dedicated to realizing its corporate philosophy of "enriching society through technologies and creation" by developing and providing products and services centered around solutions that promote digitalization in medical software, medical equipment, and administrative organization. The Group is committed to fostering research and development that encourages "the joy of creation" based on "exploration of new ideas and technology" and providing products that "exceed customer expectations and contribute to the development of society" as its fundamental business policy.

Additionally, the Group is strengthening its sustainability initiatives. For environmental efforts, it actively participates in global and domestic initiatives, such as responding to the Carbon Disclosure Project (CDP) questionnaire and disclosing information in line with the TCFD framework. On the social front, the Group is implementing various measures to increase the percentage of female managers, in accordance with its action plan formulated under the Act on Promotion of Women's Participation and Advancement in the Workplace. These measures include career path consultations and training programs. In March 2024, the Group obtained the "Kurumin" certification from the Ministry of Health, Labor and Welfare as a "childcare support company" through initiatives such as reducing overtime hours, implementing "No Overtime Days," and encouraging paternity leave. Furthermore, the Group committed to enhancing employees' quality of life (QOL) by supporting flexible and diverse work styles, such as shortening standard working hours and introducing a full-remote work structure for employees in remote areas or overseas. By improving workplace environments and enhancing internal structures, the Group is actively investing in its workforce and promoting sustainable management.

The consolidated financial results for the fiscal year ended December 31, 2024 are as follows.

(JPY in thousands)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Change (amount)	Change (%)	FY2024 achievement rate
Net sales	5,191,735	5,841,379	649,643	12.5%	101.0%
Operating profit	1,496,570	1,525,418	28,847	1.9%	96.9%
Recurring profit	1,527,453	1,544,705	17,251	1.1%	97.1%
Profit attributable to owners of the parent	1,059,140	1,162,365	103,225	9.7%	106.0%

Regarding the fiscal year ended December 31, 2024, consolidated net sales were ¥5,841,379 thousand (+12.5% YoY), operating profit was ¥1,525,418 thousand (+1.9%), recurring profit was ¥1,544,705 thousand (+1.1%), and profit attributable to owners of the parent was ¥1,162,365 thousand (+9.7%).
Largely due to the strong performance of our Medical Business and Public Sector Business both sales and profits exceeded the performance of the same period last year.

Consolidated results by the reportable segments of the current fiscal year are as follows.

≪Medical Business≫

(JPY in thousands)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Change (amount)	Change (%)
Net sales	4,935,926	5,494,943	559,017	11.3%
Operating profit	1,625,997	1,653,229	27,231	1.7%

Mainstay products in the Medical Business segment include the solutions supporting the digitalization of medical facilities such as image data management software *Claio*, the progress note system *C-Note*, and the document management system *DocuMaker*.

Regarding the fiscal year ended December 31, 2024, 53 hospitals and 119 clinics newly installed, added on, or updated our solutions. Maintenance and consultation services also performed well. As a result, consolidated net sales in this segment were ¥5,494,943 thousand (+11.3% YoY) and operating profit was ¥1,653,229 thousand (+1.7%). Although revenue increased due to contributions from large-scale projects, operating profit saw only a slight increase due to higher personnel expenses resulting from salary increases and workforce expansion.

In this segment, in addition to our traditional on-premise products, we are expanding and promoting cloud services under the brand name PiCls to meet the growing demand for digitalization in the medical industry, along with advancing R&D efforts. Furthermore, Fitting Cloud Inc., a subsidiary specializing in cloud-based solutions, is working to expand the adoption of *CocktailAI*, a solution that leverages generative AI to streamline tasks of physicians. To this end, we are adding new features and enhancing integration with both our own and third-party products. In October 2024, *CocktailAI* received the Excellence Award at the 2nd Generative AI Innovation Awards, hosted by Google Cloud, in recognition of its innovation and practicality.

≪Public Sector Business≫

(JPY in thousands)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Change (amount)	Change (%)
Net sales	187,405	289,548	102,142	54.5%
Operating profit	41,364	101,202	59,837	144.7%

Mainstay product in the Public Sector Business segment is *DocuMaker Office*, an archive management and digital approval solutions, to support digitalization in public sector organizations, as well as to support preparation and management of documents for administrative departments at medical facilities.

Regarding the fiscal year ended December 31 2024, 12 packaged solutions for local governments, and 4 packaged solutions for hospitals have newly been installed. As a result, net sales in this segment were ¥289,548 thousand (+54.5% YoY) and operating profit was ¥101,202 thousand (+144.7% YoY). With the increase in the number of users, monthly subscription revenue has remained stable, leading to higher sales and profits.

For the packaged solutions provided to local governments, the successful implementations at a prefectural office and other institutions were positive factors. These have led to the acquisition of 2 new distributor-led projects during this period. Several projects scheduled for the next fiscal year are already in progress, with a strong focus on securing additional large-scale projects, including integrations with other software. The implementation of our packaged solution for medical facilities is also progressing smoothly, with multiple installations underway. Additionally, we have secured projects designed for use across affiliated hospital chains, paving the way for further expansion in the future.

Since the service launch, a total of 39 packages for local governments and 9 for medical institutions have cumulatively been deployed, and the total number of users for this solution has reached approximately 34,000. Among them, the number of monthly subscription users increased by 34% compared to the end of fiscal year 2023, reaching 7,650. This growth trend is expected to continue, contributing to stable profit expansion. Additionally, the number of cancellations since the launch of the service remains at zero, and the establishment of a solid customer base has progressed steadily.

≪Health Tech Business≫

(JPY in thousands)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2024	Change (amount)	Change (%)
Net sales	68,403	56,887	(11,516)	(16.8%)
Operating loss	(170,791)	(229,013)	(58,221)	-

Mainstay products in the Health Tech Business segment are the gaze analyzing perimeter GAP*1 and GAP-screener*2.

GAP is an affordable, groundbreaking wearable device that enhances availability by measuring a patient's visual field with a completely different approach to that of conventional examination methods. It can also contribute to the early detection of retinal diseases, such as glaucoma and other conditions that lack obvious symptoms in the early stages. Unlike a conventional visual field examination, the product does not require the use of a dark room, thus shortening the examination time and alleviating the burden on the patient. Moreover, by promoting the use of GAP at facilities that conduct medical exams and health checkups, data of patients with early-stage retinal disease can be shared with R&D centers in Japan and overseas with the potential for it to contribute to the innovation of technology and solutions in numerous fields, including pharmaceuticals and life insurance.

Regarding the fiscal year ended December 31 2024, a total of 60 units were sold, including the overseas sales. As a result, net sales in this segment were ¥56,887 thousand (-16.8%YoY) and operating loss was ¥229,013 thousand, versus the year-earlier operating loss of ¥170,791 thousand. Although the number of units shipped for this product remained the same as the previous year, revenue declined due to the absence of research project-related sales recorded in the previous year. The main factors contributing to the decrease in profit were the increase in personnel expenses due to salary raises and the recognition of valuation losses on raw materials.

GAP is distributed to ophthalmologic hospitals and clinics nationwide through various medical equipment distributors, and they also facilitate the sale of GAP-screener to health check-up facilities. Through publications in academic journals and exposure in mass media, product recognition has increased. Additionally, active participation in academic conferences and demonstrations for healthcare professionals have led to numerous inquiries.

(Note1) Gaze Analyzing Perimeter, *GAP* (Notification No. of medical device manufacturing and sales 38B2X10003000002)
(Note2) Gaze Analyzing Perimeter, *GAP-screener* (Notification No. of medical device manufacturing and sales 38B2X10003000003)

(2) Explanation on the Financial Position Status of Assets, Liabilities, and Net assets

(JPY in thousands)

	As of December 31, 2023	As of December 31, 2024	Change (amount)
Assets	5,934,285	6,684,103	749,818
Liabilities	1,088,925	1,076,912	(12,012)
Net assets	4,845,360	5,607,191	761,831

(**Assets)**

Total assets amounted to ¥6,684,103 thousand, an increase of ¥749,818 thousand from the end of the previous fiscal year.

Current assets amounted to ¥3,582,463 thousand as of FY2024 end, a decrease of ¥1,424,491 thousand from FY2023 end, mainly due to a decrease of ¥958,769 thousand in cash and deposits, a decrease of ¥114,069 thousand in notes receivable – trade, a decrease of ¥203,298 thousand in accounts receivable - trade.

Non-current assets amounted to ¥3,101,640 thousand as of FY2024 end, an increase of ¥2,174,309 thousand from FY2023 end, which is mainly composed of an increase of ¥20,469 thousand in intangible assets, an increase of ¥2,162,882 thousand in investments and other assets, offset by a decrease of ¥9,042 thousand in property, plant and equipment.

(**Liabilities)**

Total liabilities as of FY2024 end amounted to ¥1,076,912 thousand, a decrease of ¥12,012 thousand from the end of the previous fiscal year.

Current liabilities amounted to ¥774,270 thousand as of FY2024 end, an increase of ¥1,424 thousand from FY2023 end, which is mainly composed of an increase of ¥27,910 thousand in Accounts payable - trade.

Non-current liabilities amounted to ¥302,641 thousand as of FY2024 end, a decrease of ¥13,436 thousand from FY2023 end.

(Net assets)

Net assets amounted to ¥5,607,191 thousand as of FY2024 end, an increase of ¥761,831 thousand from FY2023 end. This was primarily due to an increase of ¥749,474 thousand in retained earnings.

(3) Explanation on Cash Flows for the Fiscal Year

(JPY in Thousands)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Change (amount)
Net cash provided by (used in) operating activities	842,844	1,898,767	1,055,923
Net cash provided by (used in) investing activities	(296,937)	(2,434,993)	(2,138,056)
Net cash provided by (used in) financing activities	(270,494)	(412,543)	(142,049)
Net increase (decrease) in cash and cash equivalents	275,413	(948,769)	(1,224,182)
Cash and cash equivalents at beginning of period	2,287,747	2,563,160	275,413
Cash and cash equivalents at end of period	2,563,160	1,614,390	(948,769)

Cash and cash equivalents (hereafter “cash”) as of FY2024 end amounted to ¥1,614,390 thousand, a decrease of ¥948,769 thousand from FY2023 end (down 37.0%). Cash flows from each activity and their significant components are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥1,898,767 thousand, an increase of ¥1,055,923 thousand compared to FY2023. This is mainly attributable to ¥1,542,760 thousand of income before income taxes, and ¥373,926 thousand of increase due to a decrease in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥2,434,993 thousand, an increase of ¥2,138,056 thousand compared to FY2023. This is mainly attributable to ¥271,585 thousand of acquisition payment for intangible assets (mainly software for sales), and ¥2,128,770 thousand of acquisition payment for securities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥412,543 thousand (The dividend payment for the previous consolidated fiscal year was ¥270,494 thousand).

(4) Explanation on Consolidated Financial Forecasts and Other Forward-looking Statements

The Group's consolidated financial forecast for the fiscal year ending December 31, 2025, is as follows.

(JPY in Thousands)

	Fiscal year ended December 31, 2024 (Result)			Fiscal year ending December 31, 2025 (Forecast)	YoY Change
	1st Half	2nd Half	Full year	Full year	
Net sales	3,205,521	2,635,858	5,841,379	6,022,000	3.1%
Operating profit	940,372	585,046	1,525,418	1,465,000	(4.0%)
Recurring profit	945,376	599,329	1,544,705	1,515,000	(1.9%)
Profit attributable to owners of parent	701,324	461,041	1,162,365	1,108,000	(4.7%)

For the fiscal year ending December 2025, the Group forecasts its net sales to remain at the same level as the fiscal year ending December 2024. However, due to planned cost increases, primarily driven by strategic investments in human resources for future growth, we expect a year-on-year decline in profit.

In our core Medical Business, we anticipate securing stable demand through the successful establishment of the cloud solutions business and expansion of our target market, with net sales expected to remain at the same level as the previous fiscal year. In our Public Sector Business, increased product recognition is projected to drive revenue growth beyond the prior year's level. Similarly, in our Health Tech Business, higher shipment volumes are expected to result in net sales exceeding that of the previous year. We will focus on product market penetration, restructuring our sales framework, expanding our distributor network, introducing new product features, and launching new products to contribute to our overall performance.

Starting from the fiscal year ending December 2025, we will no longer disclose standalone earnings forecasts and interim consolidated earnings forecasts.

The decision to omit the standalone earnings forecast is based on the increasing tendency of investors and stakeholders to prioritize consolidated earnings, as well as the anticipated relative decline in the importance of standalone earnings due to the expansion of our consolidated subsidiaries' performance.

The omission of the interim consolidated earnings forecast aims to prevent potential misunderstandings among investors and stakeholders. Our revenue structure varies across quarters each fiscal year, leading to significant fluctuations in short-term performance comparisons and progress rates against plans. We believe such variations could hinder an accurate assessment of corporate value on an annual basis, and therefore, we have decided to discontinue the interim consolidated earnings forecast disclosure.

The forward-looking statements in this document are based on information available as of the announcement date and may differ from actual performance due to various factors in the future. If a revision to the performance forecast becomes necessary, we will promptly disclose the same.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Group intends to maximize its corporate value by establishing its position in the market through innovative solution and advanced consulting capabilities. To achieve this, maintaining an optimal balance between corporate value and shareholder value, our policy is to pay dividends based on a comprehensive assessment of our business performance, financial condition, and achievement of our business plan, while maintaining and expanding internal reserves to continue to make necessary re-investments in an agile and flexible manner. Taking into consideration our business performance and future business development, we have decided to pay a year-end dividend of ¥8.00 per share for FY2024.

Regarding the dividends for FY2025, in line with the enhancement of our shareholder return policy, we will increase both the interim and year-end dividends by ¥1.00 each. The interim dividend is planned to be ¥8.00 per share and a year-end dividend is planned to be ¥9.00 per share. Retained earnings will be effectively re-invested to secure talented human resources and to enhance software assets for sale, which are the fundamental factors for our successful growth. We are committed to returns profits to shareholders over the long term.

2. Qualitative Information on Quarterly Consolidated Financial Results

For the time being, our policy is to prepare our consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability from period to period (horizontal analysis) and the comparability among companies (vertical analysis).

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,693,160	1,734,390
Notes receivable - trade	120,834	6,764
Accounts receivable - trade	1,066,487	863,188
Contract assets	736,783	680,224
Merchandise and finished goods	216,844	184,197
Work in process	3,967	5,304
Raw materials and supplies	118,376	50,383
Other	50,502	58,010
Total current assets	5,006,955	3,582,463
Non-current assets		
Property, plant and equipment		
Buildings	69,065	74,300
Accumulated depreciation	(22,702)	(27,108)
Buildings, net	46,363	47,192
Other	176,258	177,282
Accumulated depreciation	(133,366)	(144,261)
Other, net	42,891	33,020
Total property, plant and equipment	89,255	80,213
Intangible assets		
Software	290,050	310,519
Other	344	344
Total intangible assets	290,394	310,863
Investments and other assets		
Investment securities	199,130	2,315,050
Leasehold deposits	163,574	172,196
Deferred tax assets	174,643	213,935
Other	10,332	9,380
Total investments and other assets	547,680	2,710,563
Total non-current assets	927,330	3,101,640
Total assets	5,934,285	6,684,103
Liabilities		
Current liabilities		
Accounts payable - trade	39,379	67,289
Accounts payable - other	99,701	104,913
Income taxes payable	331,241	259,266
Other	302,524	342,800
Total current liabilities	772,846	774,270
Non-current liabilities		
Provision for share awards	233,125	271,210
Other	82,952	31,430
Total non-current liabilities	316,078	302,641
Total liabilities	1,088,925	1,076,912
Net assets		
Shareholders' equity		
Share capital	254,259	254,259
Capital surplus	224,259	227,222
Retained earnings	5,157,662	5,907,136
Treasury shares	(791,956)	(771,816)
Total shareholders' equity	4,844,223	5,616,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,386)	(14,317)
Total accumulated other comprehensive income	(5,386)	(14,317)
Non-controlling interests	6,522	4,706
Total net assets	4,845,360	5,607,191
Total liabilities and net assets	5,934,285	6,684,103

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statement of Income, Cumulative)

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	5,191,735	5,841,379
Cost of sales	1,862,259	2,287,952
Gross profit	3,329,476	3,553,427
Selling, general and administrative expenses	1,832,906	2,028,008
Operating profit	1,496,570	1,525,418
Non-operating income		
Interest income	72	3,733
Foreign exchange gains	16,869	-
Subsidy income	11,740	13,530
Royalty income	1,660	1,660
Other	540	362
Total non-operating income	30,883	19,287
Ordinary profit	1,527,453	1,544,705
Extraordinary income		
Insurance claim income	19,000	-
Total extraordinary income	19,000	-
Extraordinary losses		
Impairment losses	-	1,944
Compensation for damage	22,000	-
Total extraordinary losses	22,000	1,944
Profit before income taxes	1,524,453	1,542,760
Income taxes - current	495,465	417,584
Income taxes - deferred	(32,443)	(35,373)
Total income taxes	463,022	382,211
Profit	1,061,431	1,160,548
Profit (loss) attributable to non-controlling interests	2,291	(1,816)
Profit attributable to owners of parent	1,059,140	1,162,365

(Consolidated Statement of Comprehensive Income, Cumulative)

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	1,061,431	1,160,548
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,386)	(8,930)
Total other comprehensive income	(5,386)	(8,930)
Comprehensive income	1,056,045	1,151,618
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,053,753	1,153,434
Comprehensive income attributable to non-controlling interests	2,291	(1,816)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended December 31,2023 (From January 1, 2023 to December 31,2023)

(JPY in Thousands)

	Shareholders' equity					Accumulated other comprehensive income		Non-controlling interests	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 beginning of period	254,259	224,259	4,372,694	(812,506)	4,038,706	-	-	4,230	4,042,937
Changes during period									
Dividends of surplus			(270,789)		(270,789)				(270,789)
Profit attributable to owners of parent			1,059,140		1,059,140				1,059,140
Disposal of treasury shares			(3,383)	20,549	17,166				17,166
Net changes in items other than shareholders' equity						(5,386)	(5,386)	2,291	(3,094)
Total changes during period	-	-	784,967	20,549	805,517	(5,386)	(5,386)	2,291	802,422
Balance at end of period	254,259	224,259	5,157,662	(791,956)	4,844,223	(5,386)	(5,386)	6,522	4,845,360

Fiscal year ended December 31,2024 (From January 1, 2024 to December 31,2024)

(JPY in Thousands)

	Shareholders' equity					Accumulated other comprehensive income		Non-controlling interests	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 beginning of period	254,259	224,259	5,157,662	(791,956)	4,844,223	(5,386)	(5,386)	6,522	4,845,360
Changes during period									
Dividends of surplus			(412,890)		(412,890)				(412,890)
Profit attributable to owners of parent			1,162,365		1,162,365				1,162,365
Disposal of treasury shares		2,963		20,139	23,103				23,103
Net changes in items other than shareholders' equity						(8,930)	(8,930)	(1,816)	(10,747)
Total changes during period	-	2,963	749,474	20,139	772,578	(8,930)	(8,930)	(1,816)	761,831
Balance at end of period	254,259	227,222	5,907,136	(771,816)	5,616,802	(14,317)	(14,317)	4,706	5,607,191

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,524,453	1,542,760
Depreciation	45,181	41,411
Amortization of software	212,564	249,321
Impairment losses	-	1,944
Share-based payment expenses	2,525	6,556
Increase (decrease) in provision for share awards	51,507	49,193
Interest and dividend income	(73)	(3,733)
Foreign exchange losses (gains)	(16,869)	-
Subsidy income	(11,740)	(13,530)
Insurance claim income	(19,000)	-
Compensation for damage	22,000	-
Decrease (increase) in trade receivables	(562,845)	373,926
Decrease (increase) in inventories	(23,182)	99,303
Increase (decrease) in trade payables	(41,829)	27,910
Increase (decrease) in accounts payable - other	(38,410)	7,517
Other, net	97,137	7,381
Subtotal	1,241,418	2,389,964
Interest and dividends received	28	619
Proceeds from insurance income	19,000	-
Interest paid	-	(3,772)
Compensation paid for damage	(22,000)	-
Income taxes paid	(395,602)	(488,044)
Net cash provided by (used in) operating activities	842,844	1,898,767
Cash flows from investing activities		
Payments into time deposits	(160,000)	(170,000)
Proceeds from withdrawal of time deposits	156,000	180,000
Purchase of property, plant and equipment	(28,697)	(31,076)
Proceeds from sale of property, plant and equipment	-	194
Purchase of intangible assets	(254,278)	(271,585)
Purchase of investment securities	-	(2,128,770)
Payments of leasehold deposits	(10,213)	(13,148)
Proceeds from refund of leasehold deposits	277	235
Other, net	(23)	(844)
Net cash provided by (used in) investing activities	(296,937)	(2,434,993)
Cash flows from financing activities		
Dividends paid	(270,494)	(412,543)
Net cash provided by (used in) financing activities	(270,494)	(412,543)
Net increase (decrease) in cash and cash equivalents	275,413	(948,769)
Cash and cash equivalents at beginning of period	2,287,747	2,563,160
Cash and cash equivalents at end of period	2,563,160	1,614,390

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption): N/A

【Additional Information】

(Accounting Treatment for Employee Stock Ownership Plan, J-ESOP)

At the Board of Directors meeting held on October 29, 2015, the Company resolved to adopt an employee stock ownership plan (referred to as J-ESOP) as an incentive plan to grant Company shares purchased from the market to employees in order to more closely link the Company's share price and earnings with employee compensation and to boost the motivation and morale of employees to improve the share price and earnings by sharing the economic benefits with shareholders.

Accordingly, Trust & Custody Services Bank, Ltd. (trust account E) (now Custody Bank of Japan, Ltd. (trust account E)) acquired 194,200 shares of the Company's stock between November 13, 2015 and November 26, 2015.

Regarding accounting treatment for the J-ESOP, we have applied the gross method to record trust assets and liabilities as corporate assets and liabilities on the consolidated balance sheet in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

The treasury shares held by Custody Bank of Japan, Ltd. (trust account E) is shown as treasury shares in the net assets section of the quarterly consolidated balance sheet. The amount recorded at the end of the previous fiscal year was ¥119,108 thousand and the number of shares was 154,400. The amount recorded at the end of the current fiscal year was ¥108,000 thousand and the number of shares was 140,000.

【SEGMENT INFORMATION, etc.】

(Segment Information)

1. Overview of Reportable Segments

The Group's reportable segments are components for which discrete financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group has three reporting segments which are "Medical Business", "Public Sector Business", and "Health Tech Business". Description of reportable segments are as follows:

(Medical Business)
Development and sales of medical software, consulting, accumulation and analysis of medical data

(Public Sector Business)
Development and sales of document management and e-approval solutions

(Health Tech Business)
Development and sales of medical devices, analysis of healthcare data

2. Calculation of Net Sales, Profit (Loss), Assets, and Other Items by Reportable Segments

The accounting method for the reported business segments is consistent with the accounting policies adopted for the preparation of the consolidated financial statements. Profits of reportable segments are operating income-based figures. Intersegment sales and transfers are based on prevailing market prices.

3. Sales and Profit or Loss by Reportable Segments

Fiscal year ended December 31, 2023 (From January 1, 2023, to December 31, 2023)

(JPY in thousands)

	Reportable segments				Adjustments (Note1)	Amount in the consolidated financial statement (Note2)
	Medical Business	Public Sector Business	Health Tech Business	Total		
Net sales						
Sales for external customers	4,935,926	187,405	68,403	5,191,735	-	5,191,735
Internal sales or transfers between segments	-	-	-	-	-	-
Total	4,935,926	187,405	68,403	5,191,735	-	5,191,735
Segment profit or loss	1,625,997	41,364	(170,791)	1,496,570	-	1,496,570
Segment assets	2,505,533	163,936	224,305	2,893,775	3,040,510	5,934,285
Other						
Depreciation	228,246	5,988	23,511	257,746	-	257,746
Increase in property, plant and equipment and intangible assets	220,444	29,941	27,774	278,161	-	278,161

(Notes) 1. The adjustment amount for segment assets consists of corporate assets not allocated to each reportable segment (primarily cash and deposits of ¥2,670,833 thousand and investment securities of ¥199,130 thousand).
2. Aggregated amount of segment income or loss equals amount of operating profit reported for consolidated financial statements.

Fiscal year ended December 31, 2024 (From January 1, 2024, to December 31, 2024)

(JPY in thousands)

	Reportable segments				Adjustments (Note1)	Amount in the consolidated financial statement (Note2)
	Medical Business	Public Sector Business	Health Tech Business	Total		
Net sales						
Sales for external customers	5,494,943	289,548	56,887	5,841,379	-	5,841,379
Internal sales or transfers between segments	-	-	-	-	-	-
Total	5,494,943	289,548	56,887	5,841,379	-	5,841,379
Segment profit or loss	1,653,229	101,202	(229,013)	1,525,418	-	1,525,418
Segment assets	2,075,097	201,983	156,318	2,433,398	4,250,705	6,684,103
Other						
Depreciation	236,050	25,039	29,643	290,733	-	290,733
Increase in property, plant and equipment and intangible assets	231,465	49,707	18,837	300,009	-	300,009

(Notes) 1. The adjustment amount for segment assets consists of corporate assets not allocated to each reportable segment (primarily cash and deposits of ¥1,727,778 thousand and investment securities of ¥2,315,050 thousand).
2. Aggregated amount of segment income or loss equals amount of operating profit reported for consolidated financial statements.

(Related information)
FY2023 (From January 1, 2023, to December 31, 2023)
1. Information by product/service
This information is omitted because the same information is disclosed in the segment information.

2. Information by region
(1) Net sales
Sales to external customers in Japan are more than 90% of net sales in the consolidated statements of income, and information by region is omitted.

(2) Property, plant and equipment
Property, plant and equipment affiliated to Japan are more than 90% of property, plant and equipment in the consolidated balance sheets, and information by region is omitted.

3. Information by major customer: N/A

FY 2024 (From January 1, 2024, to December 31, 2024)
1. Information by product/service
This information is omitted because the same information is disclosed in the segment information.

2. Information by region
(1) Net sales
Sales to external customers in Japan are more than 90% of net sales in the consolidated statements of income, and information by region is omitted.

(2) Property, plant and equipment
Property, plant and equipment affiliated to Japan are more than 90% of property, plant and equipment in the consolidated balance sheets, and information by region is omitted.

3. Information by major customer: N/A

(Information on amortization and unamortized balance of goodwill by reportable segment)
FY 2023 (From January 1, 2023, to December 31, 2023): N/A
FY 2024 (From January 1, 2024, to December 31, 2024): N/A

(Information on gain on negative goodwill by reportable segment)
FY 2023 (From January 1, 2023, to December 31, 2023): N/A
FY 2024 (From January 1, 2024, to December 31, 2024): N/A

(Information on impairment of non-current assets by reportable segment)
FY 2023 (From January 1, 2023, to December 31, 2023): N/A
FY 2024 (From January 1, 2024, to December 31, 2024):

(JPY in thousands)

	Reportable segments			Unallocated amounts and elimination	Total
	Medical Business	Public Sector Business	Health Tech Business		
Impairment losses	—	—	1,944	—	1,944

【Per Share Information】

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Net assets per share	188.67 yen	218.24 yen
Basic earnings per share	41.31 yen	45.30 yen

(Notes) 1. No statement is indicated above for the number of diluted earnings per share because there were no issuable shares.

2. Basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	1,059,140	1,162,365
Amounts not attributable to common shareholders (Thousand of yen)	-	-
Profit attributable to owners of parent related to common shares (Thousands of yen)	1,059,140	1,162,365
Average number of common shares outstanding during the period (Shares)	25,637,246	25,661,312
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	-	-

(Note): For the purpose of basic earnings per share and diluted earnings per share, the average number of the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E) during the previous consolidated fiscal year and the current consolidated fiscal year are 157,082 shares and 147,430 shares, respectively.

【Significant Subsequent Event】: N/A

4. Other

The Group has three reportable segments: Medical Business, Public Sector Business, and Health Tech Business.

Status of Productions, Orders and Sales

1) Actual result of production for FY2024

Reportable segments	Production (JPY in Thousands)	YoY (%)
Medical Business	1,525,591	108.1
Public Sector Business	91,951	125.7
Health Tech Business	160,469	106.9
Total	1,778,012	108.7

(Note): Figures above is calculated by total manufacturing cost for the current fiscal year.

2) Status of orders for FY2024

Reportable segments	Orders received (JPY in Thousands)	YoY (%)	Order backlog (JPY in Thousands)	YoY (%)
Medical Business	3,219,026	84.4	1,247,735	74.3
Public Sector Business	274,899	139.2	167,736	174.3
Health Tech Business	55,843	95.2	11,818	84.9
Total	3,549,769	87.2	1,427,290	79.8

3) Sales results for FY2024, Cumulative Amount by Segments, Solutions, and Channels

Segment, solution, channel	Sales amount (JPY in thousands)	Ratio (%)	YoY (%)
Medical Business			
Software [of via distributors]	3,013,800 [640,028]	51.6	107.2
Hardware [of via distributors]	471,187 [10,058]	8.1	149.0
Support [of via distributors]	1,591,972 [487,811]	27.2	105.4
Other	417,983	7.2	140.6
Public Sector Business			
Software [of via distributors]	273,978 [18,973]	4.7	146.2
Hardware	7,668	0.1	-
Other	7,902	0.1	-
Health Tech Business	56,887	1.0	83.2
Total	5,841,379	100.0	112.5