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

May 15,2025

(Delayed)Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP)

Company name:	e-Seikatsu Co., Ltd.	Listing:	Standard, Tokyo Stock Exchange
Securities code:	3796	URL:	https://www.e-seikatsu.info/
Representative:	President and CEO	Zenichi Maeno	
Inquiries:	Executive Vice President and CFO	Hiroyuki Shiokawa	
TEL:	+81-03-5423-7820		

Scheduled date of annual general meeting of shareholders: June 27, 2025
Scheduled date to commence dividend payment: June 30, 2025
Scheduled date to file annual securities report: June 23, 2025
Preparation of supplementary materials on financial results: Yes
Holding of financial results briefing: Yes For institutional investors and analysts

(Yen amounts are rounded down to the nearest millions)

1.Consolidated financial results for the Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (cumulative)

(Percentage indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	3,028	7.8	500	△24.0	△37	-	△42	-	△39	-
March 31, 2024	2,808	4.1	658	△3.5	176	△24.9	208	△11.6	146	△7.6

Note: Comprehensive Income For the fiscal year ended March 31, 2025 △39 Millions of yen (-%)
For the fiscal year ended March 31, 2024 146 Millions of yen (△7.6%)

Note: EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	△5.73	-	△2.1	△1.7	△1.2
March 31, 2024	21.17	-	7.7	8.5	6.3

Reference:
Share of profit of entities accounted for using equity method
For the fiscal year ended March 31, 2025 - Millions of yen
For the fiscal year ended March 31, 2024 - Millions of yen

Note: Diluted earnings per share is not stated since there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity-to-asset ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	2,349	1,872	79.7	271.35
As of March 31, 2024	2,540	1,946	76.6	282.08

Reference: Equity As of March 31, 2025 1,872 Millions of yen
As of March 31, 2024 1,946 Millions of yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	316	△676	△34	345
March 31, 2024	618	△656	△34	739

2.Cash dividends

	Dividend per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal Year Ended March 31, 2024	-	0.00	-	5.00	5.00	34	23.6	1.8
Fiscal Year Ended March 31, 2025	-	0.00	-	5.00	5.00	34	-	1.8
Forecast for Fiscal Year Ending March 31, 2026	-	0.00	-	5.00	5.00		47.3	

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

(Percentage indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,196	5.5	107	-	106	-	72	-	10.57

Reference: EBITDA 681 Millions of yen (YonY +36.1%)

Note: EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

Notes

(1) Changes in significant subsidiaries during the cumulative period of the fiscal year (changes in specified subsidiaries due to changes in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements of accounting estimates.

1) Changes in accounting policies due to changes in accounting standards, etc.: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Modification and reappearance: None

(3) Number of Shares Issued (Common shares)

1) Number of shares outstanding at the end of the fiscal year (including treasury shares)	As of March 31,2025	7,280,700 Shares	As of March 31,2024	7,280,700 Shares
2) Number of treasury stock at end of period	As of March 31,2025	379,323 Shares	As of March 31,2024	379,299 Shares
3) Average number of shares outstanding during the period	Fiscal year ended March 31,2025	6,901,380 Shares	Fiscal year ended March 31,2024	6,901,401 Shares

(Reference) Overview of Non-consolidated Financial Results

Non-consolidated financial results for the Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (cumulative)

(Percentage indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	3,027	7.8	△81	-	△47	-	△43	-
March 31, 2024	2,807	4.1	144	13.7	203	37.1	142	42.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	△6.33	-
March 31, 2024	20.62	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	2,275	1,676	73.7	242.92
March 31, 2024	2,370	1,754	74.0	254.26

Reference: Equity As of March 31, 2025 1,676 Millions of yen

As of March 31, 2024 1,754 Millions of yen

*Financial Results are not subject to Quarterly Review by Certified Public Accountants or Auditing Corporations.

(Financial results briefing For institutional investors and analysts)
Date and time: **Thursday, May 15, 2025, starting at 4:00 pm JST**
(Explanation: 40 minutes, Q&A: approx. 20 minutes)
Method of holding: Online briefing (Zoom webinar)
Attendees: Executive Vice President and CFO Hiroyuki Shiokawa

(How to participate)
To participate, please register in advance at the URL below. After completing the registration, we will send you a viewing URL to your registered email address.

Pre-registration: https://us02web.zoom.us/webinar/register/WN_cvWYDSpHRUKCpMJpjqf15A

(IR briefing for individual investors)
Date and time: **Wednesday, May 21, 2025, starting at 6:30 pm JST**
(Explanation: 40 minutes, Q&A: approx. 20 minutes)
Method of holding: Online briefing (Zoom webinar)
Attendees: Executive Vice President and CFO Hiroyuki Shiokawa

(How to participate)
To participate, you must register in advance by Tuesday, May 20, 2025. Please go to the pre-registration page at the URL below and fill in the necessary information. A viewing URL will be sent to your registered email address by the day before the event.

Pre-registration: https://us02web.zoom.us/webinar/register/WN_snb-gt9NTCaXpeV2787jaA

Table of Contents of Attachments

1. Overview of Results 7
(1) Earnings 8
(2) Financial Position 10
(3) Cash Flows 11
(4) Outlook 12
(5) Dividend policy and dividends for the year under review and coming year 14
2. Approach to Selection of Accounting Standards 14
3. Consolidated Financial Statements and Major Notes 15
(1) Consolidated Balance Sheets 15
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income 17
Consolidated statements of income 17
Consolidated Statement of Comprehensive Income 18
(3) Consolidated Statement of Changes in Net Assets 19
(4) Consolidated Statement of Cash Flows 20
(5) Notes to Consolidated Financial Statements 21
Notes on Premise of Going Concern 21
Segment and Other Information 21
Per Share Information 21
Major Subsequent Events 21

1. Overview of Results

Sales grew 7.8% year on year, but expenses such as investments to expand human capital led to an increase in sales and a decrease in profits. Next fiscal year, sales and profits are expected to increase due to continued sales growth.

<Highlights of the results and recent topics for the fiscal year ended March 2025>

- Sales increased 7.8% year on year to 3,028 million yen (an increase of 220 million yen) due to the completion of implementation support projects for enterprise customers, the acquisition of new customers, and progress in upselling and cross-selling to existing customers.
- As a result of investments in expanding human capital, which was a priority for this fiscal year, cost of sales was 1,430 million yen (an increase of 224 million yen, or 18.6%, compared to the same period last year), and selling, general and administrative expenses were 1,634 million yen (an increase of 209 million yen, or 14.7%, compared to the same period last year). As a result of the above, the operating loss for this fiscal year was 37 million yen (a decrease of 213 million yen compared to the same period last year).
- For the fiscal year ending March 2026, we expect sales to increase 5.5% year-on-year to 3,196 million yen, and operating profit to be 107 million yen.
- There will be no major changes to our growth strategy, and we will continue to focus on promoting the adoption of SaaS to enterprise-class and regional core real estate companies, as well as supporting data modernization for our SaaS (solution sales), thereby maintaining a steady revenue increase.
- In terms of expenses for the fiscal year ending March 31, 2026, we will review our development structure in line with the expansion of human capital, etc., and optimize resource allocation by reducing outsourcing costs, etc. We also expect to keep expenses down by optimizing resources in areas such as marketing, sales, and support.

<About IR information (financial results presentation materials, etc.)>

For financial results presentation materials for the fiscal year ended March 2025 and the most recent results (monthly sales trends), please visit our IR information website.

IR information website: https://www.e-seikatsu.info/IR/

(1) Earnings

Summary of Consolidated Results	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year-on-year change	
	(thousand yen)	(thousand yen)	Difference (thousand yen)	Rate of change (%)
Net sales	2,808,027	3,028,187	220,160	7.8
EBITDA (operating profit+ depreciation expenses)	658,755	500,944	△157,811	△24.0
Operating profit (loss)	176,223	△37,275	△213,499	-
Ordinary profit (loss)	208,984	△42,141	△251,126	-
Profit (loss) attributable to owners of parent	146,131	△39,536	△185,667	-

With the aim of realizing our mission of "Create many ‘good life’ for others with technology and heart.", we have established a vision of "Create society where comfortable life circulates.". Based on this vision, we develop systems and applications to resolve various issues in the real estate business and the real estate market, and offer these systems as SaaS, a subscription based service. Through this, we are developing businesses that support digital transformation (DX) in the real estate business.

For the fiscal year ended March 31, 2025, sales were 3,028,187 thousand yen (a 7.8% increase in YOY), an increase of 220,160 thousand yen compared to the same period last year.

Subscription sales increased by 112,989 thousand yen from the same period last year, to 2,554,778 thousand yen (a 4.6% increase in YOY), due to continued acquisition of new customers and progress in upselling/cross-selling to existing customers. The number of subscription customers reached 1,549 as of the end of the fiscal year (1,505 in the same period of the previous year), and the ARPU (*1) in March was approximately 153,200 yen (140,700 yen in the same period of the previous year).

Solution sales increased by 107,170 thousand yen from the same period last year to 473,409 thousand yen (a 29.3% increase in YOY), due to the completion of several additional development and implementation support projects for our SaaS for specific customers that had been ongoing since the previous period.

*1 : "the average revenue per user" Current month subscription sales is divided by the number of subscription customers for the current month, and the figures are rounded down to the nearest 100 yen.
*2 : Some sales based on ancillary transactions will be presented as "subscription sales" instead of "solution sales" from the fiscal year ending March 2025. In accordance with this change, sales figures for the fiscal year ending March 2024 have been reclassified based on the same policy.

The breakdown of net sales is as follows.

Item details	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Year-on-year change	
	Sales (thousands of yen)	Percentage of total	Sales (thousands of yen)	Percentage of total	Difference (thousand yen)	Percentage change (%)
Subscription (Note 1)	2,441,788	87.0	2,554,778	84.4	112,989	4.6
Solution (Note 2)	366,238	13.0	473,409	15.6	107,170	29.3
Total	2,808,027	100.0	3,028,187	100.0	220,160	7.8

(Note 1). Subscription: Revenue earned continuously on a monthly basis unless customers apply for cancellation, including monthly charges for SaaS service and Recurring sales based on the operation support contract after the introduction of SaaS . They are our Monthly Recurring Revenue (MRR).

(Note 2). Solutions : Revenue earned from other services, including fees for initial setting, system installation and operation support on spot , commissioned development of system, and sale or introduction of other companies' services as an agency.

(Note 3). Some sales based on ancillary transactions will be presented as "subscription sales" instead of "solution sales" from the fiscal year ending March 2025. In accordance with this change, sales figures for the fiscal year ending March 2024 have been reclassified based on the same policy.

Due to a significant increase in salary levels across the Group and investment in human capital, such as active recruitment of new graduates, personnel expenses, recruitment-related expenses, training expenses, etc., related to development activities increased. In addition, depreciation expenses increased due to an increase in intangible fixed assets due to new development and functional expansion of SaaS. In addition, the transfer of work in progress to cost of sales increased due to the completion of the additional development and implementation support project for the introduction of our SaaS, which had been ongoing since the previous fiscal year. As a result of the above, cost of sales was 1,430,857 thousand yen (a 18.6% increase in YOY).

In addition to the increase in personnel expenses and recruitment-related expenses for sales activities due to the expansion of human capital investment mentioned above, investments in marketing and inside sales to strengthen lead (prospective customer) acquisition, as well as investments in strengthening the functionality of internal systems such as customer management SaaS, resulted in selling, general and administrative expenses of 1,634,605 thousand yen (a 14.7% increase in YOY).

As a result, EBITDA for the fiscal year was 500,944 thousand yen (a 24.0% decrease in YOY), a decrease of 157,811 thousand yen from the same period last year. Operating loss was 37,275 thousand yen (operating profit 176,223 thousand yen same period last year.), a decrease of 213,499 thousand yen.

In regards to expanding human capital, which was a priority for the fiscal year ending March 2025, we have implemented measures to expand human capital, which is essential for strengthening our competitiveness in the medium to long term, such as achieving an average wage increase of more than 10% across the Group, attracting and retaining talent by raising overall salary levels, expanding in-house training, and flexibly allocating personnel.

In order to attract talented people to our company and acquire and retain people who can make a difference, it is unavoidable to invest in human capital in the form of increasing salary levels, and we also need to secure the necessary human resources in advance. As a result, expenses have been in advance for the fiscal year ending March 2025, but we expect to accelerate the expansion of our business by achieving continuous sales growth going forward.

Since the Group's reporting segment is the single segment of the "Cloud Solution Business," segment performance is omitted.

(2) Financial Position

(Assets)

The Assets as of the end of the fiscal year were 2,349,571 thousand yen, a decrease of 191,027 thousand yen from the end of the previous consolidated fiscal year.

The Current Assets balance was 594,479 thousand yen, a decrease of 343,543 thousand yen from the end of the previous consolidated fiscal year. This is attributable to a decrease in cash and deposits of 393,821 thousand yen, etc.

The balance of Non-Current Assets increased by 152,515 thousand yen from the end of the previous consolidated fiscal year to 1,755,091 thousand yen. The main factors behind this increase were an increase of 116,267 thousand yen in software, etc.

(Liabilities)

Total liabilities at the end of the fiscal year were 476,908 thousand yen, a decrease of 116,970 thousand yen from the end of the previous consolidated fiscal year. The main factors behind the decrease were a decrease of 71,648 thousand yen in advances received, a decrease of 36,721 in income tax payable, etc. The decrease in advances received was due to the SaaS usage fees received from some customers on an annual prepayment basis in order to take advantage of IT implementation subsidies, were transitioning to regular monthly prepayments as the prepayment period expired.

(Net assets)

The balance of net assets at the end of the fiscal year were 1,872,662 thousand yen, a decrease of 74,057 thousand yen from the end of the previous consolidated fiscal year.

This is attributable to a decrease of 39,536 thousand yen due to the recording of Loss attributable to to owners of parent, and a decrease in retained earnings of 34,507 thousand yen due to the implementation of dividends.

(3) Cash Flow

The balance of cash and cash equivalents as of the end of the fiscal year was 345,549 thousand yen, a decrease of 393,821 thousand yen from the end of the previous consolidated fiscal year. Cash flows and their major factors are as follows.

(Cash flows from operating activities)

Cash flows from operating activities were 316,334 thousand yen (618,327 thousand yen in the same period of the previous year). The main sources of income are depreciation of 538,219 thousand yen.

The main expenditure factors were a decrease in advances received of 71,648 thousand yen, an increase in trade receivables of 54,352 thousand yen, loss before income taxes of 43,718 thousand yen, etc.

(Cash flows from investing activities)

Net cash used in investing activities was 676,506 thousand yen, (656,485 thousand yen in the same period of the previous year). The main expenditure was 640,104 thousand yen for acquisitions of intangible Non-Current Assets related to new SaaS development and functional expansion, and purchase of property, plant and equipment for interior construction work at branch offices were 35,039 thousand yen.

(Cash flows from financing activities)

Net cash used in financing activities was 34,294 thousand yen, (34,484 thousand yen in the same period of the previous year). The source was Cash dividends paid amounted to 34,279 thousand yen.

(Cash flow indicators)

	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
Capital-Asset ratio（%）	83.0	78.2	77.9	76.6	79.7
Market value-based Capital-Asset ratio (%)	204.9	125.9	149.3	166.0	143.0
Cash Flow Ratio to Interest-Bearing Debt (Year)	0.0	0.0	0.0	0.0	0.0
Interest coverage ratio (times)	4,179.9	50,250.2	167,084.9	3,306,566.0	-

Capital-Asset ratio: Shareholders' Equity / total assets
Market value-based Capital-Asset ratio: Market capitalization/total assets
Cash flow to interest-bearing debt ratio: Interest-bearing debt/cash flow
Interest Coverage Ratio: Cash Flow/Interest Payment
Note 1. Indicators are all calculated using consolidated financial figures.
Note 2. Market capitalization is calculated on the basis of the closing price of shares at the end of the fiscal year x the total number of shares outstanding at the end of the fiscal year (after deducting treasury stock).
Note 3. Cash flows utilize cash flows from operating activities in the consolidated statements of cash flows.
Note 4. Interest-bearing debt covers all liabilities recognized in the consolidated balance sheets for which interest is paid. Interest payments are based on interest payments in the consolidated statements of cash flows.

(4) Outlook

Our outlook for the fiscal year ending March 31,2026 is as follows.

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Forecast for the Fiscal year ending March 31, 2026 (A)	3,196	107	106	72	10.57
Fiscal year ended March 31, 2025 Results (B)	3,028	△37	△42	△39	△5.73
Change (A-B)	167	144	149	112	
Percentage change (%)	5.5	-	-	-	

Regarding the real estate market, although the process of normalizing monetary easing has begun, we believe that the market will remain resilient overall due to the continued low interest rate environment and the inflow of investment funds from both within Japan and overseas.

Regarding the legal and regulatory environment in the real estate market, there has been active development, including penalties for so-called "enclosure" by real estate companies, the requirement that all newly built homes comply with energy conservation standards, tax system reviews based on measures to combat vacant houses, the mandatory registration of inheritance, and restrictions on foreign investment.

In the real estate tech market, as the trend toward digital transformation accelerates, the need for SaaS that can quickly respond to legal and regulatory changes remains strong, especially in the transition from on-premise systems. In particular, expectations for SaaS with high security are rising against the backdrop of the frequent data leaks and increasingly sophisticated cyber attacks in recent years, and our SaaS contributes to the business continuity of our customers with the latest security measures and a flexible update system.
We believe that even major customers who have begun to feel the limits of customization for each company will recognize the benefits of cloud-native SaaS and the movement to shift to SaaS will accelerate.

Our main initiatives for the fiscal year ending March 2026 will continue to focus on promoting the introduction of our SaaS to enterprise companies and regional core real estate companies and supporting smooth operation. In introducing SaaS, we do not simply migrate systems, but also analyze current data management issues and support the renewal to the latest cloud-native architecture, thereby enhancing our customers' data utilization (data modernization) and contributing to the creation of new business value.
It is expected that we will continue to respond to legal reforms, such as the application of new lease accounting standards following the invoice system and electronic bookkeeping law, and even major customers who were thought to be strongly customization-oriented will appreciate the flexibility and cost-effectiveness of SaaS, as well as its ability to quickly respond to legal reforms, and we believe that the shift to SaaS will accelerate. At present, we are receiving steady inquiries from potential customers, and we expect to continue to accumulate orders in the future.
In addition, in the fiscal year ending March 2026, we also expect to see an expansion of transaction

charges on our real estate distribution platform ("e-Seikatsu Square").

In terms of investments in SaaS development in the fiscal year ending March 2026, in addition to improving and strengthening the functionality of our existing product lineup, we plan to make major updates to our SaaS for the sales and purchase intermediation field and release a building repair management function for rental management companies. In terms of structure, given that the active expansion of human capital that we have been promoting so far is progressing smoothly, we will review the outsourcing of development work, which we have been partially using, and optimize it with internal resources in order to in-house our technical capabilities and improve development speed. This will enable us to respond to market needs more quickly and improve the value and quality of our products.
In addition, in terms of marketing, sales, and support, we will improve cost-effectiveness and optimize resource allocation by strengthening digital marketing and streamlining sales processes. Through these efforts, we will steadily make the investments necessary for sustainable growth while suppressing cost increases.

As a vertical SaaS provider specializing in the real estate field, we do not simply provide a wide range of products, but also have a deep understanding of all operational phases of the real estate business, such as rental management, rental brokerage, sales brokerage, and property information management, and provide multiple SaaS services optimized for each need, thereby promoting a multi-product strategy that realizes the efficiency and productivity of our customers' overall operations.
By combining these services, for example, the previously complicated information sharing within our customers' companies becomes smoother, contributing to faster responses and more efficient operations. In this way, there is no change to our policy of aiming for continuous revenue growth by achieving overall optimization, which is essential for our customers' business growth.

In light of the promotion of these measures, the business outlook for the fiscal year ending March 2026 is expected to be as stated above. Although expenses were ahead of schedule in the fiscal year ended March 2025, we will position the fiscal year ending March 2026 as a phase in which we will realize the results of these investments and achieve sustainable revenue growth.

(5) Dividend policy and dividends for the year under review and coming year

In addition to investing in realizing growth (developing services) and strengthening our financial base to enable it, we have positioned returning profits to shareholders as one of our most important management issues. As a basic policy for returning profits to shareholders, we intend to continue to pay dividends and achieve continuous growth in the amount of dividends, taking full account of the business results and the level of free cash flow for the current fiscal year.

We plan to pay a dividend of ¥5 per share for the fiscal year ended March 31, 2025.

(Numerical Information on Dividends)

(Consolidated Basis)	Fiscal year ended March 31,2021 (Results)	Fiscal year ended March 31,2022 (Results)	Fiscal year ended March 31,2023 (Results)	Fiscal year ended March 31,2024 (Results)	Fiscal year ended March 31,2025 (Scheduled)
(1) Dividends per share	5 yen	5 yen	5 yen	5 yen	5 yen
(2) Total cash dividends	34,507 thousand yen	34,507 thousand yen	34,507 thousand yen	34,507 thousand yen	34,506 thousand yen
(3) Profit (loss) attributable to owners of the parent	20,329 thousand yen	106,959 thousand yen	158,150 thousand yen	146,131 thousand yen	△39,536 thousand yen
(4) Basic earnings per share	2.95 yen	15.50 yen	22.92 yen	21.17 yen	△5.73 yen
(5) Payout ratio (=(1)/(4))	169.7%	32.3%	21.8%	23.6%	—

Given that we expect steady growth in the medium to long term and sufficient free cash flow levels, we forecast a full-year dividend per share of 5 yen (with a final dividend of 5 yen) for the fiscal year ended March 31, 2026

2. Approach to selection of accounting standards

Since the Group does not engage in international business operations or raise funds, consolidated financial statements are prepared in accordance with Japanese Standards.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	739,371	345,549
Accounts receivable - trade	61,362	115,715
Work in process	59,132	30,815
Prepaid expenses	61,167	82,882
Forward exchange contracts	—	693
Other	18,544	31,906
Allowance for doubtful accounts	△1,554	△13,082
Total current assets	938,023	594,479
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	56,565	67,029
Accumulated depreciation	△45,745	△44,163
Facilities attached to buildings, net	10,820	22,866
Tools, furniture and fixtures	168,841	179,252
Accumulated depreciation	△142,223	△146,976
Tools, furniture and fixtures, net	26,618	32,275
Construction in progress	424	—
Total property, plant and equipment	37,862	55,142
Intangible assets		
Trademark right	1,048	933
Software	1,230,431	1,346,699
Software in progress	158,003	171,892
Total intangible assets	1,389,483	1,519,525
Investments and other assets		
Golf club membership	42,000	42,000
Leasehold and guarantee deposits	74,855	74,162
Long-term prepaid expenses	31,007	23,687
Deferred tax assets	27,365	40,573
Total investments and other assets	175,229	180,424
Total non-current assets	1,602,575	1,755,091
Total assets	2,540,599	2,349,571

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - other	135,837	102,352
Income taxes payable	52,963	16,241
Advances received	301,298	229,650
Deposits received	13,418	15,372
Provision for bonuses	59,600	67,933
Other	27,952	42,579
Total current liabilities	591,069	474,129
Non-current liabilities		
Guarantee Deposited	2,809	2,779
Total non-current liabilities	2,809	2,779
Total liabilities	593,879	476,908
Net assets		
Shareholders' equity		
Share capital	628,411	628,411
Capital surplus	718,179	718,179
Retained earnings	738,729	664,686
Treasury shares	△138,600	△138,614
Total shareholders' equity	1,946,719	1,872,662
Total net assets	1,946,719	1,872,662
Total liabilities and net assets	2,540,599	2,349,571

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

(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	2,808,027	3,028,187
Cost of sales	1,206,534	1,430,857
Gross profit	1,601,492	1,597,330
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	201,199	200,648
Salaries	533,485	626,555
Provision for bonuses	30,935	36,512
Retirement benefit expenses	7,526	9,427
Legal welfare expenses	106,603	125,912
Rent expenses on land and buildings	94,513	97,301
Depreciation	25,197	27,932
Provision of allowance for doubtful accounts	47	11,527
Other	425,760	498,787
Total selling, general and administrative expenses	1,425,268	1,634,605
Operating profit (loss)	176,223	△37,275
Non-operating income		
Interest income	10	257
Gain on forfeiture of unclaimed dividends	277	332
Commission income	412	289
Foreign exchange gains	32,472	9,537
Miscellaneous income	188	988
Total non-operating income	33,362	11,405
Non-operating expenses		
Interest expenses	0	—
Commission expenses	601	609
Miscellaneous losses	—	15,662
Total non-operating expenses	601	16,271
Ordinary profit (loss)	208,984	△42,141
Extraordinary losses		
Loss on retirement of non-current assets	0	1,577
Total extraordinary losses	0	1,577
Profit (loss) before income taxes	208,984	△43,718
Income taxes - current	64,867	9,025
Income taxes - deferred	△2,014	△13,207
Total income taxes	62,852	△4,182
Profit (loss)	146,131	△39,536
Profit (loss) attributable to owners of parent	146,131	△39,536

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	146,131	△39,536
Comprehensive income	146,131	△39,536
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	146,131	△39,536

(3) Consolidated Statement of Changes in net assets

Fiscal Year Ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	628,411	718,179	627,104	△138,600	1,835,094	1,835,094
Changes during period						
Dividends of surplus			△34,507		△34,507	△34,507
Profit (loss) attributable to owners of parent			146,131		146,131	146,131
Purchase of treasury shares				—	—	—
Total changes during period	—	—	111,624	—	111,624	111,624
Balance at end of period	628,411	718,179	738,729	△138,600	1,946,719	1,946,719

Fiscal Year Ended March 31, 2025

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	628,411	718,179	738,729	△138,600	1,946,719	1,946,719
Changes during period						
Dividends of surplus			△34,507		△34,507	△34,507
Profit (loss) attributable to owners of parent			△39,536		△39,536	△39,536
Purchase of treasury shares				△14	△14	△14
Total changes during period	—	—	△74,043	△14	△74,057	△74,057
Balance at end of period	628,411	718,179	664,686	△138,614	1,872,662	1,872,662

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	208,984	△43,718
Depreciation	482,531	538,219
Loss on retirement of non-current assets	0	1,577
Foreign exchange losses (gains)	△3,793	△1,337
Increase (decrease) in allowance for doubtful accounts	47	11,527
Increase (decrease) in provision for bonuses	10,869	8,333
Interest and dividend income	△10	△257
Interest expenses	0	—
Decrease (increase) in trade receivables	△2,866	△54,352
Decrease (increase) in inventories	△47,304	28,316
Increase (decrease) in accounts payable - other	31,480	△39,254
Increase (decrease) in advances received	43,977	△71,648
Increase (decrease) in accrued consumption taxes	△8,097	14,162
Increase (decrease) in guarantee deposits received	—	△30
Other, net	△7,900	△19,702
Subtotal	707,917	371,835
Interest and dividends received	10	257
Interest paid	△0	—
Income taxes paid	△89,599	△55,759
Net cash provided by (used in) operating activities	618,327	316,334
Cash flows from investing activities		
Purchase of property, plant and equipment	△16,995	△35,039
Purchase of intangible assets	△637,556	△640,104
Proceeds from redemption of lease and guarantee deposits	50	97
Payments of leasehold and guarantee deposits	△1,984	△1,458
Net cash provided by (used in) investing activities	△656,485	△676,506
Cash flows from financing activities		
Dividends paid	△34,484	△34,279
Purchase of treasury shares	—	△14
Net cash provided by (used in) financing activities	△34,484	△34,294
Effect of exchange rate change on cash and cash equivalents	5,042	644
Net increase (decrease) in cash and cash equivalents	△67,600	△393,821
Cash and cash equivalents at beginning of period	806,971	739,371
Cash and cash equivalents at end of period	739,371	345,549

(5) Notes to Consolidated Financial Statements

(Notes on Promise of Going Concern)

There are no applicable items.

(Segment and Other Information)

We omit this statement because we are a single segment of the Cloud Solutions Business.

(Per Share Information)

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Net assets per share	¥282.08	¥271.35
Basic earnings per share	¥21.17	△¥5.73

Note 1. Diluted net income per share is not stated because there is no latent stock.
The basis for the calculation of net income per share is as follows.

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Profit (loss) attributable to owners of the parent (thousands of yen)	146,131	△39,536
Amount not attributable to ordinary shareholders (thousand yen)	—	—
Profit (loss) attribute to owners of parent (thousands of yen) related to common shares	146,131	△39,536
Average number of shares of common shares	6,901,401	6,901,380

(Major Subsequent Events)

There are no applicable items.