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# Consolidated Financial Results for the Fiscal Year Ended July 31, 2025 (August 1, 2024 to July 31, 2025) [Japanese GAAP]

September 5, 2025
Stock exchange listing: Tokyo Stock Exchange, Prime Market

Company name: I'll Inc.

Code number: 3854 URL https://www.ill.co.jp

Representative: (Title) Representative Director & President (Name) Tetsuo Iwamoto

Contact: (Title) Executive Officer, Head of Accounting Department (Name) Naoko Ogura TEL 06-6292-1170

Scheduled date for annual shareholders' meeting: October 24, 2025

Scheduled date for dividend payment commencement: October 27, 2025

Scheduled date for filing annual securities report: October 17, 2025

Availability of supplementary briefing material on financial results: Yes

Financial results briefing session: No

(Amounts less than ¥1 million rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended July 31, 2025 (August 1, 2024 to July 31, 2025)

(1) Consolidated Statements of Operations (% indicates change from previous corresponding period)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| | million | % | million | % | million | % | million | % |
| Fiscal year ended July 31, 2025 | 19,294 | 10.2 | 4,818 | 13.0 | 4,767 | 11.3 | 3,488 | 20.8 |
| Fiscal year ended July 31, 2024 | 17,508 | 9.9 | 4,263 | 20.2 | 4,285 | 20.0 | 2,887 | 16.8 |

(Note) Comprehensive income Fiscal year ended July 31, 2025 3,613 million yen (27.2%) Fiscal year ended July 31, 2024 2,841 million yen (11.4%)

| | Net profit per share | Diluted net profit per share | Return on equity | Ratio of ordinary profit to total assets | Net sales |
|---|---|---|---|---|---|
| | Yen | Yen | % | % | % |
| Fiscal year ended July 31, 2025 | 141.32 | - | 33.3 | 31.9 | 25.0 |
| Fiscal year ended July 31, 2024 | 115.36 | - | 33.2 | 32.6 | 24.4 |

(Reference)
Share of profit or loss of entities accounted for using equity method Fiscal year ended July 31, 2025 -million Fiscal year ended July 31, 2024 -million

(Note) 1. Diluted net profit per share is not shown because there are no dilutive shares.
2. In the calculation of net income per share for the fiscal year ending July 2025, treasury stock acquired and disposed of through the Share Supply and the Impact Neutralization Trust is included in the treasury stock deducted from the calculation of the average number of shares outstanding during the period.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | million | million | % | Yen |
| Fiscal year ended July 31, 2025 | 15,768 | 11,286 | 71.6 | 450.94 |
| Fiscal year ended July 31, 2024 | 14,153 | 9,680 | 68.4 | 386.75 |

(Reference)
Shareholders' equity Fiscal year ended July 31, 2025 11,286 million yen Fiscal year ended July 31, 2024 9,680 million yen

(3) Status of consolidated cash flows

| | Cash flows from operating activities | Cash flow from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---|---|---|---|---|
| | million | million | million | million |
| Fiscal year ended July 31, 2025 | 3,366 | (546) | (2,080) | 7,402 |
| Fiscal year ended July 31, 2024 | 2,637 | (712) | (901) | 6,663 |

2. Dividends

| | Annual dividends | | | | | Dividends (Total) | Dividend payout ratio (Consolidated) | Dividends to net assets (consolidated) |
|---|---|---|---|---|---|---|---|---|
| | End of first quarter | End of second quarter | End of third quarter | End of year | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | million | % | % |
| Fiscal year ended July 31, 2024 | - | 16.00 | - | 25.00 | 41.00 | 1,026 | 35.5 | 11.8 |
| Fiscal year ended July 31, 2025 | - | 20.00 | - | 30.00 | 50.00 | 1,251 | 35.4 | 11.9 |
| Fiscal year ending July 31, 2026 (Forecast) | - | 30.00 | - | 30.00 | 60.00 | | 40.3 | |

(Note) The total dividend amount for the fiscal year ending July 2025 includes dividends for 981,800 shares of the Company's stock held by the Share Supply and the Impact Neutralization Trust as of the record date.

3. Forecasted Consolidated Results for the Fiscal Year Ending July 31, 2026 (August 1, 2025 to July 31, 2026)

(% indicates changes from the previous year for full-year figures and changes from the same period of the previous year for quarterly figures)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Net profit per share |
|---|---|---|---|---|---|---|---|---|---|
| | million | % | million | % | million | % | million | % | Yen |
| First half (YTD) | 10,057 | 8.8 | 2,568 | 13.6 | 2,580 | 15.5 | 1,837 | 19.5 | 73.41 |
| Full year | 20,700 | 7.3 | 5,250 | 8.9 | 5,275 | 10.6 | 3,725 | 6.8 | 148.82 |

*Notes

(1) Significant changes in the scope of consolidation during the period: No

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

1) Changes in accounting policies due to the revision of accounting standards : No
2) Changes in accounting policies other than 1) above : No
3) Changes in accounting estimates: : No
4) Retrospective restatement: : No

(3) Total number of issued shares (common stock)

| | | | | |
|---|---|---|---|---|
| 1) Total number of issued shares at the end of the period (including treasury shares) | Fiscal year ended July 31, 2025 | 25,042,528 shares | Fiscal year ended July 31, 2024 | 25,042,528 shares |
| 2) Total number of treasury shares at the end of the period | Fiscal year ended July 31, 2025 | 13,039 shares | Fiscal year ended July 31, 2024 | 11,419 shares |
| 3) Average number of shares during the fiscal year: | Fiscal year ended July 31, 2025 | 24,683,396 shares | Fiscal year ended July 31, 2024 | 25,031,547 shares |

(Note) In the calculation of net income per share for the fiscal year ending July 2025, treasury stock acquired and disposed of through the Share Supply and the Impact Neutralization Trust is included in the treasury stock deducted from the calculation of the average number of shares outstanding during the period. (346,470 shares for the year ending July 2025,and no shares for the year ended July 31, 2024).

(Reference) Non-consolidated financial results summary

Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2025 (August 1, 2024 to July 31, 2025)

(1) Non-consolidated Statements of Operations (% indicates change from previous corresponding period)

| | Net sales | | Operating profit | | Ordinary profit | | Net profit | |
|---|---|---|---|---|---|---|---|---|
| | million | % | million | % | million | % | million | % |
| Fiscal year ended July 31, 2025 | 18,837 | 10.1 | 4,745 | 13.5 | 4,711 | 11.6 | 3,452 | 22.1 |
| Fiscal year ended July 31, 2024 | 17,106 | 10.2 | 4,182 | 20.5 | 4,221 | 20.2 | 2,826 | 15.7 |

| | Net profit per share | Diluted net profit per share |
|---|---|---|
| | Yen | Yen |
| Fiscal year ended July 31, 2025 | 139.85 | - |
| Fiscal year ended July 31, 2024 | 112.92 | - |

(Note) 1. Diluted net profit per share is not shown because there are no dilutive shares.
2. In calculating net income per share for the fiscal year ending July 2025, the number of treasury shares includes shares acquired and disposed of through the Share Supply and the Impact Neutralization Trust.

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | million | million | % | Yen |
| Fiscal year ended July 31, 2025 | 15,446 | 10,817 | 70.0 | 432.19 |
| Fiscal year ended July 31, 2024 | 13,863 | 9,372 | 67.6 | 374.43 |

(Reference) Shareholders' equity: Fiscal year ended July 31, 2025: 10,817 million yen; Fiscal year ended July 31, 2024: 9,372 million yen

*This consolidated financial results report is not subject to audit by a certified public accountant or an auditing firm.

*Explanation on the proper use of financial results forecast and other notes

(Notice regarding future statements)

The financial forecasts stated in this document are based on information available as of the date of this document. These forecasts should not be construed as a promise by the Company to achieve them. These forecasts should not be construed as a promise by the Company. Actual results may differ from these forecasts due to uncertain factors, such as economic trends. For notes about assumptions behind the financial forecasts and how to use these financial forecasts, refer to "1. Overview of Operating Results" on page 5.

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## 1.Overview of Operating Results

### (1) Overview of Operating Results for the Period

#### 1) Overview of business performance

| Period | | Consolidated period of the 34th period | Consolidated period of the 35th period |
|---|---|---|---|
| Accounting period | | From August 1, 2023, to July 31, 2024 | From August 1, 2024, to July 31, 2025 |
| Net sales | (Thousands of yen) | 17,508,405 | 19,294,870 |
| Operating profit | (Thousands of yen) | 4,263,812 | 4,818,844 |
| Ordinary profit | (Thousands of yen) | 4,285,206 | 4,767,603 |
| Profit attributable to owners of parent | (Thousands of yen) | 2,887,564 | 3,488,354 |
| Comprehensive income | (Thousands of yen) | 2,841,419 | 3,613,111 |
| Net assets | (Thousands of yen) | 9,680,682 | 11,286,903 |
| Total assets | (Thousands of yen) | 14,153,941 | 15,768,982 |
| Research and development expenses | (Thousands of yen) | 64,631 | 92,565 |
| Equity ratio | (%) | 68.4 | 71.6 |
| Operating profit margin | (%) | 24.4 | 25.0 |

During the current consolidated fiscal year (August 1, 2024 to July 31, 2025), Japan's economy is on a moderate recovery track, driven by improvements in the employment and income environment and an expansion in capital investment. However, we must continue to closely monitor inflationary pressures stemming from surging raw material and energy prices, as well as the impact on the domestic economy from additional U.S. tariff measures.

Information system investment in Japan is booming, mainly in digital transformation which conducts a business transformation that utilizes digital technologies to address labor shortages. Under these current market conditions, the I'LL Group is pursuing its “CROSS-OVER” strategy in order to strengthen the business of its customers. Through a combination of “real” and “online” products and services, the I'LL Group develops, proposes and supports solutions for mid-tier and small/medium-size corporate clients that need to efficiently use IT to solve their management issues. The “CROSS-OVER” strategy is an initiative to increase the business efficiency and strengthen the sales capabilities of customers, by proposing a combination of real and online products and services through the I'LL Group’s unique value proposition style. This strategy not only gives the I'LL Group a competitive edge during negotiations, but also enhances the satisfaction of its customers. In addition, to promote sustainable growth, I'LL has introduced an integrated production-sales system where sales representatives and system engineers are placed in the same organization to enhance mutual collaboration. This has improved the accuracy of projects by determining customer requirements at the time of quotation, strengthened the project management system, and reduced person-hours of customer support after the system operation starts by improving delivery quality, thereby strengthening the profit structure.

As for an overview of the “real” and “online” businesses, I'LL has continued on the real-world front to broaden the product appeal of its mainstay Aladdin Office software package for each business sector. In sales, it collaborated with partner companies and saw orders remain firm as it proposed ways for optimum system use for each client on the basis of plenty of installment examples in each industry. On the online world, I'LL continued to do new collaborative development with online store operators on the CROSS MALL cloud service, which integrates the management of multiple online stores. The Company will continue to strengthen our cooperation with multiple malls and shift our focus to medium-size and large

markets, with the objective of increasing sales over the medium- to long-term. Also, the Company has achieved steady growth in sales of the CROSS POINT cloud service which allows integrated management of reward points and customers of online and real stores. In addition, in light of the disposal of certain software related to the development of cloud services implemented in the previous consolidated fiscal year, we are continuing the transition to a technology configuration called microservices architecture. This will allow us to enhance a system's flexibility in responding to rapidly changing user needs and business environments. We will work to establish a leaner business structure by reducing development time through the use of microservices architecture and ensuring scalability by actively adopting technologies from other companies and strengthening collaboration.

In addition, the Company continued to focus on product development and booked ¥92,565,000 for research and development expenses to increase market competitiveness through development of new technologies in the future. The Company will work to enhance R&D activities mainly at the I'LL Matsue Laboratory, an R&D base in Matsue, Shimane Prefecture, and continue to improve its future market competitiveness.

In addition, at the Board of Directors meeting held on December 6, 2024, we resolved to establish an Impact Neutralization Trust (the "Trust") for the purpose of increasing the Company's circulating share ratio. We entered into an agreement for the Trust with The Nomura Trust and Banking Co., Ltd. The Trust acquired 1,250,000 shares of our stock for ¥3,931,250,000 during the current consolidated fiscal year, and sold 1,250,000 shares in the market By the end of the current fiscal year. For details, please refer to "(Additional Information)" in "(5) Notes on Consolidated Financial Statements" under "2. Quarterly Consolidated Financial Statements and Significant Notes Thereto ."

As a result, for the current consolidated fiscal year, operating performance was as follows: net sales of ¥19,294,870,000 (up 10.2% year-on-year), operating income of ¥4,818,844,000 (up 13.0% year-on-year), ordinary income of ¥4,767,603,000 (up 11.3% year-on-year), and net income attributable to owners of the parent of ¥3,488,354,000 (up 20.8% year-on-year).The operating income margin, a key management indicator for the Group, was 25.0%.Furthermore, the financial position at the end of the current consolidated fiscal year showed total assets of ¥15,768,982,000 and total net assets of ¥11,286,903,000. The equity ratio, which indicates the soundness of the financial position and long-term safety, was 71.6%.

2) Analysis of operating results

(Net sales)

Net sales increased 10.2% year on year to ¥19,294,870,000. During the current consolidated fiscal year, new orders increased steadily due to a combination of factors. First, the ongoing receipt of orders for large-scale projects; second, the revision of customer supply prices caused by price increases in goods purchased by us; third, the expansion of net sales due to steady progress in the development process; fourth, the accumulation of stock net sales in response to the diversified work styles of small and medium-sized enterprises; and fifth, the continuous enhancement of functions for the primary Aladdin Office package software. Furthermore, an optimal system utilization method has been proposed, tailored to each customer based on extensive case studies of implementation in collaboration with partner companies.

In addition, CROSS MALL, integrated management software for multiple online stores, has been given greater product appeal by incorporating functional requests collected from existing customers, and the contract unit price increased and sales rose due to the acquisition of stable new customers, strengthened approach to the mid-sized and large markets, and monthly usage fee increases based on service enhancements. Net sales of CROSS POINT, a software program that enables integrated management of points and customers for online and real stores, increased as the company expanded its reach beyond the fashion industry and acquired new customers.

(Cost of sales, selling, general and administrative expenses, and operating profit)

The cost of sales increased 11.6% year on year to ¥8,635,613,000. This was mainly due to the impact of factors such as rising personnel expenses and price increases for some purchased products, despite the success of efforts to improve the accuracy of estimates through expanding packaging functions and integrating production and sales. In addition, operating profit was up 13.0% year on year to ¥4,818,844,000 despite factors such as the increase in personnel expenses in selling, general and administrative expenses.

(Non-operating income, non-operating expenses, and ordinary profit)

Non-operating income increased 34.5% year on year to ¥29,590,000. This was primarily due to an increase in interest income of ¥4,043,000. In addition, non-operating expenses grew by ¥80,227,000 year on year to ¥80,831,000. This was mainly due to an increase of ¥73,292,000 in commission expenses paid in connection with the establishment of the Impact Neutralization Trust. Consequently, ordinary income increased by 11.3% year on year to ¥4,767,603,000.

(Extraordinary income, extraordinary losses, income taxes and profit attributable to owners of parent)

There was no extraordinary income. Extraordinary losses decreased by ¥228,811,000 year on year to ¥1,388,000. This was due to a ¥228,811,000 decrease in loss on retirement of non-current assets. In addition, profit before taxes increased by 17.5% year on year to ¥4,766,214,000, and after deducting income taxes - current and income taxes - deferred, profit attributable to owners of parent increased by 20.8% year on year to ¥ 3,488,354,000.

(2) Overview of Financial Position for the Period Under Review

(Current assets)

As of the end of the current fiscal year, current assets were ¥13,216,479,000, an increase of ¥1,648,533,000 from the end of the previous fiscal year. This was mainly due to despite decreases of ¥87,451,000 in Merchandise, and increases of ¥739,143,000 in cash and deposits, ¥561,610,000 in contract assets, ¥252,484,000 in accounts receivable - trade, ¥106,047,000 in prepaid expenses included in "Other", securities totaling ¥99,840,000 being transferred from investment securities as their redemption date fell within one year.

(Non-current assets)

As of the end of the current fiscal, non-current assets amounted to ¥2,552,502,000, a decrease of ¥33,493,000 from the end of the previous fiscal year. This was mainly due to despite decreases of ¥289,323,000 in Software in progress,¥87,377,000 in Deferred tax assets,¥23,853,000 in included in "Other" under investments and other assets long-term prepaid expenses, an increase of ¥380,569,000 in Software.

(Current liabilities)

As of the end of the current fiscal, current liabilities amounted to ¥2,618,410,000, an increase of ¥63,343,000 from the end of the previous fiscal year. This was mainly due to an increase of ¥54,169,000 in Contract liabilities. Besides, ¥41,806,000 in consumption tax payable and ¥28,819,000 in accrued expenses included in "Other" under current liabilities and ¥10,666,000 in Income taxes payable, despite decreases of ¥79,585,000 in Accounts payable - other.

(Non-current liabilities)

As of the end of the current fiscal, Non-current liabilities amounted to ¥1,863,669,000, a decrease of ¥54,523,000 from the end of the previous fiscal year. This was mainly due to an increase of ¥60,302,000 in provision for retirement benefits for directors (and other officers), decreases of ¥116,258,000 in retirement benefit liability.

(Net assets)

As of the end of the current fiscal, net assets amounted to ¥11,286,903,000, an increase of 1,606,220,000 from the end of the previous fiscal year. This was mainly due to a loss of ¥899,787,000 in the disposal of treasury shares due to decreases in stock price in the establishment of the Impact Neutralization Trust, and a decrease of ¥1,106,733,000 caused by dividends of surplus, despite an increase of ¥3,488,354,000 in profit attributable to owners of parent.

(3) Overview of Cash Flows for the Period

As of the end of the reporting fiscal year, cash and cash equivalents (hereafter referred to as "funds") amounted to ¥7,402,360,000 an increase of ¥739,143,000 from the end of the previous fiscal year.

The following is the consolidated cash flow statement and relevant factors for the reporting fiscal year.

(Cash flows from operating activities)

Funds increased due to operating activities amounted to ¥3,366,167,000 (¥2,637,990,000 increased in the previous fiscal year). This mainly reflects ¥4,766,214,000 in net profit before taxes, ¥390,716,000 in depreciation, and an increase of ¥73,292,000 the Impact Neutralization Trust Fee an increase of ¥805,248,000 in accounts receivable and contract assets and a decrease of ¥1,244,036,000 in income and other taxes paid.

(Cash flows from investing activities)

Funds decreased from investing activities amounted to ¥546,114,000 (¥712,690,000 decreased in the previous fiscal year). This was mainly attributable to ¥372,568,000 paid for intangible asset acquisition and ¥100,000,000 paid for Investment securities acquisition and ¥53,519,000 paid for tangible fixed asset acquisition.

(Cash flows from financing activities)

Funds decreased from financing activities amounted to ¥2,080,908,000 (decreased ¥901,934,000 in the previous fiscal year). This was mainly attributable This increase resulted from proceeds of ¥2,985,990,000 from the Proceeds from disposal of treasury

shares, while it decreased due to dividend payments of ¥1,106,421,000 and expenditures of ¥3,935,550,000 for the Purchase of treasury shares, among other factors.

(Reference) Changes in cash flow indicators

| | Fiscal year ended July 31, 2021 | Fiscal year ended July 31, 2022 | Fiscal year ended July 31, 2023 | Fiscal year ended July 31, 2024 | Fiscal year ended July 31, 2025 |
|---|---|---|---|---|---|
| Equity ratio (%) | 54.3 | 59.7 | 63.9 | 68.4 | 71.6 |
| Market value-based equity ratio (%) | 424.1 | 430.9 | 536.4 | 478.2 | 448.5 |
| Debt redemption years (years) | 0.01 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest coverage ratio (×) | 1,399.3 | 953.6 | 4,419.8 | 4,890.1 | 456.7 |

Equity ratio: Shareholders' equity/Total assets

Market value-based equity ratio: Market capitalization/Total assets

Debt redemption years: Interest-bearing liabilities/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest expenses

(Note) Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the number of outstanding shares at the fiscal year-end.

(4) Future Outlook

The Japanese economy is on a moderate recovery track, driven by improvements in the employment and income environment and an expansion in capital investment. However, we must continue to closely monitor inflationary pressures stemming from surging raw material and energy prices, as well as the impact on the domestic economy from additional U.S. tariff measures.

With this situation in mind, the I'll Group intends to keep proposing solutions that help mid-tier, We will work to propose solutions that effectively utilize IT to strengthen corporate capabilities, while also strengthening research and development with an eye toward our long-term vision of a platform concept. Besides enhancing industry-wise functions of its mainstay Aladdin Office software package, the Company will broaden the appeal of e-commerce products and services such as the CROSS MALL software, which integrates the management of multiple online stores, and CROSS POINT software, which centrally manages reward points, and will pursue its CROSS-OVER strategy in order to increase net sales, achieve higher profit margins and improve customer satisfaction.

Taking the above into account and using reasonable information currently available, the Company projects consolidated financial results for the fiscal year ending July 31, 2026. Projected consolidated results are net sales of ¥ 20,700,000,000 ordinary profit of ¥ 5,275,000,000 and profit attributable to owners of parent of ¥3,725,000,000.

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

The Company regards return of profit to shareholders as a management priority and follows a basic policy of distributing profit by comprehensively considering retained earnings used for maintaining and strengthening competitiveness in its industry, levels of the return on shareholders' equity and payout ratios. The Company will work to repay shareholders' support, making efforts to increase earning power and strengthening its financial standing.

Regarding year-end dividend, the Company intends to propose paying ¥30 per share, up ¥3 from the previously forecast of ¥27, at the 35th annual shareholders' meeting scheduled for October 2025. Including ¥20 paid as interim dividend, the Company's annual dividend will total ¥50.

In view of the continuing unclear future economic situation and the I'll Group's earnings estimates for next fiscal year ending July 31, 2026, the Company projects an annual dividend of ¥60 per share, with an interim dividend of ¥30 per share and year-end dividend of ¥30 per share.

(6) Business Risks

Areas that could have a profound impact on the I'll Group's business results, financial position, and stock prices are shown below. Note that the following items have been identified by the I'll Group as of the end of the reporting fiscal year but that they do not cover all risks related to investment in the Company's shares.

1) I'll Group business scope

Since its foundation, the I'll Group has primarily served mid-tier, small- and medium-size companies, offering total solutions via IT in response to client business challenges by building core systems, hardware maintenance, system operations support, building networks, ensuring security, providing content, building EC sites, branding Support, offering software that integrates the management of multiple online stores and software that integrates the management of reward points and clients, providing website usage support, and giving personnel training.

Therefore, fluctuations in the environment surrounding mid-tier, small and medium-size companies and the economy may adversely affect the I'll Group's business results. Also, if the I'll Group fails to keep offering products and services that meet the needs of mid-tier, small and medium-size companies, it could adversely affect the group's business results and business development.

2) Risks involved in the system solutions business

The I'll Group's mainstay product in the system solutions business is the Company's original Aladdin Office Series core business package software. However, competition for better performance is intensifying due to increasing package software needs in the IT industry. The I'll Group's policy is to keep striving to enhance performance, but advancements in competitors' package software, low-priced commercial package software, or cloud-based software may adversely affect the Company's business results and business development.

3) Risks involved in the online solutions business

The online Solutions business includes integrated proposals that leverage our core systems starting with such as our proprietary cloud services "CROSS MALL" and "CROSS POINT," in conjunction with various market services. Consequently, should any damage occur to customers due to the performance of linked services or system issues involving our services, resulting in liability for damages, this could impact the Group's performance and business development.

4) System troubles

The I'll Group relies on communications networks such as personal computers, computer systems, and cloud services. If computer systems shut down due to a variety of unpredictable factors such as network disruption caused by a natural disaster or accident, temporary server failure due to sudden increased access to the site, or loss of power, the I'll Group's operations and business results could be adversely affected. Additionally, the I'll Group takes appropriate security measures to prevent unauthorized access to its computer systems, however, infection by a computer virus or intrusion by a hacker could result in system failure which could adversely affect the I'll Group's business and financial results.

5) Risk of I'll group service obsolescence due to competitors and technological innovation
In the information service industry, in which the I'll Group is involved, the speed of technological innovation is lightning, so in response to that rapid change, the Group's development department makes efforts to improve existing products and promotes R&D. However, if new technologies and services become prevalent due to faster-than-expected AI technology and other technological innovation, the software and services provided by the I'll Group could become obsolete, adversely affecting the Company's business results and business development. Also, product price cuts forced by intensifying competition with rivals or progress achieved by competitor products in enhancing performance could adversely affect the I'll Group's business results and business development.

6) Securing and training up engineers
In addition to hiring new graduates, the Group continuously employs mid-career engineers and strives to train up engineers. However, increasing demand for engineers has made it increasingly difficult to appropriately secure excellent personnel through mid-career recruiting. Although the I'll Group's corporate culture and systems are highly recognized and the group continues to hire as planned, failure to secure and develop human resources as planned could hinder the group's business development and affect the group's business growth and performance. In mid-career hiring, we will continue our efforts to secure excellent human resources as we keep hiring excellent engineers in regional areas with the assumption of remote work.

7) Management of confidential information
The I'll Group sometimes handles highly confidential information in its business activities such as information on business partners and personal data that are held by clients. To properly manage such confidential information, the Company has obtained ISMS (ISO27001, ISO27017) certification as well as the Privacy Mark (JISQ15001) and works to strengthen its information management system for employees such as by ensuring that employees are aware of information management based on in-house rules including the Information Security Guidelines and Personal Information Protection Standards and giving them continued training. Also, the Company takes steps to prevent any leak of confidential information by requiring each temporary staff member assigned to the I'll Group to sign a Nondisclosure Agreement and implementing other measures. However, unauthorized access from the outside, system flaws or failures, human error in handling confidential information, intentional information leaks, deletion, or fraudulent use by employees could force us to lose trust and face damage compensation, depending on how to respond. Such cases could adversely affect the I'll Group's business results and business development.

## 2. Corporate Group Situation

As of the end of the fiscal year under review, the group consists of the Company (I'll Inc.) and the consolidated subsidiary (Web Base Co.) and operates in two businesses: system solutions and online solutions.

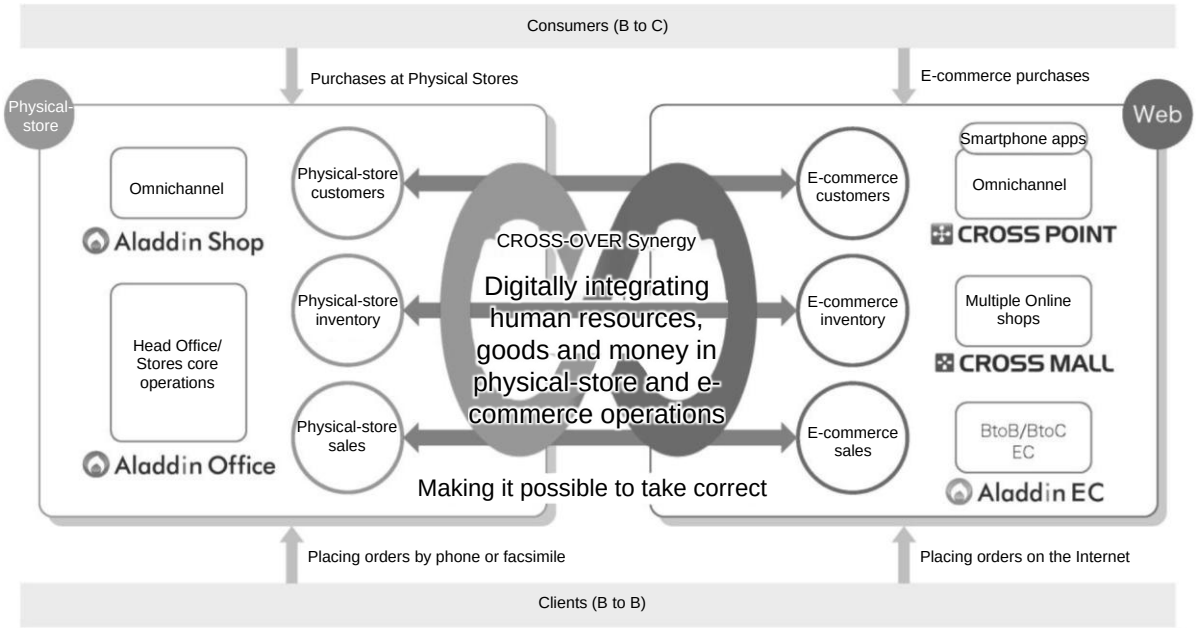
(1) System solutions business

This service concerns general system provision to customers, including building core systems, hardware maintenance, providing system operation support, building networks and maintaining security.

In this business, Web Base, a consolidated subsidiary, develops and provides maintenance for store management systems for the fashion industry.

(2) Online solutions business

This business concerns creation and operational support of clients' websites aimed at sales promotion, providing clients with business analysis and business strategy consultations, giving promotion, building e-commerce websites, providing such software as one for integrating the management of multiple online stores and one for integrating the management of customers and reward points.




## 3. Basic Thinking on Selection of Accounting Standards

The I'll Group applies the Japan Generally Accepted Accounting Standards in order to maintain comparability between corporations and over time.

## 4. Consolidated Financial Statements and Significant Notes Thereto

### (1) Consolidated Balance Sheets

(Thousands of yen)

| | Fiscal 2024 (As of July 31, 2024) | Fiscal 2025 (As of July 31, 2025) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,663,216 | 7,402,360 |
| Notes receivable - trade | 50,255 | 41,408 |
| Accounts receivable - trade | 2,571,323 | 2,823,808 |
| Contract assets | 1,804,374 | 2,365,985 |
| Securities | - | 99,840 |
| Merchandise | 275,010 | 187,559 |
| Work in process | 17,857 | 9,618 |
| Other | 190,960 | 294,843 |
| Allowance for doubtful accounts | (5,052) | (8,944) |
| Total current assets | 11,567,945 | 13,216,479 |
| Non-current assets | | |
| Tangible fixed assets | | |
| Buildings and structures | 491,085 | 493,095 |
| Accumulated depreciation | (93,702) | (108,376) |
| Buildings and structures, net | 397,382 | 384,718 |
| Tools, furniture and fixtures | 618,584 | 625,948 |
| Accumulated depreciation | (432,603) | (461,016) |
| Tools, furniture and fixtures, net | 185,981 | 164,931 |
| Total tangible fixed assets | 583,364 | 549,650 |
| Intangible assets | | |
| Software | 423,355 | 803,924 |
| Software in progress | 366,958 | 77,634 |
| Other | 1,739 | 1,739 |
| Total intangible assets | 792,053 | 883,298 |
| Investments and other assets | | |
| Investment securities | 146,256 | 146,436 |
| Guarantee deposits | 465,020 | 485,047 |
| Deferred tax assets | 523,645 | 436,267 |
| Other | 78,849 | 56,955 |
| Allowance for doubtful accounts | (3,193) | (5,152) |
| Total investments and other assets | 1,210,578 | 1,119,553 |
| Total non-current assets | 2,585,996 | 2,552,502 |
| Total assets | 14,153,941 | 15,768,982 |

(Thousands of yen)

| | Fiscal 2024 (As of July 31, 2024) | Fiscal 2025 (As of July 31, 2025) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 646,435 | 643,065 |
| Accounts payable - other | 389,302 | 309,716 |
| Deposits received | 42,771 | 45,396 |
| Income taxes payable | 708,694 | 719,360 |
| Contract liabilities | 56,965 | 111,135 |
| Provision for bonuses | 111,700 | 121,900 |
| Provision for product warrantees | 15,746 | 13,759 |
| Other | 583,450 | 654,076 |
| Total current liabilities | 2,555,067 | 2,618,410 |
| Non-current liabilities | | |
| Retirement benefit liabilities | 1,240,157 | 1,123,898 |
| Provision for retirement benefits for directors | 435,540 | 495,842 |
| Asset retirement obligations | 237,489 | 239,959 |
| Other | 5,005 | 3,967 |
| Total non-current liabilities | 1,918,192 | 1,863,669 |
| Total liabilities | 4,473,259 | 4,482,079 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 354,673 | 354,673 |
| Capital surplus | 319,673 | 319,673 |
| Retained earnings | 8,962,032 | 10,443,866 |
| Treasury shares | (10,080) | (10,449) |
| Total shareholders' equity | 9,626,300 | 11,107,764 |
| Other accumulated comprehensive income | | |
| Accumulated adjustments for retirement benefits | 54,701 | 179,441 |
| Valuation difference on available-for-sale securities | (319) | (302) |
| Total other accumulated comprehensive income | 54,381 | 179,138 |
| Total net assets | 9,680,682 | 11,286,903 |
| Total liabilities and net assets | 14,153,941 | 15,768,982 |

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

(Consolidated Statements of Income)

(Thousands of yen)

| | Fiscal 2024 (From August 1, 2023 to July 31, 2024) | Fiscal 2025 (From August 1, 2024 to July 31, 2025) |
|---|---|---|
| Net sales | 17,508,405 | 19,294,870 |
| Cost of sales | 7,735,398 | 8,635,613 |
| Gross profit | 9,773,006 | 10,659,256 |
| Selling and general administrative expenses | 5,509,193 | 5,840,412 |
| Operating profit | 4,263,812 | 4,818,844 |
| Non-operating income | | |
| | 137 | 4,180 |
| Commission income | 15,410 | 17,676 |
| Subsidy income | 5,850 | 5,388 |
| Other | 600 | 2,345 |
| Total non-operating income | 21,998 | 29,590 |
| Non-operating expenses | | |
| Interest expenses | 539 | 7,370 |
| Foreign exchange losses | 65 | 152 |
| Commission expenses | - | 73,292 |
| Other | - | 16 |
| Total non-operating expenses | 604 | 80,831 |
| Ordinary profit | 4,285,206 | 4,767,603 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 230,199 | 1,388 |
| Total extraordinary losses | 230,199 | 1,388 |
| Net profit before taxes | 4,055,006 | 4,766,214 |
| Income taxes - current | 1,221,505 | 1,248,883 |
| Income taxes - deferred | (54,063) | 28,976 |
| Total income taxes | 1,167,441 | 1,277,859 |
| Net profit | 2,887,564 | 3,488,354 |
| Profit attributable to owners of parent | 2,887,564 | 3,488,354 |

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

| | Fiscal 2024 (From August 1, 2023 to July 31, 2024) | Fiscal 2025 (From August 1, 2024 to July 31, 2025) |
|---|---|---|
| Net profit | 2,887,564 | 3,488,354 |
| Other comprehensive income | | |
| Adjustment amount for retirement benefits | (45,826) | 124,739 |
| Valuation difference on available-for-sale securities | (319) | 16 |
| Total other comprehensive income | (46,145) | 124,756 |
| Comprehensive income | 2,841,419 | 3,613,111 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 2,841,419 | 3,613,111 |
| Comprehensive income attributable to non-controlling interests | - | - |

(3) Consolidated Statement of Changes in Equity

Fiscal 2024 (From August 1, 2023 to July 31, 2024)

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of year | 354,673 | 319,673 | 6,975,620 | (10,080) | 7,639,888 |
| Changes during period | | | | | |
| Dividends of surplus | | | (901,152) | | (901,152) |
| Profit attributable to owners of parent | | | 2,887,564 | | 2,887,564 |
| Changes in items other than shareholders' equity (net) | | | | | |
| Total changes during period | - | - | 1,986,412 | - | 1,986,412 |
| Balance at end of year | 354,673 | 319,673 | 8,962,032 | (10,080) | 9,626,300 |

| | Accumulated other comprehensive income | | | Total net assets |
|---|---|---|---|---|
| | Remeasurements of defined benefit plans | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | |
| Balance at beginning of period | 100,527 | - | 100,527 | 7,740,415 |
| Changes during period | | | | |
| Dividends of surplus | | | | (901,152) |
| Profit attributable to owners of parent | | | | 2,887,564 |
| Net changes in items other than shareholders' equity | (45,826) | (319) | (46,145) | (46,145) |
| Total changes during period | (45,826) | (319) | (46,145) | 1,940,266 |
| Balance at end of period | 54,701 | (319) | 54,381 | 9,680,682 |

Fiscal 2025 (From August 1, 2024 to July 31, 2025)

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of year | 354,673 | 319,673 | 8,962,032 | (10,080) | 9,626,300 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,106,733) | | (1,106,733) |
| Profit attributable to owners of parent | | | 3,488,354 | | 3,488,354 |
| Purchase of treasury shares | | | | (3,931,619) | (3,931,619) |
| Disposal of treasury shares | | (899,787) | | 3,931,250 | 3,031,462 |
| Transfer from retained earnings to capital surplus | | 899,787 | (899,787) | | - |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 1,481,834 | (369) | 1,481,464 |
| Balance at end of year | 354,673 | 319,673 | 10,443,866 | (10,449) | 11,107,764 |

| | Other accumulated comprehensive income | | | Total net assets |
|---|---|---|---|---|
| | Accumulated adjustments for retirement benefits | Valuation difference on available-for-sale securities | Total other accumulated comprehensive income | |
| Balance at beginning of year | 54,701 | (319) | 54,381 | 9,680,682 |
| Changes during period | | | | |
| Dividends of surplus | | | | (1,106,733) |
| Profit attributable to owners of parent | | | | 3,488,354 |
| Purchase of treasury shares | | | | (3,931,619) |
| Disposal of treasury shares | | | | 3,031,462 |
| Transfer from retained earnings to capital surplus | | | | - |
| Net changes in items other than shareholders' equity | 124,739 | 16 | 124,756 | 124,756 |
| Total changes during period | 124,739 | 16 | 124,756 | 1,606,220 |
| Balance at end of year | 179,441 | (302) | 179,138 | 11,286,903 |

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

| | Fiscal 2024 (From August 1, 2023 to July 31, 2024) | Fiscal 2025 (From August 1, 2024 to July 31, 2025) |
|---|---|---|
| Cash flows from operating activities | | |
| Net profit before taxes | 4,055,006 | 4,766,214 |
| Depreciation | 402,175 | 390,716 |
| Increase (decrease) in provision for bonuses | 11,700 | 10,200 |
| Increase (decrease) in allowance for doubtful accounts | 2,833 | 5,851 |
| Increase (decrease) in provision for product warranties | 147 | (1,987) |
| Increase (decrease) in retirement benefit liabilities | 47,508 | 66,879 |
| Increase (decrease) in provision for retirement benefits for directors | (28,167) | 60,302 |
| Loss on retirement of non-current assets | 230,199 | 1,388 |
| Expenses for share-based rewards | 24,250 | 13,632 |
| Interest and dividend income | (137) | (4,180) |
| Interest expenses | 539 | 7,370 |
| Commission for impact neutralization trust | - | 73,292 |
| Decrease (increase) in trade accounts receivables and contract assets | (805,898) | (805,248) |
| Decrease (increase) in inventories | (33,939) | 95,689 |
| Increase (decrease) in trade payables | 115,909 | (3,369) |
| Increase (decrease) in contract liabilities | (37,523) | 54,169 |
| Increase (decrease) in accounts payable - other | 59,283 | (103,447) |
| Increase (decrease) in deposits received | 4,251 | 2,624 |
| Increase (decrease) in accrued expenses | 33,201 | 28,819 |
| Other | (191,416) | (45,526) |
| Subtotal | 3,889,923 | 4,613,392 |
| Interest and dividends received | 137 | 4,180 |
| Interest paid | (539) | (7,370) |
| Income and other taxes paid | (1,251,531) | (1,244,036) |
| Cash flows from operating activities | 2,637,990 | 3,366,167 |
| Cash flow from investing activities | | |
| Purchase of tangible fixed assets | (122,576) | (53,519) |
| Purchase of intangible assets | (489,635) | (372,568) |
| Purchase of investment securities | (100,000) | (100,000) |
| Payments of guarantee deposits | (576) | (20,137) |
| Proceeds from refund of guarantee deposits | 100 | 132 |
| Other | (2) | (21) |
| Cash flow from investing activities | (712,690) | (546,114) |
| Cash flows from financing activities | | |
| Purchase of treasury shares | - | (3,935,550) |
| Proceeds from disposal of treasury shares | - | 2,985,990 |
| Dividends paid | (900,896) | (1,106,421) |
| Other | (1,038) | (24,927) |
| Cash flows from financing activities | (901,934) | (2,080,908) |
| Net increase (decrease) in cash and cash equivalents | 1,023,365 | 739,143 |
| Cash and cash equivalents at beginning of period | 5,639,851 | 6,663,216 |
| Cash and cash equivalents at end of period | 6,663,216 | 7,402,360 |

(5) Notes on Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

No applicable matters.

(Important Matters as the Basis for Preparing Consolidated Financial Statements)

1. Matters on scope of consolidation

(1) Number of consolidated subsidiaries: 1

Consolidated subsidiary name: Web Base Co.

(2) Names of primary non-consolidated subsidiaries

No applicable matters.

2. Notes on application of equity method

No applicable matters.

3. Matters on consolidated subsidiary business year

The fiscal year-end of consolidated subsidiaries coincides with the consolidated fiscal year-end.

However, starting with the current consolidated fiscal year, Web Base Co. a consolidated subsidiary, changed its fiscal year-end from March 31 to July 31. Since consolidated financial statements have traditionally been prepared based on provisional financial results aligned with the final settlement, this change has no impact on the consolidated financial statements.

4. Matters on the accounting policies

(1) Standards and methods for valuation of important assets

1) Securities

Available-for-sale securities

Securities other than shares that do not have a market value

The market value method (with the entire amount of valuation differences included directly into net assets, and the cost of sale calculated using the moving-average method) is adopted.

Shares that do not have a market value

The cost method based on the moving-average method is adopted.

2) Inventories

Merchandise

The cost method based on the specific identification method (the balance sheet book value is written down according to a decline in profitability) is adopted.

Work in process

The cost method based on the specific identification method (the balance sheet book value is written down according to a decline in profitability) is adopted.

(2) Depreciation method for important depreciable assets

1) Tangible fixed assets

The declining balance method is adopted. However, the straight-line method is adopted for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings as well as structures that were acquired on or after April 1, 2016.

The primary useful life is as follows:

Buildings and structures 8 to 50 years

Tools, furniture and fixtures 4 to 20 years

2) Intangible assets

Software used by the Company

The straight-line method is used according to the usable period (5 years) set in-house.

Software for sale on the market

The amount written off according to expected sales is compared with the equal distribution amount according to the expected sales period (3 years), and the larger one is booked.

(3) Standards for booking important allowances

1) Allowance for doubtful accounts

To prepare for losses due to irrecoverable trade and other receivables, the estimated irrecoverable amount is booked, with loan loss rates considered for general accounts receivable and collectability considered individually for doubtful accounts receivable and other specific receivables.

2) Provision for bonuses

To prepare for employee bonus payments, the amount that falls within the fiscal year under review is booked out of the estimated payment amount.

3) Provision for product warrantees

To prepare for free product repairs, a future estimated amount is booked according to past results.

4) Provision for retirement benefits for directors

To prepare to pay retirement benefits for directors, the amount to be paid at the end of the period is booked according to the bylaws for retirement benefits for directors.

(4) Accounting method for retirement benefits

1) Method to measure the estimated retirement benefit amount at fiscal year end

In calculating projected benefit obligation, the method to measure the estimated retirement benefit amount at the end of the fiscal year under review is based on the benefit calculation formula criteria.

2) Method to Recognize Actuarial differences as Expenses

Actuarial differences are each recognized as expenses from the fiscal year that follows the year when they arise, under the straight-line method using certain years within the average of remaining service years of employees (3 years).

(5) Standards for recording important revenue and expenses

1) Customization, installation support, etc.

Revenue from such operations as customization, installation support results from design, development and installation support related to core operational systems such as under software contracted development agreements. The Company maintains that such performance obligations will be fulfilled over a certain period of time, estimates progress in the fulfilment and recognizes revenue over a certain period of time according to the estimate. The method of estimating the progress is to calculate the ratio of incurred cost to estimated total cost.

2) Licenses, hardware equipment, etc.

Revenue from the sale of licenses and hardware equipment is recognized according to the amount promised in the contract with each client at the appropriate time, on the assumption that performance obligation is met upon the delivery of the relevant license or hardware equipment to the client.

3) Service use and system maintenance

Revenue generated from service use and system maintenance is from the provision of services such as cloud service operations and maintenance. As these are routine or recurring services, the Company maintains that such performance obligations will be fulfilled over time and recognizes revenue by proportionally dividing the amount promised in the contract with each client according to the contract period.

4) Other

The Company provides sales services for office-related and other products. Of these transactions, the Company recognizes revenue from those classified as agent transactions on a net basis by deducting the amount paid to suppliers and other parties from the gross payment received from the client.

The ordinary due date for all these contracts is generally the end of the month that follows the month in which acceptance inspection is completed or the month in which services are provided, and they do not include any significant financial element.

(6) Scope of funds in consolidated statement of cash flows

This consists of cash on hand, deposits that can be withdrawn as needed, and easily redeemable short-term investments with minimal risk of value fluctuation and a redemption date due within 3 months of the acquisition date.

(7) Other Significant Matters for the Preparation of Consolidated Financial Statements

Accounting Treatment of the Impact Neutralization Trust

Shares of the Company acquired through the Impact Neutralization Trust are accounted for as “Treasury shares.”

(Notes on Additional Information)

(Establishment of the Impact Neutralization Trust)

We aim to strengthen corporate governance by diversifying shareholders. We also work to maintain our listing on the TSE Prime Market and improve market liquidity and supply and demand for our shares by equity index investment based on the total market value of floating shares, such as TOPIX. During the current consolidated fiscal year, we acquired a portion of our shares held by non-public shareholders and sold them in the market through the Impact Neutralization Trust (the “Trust”).

The Trust acquires our shares through off-floor trading based on the most recent closing price at the Tokyo Stock Exchange (ToSTNeT-2) using funds contributed by us, then sells our shares in the market during the trust period, and distributes the proceeds to us periodically at a predetermined timing. The Trust is a self-beneficiary trust whose beneficiary is the Company.

Therefore, although the Trust takes the form of a trust of funds contributed by the Company, it is actually equivalent to an immediate trust created by the Company with treasury shares acquired by it. In this case, Q3 in the Practical Solution on Accounting for Trusts (PITF No. 23, August 2, 2007, requires the Company, as the beneficiary, to account for the trust assets as if they were held directly by the Company. Therefore, our shares held by the Trust are accounted for as “treasury shares” in accordance with the Accounting Standard for Treasury Stock and Reduction of Legal Reserves (ASBJ Statement No. 1, March 26, 2015) and the Guidance on Accounting Standard for Treasury Stock and Reduction of Legal Reserves (ASBJ Guidance No. 2, March 26, 2015).

The Trust acquired 1,250,000 shares of our stock for ¥3,931,250,000 During the current consolidated fiscal year, the sale of all shares of the Company held by this trust was completed by the end of the current consolidated fiscal year.

The impact of trust fees and other expenses related to the establishment of the Trust on profit and loss trust during the current consolidated fiscal year is ¥73,292,000.The impact of the loss on disposal of treasury shares on retained earnings During the current consolidated fiscal year,, was ¥899,787,000.Since our shares held by the Trust are accounted for as treasury shares, they are included in the treasury shares deducted in calculating the average number of shares during the period for the purpose of calculating net profit per share.

(Notes on Change of presentation method)

(Consolidated Statements of Income)

Interest income, which was included in “other” under non-operating income in the previous consolidated fiscal year, is separately stated from the consolidated fiscal year under review because it exceeded 10% of the total amount of non-operating income. To reflect this change in the presentation method, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, ¥738,000 presented as “other” under non-operating income in the consolidated statements of income for the previous fiscal year has been reclassified as interest income of ¥137,000, “other” of ¥600,000.

(Notes on Segment Information)

Because the I'LL Group is a single segment entity, this section is omitted.

(Notes on Information on Net Profit Per Share)

| | Fiscal 2024 (From August 1, 2023 to July 31, 2024) | Fiscal 2025 (From August 1, 2024 to July 31, 2025) |
|---|---|---|
| Net assets per share | ¥386.75 | ¥450.94 |
| Net profit per share | ¥115.36 | ¥141.32 |

(Notes) 1 Diluted net profit per share is not shown because there are no dilutive shares.

2 In calculating net income per share, treasury stock acquired and disposed of through the Stock Supply the Impact Neutralization Trust is included in the treasury stock deducted from the calculation of the average number of shares outstanding during the period (End of previous fiscal year: - shares, Average during period: - shares; End of current fiscal year: - shares, Average during period: 346,470 shares).

3 The basis for calculating net assets per share is as follows:

| | Fiscal 2024 (As of July 31, 2024) | Fiscal 2025 (As of July 31, 2025) |
|---|---|---|
| Total net assets (Thousands of yen) | 9,680,682 | 11,286,903 |
| Amount deducted from total net assets (Thousands of yen) | - | - |
| Net assets at end of the fiscal year related to common stock (Thousands of yen) | 9,680,682 | 11,286,903 |
| Number of common shares used in calculating net assets per share (shares) | 25,031,109 | 25,029,489 |

4 The basis for calculating net profit per share is as follows.

| | Fiscal 2024 (From August 1, 2023 to July 31, 2024) | Fiscal 2025 (From August 1, 2024 to July 31, 2025) |
|---|---|---|
| Profit attributable to owners of parent (Thousands of yen) | 2,887,564 | 3,488,354 |
| Amount not attributable to common shareholders (Thousands of yen) | - | - |
| Profit attributable to owners of parent related to common stock (Thousands of yen) | 2,887,564 | 3,488,354 |
| Average number of common shares during the period (Shares) | 25,031,547 | 24,683,396 |

(Notes on Significant Subsequent Events)

(Notice Regarding the Introduction of an Incentive Plan for Employees)

The Board of Directors held on September 5, 2025, the Company resolved to introduce a new incentive plan (hereinafter referred to as “the Plan”) for its employees (hereinafter referred to as “Employees”).

1. Purpose of Introducing This System

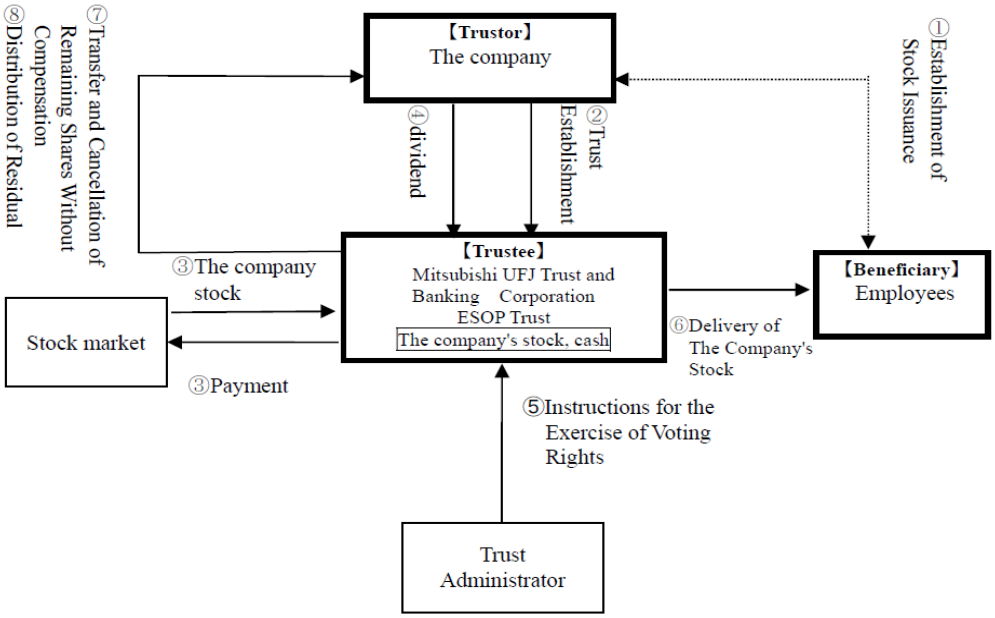
(1) The Company introduces this system to enhance employees' awareness of contributing to the Company's medium- to long-term performance improvement and corporate value growth.

(2) This program adopts a mechanism known as an Employee Stock Ownership Plan (ESOP) Trust (hereinafter referred to as the “ESOP Trust”). The ESOP Trust is an incentive plan modeled after the U.S. ESOP system, whereby shares of the Company acquired by the ESOP Trust are granted to employees who meet certain requirements.

(3) The introduction of this system enables employees to receive economic benefits from increases in the Company's stock price. This is expected to encourage employees to perform their duties with greater awareness of stock price movements and

to enhance their motivation. Furthermore, the mechanism for exercising voting rights associated with the Company shares held as trust property of the ESOP Trust reflects the intentions of the employee beneficiaries. This makes it an effective corporate value enhancement plan that promotes employee participation in management.

2. The Mechanism of This System




① The Board of Directors shall establish stock delivery regulations pertaining to this system.

② The Company shall establish an ESOP trust (hereinafter referred to as “the Trust”) with employees who satisfy the beneficiary requirements as beneficiaries.

③ The Trust shall acquire the Company's shares from the stock market using the funds entrusted in ② as the source, in accordance with the instructions of the trustee.

④ Distribution of surplus profits on the Company's shares held within the Trust shall be conducted in the same manner as for other shares.

⑤ Regarding the Company's shares held within the Trust, throughout the trust period, the Trustee shall issue instructions regarding the exercise of shareholder rights, such as the exercise of voting rights, and the Trust shall exercise its shareholder rights in accordance with these instructions.

⑥ During the trust period, employees of the Company who satisfy certain requirements will receive shares of the Company in accordance with the Share Delivery Regulations.

⑦ If residual shares remain upon expiration of the trust period, the ESOP Trust may be continued as an incentive plan similar to this system by amending the trust agreement and establishing an additional trust. If the ESOP Trust is not continued and is terminated, the residual shares will be transferred to the Company without consideration and are scheduled to be canceled by resolution of the Board of Directors.

⑧ Any residual dividends on the Company's shares held within the ESOP Trust at the end of the trust period will be used as share acquisition funds if the ESOP Trust continues. However, if the ESOP Trust terminates upon the expiration of the trust period, the portion exceeding the trust expense reserve is planned to be donated to an organization with no vested interest in the Company.

Note: During the trust period, if there is a possibility that the number of shares within this trust may become insufficient, or if there is a possibility that the funds within the trust property may become insufficient to pay trust fees and expenses, additional funds may be entrusted to this trust.

●For Reference: Contents of the Trust Agreement

① Type of Trust：Money Trust other than a Specified Sole Management Money Trust (BeneficiaryTrust)
② Purpose of Trust：Granting incentives to employees
③ Settlor：The Company
④ Trustee：Mitsubishi UFJ Trust and Banking Corporation
(Co-trustee: The Master Trust Bank of Japan, Ltd.)
⑤ Beneficiaries: Employees who satisfy the beneficiary requirements
⑥ Trustee Administrator: A third party with no conflict of interest with the Company (Certified Public Accountant)
⑦ Trust Agreement Date: September 10, 2025 (planned)
⑧ Trust Period: September 10, 2025 (planned) to January 31, 2031 (planned)
⑨ Effective Date: September 10, 2025 (planned)
⑩ Exercise of Voting Rights: The Trustee shall exercise voting rights for the Company's shares in accordance with the instructions of the Trustee reflecting the voting status of the prospective beneficiaries.
⑪ Type of Shares to be Acquired:Common shares of the Company
⑫ Maximum Trust Fund Amount: ¥98 million (planned) (including trust fees and expenses)
⑬ Share Acquisition Period:September 16, 2025 (planned) to September 30, 2025 (planned)
⑭ Method of Share Acquisition:Acquisition from the stock market
⑮ Beneficiary: The company
⑯ Residual Assets: The residual assets receivable by the Company as the beneficiary shall be within the scope of the trust expense reserve, which is the trust funds minus the share acquisition funds.

(Notes on Revenue Recognition)

Categorized information of revenue from contracts with customers

Our Group's structure is focused on a single segment, while our business encompasses two distinct entities: the system solutions business and the online solutions business. Financial information concerning revenue from contracts with customers is disclosed by business.

For the nine months ended July 31, 2024(From August 1, 2023 to July 31, 2024)

The following is a breakdown of revenue from contracts with customers, categorized by product or service type.

(Thousands of yen)

| | System Solutions Business | Online Solutions Business | Total |
|---|---|---|---|
| Flow-type merchandise | | | |
| Licensing, customization, installation support, etc. | 6,969,093 | 139,282 | 7,108,376 |
| Hardware, etc. | 3,030,624 | 5,701 | 3,036,326 |
| Other | 84,607 | 66,312 | 150,919 |
| Stock-type merchandise | | | |
| Service use and system maintenance | 5,255,205 | 1,957,578 | 7,212,783 |
| Revenue from contracts with customers | 15,339,530 | 2,168,875 | 17,508,405 |

The following is a breakdown of revenue from contracts with customers, categorized by the timing of revenue recognition.

(Thousands of yen)

| | System Solutions Business | Online Solutions Business | Total |
|---|---|---|---|
| Products and services transferred at a single point in time | 3,755,047 | 72,013 | 3,847,060 |
| Products and services transferred over a period of time | 11,564,483 | 2,096,861 | 13,661,345 |
| Revenue from contracts with customers | 15,339,530 | 2,168,875 | 17,508,405 |

For the nine months ended July 31, 2025(From August 1, 2024 to July 31, 2025)

The following is a breakdown of revenue from contracts with customers, categorized by product or service type.

(Thousands of yen)

| | System Solutions Business | Online Solutions Business | Total |
|---|---|---|---|
| Flow-type merchandise | | | |
| Licensing, customization, installation support, etc. | 7,705,657 | 119,508 | 7,825,166 |
| Hardware, etc. | 3,009,295 | 4,378 | 3,013,674 |
| Other | 71,882 | 64,896 | 136,779 |
| Stock-type merchandise | | | |
| Service use and system maintenance | 6,202,264 | 2,116,985 | 8,319,249 |
| Revenue from contracts with customers | 16,989,100 | 2,305,769 | 19,294,870 |

The following is a breakdown of revenue from contracts with customers, categorized by the timing of revenue recognition.

(Thousands of yen)

| | System Solutions Business | Online Solutions Business | Total |
|---|---|---|---|
| Products and services transferred at a single point in time | 3,846,340 | 69,275 | 3,915,615 |
| Products and services transferred over a period of time | 13,142,760 | 2,236,494 | 15,379,254 |
| Revenue from contracts with customers | 16,989,100 | 2,305,769 | 19,294,870 |

## 5. Other

(1) Director Changes

See the “Human Resources Notice On Directors and Executive Officers” published today.

(2) Other

No applicable matters.