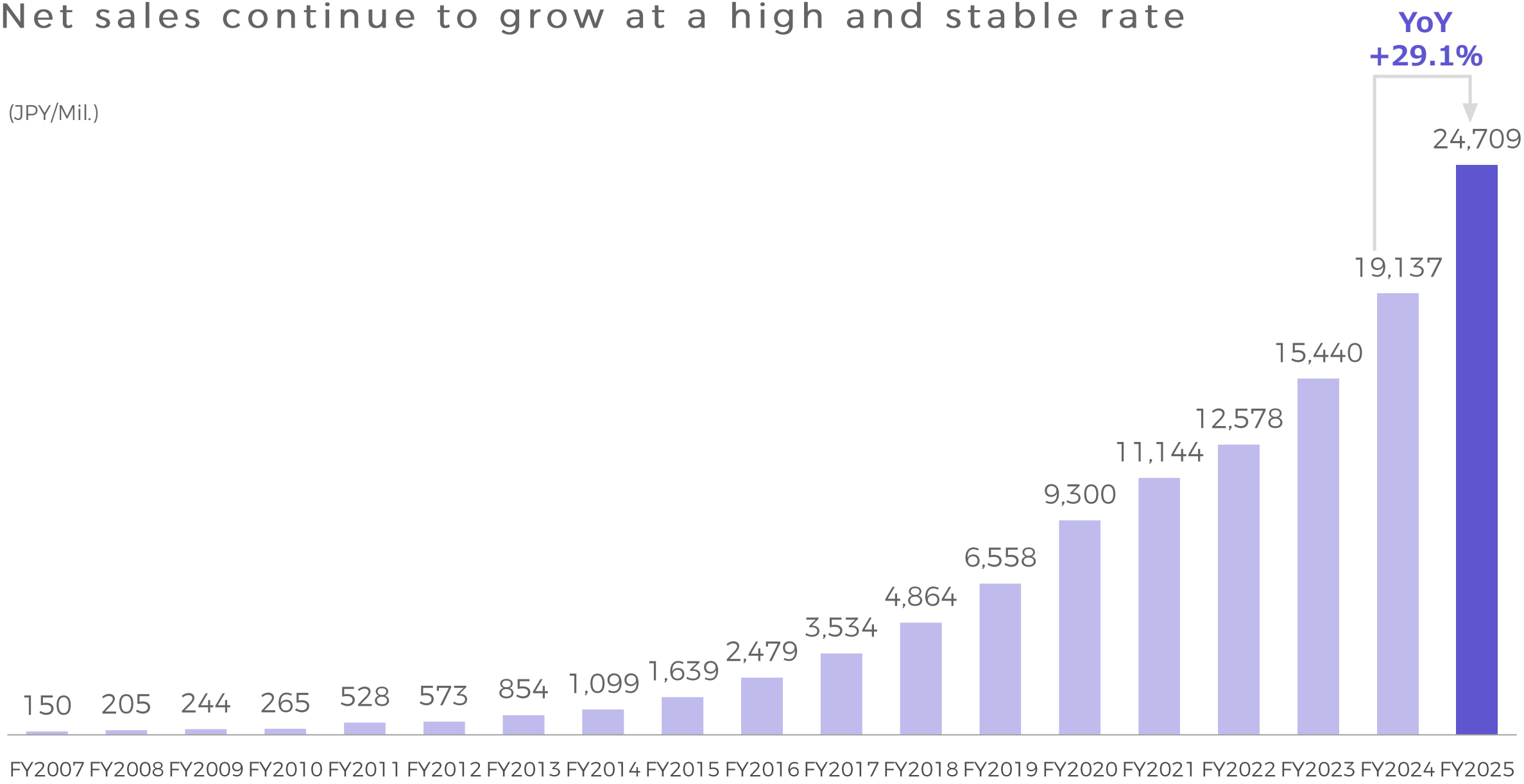
Financial Update
Q4 FY2025

Terrasky Co., Ltd.

TSE: 3915

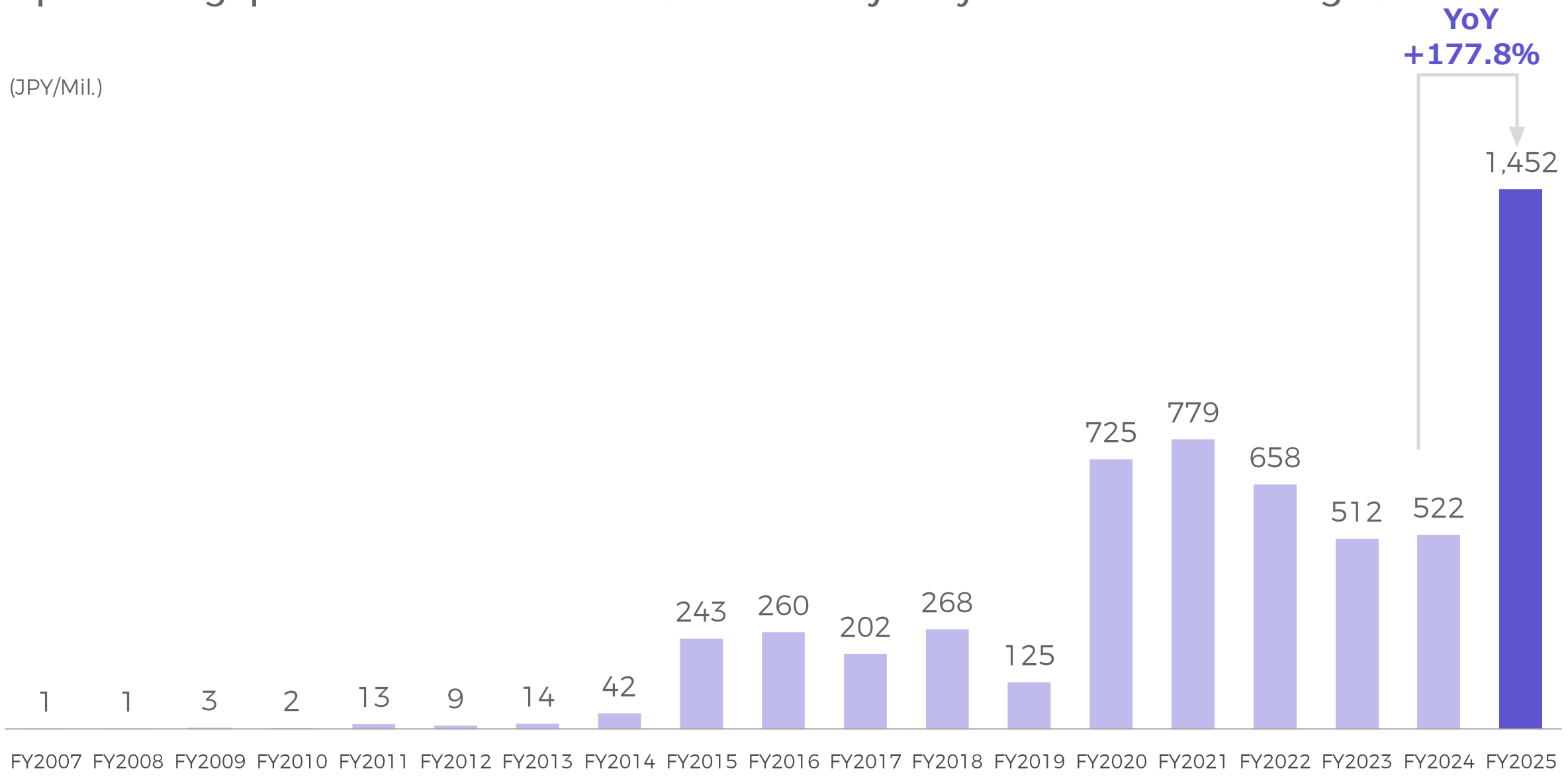
April 14, 2025

Net sales continue to grow at a high and stable rate



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Operating profit increased 2.8 times y-o-y to a record high.



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FY2025 Earnings summary

Record Highs in Both Net sales and Operating Profit

- Strong performance in the Solutions business, driven by demand for Salesforce and the robust growth of BeeX's cloud migration business, led to significant expansion. Net Sales increased by 29.1% y-o-y to 24.7 billion yen.
- The operating profit margin improved by 3.1pp from the same period last year due to factors such as reduced event expenses and an increase in large project orders. As a result, operating profit surged by 177.8% y-o-y to 1.4 billion yen.

Highlights

- Order intake for cloud adoption remains strong due to continued solid DX needs among domestic companies.
- Progress in recruitment and training has positioned us as having one of the top-class teams of Salesforce-certified engineers in Japan, both in quantity and quality.
- We maintain a stable order environment with a high volume of repeat orders from existing customers.
- Profitability has improved due to reduced development man-hours and a decrease in low-margin projects, resulting from the strengthening of our project management system.

KPI Summary

Net sales

(FY25) ¥24.7B
(+29.1% YoY)

(FY26E) ¥29.4B
(+19.1% YoY)

Operating profit

(FY25) ¥1.4B
(+177.8% YoY)

(FY26E) ¥1.8B
(+26.3% YoY)

Number of Employees

(FY25) 1,470
(+178 YoY)

(FY26E) 1,761
(+291 YoY)

Solution business Existing vs. New Client Ratio

Existing : New
89.0% : 11.0%

Product business Subscription Ratio

92.9%

Engineer Proportion

Approx. 74.2%*


FY2025
Consolidated Financial Statement

FY2025 Consolidated Financial Summary

(JPY/Mil.)	FY2024 Results	FY2025 Results	YoY Change JPY	YoY Change %	FY2025 Forecast (As of Jan. 14)	Change
Net sales	19,137	* 24,709	+5,572	+29.1%	24,040	1Q 5,809 / 2Q 6,119 / 3Q 6,173 / 4Q 6,607 / 102.8%
Cost of sales	14,125	18,034	+3,909	+27.7%	-	- / -
Margin	73.8%	73.0%	-	(0.8)pp		
SG&A expense	4,489	5,222	+733	+16.3%	-	- / -
Margin	23.5%	21.1%	-	(2.3)pp		
Operating profit	522	* 1,452	+929	+177.8%	1,167	1Q 297 / 2Q 312 / 3Q 328 / 4Q 513 / 124.4%
Margin	2.0%	5.9%	-	+3.1pp		
Ordinary profit	655	* 1,603	+948	+144.7%	1,282	1Q 327 / 2Q 349 / 3Q 361 / 4Q 565 / 125.1%
Margin	2.7%	6.5%	-	+3.1pp		
Net profit attributable to TerraSky	300	* 1,018	+718	+239.4%	745	1Q 176 / 2Q 191 / 3Q 196 / 4Q 423 / - / 136.7%
Margin	0.8%	4.1%	-	+2.6pp		
EBITDA**	948	1,959	+1,011	+106.6%	-	- / -
EPS (yen)	23.35	78.94	+55.59	+238.1%	57.76	- / 136.7%
ROE (%)	2.9	9.2	-	-	-	- / -

* Record High

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FY2025 Consolidated Balance Sheet

(JPY Mil.)	Feb 2024	Feb 2024	Change
Current assets	10,642	12,844	+2202
Property, plant and equipment	308	400	+91
Intangible assets	926	1,246	+320
Investments and other assets	6,569	4,978	(1,591)
Non-current assets	7,804	6,625	(1,179)
Total assets	18,446	19,470	+1023
Current liabilities	4,422	5,724	+1302
Non-current liabilities	1,470	905	(564)
Total liabilities	5,892	6,630	+737
Shareholders' equity	7,745	8,953	+1208
Total net assets	12,553	12,839	+285

Details

- **Investments and other assets:** Decrease in Investment and Other Assets due to fluctuations in the stock prices of held marketable securities, such as Serverworks Corp.
- **Current liabilities:** Increase in Accounts Payable due to the increased handling of AWS licenses.
- **Non-current liabilities:** Decrease in Deferred Tax Liabilities due to fluctuations in the stock prices of held marketable securities.
- **Net assets:** Decrease in Valuation Difference on Other Securities due to fluctuations in the stock prices of held marketable securities.

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FY2025 Consolidated statements of cash flows

(JPY Mil.)	FY2024 Results	FY2025 Results	Details
Operating activities	671	1,558	● Increase in Terasky's net profit
Investing activities	(894)	(1,008)	● Acquisition of property, plant, and equipment (PP&E) related to the establishment of new satellite offices in Akita and Shimane, and the expansion and relocation of the Osaka and Nagoya branches.
(subtotal) Free cash flow	(222)	549	
Financing activities	(59)	345	● Increase from the third-party allotment of shares by Quemix Co.
Cash and cash equivalents at end of period	5,616	6,512	

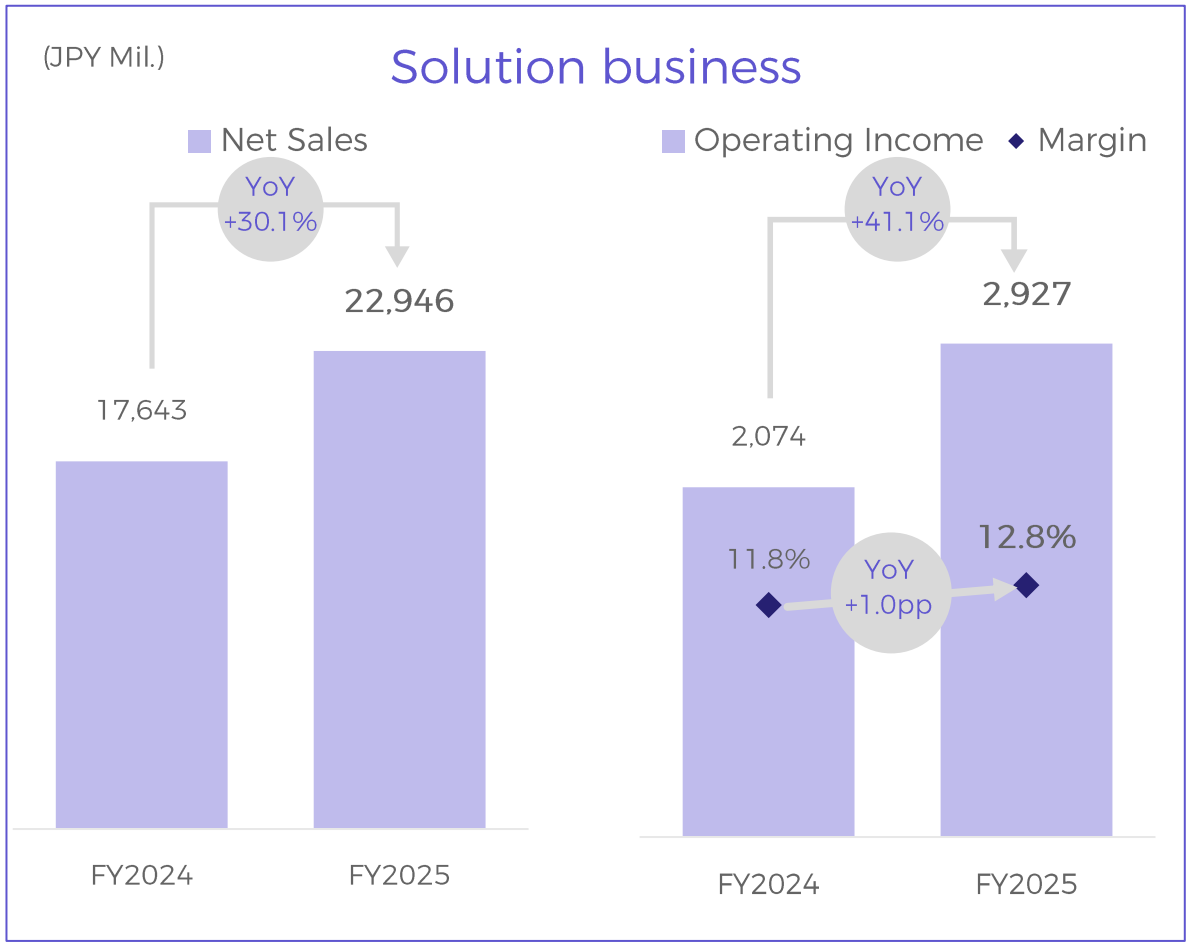
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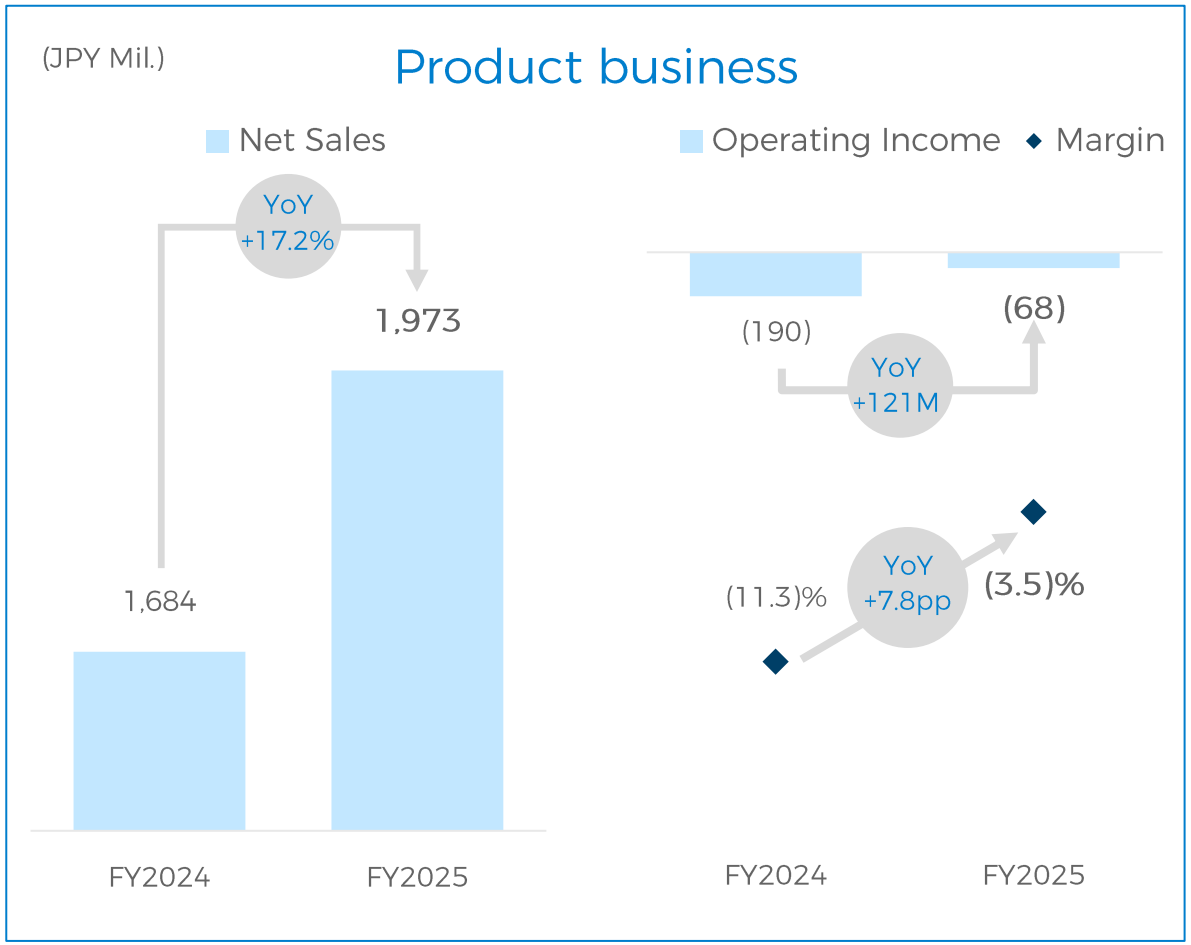
9

FY2025

Segment Results

FY2025 Net sales and Operating profit by segment





** Segment totals exclude eliminations and corporate costs not allocated to segments.*

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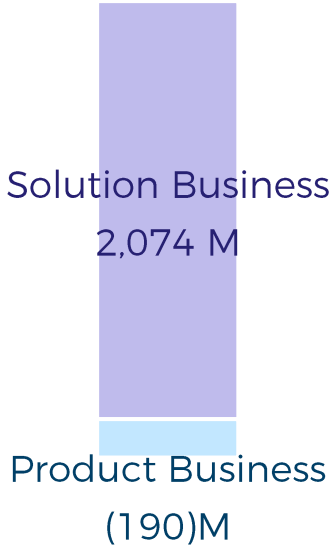
FY2025 Net sales and Operating profit Composition
Solution Business vs. Product Business

FY2024

Net Sales



Operating profit



FY2025

Net Sales



Operating profit

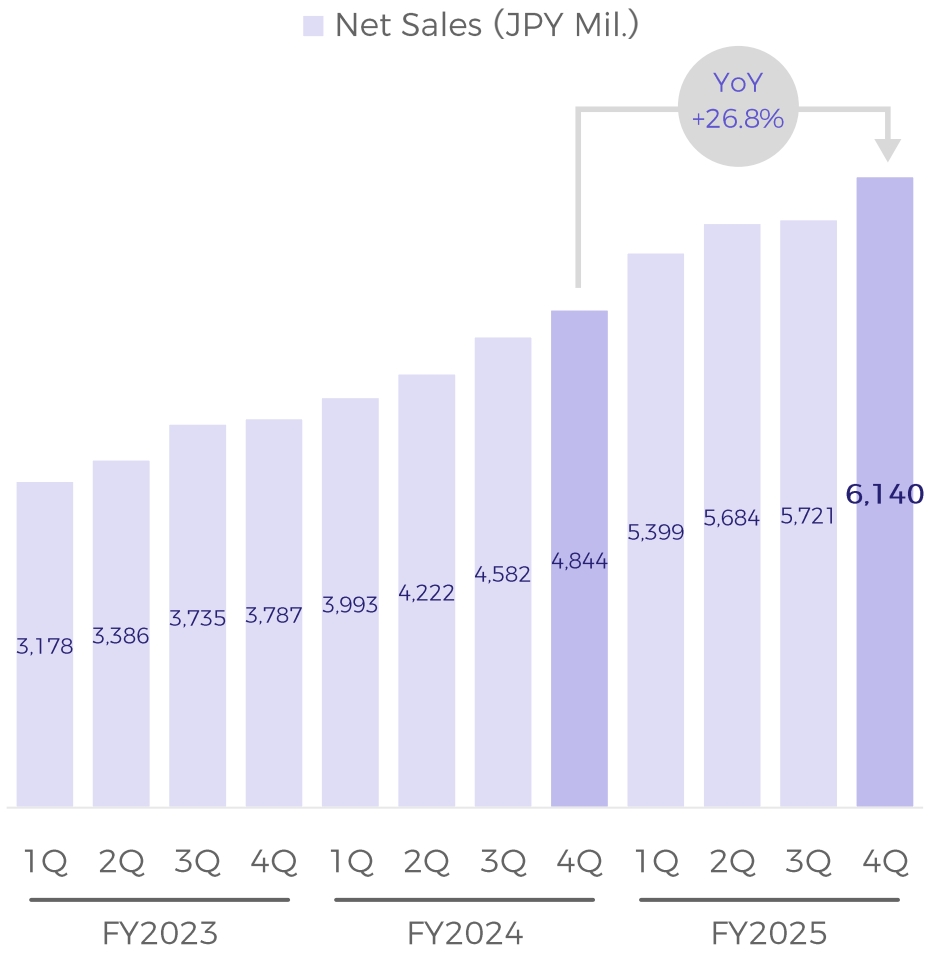


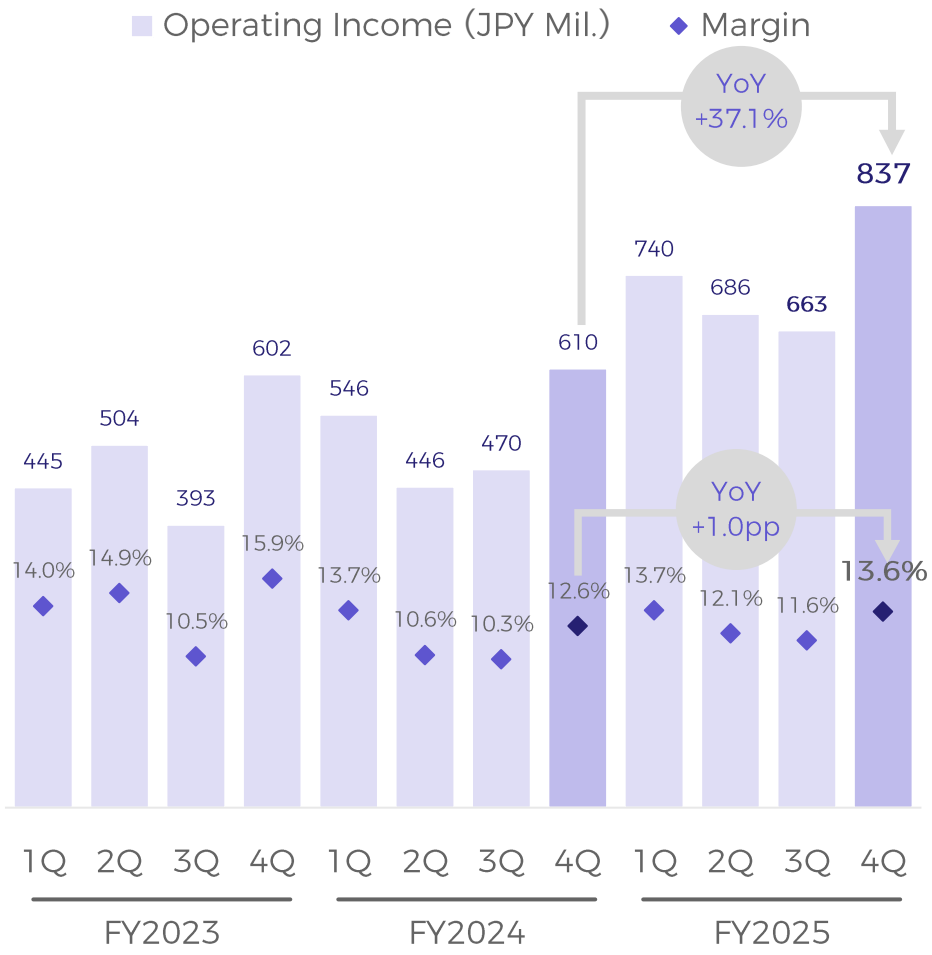
** Segment totals exclude eliminations and corporate costs not allocated to segments.*

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FY2025 Quarterly Results by Solution business





Salesforce

TerraSky

TerraSky Thailand

DiceWorks

TerraSky Technologies

IaaS

BeeX

Sky365

LiberSky

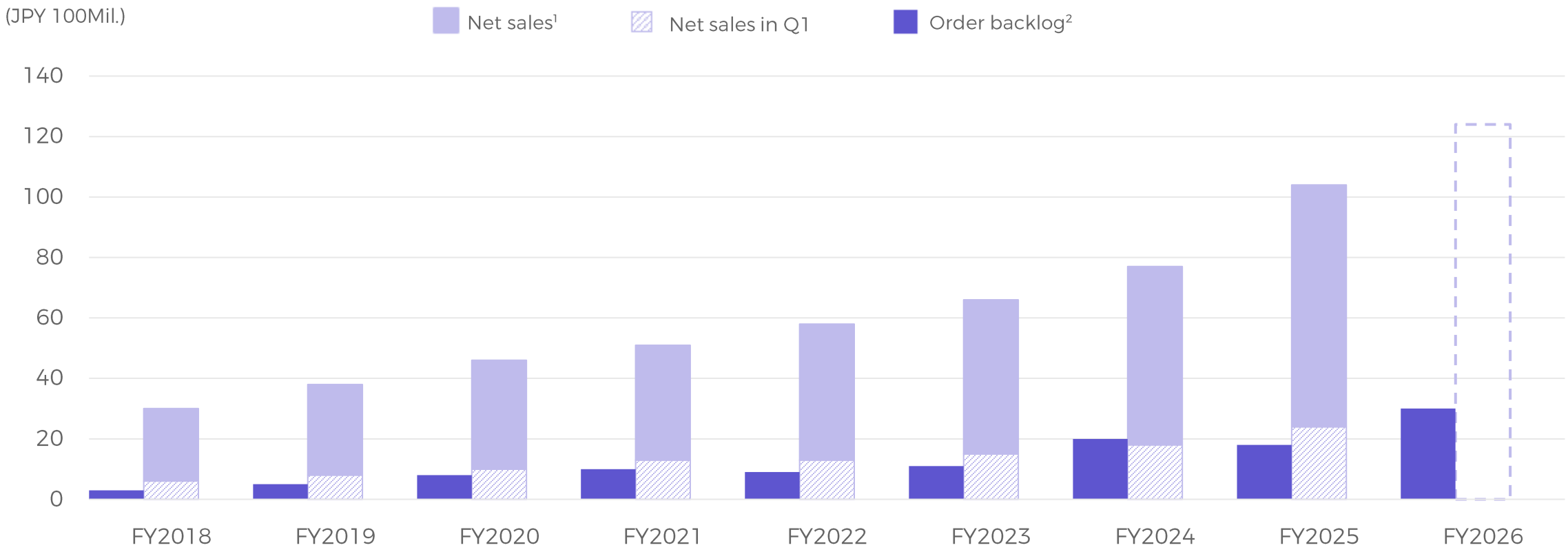
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Quemix

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TerraSky

TerraSky non-consolidated Solution Business

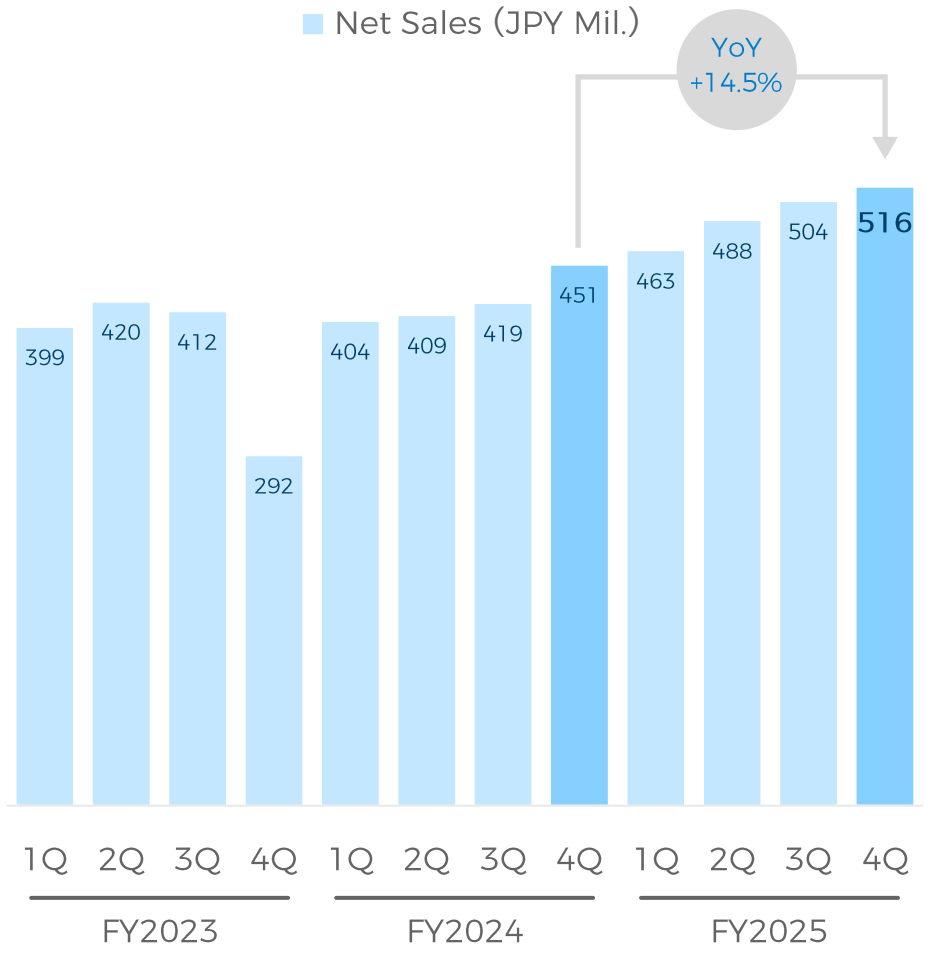


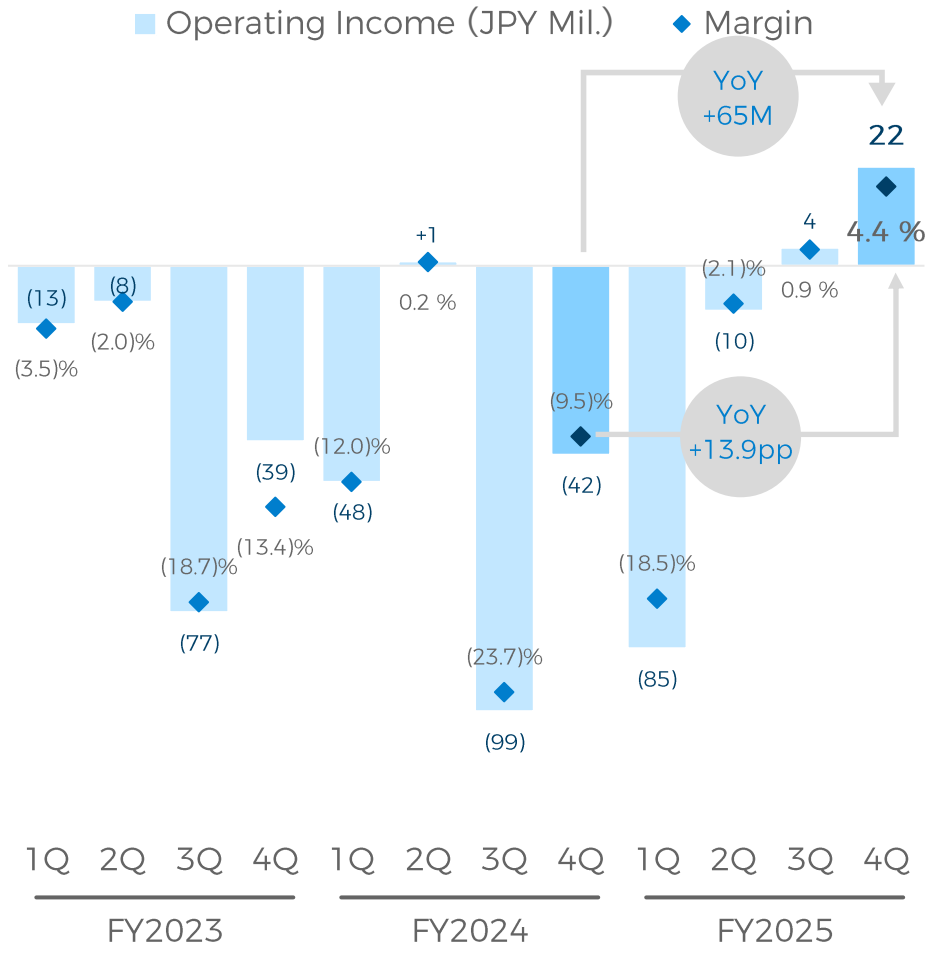
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Net sales YoY		+27.4%	+17.8%	+10.9%	+13.0%	+13.5%	+15.3%	+37.0%	+17.8%
Order backlog YoY		+67.9%	+62.9%	+23.2%	(3.2)%	+15.8%	+75.2%	(11.0)%	+67.3%

[1] As of the end of the period [2]As of the beginning of the period

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FY2025 Quarterly Results by Product Business





Salesforce

TerraSky

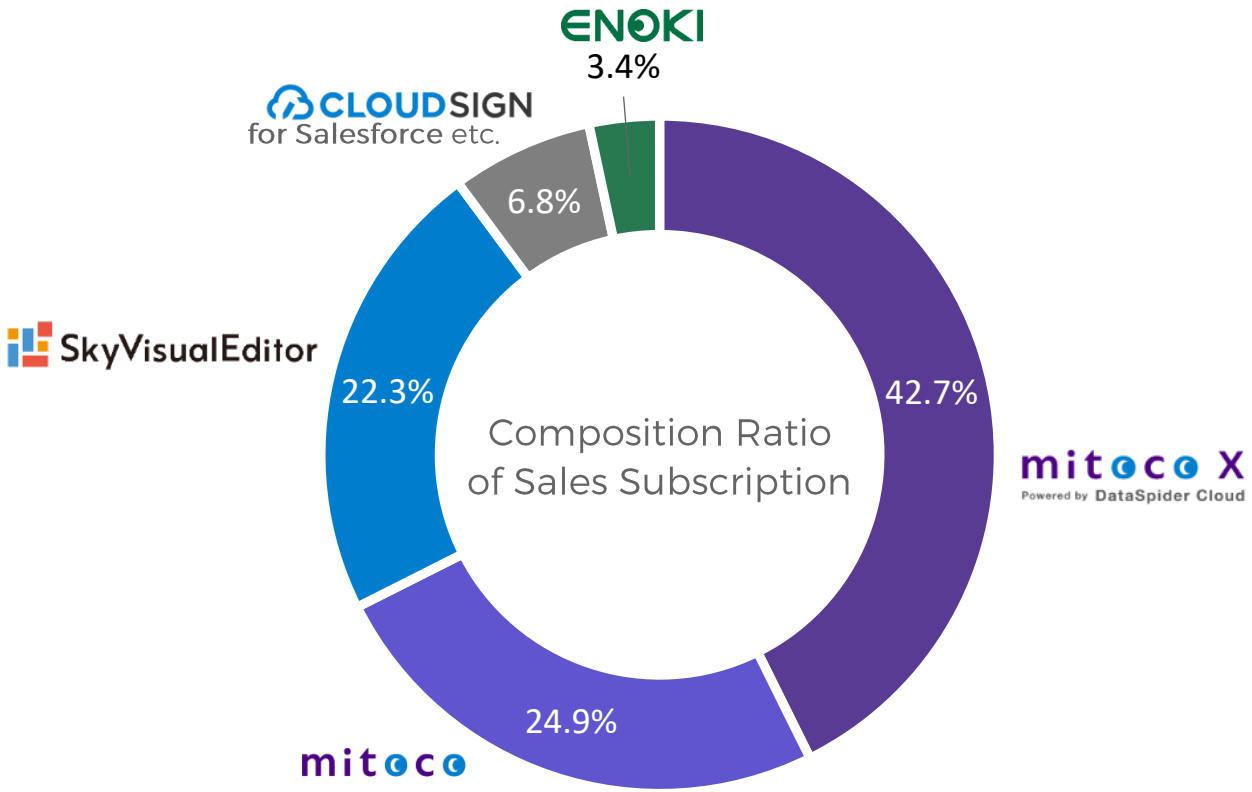
Others

ENOKI

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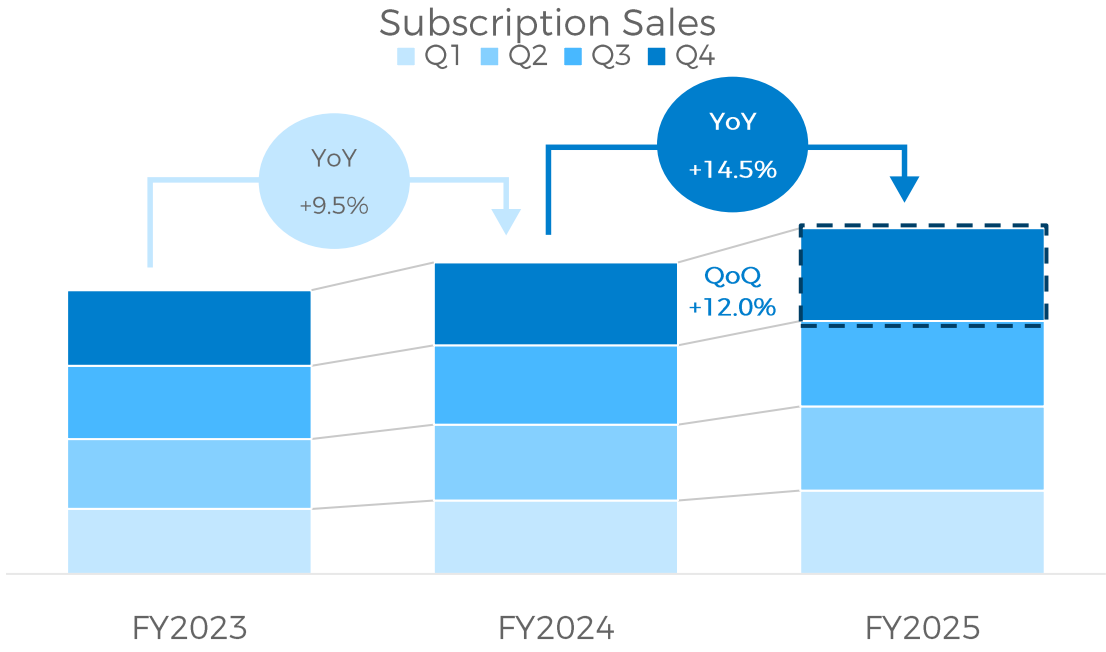
TerraSky

FY2025 Subscription Sales Composition Ratio by Product Business

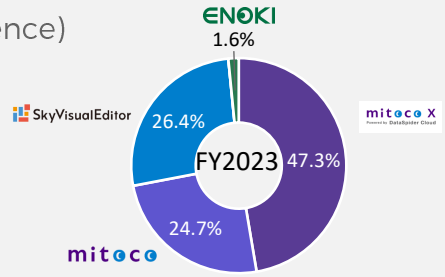


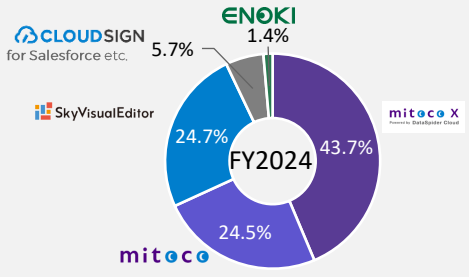
All products Subscription sales increased by 14.5 % y-o-y.

- Subscription sales of mitocoX (formerly "DataSpiderCloud"), a data collaboration tool, increased by 11.9 % y-o-y.
- Subscription sales of mitoco increased by 16.3 % y-o-y.



(Reference)





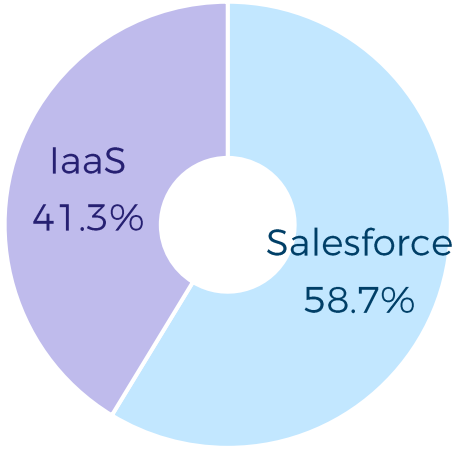
Note: Subscription sales are calculated only from monthly sales of each product.

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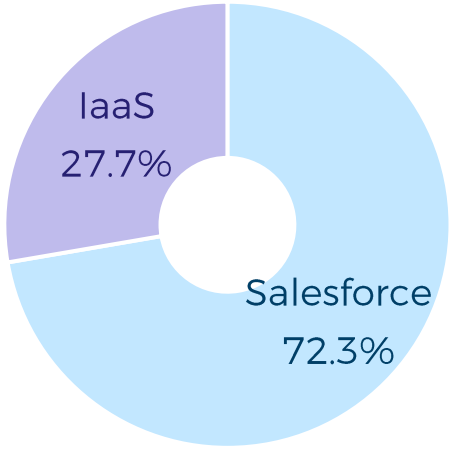
FY2025 Net sales and Operating profit Composition Salesforce vs IaaS

FY2024

Net sales

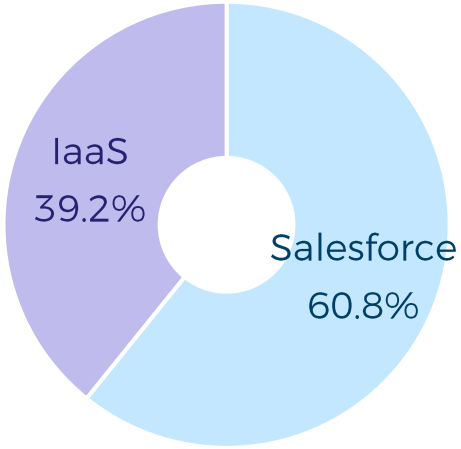


Operating profit

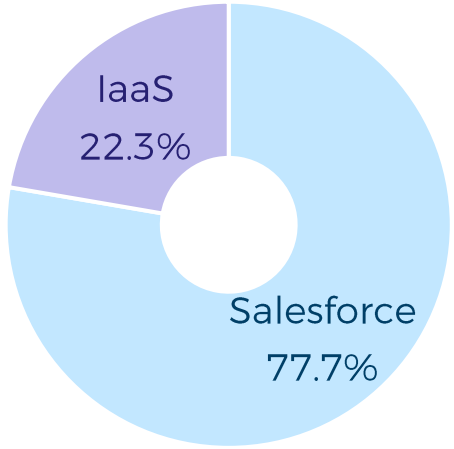


FY2025

Net sales



Operating profit

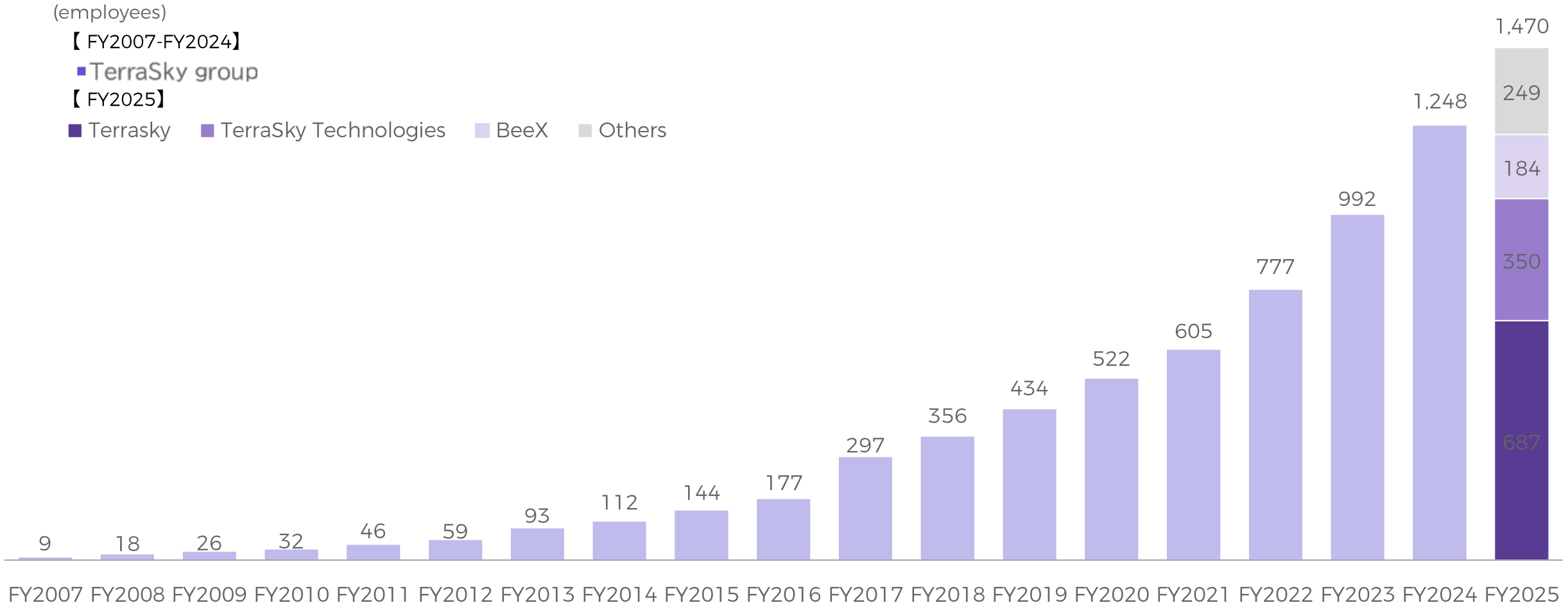


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Number of Group Employees since Establishment

The group hired a total of 112 new graduates in FY2025, bringing the total number of group employees to 1,470



** The above figures are the total number of employees at TerraSky, consolidated subsidiaries, and affiliated companies.*

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FY2026 Full-Year Business Outlook

FY2026 Full-Year Forecast Summery

We anticipate record highs for both revenue and operating profit.

- Revenue is projected to reach 29.4 billion yen, a 19.1% increase compared to the previous fiscal year.
- Operating profit is projected to reach 1.8 billion yen, a 26.3% increase compared to the previous fiscal year.

Outlook

- The Solutions business is expected to continue its trend of increasing orders, driven by strong demand.
- Improved internal production within the Solutions business, resulting from the success of engineer training, is expected to improve profit margins.
- In the Products business, the increase in subscription revenue for mitoco-related products is expected to reduce the loss margin.
- Increased revenue and reduced loss margin under the new management structure in Thailand.
- Increased revenue from the Quantum Computer business due to continuous growth investment and the establishment of a business model.

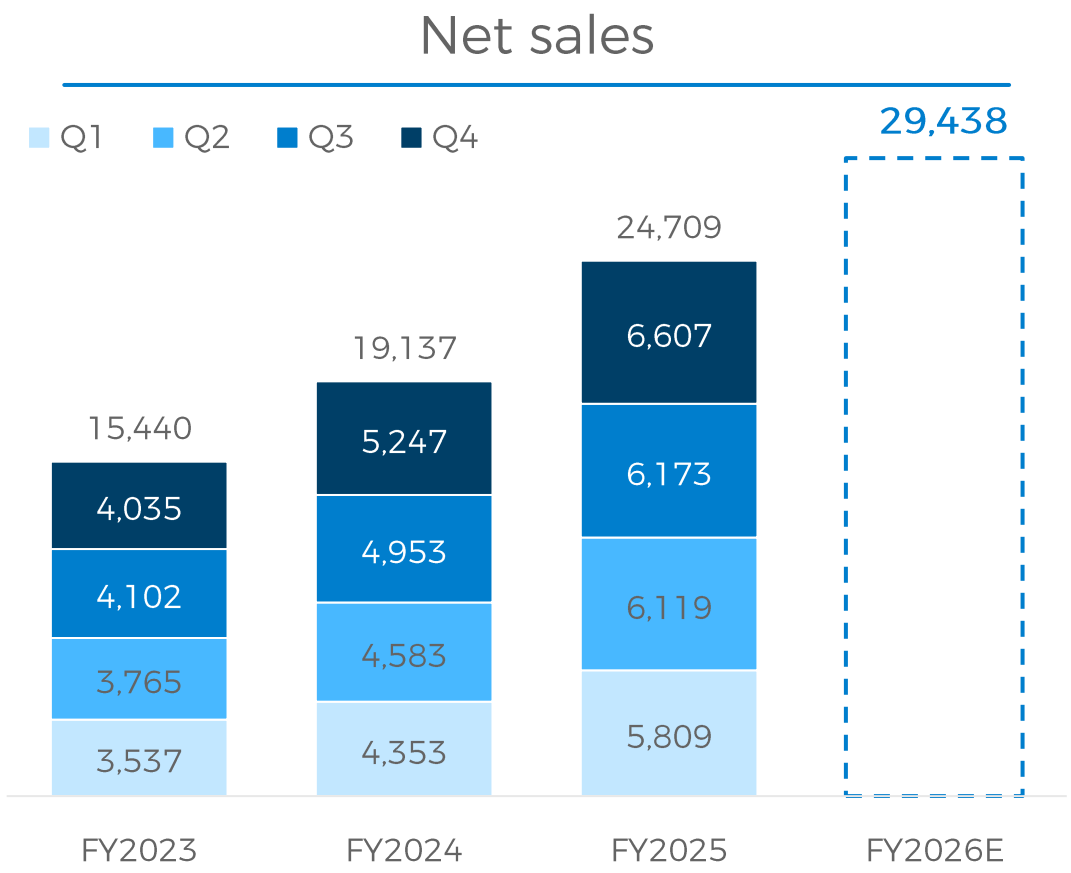
FY2026 Full-Year Forecast

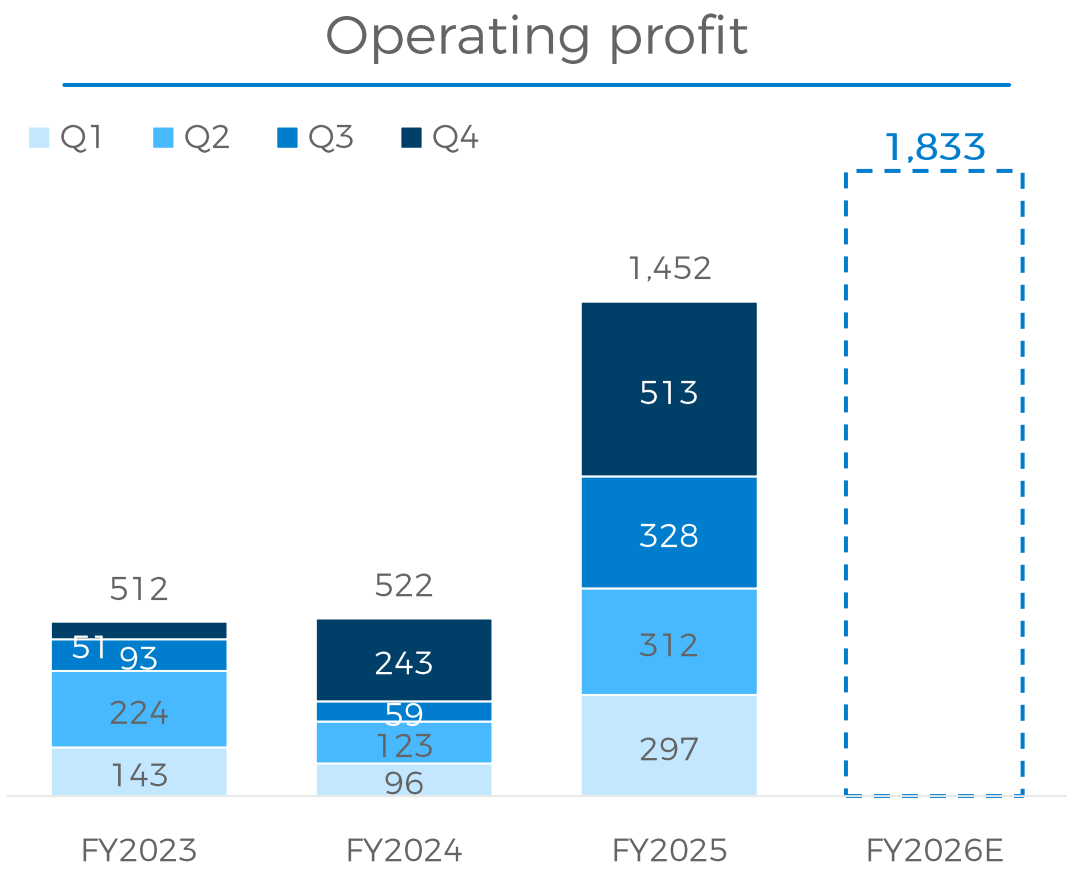
(JPY/Mil.)	FY2025 Results	FY2026 Forecast	YoY Change	
			JPY	%
Net sales	24,709	* 29,438	+4,728	+19.1%
Operating profit	1,452	* 1,833	+381	+26.3%
Margin	5.9%	6.2%	-	+0.4pp
Ordinary profit	1,603	* 1,973	+369	+23.1%
Margin	6.5%	6.7%	-	+0.2pp
Net profit attributable to TerraSky	1,018	* 1,363	+374	+33.9%
Margin	4.1%	4.6%	-	+0.5pp
EPS (yen)	78.94	105.66	+26.72	+33.8%

* Record High

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Trends in net sales and operating profit by quarter and forecast for full year FY2026



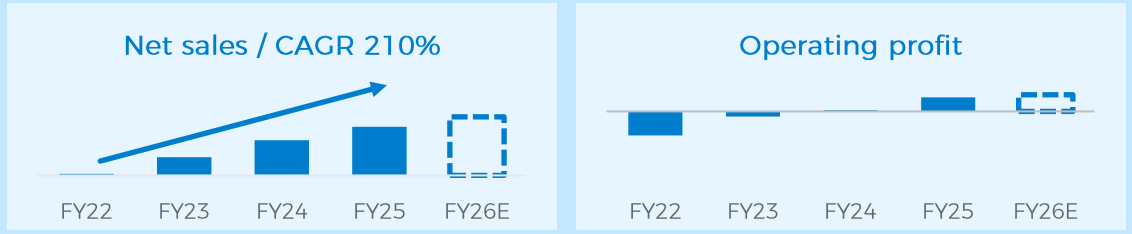


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Performance Trends and Plans of Major Consolidated Subsidiaries

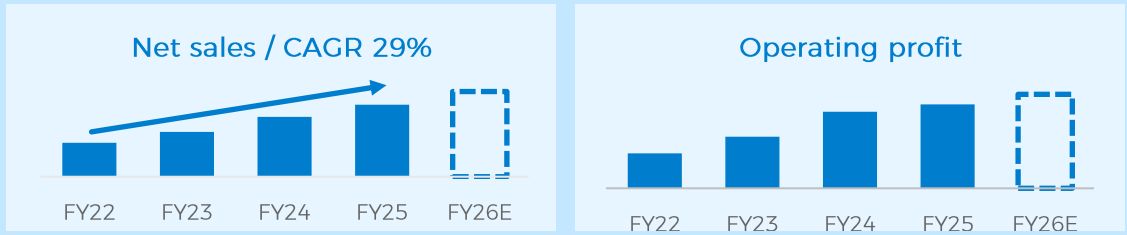
TerraSky Technologies

Recruitment services for permanent Salesforce specialists.



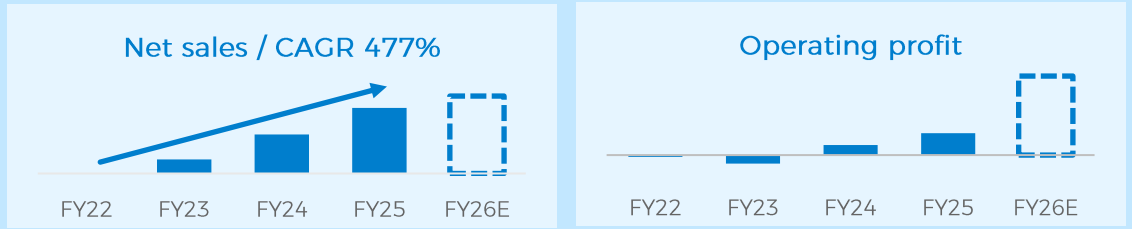
BeeX

A team of specialists in cloud migration for enterprise systems, primarily SAP and other core platforms.



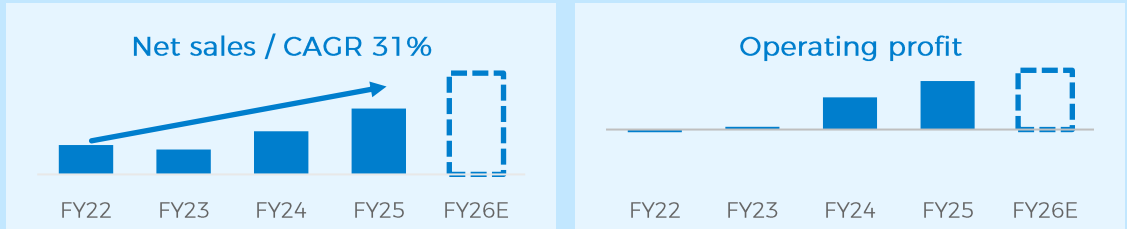
DiceWorks

Consulting and implementation support for Marketing Automation.



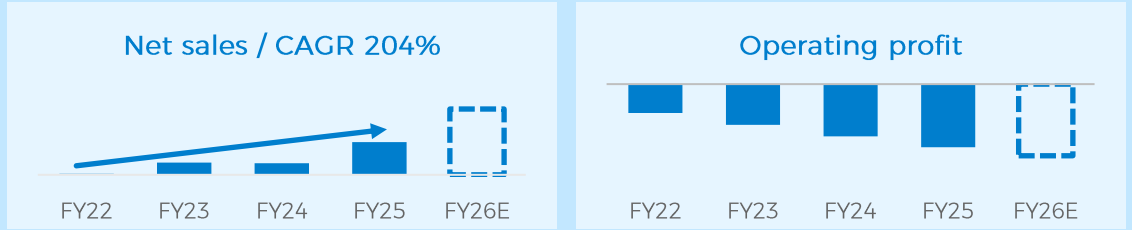
LiberSky

Consulting and integration services for Big Data and AI.



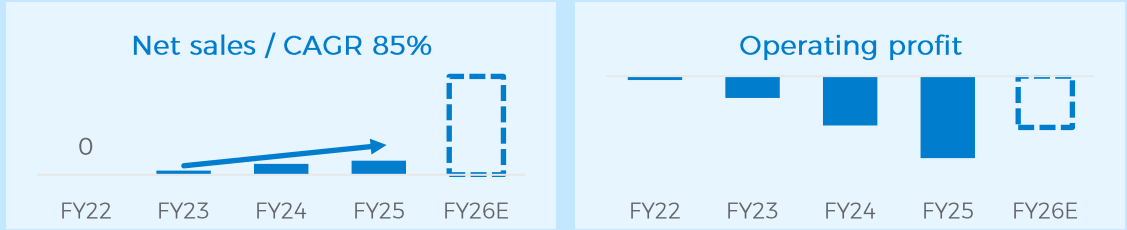
Quemix

Quantum computer algorithm development.



TerraSky Thailand

Cloud solutions for Thailand.

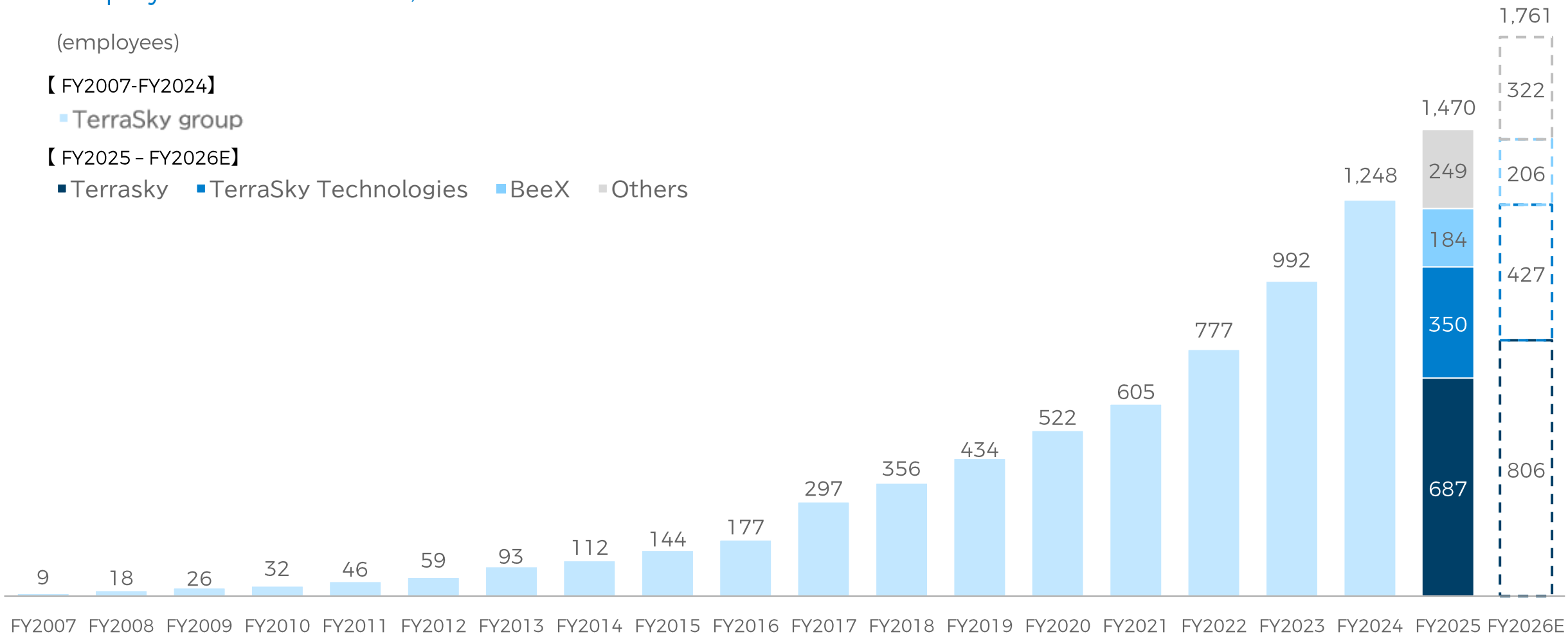


[1] The unit of the vertical axis varies depending on the scale of sales and operating profit. [2] The CAGR does not include forecasts.

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Group Headcount Plan

The group plans to have a total of 96 new graduates in April 2025, bringing the total number of group employees in FY2026 to 1,761.



*The above figures are the total number of employees at TerraSky, consolidated subsidiaries, and affiliated companies.

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Action to Implement Management That Is
Conscious of Cost of Capital and Stock Price

Status of Compliance with the TSE Prime Market Listing Maintenance Standards

	Maintenance Requirements	Terrasky	Compliance
Market capitalization of floating shares	¥ 10B	¥ 12.5B	✓
Float	20,000 units	53,105 units	✓
Float ratio	35%	41.1%	✓
Average daily trading value	¥ 20M	¥ 250M	✓

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Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Assessment of Current Situation	• We recognize that our cost of equity is approximately 7%. • ROE remained below the cost of equity, at 3.8% in FY 2/2023 and 2.9% in FY 2/2024 due to continued growth investments. as we've continued to make growth investments. However, it improved to 9.2% for the fiscal year ending February 2025. Over the medium to long term, we recognize the importance of transitioning from a revenue growth trend driven by the investment phase to a trend of both revenue and profit growth. • The company's estimated PER as of the end of February 2025 is 38.4x. • PBR as of the end of February 2025 is 2.75x, and it has remained above 1x since our listing.
Policies and Targets	• We expected to achieve operating profit of 2.5 billion yen by FY 2/2027. • By achieving the operating profit target, we expect ROE to reach 10% by the same period. • Aiming to disclose more accurate consolidated business forecasts.
Initiatives and Timing of Implementation	• By hiring new graduates and actively reskilling mid-career hires to develop engineers, we will reduce the loss of order opportunities caused by a lack of engineers in Salesforce projects, and strive to further expand the Salesforce business both domestically and overseas. • Realize the effects of the capital and business alliance with NTT Data (announced on April 12) as soon as possible to accelerate the above initiatives. • Aiming to improve profit margin in consolidated basis by monetizing the product business segment. • Aiming to quickly launch the business and make it profitable for subsidiaries that are in the red. • Aiming to Enhance corporate value with the proactive disclosure of information in IR activities.

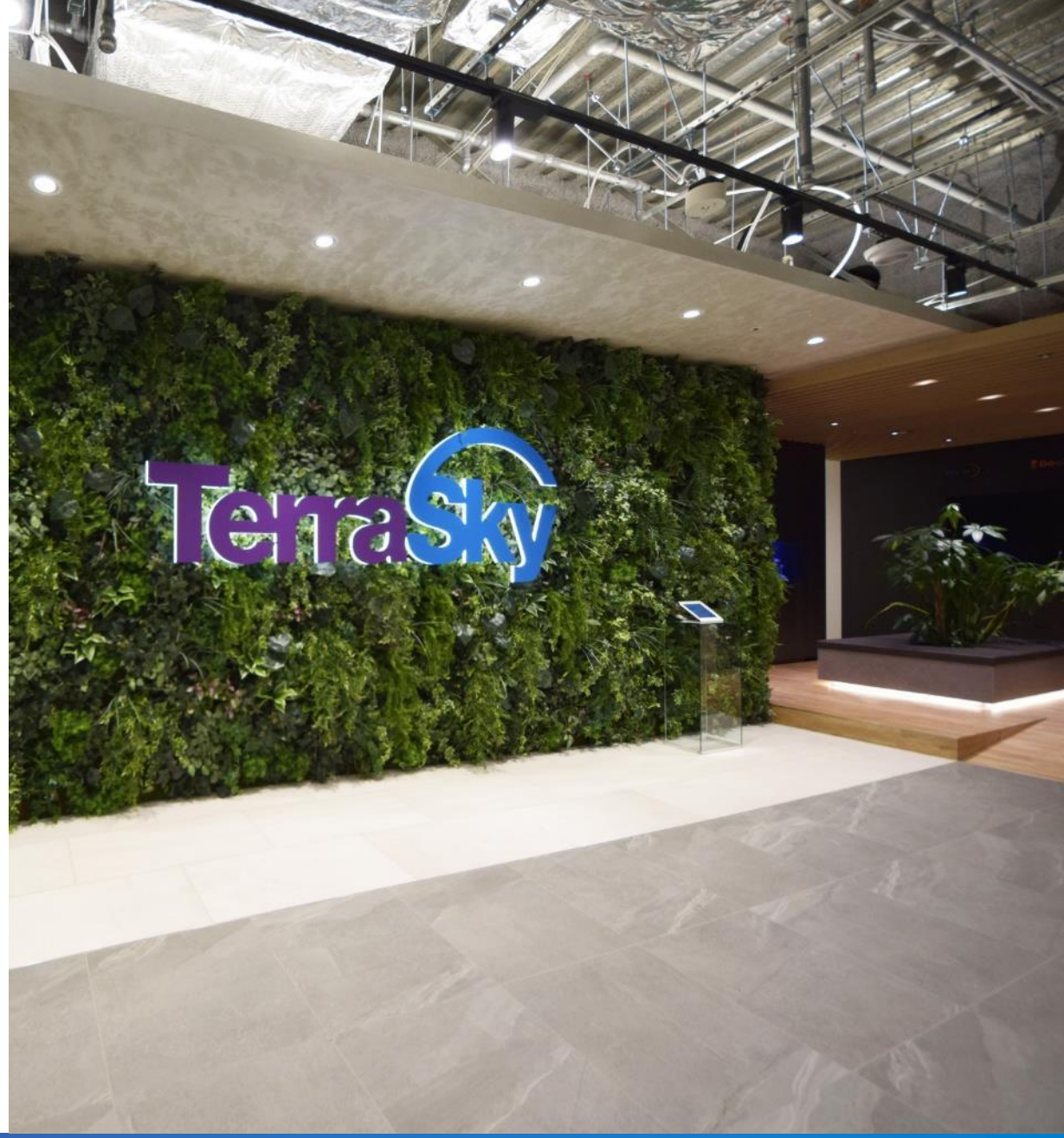
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About TerraSky Group

TerraSky Co., Ltd.

TSE prime market, stock code 3915

Head office	: Taiyo Life Nihonbashi Building 15-17Fl. 11-2 Nihonbashi, Chuo-ku, Tokyo | Japan
Offices	: Osaka, Nagoya, Fukuoka, Joetsu, Akita and Matsue Thailand and United States
Establishment	: March 2006
Capital	: JPY 1,256 M (As of the end of Feb 2025)
Representative	: Sato Hideya, President & CEO
Information Security Management	: ISO 27001/ IS 561777



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Our business consists of the following two segments:

Cloud integration business
(Solution business)

Optimal system development using the cloud,
Development and provision of specific solutions

Product business

Development and provision of cloud-specific services and products

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Cloud integration business (Solution business)

Salesforce

Salesforce is a cloud-based CRM/customer management and SFA/sales support system used by over 150,000 companies worldwide. We help businesses connect with customers in sales, marketing, and customer service.
As the No. 1 implementation partner, TerraSky supports customers' implementation and expansion of Salesforce.

Heroku

Heroku is a PaaS cloud for web application development provided by Salesforce. You can develop apps efficiently using the latest framework and easily integrate with Salesforce.
In addition to system construction, we provide total support from building data linkages with internal and external systems to post-development operations.

AWS

We select the most suitable service from the many technologies provided by AWS and support the construction of a system that matches your company's needs. We can provide total proposals from construction to operation, including operational support from Sky365, a subsidiary specializing in cloud MSPs. Together with BeeX, which specializes in AWS, we will leverage the comprehensive strengths of the TerraSky Group to lead your project to success.

SAP migration

In 2016, we established BeeX Co., Ltd., which realizes cloud integration of SAP software platforms. Using our know-how from migrating numerous SAP systems to public clouds, we can quickly and safely migrate core systems from on-premises environments to cloud environments.

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Product business

mitoco

mitoco is next-generation groupware developed cloud-natively. We go beyond simple internal communication and collaborate with customer information to take your business one step further and evolve.

SkyVisualEditor

This is a tool that allows you to develop Salesforce screens without programming.
You can easily generate Visualforce pages just by dragging and dropping your mouse. It also supports Lightning Experience, so you can smoothly migrate your Visualforce pages to Lightning.

mitoco X

A new iPaaS* that integrates Data Spider, which has been installed by 3,000 companies, and SkyOnDemand, which has the No. 1 SaaS market share in the domestic EAI/ESB market.
*Integration Platform as a Service

mitoco ERP

mitoco ERP centralize master data on a platform powered by Salesforce. By integrating various business systems, including groupware, expense and attendance management, as well as core operations from accounting and HR/payroll to sales, purchasing, and inventory management, we ensure compliance with Japanese legal revisions (Electronic Bookkeeping Preservation Law, Qualified Invoice System). This allows for the management of all enterprise operations on a single platform.

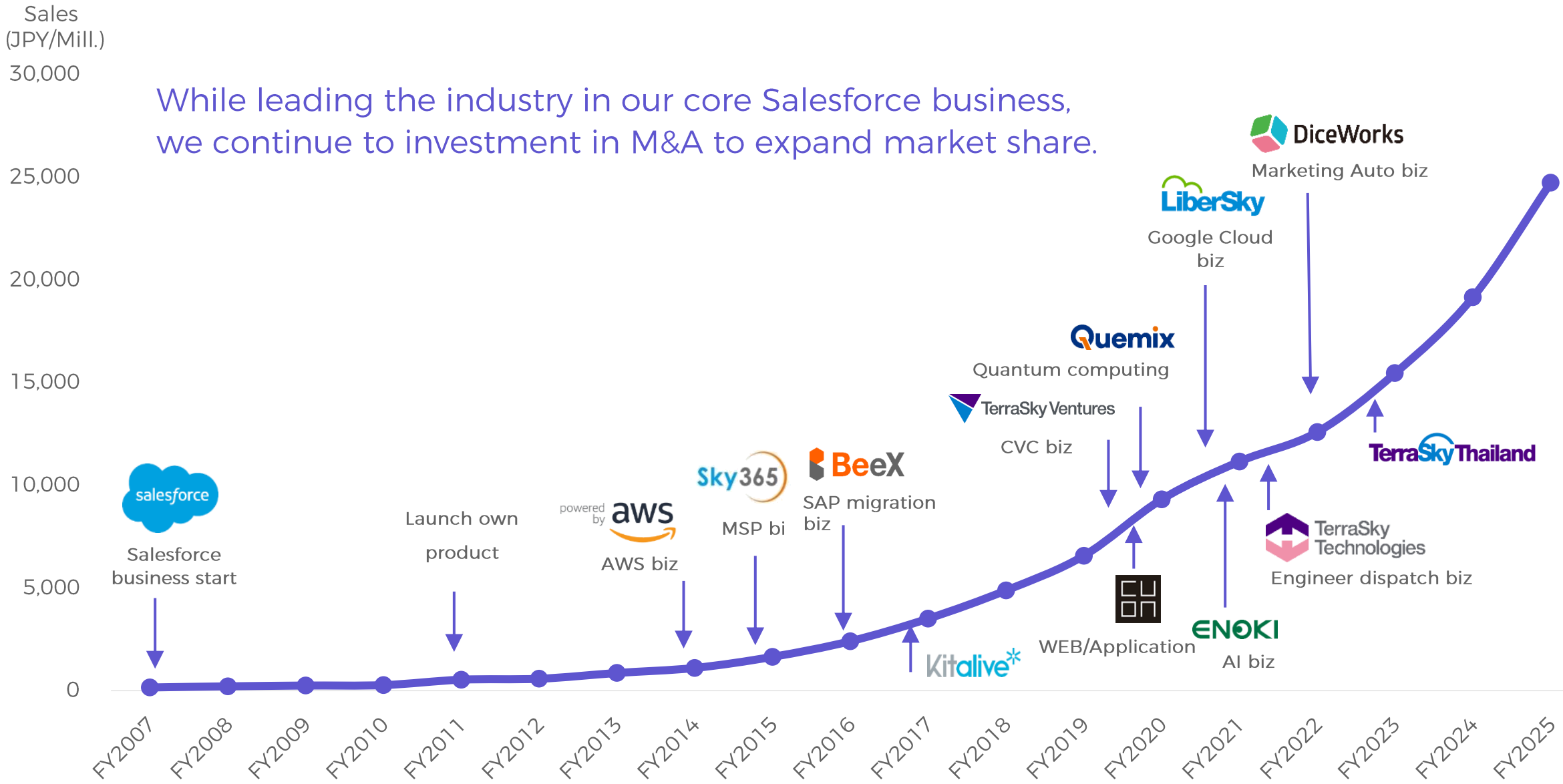
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In the growing cloud integration market, we expect to expand our business with the following 3 strengths:

1 Familiarity with multi-cloud platforms	● Expand Horizontally into surrounding cloud fields with Salesforce as the core. ● Each group company explores business on each cloud platform. (Specialization/mobility)
2 Reskilling	● Full support for employees to obtaining cloud professional certifications. ● Establishing a unique method for educating and developing cloud human resources.
3 Investment strategy based on cloud knowledge	● Improving productivity through the development of in-house products and integration using them ● Establishment of subsidiaries, M&A, early business expansion, and track record of profitability. ● CVC fund creation to create value across the portfolio companies and realize IPO.

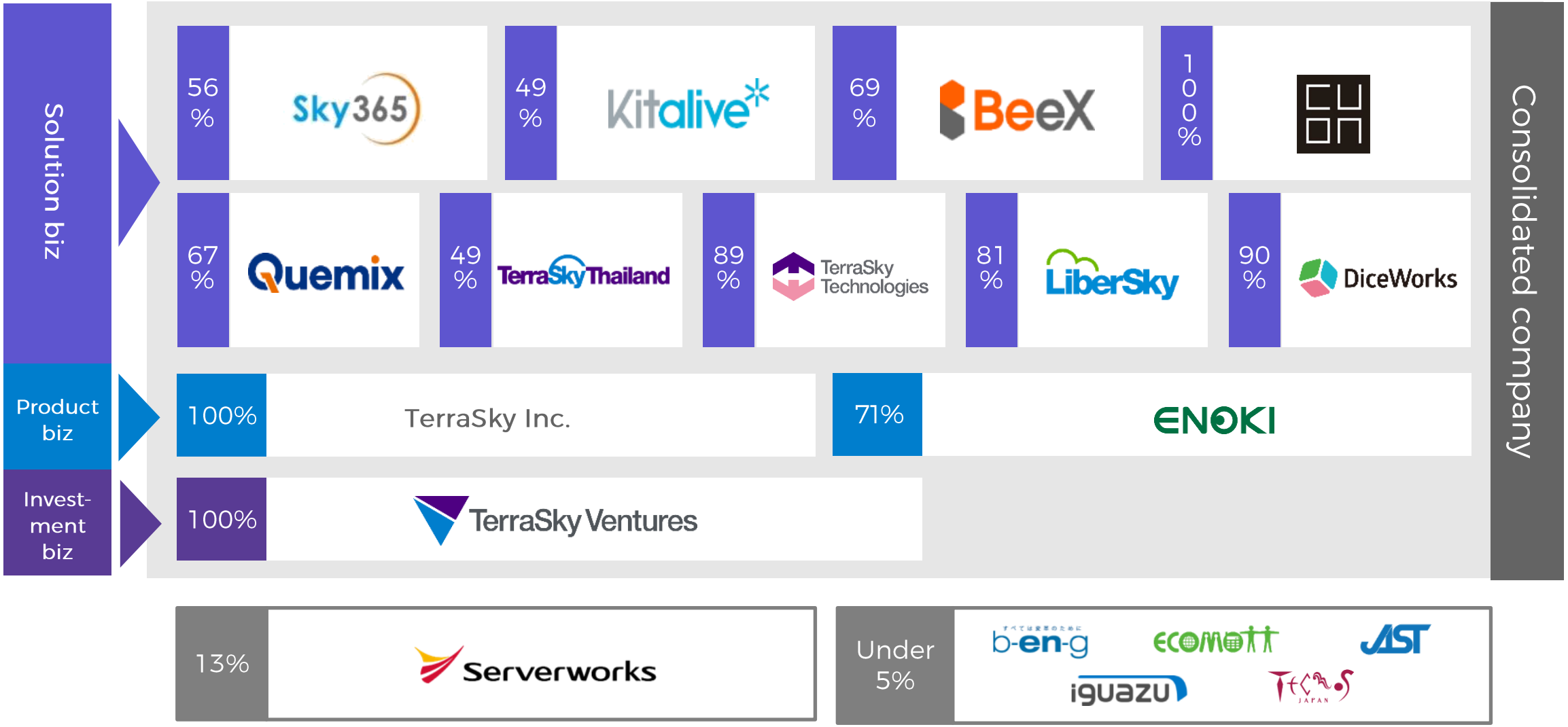
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Establishment of Subsidiary (M&A) and Sales Growth



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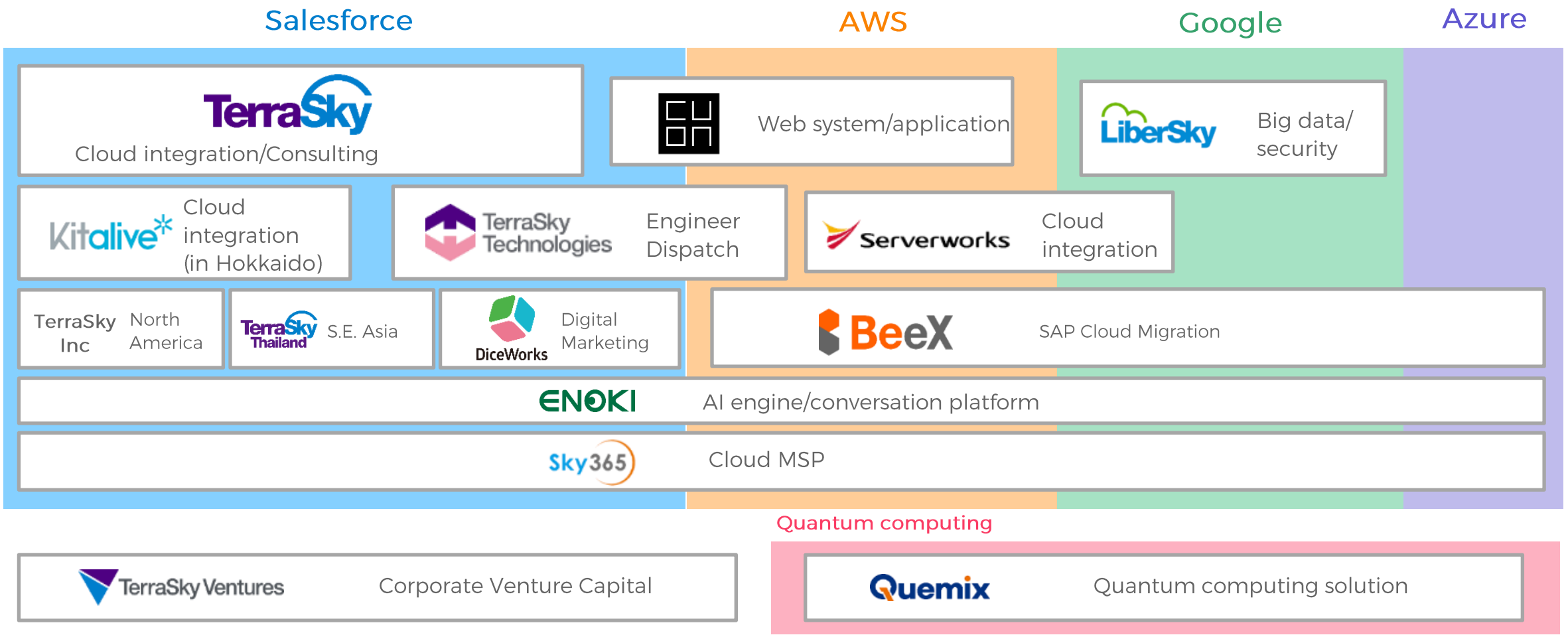
Invested Companies and Shareholding Ratio



(as of May 2024)

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Initiatives towards multi-cloud platform

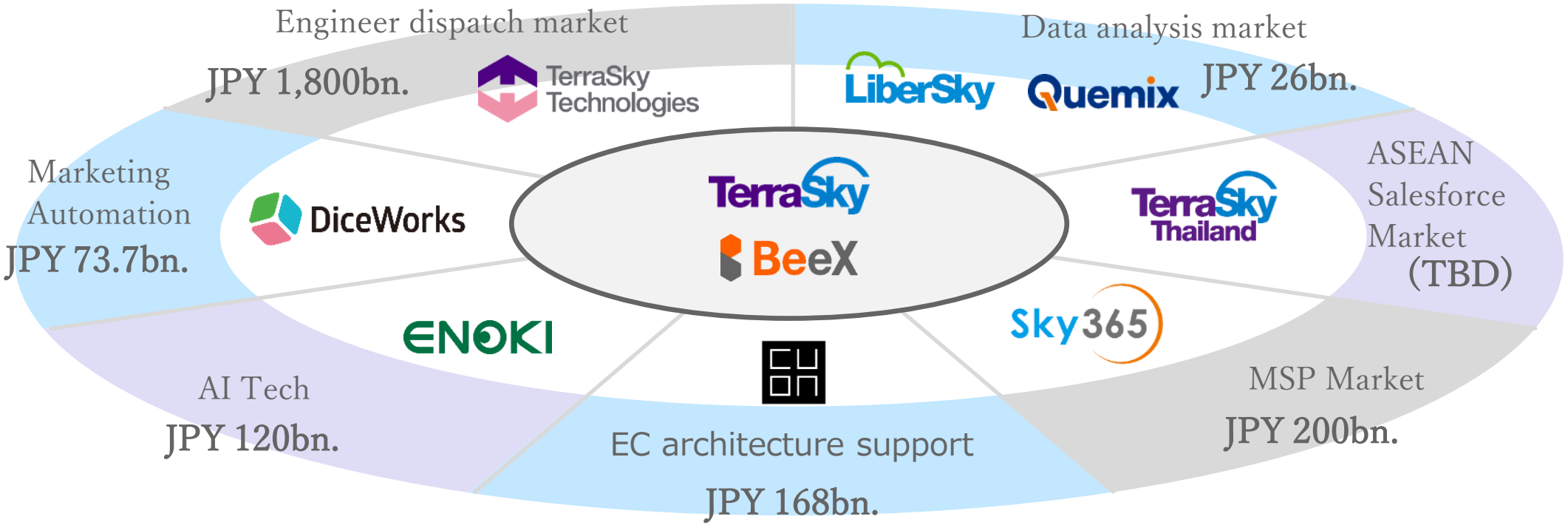


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TerraSky Group's New Business Fields and Market Size

TerraSky and BeeX will expand their core Salesforce and cloud migration businesses, respectively, and will actively pursue M&A and the establishment of new companies to expand market share for the whole group.

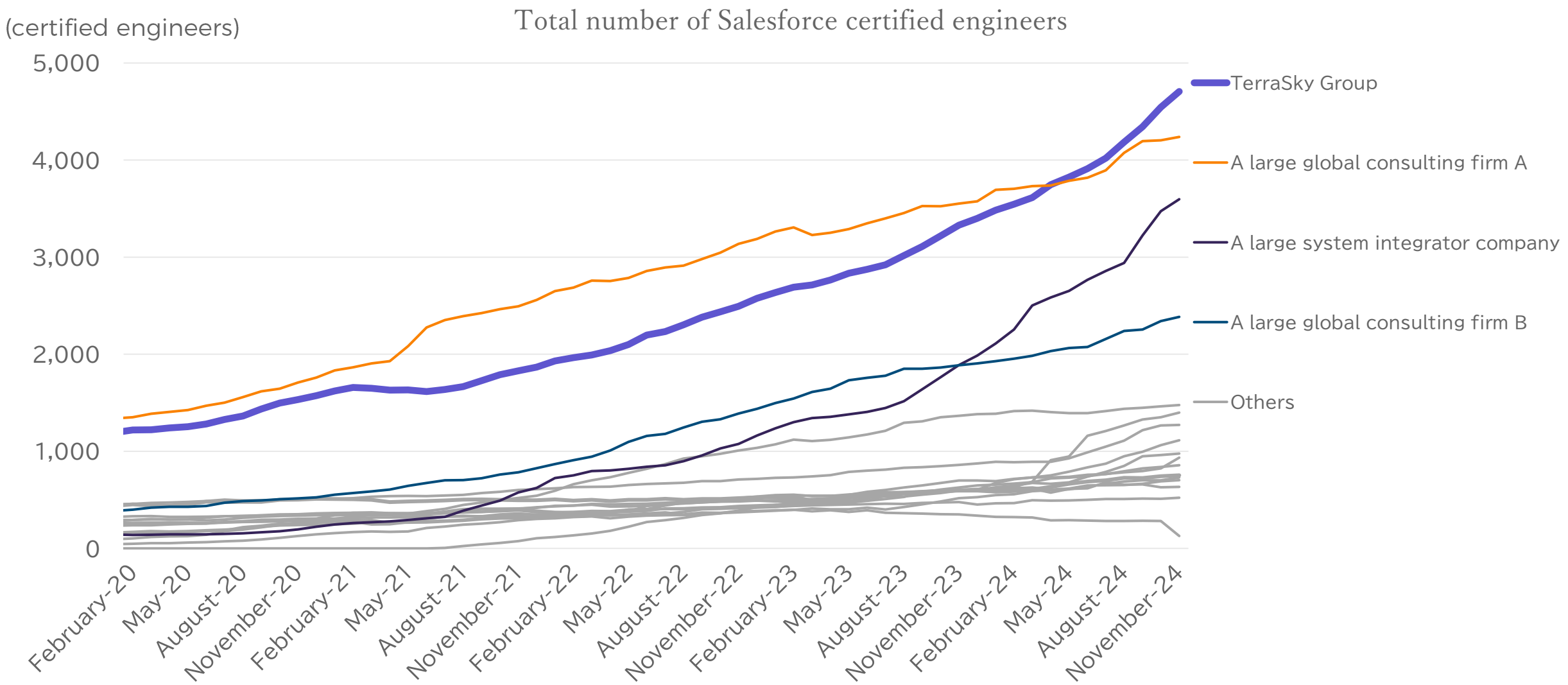
New business areas and market size



※市場規模は当社推計による

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Ranked Top in Japan for Number of Salesforce Certified Engineers



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Overwhelming quality and number of Salesforce certified engineers (employees)

Salesforce MVP

Certified Technical Architect

.....

Highest level of technical qualifications Number of people enrolled in Japan

No.1

Salesforce MVP
・・・3 People enrolled

Certified Technical Architect
・・・ 5 of 19 people enrolled

- Certified Administrator
- Certified Advanced Administrator
- Certified Sales Cloud Consultant
- Certified Service Cloud Consultant
- Certified Field Service Lightning Consultant
- Certified Experience Cloud Consultant
- Certified Platform Developer
- Certified Senior Platform Developer
- Certified Platform Application Builder
- Certified Marketing Cloud Mail Specialist
- Certified Pardot Consultant
- Certified Pardot Specialist
- Certified Sharing and Visibility Architect
- Certified Integration Architect
- Certified Identity and Access Management Architect
- Certified Development Lifecycle and Deployment Architect
- Certified Data Architect
- Certified Tableau CRM and Einstein Discovery Consultant
- Certified System Architect
- Certified Application Architect

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Number of projects in TerraSky Group

20,000 Projects

TerraSky has over 7,000 project on its own.

We support a large number of companies, regardless of industry, business type, or company size and provide continuous development, maintenance and operation

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Investment Strategy

Cloud Technology



Customers

Cloud Integration

Solution Service Asset

Product Asset

Investment Asset

DiceWorks

Kitalive

Sky365

TerraSky Technologies

BeeX

Serverworks

ENOKI

TerraSky Inc

TerraSky Ventures

LiberSky

TerraSky Thailand

Quemix

Salesforce

SAP

AWS

Azure

Google Cloud

Quantum


Market Environment

Sales Growth of the Cloud Platform

(USD/100mil.)

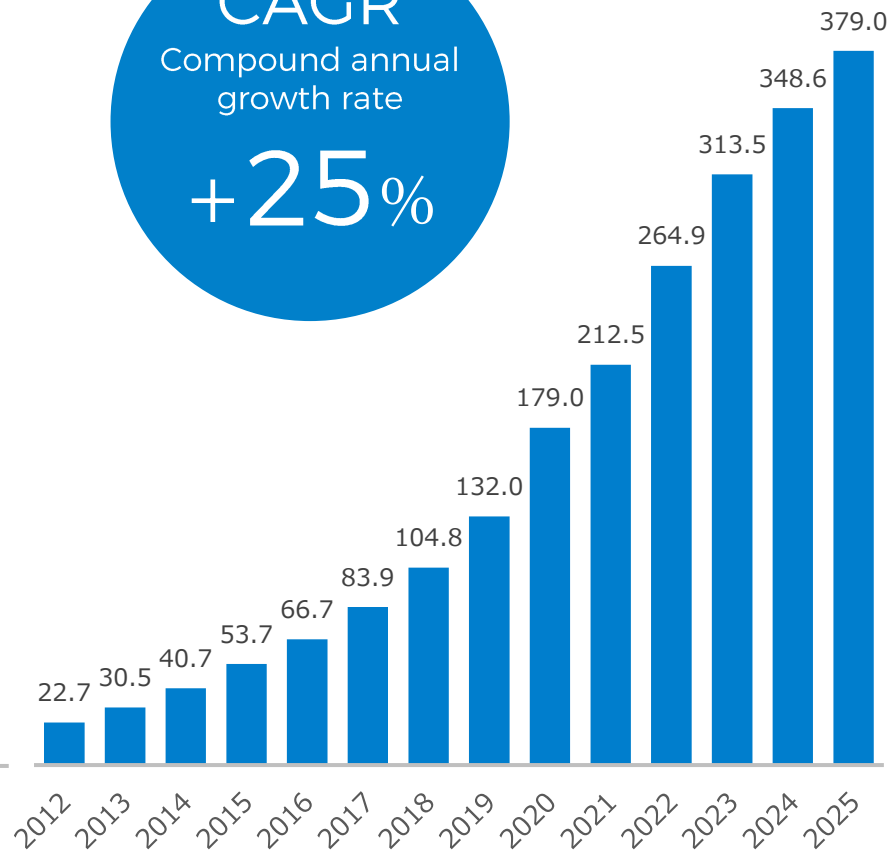
GCP

CAGR
Compound annual growth rate
+40%



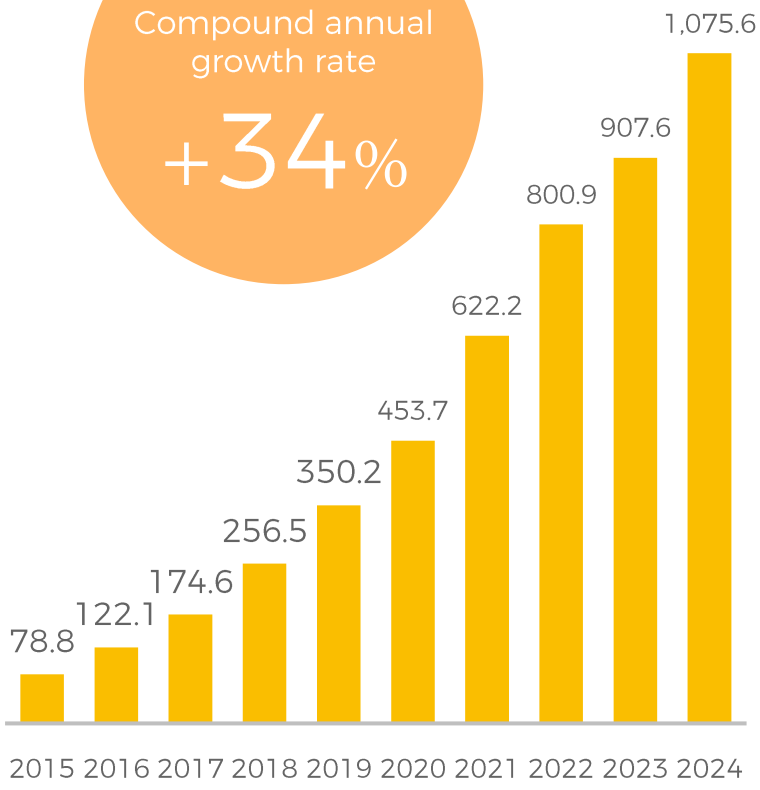
Salesforce

CAGR
Compound annual growth rate
+25%



AWS

CAGR
Compound annual growth rate
+34%

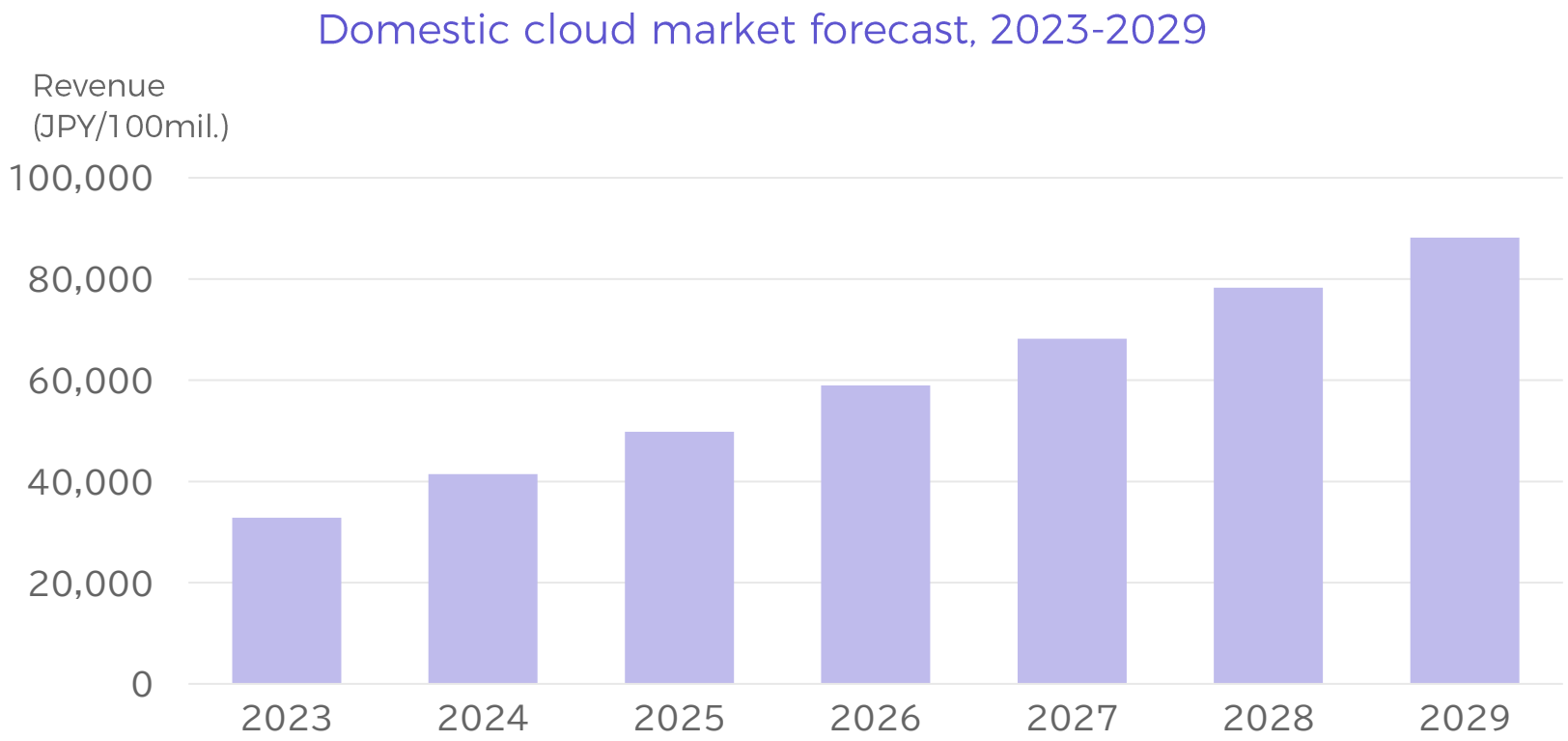


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TerraSky

The Continuously Growing Domestic Public Cloud Market

According to research findings from IDC Japan Ltd., an IT market research firm, the revenue of the Japan public cloud services market in 2024 reached 4,142.3 billion yen, a 26.1% increase year-over-year. Furthermore, the market size of the Japan public cloud services market in 2029 is projected to exceed double the 2024 figure, reaching 8,816.4 billion yen. The market is expected to continue its high growth trajectory, driven by ongoing cloud migration, cloud-native adoption, the utilization of generative AI, and increased investment in digital business.



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Achieving the Sustainable Development Goals (SDGs)

Three Guiding Principles for Achieving the SDGs

01



Initiatives through Business



02



Initiatives for the Future of Children and Regions



03



Initiatives through Corporate Activities



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Fly Ahead