[Notes of caution]

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (under IFRS)

May 15, 2025

Company name CHANGE Holdings, Inc — Stock exchange listings: Tokyo Prime
Securities code 3962 URL https://www.changeholdings.co.jp/
Representative (Title) Representative Director and President (Name)Hiroshi Fukudome
Inquiries (Title) Director, Executive Officer and CFO (Name)Yutaka Yamada Tel 03-6435-7347
Date of general shareholders' meeting (as planned) June 26, 2025 Dividend payable date (as planned) June 27, 2025
Annual securities report filing date (as planned) June 27, 2025
Supplemental material of annual results : Yes
Convening briefing of annual results : Yes (For institutional investors, personal investors, and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	46,387	25.3	13,515	83.1	12,745	75.8	8,011	83.1	7,532	76.7	8,009	87.3
March 31, 2024	37,015	84.9	7,383	28.8	7,250	28.2	4,375	11.9	4,262	10.5	4,276	9.4

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of parent ratio	Profit before tax to total assets ratio	Operating profit to sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	107.49	107.27	18.7	12.8	29.1
March 31, 2024	58.91	57.94	11.2	9.9	19.9

(Reference)Investment accounted for using equity method For the fiscal year ended March 31, 2025 191 Millions of yen For the fiscal year ended March 31, 2024 42 Millions of yen

(Note) In the fiscal year ended March 31, 2025, the provisional accounting treatment for business combinations was finalized, so, for the fiscal year ended March 31, 2024, this finalized provisional accounting treatment has been reflected.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	104,790	49,673	41,254	39.4	592.91
March 31, 2024	93,828	49,923	39,483	42.1	545.69

(Note) In the fiscal year ended March 31, 2025, the provisional accounting treatment for business combinations was finalized, so, for the fiscal year ended March 31, 2024, this finalized provisional accounting treatment has been reflected.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	7,836	(14,081)	1,324	30,185
March 31, 2024	12,070	(13,745)	17,827	38,403

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to equity attributable to owner of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	0.00	-	18.70	18.70	1,353	31.7	3.6

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	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to equity attributable to owner of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
Fiscal year ended March 31, 2025	-	0.00	-	20.90	20.90	1,454	19.4	3.7
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	23.00	23.00		20.2	

(Note) Breakdown of the dividends for FY ended March 31, 2024: Ordinary dividends of ¥12.00, Special dividends of ¥6.70

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	55,000	18.6	14,000	3.6	13,223	3.8	8,359	4.4	7,904	4.9	113.60

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 2 companies (Company name) Toko Computer Service Co., LTD., and fundbook, Inc.

Excluded: 2 companies (Company name) Digital Growth Academia, Inc, and Logosware Corporation

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

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury share)	As of March 31, 2025	73,852,362shares	As of March 31, 2024	72,978,762shares
② Number of treasury share at the end of fiscal year	As of March 31, 2025	4,273,415shares	As of March 31, 2024	623,335shares
③ Average number of shares	Fiscal year ended March 31, 2025	70,074,522shares	Fiscal year ended March 31, 2024	72,354,937shares

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	8,916	(30.0)	6,839	(39.4)	4,782	(56.9)	3,096	-
March 31, 2024	12,731	274.8	11,283	-	11,095	-	(96)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	44.18	44.09
March 31, 2024	(1.34)	-

(Note) Non-consolidated operating results are calculated based on J-GAAP.

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	71,148	36,215	50.9	520.45
March 31, 2024	62,081	38,860	62.6	537.06

(Reference) Owner's equity As of March 31, 2025 36,212Millions of yen As of March 31, 2024 38,859Millions of yen

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* The Tanshin (summary of financial results) has not been subject to an audit by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecast and other forward-looking statements contained in this report are prepared based on information currently available to the Company and on certain assumptions deemed to be reasonable, but they are not promised by the Company regarding future performance. Actual results may differ significantly from these forecasts due to several factors. For future forecasts and assumptions, please refer to "1. Overview of operating results (1) Overview of the current operating results (ii) Outlook for the next fiscal year" on page 6 hereof.

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1. Overview of operating results

(1) Overview of operating results for the current fiscal year

The provisional accounting treatment was used for the business combination with E-Guardian Inc. in October 2023 and with IdealRoute Consulting Inc. in March 2024 at the end of the previous fiscal year. However, because it was finalized in the current fiscal year, such finalized provisional accounting treatment was adopted for comparison and analysis with the previous fiscal year.

(i) Operating results for the current fiscal year

In the future, it is predicted that about one out of 2.4 citizens will be older than 65 in 2070, resulting in a world of super-aged society. In recent years, it was found that Japanese digital transformation (hereinafter, “DX”) is becoming increasingly behind the world. Therefore, in the stock market, there is a clear bipolarization between companies adaptive and evolving to DX and other companies. As a result, it is urgently necessary for surviving companies to respond to, transform, and invest in DX. In addition, it is also inevitable for local governments who are facing the challenge of severe financial conditions and population decline and whose workloads are increasing despite the declining number of employees to improve operational efficiency through DX.

Under such circumstances, the Group (or simply, “we”) has been developing businesses such as digitization of business models and business processes and support for the development of digital human resources in order to dramatically improve Japanese productivity with "People multiplied by Technology" and to make Japan a sustainable society with a decreasing population under the vision of "Change Productivity" under the mission of "Change People, Change Business, Change Japan". Since its inception, we have provided solutions to the digitization needs of many customers.

Specifically, we are promoting and expanding these two businesses: the NEW-IT Transformation Business, which is responsible for supporting the development of digital human resources, innovating business processes, and digitization, and the Publitech Business, which is headed by the promotion of regionalization through DX.

On May 13, 2022, we announced the revised "Digitize & Digitalize Japan (Phase 2)," our Mid-term Business Plan. In March 2022, we entered into a capital and business alliance with SBI Holdings, Inc. to accelerate initiatives for regional revitalization in order to identify priority areas for “Local" × "Social" × "Digital” and lead the Japanese DX and achieve the revised Mid-term Business Plan. At the same time, we are accelerating recruitment and development of human resources, expansion of DX’s growth areas through the establishment of joint ventures with major companies, and growth-oriented investments including M&A. Also, by shifting to a holding company structure on April 1, 2023, we will further strengthen group governance and optimize the allocation of management resources as well as promote the development of next-generation management talents. Our goal is to secure a flexible and robust management structure that can respond quickly to any changes in the management environment.

With E-Guardian Inc., which became a consolidated subsidiary in October 2023 as a foothold, we have been expanding our business into the cyber security field. Also, in December 2024, we acquired fundbook, Inc., a company engaged in M&A brokerage and made it our wholly owned subsidiary. In these ways, we are actively developing our business in order to achieve further growth under the next Mid-term Business Plan.

Operating results for the current consolidated fiscal year are as follows:

In the NEW-IT Transformation Business, the Group continues to invest in growth-oriented businesses, centered on M&A and capital-and-business alliances. In the area of resolving personnel shortages, we strengthened and expanded training services that incorporated re-skilling and robust generative AI(ChatGPT) related demand and recorded a gain on revaluation of shares due to the conversion of Digital Growth Academia, Inc. into an equity-method affiliate. Revenue has been increasing after we acquired fundbook, Inc., a company engaged in M&A brokerage, and made it our 100% subsidiary in December 2024. We will further create a new added value in the M&A brokerage business by using our DX knowledge, client base, and relationships with them for the sake of the business succession of regional companies which is a key to regional revitalization. In the cyber security field, revenue increased significantly compared with the previous fiscal year due to the consolidation of E-Guardian Inc. and IdealRoute Consulting Inc. Cyleague Holdings, Inc. and E-Gurdian Inc. established SMBC Cyberfront Inc, a joint venture to support corporate cyber security, with Sumitomo Mitsui Financial Group, Inc. and Mitsui Sumitomo Insurance Company., Limited. In order to continue to reorganize the cyber security industry, we will engage in the integration of solutions and human resources through M&A.

In the Publitech Business, we are promoting DX of local governments and regional revitalization through efforts to promote regional economic cycles. In the regional revitalization business, the expansion of OEM services, such as "JRE MALL Furusato Nozei (hometown tax donation)" operated by East Japan Railway Company and "Kabu & Furusato Nozei" operated by KABU&PEACE,Inc. As a result, the amount of donations handled in the current fiscal year exceeded that in the previous fiscal year and grew steadily. In September 2024, Toko Computer Service Co.,Ltd. became our wholly owned subsidiary to promote the development of new businesses such as carbon credits. Furthermore, as announced on April 1, 2025, we established Grivity, Inc. to accelerate business growth in the logistics field with the aim of improvement in efficiency and reduction of costs regarding delivery operations of local governments for hometown tax donations. In the public DX area, LoGo chat and LoGo forms, which are SaaS businesses for local governments, continue to receive a strong reputation from customers, and about total of 1,500 local governments use LoGo chat (including both paid and free).

As a result, revenue for the current consolidated accounting year was 46,387 million yen (up 25.3% from the previous fiscal year), operating profit was 13,515 million yen (up 83.1% from the same period), profit before tax was 12,745 million yen (up 75.8% from the same period), and profit attributable to owners of parent was 7,532 million yen (up 76.7% from the same period).

(a)NEW-IT Transformation Business

In the NEW-IT Transformation Business, the Group continues to invest in growth-oriented businesses, centered on M&A and capital-and-business alliances. In the area of resolving personnel shortages, we strengthened and expanded training services that incorporated re-skilling and robust generative AI(ChatGPT) related demand and recorded a gain on revaluation of shares due to the conversion of Digital Growth Academia, Inc. into an equity-method affiliate. Revenue has been increasing after we acquired fundbook, Inc., a company engaged in M&A brokerage, and made it our 100% subsidiary. We will further create a new added value in the M&A brokerage business by using our DX knowledge, client base, and relationships with them for the sake of the business succession of regional companies which is a key to regional revitalization. In the cyber security field, revenue increased significantly compared with the previous fiscal year due to the consolidation of E-Guardian Inc. and IdealRoute Consulting Inc. Cyleague Holdings, Inc. and E-Gurdian Inc. established SMBC Cyberfront Inc, a joint venture to support corporate cyber security, with

Sumitomo Mitsui Financial Group, Inc. and Sumitomo Mitsui Insurance Co., Ltd. In order to continue to reorganize the cyber security industry, we will engage in the integration of solutions and human resources through M&A.

Consequently, revenue in the NEW-IT Transformation Business for the current consolidated accounting year was 20,797 million yen (up 81.6% from the previous fiscal year), and segment profit was 6,080 million yen (92 million yen in the previous fiscal year).

(b) Publitech Business

In the Publitech Business, we are promoting DX of local governments and regional revitalization through efforts to promote regional economic cycles. In the regional revitalization business, the expansion of OEM services, such as "JRE MALL Furusato Nozei (hometown tax donation)" operated by East Japan Railway Company and "Kabu & Furusato Nozei" operated by KABU&PEACE,Inc. As a result, the amount of donations handled in the current fiscal year exceeded that in the previous fiscal year and grew steadily. In September, 2024, Toko Computer Service Co.,Ltd. became our wholly-owned subsidiary to promote the development of new businesses such as carbon credits. Furthermore, as announced on April 1, 2025, we established Grivity, Inc. to accelerate business growth in the logistics field with the aim of improvement in efficiency and reduction of costs further expanding regarding delivery operations of local governments for hometown tax donations. In the public DX area, LoGo chat and LoGo forms, which are SaaS businesses for local governments, continue to receive a strong reputation from customers, and about total of 1,500 local governments use LoGo chat (including both paid and free).

As a result, revenue in the Publitech Business for the current consolidated accounting year was 26,160 million yen (up 2.5% from the previous fiscal year) and segment profit was 13,045 million yen (up 18.2% from the same period).

(ii) Outlook for the next fiscal year

On May 15, 2025, we announced the “Digitize & Digitalize Japan (Phase3)”, the new Mid-term Business Plan (from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028). In order to implement regional revitalization, we, as a company responsible for regional revitalization, will utilize many digital technologies to promote the activation of and the collaboration among local governments, regional financial institutions, companies representing the region, media, universities and educational institutions, and other players, and will work to further increase corporate value by constructing a new type of regional revitalization that only our Group can implement and by resolving various local issues. In addition, in order to further strengthen corporate governance, the Company will transit to a company with audit and supervisory committee and work to strengthen its management base.

Regarding the NEW-IT Transformation Business, specifically, in the “private-sector DX and M&A brokering area (to which we have changed the name of these business from the “solving human resource shortages”), we will create services that help eliminate human resource shortages through “BPO services times Digital”, and we will also create new value-added M&A services. In addition, in the cyber security area, we intend to strengthen our sales channels and solutions in the security area through alliance strategies, including M&A, in order to build our position as a comprehensive cyber security entity.

Regarding the Publitech Business, in the regional revitalization business, we will continue to build a stable earnings base in the hometown tax donation platform business by utilizing OEM to survive the rapidly changing competitive environment. In addition, we will focus on strengthening solutions in the tourism area to capture robust inbound demand, and launching and expanding the carbon credit business. In the area of public DX, we will leverage the strengths we have cultivated over the years in our sales capabilities and BPR consulting abilities for local governments in order to expand into new areas and win large projects from central government ministries and agencies.

Regarding the shareholder-return policy, we treat goodwill and intangible assets as risk assets based on our financial discipline, and have a policy of keeping these assets within the scope of shareholders' equity. We intend to secure sufficient investment capacity for future M&A while expanding shareholders' equity with cash flow from operating activities. We will pay dividends considering the balance between investment and return to shareholders by determining the dividend amount based on such shareholder equity as the standard.

In the fiscal year ending March 31, 2026, we aim to improve and stabilize the profitability of our subsidiaries, including those newly became our consolidated subsidiaries, as the first year of achieving "Digitize & Digitalize Japan (Phase3)", the new Mid-term Business Plan.

Regarding the NEW-IT Transformation Business, in the private sector DX and M&A brokerage area, we will focus on increasing customers by expanding the social support area and inviting related -parties to make joint proposals with us for BPO area, implement measures to acquire lead and improve the conversion rate for high-quality projects by strengthening cooperation with financial institutions, etc. for M&A, and focus on capturing the consulting needs of service providers of our Group companies for training and consulting area. In the cyber security area, the Group will expand its customer base by strengthening alliance partners, invest in SaaS companies, and expand services by leveraging the relationships of investee companies. Through these and other initiatives, we will respond to the ever-increasing need for security.

Regarding the Publitech Business, we will strengthen logistics-related businesses while maintaining the revenue base for hometown tax donations in the regional revitalization area, and expand the range of services by adding inbound promotions to the existing tourism area. In the field of public DX, we will further expand our LoGo series. We will maintain and strengthen our municipal BPR business. In addition, we will focus on acquiring projects from central government ministries and agencies.

As a result, for the fiscal year ending March 2026, we forecast revenue of 55,000 million yen (up 18.6% year on year), operating profit of 14,000 yen (up 3.6% year on year), profit before tax of 13,223 million yen (up 3.8% year on year), and profit attributable to owners of the parent of 7,904 million yen (up 4.9% year on year).

(2) Financial Position

(i) Assets, Liabilities, and Shareholder Equity

(Assets)

Current assets at the end of the current consolidated fiscal year were 49,823 million yen, a decrease of 6,268 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 8,217 million yen in cash and cash equivalents. Non-current assets were 54,967 million yen, an increase of 17,229 million yen from the end of the previous fiscal year. This was mainly due to an increase of 11,046 million yen in goodwill.

As a result of the above, total assets increased by 10,961 million yen from the end of the previous fiscal year to 104,790 million yen.

(Liabilities)

Current liabilities at the end of the current consolidated fiscal year were 23,411 million yen, an increase of 2,513 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 4,210 million yen in trade and other payables. Non-current liabilities increased by 8,698 million yen from the end of the previous fiscal year to 31,705 million yen. This was mainly due to a increase of 7,596 million in bonds and borrowings.

As a result of the above, total liabilities increased by 11,211 million yen from the end of the previous fiscal year to 55,116 million yen.

(Equity)

Equity at the end of the current consolidated fiscal year was 49,673 million yen, a decrease of 249 million yen from the end of the previous consolidated fiscal year. This was mainly due to the recording of profit attributable to owners of parent of 7,532 million yen, dividend payment of 1,353 million yen, a decrease of 2,398 million yen in non-controlling interests due to the loss of control of subsidiaries, and an increase of 4,476 million yen in treasury share.

(ii) Cash Flows

Cash and cash equivalents at the end of the current consolidated fiscal year were 30,185 million yen, a decrease of 8,217 million yen from the end of the previous fiscal year.

The status of each cash flow and main factors are as follows.

(Cash flows from operating activities)

The increase in cash from operating activities during the current consolidated fiscal year was 7,836 million yen (an increase of 12,070 million yen for the previous fiscal year). This was mainly due to recordings of profit before tax of 12,745 million yen.

(Cash flows from investing activities)

The decrease in cash from investing activities in the current consolidated fiscal year was 14,081 million yen (a decrease of 13,745 million yen for the previous fiscal year). This was mainly due to the purchase of shares of subsidiaries resulting in change in scope of consolidation of 13,081million yen.

(Cash flows from financing activities)

The increase in cash from financing activities in the current consolidated fiscal year was 1,324 million yen (an increase of 17,827 million yen for the previous fiscal year). This was mainly due to an increase in long-term borrowings of 12.101 million yen , purchase of treasury share of 4,485 million yen, repayment of long-term borrowings of 3,997 million yen, and cash dividends paid of 1,351 million yen.

(3) Basic profit distribution policy and dividends for the current and next fiscal years

We treat goodwill and intangible assets as risky assets based on our financial discipline, and have a policy of keeping them within the scope of shareholders' equity. We intend to secure investment capacity for future M&A while expanding shareholders' equity with cash flow from operating activities. We will realize dividends considering the balance between investment and return by determining the dividend amount based on such shareholders' equity. Specifically, we have established a new dividend policy of DOE3.6% and a lower limit on the dividend payout ratio of 15%.

Based on this basic policy, at the beginning of the current fiscal year, we originally planned to pay a year-end dividend of 14.5 yen for the fiscal year ending March 2025, but we change the plan and will pay an ordinary dividend of 20.9 yen.

We further plan to pay a year-end dividend of 23.0 yen per share for the next fiscal year (for the year ending March 31, 2026) on the assumption that we can secure the profit forecast for the next fiscal year.

The record date for the payment of dividends from retained earnings is at the end of the fiscal year, and the decision-making is made by the shareholders' meeting.

In accordance with Article 454, Paragraph 5 of the Companies Act, the Company's Articles of Incorporation provide that interim dividends may be paid on September 30 of each year by resolution of the Board of Directors.

[Notes of caution]

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2.Basic Approach to Selection of Accounting Standards

The Group adopted the International Financial Reporting Standards (IFRS) since the consolidated financial statements in the Securities Reports for the fiscal year ended September 2020, with the aim of enhancing the international comparability of financial information in the capital markets and improving communications with stakeholders.

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3. Consolidated Financial Statements and Major Notes
(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	38,403	30,185
Trade and other receivables	13,699	17,760
Inventories	402	437
Other financial assets	34	472
Other current assets	870	966
Subtotal	53,410	49,823
Assets held for sale	2,681	-
Total current assets	56,091	49,823
Non-current assets		
Property, plant and equipment	1,080	1,152
Right-of-use assets	1,070	1,647
Goodwill	17,834	28,881
Intangible assets	9,735	8,711
Investments accounted for using equity method	731	4,926
Other financial assets	5,229	7,460
Deferred tax assets	2,019	2,102
Other non-current assets	35	84
Total non-current assets	37,737	54,967
Total assets	93,828	104,790

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(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	7,929	12,140
Borrowings	3,652	5,838
Lease liabilities	633	882
Other financial liabilities	388	282
Income taxes payable	3,234	2,028
Provisions	557	-
Other current liabilities	4,459	2,239
Subtotal	20,854	23,411
Liabilities directly associated with assets held for sale	44	-
Total current liabilities	20,898	23,411
Non-current liabilities		
Bonds and borrowings	19,286	26,883
Lease liabilities	447	865
Provisions	260	415
Deferred tax liabilities	2,401	2,967
Other non-current liabilities	609	574
Total non-current liabilities	23,006	31,705
Total liabilities	43,905	55,116
Equity		
Share capital	1,006	1,042
Capital surplus	22,048	22,081
Retained earnings	17,937	24,117
Treasury shares	(1,405)	(5,882)
Other components of equity	(102)	(104)
Total equity attributable to owners of parent	39,483	41,254
Non-controlling interests	10,439	8,419
Total equity	49,923	49,673
Total liabilities and equity	93,828	104,790

[Notes of caution]

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

[Condensed Consolidated Statements of Income]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue from Contracts with Customers	36,887	46,387
Revenue in operational investment securities	127	-
Total	37,015	46,387
Cost of sales	13,973	20,499
Gross profit	23,041	25,888
Selling, general and administrative expenses	12,256	13,265
Impairment losses	2,229	798
Provision for doubtful accounts	1,184	172
Gain on loss of control of subsidiary	-	1,569
Other income	116	204
Other expenses	146	102
Share of profit of investments accounted for using equity method	42	191
Operating profit	7,383	13,515
Finance income	55	20
Finance costs	188	789
Profit before tax	7,250	12,745
Income tax expense	2,874	4,734
Profit	4,375	8,011
Profit attributable to		
Owners of parent	4,262	7,532
Non-controlling interests	113	478
Profit	4,375	8,011
Earnings per share		
Basic earnings per share	58.91	107.49
Diluted earnings per share	57.94	107.27

[Notes of caution]

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[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	4,375	8,011
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(106)	(0)
Share of other comprehensive income of investments accounted for using equity method	(0)	0
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7	(1)
Other comprehensive income, net of tax	(98)	(2)
Comprehensive income	4,276	8,009
Comprehensive income attributable to		
Owners of parent	4,159	7,531
Non-controlling interests	116	477
Comprehensive income	4,276	8,009

[Notes of caution]

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(3) Consolidated Statements of Changes in Equity

The previous consolidated fiscal year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent				
					Other components of equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	1,004	22,480	14,398	(1,405)	-
Profit			4,262		
Other comprehensive income					(106)
Total	-	-	4,262	-	(106)
Issuance of new shares	2	2			
Dividends			(723)		
Changes in ownership interest in subsidiaries		(434)			
Change in equities for companies accounted for by the equity method		0			(0)
Obtaining of control of subsidiaries					
Share-based payment transactions of consolidated subsidiaries					
Total transactions with owners	2	(431)	(723)	-	(0)
Balance at end of period	1,006	22,048	17,937	(1,405)	(106)

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	-	-	36,477	2,854	39,331
Profit		-	4,262	113	4,375
Other comprehensive income	3	(102)	(102)	3	(98)
Total	3	(102)	4,159	116	4,276
Issuance of new shares		-	5		5
Dividends		-	(723)	(264)	(988)
Changes in ownership interest in subsidiaries	(0)	(0)	(434)	(29)	(464)
Change in equities for companies accounted for by the equity method		(0)	0		0
Obtaining of control of subsidiaries		-	-	7,788	7,788
Share-based payment transactions of consolidated subsidiaries		-	-	(26)	(26)
Total transactions with owners	(0)	(0)	(1,152)	7,467	6,314
Balance at end of period	3	(102)	39,483	10,439	49,923

[Notes of caution]

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

(Millions of yen)

	Equity attributable to owners of parent				
					Other components of equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	1,006	22,048	17,937	(1,405)	(106)
Profit			7,532		
Other comprehensive income					(0)
Total	-	-	7,532	-	(0)
Issuance of new shares	35	34			
Issuance of share acquisition rights		2			
Dividends			(1,353)		
Purchase of treasury shares		(6)		(4,476)	
Loss of control of subsidiaries					
Changes in ownership interest in subsidiaries		1			
Change in equities for companies accounted for by the equity method					0
Share-based payment transactions of consolidated subsidiaries					
Total transactions with owners	35	33	(1,353)	(4,476)	0
Balance at end of period	1,042	22,081	24,117	(5,882)	(106)

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	3	(102)	39,483	10,439	49,923
Profit		-	7,532	482	8,021
Other comprehensive income	(1)	(1)	(1)	(0)	(2)
Total	(1)	(1)	7,531	477	8,009
Issuance of new shares		-	70		70
Issuance of share acquisition rights		-	2		2
Dividends		-	(1,353)	(182)	(1,535)
Purchase of treasury shares		-	(4,482)		(4,482)
Loss of control of subsidiaries		-	-	(2,398)	(2,398)
Changes in ownership interest in subsidiaries	(0)	(0)	1	64	65
Change in equities for companies accounted for by the equity method		0	0		0
Share-based payment transactions of consolidated subsidiaries		-	-	19	19
Total transactions with owners	(0)	(0)	(5,761)	(2,497)	(8,259)
Balance at end of period	2	(104)	41,254	8,419	49,673

[Notes of caution]

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(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	7,250	12,745
Depreciation and amortization	1,823	2,387
Gain on loss of control of subsidiary	-	(1,569)
Share of loss (profit) of investments accounted for using equity method	(42)	(191)
Impairment losses (reversal of impairment losses)	2,229	798
Finance income and finance costs	132	769
Decrease (increase) in inventories	87	54
Decrease (increase) in trade and other receivables	(2,246)	(4,016)
Decrease (increase) in investment securities for sale	(127)	-
Increase (decrease) in trade and other payables	2,087	3,587
Other	2,732	(1,370)
Subtotal	13,927	13,194
Interest and dividends received	5	19
Interest paid	(84)	(266)
Income taxes paid	(1,778)	(5,111)
Net cash provided by (used in) operating activities	12,070	7,836
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,096)	(184)
Purchase of intangible assets	(1,127)	(827)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,337)	(13,081)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	420
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	1,405
Purchase of investments accounted for using equity method	(69)	(100)
Purchase of investment securities	(2,496)	(988)
Proceeds from sale of investment securities	280	-
Other	101	(724)
Net cash provided by (used in) investing activities	(13,745)	(14,081)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50)	(150)
Proceeds from long-term borrowings	22,444	12,101
Repayments of long-term borrowings	(2,552)	(3,997)
Repayments of lease liabilities	(522)	(801)
Proceeds from issuance of shares	5	70
Dividends paid to non-controlling interests	(264)	(182)
Dividends paid	(722)	(1,351)
Purchase of treasury shares	-	(4,485)
Other	(509)	121
Net cash provided by (used in) financing activities	17,827	1,324
Net increase (decrease) in cash and cash equivalents	16,152	(4,919)
Cash and cash equivalents at beginning of period	22,968	38,403
Effect of exchange rate changes on cash and cash equivalents	55	(2)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(4,068)
Cash and cash equivalents included in assets of disposal groups classified as held for sale	(773)	773
Cash and cash equivalents at end of period	38,403	30,185

[Notes of caution]

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(5) Notes to Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

[Notes of caution]

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(Segment Information)

(1) Description of reportable segments

The Group's reportable segments are the components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Company's Board of Directors to make decisions about the allocation of management resources to the segments and assess their performance. No operating segments have been aggregated in determining the reportable segments.

The Group consists of segments categorized by the nature of services. We have three reportable segments: the NEW-IT Transformation Business, and the Publitech Business.

The NEW-IT Transformation Business provides Japanese companies with solutions that improve productivity and added value by transforming their business operations and business models through the development of innovative technologies and digital human resources, internet-security related services, and M&A brokerage services. Publitech Business provides a platform service for hometown tax donation and solutions for government agencies.

At the meeting of our Board of Directors held on April 14, 2023, a resolution was made to abolish the "Investment Business" and to change the reportable segments.

(2) Information regarding reportable segments

The accounting policies of the reportable segments are the same as those of the Group described in Notes "3. Important accounting policies."

Segment profit in the reportable segments is based on operating profit.

Inter-segment revenue is based on prevailing market prices.

The previous consolidated fiscal year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Reportable segments				Reconciling items	Consolidated
	NEW-IT transformation business	Investment business	Publitech business	Total		
Revenue						
Revenue from external customers	11,373	127	25,514	37,015	-	37,015
Intersegment revenue	80	-	2	82	(82)	-
Total	11,453	127	25,516	37,097	(82)	37,015
Operating profit (loss)	92	126	11,036	11,255	(3,871)	7,383
Finance income	-	-	-	-	-	55
Finance costs	-	-	-	-	-	188
Profit before tax	-	-	-	-	-	7,250
Other items						
Depreciation and amortization	786	-	858	1,644	179	1,823
Impairment losses	1,956	-	272	2,229	-	2,229
Provision for doubtful accounts	-	-	1,184	1,184	-	1,184

(Note)

1. The adjustment (3,871) million yen comprises company-wide expenses not allocable to any reportable segment and mostly consists of general and administrative expenses of 3,871million yen that are not attributable to the reportable segments.
2. This segment's profit is adjusted for operating income in the condensed quarterly consolidated statements of income.
3. Segment assets, liabilities, and equities are not described here since they are not subject to a decision for allocating management resources and evaluating performances.

[Notes of caution]

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The current consolidated fiscal year (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable segments			Reconciling items	Consolidated
	NEW-IT transformation business	Publitech business	Total		
Revenue					
Revenue from external customers	20,283	26,104	46,387	-	46,387
Intersegment revenue	514	56	570	(570)	-
Total	20,797	26,160	46,958	(570)	46,387
Operating profit (loss)	6,080	13,045	19,126	(5,611)	13,515
Finance income	-	-	-	-	20
Finance costs	-	-	-	-	789
Profit before tax	-	-	-	-	12,745
Other items					
Depreciation and amortization	1,341	823	2,164	222	2,387
Impairment losses	-	805	805	(7)	798
Provision for doubtful accounts	-	172	172	-	172
Gain on loss of control of subsidiary	1,569	-	1,569	-	1,569

(Note)

1. The adjustment (5,611) million yen comprises company-wide expenses not allocable to any reportable segment and mostly consists of general and administrative expenses of 5,611 million yen that are not attributable to the reportable segments.
2. This segment's profit is adjusted for operating income in the condensed quarterly consolidated statements of income.
3. Segment assets, liabilities, and equities are omitted here since they are not materials for making a decision of allocating management resources and evaluating performances.

(3)Information on products and services

This information is omitted in the previous consolidated fiscal year and the current consolidated fiscal year because similar information is disclosed in the segment information.

(4)Information on geographic areas

Disclosure is omitted because revenue from sales to external customers in Japan and non-current assets located in Japan accounted for the majority of sales in the previous fiscal year and the current fiscal year.

(5)Information about major customers

Disclosure is omitted because revenue from certain customers in the previous fiscal year and the current fiscal year does not account for more than 10% of revenue in the consolidated statements of income.

[Notes of caution]

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(Per share information)

The following table sets forth the computation of basic earnings per share and diluted earnings per share:

	Previous consolidated fiscal year (April 1, 2023 To March 31, 2024)	Current consolidated fiscal year (April 1, 2024 To March 31, 2025)
Profit attributable to owners of parent (millions of yen)	4,262	7,532
Net income used to calculate diluted earnings per share (millions of yen)	4,262	7,532
Weighted average number of ordinary shares (thousands)	72,354	70,074
Increase in ordinary share		
Share acquisition rights (thousands of shares)	1,215	143
Weighted average number of diluted ordinary shares (in thousands)	73,570	70,218
Basic earnings per share (yen)	58.91	107.49
Diluted earnings per share (yen)	57.94	107.27

(Significant subsequent events)

Not applicable