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Consolidated Financial Results for the Year Ended January 31, 2025 [Japanese GAAP]

March 17, 2025

Company name: Appirits Inc.
Listing: Tokyo
Securities code: 4174
URL: https://appirits.com/
Representative: Junji Wada, President and Chief Executive Officer
Inquiries: Tomoki Kawai, General Manager, Accounting Dept.
Telephone: +81-3-6684-5111
Scheduled date of annual general meeting of shareholders: April 25, 2025
Scheduled date to commence dividend payments: April 11, 2025
Scheduled date to file annual securities report: April 25, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

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

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2025	9,008	6.9	185	(69.0)	185	(68.9)	45	(88.1)
January 31, 2024	8,427	15.1	599	29.6	596	33.9	386	83.8

(Note) Comprehensive income: Fiscal year ended January 31, 2025: ¥ 45 million [(88.1)%]
Fiscal year ended January 31, 2024: ¥ 386 million [83.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
January 31, 2025	11.20	10.81	1.9	3.6	2.1
January 31, 2024	94.32	89.85	17.0	13.6	7.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2025: ¥ - million
Fiscal year ended January 31, 2024: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2025	5,780	2,394	40.4	580.54
January 31, 2024	4,585	2,468	53.2	591.69

(Reference) Equity: As of January 31, 2025: ¥ 2,327 million
As of January 31, 2024: ¥ 2,441 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2025	10	(160)	702	2,293
January 31, 2024	251	(462)	130	1,742

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
January 31, 2024	-	6.00	-	6.00	12.00	49	12.7	2.2
January 31, 2025	-	8.00	-	8.00	16.00	65	142.9	2.7
Fiscal year ending January 31, 2026 (Forecast)	-	14.00	-	14.00	28.00		30.1	

(Note) Breakdown of the year-end dividend for the fiscal year ended January 31, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2026 (February 1, 2025 to January 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2025	5,174	22.6	215	-	210	-	132	-	33.09
Full year	10,464	16.2	610	229.0	600	223.4	372	710.6	92.95

* Notes:

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

Newly included: 2 (Company name: (Bee2B Co. Ltd.) (Quail, Inc.))

Excluded: - (Company name:)

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

January 31, 2025: 4,158,762 shares

January 31, 2024: 4,226,700 shares

2) Number of treasury shares at the end of the period:

January 31, 2025: 150,000 shares

January 31, 2024: 100,038 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended January 31, 2025: 4,106,015 shares

Fiscal Year ended January 31, 2024: 4,095,660 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2025 (February 1, 2024 to January 31, 2025)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2025	7,147	4.0	201	(64.8)	212	(63.7)	115	(71.1)
January 31, 2024	6,870	8.1	573	35.4	585	39.5	400	85.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
January 31, 2025	28.21	27.24
January 31, 2024	97.84	93.20

(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
January 31, 2025	5,483	2,510	44.6	609.59
January 31, 2024	4,404	2,514	56.5	602.98

(Reference) Equity: As of January 31, 2025: ¥ 2,443 million
As of January 31, 2024: ¥ 2,488 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2026 (February 1, 2025 to January 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2025	4,014	19.5	208	-	212	-	110	-	27.57
Full year	8,071	12.9	547	171.4	555	161.6	334	189.0	83.52

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors.

(How to obtain supplementary materials on quarterly financial results and details of the quarterly financial results briefing session)

The Company plans to promptly post the explanation (video) and explanatory materials regarding the financial results on its website.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	1,742,161	2,293,950
Accounts receivable-trade, and contract assets	1,331,392	1,784,460
Work in process	9,876	21,325
Other	298,279	349,379
Allowance for doubtful accounts	-	(4,537)
Total current assets	3,381,709	4,444,578
Non-current assets		
Property, plant and equipment		
Buildings, net	29,433	129,181
Tools, furniture and fixtures, net	63,932	88,707
Total property, plant and equipment	93,365	217,889
Intangible assets		
Software	1,149	875
Goodwill	221,129	291,778
Total intangible assets	222,279	292,654
Investments and other assets		
Guarantee deposits	671,978	526,468
Deferred tax assets	200,654	251,129
Other	15,854	27,335
Total investments and other assets	888,487	804,933
Total non-current assets	1,204,132	1,315,477
Total assets	4,585,841	5,760,055

(Thousands of yen)

	As of January 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	279,223	436,010
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	110,000	367,624
Accounts payable - other	515,470	644,781
Income taxes payable	109,131	48,314
Contract liabilities	220,395	221,212
Accrued consumption taxes	136,891	93,192
Provision for bonuses	29,020	34,558
Other	29,834	38,472
Total current liabilities	1,729,967	2,184,166
Non-current liabilities		
Long-term borrowings	387,500	1,098,383
Deferred tax liabilities	-	1,101
Other	-	81,898
Total non-current liabilities	387,500	1,181,382
Total liabilities	2,117,467	3,365,549
Net assets		
Shareholders' equity		
Share capital	638,657	645,112
Capital surplus	536,827	543,282
Retained earnings	1,376,622	1,254,405
Treasury shares	(110,395)	(115,562)
Total shareholders' equity	2,441,710	2,327,237
Share acquisition rights	26,663	67,268
Total net assets	2,468,374	2,394,506
Total liabilities and net assets	4,585,841	5,760,055

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Net sales	8,427,942	9,008,810
Cost of sales	6,396,214	7,115,553
Gross profit	2,031,728	1,893,257
Selling, general and administrative expenses	1,432,060	1,707,628
Operating profit	599,667	185,628
Non-operating income		
Interest income	24	250
Commission income	666	6,962
Gain on sale of goods	660	1,880
Subsidy income	-	1,710
Other	1,366	1,544
Total non-operating income	2,716	12,348
Non-operating expenses		
Interest expenses	4,838	11,725
Commission expenses	326	613
Foreign exchange losses	974	-
Other	-	90
Total non-operating expenses	6,140	12,430
Ordinary profit	596,243	185,547
Extraordinary losses		
Loss on retirement of non-current assets	-	361
Impairment losses	20,567	-
Head office relocation expenses	-	43,544
Total extraordinary losses	20,567	43,906
Profit before income taxes	575,676	141,640
Income taxes - current	211,343	136,318
Income taxes - deferred	(21,988)	(40,645)
Total income taxes	189,355	95,672
Profit	386,321	45,968
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	386,321	45,968

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Profit	386,321	45,968
Comprehensive income	386,321	45,968
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	386,321	45,968
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended January 31, 2024

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	619,694	517,864	1,035,327	(57,029)	2,115,858	5,445	2,121,303
Changes during period							
Issuance of new shares	18,962	18,962			37,924		37,924
Dividends of surplus			(45,026)		(45,026)		(45,026)
Profit attributable to owners of parent			386,321		386,321		386,321
Purchase of treasury shares				(53,365)	(53,365)		(53,365)
Net changes in items other than shareholders' equity						21,217	21,217
Total changes during period	18,962	18,962	341,294	(53,365)	325,852	21,217	347,070
Balance at end of period	638,657	536,827	1,376,622	(110,395)	2,441,710	26,663	2,468,374

For the fiscal year ended January 31, 2025

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	638,657	536,827	1,376,622	(110,395)	2,441,710	26,663	2,468,374
Changes during period							
Issuance of new shares	6,455	6,455			12,911		12,911
Dividends of surplus			(57,790)		(57,790)		(57,790)
Profit attributable to owners of parent			45,968		45,968		45,968
Purchase of treasury shares				(115,562)	(115,562)		(115,562)
Cancellation of treasury shares		(110,395)		110,395	-		-
Transfer from retained earnings to capital surplus		110,395	(110,395)		-		-
Net changes in items other than shareholders' equity						40,605	40,605
Total changes during period	6,455	6,455	(122,217)	(5,167)	(114,473)	40,605	(73,867)
Balance at end of period	645,112	543,282	1,254,405	(115,562)	2,327,237	67,268	2,394,506

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	575,676	141,640
Depreciation	100,471	61,931
Impairment losses	20,567	-
Amortization of goodwill	69,332	84,862
Increase (decrease) in allowance for doubtful accounts	-	4,188
Increase (decrease) in provision for bonuses	14,494	3,338
Increase (decrease) in provision for loss on orders received	(31)	-
Interest and dividend income	(24)	(252)
Interest expenses	4,838	11,725
Commission for purchase of treasury stock	326	613
Loss on retirement of non-current assets	-	361
Decrease (increase) in accounts receivable - trade, and contract assets	(167,149)	(409,644)
Decrease (increase) in inventories	16,375	(3,735)
Increase (decrease) in accrued consumption taxes	(16,618)	(49,288)
Increase (decrease) in trade payables	(34,223)	154,950
Increase (decrease) in accounts payable - other	(31,569)	103,094
Other, net	28,803	115,840
Subtotal	581,268	219,627
Interest and dividends received	24	211
Interest paid	(4,848)	(12,429)
Income taxes paid	(324,750)	(197,282)
Net cash provided by (used in) operating activities	251,693	10,127
Cash flows from investing activities		
Purchase of property, plant and equipment	(42,879)	(185,370)
Purchase of intangible assets	(1,069)	-
Payments of guarantee deposits	(419,115)	(26,503)
Proceeds from refund of guarantee deposits	250	202,688
Payments for asset retirement obligations	-	(51,740)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(100,061)
Net cash provided by (used in) investing activities	(462,813)	(160,987)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	300,000	(21,000)
Proceeds from long-term borrowings	-	1,150,000
Repayments of long-term borrowings	(110,000)	(265,361)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	37,924	12,911
Purchase of treasury shares	(53,692)	(116,176)
Dividends paid	(43,351)	(57,726)
Net cash provided by (used in) financing activities	130,879	702,647
Effect of exchange rate change on cash and cash equivalents	3	1
Net increase (decrease) in cash and cash equivalents	(80,236)	551,789
Cash and cash equivalents at beginning of period	1,822,398	1,742,161
Cash and cash equivalents at end of period	1,742,161	2,293,950