Translation

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

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

May 15, 2025

Company name: Net Protections Holdings, Inc. Listing: Tokyo Stock Exchange
Securities code: 7383 URL: https://corp.netprotections.com/en/
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Scheduled date to hold ordinary general meeting of shareholders: June 27, 2025
Scheduled date to file Annual Securities Report: June 27, 2025
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Note) Amounts less than one million yen are rounded down to the nearest million yen.

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.)

	Total operating revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2025	23,032	10.5	2,103	–	2,139	–	1,350	–	13.86	13.73
March 31, 2024	20,844	7.8	(627)	–	(820)	–	(828)	–	(8.55)	(8.55)

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)		Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to total operating revenue
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	%	%	%
March 31, 2025	641,950	13.4	10,483	34.5	3,747	261.3	7.3	3.3	9.1
March 31, 2024	565,987	13.4	7,795	4.9	1,037	(0.8)	(4.6)	(1.4)	(3.0)

Reference: Share of profit (loss) of investments accounted for using equity method
Fiscal year ended March 31, 2025: – Fiscal year ended March 31, 2024: –

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	70,848	19,229	19,169	27.1	192.76
March 31, 2024	60,279	17,780	17,704	29.4	180.77

(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 the period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	6,567	(1,506)	1,209	17,039
March 31, 2024	1,931	(1,760)	75	10,810

2. Cash dividends

	Annual dividends per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	–	0.00	–	0.00	0.00	–	–	–
March 31, 2025	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending March 31, 2026 (forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Total operating revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	12,270	11.3	1,080	24.7	1,020	23.0	600	28.0	6.04
Fiscal year	25,410	10.3	2,600	23.6	2,440	14.1	1,440	6.7	14.50

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months	353,000	15.8	5,470	11.5	1,910	13.8
Fiscal year	742,000	15.6	11,390	8.6	4,300	14.7

Note: For the average number of shares outstanding during the period that forms the basis for calculating "Basic earnings per share," the number of shares issued (excluding treasury shares) as of March 31, 2025 is used as a substitute.

[Notes]

(1) Significant changes in the scope of consolidation during the period: None
Newly included: None
Excluded: None

(2) Changes in accounting policies and changes in accounting estimates
1) Changes in accounting policies required by IFRS: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
Note: For details, see "Changes in accounting policies" on page 13 of the Attached Materials

(3) Number of issued shares (common stock)
1) Total number of issued shares at the end of the period (including treasury shares)
As of March 31, 2025: 99,306,627 shares
As of March 31, 2024: 97,287,285 shares
2) Number of treasury shares at the end of the period
As of March 31, 2025: – shares
As of March 31, 2024: – shares
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
Fiscal year ended March 31, 2025: 97,429,812 shares
Fiscal year ended March 31, 2024: 96,917,088 shares

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

* [Proper use of earning forecasts, and other special matters]
(Disclaimer on forward-looking statements)
The earnings forecast and other forward-looking statements contained in this report are based on information currently available to us and certain assumptions that we believe are reasonable. Accordingly, we can give no assurance that they will be achieved. Note that actual results may differ significantly from forecast figures due to a number of factors.

Non-GAAP performance measures
The Company additionally discloses non-GAAP performance measures that are not prescribed by IFRS Accounting Standards, the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Gross profit	Revenue – (Invoicing related expenses + Bad debt related expenses + Other payment related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

How to obtain supplementary material on financial results and the details of the financial results briefing
The Company will promptly post the supplementary material on financial results and the details of the financial results briefing on our website (https://corp.netprotections.com/en/ir/) after the briefing.

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1. Overview of Operating Results, etc.

(1) Operating results

The operating results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) were as follows:

(Millions of yen, unless otherwise indicated)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	Percentage change (%)
Total operating revenue	20,844	23,032	10.5
Operating profit (loss)	(627)	2,103	–
Profit (loss) before income taxes	(820)	2,139	–
Profit (loss) attributable to owners of parent	(828)	1,350	–

Business performance by segment is not presented as the Company and its subsidiaries (collectively, the "Group") operate a single segment, Payment Solutions. The Group, nevertheless, discloses its key performance indicators by line of service to the extent possible as shown below.

Line of service	Service category name	Service names
Services for BtoC transactions	BtoC Services: NP *Atobarai* and other	NP *Atobarai*, NP *Atobarai* air, AFTEE, etc.
	BtoC Services: atone	atone
Service for BtoB transactions	BtoB Service	NP *Kakebarai*

The key performance indicators are shown as below.

(Millions of yen, unless otherwise indicated)

	Three months ended March 31, 2024	Three months ended March 31, 2025	Percentage change (%)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Percentage change (%)
GMV (non-GAAP)	142,107	163,658	15.2	565,987	641,950	13.4
BtoC Services: NP *Atobarai* and other	84,345	84,113	(0.3)	351,547	353,716	0.6
BtoC Services: atone	7,549	11,397	51.0	27,040	39,966	47.8
BtoB Service	50,212	68,147	35.7	187,399	248,267	32.5
Total operating revenue	5,071	5,755	13.5	20,844	23,032	10.5
BtoC Services: NP *Atobarai* and other	3,730	4,052	8.6	15,763	16,576	5.2
BtoC Services: atone	381	482	26.3	1,416	1,864	31.6
BtoB Service	958	1,220	27.3	3,664	4,591	25.3
– Other operating revenue	152	163	6.8	531	593	11.8
Revenue	4,918	5,592	13.7	20,313	22,438	10.5
– Invoicing related expenses (non-GAAP)	1,978	1,989	0.6	8,326	8,036	(3.5)
– Bad debt related expenses (non-GAAP)	925	829	(10.4)	3,781	3,478	(8.0)
– Other payment related expenses (non-GAAP)	98	129	32.3	410	440	7.3
Gross profit (non-GAAP)	1,916	2,643	37.9	7,795	10,483	34.5
BtoC Services: NP *Atobarai* and other	1,412	1,870	32.4	5,620	7,624	35.7
BtoC Services: atone	103	85	(16.9)	368	485	31.6
BtoB Service	400	687	71.5	1,805	2,373	31.4
– SG&A and other operating expenses (non-GAAP)	2,237	2,478	10.7	8,954	8,973	0.2
Operating profit (loss)	(168)	328	–	(627)	2,103	–
+ Depreciation and amortization	422	419	4.4	1,577	1,629	3.3
+ Share-based payment expenses	3	1	(38.6)	9	5	(44.0)
+ Loss on disposal of property, plant and equipment	15	2	(33.8)	28	8	(70.8)
+ Impairment losses	48	–	–	48	–	(100.0)
– Gain from reversal of impairment losses	–	–	–	–	–	–
EBITDA (non-GAAP)	322	752	10.4	1,037	3,747	261.3

Note: The Company additionally discloses non-GAAP performance measures that are not prescribed by IFRS Accounting Standards, the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Invoicing related expenses	Collection expense + Invoicing expense, primarily the amount of expenses incurred per invoice
Bad debt related expenses	Allowance for doubtful accounts (addition) + Bad debt expense + Loss on sale of trade receivables, primarily the expenses incurred in proportion to the amount of invoice
Other payment related expenses	Other expenses required for providing payment services, including credit screening costs and NP point expenses
Gross profit	Revenue – (Invoicing related expenses + Bad debt related expenses + Other payment related expenses)
SG&A and other operating expenses	Operating expenses – (Invoicing related expenses + Bad debt related expenses + Other payment-related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

Given that the Group serves tens of thousands of merchants, our business structure makes us less dependent on specific merchants, but are susceptible to changes in the e-commerce and payment markets impacted by changes in the macro environment.

Notes on GMV

For the current fiscal year, GMV increased 13.4% year on year to 641,950 million yen (up 0.6% to 353,716 million yen for the BtoC Services: NP *Atobarai* and other, up 47.8% to 39,966 million yen for the BtoC Services: atone, and up 32.5% to 248,267 million yen for the BtoB Service).

Main drivers/impediments for the BtoC Services: NP *Atobarai* and other are as follows:

- GMV accumulation remained generally limited in the beauty, health and fashion industries, which account for a significant portion of the NP *Atobarai* service. In the first quarter, we were affected by a decrease in GMV at existing merchants due to media coverage of health food, but this has been eliminated since the second quarter. In addition, GMV decreased as a result of corrective actions taken by certain merchants that had problems with certain sales methods.
- GMV for NP *Atobarai* air, a BNPL service for home visit and other service sectors, achieved significant growth backed by the growing need for digital transformation (DX) of billing operations across Japan.
- GMV for AFTEE, a BNPL service provided in overseas countries, also grew significantly.

Main drivers/impediments for the BtoC Services: atone are as follows:

- The Group has completed the strengthening of sales force up to the previous fiscal year and focused on acquiring new merchants. As a result, GMV for atone grew, driven by new merchants that have started their operations during the current fiscal year.
- GMV grew at existing merchants such as apparel and entertainment stores due to the expansion of use by customers.
- GMV also grew at existing merchants, particularly comprehensive e-commerce marketplaces, due to the contribution of measures to expand GMV, such as additional provision of deferred payment services and campaigns.
- The use of an atone app-exclusive card (i.e., a virtual card collaborated with JCB that can be used from the atone app) is gradually expanding not only on e-commerce platforms but also at physical stores, and we are making progress in cultivating the e-commerce and payment markets.

Main drivers/impediments for the BtoB Service are as follows:

- GMV for the BtoB Service grew as in the previous fiscal year mainly because this quarter saw the expansion in use of our service among the existing merchants, particularly the major merchants in advertising and advertising production.
- Another reason for the GMV growth was that large newly acquired merchants started their operations using our service during the current third quarter.
- In addition, the acquisition of new merchants is progressing smoothly thanks to the awareness expansion strategies of our services achieved by utilizing the know-how gained from the upfront investment in marketing to date, and therefore it is expected to continue to contribute to the growth of GMV in the future.

Notes on total operating revenue

For the current fiscal year, total operating revenue increased 10.5% year on year to 23,032 million yen (up 5.2% to 16,576 million yen for the BtoC Services: NP *Atobarai* and other, up 31.6% to 1,864 million yen for the BtoC Services: atone, and up 25.3% to 4,591 million yen for the BtoB Service).

Main drivers/impediments for the BtoC Services: NP *Atobarai* and other are as follows:

- The addition of the administrative fee for late payment in NP *Atobarai* since July 2024 resulted in an increase in the ratio of total operating revenue to GMV.
- The proportion of large merchants with lower fee rates grew. As a result, the ratio of total operating revenue to GMV declined.
- The proportion of invoicing and postal fees charged to merchants per invoice relatively decreased due to a rise in the average amount billed per invoice. As a result, the ratio of total operating revenue to GMV declined.
- Although paper invoicing expense was increased as of October 1, 2024 due to higher postal fees, the ratio of total operating revenue to GMV declined due to the increased usage ratio of electronic billing services, which charge lower fees.
- Note that the revision of paper invoicing expense was offset by higher costs due to increased postal fees, so its impact on gross profit margin is minimal. However, the increased usage of electronic billing services will contribute to gross profit margin because a reduction in postal fees outweighs an increase in the costs for electronic billing services.

Main drivers/impediments for the BtoC Services: atone are as follows:

- The proportion of large merchants with lower fee rates grew. As a result, the ratio of total operating revenue to GMV declined.
- The proportion of invoicing and postal fees charged to merchants per invoice relatively decreased due to a rise in the average amount billed per invoice. As a result, the ratio of total operating revenue to GMV declined.
- Some of the campaigns implemented during the current fiscal year effectively entailed price reductions. As a result, the ratio of total operating revenue to GMV declined.

Main drivers/impediments for the BtoB Service are as follows:

- The proportion of large merchants with lower fee rates grew. As a result, the ratio of total operating revenue to GMV declined.
- The proportion of invoicing and postal fees charged to merchants per invoice relatively decreased due to a rise in the average amount billed per invoice. As a result, the ratio of total operating revenue to GMV declined.
- An increase in the usage of these services, which charge lower invoicing fees to merchants, resulted in a decline in the ratio of total operating revenue to GMV.
- Note that increased usage of electronic billing services will contribute to an increase in gross profit margin because a reduction in mailing expenses outweighs an increase in the costs for electronic billing services.
- We intend to earn revenue other than that from payment service fees by enhancing financial services derived from payment services, such as NP *Kakebarai* Card Payment service launched in July 2023 and NP Handy Lending service launched in October 2024.

Notes on gross profit

For the current fiscal year, gross profit increased 34.5% year on year to 10,483 million yen (up 35.7% to 7,624 million yen for the BtoC Services: NP *Atobarai* and other, up 31.6% to 485 million yen for the BtoC Services: atone, and up 31.4% to 2,373 million yen for the BtoB Service).

Since analyses of GMV and total operating revenue have already been presented above, the following description focuses on the impact of the cost of sales.

Main drivers/impediments for the BtoC Services: NP *Atobarai* and other are as follows:

- The ratio of bad debt related expenses and invoicing related expenses to GMV has decreased due to improved collection status and earlier collection of receivables as a result of our measures to improve the credit screening process since the previous fiscal year, leading to an increase in gross profit margin.
- The commencement of an administrative fee for late payment from July 2024 has resulted in earlier collections from users, which has lowered the estimated amount of allowance for doubtful accounts and reduced the ratio of bad debt related expenses to GMV, leading to an increase in gross profit margin.

Main drivers/impediments for the BtoC Services: atone are as follows:

- The ratio of bad debt related expenses and invoicing related expenses to GMV has decreased due to improved collection status and earlier collection of receivables, leading to an increase in gross profit margin.
- Gross profit margin has increased by reducing expenses such as agency costs in relation to GMV.
- Some of the campaigns implemented during the current fiscal year effectively entailed price reductions. As a result, the ratio of total operating revenue to GMV declined.

Main drivers/impediments for the BtoB Service are as follows:

- In the previous fiscal year, a deterioration in the environment surrounding micro, small and medium business operators, who are the main users of NP *Kakebarai*, led to a rise in the late payment rate. In view of this situation, as we have increased allowance for doubtful accounts in the current fiscal year, the ratio of bad debt related expenses to GMV increased during the current fiscal year.
- In response to deteriorating market conditions in the previous fiscal year, we took measures to improve credit screening, such as fine-tuning credit screening and payment demand procedures. As a result of these efforts, the collection status of receivables improved gradually and the ratio of bad debt related expenses to GMV since the third quarter improved year on year.
- In addition, the improved collection status of receivables resulted in a lower ratio of invoicing related expenses to GMV and an increase in gross profit margin.

Notes on operating profit and EBITDA

The Group posted operating profit of 2,103 million yen (compared with operating loss of 627 million yen for the same period of the previous fiscal year) and EBITDA of 3,747 million yen (up 261.3% year on year).

The main driver/impediment is as follows:

- The ratio of costs such as bad debt related expenses and invoicing related expenses to GMV decreased year on year as a result of promoting measures to improve credit screening.
- In addition, the ratio of SG&A expenses to GMV decreased year on year owing to the progress we have made in improving operational efficiency.

(2) Financial position

(Millions of yen, unless otherwise indicated)

	As of March 31, 2024	As of March 31, 2025	Change	Percentage change (%)
Total assets	60,279	70,848	10,568	17.5
Total current assets	40,698	50,540	9,841	24.2
Total non-current assets	19,580	20,307	726	3.7
Total liabilities	42,498	51,618	9,119	21.5
Total current liabilities	37,374	46,249	8,874	23.7
Total non-current liabilities	5,123	5,368	244	4.8
Total equity	17,780	19,229	1,449	8.2

Current assets as of March 31, 2025 increased 9,841 million yen from the end of the previous fiscal year. The increase was attributable mainly to a 3,572 million yen increase in trade and other receivables due mainly to an increase in transaction volume.

Non-current assets increased 726 million yen from the end of the previous fiscal year. This was attributable mainly to a 332 million yen increase in property, plant and equipment because the renewal of an office building leasing contract caused the equivalent amount of rent for the contract period to recognize as a right-of-use asset, as well as a 214 million yen increase in intangible assets due to an increase in software assets as a result of the reinforcement of system development.

Current liabilities increased 8,874 million yen from the end of the previous fiscal year. This was attributable mainly to a 6,714 million yen increase in trade and other payables due mainly to an increase in transaction volume.

Of the Group's current assets, trade and other receivables (before deduction of allowance for doubtful accounts) of 39,424 million yen represent primarily the receivables from end users who used our payment services. Of the Group's current liabilities, trade and other payables of 38,940 million yen represent primarily the payables to merchants. The Group's trade receivables and payables are well-balanced in the short term, backed by appropriately timed cycles of collection and payment from end users and to merchants, respectively. This implies that the Group has a limited need for raising additional working capital for business expansion. It can therefore be said that it is structurally less susceptible to the impact of rising interest rates. As payables to merchants for whom we provide payment services are paid mostly on Fridays, the ending balance varies significantly depending on what day of the week is the last day of the reporting period.

(3) Status of cash flows

(Millions of yen, unless otherwise indicated)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	Change
Cash flows from operating activities	1,931	6,567	4,635
Cash flows from investing activities	(1,760)	(1,506)	254
Cash flows from financing activities	75	1,209	1,133
Effects of exchange rate changes on cash and cash equivalents	(0)	(40)	(40)
Net increase (decrease) in cash and cash equivalents	246	6,229	5,982
Cash and cash equivalents at the beginning of the period	10,564	10,810	246
Cash and cash equivalents at the end of the period	10,810	17,039	6,229

Cash and cash equivalents ("net cash") as of March 31, 2025 amounted to 17,039 million yen (compared with 10,810 million yen at the end of the previous fiscal year).

Cash flows from operating activities

Net cash provided by operating activities amounted to 6,567 million yen (compared with 1,931 million yen provided for the previous fiscal year). This is attributable mainly to:

- recording of profit before income taxes (positive 2,139 million yen),
- recording of depreciation and amortization, etc. (positive 1,629 million yen),
- changes in trade and other receivables (negative 3,572 million yen),
- changes in trade and other payables (positive 6,714 million yen),
- changes in other assets and liabilities (positive 356 million yen), and
- income taxes paid (negative 406 million yen).

Cash flows from investing activities

Net cash used in investing activities amounted to 1,506 million yen (compared with 1,760 million yen used for the previous fiscal year). This is attributable mainly to:

- purchase of intangible assets due to investment in system development (negative 1,484 million yen).

Cash flows from financing activities

Net cash provided by financing activities amounted to 1,209 million yen (compared with 75 million yen provided for the previous fiscal year). This is attributable mainly to:

- a net increase in short-term loans (positive 1,351 million yen) and
- repayments of lease liabilities (negative 294 million yen).

(4) Future outlook

Our BtoC business, NP *Atobarai* and other is the most profitable business and the largest contributor to our overall earnings. We completed measures such as the improvement of the credit screening process and the introduction of an administrative fee for late payment during the current fiscal year, through which we established a framework to consistently generate gross profit while maintaining stable GMV. We aim to continue securing stable gross profit in the fiscal year ending in March 31, 2026 and beyond. We expect annual GMV for the fiscal year ending March 31, 2026 to reach 361,000 million yen (up 2.1% or 7,283 million yen year on year).

As for atone, a growth driver for GMV in our BtoC business, we will efficiently promote the acquisition of new merchants through initiatives such as system integration with e-commerce platforms. We expect annual GMV for the fiscal year ending March 31, 2026 to reach 57,000 million yen (up 42.6% or 17,033 million yen year on year).

In the BtoB business, structural challenges and trends, such as a declining workforce and work style reforms, are driving demand for our NP *Kakebarai* services, which cover end-to-end billing-related operations, including support for collection risk management. We will strive to capitalize on this environment to drive GMV growth by securing orders from major companies. We expect annual GMV in the BtoB business for the fiscal year ending March 31, 2026 to reach 324,000 million yen (up 30.5% or 75,732 million yen year on year).

Continuing from the current fiscal year, we will control the ratio of SG&A expenses to GMV. Total SG&A expenses for the fiscal year ending March 31, 2026 are expected to be 9,380 million yen (up 472 million yen year on year).

Based on the above, we forecast the full-year consolidated financial results for the fiscal year ending March 31, 2026 as follows:

Annual GMV of 742,000 million yen (up 15.6% or 100,049 million yen year on year), total operating revenue of 25,410 million yen (up 10.3% or 2,377 million yen year on year), operating profit of 2,600 million yen (up 23.6% or 496 million yen year on year), profit before income taxes of 2,440 million yen (up 14.1% or 300 million yen year on year), and profit attributable to owners of parent of 1,440 million yen (up 6.7% or 89 million yen year on year). For non-GAAP measures, we forecast gross profit of 11,380 million yen (up 8.6% or 906 million yen year on year) and EBITDA of 4,300 million yen (up 14.7% or 551 million yen year on year).

2. Basic Policy on the Selection of Accounting Standards

The Company has adopted IFRS Accounting Standards to improve international comparability and usefulness of financial information.

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	10,810	17,039
Trade and other receivables	29,238	32,810
Operating loans	–	180
Inventories	11	28
Other current receivables	637	481
Total current assets	40,698	50,540
Non-current assets		
Property, plant and equipment	354	686
Goodwill	11,608	11,608
Intangible assets	4,671	4,886
Other financial assets	898	958
Deferred tax assets	1,784	1,884
Other non-current assets	262	282
Total non-current assets	19,580	20,307
Total assets	60,279	70,848

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	32,226	38,940
Short-term loans	3,431	4,766
Lease liabilities	101	262
Other current financial liabilities	6	9
Income taxes payable	298	780
Provisions	57	33
Liabilities for employee benefits	564	556
Other current liabilities	688	899
Total current liabilities	37,374	46,249
Non-current liabilities		
Long-term loans	4,974	4,984
Lease liabilities	35	270
Provisions	113	112
Total non-current liabilities	5,123	5,368
Total liabilities	42,498	51,618
Equity		
Share capital	4,134	4,213
Capital surplus	14,196	14,275
Retained earnings	(805)	544
Other components of equity	178	136
Total equity attributable to owners of parent	17,704	19,169
Non-controlling interests	76	60
Total equity	17,780	19,229
Total liabilities and equity	60,279	70,848

(2) Consolidated statements of profit or loss and consolidated statements of comprehensive income

Consolidated statements of profit or loss

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Revenue	20,313	22,438
Other operating revenue	531	593
Total operating revenue	20,844	23,032
Operating expenses	(21,472)	(20,929)
Operating profit (loss)	(627)	2,103
Financial income	1	129
Financial costs	(194)	(93)
Profit (loss) before income taxes	(820)	2,139
Income tax expense	(30)	(801)
Profit (loss)	(851)	1,337
Profit (loss) attributable to:		
Owners of parent	(828)	1,350
Non-controlling interests	(22)	(12)
Profit (loss)	(851)	1,337
Earnings (loss) per share:		
Basic earnings (loss) per share (yen)	(8.55)	13.86
Diluted earnings (loss) per share (yen)	(8.55)	13.73

Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss)	(851)	1,337
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	120	(45)
Total of items that may be reclassified to profit or loss	120	(45)
Other comprehensive income	120	(45)
Comprehensive income (loss)	(730)	1,291
Comprehensive income (loss) attributable to:		
Owners of parent	(714)	1,307
Non-controlling interests	(15)	(16)
Comprehensive income (loss)	(730)	1,291

(3) Consolidated statements of changes in equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2023	4,113	14,168	22	64	18,369	98	18,467
Profit (loss)	–	–	(828)	–	(828)	(22)	(851)
Other comprehensive income	–	–	–	114	114	6	120
Total comprehensive income (loss)	–	–	(828)	114	(714)	(15)	(730)
Issuance of new shares and other shares	17	17	–	–	34	–	34
Share-based payment transactions	3	4	–	–	8	–	8
Other	–	6	0	–	6	(6)	0
Total transactions with owners	21	27	0	–	49	(6)	42
Balance as of March 31, 2024	4,134	14,196	(805)	178	17,704	76	17,780

For the fiscal year ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2024	4,134	14,196	(805)	178	17,704	76	17,780
Profit (loss)	–	–	1,350	–	1,3504	(12)	1,337
Other comprehensive income	–	–	–	(42)	(42)	(3)	(45)
Total comprehensive income (loss)	–	–	1,350	(42)	1,307	(16)	1,291
Issuance of new shares and other shares	76	76	–	–	152	–	152
Share-based payment transactions	2	3	–	–	5	–	5
Other	–	–	–	–	–	–	–
Total transactions with owners	78	79	–	–	157	–	157
Balance as of March 31, 2025	4,213	14,275	544	136	19,169	60	19,229

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income tax	(820)	2,139
Depreciation, amortization and impairment losses	1,626	1,629
Share-based payment expenses	9	5
Finance income and finance costs	192	(35)
Increase (decrease) in provisions	57	(23)
Loss on retirement of non-current assets	28	8
Decrease (increase) in inventories	9	(16)
Decrease (increase) in trade and other receivables	(4,698)	(3,572)
Decrease (increase) in operating loans	–	(180)
Increase in trade and other payables	4,992	6,714
Other	187	356
Subtotal	1,585	7,025
Interest received	1	11
Interest paid	(35)	(64)
Income taxes refund (paid)	380	(406)
Net cash provided by (used in) operating activities	1,931	6,567
Cash flows from investing activities		
Payments into time deposits	(0)	–
Purchase of property, plant and equipment	(14)	(63)
Purchase of intangible assets	(1,726)	(1,484)
Payments for acquisition of long-term prepaid expenses	–	(17)
Payments of guarantee deposits	(4)	(50)
Proceeds from collection of guarantee deposits	0	108
Purchase of other financial assets	(15)	–
Net cash provided by (used in) investing activities	(1,760)	(1,506)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	431	1,351
Repayments of lease liabilities	(391)	(294)
Proceeds from issuance of shares	34	152
Net cash provided by (used in) financing activities	75	1,209
Effects of exchange rate changes on cash and cash equivalents	(0)	(40)
Net increase (decrease) in cash and cash equivalents	246	6,229
Cash and cash equivalents at the beginning of the period	10,564	10,810
Cash and cash equivalents at the end of the period	10,810	17,039

(5) Notes to consolidated financial statements

Going concern assumption
Not applicable.

Changes in accounting policies
The standards and interpretations that the Group has applied since the beginning of the current fiscal year are as follows:

IFRS		Overview of new standards and/or amendments
IAS 7	*Statement of Cash Flows*	Disclosure requirements to enhance the transparency of supplier finance arrangements
IFRS 7	*Financial instruments: Disclosures*	

The application of the above standards and interpretations has no significant effect on the consolidated financial statements for the current fiscal year.

Segment information
Segment information is not presented as the Group operates a single segment, Payment Solutions.

Per-share information
The calculation of basic earnings per share is as follows:

(Millions of yen, unless otherwise indicated)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss) attributable to owners of the parent	(828)	1,350
Profit (loss) not attributable to the parent company's common shareholders	–	–
Profit (loss) used for calculating basic earnings per share	(828)	1,350
Average number of shares of common stock during period (thousands of shares)	96,917	97,429
Basic earnings (loss) per share (yen)	(8.55)	13.86

The calculation of diluted earnings per share is as follows:

(Millions of yen, unless otherwise indicated)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss) used for calculating basic earnings (loss) per share	(828)	1,350
Profit adjustment amount	–	–
Profit (loss) used for calculating diluted earnings (loss) per share	(828)	1,350
Average number of shares of common stock during period (thousands of shares)	96,917	97,429
Increase in number of shares of common stock		
Stock acquisition rights (thousands of shares)	–	920
Weighted average number of shares of common stock after dilution (thousands of shares)	96,917	98,350
Diluted earnings (loss) per share (yen)	(8.55)	13.73

Note: Dilutive potential shares of 1,282 thousand shares during the previous fiscal year were excluded from the computation of diluted loss per share as they were antidilutive

Trade receivables

The breakdown of receivables arising from contracts with customers is as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Receivables arising from contracts with customers		
Trade receivables	31	419
Other trade receivables	35,796	39,004
Allowance for doubtful accounts	(6,589)	(6,613)
Total	29,238	32,810

Operating expenses

The breakdown of operating expenses is as follows:

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Collection expense	6,544	6,315
Invoicing expense	1,781	1,720
Provision for doubtful accounts	937	344
Bad debt expense	2,291	2,235
Loss on sale of trade receivables (Note 1)	553	898
Advertising expenses	492	604
Sales promotion expenses	611	573
Salaries	1,628	1,730
Bonuses and provision for bonuses (Note 2)	407	408
Legal welfare expenses	322	342
Wages	399	387
Recruiting expenses	105	97
Consignment expense	1,227	1,055
Operating and maintenance expenses	756	803
Maintenance cost	136	135
Depreciation, amortization, and impairment losses	1,626	1,629
Taxes and dues	466	422
Other	1,183	1,221
Total	21,472	20,929

Notes: 1. For other trade receivables for NP *Kakebarai*, the Group sold trade receivables that are no longer expected to be collected through normal collection procedures by internal reminders and outsourcing, and recognized a loss on sale of trade receivables at the time of selling.

2. “Provision for bonuses,” which was listed in the breakdown of “Bonuses” and “Other” in the previous fiscal year, is listed as a single item of “Bonuses and provision for bonuses” from the current fiscal year to clarify similar expense items. To reflect this change, the breakdown of operating expenses for the previous fiscal year was reclassified. As a result, “Bonuses” of 189 million yen and “Provision for bonuses” of 217 million yen, which was included in “Other,” were reclassified and presented as “Bonuses and provision for bonuses” of 407 million yen.

Material subsequent events

Not applicable.