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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 8, 2026

Company name: IPS, Inc.
Listing: Tokyo Stock Exchange
Securities code: 4390
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Scheduled date of annual general meeting of shareholders: June 23, 2026
Scheduled date to file annual securities report: June 12, 2026
Scheduled date to commence dividend payments: June 24, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For institutional investors and analysts)

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

1. Consolidated financial results for the Fiscal Year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(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	%
March 31, 2026	16,999	11.4	5,370	21.7	5,787	42.1	4,196	64.9
March 31, 2025	15,264	8.1	4,413	13.3	4,073	(8.0)	2,544	(10.3)

(Note) Comprehensive income: For the fiscal year ended March 31, 2026: ¥5,013 million [(2.9%)]
For the fiscal year ended March 31, 2025: ¥5,160 million [88.8%]

	Profit per share	Diluted Profit per share	Equity Profit rate	Total assets Ordinary profit rate	Net sales Operating profit rate
Fiscal Year ended	Yen	Yen	%	%	%
March 31, 2026	322.41	315.60	24.6	12.4	31.6
March 31, 2025	197.14	192.85	19.2	10.8	28.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	50,979	25,636	37.0	1,440.51
March 31, 2025	42,031	20,982	36.3	1,175.66

(Reference) Equity: As of March 31, 2026: ¥18,844 million
As of March 31, 2025: ¥15,239 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investment 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, 2026	4,585	(7,086)	2,035	3,534
March 31, 2025	704	(2,542)	1,380	3,918

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	20.00	—	20.00	40.00	509	20.3	3.9
Fiscal year ended March 31, 2026	—	20.00	—	20.00	40.00	519	12.4	3.1
Fiscal year ending March 31, 2027 (Forecast)	—	20.00	—	20.00	40.00		12.5	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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 September 30, 2026	8,050	2.5	2,000	(14.9)	2,038	(12.0)	1,390	(13.5)	106.25
Fiscal year ending March 31, 2027	20,080	18.1	6,100	13.6	6,177	6.7	4,200	0.1	321.04

*** Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026:	13,082,400 shares
As of March 31, 2025:	12,963,300 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026:	426 shares
As of March 31, 2025:	426 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026:	13,017,316 shares
Fiscal year ended March 31, 2025:	12,906,981 shares

（Reference）Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

（1）Non-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	%
March 31, 2026	1,860	(22.7)	246	(25.1)	2,621	218.8	2,375	542.1
March 31, 2025	2,407	(26.3)	328	(49.3)	822	(58.2)	369	(75.1)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	182.47	178.62
March 31, 2025	28.66	28.04

（2）Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	23,929	9,400	38.1	697.28
March 31, 2025	18,782	7,361	37.6	545.44

（Reference）Equity: As of March 31, 2026: ¥9,121 million

As of March 31, 2025: ¥7,070 million

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

* Proper use of earnings forecasts and other special matters

(Notes on description about the future, etc.)

Descriptions about the future such as the earnings outlook, which are included in these materials, are based on the information currently available to the Company and on certain conditions that the Company deems reasonable, and it does not mean that the Company promises to realize them. Also, there is a possibility that the actual earnings, etc., may differ significantly due to various factors. For matters related to earnings forecasts, refer to Attachment P.4 “Future outlook”.

We plan to hold a financial result briefing for institutional investors and analysts on Tuesday, May 12, 2026. Individual investors can also participate via the web. Please check our website for details. Additionally, we will disclose our medium-term management plan on the same day and provide an overview during the briefing. The presentation materials for the day will be disclosed on TDnet and posted on our website on the same day as well.

○ Table of Contents of Attachments

1. Overview of Financial results 2
(1) Overview of operating results 2
(2) Overview of financial position 3
(3) Overview of cash flows 3
(4) Future outlook 4
2. Basic Approach towards Selection of Accounting Standards 4
3. Consolidated Financial Statements and Key Notes 5
(1) Consolidated balance sheet 5
(2) Consolidated statement of income and consolidated statement of comprehensive income 7
Consolidated statement of income 7
Consolidated statement of comprehensive income 8
(3) Consolidated statement of changes in equity 9
(4) Consolidated statement of cash flows 10
(5) Notes to consolidated financial statements 12
(Notes to assumptions for ongoing concerns) 12
(Changes in accounting policies) 12
(Segment information, etc.) 12
(Per-share information) 15
(Important subsequent events) 15

1. Overview of Financial results

(1) Overview of operating results

Our group, under the corporate philosophy of "Open Door," strives to pioneer business opportunities in areas closely related to everyday life where barriers have yet to be overcome. We aim to create, develop, and expand businesses ahead of others, transforming industrial structures and realizing the ideal society. We are actively engaged in various businesses, particularly focusing on utilizing new IT technologies to provide communication solutions that address societal issues in the Philippines. Through these efforts, we aim to contribute to the Sustainable Development Goals (SDGs) while expanding our business.

During the fiscal year under review, the global economy remained uncertain due to geopolitical risks, including uncertainty surrounding U.S. tariff policies, as well as conditions in the Middle East and Ukraine. In Japan, the economy has been recovering gradually, supported by improvements in employment and income conditions and a pickup in personal consumption. However, continued attention is required regarding developments in the Middle East, while inflationary pressures persist due to yen depreciation and rising energy costs.
In the Philippines, one of the Group's key markets, economic growth showed signs of slowdown, with real GDP growth at 4.4% in 2025, down from 5.7% in 2024, mainly due to weaker domestic demand caused by delays in public infrastructure spending. On the other hand, investment in information and communications technology, including AI and data centers, remained active, and demand for telecommunications infrastructure—which serves as the foundation for data distribution—continued to be solid.

Our Group has established its position as a carrier's carrier by acquiring and operating an international telecommunications network consisting of usage rights for a portion of the City-to-City Cable System connecting the Philippines, Singapore, and Hong Kong (hereinafter referred to as "C2C Cable"), as well as terrestrial circuits in each country. In addition, through the expansion of its domestic backbone network centered on the Philippine Domestic Submarine Cable Network (hereinafter referred to as "PDSCN"), completed in December 2023, the Group expanded its telecommunications services across the Philippines, thereby further growing its business. In addition, the Group is strengthening its international telecommunications infrastructure through initiatives such as its decision to participate in the new international submarine cable system "CANDLE" and the construction of a cable landing station (hereinafter referred to as "CLS") in the Baler area on the eastern coast of the Philippines.
In Japan, the Group continued to provide customized solution services—optimizing software, telecommunications lines, and consulting services on a per-customer basis—primarily for call center operators with demand for communication traffic.
In the Medical & Healthcare Business in the Philippines, Shinagawa Lasik & Aesthetics Center Corporation (hereinafter referred to as "SLACC") continued to provide stable LASIK services. In addition, through Shinagawa Healthcare Solutions Corporation (hereinafter referred to as "SHSC"), the Group has been promoting preventive healthcare in the Philippines via the Shinagawa Diagnostic & Preventive Care Center (hereinafter referred to as "SDPCC"), a Japanese-standard health screening and medical checkup center opened in April 2023.

As a result, consolidated net sales for the fiscal year were ¥16,999 million (11.4% increase year-on-year), with operating profit of ¥5,370 million (21.7% increase). Mainly due to the appreciation of the yen, a foreign exchange gain of ¥516 million was recorded (compared to a loss of ¥276 million in the previous year), resulting in an ordinary profit of ¥5,787 million (42.1% increase), and profit attributable to owners of the parent was ¥4,196 million (64.9% decrease).

The financial results by segment are as follows:

(Global Telecommunications Business)
We secured major contracts for C2C Cable held under its usage rights and continued to expand the provision of circuits and telecommunications services from the Manila metropolitan area to regional areas by leveraging networks combining C2C Cable with the domestic backbone network in the Philippines centered on PDSCN. In addition, network construction services, including the sale of telecommunications equipment to regional telecommunications operators, as well as smaller-capacity services, remained solid.
InfiniVAN, Inc.'s corporate internet connection service recorded 2,103 billed customers as of the end of December 2025, an increase of 99 customers from the end of September 2025, contributing to revenue and profit growth for the overall business.
As a result, net sales amounted to 12,943 million yen (up 15.4% year-on-year), and segment profit totaled 4,901 million yen (8.9% year-on-year).

(Domestic Telecommunications Business)

We continued license sales and related services in response to customer needs within its solution offering, which combines the call center system “AmeyoJ,” for which the Group holds distribution rights in Japan, with per-second billing services for telephone lines procured from major telecommunications carriers for call center operators. The Group also advanced preparations for the launch of new in-house services, including toll-free numbers such as “0120,” under which the called party bears the charges.

With respect to the interconnection of voice communication lines between telecommunications carriers, connection charges (access charges) remained at conservatively revised levels, reflecting the ongoing IP migration of telephone networks. As a result, although revenue decreased, the business returned to profitability.

As a result, net sales amounted to 2,405 million yen (a decrease of 3.4% compared to the previous period), and segment profit was 397 million yen (compared to segment loss of 11 million yen in the previous period).

(Medical & Healthcare Business)

SLACC’s LASIK services in the Manila metropolitan area continued to stabilize the number of procedures despite intensified competition, supported by revisions to marketing strategies and the provision of flexible pricing and service offerings.

At SHSC, through the Shinagawa Diagnostic & Preventive Care Center (SDPCC), the Group continued to provide high-quality Japanese-standard medical checkup services to both corporate and individual clients. As a result, the number of visitors increased steadily, achieving monthly profitability in the second half of 2025 as targeted. The segment as a whole recorded revenue growth and returned to profitability.

As a result, net sales amounted to 1,650 million yen, up 6.1% year-on-year and segment profit was 80 million yen (segment loss of 84 million yen in the previous fiscal year)

(2) Overview of financial position

(Status of Assets)

As of the end of the consolidated fiscal year, current assets were ¥25,963 million, an increase of ¥2,326 million compared to the previous fiscal year-end. This was mainly attributable to an increase in accounts receivable of 4,933 million yen, while lease receivables and cash and deposits decreased by 1,240 million yen and 335 million yen, respectively.

Property, plant and equipment amounted to 18,900 million yen, an increase of 6,017 million yen from the end of the previous fiscal year, mainly due to an increase of 5,873 million yen in construction in progress. Intangible assets totaled 4,712 million yen, up 705 million yen from the end of the previous fiscal year, primarily reflecting an increase of 620 million yen in the right to use communication line.

As a result, total assets amounted to 50,979 million yen, an increase of 8,948 million yen from the end of the previous fiscal year.

(Status of Liabilities)

Current liabilities at the end of the fiscal year totaled 18,887 million yen, an increase of 2,139 million yen from the end of the previous fiscal year. This was mainly attributable to increases in short-term borrowings of 380 million yen, current portion of long-term borrowings of 110 million yen, and accounts payable of 85 million yen.

Non-current liabilities amounted to 6,455 million yen, an increase of 2,154 million yen from the end of the previous fiscal year, primarily due to an increase in long-term borrowings of 2,075 million yen.

As a result, total liabilities amounted to 25,343 million yen, an increase of 4,294 million yen from the end of the previous fiscal year.

(Status of net assets)

Net assets at the end of the fiscal year totaled ¥25,636 million, an increase of ¥4,653 million compared to the previous fiscal year. This was mainly attributable to the recording of profit attributable to owners of the parent of 4,196 million yen, an increase in non-controlling interests of 1,060 million yen, a decrease in foreign currency translation adjustments of 269 million yen, and dividend payments of 519 million yen.

As a result, the equity ratio was 37.0%, compared to 36.3% at the end of the previous fiscal year.

(3) Overview of cash flows

Cash and cash equivalents (hereinafter referred to as "cash") decreased by ¥384 million compared to the end of the previous fiscal year, resulting in a balance of ¥3,534 million.

The status of each cash flow and their factors in the consolidated fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥4,585 million (compared to ¥704 million provided in the same period of the previous fiscal year). This was mainly due to profit before income taxes of ¥5,803 million, depreciation of ¥939 million, an increase in accounts receivable of ¥4,836 million, an increase in advances received of ¥1594 million, and a decrease in lease receivables accounts of ¥1,175 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥7,086 million (compared to ¥2,542 million used in the same period of the previous fiscal year). This was primarily due to expenditures of ¥6,371 million for the acquisition of property, plant and equipment, and ¥706 million for the acquisition of intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥2,035 million (compared to ¥1,380 million provided in the same period of the previous fiscal year). This was mainly attributable to proceeds from long-term borrowings of 3,839 million yen and contributions from non-controlling interests of 163 million yen, partially offset by repayments of long-term borrowings of 1,944 million yen.

(4) Future outlook

The fiscal year ending March 2027 represents the final year of the Group's three-year "Medium-Term Management Plan 2026." While focusing on completing the current plan, the Group will also advance the formulation of its next medium-term management plan aimed at further creating business opportunities and achieving sustainable growth.

In the global telecommunications business, the Group will continue to expand the provision of circuits and communication services across the Philippines, from the Manila metropolitan area to regional areas, leveraging its network combining C2C circuits and the domestic backbone network centered on PDSCN. In addition, the "Konektadong Pinoy Act," enacted in 2025 to strengthen the digital connectivity infrastructure in the Philippines, is expected to accelerate the entry of new regional telecommunications operators, thereby further expanding the Group's customer base. The Group also aims to complete, as early as possible, the international submarine cable landing station under construction in Baler on the eastern coast of Luzon Island and is advancing discussions with submarine cable operators toward the provision of landing services. The Group expects to promote revenue diversification and achieve continued growth in both revenue and profit.

In the domestic telecommunications business, the Group will work to expand high-value-added solutions for call center operators, while improving profitability through the launch of new in-house services such as "0120" toll-free numbers. The Group will also actively expand sales in new areas, including AI agent services utilizing Voice AI technology developed by an Indian startup company. While access charges are expected to remain at conservative levels and costs associated with new service investments are expected to increase, the Group anticipates higher revenue but lower profit.

In the Medical & Healthcare business, despite continued competitive pressure in LASIK services, the Group will improve profitability through marketing optimization and operational efficiency. In the health checkup business, demand continues to grow steadily, driven by increasing awareness of preventive healthcare and the provision of high-quality Japanese-standard services, and the Group expects both revenue and profit growth.

For the current fiscal year, we expect consolidated net sales to reach 20,080 million yen (up 18.1% year-on-year) and operating profit of 6,100 million yen (up 13.6% year-on-year). Non-operating income and expenses, including interest expenses and interest income, are expected to be recorded. Ordinary profit is expected to amount to 6,177 million yen (up 6.7% year-on-year), while profit attributable to owners of the parent is expected to amount to 4,200 million (up 0.1% year-on-year).

The performance forecasts above are based on information available as of the date of this announcement, and actual results may differ from these forecasts due to various factors going forward.

2. Basic Approach towards Selection of Accounting Standards

The Group prepares consolidated financial statements based on Japanese GAAP taking into consideration the comparability of consolidated financial statements and the comparability between companies. We are planning to take appropriate action for the future application of International Financial Reporting Standards (IFRS) after considering various domestic and overseas situations.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	3,918	3,582
Accounts receivable - trade	11,269	16,202
Lease receivables	6,517	5,277
Merchandise	137	157
Supplies	140	115
Other	2,745	1,899
Allowance for doubtful accounts	(1,090)	(1,271)
Total current assets	23,637	25,963
Non-current assets		
Property, plant and equipment		
Buildings and structures	980	961
Accumulated depreciation	(455)	(536)
Buildings and structures, net	525	425
Machinery, equipment and vehicles	9,714	10,261
Accumulated depreciation	(2,647)	(2,929)
Machinery, equipment and vehicles, net	7,067	7,332
Tools, furniture and fixtures	350	369
Accumulated depreciation	(261)	(299)
Tools, furniture and fixtures, net	89	70
Leased assets	47	47
Accumulated depreciation	(41)	(42)
Leased assets, net	5	4
Construction in progress	5,194	11,067
Total property, plant and equipment	12,882	18,900
Intangible assets		
The right to use communication line	3,137	3,757
Goodwill	28	13
Other	840	940
Total intangible assets	4,006	4,712
Investments and other assets		
Shares of subsidiaries and associates	110	108
Long-term prepaid expenses	169	97
Deferred tax assets	595	560
Other	603	615
Allowance for doubtful accounts	(4)	(0)
Total investments and other assets	1,474	1,382
Total non-current assets	18,363	24,994
Deferred assets	30	21
Total assets	42,031	50,979

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,137	660
Short-term borrowings	4,250	4,630
Current portion of long-term borrowings	1,809	1,920
Accounts payable	519	604
Income taxes payable	344	280
Deferred payment profit	4,709	4,102
Provision for bonuses	35	48
Other	3,941	6,641
Total current liabilities	16,747	18,887
Non-current liabilities		
Long-term borrowings	4,010	6,086
Retirement benefit liability	82	85
Asset retirement obligations	4	4
Other	203	279
Total non-current liabilities	4,300	6,455
Total liabilities	21,048	25,343
Net assets		
Shareholders' equity		
Share capital	1,208	1,306
Capital surplus	542	639
Retained earnings	11,227	14,904
Treasury shares	(0)	(0)
Total shareholders' equity	12,976	16,849
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,266	1,997
Remeasurements of defined benefit plans	(3)	(2)
Total accumulated other comprehensive income	2,263	1,995
Share acquisition rights	290	278
Non-controlling interests	5,452	6,512
Total net assets	20,982	25,636
Total liabilities and net assets	42,031	50,979

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	15,264	16,999
Cost of sales	6,988	7,127
Gross profit	8,275	9,872
Selling, general and administrative expenses	3,861	4,502
Operating profit	4,413	5,370
Non-operating income		
Interest and dividend income	221	226
Foreign exchange gains	—	516
Other	144	246
Total non-operating income	365	989
Non-operating expenses		
Interest expenses	400	300
Commission for syndicated loans	—	180
Foreign exchange losses	276	—
Other	29	90
Total non-operating expenses	705	572
Ordinary profit	4,073	5,787
Extraordinary income		
Gain on reversal of share acquisition rights	—	16
Gain on sale of non-current assets	28	—
Total extraordinary income	28	16
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on sale of non-current assets	—	0
Subsidiary company head office transfer cost	59	—
Total extraordinary losses	59	0
Profit before income taxes	4,042	5,803
Income taxes - current	932	620
Income taxes - deferred	(327)	112
Total income taxes	605	732
Profit	3,436	5,070
Profit attributable to non-controlling interests	892	873
Profit attributable to owners of parent	2,544	4,196

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	3,436	5,070
Other comprehensive income		
Foreign currency translation adjustment	1,722	(69)
Remeasurements of defined benefit plans, net of tax	(2)	7
Share of other comprehensive income of entities accounted for using equity method	4	4
Total other comprehensive income	1,724	(57)
Comprehensive income	5,160	5,013
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,974	3,930
Comprehensive income attributable to non-controlling interests	1,186	1,082

(3) Consolidated statement of changes in equity

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

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Other comprehensive income Cumulative total			
Balance at beginning of period	1,145	753	9,191	(0)	11,090	211	(0)	210	264	3,617	15,183
Changes during period											
Issuance of new shares	62	62	—	—	125	—	—	—	—	—	125
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	—	—	—	(0)
Dividends of surplus	—	—	(509)	—	(509)	—	—	—	—	—	(509)
Profit attributable to owners of parent	—	—	2,544	—	2,544	—	—	—	—	—	2,544
Capital increase of consolidated subsidiaries	—	(274)	—	—	(274)	—	—	—	—	—	(274)
Net changes in items other than shareholders' equity	—	—	—	—	—	2,055	(2)	2,052	26	1,834	3,913
Total changes during period	62	(211)	2,035	(0)	1,886	2,055	(2)	2,052	26	1,834	5,799
Balance at end of period	1,208	542	11,227	(0)	12,976	2,266	(3)	2,263	290	5,452	20,982

The consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Other comprehensive income Cumulative total			
Balance at beginning of period	1,208	542	11,227	(0)	12,976	2,266	(3)	2,263	290	5,452	20,982
Changes during period											
Issuance of new shares	97	97	—	—	195	—	—	—	—	—	195
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—
Dividends of surplus	—	—	(519)	—	(519)	—	—	—	—	—	(519)
Profit attributable to owners of parent	—	—	4,196	—	4,196	—	—	—	—	—	4,196
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	(269)	1	(268)	(11)	1,060	780
Total changes during period	97	97	3,677	—	3,872	(269)	1	(268)	(11)	1,060	4,653
Balance at end of period	1,306	639	14,904	(0)	16,849	1,997	(2)	1,995	278	6,512	25,636

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	4,042	5,803
Depreciation	998	939
Gain on reversal of share acquisition rights	-	(16)
Share-based payment expenses	60	63
Foreign exchange losses (gains)	(28)	175
Increase (decrease) in allowance for doubtful accounts	518	132
Increase (decrease) in provision for bonuses	(4)	13
Increase (decrease) in retirement benefit liability	7	4
Interest and income	(221)	(226)
Interest expenses	400	300
Loss (gain) on sale of non-current assets	(28)	0
Loss on retirement of non-current assets	27	0
Decrease (increase) in trade receivables	(5,048)	(4,836)
Decrease (increase) in lease receivables	(235)	1,175
Decrease (increase) in inventories	(32)	1
Increase (decrease) in trade payables	206	400
Increase (decrease) in accounts payable - other	273	92
Increase (decrease) in deferred payment profit	633	(607)
Increase (decrease) in advances received	(34)	1,594
Other, net	499	1,130
Subtotal	2,034	5,340
Interest and dividends received	221	226
Interest paid	(400)	(300)
Income taxes paid	(1,151)	(680)
Net cash provided by (used in) operating activities	704	4,585
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,255)	(6,371)
Proceeds from sale of property, plant and equipment	8	-
Purchase of intangible assets	(1,239)	(706)
Purchase of shares of subsidiaries and associates	1	-
Payment for guarantee deposits	(102)	(70)
Proceeds from refund of guarantee deposits	26	34
Purchase of long-term prepaid expenses	(11)	(3)
Proceeds from cancellation of insurance funds	60	137
Payments into time deposits	-	(48)
Other, net	(30)	(58)
Net cash provided by (used in) investing activities	(2,542)	(7,086)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,530	380
Proceeds from long-term borrowings	400	3,839
Repayments of long-term borrowings	(1,890)	(1,944)
Proceeds from issuance of shares	90	137
Proceeds from share issuance to non-controlling shareholders	1,795	163
Payment of dividends	(509)	(519)
Purchase of treasury shares	(0)	-
Dividends paid to non-controlling interests	(35)	(20)
Net cash provided by (used in) financing activities	1,380	2,035
Effect of exchange rate change on cash and cash equivalents	140	81
Net increase (decrease) in cash and cash equivalents	(316)	(335)
Cash and cash equivalents at beginning of period	4,234	3,918
Cash and cash equivalents at end of period	3,918	3,534

(5) Notes to consolidated financial statements

(Notes to assumptions for ongoing concerns)

Not applicable.

(Changes in Accounting Policies)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of the reportable segments

(1) Method of determining reportable segments

The reportable segments of the company are the segments whose separate financial information is available out of the constituent units of the company, and which are subject to periodical review by the Board of Directors to determine the allocation of the management resources and evaluate the business performance.

The company has business divisions for each product and service. Each business division draws up comprehensive domestic and overseas strategies for the products and services they handle to deploy business activities.

(2) Types of products and services that belong to each reportable segment

Reportable segment	Type of the service
Global Telecommunications Business	Provide international communication lines for CATV operators in the Philippines Telecommunication business in the Philippines Customer acquisition / utilization promotion business for overseas remittance service, etc.
Domestic Telecommunications Business	Sell software for telephone services and call centers
Medical & Healthcare Business	Ophthalmology care and cosmetic dermatology Provide physical and health checkup

2. Calculation method for net sales, profit or loss, and other items for each reportable segment

The method of accounting treatment of the reported business segments is the same as what is described in “Basic important matters for preparing consolidated financial statements”.

The internal revenue and transfer amount between segments are mainly based on the transaction price between third parties or the price obtained by adding appropriate profit to the cost.

3. Information on the amount of net sales, profit or loss, and other items for each reportable segment and revenue breakdown information

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

(Millions of yen)

	Reportable segment			Total	Adjustment amount	Consolidated Financial statements Recorded amount (Note 1)
	Global Telecommunications Business	Domestic Telecommunications Business	Medical & Healthcare Business			
Net sales						
Revenue from contracts with customers	9,300	2,429	1,555	13,285	—	13,285
Other revenue	1,918	60	—	1,978	—	1,978
Net sales to external customers	11,219	2,489	1,555	15,264	—	15,264
Internal net sales or transfer amount between segments	34	2	2	39	(39)	—
Total	11,253	2,491	1,558	15,304	(39)	15,264
Segment profit (loss)	4,500	(11)	(84)	4,404	9	4,413
Other items						
Depreciation	713	45	239	998	—	998

(Notes) 1. The segment profit or loss is consistent with the operating profit in the consolidated financial statements.

2. Segment assets and liabilities are not presented because they are not regularly provided to the Board of Directors and are not subject to management resource allocation decisions or performance evaluations.

3. No specific assets are allocated to reportable segments, but related expenses such as depreciation is allocated.

4. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.

5. The plus ¥9 million adjustment to segment profit (loss) is eliminations for inter-segment transactions.

The consolidated fiscal year under review (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment			Total	Adjustment amount	Consolidated Financial statements Recorded amount (Note 1)
	Global Telecommunications Business	Domestic Telecommunications Business	Medical & Healthcare Business			
Net sales						
Revenue from contracts with customers	9,911	2,405	1,650	13,967	—	13,967
Other revenue	3,031	—	—	3,031	—	3,031
Net sales to external customers	12,943	2,405	1,650	16,999	—	16,999
Internal net sales or transfer amount between segments	3	3	5	12	(12)	—
Total	12,946	2,409	1,655	17,011	(12)	16,999
Segment profit (loss)	4,901	397	80	5,379	(8)	5,370
Other items						
Depreciation	704	44	190	939	—	939

(Notes) 1. The segment profit or loss is consistent with the operating profit in the consolidated financial statements.

2. Segment assets and liabilities are not presented because they are not regularly provided to the Board of Directors and are not subject to management resource allocation decisions or performance evaluations.

3. No specific assets are allocated to reportable segments, but related expenses such as depreciation is allocated.

4. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.

5. The minus ¥8 million adjustment to segment profit (loss) is eliminations for inter-segment transactions.

(Per-share information)

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	The consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Amount of net assets per share	¥1,175.66	¥1,440.51
Profit per share	¥197.14	¥322.41
Diluted profit per share	¥192.85	¥315.60

(Note) The basis for the calculation of profit per share and adjusted profit per share for dilutive shares is as follows:

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	The consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Profit per share		
Profit attributable to owners of parent (millions of yen)	2,544	4,196
Amount of money not attributable to ordinary shareholders (millions of yen)	—	—
Profit attributable to owners of parent, which is related to common stock (millions of yen)	2,544	4,196
Average number of shares of common stock during the period (shares)	12,906,981	13,017,316
Diluted profit per share		
Adjustment of profit attributable to owners of parent (millions of yen)	—	—
Increase in common stock (shares)	286,765	280,516
(of which, share acquisition rights (shares)	286,765	280,516
Overview of the dilutive shares that were not included in the calculation of the amount of money of adjusted profit per share for dilutive shares because they have no dilutive effect	—	—

(Important subsequent events)

None.