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

May 13, 2025

Company name Miroku Jyoho Service Co., Ltd. Stock exchange listings: Tokyo Prime
 Securities code 9928 URL <https://www.mjs.co.jp>
 Representative (Title) President and CEO (Name) Hiroki Koreeda
 Managing Executive Officer and
 CFO, General Manager of
 Business Management (Name) Junichi Sato Tel 03-5361-6369
 Headquarter
 Date of general shareholders' meeting (as planned) June 27, 2025 Dividend payable date (as planned) June 30, 2025
 Annual securities report filing date (as planned) June 26, 2025
 Supplemental material of annual results : Yes
 Convening briefing of annual results : 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, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	46,160	5.0	6,287	2.9	6,390	1.3	4,381	3.4
March 31, 2024	43,971	6.1	6,110	0.4	6,306	8.0	4,238	12.5

Note: Comprehensive income For the fiscal year ended March 31, 2025 4,006 Millions of yen (7.3%) For the fiscal year ended March 31, 2024 3,734 Millions of yen (7.0%)

	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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	146.40	142.42	15.6	14.0	13.6
March 31, 2024	141.70	137.85	16.6	13.7	13.9

Reference: Investment profit (loss) on equity method For the fiscal year ended March 31, 2025 20 Millions of yen For the fiscal year ended March 31, 2024 38 Millions of yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	45,331	29,637	64.6	978.29
March 31, 2024	46,018	27,186	58.0	892.77

Reference: Owner's equity As of March 31, 2025 29,281 Millions of yen As of March 31, 2024 26,711 Millions of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	6,357	△4,373	△4,502	15,459
March 31, 2024	6,538	△3,614	△4,117	17,977

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (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	—	50.00	50.00	1,495	35.3	5.9
Fiscal year ended March 31, 2025	—	0.00	—	55.00	55.00	1,646	37.6	5.9
Fiscal year ending March 31, 2026 (Forecast)	—	0.00	—	60.00	60.00		36.7	

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.)

	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, 2025	23,800	4.6	3,100	4.5	3,150	4.0	2,270	10.2	75.84
Fiscal year ending March 31, 2026	49,000	6.2	6,700	6.6	6,800	6.4	4,900	11.8	163.71

* Notes

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

Newly included: — companies (Company name)—、 Excluded: — companies (Company name)—

(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 reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(3) Number of issued shares (common shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury shares)

As of March 31, 2025	32,306,286shares	As of March 31, 2024	34,806,286shares
As of March 31, 2025	2,375,130shares	As of March 31, 2024	4,887,043shares
Fiscal year ended March 31, 2025	29,927,410shares	Fiscal year ended March 31, 2024	29,914,853shares

② Number of treasury shares at the end of fiscal year

③ Average number of shares

[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.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	41,224	6.3	6,784	4.2	6,946	4.5	4,710	12.8
March 31, 2024	38,787	7.9	6,508	3.2	6,648	4.1	4,174	19.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	157.39	153.12
March 31, 2024	139.55	135.76

(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	42,724	28,376	66.4	948.06
March 31, 2024	42,434	25,422	59.9	849.71

Reference: Owner's equity As of March 31, 2025 28,376 Millions of yen As of March 31, 2024 25,422 Millions of yen

2. Non-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.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	21,500	5.1	3,610	0.1	2,630	△3.3	87.87
Fiscal year ending March 31, 2026	43,500	5.5	7,000	0.8	5,100	8.3	170.39

* 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

(Caution concerning forward-looking statements, etc.)

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. The Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to (ii) Future outlook in (1) Outline of results of operations for the fiscal year under review of 1. Results of operations on page 6.

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1. Results of operations

(1) Outline of results of operations for the fiscal year under review

(i) Results of operations

During the fiscal year under review, the Japanese economy recovered modestly, partly due to the effects of various policy measures in an improving employment and income situation. Meanwhile, the outlook remained uncertain due to the rising prices of goods in the country and concerns about the negative impact of the U.S. trade policy, the fluctuation of the financial and capital markets and other matters on economic activities.

In the software and information service industries, demand for IT investment increased as companies addressed labor shortages and changed their ways of working, developed an environment for the digitalization of work processes, and IT implementation subsidies continued.

In this business environment, the MJS Group sought to maintain relationships with existing customers and enhance their satisfaction levels by improving sales capabilities and product/service competitiveness, while at the same time, the Group worked to expand its customer base through the development of new customers, increase relevant service revenues, and reinforce the earnings foundation. In particular, in addition to expanding sales of subscription-based cloud services, in which sales are recorded according to the period of use, the Group is accelerating the transition to a subscription model for on-premise products, in which sales are recorded as a lump sum, with the aim of further improving profitability as a shift to a cloud subscription-based business model.

On the sales side, the Group participated in exhibitions and events across the country related to accounting, financial affairs and back office operations, held seminars in which its qualified IT coordinators lectured at different locations in Japan and actively distributed information about artificial intelligence (AI), digital transformation (DX) and other fields that customers are greatly interested in. Starting in October 2024, the Group began airing a new TV commercial featuring Haruka Fukuhara as its image character, promoting DX Consulting Services that propose the optimal systems to customers with the slogan "Enliven Japanese companies!" The Group also carried out sales and support activities rooted in local communities by leveraging the strengths of its direct sales network in major cities across the country, and it worked to further improve customer experience and build a customer success system. Additionally, in order to support customers' digital transformation, the Group will also focus on human resource development for employees and support for obtaining qualifications, including IT coordinator qualifications to further strengthen its solutions business structure for small and medium enterprises (SMEs).

In terms of development, the Group continually strengthened the AI-OCR function released in March 2024 for its ERP products. It is part of the Group's actions to help accounting firms reduce the burdens of increasingly complex book-keeping services and increase their operational efficiency and productivity. In addition, the Group continuously improved functions to meet customers' needs. For example, it began implementing functions designed to conform to different legal systems and accounting standards. The Group is also focusing on development to promote the integrated DX platform business, and has begun providing Management Analysis Plus, a management support service that accounting firms can use to provide management guidance to client companies, to Hirameki 7, a service launched by its subsidiary Tribec Inc. in July 2022.

In May 2024, the Group announced Sustainability 2030 and Medium-Term Management Plan Vision 2028. In Sustainability 2030, the Group has set forth its vision of "MJS Value: Value customers and make employees happy" and four basic policies based on the perspective of ESG, and will contribute to the realization of a sustainable society. Furthermore, in the Medium-Term Management Plan Vision 2028, the Group set out "Taking on challenges to reform the business model and create new value," and will aim to achieve sustainable growth and increase its corporate value by implementing six basic strategies.

As a result of these business activities, sales of various ERP products for accounting firms and SMEs remained strong in the fiscal year under review. In the sale of ERP products, revenue from software utilization fees significantly rose thanks to a shift to subscription-based sales, resulting in an increase in revenue from stable recurring services.

As a result, consolidated net sales in the fiscal year under review rose to 46,160 million yen (up 5.0% year on year). In terms of profits, based on our human capital management strategy, there was a significant increase in personnel expenses due to the proactive hiring of new graduates, salary increases and raises, which are upfront investments, as well as an increase in purchasing costs due to sales expansion. As a result, cost of sales, selling, general and administrative expenses increased by 2,012 million yen compared to the same period last year. However, due to the effect of increased sales, operating profit was 6,287 million yen (up 2.9% year on year), ordinary profit was 6,390 million yen (up 1.3% year on year), and profit attributable to owners of parent was 4,381 million yen (up 3.4% year on year).

Results of operations in product categories were as follows.

(System installation contract sales)

Hardware sales were 5,567 million yen, up 26.1% year on year, software sales were 11,379 million yen, down 11.2% from a year earlier. Useware sales were 7,049 million yen, up 3.6% from one year earlier.

As a result, total system installation contract sales were 23,995 million yen, down 0.2% from one year earlier.

* "System installation contract sales" are the total of sales recorded when a system is newly installed. These sales consist of hardware, software and useware (system installation support services, etc.) sales.

(Service revenues)

Sales from the Total Value Service (TVS), which is a comprehensive maintenance service for tax accountant and CPA firms, increased 1.9% from one year earlier to 2,612 million yen. Software utilization revenues increased 33.3% year on year to 7,549 million yen as a result of growth in sales through the subscription model of various ERP products. Corporate software operations support service revenues increased 2.1% year on year, to 6,073 million yen. Hardware and network maintenance service revenues increased 6.7% from one year earlier to 1,689 million yen and sales from supplies and office products increased 6.8% from one year earlier to 533 million yen.

As a result, service revenues increased 13.5% from one year earlier to 18,459 million yen.

* "Service revenues" are stable revenues that are mainly compensation for services provided continuously. These revenues consist of compensation for software operations support services, and hardware and network maintenance services, software utilization fees, and the sales of supplies and office products.

YoY sales

(Million yen, %)

		Previous fiscal year From April 1, 2023 to March 31, 2024		Current fiscal year From April 1, 2024 to March 31, 2025		YoY	
		Sales	Pct.	Sales	Pct.	Change	YoY
	Hardware	4,414	10.0	5,567	12.1	1,152	26.1
	Software	12,817	29.2	11,379	24.6	△1,438	△11.2
	Useware	6,802	15.5	7,049	15.3	246	3.6
System installation contract sales		24,035	54.7	23,995	52.0	△39	△0.2
	TVS	2,564	5.8	2,612	5.7	48	1.9
	Software utilization fees	5,665	12.9	7,549	16.2	1,884	33.3
	Software operations support services	5,945	13.6	6,073	13.2	127	2.1
	HW/NW maintenance services	1,583	3.6	1,689	3.7	105	6.7
	Supplies and office products	499	1.1	533	1.2	33	6.8
Service revenues		16,259	37.0	18,459	40.0	2,200	13.5
Others		3,677	8.3	3,705	8.0	28	0.8
Total		43,971	100.0	46,160	100.0	2,188	5.0

(ii) Future outlook

The world economy continues to grow at a moderate pace following the growth of internal demand in the U.S. and China's implementation of economic measures, while the economic environment in and outside Japan remains unclear in some aspects. The Japanese economy rallied gradually and it is anticipated that wages and corporate capital investment will increase. At the same time, the prices of goods has stayed high and the yen's depreciation continues to have an impact. In these circumstances, it is hoped that the employment and income situations will continue to improve and that various measures will induce a shift to continuous economic growth. SMEs need to continuously address the workforce shortage and the work style reform. In the current situation where an environment for digitalized operational processes is being established and where subsidies for introducing IT are continuing, It is expected that IT investment-related demand will be even higher. Accordingly, the business circumstances surrounding the Group are changing for the better.

In this environment, the Group will reform its business model and reform its management base to continue to increase corporate value. A new SaaS-type ERP product which is being developed will be released in the second half of the fiscal year ending March 31, 2026. The Group will endeavor to improve customer satisfaction and carry out up-selling and cross-selling activities with a view toward maximizing customers' lifetime value (LTV). Following the start of a full-scale SaaS business, the Group will

accelerate the transition to subscription contracts.

The Group released MJS DX Consulting, a new accompanied support service provided mainly by qualified IT coordinators for the growth of small enterprises. This service will provide technical knowledge regarding DX to aid the reform of business through the digitalization of operational processes based on customers' management issues.

In the integrated DX platform business, the Company will work together with its subsidiary, Tribeck Inc., to step up sales of different services in the area of digital marketing and to develop new services for conducting full-scale business activities.

The forecast of consolidated business results for the fiscal year ending March 31, 2026 is as follows.

	First half	Full year
Net sales	23,800 million yen	49,000 million yen
Operating profit	3,100 million yen	6,700 million yen
Ordinary profit	3,150 million yen	6,800 million yen
Profit attributable to owners of parent	2,270 million yen	4,900 million yen

The management targets for fiscal 2028 in the newly disclosed Medium-Term Management Plan Vision 2028 on May 13, 2024 are consolidated net sales of 60 billion yen, ordinary profit of 12 billion yen, and ROE of more than 18%. The Group will strive to reform its business model and create new value.

(2) Outline of financial position for the fiscal year under review

(i) Assets, liabilities and net assets

Assets

Current assets were 24,629 million yen at the end of March 2025, a decrease of 2,038 million yen from one year earlier. This was mainly due to a decrease of 2,165 million yen in cash and deposits.

Fixed assets were 20,702 million yen at the end of the fiscal year under review, an increase of 1,352 million yen from the end of the previous fiscal year. The main factor was an increase of 1,749 million yen in intangible fixed assets.

As a result, total assets were 45,331 million yen at the end of March 2025, down 686 million yen from the end of the previous fiscal year.

Liabilities

Current liabilities were 13,173 million yen at the end of March 2025, down 2,317 million yen from a year earlier. This was mainly attributable to a decrease of 2,126 million yen in short-term debt.

Fixed liabilities were 2,520 million yen at the end of March 2025, down 820 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease of 800 million yen in long-term debt.

As a result, total liabilities were 15,693 million yen, down 3,137 million yen from the end of the previous fiscal year.

Net assets

Net assets were 29,637 million yen at the end of March 2025, an increase of 2,451 million yen from a year earlier. Main factors were a decrease of 160 million yen in retained earnings due to net income attributable to owners of parent posted of 4,381 million yen and dividends of surplus of 1,495 million yen, and a decrease of 3,040 million yen in treasury shares due to cancellation of treasury shares of 3,016 million yen.

As a result, the capital adequacy ratio was 64.6% (compared with 58.0% at the end of the previous fiscal year).

(ii) Cash flows

There was a net decrease of 2,517 million yen in cash and cash equivalents from the end of the previous fiscal year, to 15,459 million yen.

The cash flows in the fiscal year under review and factors relating to each are as follows.

(Operating activities)

Net cash provided by operating activities was 6,357 million yen (compared with 6,538 million yen one year earlier). This was mainly due to profit before income taxes of 6,563 million yen and depreciation and amortization of 2,089 million yen, resulting in a cash inflow, and a decrease (increase) in trade receivables of 522 million yen and income taxes paid of 1,432 million yen, resulting in cash outflow.

(Investing activities)

Net cash used in investing activities was 4,373 million yen (compared with 3,614 million yen a year earlier). This was primarily

due to cash inflow in the form of proceeds from the sale of crypto assets of 838 million yen, and cash outflow due to payments for acquisition of intangible fixed assets of 4,241 million yen and payments for time deposits of 736 million yen.

(Financing activities)

Net cash used in financing activities was 4,052 million yen (compared with 4,117 million yen one year earlier). This was chiefly due to cash inflow in the form of proceeds from short-term debt of 3,300 million yen, and cash outflow due to the repayment of short-term debt of 5,550 million yen and dividends paid of 1,495 million yen.

(Reference) Cash flow-related indicators

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Capital adequacy ratio	46.5%	51.0%	53.0%	58.0%	64.6%
Capital adequacy ratio on a market value basis	146.0%	97.8%	107.2%	117.9%	122.1%
Years of debt redemption	4.0 years	2.0 years	1.7 years	1.4 years	1.0 year
Interest coverage ratio	186.6	398.5	801.6	484.5	103.6

(Notes) Capital adequacy ratio: Owner's equity/Total assets

Capital adequacy ratio on a market value basis: Total market capitalization/Total assets

Years of debt redemption: Interest-bearing debt/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest expenses paid

1. All indicators are calculated using consolidated financial results.
2. Total market capitalization is calculated by multiplying the final share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (excluding treasury shares).
3. Cash flows from operating activities refer to net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows.
4. Interest-bearing debt refers to all liabilities on the Consolidated Balance Sheets for which interest is paid.
5. Interest expenses paid refer to interest expenses paid on the Consolidated Statements of Cash Flows.

2. Basic concepts related to selection of accounting standards

To secure inter-company and year-to-year comparability, the Group prepares the Company's consolidated financial statements based on "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Parts 5 and 6)" (Finance Ministry Ordinance 28, 1976).

As for application of international accounting standards, the policy is appropriate response taking account of the domestic and overseas situations.

3. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	18,888	16,722
Notes receivable - trade	92	130
Accounts receivable - trade	4,732	5,143
Contract assets	71	48
Securities	100	—
Merchandise	852	700
Work in process	552	369
Supplies	61	35
Prepaid expenses	876	1,221
Other	449	279
Allowance for doubtful accounts	△9	△20
Total current assets	26,668	24,629
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,289	3,422
Accumulated depreciation	△2,074	△2,149
Buildings and structures, net	1,214	1,273
Land	2,888	2,888
Other	1,840	2,051
Accumulated depreciation	△1,380	△1,499
Other, net	460	552
Total property, plant and equipment	4,563	4,714
Intangible assets		
Goodwill	128	—
Software	2,258	1,546
Software in progress	6,277	8,869
Other	8	6
Total intangible assets	8,672	10,422
Investments and other assets		
Investment securities	3,247	2,023
Long-term prepaid expenses	101	440
Deferred tax assets	1,524	1,594
Other	1,243	1,518
Allowance for doubtful accounts	△2	△11
Total investments and other assets	6,114	5,565
Total non-current assets	19,350	20,702
Total assets	46,018	45,331

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,812	1,426
Short-term borrowings	5,287	3,160
Current portion of long-term borrowings	800	800
Accounts payable - other	1,216	923
Accrued expenses	414	409
Income taxes payable	816	1,552
Contract liabilities	2,523	2,527
Provision for bonuses	1,304	1,303
Other	1,315	1,069
Total current liabilities	15,490	13,173
Non-current liabilities		
Long-term borrowings	3,200	2,400
Provision for retirement benefits for directors (and other officers)	74	85
Retirement benefit liability	12	—
Asset retirement obligations	22	22
Other	30	11
Total non-current liabilities	3,340	2,520
Total liabilities	18,831	15,693
Net assets		
Shareholders' equity		
Share capital	3,198	3,198
Capital surplus	2,931	2,904
Retained earnings	25,871	25,711
Treasury shares	△5,915	△2,875
Total shareholders' equity	26,084	28,938
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	626	342
Total accumulated other comprehensive income	626	342
Non-controlling interests	475	356
Total net assets	27,186	29,637
Total liabilities and net assets	46,018	45,331

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	43,971	46,160
Cost of sales	17,171	18,283
Gross profit	26,800	27,876
Selling, general and administrative expenses		
Promotion expenses	1,814	1,674
Provision of allowance for doubtful accounts	5	9
Salaries and allowances	8,144	8,870
Provision for bonuses	1,038	970
Retirement benefit expenses	387	411
Other	9,297	9,653
Total selling, general and administrative expenses	20,689	21,589
Operating profit	6,110	6,287
Non-operating income		
Interest income	10	18
Dividend income	18	19
Share of profit of entities accounted for using equity method	38	20
Reversal of allowance for doubtful accounts	31	—
Commission income	17	31
Dividend income of insurance	33	26
Compensation for eviction	30	—
Settlement received	5	40
Other	51	30
Total non-operating income	236	187
Non-operating expenses		
Interest expenses	23	59
Amortization of bond issuance costs	5	—
Provision of allowance for doubtful accounts	—	14
Commission expenses	6	8
Other	5	1
Total non-operating expenses	40	84
Ordinary profit	6,306	6,390
Extraordinary income		
Gain on change in equity	—	27
Gain on sale of investment securities	539	358
Gain on sale of shares of subsidiaries and associates	—	31
Total extraordinary income	539	416
Extraordinary losses		
Impairment losses	688	54
Amortization of goodwill	36	—
Loss on sale of crypto assets	—	182
Other	50	7
Total extraordinary losses	775	243
Profit before income taxes	6,071	6,563
Income taxes - current	1,661	2,227
Income taxes - deferred	191	46
Total income taxes	1,853	2,273
Profit	4,217	4,289
Loss attributable to non-controlling interests	△20	△91
Profit attributable to owners of parent	4,238	4,381

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	4,217	4,289
Other comprehensive income		
Valuation difference on available-for-sale securities	△483	△283
Share of other comprehensive income of entities accounted for using equity method	0	—
Total other comprehensive income	△483	△283
Comprehensive income	3,734	4,006
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,755	4,097
Comprehensive income attributable to non-controlling interests	△20	△91

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,198	2,931	23,030	△5,990	23,169
Changes during period					
Dividends of surplus			△1,343		△1,343
Profit attributable to owners of parent			4,238		4,238
Purchase of treasury shares				△0	△0
Disposal of treasury shares		△54		75	20
Transfer of loss on disposal of treasury shares		54	△54		—
Cancellation of treasury shares					—
Capital increase of consolidated subsidiaries					—
decrease (increase) in retained earnings due to exclusion from consolidation					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,840	74	2,915
Balance at end of period	3,198	2,931	25,871	△5,915	26,084

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,109	△0	1,109	496	24,775
Changes during period					
Dividends of surplus					△1,343
Profit attributable to owners of parent					4,238
Purchase of treasury shares					△0
Disposal of treasury shares					20
Transfer of loss on disposal of treasury shares					—
Cancellation of treasury shares					—
Capital increase of consolidated subsidiaries					—
decrease (increase) in retained earnings due to exclusion from consolidation					—
Net changes in items other than shareholders' equity	△483	0	△483	△20	△503
Total changes during period	△483	0	△483	△20	2,411
Balance at end of period	626	—	626	475	27,186

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,198	2,931	25,871	△5,915	26,084
Changes during period					
Dividends of surplus			△1,495		△1,495
Profit attributable to owners of parent			4,381		4,381
Purchase of treasury shares				△0	△0
Disposal of treasury shares		9		14	23
Transfer of loss on disposal of treasury shares					—
Cancellation of treasury shares		△9	△3,016	3026	—
Capital increase of consolidated subsidiaries		△26			△26
decrease (increase) in retained earnings due to exclusion from consolidation			△28		△28
Net changes in items other than shareholders' equity					
Total changes during period	—	△26	△160	3,040	2,853
Balance at end of period	3,198	2,904	25,711	△2,875	28,938

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	626	—	626	475	27,186
Changes during period					
Dividends of surplus					△1,495
Profit attributable to owners of parent					4,381
Purchase of treasury shares					△0
Disposal of treasury shares					23
Transfer of loss on disposal of treasury shares					—
Cancellation of treasury shares					—
Capital increase of consolidated subsidiaries					△26
decrease (increase) in retained earnings due to exclusion from consolidation					△28
Net changes in items other than shareholders' equity	△283	—	△283	△119	△402
Total changes during period	△283	—	△283	△119	2,451
Balance at end of period	342	—	342	356	29,637

(4) Consolidated statement 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 income taxes	6,071	6,563
Depreciation	2,543	2,089
Impairment losses	688	54
Amortization of goodwill	123	73
Increase (decrease) in allowance for doubtful accounts	△142	19
Increase (decrease) in provision for bonuses	△254	10
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	10
Increase (decrease) in retirement benefit liability	△0	—
Interest and dividend income	△28	△37
Interest expenses	23	59
Foreign exchange losses (gains)	△8	0
Share of loss (profit) of entities accounted for using equity method	△38	△20
Loss (gain) on sale of investment securities	△539	△358
Loss (gain) on valuation of investment securities	28	0
Loss (gain) on sale of shares of subsidiaries and associates	—	△31
Loss on valuation of shares of subsidiaries and associates	—	4
Loss (gain) on sale and retirement of non-current assets	8	2
Loss (gain) on sale of crypto assets	—	182
Loss (gain) on change in equity	13	△27
Decrease (increase) in trade receivables	△605	△522
Decrease (increase) in inventories	187	262
Increase (decrease) in trade payables	△100	322
Other, net	585	△868
Subtotal	8,564	7,790
Income taxes paid	△2,026	△1,432
Net cash provided by (used in) operating activities	6,538	6,357
Cash flows from investing activities		
Payments into time deposits	△234	△736
Proceeds from withdrawal of time deposits	234	236
Purchase of property, plant and equipment	△394	△477
Purchase of intangible assets	△3,951	△4,241
Purchase of investment securities	△192	△52
Proceeds from sale of investment securities	578	286
Proceeds from redemption of securities	—	100
Proceeds from sale of shares of subsidiaries and associates	407	1
Proceeds from sale of crypto assets	—	838
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△111
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	91
Loan advances	△4	—
Proceeds from collection of loans receivable	5	2
Interest and dividends received	16	36
Other, net	△81	△346
Net cash provided by (used in) investing activities	△3,614	△4,373

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,480	△2,126
Proceeds from long-term borrowings	4,000	—
Repayments of long-term borrowings	△220	△800
Redemption of convertible bond-type bonds with share acquisition rights	△11,000	—
Purchase of treasury shares	△0	△0
Dividends paid	△1,344	△1,495
Interest paid	△13	△61
Other, net	△18	△17
Net cash provided by (used in) financing activities	△4,117	△4,502
Net increase (decrease) in cash and cash equivalents	△1,194	△2,517
Cash and cash equivalents at beginning of period	19,171	17,977
Cash and cash equivalents at end of period	17,977	15,459

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on segment information, etc.)

[Segment information]

I. Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

Segment information is not shown because the Group's operations are limited to the single segment of the software business.

II. Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)

Segment information is not shown because the Group's operations are limited to the single segment of the software business.

(Notes to per share information)

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)		Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)	
Net assets per share	892.77 yen	Net assets per share	978.29 yen
Basic earnings per share	141.70 yen	Basic earnings per share	146.40 yen
Diluted earnings per share	137.85 yen	Diluted earnings per share	142.42 yen

(Note) The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	4,238	4,381
Profit not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	4,238	4,381
Average number of common shares outstanding during the period (thousand shares)	29,914	29,927
Diluted earnings per share		
Profit adjustment amount attributable to owners of parent (million yen)	—	—
Increase in the number of common shares (thousand shares)	835	834
(of which share acquisition rights (thousand shares))	(835)	(834)
Summary of potential shares that were not included in the calculation of diluted earnings per share because they do not have a diluting effect.	Consolidated subsidiary: Tribeck Inc. Five types of share acquisition rights Number of share acquisition rights: 11,233 (Common shares: 99,046 shares)	Consolidated subsidiary: Tribeck Inc. Five types of share acquisition rights Number of share acquisition rights: 11,217 (Common shares: 97,446 shares)

(Note to significant subsequent events)

The Company carried out an absorption-type merger with MJS Finance & Technology Co., Ltd. (hereinafter "MFT"), a consolidated subsidiary of the Company, on April 1, 2025 in accordance with the resolution passed by the Board of Directors at the meeting held on December 20, 2024.

1. Outline of the business combination

(1) Name and business of the merged company

Name of the merged company MJS Finance & Technology Co., Ltd.

Business Fintech services

(2) Date of the business combination

April 1, 2025

(3) Legal form of the business combination

An absorption-type merger in which the Company will be a surviving company and MFT will be a absorbed company.

(4) Names of companies after the business combination

Miroku Jyoho Service Co., Ltd.

(5) Other matters concerning the transaction overview

The Group's growth strategy in the Medium-Term Management Plan Vision 2028, announced in May 2024, includes an "Integrated DX Platform Strategy" to support DX promotion of small enterprises, and "promoting independent growth of group companies by strengthening group collaboration" to reorganize and strengthen the Group. The Company believes that it will be able to utilize MFT's expertise in planning and development in the strategic development of an integrated DX platform, and that it will be able to incorporate MFT's accumulated know-how on investment and M&A execution in fintech and AI companies to carry out faster and more flexible decision-making and to strengthen strategy implementation in its M&A growth strategy. It has decided to merge MFT in order to realize the Group's growth strategy.

2. Outline of accounting treatment

The transactions are planned to be processed as transactions under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

4. Non-consolidated financial statements and major notes

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	14,534	13,386
Notes receivable - trade	92	130
Accounts receivable - trade	3,894	4,240
Contract assets	2	48
Securities	100	—
Merchandise	851	699
Work in process	448	337
Supplies	60	33
Advance payments to suppliers	159	—
Prepaid expenses	834	1,204
Other	512	188
Allowance for doubtful accounts	△16	△33
Total current assets	21,476	20,236
Non-current assets		
Property, plant and equipment		
Buildings	999	1,063
Structures	6	5
Tools, furniture and fixtures	348	456
Land	2,808	2,808
Leased assets	38	23
Total property, plant and equipment	4,202	4,357
Intangible assets		
Software	1,821	1,047
Software in progress	6,083	9,018
Other	2	2
Total intangible assets	7,907	10,068
Investments and other assets		
Investment securities	3,020	1,683
Shares of subsidiaries and associates	3,215	2,998
Long-term loans receivable from subsidiaries and associates	70	44
Distressed receivables	2	12
Long-term prepaid expenses	98	438
Deferred tax assets	1,368	1,547
Other	1,113	1,385
Allowance for doubtful accounts	△40	△47
Total investments and other assets	8,847	8,062
Total non-current assets	20,957	22,488
Total assets	42,434	42,724

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,716	1,331
Short-term borrowings	5,050	2,800
Current portion of long-term borrowings	800	800
Lease liabilities	16	16
Accounts payable - other	990	813
Accrued expenses	345	421
Income taxes payable	751	1,490
Accrued consumption taxes	290	480
Contract liabilities	2,426	2,492
Deposits received	193	95
Provision for bonuses	1,183	1,191
Other	19	4
Total current liabilities	13,783	11,936
Non-current liabilities		
Long-term borrowings	3,200	2,400
Lease liabilities	26	9
Other	2	2
Total non-current liabilities	3,228	2,411
Total liabilities	17,012	14,347
Net assets		
Shareholders' equity		
Share capital	3,198	3,198
Capital surplus		
Legal capital surplus	3,013	3,013
Total capital surplus	3,013	3,013
Retained earnings		
Legal retained earnings	206	206
Other retained earnings		
General reserve	6,985	6,985
Retained earnings brought forward	17,310	17,507
Total retained earnings	24,501	24,699
Treasury shares	△5,915	△2,875
Total shareholders' equity	24,797	28,035
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	624	340
Total valuation and translation adjustments	624	340
Total net assets	25,422	28,376
Total liabilities and net assets	42,434	42,724

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of goods	6,296	7,475
Net sales of software products	25,542	26,463
Sales of maintenance service	6,947	7,284
Total net sales	38,787	41,224
Cost of sales		
Beginning merchandise inventory	1,128	851
Cost of purchased goods	4,235	5,347
Total	5,363	6,199
Goods transfer to other account	429	606
Ending merchandise inventory	851	699
Cost of goods sold	4,082	4,893
Beginning software	2,126	721
Cost of software products manufactured	7,692	8,753
Total	9,818	9,474
Ending finished software	721	75
Cost of finished goods sold	9,097	9,399
Cost of sales of maintenance service	925	966
Cost of sales	14,105	15,259
Gross profit	24,681	25,964
Selling, general and administrative expenses	18,173	19,179
Operating profit	6,508	6,784
Non-operating income		
Interest income	12	19
Interest on securities	2	2
Dividend income	64	80
Commission income	17	31
Dividend income of insurance	33	26
Reversal of allowance for doubtful accounts	8	—
Settlement received	5	40
Other	28	44
Total non-operating income	173	245
Non-operating expenses		
Interest expenses	19	55
Amortization of bond issuance costs	5	—
Provision of allowance for doubtful accounts	—	17
Commission expenses	6	8
Other	2	1
Total non-operating expenses	33	83
Ordinary profit	6,648	6,946

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	539	254
Gain on sale of shares of subsidiaries and associates	—	263
Total extraordinary income	539	518
Extraordinary losses		
Impairment losses	689	0
Loss on valuation of shares of subsidiaries and associates	554	195
Loss on debt forgiveness to subsidiaries and affiliates	—	300
Loss on sale of crypto assets	—	182
Other	28	0
Total extraordinary losses	1,273	677
Profit before income taxes	5,914	6,787
Income taxes – current	1,579	2,137
Income taxes – deferred	160	△60
Total income taxes	1,740	2,077
Profit	4,174	4,710

(3) Non-consolidated statements of changes in net assets

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	3,198	3,013	—	3,013	206	6,985	14,533	21,725
Changes during period								
Dividends of surplus							△1,343	△1,343
Profit							4,174	4,174
Purchase of treasury shares								
Disposal of treasury shares			△54	△54				
Transfer of loss on disposal of treasury shares			54	54			△54	△54
Cancellation of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	—	2,776	2,776
Balance at end of period	3,198	3,013	—	3,013	206	6,985	17,310	24,501

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△5,990	21,946	1,108	1,108	23,055
Changes during period					
Dividends of surplus		△1,343			△1,343
Profit		4,174			4,174
Purchase of treasury shares	△0	△0			△0
Disposal of treasury shares	75	20			20
Transfer of loss on disposal of treasury shares		—			—
Cancellation of treasury shares		—			—
Net changes in items other than shareholders' equity			△483	△483	△483
Total changes during period	74	2,851	△483	△483	2,367
Balance at end of period	△5,915	24,797	624	624	25,422

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

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	3,198	3,013	—	3,013	206	6,985	17,310	24,501
Changes during period								
Dividends of surplus							△1,495	△1,495
Profit							4,710	4,710
Purchase of treasury shares								
Disposal of treasury shares			9	9				
Transfer of loss on disposal of treasury shares								
Cancellation of treasury shares			△9	△9			△3,016	△3,016
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	—	197	197
Balance at end of period	3,198	3,013	—	3,013	206	6,985	17,507	24,699

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△5,915	24,797	624	624	25,422
Changes during period					
Dividends of surplus		△1,495			△1,495
Profit		4,710			4,710
Purchase of treasury shares	△0	△0			△0
Disposal of treasury shares	14	23			23
Transfer of loss on disposal of treasury shares		—			—
Cancellation of treasury shares	3,026	—			—
Net changes in items other than shareholders' equity			△284	△284	△284
Total changes during period	3,040	3,238	△284	△284	2,953
Balance at end of period	△2,875	28,035	340	340	28,376