

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2025
(Based on IFRS)**

May 13, 2025

Company name	BUSINESS BRAIN SHOWA・OTA INC.		Stock exchange listings: Tokyo Prime
Securities code	9658 URL https://www.bbs.co.jp		
Representative	President	(Name) Kazuhiro Komiya	
Inquiries	Senior Executive Officer Group Management Supervisor	(Name) Hitoshi Uehara	Tel 03-3507-1302
Date of general shareholders' meeting (as planned)	June 23, 2025	Dividend payable date (as planned)	June 24, 2025
Scheduled date of ordinary general meeting of shareholders:		June 23, 2025	
Scheduled date to file Securities Report:		June 20, 2025	
Scheduled date to commence dividend payments:		June 24, 2025	
Preparation of supplementary material on financial results:		Yes	
Holding of financial results meeting:		Yes	(for institutional investors and analysts)

(Amounts are rounded off 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.

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	38,804	13.4	2,871	13.2	2,872	(86.1)	3,352	(83.7)	2,510	(82.3)	2,469	(82.5)
March 31, 2024	34,218	(7.7)	2,536	△20.9	20,690	545.0	20,574	534.7	14,162	585.3	14,141	669.2

Note:1.Total Comprehensive Income for the Fiscal Year March 31, 2025 2,647Millions of yen(△81.6%) March 31, 2024 14,418Millions of yen(562.3%)

2.Business Profit is calculated by excluding profits and losses incurred due to non-recurring factors from Operation profit.

3.As of March 31, 2025, we have finalized the provisional accounting treatment for the business combination, and the figures for March 31, 2024 reflect the details of the preliminary accounting treatment.

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	214.51	214.45	8.5	7.4	7.4
March 31, 2024	1,224.05	1,223.94	64.4	54.7	60.5

Reference:Investments accounted for For the fiscal year ended March 31, 2025 460Millions of yen For the fiscal year ended March 31, 2024 363Millions of yen using equity method

(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 March 31, 2025	Millions of yen 45,323	Millions of yen 29,612	Millions of yen 29,139	% 64.3	Yen 2,662.08
As of March 31, 2024	44,804	29,398	28,962	64.6	2,500.47

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	2,746	552	(3,295)	9,908
Year ended March 31, 2024	3,150	(2,067)	(1,397)	9,906

2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio	Ratio of dividends
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2024	Yen -	Yen 36.00	Yen -	Yen 39.00	Yen 75.00	Millions of yen 909	% 6.1	% 4.0
Fiscal year ended March 31, 2025	-	37.00	-	41.00	78.00	917	36.4	3.1
Fiscal year ending March 31, 2026 (Forecast)	-	37.00	-	52.00	89.00		40.0	

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

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%		Yen
Six months ending September 30, 2025	20,658	14.4	1,430	21.7	1,430	21.6	1,710	23.0	1,085	8.2	1,065	7.4
Fiscal year ending March 31, 2026	42,600	9.8	3,300	14.9	3,300	14.9	3,970	18.4	2,600	3.6	2,560	3.7

* Notes

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

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

(i) Changes in accounting policies required by IFRS : Yes

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

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

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

As of March 31, 2025	12,725,000 shares	As of March 31, 2024	12,725,000 shares
As of March 31, 2025	1,779,249 shares	As of March 31, 2024	1,142,526 shares
Fiscal year ended March 31, 2025	11,511,538 shares	Fiscal year ended March 31, 2024	11,552,339 shares

② Number of treasury shares at end of period

③ Average number of shares during period

[Reference] Overview of non-consolidated financial results

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

	Sales		Operation profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	23,139	24.7	2,187	36.8	2,500	26.5	3,161	6.0
March 31, 2024	18,550	5.5	1,599	△9.7	1,976	△1.2	2,982	△3.3

	profit per share	Per share adjusted for potential shares profit
As of March 31, 2025	Yen 274.59	Yen —
As of March 31, 2024	258.11	—

Note: The Company has changed the accounting treatment for asset retirement obligations from the current fiscal year.

In line with this, the previous fiscal year is the index after retroactively applying the relevant accounting policy.

(2) Non-consolidated financial position

	Total assets	Total equity	Capital adequacy ratio	Total equity per share
March 31, 2025	Millions of yen 22,522	Millions of yen 14,956	% 66.4	Yen 1,366.37
March 31, 2024	21,278	14,239	66.9	1,229.34

Note: 1. Japan GAAP is applied to financial figures in the summary of individual business results.

2. The Company has changed the accounting treatment for asset retirement obligations from the current fiscal year.

In line with this, the previous fiscal year is the index after retroactively applying the relevant accounting policy.

* 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 regarding forward-looking statements, etc.)

Forward-looking statements, such as earnings forecasts, contained in this material are reasonable based on information currently available to the Company.

It is based on a certain premise, and is not intended to be a promise by the Company to achieve it. In addition, actual results may differ significantly due to various factors. For details on the conditions on which earnings forecasts are based and precautions for using earnings forecasts, please refer to Appendix P.2 "1. Overview of Operating Results".

(How to obtain supplementary financial results briefing materials and financial results briefing contents)

The Company plans to hold investor briefings as follows. The materials used in this briefing will be posted on our website as soon as possible after the event.

May 14, 2025(Wednesday)……Briefing for institutional investors and analysts (Online)

May 21, 2025(Wednesday)……Briefing for institutional investors and analysts

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1. Overview of operating results

The following is the understanding, analysis and considerations of the Group's operating results, etc. from the management's perspective. Note that forward-looking statements were determined as of the end of the consolidated fiscal year ended March 2025.

(1) Overview of operating results for the fiscal year ended March 2025

During the consolidated fiscal year ended March 2025, the Japanese economy showed signs of a gentle recovery as a result of factors such as improvements in the employment and income environment and growth in inbound consumption. With regard to the future, the economic outlook remains uncertain due to the U.S.' policy direction, concern about China's economic outlook, the Russia-Ukraine situation and so forth.

Amid this economic environment, the overall orders received by the Group continued to be favorable.

Orders received by the Group in the consolidated fiscal year ended March 2025 totaled 40,377 million yen (up 16.4% from the previous consolidated fiscal year), and backlog of orders was 12,998 million yen (up 13.8% from the previous consolidated fiscal year).

Overall revenue rose by 13.4% as a result of sales from Twinkle Co., Ltd. and other subsidiaries acquired during the previous period contributing to the full fiscal year, together with the consulting and system development business and the management services (BPO) business, and favorable performances at existing businesses.

Where gross profit was concerned, it increased at a similar level to overall revenue, increasing by 9.1% year-on-year. Selling, general and administrative expenses climbed by 7.0% compared to the previous consolidated fiscal year despite efforts to constrain costs, as a result of the impact of the above-mentioned subsidiaries and other factors.

As a result, in the Company's operating results for the consolidated fiscal year ended March 2025, it reported revenue of 38,804 million yen (up 13.4% compared to the previous consolidated fiscal year), business profit of 2,871 million yen (up 13.2% compared to the previous consolidated fiscal year), operating profit of 2,872 million yen (down 86.1% compared to the previous consolidated fiscal year), profit before taxes of 3,352 million yen (down 83.7% compared to the previous consolidated fiscal year) and profit attributable to owners of the parent of 2,469 million yen (down 82.5% compared to the previous consolidated fiscal year).

Business profit is calculated by excluding from operating profit those profits or losses arising from non-recurring factors.

Incidentally, with regard to the recent US tariff measures, as the Company mainly carries out its sales activities within Japan and does not sell to the US, the measures will have no direct impact. However, the Company's customers include customers in industries expected to be strongly impacted by the tariff measures, such as the automotive industry. The Company is currently in the process of investigating these indirect impacts.

[Consulting and system development business]

The consulting and system development business posted revenue of 27,705 million yen for the consolidated fiscal year ended March 2025, (up 7.1% compared to the previous consolidated fiscal year) and segment profit of 2,211 million yen (up 21.6% compared to the previous consolidated fiscal year).

The business' revenue for the consolidated fiscal year ended March 2025 increased thanks to growth in accounting system consulting and system development sales to customers in the infrastructure field, one of the Company's focus business categories, and widening synergy effects among Group companies. Additionally, at the PLM support solutions business, along with responses to a poorly performing project that surfaced in the previous period coming to an end and approaching a recovery, the year-round contribution of sales at Fresco Inc., which was acquired in the previous period, resulted in revenue growth of 314 million yen, and revenue as a whole increased substantially. The system development for the financial industry business mostly remained in line with the previous fiscal year, and as a result revenue across the segment as a whole increased compared to the previous consolidated fiscal year.

Segment profit was substantially higher than in the previous consolidated fiscal year as a result of favorable recoveries at the accounting system consulting and system development business and the PLM support solutions business.

[Management services (BPO) business]

The management services (BPO) business posted revenue of 11,451 million yen for the consolidated fiscal year ended March 2025, (up 31.1% from the previous consolidated fiscal year) and segment profit of 661 million yen (down 9.9% from the previous consolidated fiscal year).

The business' revenue for the consolidated fiscal year ended March 2025 grew substantially thanks to revenue growth of 2,086 million yen resulting from the year-round contribution of sales by Twinkle Co., Ltd., which was acquired in the

previous period, in the onsite BPO business, and revenue growth resulting from obtaining new customers in the outsourcing business for global companies.

Where segment profit is concerned also, the onsite BPO business recorded profit growth as a result of Twinkle Co., Ltd.'s contribution, but due to impacts such as restructuring costs at the human resources and payroll related outsourcing business, overall segment profit was lower than the previous year.

(2) Overview of financial position for the fiscal year ended March 2025

Assets

Total consolidated assets at the end of the current fiscal year were 45,323 million yen, up by 519 million yen from the end of the previous consolidated fiscal year.

Current assets totaled 18,251 million yen, an increase of 238 million yen when compared to the end of the previous consolidated fiscal year.

The main factors were a 933 million yen increase in contract assets, a 235 million yen increase in other current assets, a 2 million yen increase in cash and cash equivalents, a 793 million yen decrease in other financial assets, and a 146 million yen decrease in trade and other receivables accompanying a decrease in revenue.

Non-current assets totaled 27,072 million yen, an increase of 281 million yen when compared to the end of the previous consolidated fiscal year.

The main factors were a 337 million yen increase in investments accounted for using equity method, a 95 million yen increase in goodwill due to the acquisition of a consolidated subsidiary, an 88 million yen decrease due to the amortization of right of use assets, and an 86 million yen decrease in deferred tax assets due to offset with deferred tax liabilities.

Liabilities

Total consolidated liabilities at the end of the fiscal year were 15,711 million yen, an increase of 305 million yen from the end of the previous consolidated fiscal year.

Current liabilities totaled 7,940 million yen, a decrease of 108 million yen when compared to the end of the previous consolidated fiscal year.

The main factors were a 505 million yen decrease in trade and other payables, a 243 million yen decrease in income taxes payable, a 299 million yen decrease in other current liabilities, and a 135 million yen increase in contract liabilities.

Non-current liabilities totaled 7,770 million yen, an increase of 413 million yen from the end of the previous consolidated fiscal year.

The main factors were a 205 million yen increase in provisions resulting from a 127 million yen increase in asset retirement obligations, a 91 million yen increase in deferred tax liabilities, and a 125 million yen decrease in lease liabilities.

Net assets

Total consolidated shareholders' equity at the end of the consolidated fiscal year ended March 2025 amounted to 29,612 million yen, an increase of 214 million yen from the end of the previous consolidated fiscal year.

This was mainly due to an increase in retained earnings of 1,554 million yen and a 1,559 million yen decrease resulting from treasury share acquisitions.

(3) Overview of cash flow for the fiscal year ended March 2025

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated fiscal year ended March 2025 amounted to 9,908 million yen, an increase of 2 million yen from the end of the previous consolidated fiscal year.

The status of each cash flow and its main factors for the consolidated fiscal year ended March 2025 are as follows.

Cash flow from operating activities

Funds obtained as a result of operating activities amounted to 2,746 million yen (income of 3,150 million yen in the previous consolidated fiscal year). The main factors were profit before tax of 3,352 million yen, along with a 1,370 million yen increase in funds due to adjustment of depreciation and amortization expenses and a 208 million yen increase in funds due to interest and dividends received, as well as a 974 million yen decrease in funds due to payment of income taxes and a 933 million yen decrease in funds due to an increase in contract assets.

Cash flow from investment activities

Funds obtained as a result of investment activities amounted to 552 million yen (expenditures of 2,067 million yen in the previous consolidated fiscal year). The main factors were 715 million yen in income from the sale and redemption of securities,

and income of 400 million yen from withdrawals from time deposits, as well as 310 million yen in expenditure from payments into time deposits.

Cash flow from financing activities

Funds used as a result of financing activities amounted to 3,295 million yen (expenditures of 1,397 million yen in the previous consolidated fiscal year). The main factors were 1,601 million yen for the purchase of treasury shares, 881 million yen in dividend payments, 818 million yen of expenditures due to repayment of lease liabilities, as well as 25 million yen in income due to the sale of treasury shares.

(4) Future outlook

The forecast for the next fiscal year is revenue of 42,600 million yen, business profit of 3,300 million yen, operating profit of 3,300 million yen, profit before taxes of 3,970 million yen, net profit of 2,600 million yen, and profit attributable to owners of the parent of 2,560 million yen.

2. Fundamental considerations regarding the selection of accounting standards

The Group voluntarily adopted International Financial Reporting Standards (IFRS) from its financial results for the end of the year ended March 2021 with the goal of enhancing the international comparability of its financial information in the capital markets.

3 . Consolidated financial statements and principal notes

(1) Consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	9,906,142	9,907,750
Trade and other receivables	5,238,772	5,092,915
Contract assets	978,154	1,911,182
Other financial assets	1,108,665	315,548
Inventories	96,536	103,533
Other current assets	684,778	920,032
Total current assets	<u>18,013,047</u>	<u>18,250,960</u>
Non-current assets		
Property, plant and equipment	682,465	624,949
Right-of-use assets	2,716,010	2,628,077
Goodwill	2,063,630	2,158,630
Intangible assets	1,020,078	1,000,005
Investments accounted for using equity method	16,735,772	17,073,004
Other financial assets	2,840,260	2,908,888
Deferred tax assets	674,044	588,351
Retirement benefit asset	20,228	52,523
Other non-current assets	38,327	37,754
Total non-current assets	<u>26,790,814</u>	<u>27,072,181</u>
Total assets	<u><u>44,803,861</u></u>	<u><u>45,323,141</u></u>

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	15,034	—
Lease liabilities	747,149	807,825
Trade and other payables	2,620,548	2,115,788
Other financial liabilities	228,185	276,069
Income taxes payable	575,443	332,424
Provisions	43,389	156,093
Contract liabilities	310,020	444,883
Other current liabilities	3,508,564	3,807,241
Total current liabilities	<u>8,048,332</u>	<u>7,940,323</u>
Non-current liabilities		
Lease liabilities	2,009,277	1,883,508
Other financial liabilities	66,726	40,912
Retirement benefit liability	319,532	446,156
Provisions	307,792	513,188
Non-Current liability for stock benefit	209,881	277,694
Deferred tax liabilities	4,133,174	4,224,234
Other non-current liabilities	310,856	384,744
Total non-current liabilities	<u>7,357,238</u>	<u>7,770,436</u>

Total liabilities	15,405,570	15,710,759
Equity		
Share capital	2,233,490	2,233,490
Capital surplus	4,480,606	4,487,356
Retained earnings	23,049,377	24,603,683
Treasury shares	(1,082,122)	(2,640,821)
Other components of equity	280,320	454,797
Total equity attributable to owners of parent	28,961,671	29,138,505
Non-controlling interests	436,619	473,877
Total equity	29,398,291	29,612,382
Total liabilities and equity	44,803,861	45,323,141

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

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	34,217,891	38,803,632
Cost of sales	26,343,664	30,213,419
Gross profit	7,874,227	8,590,213
Selling, general and administrative expenses	5,365,750	5,742,839
Gain on loss of control of subsidiaries	18,154,037	—
Other income	38,829	54,920
Other expenses	11,696	29,864
Operating profit	20,689,647	2,872,430
Finance income	64,742	113,146
Finance costs	27,104	45,922
Share of profit (loss) of investments accounted for using equity method	362,609	459,791
Loss (profit) on change in equity	(515,621)	(47,884)
Profit before tax	20,574,273	3,351,561
Income tax expense	6,412,750	841,339
Profit	14,161,523	2,510,222
Profit attributable to		
Owners of parent	14,140,628	2,469,336
Non-controlling interests	20,895	40,886
Profit	14,161,523	2,510,222
Earnings per share		
Basic earnings per share	1,224.05	214.51
Diluted earnings per share	1,223.94	214.45

(consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	14,161,523	2,510,222
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	147,264	117,013
Remeasurements of defined benefit plans	114,773	(37,543)
Share of other comprehensive income of investments accounted for using equity method	(9,409)	59,447
Total of items that will not be reclassified to profit or loss	252,628	138,917
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,561	(2,011)
Total of items that may be reclassified to profit or loss	3,561	(2,011)
Other comprehensive income, net of tax	256,189	136,906
Comprehensive income	14,417,712	2,647,128
Comprehensive income attributable to		
Owners of parent	14,392,011	2,608,128
Non-controlling interests	25,701	39,000
Comprehensive income	14,417,712	2,647,128

(3) Consolidated statement of changes in equity

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	2,233,490	4,235,878	9,489,583	(1,159,720)	7,120	152,101
Profit			14,140,628			
Other comprehensive income					3,088	147,738
Total	-	-	14,140,628	-	3,088	147,738
Purchase of treasury shares				(545)		
Disposal of treasury shares						
Dividends			(715,204)			
Share-based payment transactions		245,895		78,143		
Increase (decrease) by business combination						
Changes in ownership interest in subsidiaries		(959)				
Loss of control of subsidiaries			20,316			(20,316)
Transfer to retained earnings			109,966			
Other		(208)	4,088			
Total transactions with owners	-	244,728	(580,834)	77,598	-	(20,316)
Balance at end of period	2,233,490	4,480,606	23,049,377	(1,082,122)	10,208	279,523
Profit			2,469,336			
Other comprehensive income					(1,451)	116,481
Total	-	-	2,469,336	-	(1,451)	116,481
Purchase of treasury shares				(1,601,361)		
Disposal of treasury shares				24,995		
Dividends			(881,691)			
Share-based payment transactions		8,877		17,667		
Increase (decrease) by business combination						
Changes in ownership interest in subsidiaries		(2,127)				
Loss of control of subsidiaries						
Transfer to retained earnings			(35,685)			
Other			2,346			
Total transactions with owners	-	6,750	(915,030)	(1,558,699)	-	-
Balance at end of period	2,233,490	4,487,356	24,603,683	(2,640,821)	8,756	396,003

	Equity attributable to owners of parent			Total	Non-controlling interests	Total			
	Other components of equity		Total						
	Share of other comprehensive income of investments accounted for using equity method	Remeasurements of defined benefit plans							
Balance at beginning of period	-	-	159,220	14,958,451	1,237,275	16,195,726			
Profit			-	14,140,628	20,895	14,161,523			
Other comprehensive income	(9,409)	109,966	251,382	251,382	4,807	256,189			
Total	(9,409)	109,966	251,382	14,392,011	25,702	14,417,712			
Purchase of treasury shares			-	(545)		(545)			
Disposal of treasury shares			-	-		-			
Dividends			-	(715,204)	(10,350)	(725,554)			
Share-based payment transactions			-	324,038	3,380	327,418			
Increase (decrease) by business combination			-	-	90,000	90,000			

Changes in ownership interest in subsidiaries			-	(959)	3,320	2,361
Loss of control of subsidiaries			(20,316)	-	(912,338)	(912,338)
Transfer to retained earnings		(109,966)	(109,966)	-	-	-
Other			-	3,879	(370)	3,511
Total transactions with owners	-	(109,966)	(130,282)	(388,791)	(826,358)	(1,215,147)
Balance at end of period	(9,409)	-	280,320	28,961,671	436,619	29,398,291
Profit				2,469,336	40,886	2,510,222
Other comprehensive income	59,447	(35,685)	138,792	138,792	(1,886)	136,906
Total	59,447	(35,685)	138,792	2,608,128	39,000	2,647,128
Purchase of treasury shares			-	(1,601,361)		(1,601,361)
Disposal of treasury shares			-	24,995		24,995
Dividends			-	(881,691)	(9,337)	(891,028)
Share-based payment transactions			-	26,544	(158)	26,386
Increase (decrease) by business combination			-	-		-
Changes in ownership interest in subsidiaries			-	(2,127)	7,127	5,000
Loss of control of subsidiaries			-	-		-
Transfer to retained earnings		35,685	35,685	-		-
Other			-	2,346	626	2,971
Total transactions with owners	-	35,685	35,685	(2,431,294)	(1,742)	(2,433,037)
Balance at end of period	50,037	-	454,797	29,138,505	473,877	29,612,382

(4) Consolidated statement of cash flow

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	20,574,273	3,351,561
Depreciation and amortization	1,047,700	1,369,796
Share of loss (profit) of investments accounted for using equity method	(362,609)	(459,791)
Loss (gain) on change in equity	515,621	47,884
Finance income	(64,742)	(113,146)
Finance costs	27,104	45,922
Decrease (increase) in inventories	16,409	(6,998)
Gain on loss of control of subsidiaries	(18,154,037)	-
Decrease (increase) in trade and other receivables	1,159,882	146,076
Increase (decrease) in trade and other payables	(34,423)	(280,978)
Decrease (increase) in contract assets	238,518	(933,028)
Increase (decrease) in contract liabilities	43,058	134,863
Other	228,302	394,480
Subtotal	5,235,057	3,696,641
Interest and dividends received	94,078	207,586
Interest paid	(2,125)	(2,350)
Income taxes paid	(2,199,764)	(974,045)
Income taxes refund	22,655	(182,206)
Net cash provided by (used in) operating activities	3,149,901	2,745,626
Cash flows from investing activities		
Payments into time deposits	(500,000)	(310,000)
Proceeds from withdrawal of time deposits	500,000	400,000
Purchase of property, plant and equipment	(110,974)	(41,237)
Proceeds from sale of property, plant and equipment	8,014	1,010
Purchase of intangible assets	(300,522)	(169,001)
Purchase of investments	(871,429)	(43,182)
Proceeds from sale and redemption of investments	831,240	714,647
Payments for acquisition of subsidiaries	(2,017,329)	-
Proceeds of control of subsidiaries	394,130	-
Net cash provided by (used in) investing activities	(2,066,870)	552,237
Cash flows from financing activities		
Repayments of long-term borrowings	(35,809)	(15,034)
Repayments of lease liabilities	(725,983)	(817,672)
Proceeds from exercise of share acquisition rights of subsidiaries	1,046	-
Proceeds from sale of treasury shares	89,660	24,995
Purchase of treasury shares	(545)	(1,601,361)
Dividends paid	(714,571)	(881,167)
Capital contribution from non-controlling interests	-	5,000
Dividends paid to non-controlling interests	(10,350)	(9,337)
Net cash provided by (used in) financing activities	(1,396,552)	(3,294,576)
Net increase (decrease) in cash and cash equivalents	(313,522)	3,287
Cash and cash equivalents at beginning of period	10,217,084	9,906,142
Effect of exchange rate changes on cash and cash equivalents	2,580	(1,679)
Cash and cash equivalents at end of period	9,906,142	9,907,750

(5) Notes concerning consolidated financial statements

(Notes relating to going concern assumption)

There are no relevant items.

(Changes in accounting policies)

The Group is applying the following standards from the consolidated fiscal year ended March 2025.

IFRS Accounting Standards		Summary of New and Amended Standards
IAS No. 1	Presentation of financial statements	Clarification of requirements on classification of liabilities as current or non-current Amendment requiring the disclosure of information on long-term debt with covenants
IAS No. 7 IFRS No. 7	Statement of cash flows Financial instruments: Disclosures	Amendment requiring disclosure to enhance the transparency of supplier finance arrangements
IFRS No. 16	Leases	Clarification of accounting treatment subsequent to sale and leaseback transactions

The application of the above-mentioned statement of standards does not have a material impact on the Group's consolidated financial statements.

(Segment information etc.)

(1) Summary of reporting segments

The Group's reporting segments are those segments of the Group's constituent units for which separate financial information can be obtained, and which are the subject of regular review by the Company's board of directors for making decisions about business resource allocation and assessing performance.

The Group demarcates organizations according to the differences in the main services they provide, and it plans, executes and evaluates business operations in terms of these organizations as units. Consequently, business segments are identified on the basis of the content of their services. In addition, the Group undertakes system development for accounting and peripheral accounting duties, but because the systems are positioned as tools for realizing operating objectives, after consulting on basic concepts and defining the requirements while keeping the realization of operating objectives in mind, system development is carried out in parallel to business improvement, and subsequently is consistently undertaken to the point where the manifestation of improvement outcomes becomes entrenched. These processes come together to produce effects and are indivisible, and as such, services belonging to this realm are consolidated as the consulting and system development business. Additionally, in association with the business improvement carried out alongside system development, BPO (Business Process Outsourcing) needs also emerge, and services belonging to this realm are consolidated as the management services (BPO) business.

Accordingly, the Group's reporting segments are the consulting and system development business, and the management services (BPO) business.

The consulting and system development business undertakes consulting on accounting systems and related peripheral systems, system development and entrenchment, and system development for the financial industry etc. The management services (BPO) business undertakes system support for human resources, payroll, and labor; accounting and financial; and non-life insurance agencies.

(2) Segment revenue and financial results

The Group's reporting segment profit is "business profit."

From the second quarter consolidated financial period, profit from reporting segments has changed from "operating profit" to "business profit" with the goal of grasping the profit resulting from conventional business execution.

Note that inter-segment revenue is based on market prices.

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

	Reporting Segment				Consolidated Thousands of yen
	Consulting and system development	Management services (BPO)	Total	Adjustments (Note 1)	
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	
Revenue					
External customers	25,723,377	8,494,514	34,217,891	-	34,217,891
Inter-segment revenue	152,175	241,484	393,659	(393,659)	-
Total	25,875,552	8,735,998	34,611,550	(393,659)	34,217,891
Business profit (Note 2)	1,818,936	733,999	2,552,935	(17,325)	2,535,610
Segment assets	34,991,374	9,934,872	44,926,246	(122,385)	44,803,861
Investments accounted for using equity method	16,552,483	-	16,552,483	183,289	16,735,772
Depreciation and amortization expenses	826,894	225,881	1,052,775	(5,075)	1,047,700
(Note 3)					

(Note 1) Adjustments are as follows:

- (1) Inter-segment adjustments are from eliminating inter-segment transactions.
- (2) Business profit adjustments are adjustments of unrealized profits pertaining to inter-segment transactions and settlement adjustments not allocated to segments.
- (3) Segment asset adjustments include the offsetting of segment liabilities, and assets of companies that submit consolidated financial statements not allocated to reporting segments.
- (4) Adjustments of investments accounted for using equity method are investments accounted for using equity method of companies that submit consolidated financial statements not allocated to reporting segments.
- (5) Adjustments of depreciation and amortization expenses are adjustments of unrealized profits pertaining to inter-segment transactions and settlement adjustments not allocated to segments.

(Note 2) Business profit is calculated by excluding from operating profit those profits or losses arising from non-recurring factors.

(Note 3) Depreciation and amortization expenses include amounts pertaining to right of use assets.

(Note 4) In the second quarter consolidated financial period of year ended March 2025, the finalization of the provisional accounting process relating to business combinations was carried out, and the respective figures relating to the year ended March 2024 have been made to reflect the content of the finalization of the provisional accounting process.

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

	Reporting Segment				Consolidated Thousands of yen
	Consulting and system development	Management services (BPO)	Total	Adjustments (Note 1)	
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	
Revenue					
External customers	27,602,150	11,201,482	38,803,632	-	38,803,632
Inter-segment revenue	103,323	249,536	352,859	(352,859)	-
Total	27,705,473	11,451,018	39,156,491	(352,859)	38,803,632
Business profit (Note 2)	2,211,431	661,101	2,872,532	(1,262)	2,871,270
Segment assets	33,681,137	11,704,264	45,385,401	(62,260)	45,323,141
Investments accounted for using equity method	16,853,421	-	16,853,421	219,583	17,073,004
Depreciation and amortization expenses (Note 3)	978,633	401,854	1,380,487	(10,691)	1,369,796

(Note 1) Adjustments are as follows:

- (1) Inter-segment adjustments are from eliminating inter-segment transactions.
- (2) Business profit adjustments are adjustments of unrealized profits pertaining to inter-segment transactions and settlement adjustments not allocated to segments.
- (3) Segment asset adjustments include the offsetting of segment liabilities, and assets of companies that submit consolidated financial statements not allocated to reporting segments.
- (4) Adjustments of investments accounted for using equity method are investments accounted for using equity method of companies that submit consolidated financial statements not allocated to reporting segments.
- (5) Adjustments of depreciation and amortization expenses are adjustments of unrealized profits pertaining to inter-segment transactions and settlement adjustments not allocated to segments.

(Note 2) Business profit is calculated by excluding from operating profit those profits or losses arising from non-recurring factors.

(Note 3) Depreciation and amortization expenses include amounts pertaining to right of use assets.

Adjustments to profit before tax are as follows:

	Previous consolidated fiscal period (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal period (From April 1, 2024 to March 31, 2025)	(Thousands of yen)
Business profit	2,535,610	2,871,270	
Gain on loss of control of subsidiaries	18,154,037	-	
Other	-	1,160	
Operating profit	20,689,647	2,872,430	
Finance income	64,742	113,146	
Finance costs	27,104	45,922	
Share of profit (loss) of investments accounted for using equity method	362,609	459,791	
Profit (loss) on change in equity	(515,621)	(47,884)	
Profit before tax	20,574,273	3,351,561	

(3) Information concerning products and services

Because the demarcation of products and services is the same as reporting segments, the information has been omitted.

(4) By-region information

Revenue to external customers

Because revenue to Japan's external customers accounts for most of the consolidated profit and loss statement's revenue, the information has been omitted.

Non-current assets

Because the amount of non-current assets located in Japan accounts for most of the non-current assets amount presented in the consolidated statement of financial position, mention has been omitted.

(5) Information relating to major customers

Of the revenue to external customers, there are no parties that account for 10% or more of the revenue in the consolidated profit and loss statement, and consequently mention has been omitted.

(Per share information)

The basis for the calculation of basic earnings per share and diluted earnings per share is as follows:

	Previous consolidated fiscal period (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal period (From April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (thousands of yen)	14,140,628	2,469,336
Adjustments to profit		
Adjustments relating to dilutive shares issued by subsidiaries (thousands of yen)	(1,245)	(630)
Profit used in the calculation of diluted earnings per share (thousands of yen)	14,139,383	2,468,706
Weighted average number of ordinary shares (thousands of shares)	11,552	11,512
Increase in number of ordinary shares		
Share acquisition rights (thousands of shares)	—	—
Weighted average number of ordinary shares following dilution (thousands of shares)	11,552	11,512
Basic earnings per share (yen)	1,224.05	214.51

	Previous consolidated fiscal period (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal period (From April 1, 2024 to March 31, 2025)
Diluted earnings per share (yen)	1,223.94	214.45

(Note) Shares of the Company owned by the Stock-granting ESOP Trust, the Board Incentive Plan (BIP) Trust and the E-Ship employees' shareholding association are included in the treasury shares excluded when working out the average number of shares during the period, for the purposes of calculating "basic earnings per share" and "diluted earnings per share" (570,000 shares at the end of the previous consolidated fiscal year, 470,000 shares at the end of the current consolidated fiscal year).

(Significant subsequent events)

There are no applicable items.