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

May 15, 2025

Company name: SUNCORPORATION

Listing: Tokyo Stock Exchange

Securities code: 6736

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Scheduled date of annual general meeting of shareholders: June 24, 2025

Scheduled date to commence dividend payments: June 25, 2025

Scheduled date to file annual securities report: June 25, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President and Representative Director

Representative and Executive managing director

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (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	10,837	7.9	1	(99.6)	709	-	17,228	-
March 31, 2024	10,045	(73.2)	312	-	(4,114)	-	(3,777)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 12,310 million [248.6%]
Fiscal year ended March 31, 2024: ¥ 3,531 million [(73.9)%]

	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	774.02	772.65	40.7	1.4	0.0
March 31, 2024	(169.82)	-	(10.2)	(9.3)	3.1

(Note) Diluted earnings per share for the fiscal year ended March 31, 2024 are not shown in the above table because the basic earnings per share were negative despite the existence of dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	53,127	47,608	89.5	2,135.24
March 31, 2024	46,838	37,259	79.3	1,670.86

(Reference) Equity: As of March 31, 2025: ¥ 47,545 million
As of March 31, 2024: ¥ 37,157 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(1,668)	2,952	(829)	1,986
March 31, 2024	2,509	(3,562)	(385)	1,519

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	0.00	-	40.00	40.00	889	(23.6)	2.5
March 31, 2025	-	50.00	-	50.00	100.00	2,226	12.9	5.3
Fiscal year ending March 31, 2026 (Forecast)	-	-	-	-	-		-	

(Note) The year-end dividend forecast for the fiscal year ending March 31, 2026 is undecided at this time.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	16,247	49.9	1,385	-	6,191	772.1	4,296	(75.0)

* Notes:

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

Yes

Newly included: 1 (Company name: Sun Digital Health, Inc.

)

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 24,007,728 shares

March 31, 2024: 24,007,728 shares

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

March 31, 2025: 1,740,467 shares

March 31, 2024: 1,769,277 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 22,258,611 shares

Fiscal Year ended March 31, 2024: 22,245,178 shares

(Reference) Overview of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	9,572	13.5	214	(40.0)	424	(2.2)	(835)	-
March 31, 2024	8,435	4.8	357	118.4	433	(87.3)	439	(86.3)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	(37.54)	-
March 31, 2024	19.75	19.73

(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	30,150	25,266	83.6	1,131.91
March 31, 2024	45,640	37,299	81.5	1,672.64

(Reference) Equity: As of March 31, 2025: ¥ 25,204 million
As of March 31, 2024: ¥ 37,197 million

* 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

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. Please refer to “1. Operating Results (4) Future Outlook” on page 9 of the attached materials for matters related to earnings forecasts.

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period Under Review

Forward-looking statements contained in this document are based on judgments of the Group as of the end of the fiscal year under review.

<External environment>

The data intelligence market, which our Global Data Intelligence business serves, saw a favorable response to the Case-to-Closure platform of Cellebrite DI Ltd. (hereafter, “Cellebrite”), suggesting that the new InsEYEs digital forensic software have been gaining popularity. Meanwhile, leading-edge digital intelligence tools, such as InsEYEs, are now indispensable solutions and have been adopted by an increasing number of law enforcement agencies and others in Japan as well as overseas.

Regarding the pachinko and pachislot market, one of the markets that our Entertainment-related business serves, smart game machines began being introduced in November 2022, and now there are popular games for these machines. Thus, the demand for such machines, mainly smart pachislot machines, has been increasing. Meanwhile, although there have been signs of recovery from the semiconductor supply crunch due to the global shortage, there are still issues such as the ongoing upsurge of raw material prices and a decrease in number of pachinko parlors. The future of the market thus remains uncertain.

Although games were established as enjoyable home entertainment during the COVID-19 pandemic, now that other leisure consumption has also recovered, we can see a slight contraction trend in the game content market in developed countries. Furthermore, the market has been increasingly competitive as the number of games released has been increasing in an accelerated manner because the technological advancement has made it possible for a single person to develop video game with a single PC.

In the IoT market, one of the markets that our New IT-related business serves, demand for monitoring and control systems that can access from remote locations to alleviate labor shortages and improve productivity is increasing, and the industrial network device “Rooster” capable of stably operating for a long period of time, which is the Company’s strength, has been widely installed. Furthermore, migration from 3G to LTE (4G) is smoothly ongoing as communication carriers are scheduled to successively terminate 3G services by March 2026. While the crunch in overall semiconductor supply is easing, component prices are continuing to soar, which may have impacts on the supply of products of the Company and its profits, and the impacts remain uncertain at present.

The market environments of some of the Group’s core businesses are uncertain as described above. Against this backdrop, the Group will work to establish new core products and services in line with the current social trend of moving towards utilization of leading-edge technologies, such as IoT, AR, and AI for further improvement of the Group’s business performance.

<Competitive advantages>

In the Global Data Intelligence business, the Company served law enforcement agencies who deal with tech-savvy criminals (criminal organizations) as well as explosive increases in digital evidence. More specifically, the Company has provided them with state-of-the-art digital intelligence tools, as well as training and services over the years, to enhance the productivity of investigation resources. The next-generation solution “InsEYEs,” which was released in January 2024, combines the advanced extraction of “Premium” with next-generation “UFED”, as an all-in digital forensic solution that encompasses the functions of “Physical Analyzer (including reader)”, “Cloud” and “Commander”, contributing to a significant reduction in the work time of investigation agencies. In the Japanese market, full-scale deliveries began in April 2024. Additionally, in August 2024, the Company entered into a strategic partnership agreement for sales with TRM Labs, a US leading blockchain intelligence company. This agreement covers sales in Japan. The Company will make proactive efforts to sell products from the US company TRM Labs, which has an abundance of experience in having their products adopted by organizations, such as law enforcement agencies, regulatory agencies, tax agencies, and crypto asset exchanges, in the United States, Central and South America, Europe, and the Asia Pacific Region.

In the game machine business of our Entertainment-related business, the Company specializes in certain business fields and customers to establish strong trustful relationships and step up our expressive and technical abilities in the specific areas. This enables us to execute development of contents highly attractive as products, as well as development of high-quality control boards, thus allowing the Company to enhance our competitive advantages.

In the game content business, the Company internally handles all phases, from development to operation, of console games and mobile games under the famous “Shanghai” brand. This enables us to maintain cost-efficient profits over a long term. Furthermore, having a number of intellectual properties (IPs) in the genre of retro games, which is regaining popularity mainly in the European and American market, the Company has the prospect of further profit expansion through effective utilization of the IPs.

In the New IT-related business, the Company’s efforts center on the following: to maintain technological competitive advantages by establishing strong trustful relationships with our partners such as individual communication carriers and system integrators, and acquiring patents related to migration from 3G to LTE (4G) networks based on technologies accumulated over many years; and to further reinforce our competitiveness by developing products with keywords being 5G and edge AI. “Rooster”, an industrial network device, supports dual SIM and is capable of making a system redundant using different communication carriers. This device automatically detects a failure in a communication carrier network and switches from the main network to the sub-network, thereby eliminating the effects of network communication failures and enabling uninterrupted operation of remote monitoring and control, and data collection. Thus, sales of “Rooster” have been growing steadily.

In the IoT field, a problem is to alleviate increasing operational management burdens of a large number of IoT devices installed in remote locations as they move from the introduction to operational phase. To address this issue, the Company’s device management service called “SunDMS” enables alive monitoring and centralized control of “Rooster”, enabling remote and secure operational management. As a result, on-site maintenance costs such as personnel, operational adjustments, and travel time can be cut down, and the operational burden can be greatly reduced. The Company is also developing “SunDMS-Insight”. This makes it possible to collect, control, and visualize any device or network data, such as “OKUDAKE Sensor” and Programmable Logic Controllers (PLCs). In the future, BI/AI will be used for aggregation, analysis, and detection to improve the efficiency and security of remote operational management in the IoT field, thereby securing a competitive advantage.

<Management initiatives>

The Group has reviewed its existing business strategies, and has formulated the new Medium-Term Management Plan, which covers three years starting from the fiscal year ending March 2025, with an aim of establishing its future growth base. The quantitative targets for the fiscal year ending March 2027, the last fiscal year covered by the new Medium-Term Management Plan, are net sales of ¥19,200 million and operating profit of ¥2,100 million.

Furthermore, the medium- to long-term management targets after the new Medium-Term Management Plan period have been set to net sales of ¥50,000 million and an operating profit margin of 15% in pursuit of the sustainable growth and corporate value enhancement of the Group.

To achieve the above goals, the Group has set up specific strategic themes: 1) Improving its earning power in existing businesses; 2) Creating new growth drivers; and 3) Establishing management base to support business. Under these themes, the following business development is being planned for individual business divisions.

The Global Data Intelligence business will aspire for contributing to global human safety and security and provide products, solutions, and services that are needed to achieve that goal. Specifically, the Company will strengthen its sales activities based on up-selling and cross-selling and reduce the churn rate so as to expand stock businesses, that is, to acquire stable profit opportunities.

Furthermore, as an initiative related to “creating new growth driver,” aiming for providing new digital tool solutions not limited to the digital forensics field, the Company will advance its search for products with high added value by leveraging the networks it has developed to date, such as one in Israel.

In the Entertainment-related business, as an initiative related to “improving our earning power in existing businesses,” the Company will focus on promoting measures such as increasing the number of newly developed

games in the game machine business, as well as developing new IPs and promoting overseas marketing in the game business.

The New IT-related business will seek ways to shift from the conventional hardware-based business to a solution business that covers IoT and video solutions, as well as collection, control, visualization, and analysis of data on Rooster and networks. Furthermore, it will strive to shift into the field of intelligence to be capable of, for example, advanced data processing of device data on a network using AI.

As for overseas development of new IT-related businesses, EKTech Group, a consolidated subsidiary that acquired shares in January 2023, provides secure enterprise wireless communication systems using mobile phone technology to blue-chip general business companies in Malaysia, as well as supporting the connection of peripheral devices connected to wireless routers has been providing these 24-hour monitoring services for network systems. EKTech group also operates a systems integration business handling security products such as surveillance cameras and firewalls.

Meanwhile, the Company created the R&D Department in October 2022 by combining the Marketing Department and Technology Development to improve its earning power. In consideration of the Company's future business development, the R&D Department has already started technological development in AI, information security, and healthcare fields under its immediate theme of moving forward with data businesses. Additionally, in research and development, the Company is aiming to develop differentiated products by conducting joint research with a university that owns a technological seed.

<Overview of products and services>

In the Global Data Intelligence business, the Company is moving forward with providing products, services, and support related to threat intelligence and active cyber defense in addition to Cellebrite's digital intelligence products that have been conventionally sold in Japan. Aiming to expand sales of "Cybersixgill" as a new product that can search for usually invisible information on the dark web and "TRM Labs" as a crypto asset trade analyzing tool, we are making active efforts including showcasing the product at an exhibition for industrial sectors.

In the game machine business of the Entertainment-related business, the Company works as a contractor responsible for all phases of content development for pachinko and pachislot games, including planning, designing, video production, and programming, as well as all phases related to control boards from designing to manufacturing. In addition, in content development, the Company has been developing actual pachinko and pachislot machine simulation applications for smartphones and released P Certain Magical Index 2 Light PREMIUM 2000 ver." on March 6, 2025, to contribute to the operation of real pachinko and pachislot machines in the market and raise awareness of contents.

In the game content business, several plans utilizing IPs related to retro games are now underway. "Ikki Unite" was released for Nintendo Switch™ on April 18, 2024. In addition, a package version of Nintendo Switch™ software "Ikki Unite" that allows 16 players to play it was released on September 19, 2024. Thereafter, download and package versions of "Clock Tower Rewind" were released in Japan and Asia on October 31, 2024, followed by the official release of "Ark of Charon", an all-new product for Steam (PC), on November 7, 2024. Download and package versions of "Gimmick!2" were also released in Japan and Asia on December 19, 2024.

In the New IT-related business, several major beverage vendors adopted strategic products of the Company for beverage vending machines," A330" and "A900", in order to reduce management costs and improve operational efficiency, including product replenishment, and more than 500,000 units have already been introduced. Our router products such as "Rooster" are promoted as products differentiated from those of other companies with the emphasis on features of network redundancy and linkage with the device management service "SunDMS", and have been producing steady sales. In addition to "LBX8110" which was released an edge computer capable of AI image analysis for further business expansion, the Company launched "DRX5510", the first 5G-compatible router from the Rooster brand, on March 31, 2025. Lastly, our sensor device "OKUDAKE Sensor" has entered the full-scale introduction phase for HACCP-based temperature management or predictive maintenance based on acceleration (vibration) sensor. Furthermore, in September 2024, the Company released "Rooster Camera Solution",

a product that combines a mobile network with a video security function, saving the users' trouble of communication line construction and network security and enabling easy remote monitoring.

In the wellness business, a newly established segment, the Company will prepare for the Japanese launch of products from MyWavesTechnology Limited, a leader in the field of sleep quality improvement using SleepTech.

<Overview of the consolidated statements of income>

The Group posted consolidated net sales of ¥10,837 million (up 7.9% year-on-year) as its efforts to reinforce its strategies for the existing businesses were successful taken in line with the new Medium-Term Management Plan from the fiscal year ending March 2025. Although net sales grew, gross profit, indicative of the added value created by the Group, was affected by factors such as soaring raw material prices. Gross profit was ¥2,835 million (down 4.3% year-on-year), and the gross profit margin was 26.2% (down by 3.3 points year-on-year).

Consolidated net sales

Segment	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in percent (%)
Global Data Intelligence	994	1,195	20.3
Entertainment related	6,051	5,862	(3.1)
New IT-related	3,022	3,801	25.8
Adjustment	(22)	(21)	-
Total	10,045	10,837	7.9

Gross profit

Segment	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in percent (%)
Global Data Intelligence	239	304	27.3
Entertainment related	1,744	1,462	(16.2)
New IT-related	958	1,046	9.2
Adjustment	22	21	-
Total	2,963	2,835	(4.3)

Gross profit margin

Segment	Fiscal year ended March 31, 2024 (%)	Fiscal year ended March 31, 2025 (%)
Global Data Intelligence	24.1	25.5
Entertainment related	28.8	24.9
New IT-related	31.7	27.5
Total	29.5	26.2

<Overview of selling, general and administrative expenses>

Consolidated selling, general and administrative expenses came to ¥2,833 million (up 6.90% year-on-year). This is mainly due to an increase in expenses for strengthening sales force and the corporate functions for the future increased.

Selling, general and administrative expenses

Segment	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in percent (%)
Global Data Intelligence	107	139	29.8
Entertainment related	964	826	(14.2)
New IT-related	727	790	8.7
Adjustment	851	1,076	26.4
Total	2,650	2,833	6.9

Research and development expenses

Segment	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in percent (%)
Global Data Intelligence	0	0	(61.0)
Entertainment related	628	500	(20.5)
New IT-related	262	275	4.9
Adjustment	127	138	-
Total	1,019	914	(10.3)

<Overview of operating profit>

The Group posted operating profit of ¥1 million (operating profit of ¥218 million for the previous fiscal year) on a consolidated basis. This is because of a decrease in gross profit and an increase in selling, general and administrative expenses.

Operating profit

Segment	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in percent (%)
Global Data Intelligence	131	164	25.2
Entertainment related	802	657	(18.0)
New IT-related	230	255	10.8
Adjustment	(851)	(1,076)	-
Total	312	1	(99.6)

<Overview of ordinary profit and profit attributable to owners of parent>

The Company posted ordinary profit of ¥709 million (ordinary loss of ¥4,114 million for the previous fiscal year) on a consolidated basis. This is mainly attributable to a year-on-year rebound from the previous fiscal year for which it recognized loss on valuation of derivatives in Cellebrite and recorded share of loss of entities accounted for using equity method, amounting to ¥4,498 million and equity in earnings of ¥504 million for Cellebrite, an affiliate accounted for by the equity method. The Company posted profit attributable to owners of parent of ¥17,228 million (loss attributable to owners of parent of ¥3,777 million for the previous fiscal year). This is mainly due to gain on change in equity of ¥17,560 million reported under extraordinary income mainly because net assets of Cellebrite increased following the satisfaction of conditions for debt instruments in Cellebrite.

<Overview of individual segments>

[Global Data Intelligence business]

	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	994	1,195	201	20.3
Segment profit (loss)	131	164	33	25.2

Net sales and profit for the Global Data Intelligence business both increased year-on-year mainly due to an increase in the amount of orders in the subscription business.

[Entertainment-related business]

	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	6,051	5,862	(188)	(3.1)
Segment profit	802	657	(144)	(18.0)

Net sales and profit for the game machine business both decreased year-on-year due to a decrease in the shipment volume of game machine-related parts.

[New IT-related business]

	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	3,022	3,801	778	25.8
Segment profit	230	255	24	10.8

Net sales and profit for the M2M business both increased year-on-year mainly due to strong sales.

(2) Overview of Financial Position for the Period Under Review

Explanation of financial position

(Assets)

Total assets stood at ¥53,127 million, an increase of ¥6,289 million from the end of the previous fiscal year.

Current assets stood at ¥16,733 million, a decrease of ¥6,716 million from the end of the previous fiscal year.

The main factors for decrease were decreases of ¥6,400 million in money held in trust and ¥529 million in raw materials. On the other hand, the main factors for increase were increases of ¥416 million in cash and deposits.

Non-current assets stood at ¥36,394 million, an increase of ¥13,005 million from the end of the previous fiscal year.

The main factor for increase was an increase of ¥22,242 million in shares of subsidiaries and associates. On the other hand, the main factor for decrease was a decrease of ¥9,888 million in investment securities.

(Liabilities)

Total liabilities stood at ¥5,519 million, a decrease of ¥4,059 million from the end of the previous fiscal year.

Current liabilities stood at ¥5,240 million, an increase of ¥335 million from the end of the previous fiscal year.

The main factors for increase were increases of ¥1,196 million in short-term borrowings and ¥243 million in Contract liabilities. On the other hand, the main factors for decrease were decreases of ¥1,108 million in notes and accounts payable - trade.

Non-current liabilities stood at ¥278 million, a decrease of ¥4,395 million from the end of the previous fiscal year. The main factor for decrease was a decrease of ¥4,364 million in deferred tax liabilities.

(Net assets)

Total net assets stood at ¥47,608 million, an increase of ¥10,348 million from the end of the previous fiscal year.

The main factors for increase were increases of ¥15,223 million in retained earnings and ¥4,300 million in foreign currency translation adjustment. On the other hand, the main factors for decrease were a decrease of ¥9,206 million

in valuation difference on available-for-sale securities .

(3) Overview of Cash Flows for the Period Under Review

Cash and cash equivalents (hereafter referred to as “cash”) at the end of the fiscal year under review was ¥1,986 million (¥1,519 million as of the end of the previous fiscal year). Status of cash flows during the fiscal year under review and their primary factors are explained below.

(Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year under review amounted to ¥2,509 million, compared with ¥1,668 million used in the previous fiscal year. The main factor for the increase in cash was profit before income taxes of ¥17,947 million and a decrease in inventories of ¥777 million. On the other hand, the main factor for the decrease were Gain on change in equity of ¥17,560 million and Income taxes of ¥2,257 million.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year under review amounted to ¥2,952 million, compared with ¥3,562 million used in the previous fiscal year. The main factors for the increase was ¥36,500 million in proceeds from cancellation of money held in trust. On the other hand, the main factor for the decrease in cash were ¥30,100 million in investments in money held in trust, ¥319 million in purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities in the fiscal year under review amounted to ¥829 million, compared with ¥385 million provided in the previous fiscal year. The main factor for the increase was an increase of ¥1,195 million in short-term borrowings. On the other hand, the main factors for the decrease in cash was ¥2,002 million in dividends paid.

(4) Future Outlook

The outlook for the next fiscal year reflects the Company view that the Japanese economy will, under the improving employment and income environments, recover moderately due to the effects of various policies. On the other hand, the outlook is expected to remain uncertain due to the concerns about rising prices, fluctuations in financial and capital markets, and downside risks to the economy from the impact of U.S. trade policies.

With our management policy upholding “Focusing on the information technology and entertainment fields,” “Striving to enhance corporate value,” and “Taking proactive actions with entrepreneurial spirit,” the Group drives the following three pillar activities as a mid- to long-term management strategy.

- (1) Creating new customer value in the field related to information technology (security and M2M/IoT)
- (2) Creating new IP in the field related to entertainment (game machines and games)
- (3) Developing and expanding business in global markets

For the fiscal year ending March 31, 2027, the final year of the medium-term management plan, the Company has set targets of 19.2 billion yen in net sales and 2.1 billion yen in operating profit.

In consideration of the current situation mentioned above, consolidated earnings forecast for the fiscal year ending March 31, 2026 are as follows: net sales of ¥16,247 million, operating profit of ¥1,385 million, ordinary profit of ¥6,058 million, and profit of ¥4,204 million.

2. Basic Policy on Selection of Accounting Standards

The Group will continue to apply Japanese GAAP for the time being.

The Group intends to consider the future application of designated international accounting standards, taking into account the situation in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	1,732,014	2,148,549
Money held in trust	14,200,000	7,800,000
Notes and accounts receivable - trade	1,812,896	1,740,838
Finished goods	744,912	598,734
Work in process	447,404	346,286
Raw materials	3,711,585	3,182,265
Accounts receivable	86,655	231,875
Other	714,601	684,994
Allowance for doubtful accounts	(499)	(199)
Total current assets	23,449,570	16,733,345
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	425,550	187,310
Land	949,043	949,043
Other, net	205,416	268,667
Total property, plant and equipment	1,580,010	1,405,020
Intangible assets		
Goodwill	457,630	478,136
Other	229,538	205,463
Total intangible assets	687,169	683,600
Investments and other assets		
Investment securities	20,663,685	10,774,890
Deferred tax assets	1,297	571,500
Shares of subsidiaries and associates	1,000	22,243,678
Other	455,714	715,423
Total investments and other assets	21,121,697	34,305,492
Total non-current assets	23,388,877	36,394,113
Total assets	46,838,448	53,127,459

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,989,206	880,950
Short-term borrowings	1,095,392	2,291,548
Current portion of long-term borrowings	37,445	36,504
Accrued expenses	246,421	295,859
Income taxes payable	361,112	2,893
Advances received	63,373	62,358
Contract liabilities	891,842	1,135,648
Provision for bonuses	149,664	98,048
Other	70,553	436,622
Total current liabilities	4,905,012	5,240,433
Non-current liabilities		
Long-term borrowings	257,366	217,442
Deferred tax liabilities	4,372,346	8,219
Deferred tax liabilities for land revaluation	9,920	10,212
Retirement benefit liability	10,741	11,714
Other	23,670	31,157
Total non-current liabilities	4,674,045	278,746
Total liabilities	9,579,057	5,519,180
Net assets		
Shareholders' equity		
Share capital	2,097,606	2,097,606
Capital surplus	3,316,731	3,340,696
Retained earnings	26,543,187	41,767,144
Treasury shares	(3,643,498)	(3,584,241)
Total shareholders' equity	28,314,026	43,621,205
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,269,293	62,932
Deferred gains or losses on hedges	-	(12,613)
Revaluation reserve for land	(434,203)	(434,495)
Foreign currency translation adjustment	8,197	4,308,958
Total accumulated other comprehensive income	8,843,288	3,924,782
Share award rights	24,012	24,673
Share acquisition rights	78,064	37,617
Total net assets	37,259,391	47,608,278
Total liabilities and net assets	46,838,448	53,127,459

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	10,045,586	10,837,189
Cost of sales	7,081,786	8,002,104
Gross profit	2,963,799	2,835,084
Selling, general and administrative expenses	2,650,998	2,833,752
Operating profit	312,801	1,332
Non-operating income		
Interest and dividend income	113,250	275,962
Share of profit of entities accounted for using equity method	-	504,975
Interest on tax refund	20,607	-
Other	15,641	13,085
Total non-operating income	149,499	794,022
Non-operating expenses		
Interest expenses	9,686	23,730
Foreign exchange losses	29,672	24,822
Share of loss of entities accounted for using equity method	4,498,420	-
Commission for purchase of treasury shares	22,704	-
Commission expenses	13,682	35,855
Other	2,644	1,101
Total non-operating expenses	4,576,810	85,510
Ordinary profit (loss)	(4,114,510)	709,844
Extraordinary income		
Gain on sale of non-current assets	0	3,841
Gain on change in equity	-	17,560,330
Gain on reversal of share acquisition rights	1,417	20,822
Other	376	709
Total extraordinary income	1,794	17,585,704
Extraordinary losses		
Loss on sale of non-current assets	229	-
Impairment losses	-	347,775
Loss on liquidation of subsidiaries	6,165	-
Other	440	110
Total extraordinary losses	6,836	347,886
Profit (loss) before income taxes	(4,119,551)	17,947,662
Income taxes - current	376,748	1,696,304
Income taxes - deferred	(718,678)	(977,246)
Total income taxes	(341,930)	719,058
Profit (loss)	(3,777,621)	17,228,604
Profit (loss) attributable to owners of parent	(3,777,621)	17,228,604

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss)	(3,777,621)	17,228,604
Other comprehensive income		
Valuation difference on available-for-sale securities	6,271,474	(9,236,660)
Revaluation reserve for land	-	(291)
Foreign currency translation adjustment	8,197	140,074
Share of other comprehensive income of entities accounted for using equity method	1,029,900	4,178,371
Total other comprehensive income	7,309,572	(4,918,505)
Comprehensive income	3,531,951	12,310,098
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,531,951	12,310,098

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,089,685	3,317,507	30,773,457	(2,806,314)	33,374,335
Changes during period					
Issuance of new shares - exercise of share acquisition rights	7,921	7,921			15,842
Dividends of surplus			(452,648)		(452,648)
Loss attributable to owners of parent			(3,777,621)		(3,777,621)
Purchase of treasury shares				(903,325)	(903,325)
Disposal of treasury shares		(8,696)		66,141	57,444
Net changes in items other than shareholders' equity					-
Total changes during period	7,921	(775)	(4,230,269)	(837,184)	(5,060,309)
Balance at end of period	2,097,606	3,316,731	26,543,187	(3,643,498)	28,314,026

	Accumulated other comprehensive income					Share award rights	Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	2,964,829	(24,755)	(434,203)	(972,154)	1,533,715	27,013	78,741	35,013,806
Changes during period								
Issuance of new shares - exercise of share acquisition rights								15,842
Dividends of surplus								(452,648)
Loss attributable to owners of parent								(3,777,621)
Purchase of treasury shares								(903,325)
Disposal of treasury shares								57,444
Net changes in items other than shareholders' equity	6,304,464	24,755	-	980,352	7,309,572	(3,001)	(676)	7,305,894
Total changes during period	6,304,464	24,755	-	980,352	7,309,572	(3,001)	(676)	2,245,584
Balance at end of period	9,269,293	-	(434,203)	8,197	8,843,288	24,012	78,064	37,259,391

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,097,606	3,316,731	26,543,187	(3,643,498)	28,314,026
Changes during period					
Dividends of surplus			(2,002,734)		(2,002,734)
Profit attributable to owners of parent			17,228,604		17,228,604
Change of scope of consolidation and equity method			(1,912)		(1,912)
Purchase of treasury shares				(169)	(169)
Disposal of treasury shares		23,965		59,426	83,391
Net changes in items other than shareholders' equity					-
Total changes during period	-	23,965	15,223,957	59,257	15,307,179
Balance at end of period	2,097,606	3,340,696	41,767,144	(3,584,241)	43,621,205

	Accumulated other comprehensive income					Share award rights	Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	9,269,293	-	(434,203)	8,197	8,843,288	24,012	78,064	37,259,391
Changes during period								
Dividends of surplus								(2,002,734)
Profit attributable to owners of parent								17,228,604
Change of scope of consolidation and equity method								(1,912)
Purchase of treasury shares								(169)
Disposal of treasury shares								83,391
Net changes in items other than shareholders' equity	(9,206,361)	(12,613)	(291)	4,300,761	(4,918,505)	661	(40,447)	(4,958,292)
Total changes during period	(9,206,361)	(12,613)	(291)	4,300,761	(4,918,505)	661	(40,447)	10,348,887
Balance at end of period	62,932	(12,613)	(434,495)	4,308,958	3,924,782	24,673	37,617	47,608,278

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(4,119,551)	17,947,662
Depreciation	247,236	258,300
Amortization of goodwill	52,376	67,157
Share-based payment expenses	26,165	30,937
Increase (decrease) in allowance for doubtful accounts	(98)	(300)
Increase (decrease) in provision for bonuses	(48,659)	(50,467)
Increase (decrease) in retirement benefit liability	312	973
Interest and dividend income	(113,250)	(275,962)
Interest expenses	9,686	23,730
Foreign exchange losses (gains)	(21,678)	1,664
Impairment losses	-	347,775
Gain on reversal of share acquisition rights	(1,417)	(20,822)
Share of loss (profit) of entities accounted for using equity method	4,498,420	(504,975)
Loss (gain) on change in equity	-	(17,560,330)
Decrease (increase) in trade receivables	741,085	92,173
Decrease (increase) in inventories	(2,188,368)	777,511
Increase (decrease) in trade payables	(423,478)	(1,115,449)
Decrease (increase) in prepaid expenses	(140,014)	19,389
Decrease (increase) in accounts receivable - other	(37,114)	60,616
Decrease (increase) in long-term prepaid expenses	(64,534)	(247,186)
Increase (decrease) in contract liabilities	109,253	243,763
Increase (decrease) in accrued expenses	52,659	53,698
Increase (decrease) in deposits received	(316)	52,388
Increase (decrease) in accrued consumption taxes	56,020	295,861
Other, net	(62,567)	35,619
Subtotal	(1,427,832)	533,726
Interest and dividends received	113,250	76,239
Interest paid	(9,686)	(23,730)
Income taxes paid	(9,963)	(2,257,801)
Income taxes refund	3,844,031	3,318
Net cash provided by (used in) operating activities	2,509,798	(1,668,247)

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Net decrease (increase) in time deposits	(29,696)	53,776
Proceeds from cancellation of money held in trust	700,000	36,500,000
Investments in money held in trust	(4,000,000)	(30,100,000)
Purchase of investment securities	-	(3,109,670)
Proceeds from sale and redemption of investment securities	46,635	-
Purchase of property, plant and equipment	(119,410)	(248,445)
Purchase of intangible assets	(168,877)	(92,645)
Other, net	8,677	(50,605)
Net cash provided by (used in) investing activities	(3,562,671)	2,952,409
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	991,301	1,195,183
Repayments of long-term borrowings	(57,186)	(47,312)
Proceeds from exercise of employee share options	45,691	48,384
Purchase of treasury shares	(903,325)	(169)
Dividends paid	(452,648)	(2,002,734)
Other, net	(9,037)	(22,776)
Net cash provided by (used in) financing activities	(385,206)	(829,425)
Effect of exchange rate change on cash and cash equivalents	23,875	11,126
Net increase (decrease) in cash and cash equivalents	(1,414,204)	465,863
Cash and cash equivalents at beginning of period	2,934,094	1,519,890
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	630
Cash and cash equivalents at end of period	1,519,890	1,986,385

(5) Notes on Consolidated Financial Statements

(Notes regarding assumption of going concern)

Not applicable

(Changes in accounting policies)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereafter, “Revised Accounting Standard 2022”) and other standards from the beginning of the fiscal year ended March 31, 2025.

Regarding the revisions to the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment stipulated in the proviso to paragraph 20-3 of Revised Accounting Standard 2022 and the transitional treatment stipulated in the proviso to paragraph 65-2 (2) of the Guidance on Accounting for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereafter, “Revised Guidance 2022”). The adoption of this accounting standard has no impact on the quarterly consolidated financial statements.

Furthermore, the Company has applied Revised Guidance 2022 from the beginning of the fiscal year ended March 31, 2025, regarding the revisions to the treatment in consolidated financial statements of gains or losses arising from the sale of shares in subsidiaries, etc. between consolidated companies when they are deferred for tax purposes. The Company has applied this change in accounting policy retrospectively, and has adjusted the consolidated financial statements for the previous fiscal year accordingly. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Additional information)

(Debt instruments in Cellebrite)

Cellebrite, which is the Company’s associate accounted for using equity method, assessed certain restricted shares and warrant liabilities, both of which it inherited from TWC Tech Holding II Corp. (hereafter, “TWC Corp.”), at fair value and recognized them as liabilities based on the price adjustment clause in the merger agreement signed on August 30, 2021 when it was listed on the NASDAQ market in the United States of America.

The Company therefore reported share of loss (profit) of entities accounted for using equity method as a result of changes in fair value of the liabilities due to the fluctuation of Cellebrite’s share price, etc. as non-operating income/expenses.

(1) Price adjustment clauses based on the merger agreement

As consideration adjustment after the closing of the transaction, if the volume weighted average price (VWAP) of Cellebrite’s shares exceeds USD 12.5, USD 15 and USD 17.5 for 20 days out of any 30 days within five years from the closing date, every time each condition is satisfied, Cellebrite will issue 5,000,000 shares respectively (up to 15,000,000 shares) for the shareholders at the time of closing, including the Company, according to their holding ratios. Also, if change of control which is defined in the merger agreement takes place in the same period, 15,000,000 shares will be issued at the timing of occurrence of the event.

The conditions of USD 12.5, USD 15, and USD 17.5 were met on August 14, 2024, September 13, 2024, and November 1, 2024, respectively.

(2) Restricted shares

Cellebrite has inherited restricted shares for TWC Corp.’s sponsors. If Cellebrite’s volume weighted average price (VWAP) exceeds USD 12.5 and USD 15 for 20 days out of any 30 days within seven years from the closing date, rights on 3,000,000 shares will be vested, respectively. When it exceeds USD 30, rights on 1,500,000 shares will be vested. Also, if change of control which is defined in the merger agreement takes place in the same period, 7,500,000 shares will be issued at the timing of occurrence of

the event.

The conditions of USD 12.5 and USD 15 were met on August 14, 2024 and September 13, 2024, respectively.

(3) Warrant liabilities

Cellebrite has inherited the warrant liabilities (publicly offered warrant liability and privately offered warrant liability) issued by TWC Corp. under the merger agreement with the latter. Holders of the warrant liabilities have rights to purchase shares of Cellebrite at the price of USD 11.5 per share on and after September 29, 2021. The warrant liabilities will expire upon either of five years after the closing date, redemption by Cellebrite based on certain requirements, or Cellebrite's liquidation.

The redemption of all of the warrant liabilities was completed on September 16, 2024.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

(1) How to decide reportable segments

Reportable segments of the Group are components within the Group for which separate financial information is available and are regularly used by the Board of Directors to determine the allocation of management resources and to evaluate their business results.

The Group establishes business divisions by product and service in Konan office regarding the Entertainment-related business and the New IT-related business, and in Cellebrite regarding the Global Data Intelligence business, each of which formulates its own comprehensive strategies for both domestic and overseas markets with respect to its products and services, and operates its business activities.

Therefore, the Group consists of segments by product and service based on business divisions, which constitute four reportable segments; Global Data Intelligence business, Entertainment-related business, New IT-related business, and Wellness business which started in the fiscal year ended March 31, 2025.

(2) Types of products and services of each reportable segment

The Global Data Intelligence business develops, manufactures and sells mobile data transfer equipment and related services designed for criminal investigation agencies, etc. (Digital Intelligence business).

The Entertainment-related business mainly develops, manufactures and sells game machine-related parts such as control boards designed for game machine manufacturers, and develops and sells game content.

The New IT-related business mainly develops, manufactures and sells M2M communication equipment and IoT solutions, and develops and sells business support systems for B2B.

The wellness business aims to enter the solutions business in the digital health field, mainly developing and selling products and services that improve the quality of sleep.

2. Methods of calculating amounts of net sales, profit (loss), assets, and other items for each reportable segment

The accounting methods used for business segments are the same as those described under the Significant Accounting Policies for Preparation of Consolidated Financial Statements.

Reportable segment income figures are based on operating income. The amounts of transactions with other segments are based on actual market prices.

Provisional accounting treatment pertaining to business combination was finalized for the fiscal year under review, and the figures for the previous fiscal year reflect the content of the finalization of the provisional accounting treatment.

3. Information on changes in reportable segments, etc.

Effective from the fiscal year ended March 31, 2025, the wellness business has been newly classified as a reportable segment due to the new entry into the wellness business.

3. Information on net sales and profit (loss), assets, and other items for each reportable segment

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

(Thousands of yen)

	Global Data Intelligence business	Entertainment-related business	New IT-related business	Total	Adjusted amount (Note 1)	Amount reported on consolidated financial statements (Note 2)
Sales						
Goods transferred at a point in time	71,036	6,029,195	2,976,313	9,076,544	-	9,076,544
Goods transferred over time	922,997	-	46,044	969,041	-	969,041
Revenue from contracts with customers	994,033	6,029,195	3,022,357	10,045,586	-	10,045,586
Revenue from external customers	994,033	6,029,195	3,022,357	10,045,586	-	10,045,586
Transactions with other segments	-	22,055	-	22,055	(22,055)	-
Total	994,033	6,051,250	3,022,357	10,067,641	(22,055)	10,045,586
Segment profit (loss)	131,566	802,159	230,934	1,164,660	(851,858)	312,801
Segment assets	906,952	6,161,472	3,306,901	10,375,326	36,463,122	46,838,448
Other items						
Depreciation	2,850	73,831	158,946	235,629	11,607	247,236
Amortization of customer-related assets	-	-	9,017	9,017	-	9,017
Amortization of goodwill	-	-	52,376	52,376	-	52,376
Share of loss of entities accounted for using equity method	4,498,420	-	-	4,498,420	-	4,498,420
Increase in property, plant and equipment and intangible assets	2,247	70,554	84,015	156,817	2,990	159,808

(Note) 1. The main details of the adjusted amount are as follows.

- (1) Adjusted amount for segment profit of ¥(851,858) thousand includes company-wide expenses not allocated to each reportable segment of ¥(851,858) thousand. The company-wide expenses mainly consist of general and administrative expenses not attributable to reportable segments.
- (2) Adjusted amount for segment assets of ¥36,463,122 thousand mainly represents surplus operating funds (cash) of the parent company, long-term investment funds (securities and investment securities) and the assets relating to its administrative department not allocated to each reportable segment.
- (3) Adjusted amount for other items is related to company-wide assets not allocated to each reportable segment, and consists of depreciation and increases in property, plant and equipment and intangible assets.

2. Segment profit has been adjusted with operating profit on the consolidated statement of income.

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

(Thousands of yen)

	Global Data Intelligence business	Entertainment-related business	New IT-related business	Wellness business	Total	Adjusted amount (Note 1)	Amount reported on consolidated financial statements (Note 2)
Sales							
Goods transferred at a point in time	114,493	5,840,615	3,174,663	-	9,129,772	-	9,129,772
Goods transferred over time	1,080,928	-	626,487	-	1,707,416	-	1,707,416
Revenue from contracts with customers	1,195,422	5,840,615	3,801,151	-	10,837,189	-	10,837,189
Revenue from external customers	1,195,422	5,840,615	3,801,151	-	10,837,189	-	10,837,189
Transactions with other segments	-	21,958	-	-	21,958	(21,958)	-
Total	1,195,422	5,862,574	3,801,151	-	10,859,147	(21,958)	10,837,189
Segment profit	164,732	657,548	255,832	-	1,078,113	(1,076,781)	1,332
Segment assets	23,251,758	4,909,282	3,508,424	49,639	31,719,095	21,408,363	53,127,459
Other items							
Depreciation	2,455	70,269	175,192	-	247,917	10,382	258,300
Amortization of customer-related assets	-	-	11,562	-	11,562	-	11,562
Amortization of goodwill	-	-	67,157	-	67,157	-	67,157
Share of profit of entities accounted for using equity method	504,975	-	-	-	504,975	-	504,975
Investment in entities accounted for using equity method	22,243,678	-	-	-	22,243,678	-	22,243,678
Increase in property, plant and equipment and intangible assets	274	55,569	238,213	-	294,056	25,156	319,213

(Note) 1. The main details of the adjusted amount are as follows.

- (1) Adjusted amount for segment profit of ¥(1,076,781) thousand includes elimination of intersegment transactions of ¥351 thousand and company-wide expenses not allocated to each reportable segment of ¥(1,077,133) thousand. The company-wide expenses mainly consist of general and administrative expenses not attributable to reportable segments.
- (2) Adjusted amount for segment assets of ¥21,408,363 thousand mainly represents surplus operating funds (cash) of the parent company, long-term investment funds (securities and investment securities) and the assets relating to its administrative department not allocated to each reportable segment.
- (3) Adjusted amount for other items is related to company-wide assets not allocated to each reportable segment, and consists of depreciation and increases in property, plant and equipment and intangible assets.

2. Segment profit has been adjusted with operating profit on the consolidated statement of income.

(Per share information)

Item	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	1,670.86 yen	2,135.24 yen
Basic earnings (losses) per share	(169.82) yen	774.02 yen
Diluted earnings per share	-	772.65 yen

(Note) 1. Diluted earnings per share for the fiscal year ended March 31, 2024 are not shown in the above table because the basic earnings per share were negative despite the existence of dilutive shares.

2. The basis for calculating net assets per share and basic earnings (losses) per share is as follows.

1. Net assets per share

Item	As of March 31, 2024	As of March 31, 2025
Total net assets (thousands of yen)	37,259,391	47,608,278
Amount deducted from total net assets (thousands of yen)	102,076	62,290
[Of which share award rights (thousands of yen)]	[24,012]	[24,673]
[Of which share acquisition rights (thousands of yen)]	[78,064]	[37,617]
Amounts of net assets related to common stock at the end of the fiscal year (thousands of yen)	37,157,314	47,545,988
Number of common shares used to calculate net assets per share at the end of the fiscal year (thousand shares)	22,238	22,267

2. Basic earnings (losses) per share and diluted earnings per share

Item	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings (losses) per share	-	
Profit (loss) attributable to owners of parent (thousands of yen)	(3,777,621)	17,228,604
Profit not attributable to common shareholders (thousands of yen)	-	-
Profit (loss) attributable to owners of parent in relation to common stock (thousands of yen)	(3,777,621)	17,228,604
Weighted average number of common stock during the fiscal year (thousands of yen)	22,245	22,258
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (thousands of yen)	-	-
[Of which adjustments by dilutive shares of consolidated subsidiaries (thousands of yen)]	[-]	[-]
Number of increased common stock (thousand shares)	-	39
[Of which share award rights (thousand shares)]	[-]	[26]
[Of which share acquisition rights (thousand shares)]	[-]	[13]
Details of dilutive shares not included in calculation of fully diluted earnings per share due to non- dilutive effect	The Company The 5th share acquisition rights The number of dilutive shares: 12 thousand shares The 6th share acquisition rights The number of dilutive shares: 15 thousand shares The 9th share acquisition rights The number of dilutive shares: 45 thousand shares	

(Significant subsequent events)

Not applicable