



Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 [Japanese GAAP]

October 15, 2025

Company name: SERAKU Co., Ltd. Listing: Tokyo Stock Exchange (Prime Market)
 Stock code: 6199 URL: <http://www.seraku.co.jp>
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 Scheduled date of Annual General Meeting of Shareholders: November 21, 2025 Scheduled date of payment of dividend: November 25, 2025
 Scheduled date of filing of Annual Securities Report: November 20, 2025
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Sep. 1, 2024 to Aug. 31, 2025)

(1) Consolidated results of operations

(Percentages represent 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 Aug. 31, 2025 | 24,776 | 11.5 | 2,550 | 12.2 | 2,599 | 12.1 | 1,709 | 8.5 |
| Fiscal year ended Aug. 31, 2024 | 22,221 | 6.5 | 2,273 | 16.9 | 2,317 | 7.5 | 1,575 | 7.0 |

Note: Comprehensive income (millions of yen) Fiscal year ended Aug. 31, 2025 1,711 (up 8.7%)
 Fiscal year ended Aug. 31, 2024 1,574 (up 7.0%)

| | Net income per share | Diluted net income per share | Return on equity | Ordinary profit on total assets | Operating profit to net sales |
|---------------------------------|----------------------|------------------------------|------------------|---------------------------------|-------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended Aug. 31, 2025 | 127.16 | 126.89 | 20.6 | 20.5 | 10.3 |
| Fiscal year ended Aug. 31, 2024 | 114.24 | 114.09 | 21.6 | 19.9 | 10.2 |

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Aug. 31, 2025 —
 Fiscal year ended Aug. 31, 2024 —

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of Aug. 31, 2025 | 13,324 | 8,902 | 66.6 | 668.83 |
| As of Aug. 31, 2024 | 12,052 | 7,762 | 64.2 | 572.00 |

Reference: Shareholders' equity (millions of yen) As of Aug. 31, 2025 8,870 As of Aug. 31, 2024 7,731

(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 |
|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended Aug. 31, 2025 | 2,053 | (650) | (634) | 7,612 |
| Fiscal year ended Aug. 31, 2024 | 1,357 | (404) | (923) | 6,844 |

2. Dividends

| | Dividend per share | | | | | Total dividends | Payout ratio | Dividend on equity (consolidated) |
|---|--------------------|--------|--------|----------|-------|-----------------|--------------|-----------------------------------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended Aug. 31, 2024 | — | 0.00 | — | 13.00 | 13.00 | 175 | 11.4 | 2.4 |
| Fiscal year ended Aug. 31, 2025 | — | 0.00 | — | 13.20 | 13.20 | 176 | 10.4 | 2.1 |
| Fiscal year ending Aug. 31, 2026 (forecast) | — | 0.00 | — | 17.40 | 17.40 | | 12.3 | |

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2026 (Sep. 1, 2025 to Aug. 31, 2026)

(Percentages represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Net income per share |
|------------|-----------------|------|------------------|--------|-----------------|--------|---|--------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| First half | 13,100 | 6.5 | 1,030 | (24.6) | 1,040 | (25.1) | 680 | (26.0) | 51.27 |
| Full year | 27,400 | 10.6 | 2,850 | 11.7 | 2,880 | 10.8 | 1,870 | 9.4 | 140.99 |

* Notes

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

Newly added: – Excluded: –

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of shares issued (common shares)

1) Number of shares issued as of the end of the period (including treasury shares)

As of Aug. 31, 2025 13,680,900 shares As of Aug. 31, 2024 13,833,300 shares

2) Number of treasury shares as of the end of the period

As of Aug. 31, 2025 417,970 shares As of Aug. 31, 2024 315,770 shares

3) Average number of shares during the period

Fiscal year ended Aug. 31, 2025: 13,445,150 shares Fiscal year ended Aug. 31, 2024: 13,793,651 shares

Note: Both “Number of treasury shares as of the end of the period” and the number of treasury shares that are to be subtracted when calculating “Average number of shares during the period,” contain the shares issued by Seraku and held by its Employee Stock Ownership Plan (ESOP) trust account.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Sep. 1, 2024 to Aug. 31, 2025)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|---------------------------------|-----------------|-----|------------------|-----|-----------------|------|-----------------|-----|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended Aug. 31, 2025 | 20,485 | 8.0 | 1,798 | 8.7 | 2,171 | 11.6 | 1,406 | 5.9 |
| Fiscal year ended Aug. 31, 2024 | 18,962 | 1.3 | 1,653 | 8.6 | 1,945 | 3.9 | 1,327 | 6.2 |

| | Net income per share | Diluted net income per share |
|---------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Fiscal year ended Aug. 31, 2025 | 104.60 | 104.38 |
| Fiscal year ended Aug. 31, 2024 | 96.24 | 96.12 |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of Aug. 31, 2025 | 12,226 | 8,157 | 66.5 | 612.65 |
| As of Aug. 31, 2024 | 11,187 | 7,322 | 65.2 | 539.43 |

Reference: Shareholders' equity (millions of yen) As of Aug. 31, 2025 8,125 As of Aug. 31, 2024 7,291

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts and other special items

Forecasts of future performance in these materials are based on assumptions judged to be reasonable and information available to the management of Seraku at the time these materials were prepared and do not represent guarantees of future performance. Actual results may differ materially from these forecasts for various reasons. For a discussion of the assumptions and other factors considered by Seraku in preparing the above projections, please refer to page 4 of the attachments, “1. Overview of Results of Operations, (4) Outlook.”

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended August 31, 2025, the future of the Japanese economy still remained uncertain, impacted by overseas situations including the prolonged monetary tightening in Europe and the US, the slowdown in the Chinese economy and geopolitical risks in the Middle East. On the other hand, the economy maintained its moderate recovery trend, thanks to improvements in employment and income conditions and also to the effects of government economic policies, among others.

In Japan's IT sector, which is the primary business field where the Group provides its services, IT/DX-related investments aimed at improving business efficiency and strengthening competitiveness continued to show a steady growth, in line with the rapid progress and broader use of digital technologies, including generative AI. In particular, the demand for cloud-enabled system integration and system operation/maintenance services is growing, as the optimal IT infrastructure forms an important base to support management strategy. On the other hand, the IT personnel shortage in Japan continues to be a major challenge, with the need growing to develop and secure engineers who can handle cutting-edge technology.

The Seraku Group actively promoted the recruitment and development of highly qualified engineers while simultaneously providing a wide range of IT services by utilizing resources of our business partners. We also helped improve engineers' skills and expedited their digital transformation, whereby preparing our business base as a Digital Integrator supporting the social implementation in the IT and DX fields.

As a result, net sales at the Group increased 11.5% year on year, to 24,776,494 thousand yen, operating profit rose 12.2% year on year, to 2,550,693 thousand yen, and ordinary profit climbed 12.1% year on year, to 2,599,037 thousand yen. Profit attributable to owners of parent increased 8.5% year on year, to 1,709,688 thousand yen.

Results by business segment were as follows.

1) Digital Integration

In the Digital Integration business, we undertake the construction, operation, and maintenance of IT systems in the SI (System Integration) area. In the DX (Digital Transformation) area, we provide cloud infrastructure and IoT service operations on a 24x7 basis at the Cloud Support Center. We help companies introduce, operate, and fully deploy cloud systems centered around Salesforce, a customer and sales management system, and COMPANY, an integrated personnel affairs system. We also provide NewtonX, a business support service for corporate clients to introduce and utilize ChatGPT.

Looking at the fiscal year under review, we took steps to further expand transactions by capitalizing on solid demand for IT investments with a focus on the construction and operation of IT systems, the adoption of cloud platforms, and the implementation of 24x7 managed services. In addition, we sought to enhance services and improve value added by developing engineers who can handle data analysis and digital marketing.

As a result, net sales in this segment came to 23,881,016 thousand yen, up 11.9% year on year. Segment profit was 2,611,933 thousand yen, up 12.6% year on year.

2) Midori Cloud

The Midori Cloud business provides a platform service, including Midori Cloud and Farm Cloud, to support the DX of the agriculture, livestock, and fisheries sectors using IT and a solution service to solve individual issues, particularly those faced in primary industries.

In the fiscal year under review, we spared no effort to increase orders for solution services. We also make upfront investments for our future business expansion. One of the initiatives includes the expansion of Midori Cloud Rakuraku Shukka, a software-based solution released in March 2023, to help companies engaging in the distribution of vegetables and fruits adopt digital technologies that use bar codes, cloud systems, etc. With many farmers and shipping authorities facing the same issue with respect to the collection and shipping operation of agricultural products, we will promote the service with a focus on JA nationwide.

As a result, net sales in this segment amounted to 235,062 thousand yen, down 1.3% year on year. The segment loss was 118,810 thousand yen (segment loss of 109,172 thousand yen in the previous year).

3) Mechanical Design and Engineering

In the Mechanical Design and Engineering business, SERAKU Business Solutions, a consolidated subsidiary, provides 3D CAD technologies and technologies for the quality control of experiments and performance tests, as well as those for communications system construction and telecommunications.

In the fiscal year under review, we enhanced the training environment and took steps to recruit and develop engineers. Sales were strong, attributable to stable utilization rates and efforts to win projects in new technological fields. As we anticipate the further acquisition of projects in each field, we will strive to increase engineers' added value through training that aims at business scale and geographic expansion.

As a result, net sales in this segment came to 786,190 thousand yen, up 5.5% year on year. Segment profit was 37,018 thousand yen, down 17.5% year on year.

(2) Financial Position

Assets

Total assets increased by 1,272,215 thousand yen from the end of the previous fiscal year to 13,324,336 thousand yen as of the end of the current fiscal year. This was mainly due to increases of 869,255 thousand yen in cash and deposits, 613,061 thousand yen in land, 94,211 thousand yen in accounts receivable - trade and contract assets, partially offset by decreases of 181,071 thousand yen in work in process, 131,621 thousand yen in property, plant and equipment (other), and 25,723 thousand yen in goodwill.

Liabilities

Total liabilities increased by 132,055 thousand yen from the end of the previous fiscal year to 4,421,562 thousand yen. This was attributable largely to increases of 101,958 thousand yen in income taxes payable, 70,267 thousand yen in accounts payable - trade, and 55,525 thousand yen in provision for share awards, partially offset by decreases of 57,313 thousand yen in provision for bonuses, and 45,698 thousand yen in long-term borrowings.

Net assets

Total net assets increased by 1,140,159 thousand yen from the end of the previous fiscal year to 8,902,774 thousand yen. This was mainly due to an increase of 1,533,960 thousand yen in retained earnings, partially offset by an increase of 208,160 thousand yen in treasury shares and a decrease of 189,810 thousand yen in capital surplus.

(3) Cash Flows

Cash and cash equivalents ("net cash") at the end of the current fiscal year amounted to 7,612,132 thousand yen.

Cash flow in each section of the cash flow statement in the current fiscal year and the main factors are as follows.

Cash flows from operating activities

Net cash provided by operating activities totaled 2,053,446 thousand yen.

Cash used for income taxes paid of 793,427 thousand yen, a decrease in inventories of 170,497 thousand yen, a decrease in provision for bonuses of 57,313 thousand yen, among other factors, were offset by cash provided by profit before income taxes of 2,601,084 thousand yen, an increase in trade receivables of 98,324 thousand yen, an increase in trade payables of 70,267 thousand yen, and an increase in provision for share awards of 55,525 thousand yen, among other factors.

Cash flows from investing activities

Net cash used in investing activities totaled 650,754 thousand yen.

Cash was used for the purchase of property, plant and equipment of 551,831 thousand yen and purchase of insurance funds of 81,413 thousand yen, payments of leasehold and guarantee deposits of 17,701 thousand yen.

Cash flows from financing activities

Net cash used in financial activities totaled 634,647 thousand yen.

Cash was used mainly for the purchase of treasury shares of 401,493 thousand yen, dividends paid of 175,680 thousand yen, and repayments of long-term borrowings of 57,104 thousand yen.

Reference: Trends in cash flow indicators

| | FY8/22 | FY8/23 | FY8/24 | FY8/25 |
|---|--------|---------|---------|----------|
| Equity ratio (%) | 57.3 | 61.0 | 64.2 | 66.6 |
| Market value-based equity ratio (%) | 159.3 | 162.8 | 158.4 | 164.04 |
| Interest-bearing debt to cash flow ratio (year) | 1.1 | 0.1 | 0.1 | 0.0 |
| Interest coverage ratio (time) | 200.6 | 1,028.9 | 1,599.1 | 4,823.42 |

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

Notes: 1. Cash flows are calculated using the figures for operating cash flows in the consolidated statement of cash flows.

2. Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest.

(4) Outlook

Looking ahead, we anticipate that the outlook of overseas economies remains uncertain, reflecting the trends of monetary policies in Europe and the US, concerns about the slowdown in the Chinese economy, and geopolitical risks in the Middle East. In Japan, too, the future of the economy still remains uncertain, impacted by a rise in consumer prices and volatile exchange rates, among others.

In the IT services industry, investments in IT continued to expand to realize efficient business and new value creation as generative AI and cloud services advanced. We therefore anticipate a steady growth in demand for DX promotion. In this business environment, the Group will seek to develop personnel capable of project management (PM), enhance the alignment with our business partners, improve technological capabilities in advanced IT areas, and further expand our service lineups. By developing new business structures through the expansion of the DX area, the acquisition of prime projects, and the active use of business partners, we will not only boost profitability but also improve engineers' skills, so as to realize further corporate growth.

Considering the above, we forecast net sales of 27,400,000 thousand yen, an operating profit of 2,850,000 thousand yen, an ordinary profit of 2,880,000 thousand yen and a profit attributable to owners of parent of 1,870,000 thousand yen.

This forecast is based on information available at the time this report was released. Actual results may differ for a variety of reasons.

2. Basic Approach to the Selection of Accounting Standards

The Seraku Group currently prepares consolidated financial statements using Generally Accepted Accounting Principles in Japan to permit comparisons with prior years and with the financial data of other companies. We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by considering the situation in Japan and overseas.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

| | FY8/24 (As of Aug. 31, 2024) | FY8/25 (As of Aug. 31, 2025) |
|---|---------------------------------|---------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,896,690 | 7,765,946 |
| Accounts receivable - trade and contract assets | 2,740,887 | 2,835,099 |
| Work in process | 219,097 | 38,026 |
| Raw materials | 47,055 | 57,629 |
| Other | 183,469 | 216,664 |
| Allowance for doubtful accounts | (1,856) | (2,239) |
| Total current assets | 10,085,344 | 10,911,126 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 195,904 | 218,201 |
| Tools, furniture and fixtures, net | 55,356 | 45,822 |
| Land | — | 613,061 |
| Other | 133,636 | 2,015 |
| Total property, plant and equipment | 384,897 | 879,100 |
| Intangible assets | | |
| Goodwill | 124,827 | 99,103 |
| Software | 435 | 121 |
| Other | 1,807 | 1,807 |
| Total intangible assets | 127,070 | 101,032 |
| Investments and other assets | | |
| Investment securities | 3,496 | 3,496 |
| Deferred tax assets | 532,306 | 536,015 |
| Leasehold and guarantee deposits | 332,158 | 337,449 |
| Insurance funds | 465,282 | 546,696 |
| Other | 121,565 | 13,532 |
| Allowance for doubtful accounts | — | (4,113) |
| Total investments and other assets | 1,454,809 | 1,433,077 |
| Total non-current assets | 1,966,777 | 2,413,210 |
| Total assets | 12,052,121 | 13,324,336 |

(Thousands of yen)

| | FY8/24 (As of Aug. 31, 2024) | FY8/25 (As of Aug. 31, 2025) |
|--|---------------------------------|---------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 262,363 | 332,631 |
| Current portion of long-term borrowings | 39,204 | 27,798 |
| Accounts payable - other | 1,461,721 | 1,484,676 |
| Income taxes payable | 441,369 | 543,327 |
| Accrued consumption taxes | 385,225 | 384,360 |
| Provision for bonuses | 1,215,100 | 1,157,787 |
| Provision for loss on order received | 468 | 1,539 |
| Other | 318,650 | 350,961 |
| Total current liabilities | 4,124,102 | 4,283,083 |
| Non-current liabilities | | |
| Long-term borrowings | 45,698 | — |
| Retirement benefit liability | 91,382 | 79,720 |
| Provision for share awards | — | 55,525 |
| Other | 28,325 | 3,233 |
| Total non-current liabilities | 165,405 | 138,479 |
| Total liabilities | 4,289,507 | 4,421,562 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 311,269 | 312,433 |
| Capital surplus | 309,835 | 120,025 |
| Retained earnings | 7,482,934 | 9,016,895 |
| Treasury shares | (374,518) | (582,678) |
| Total shareholders' equity | 7,729,520 | 8,866,675 |
| Accumulated other comprehensive income | | |
| Remeasurements of defined benefit plans | 2,474 | 4,027 |
| Total accumulated other comprehensive income | 2,474 | 4,027 |
| Share acquisition rights | 30,619 | 32,072 |
| Total net assets | 7,762,614 | 8,902,774 |
| Total liabilities and net assets | 12,052,121 | 13,324,336 |

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

| | FY8/24 (Sep. 1, 2023 – Aug. 31, 2024) | FY8/25 (Sep. 1, 2024 – Aug. 31, 2025) |
|--|--|--|
| Net sales | 22,221,595 | 24,776,494 |
| Cost of sales | 16,521,542 | 18,320,293 |
| Gross profit | 5,700,052 | 6,456,200 |
| SG&A expense | 3,426,190 | 3,905,507 |
| Operating profit | 2,273,862 | 2,550,693 |
| Non-operating income | | |
| Interest and dividend income | 1,806 | 9,384 |
| Subsidy income | 14,319 | — |
| Rental income from real estate | — | 1,682 |
| Surrender value of insurance policies | — | 5,216 |
| Subsidy income | 26,093 | 32,798 |
| Other | 3,537 | 2,052 |
| Total non-operating income | 45,756 | 51,134 |
| Non-operating expenses | | |
| Interest expenses | 848 | 425 |
| Commission fee | 1,048 | 2,358 |
| Other | 11 | 7 |
| Total non-operating expenses | 1,909 | 2,791 |
| Ordinary profit | 2,317,709 | 2,599,037 |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | 6,094 | 2,262 |
| Total extraordinary income | 6,094 | 2,262 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 726 | 215 |
| Loss on valuation of investment securities | 5,445 | — |
| Total extraordinary losses | 6,172 | 215 |
| Profit before income taxes | 2,317,631 | 2,601,084 |
| Income taxes-current | 761,650 | 895,789 |
| Income taxes-deferred | (19,738) | (4,394) |
| Total income taxes | 741,912 | 891,395 |
| Profit | 1,575,719 | 1,709,688 |
| Profit attributable to owners of parent | 1,575,719 | 1,709,688 |

Consolidated Statement of Comprehensive Income

(Thousands of yen)

| | FY8/24 (Sep. 1, 2023 – Aug. 31, 2024) | FY8/25 (Sep. 1, 2024 – Aug. 31, 2025) |
|---|--|--|
| Profit | 1,575,719 | 1,709,688 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (33) | — |
| Remeasurements of defined benefit plans, net of tax | (1,182) | 1,552 |
| Total other comprehensive income | (1,216) | 1,552 |
| Comprehensive income | 1,574,503 | 1,711,241 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,574,503 | 1,711,241 |

(3) Consolidated Statement of Changes in Equity
FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 307,006 | 504,756 | 6,052,693 | (199) | 6,864,256 |
| Changes during period | | | | | |
| Issuance of new shares | 4,262 | 4,262 | | | 8,525 |
| Dividends of surplus | | | (145,478) | | (145,478) |
| Profit attributable to owners of parent | | | 1,575,719 | | 1,575,719 |
| Purchase of treasury shares | | | | (600,096) | (600,096) |
| Disposal of treasury shares | | (3,485) | | 30,078 | 26,593 |
| Cancellation of treasury shares | | (195,698) | | 195,698 | — |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 4,262 | (194,920) | 1,430,241 | (374,319) | 865,263 |
| Balance at end of period | 311,269 | 309,835 | 7,482,934 | (374,518) | 7,729,520 |

| | Accumulated other comprehensive income | | | Share acquisition rights | Total net assets |
|--|---|---|--|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 33 | 3,656 | 3,690 | 36,270 | 6,904,217 |
| Changes during period | | | | | |
| Issuance of new shares | | | | (1,503) | 7,021 |
| Dividends of surplus | | | | | (145,478) |
| Profit attributable to owners of parent | | | | | 1,575,719 |
| Purchase of treasury shares | | | | | (600,096) |
| Disposal of treasury shares | | | | | 26,593 |
| Cancellation of treasury shares | | | | | — |
| Net changes in items other than shareholders' equity | (33) | (1,182) | (1,216) | (4,146) | (5,362) |
| Total changes during period | (33) | (1,182) | (1,216) | (5,650) | 858,396 |
| Balance at end of period | | 2,474 | 2,474 | 30,619 | 7,762,614 |

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 311,269 | 309,835 | 7,482,934 | (374,518) | 7,729,520 |
| Changes during period | | | | | |
| Issuance of new shares | 1,164 | 1,164 | | | 2,328 |
| Dividends of surplus | | | (175,727) | | (175,727) |
| Profit attributable to owners of parent | | | 1,709,688 | | 1,709,688 |
| Purchase of treasury shares | | | | (399,135) | (399,135) |
| Disposal of treasury shares | | 23,700 | | (23,700) | |
| Cancellation of treasury shares | | (214,675) | | 214,675 | |
| Transfer from retained earnings to capital surplus | | 104,558 | (104,558) | | |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 1,164 | (85,252) | 1,429,402 | (208,160) | 1,137,154 |
| Balance at end of period | 312,433 | 224,583 | 8,912,336 | (582,678) | 8,866,675 |

| | Accumulated other comprehensive income | | | Share acquisition rights | Total net assets |
|--|---|---|--|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | | 2,474 | 2,474 | 30,619 | 7,762,614 |
| Changes during period | | | | | |
| Issuance of new shares | | | | (460) | 1,868 |
| Dividends of surplus | | | | | (175,727) |
| Profit attributable to owners of parent | | | | | 1,709,688 |
| Purchase of treasury shares | | | | | (399,135) |
| Disposal of treasury shares | | | | | |
| Cancellation of treasury shares | | | | | |
| Net changes in items other than shareholders' equity | | 1,552 | 1,552 | 1,912 | 3,465 |
| Total changes during period | | 1,552 | 1,552 | 1,452 | 1,140,159 |
| Balance at end of period | | 4,027 | 4,027 | 32,072 | 8,902,774 |

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

| | FY8/24 (Sep. 1, 2023 – Aug. 31, 2024) | FY8/25 (Sep. 1, 2024 – Aug. 31, 2025) |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,317,631 | 2,601,084 |
| Depreciation | 46,230 | 53,040 |
| Amortization of goodwill | 3,791 | 25,723 |
| Increase (decrease) in provision for share awards | — | 55,525 |
| Increase (decrease) in allowance for doubtful accounts | 280 | 4,496 |
| Increase (decrease) in provision for bonuses | 92,464 | (57,313) |
| Increase (decrease) in retirement benefit liability | (12,639) | (9,424) |
| Interest and dividend income | (1,806) | (9,384) |
| Subsidy income | (14,319) | — |
| Subsidy income | (26,093) | (32,798) |
| Commission fee | 1,048 | 2,358 |
| Gain on reversal of share acquisition rights | (6,094) | (2,262) |
| Loss (gain) on valuation of investment securities | 5,445 | — |
| Interest expenses | 848 | 425 |
| Loss on retirement of non-current assets | 726 | 215 |
| Decrease (increase) in trade receivables | (121,317) | (98,324) |
| Decrease (increase) in inventories | (165,598) | 170,497 |
| Decrease (increase) in prepaid expenses | 15,065 | (33,258) |
| Increase (decrease) in trade payables | 123,678 | 70,267 |
| Increase (decrease) in accounts payable - other | (14,897) | 12,631 |
| Increase (decrease) in accrued consumption taxes | (161,788) | (864) |
| Other | 65,050 | 53,829 |
| Subtotal | 2,147,709 | 2,806,465 |
| Interest and dividends received | 1,792 | 7,947 |
| Interest paid | (741) | (337) |
| Proceeds from subsidy income | 14,319 | — |
| Subsidies received | 26,093 | 32,798 |
| Income taxes paid | (832,061) | (793,427) |
| Net cash provided by (used in) operating activities | 1,357,112 | 2,053,446 |
| Cash flows from investing activities | | |
| Payments into time deposits | (102,400) | (4,011) |
| Proceeds from withdrawal of time deposits | 2,400 | 2,800 |
| Proceeds from redemption of investment securities | 100,000 | — |
| Purchase of property, plant and equipment | (199,205) | (551,831) |
| Payments of leasehold and guarantee deposits | (51,800) | (17,701) |
| Proceeds from refund of leasehold and guarantee deposits | 1,638 | 1,404 |
| Purchase of insurance funds | (83,752) | (81,413) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (70,980) | — |
| Net cash provided by (used in) investing activities | (404,100) | (650,754) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (183,824) | (57,104) |
| Repayments of lease obligations | (706) | (706) |
| Purchase of treasury shares | (601,145) | (401,493) |
| Dividends paid | (145,102) | (175,680) |
| Proceeds from issuance of share acquisition rights | 1,947 | — |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 7,021 | 1,868 |
| Other | (1,532) | (1,532) |
| Net cash provided by (used in) financing activities | (923,341) | (634,647) |
| Net increase (decrease) in cash and cash equivalents | 29,670 | 768,044 |
| Cash and cash equivalents at beginning of period | 6,814,417 | 6,844,087 |
| Cash and cash equivalents at end of period | 6,844,087 | 7,612,132 |

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

Not applicable.

Segment and Other Information

Segment information

1. Overview of reportable segments

Segments used for financial reporting are the Seraku Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

2. Calculation methods for net sales, profit/loss, assets, liabilities and other items for each reportable segment

The accounting methods applied to the reported business segments are consistent with those adopted for the preparation of the consolidated financial statements. Segment profit is presented on an operating income basis.

3. Information related to net sales, profit/loss, assets, liabilities and other items in reportable segments

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

| | Reportable segment | | | | Adjustment (Note 1) | Amount in the consolidated financial statements (Note 2) |
|--|---------------------|--------------|-----------------------------------|------------|---------------------|--|
| | Digital Integration | Midori Cloud | Mechanical Design and Engineering | Total | | |
| Net sales | | | | | | |
| Sales to external customers | 21,342,828 | 238,238 | 640,528 | 22,221,595 | — | 22,221,595 |
| Inter-segment sales and transfers | — | — | 104,510 | 104,510 | (104,510) | — |
| Total | 21,342,828 | 238,238 | 745,038 | 22,326,105 | (104,510) | 22,221,595 |
| Segment profit (loss) | 2,320,428 | (109,172) | 44,887 | 2,256,143 | 17,718 | 2,273,862 |
| Segment assets | 3,006,100 | 53,330 | 301,134 | 3,360,564 | 8,691,556 | 12,052,121 |
| Other items | | | | | | |
| Amortization of goodwill | 3,791 | — | — | 3,791 | — | 3,791 |
| Depreciation | 45,203 | 689 | 337 | 46,230 | — | 46,230 |
| Increase in property, plant and equipment, and intangible assets | 128,618 | — | — | 128,618 | 204,277 | 332,896 |

Notes: 1. The adjustment of segment profit (loss) primarily represents the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.

3. The adjustment of 8,691,556 thousand yen to segment assets includes corporate assets that are not allocated to reportable segments.

4. Corporate assets are not allocated to specific reportable segments, but corporate costs and other expenses associated with these assets are allocated to specific reportable segments using reasonable standards.

5. The 204,277 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes capital expenditures of 173,851 thousand yen associated with the expansion of the head office's floor spaces, etc.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

| | Reportable segment | | | | Adjustment (Note 1) | Amount in the consolidated financial statements (Note 2) |
|--|---------------------|--------------|-----------------------------------|------------|---------------------|--|
| | Digital Integration | Midori Cloud | Mechanical Design and Engineering | Total | | |
| Net sales | | | | | | |
| Sales to external customers | 23,881,016 | 235,062 | 660,416 | 24,776,494 | — | 24,776,494 |
| Inter-segment sales and transfers | — | — | 125,774 | 125,774 | (125,774) | — |
| Total | 23,881,016 | 235,062 | 786,190 | 24,902,269 | (125,774) | 24,776,494 |
| Segment profit (loss) | 2,611,933 | (118,810) | 37,018 | 2,530,140 | 20,553 | 2,550,693 |
| Segment assets | 2,892,463 | 63,089 | 344,634 | 3,300,187 | 10,024,148 | 13,324,336 |
| Other items | | | | | | |
| Amortization of goodwill | 25,723 | — | — | 25,723 | — | 25,723 |
| Depreciation | 52,046 | 654 | 339 | 53,040 | — | 53,040 |
| Increase in property, plant and equipment, and intangible assets | — | — | — | — | 677,144 | 677,144 |

Notes: 1. The adjustment of segment profit (loss) primarily represents the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.

3. The adjustment of 10,024,148 thousand yen to segment assets includes corporate assets that are not allocated to reportable segments.

4. Corporate assets are not allocated to specific reportable segments, but corporate costs and other expenses associated with these assets are allocated to specific reportable segments using reasonable standards.

5. The 677,144 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes a purchase price of 613,061 thousand yen for the planned construction site of Vital Village in the Seisho area of Kanagawa Prefecture.

Related information

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

1. Information for each product and service

Information for each product and service is omitted as similar information is disclosed in the segment information.

2. Information for each region

(1) Net sales

Information about net sales is omitted as sales to external customers in Japan exceed 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

Not applicable as we have no property, plant and equipment outside of Japan.

3. Information for each major customer

Not applicable because, of sales to external customers, we have no customer who accounts for over 10% of the net sales on the consolidated statement of income.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

1. Information for each product and service

Information for each product and service is omitted as similar information is disclosed in the segment information.

2. Information for each region

(1) Net sales

Information about net sales is omitted as sales to external customers in Japan exceed 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

Not applicable as we have no property, plant and equipment outside of Japan.

3. Information for each major customer

Not applicable because, of sales to external customers, we have no customer who accounts for over 10% of the net sales on the consolidated statement of income.

Information about impairment losses on non-current assets by reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

Not applicable.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

Not applicable.

Information concerning amortization and unamortized balance of goodwill by reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

| | Reportable segment | | | | Adjustment | Amount in the consolidated financial statements |
|----------------------------|---------------------|--------------|-----------------------------------|---------|------------|---|
| | Digital Integration | Midori Cloud | Mechanical Design and Engineering | Total | | |
| Amortization during period | 3,791 | — | — | 3,791 | — | 3,791 |
| Balance at end of period | 124,827 | — | — | 124,827 | — | 124,827 |

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

| | Reportable segment | | | | Adjustment | Amount in the consolidated financial statements |
|----------------------------|---------------------|--------------|-----------------------------------|--------|------------|---|
| | Digital Integration | Midori Cloud | Mechanical Design and Engineering | Total | | |
| Amortization during period | 25,723 | — | — | 25,723 | — | 25,723 |
| Balance at end of period | 99,103 | — | — | 99,103 | — | 99,103 |

Information concerning gain on bargain purchase by reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

Not applicable.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

Not applicable.

Per Share Information

| | FY8/24 (Sep. 1, 2023 – Aug. 31, 2024) | FY8/25 (Sep. 1, 2024 – Aug. 31, 2025) |
|------------------------------|--|--|
| Net assets per share | 572.00 yen | 668.83 yen |
| Net income per share | 114.24 yen | 127.16 yen |
| Diluted net income per share | 114.09 yen | 126.89 yen |

Notes: The basis of calculating the net income per share and diluted net income per share is as follows:

| | FY8/24 (Sep. 1, 2023 – Aug. 31, 2024) | FY8/25 (Sep. 1, 2024 – Aug. 31, 2025) |
|---|--|--|
| Net income per share | | |
| Profit attributable to owners of parent | 1,575,719 | 1,709,688 |
| Amounts not attributable to common shareholders | — | — |
| Profit attributable to owners of parent applicable to common shares (Thousands of yen) | 1,575,719 | 1,709,688 |
| Average number of common shares outstanding during the period (Shares) | 13,793,651 | 13,445,150 |
| | | |
| Diluted net income per share | | |
| Adjustment to profit attributable to owners of parent | — | — |
| Increase in the number of common shares (Shares) | 17,989 | 28,086 |
| [of which share acquisition rights (Shares)] | (17,989) | (28,086) |
| Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect | Five types of share acquisition rights (Number of share acquisition rights: 4,036) | Five types of share acquisition rights (Number of share acquisition rights: 3,775) |

Material Subsequent Events

Not applicable.

4. Additional Information

Sales Results

(Thousands of yen)

| - | Previous fiscal year | | Fiscal year under review | | Year-on-year change (%) |
|-----------------------------------|----------------------|------------------------------|--------------------------|------------------------------|-------------------------|
| | Net sales | Ratio to total net sales (%) | Net sales | Ratio to total net sales (%) | |
| System Integration | 14,785,582 | 66.5 | 16,382,120 | 66.1 | 10.8 |
| Digital Transformation | 6,557,245 | 29.5 | 7,498,895 | 30.3 | 14.4 |
| Midori Cloud | 238,238 | 1.1 | 235,062 | 0.9 | (1.3) |
| Mechanical Design and Engineering | 640,528 | 2.9 | 660,416 | 2.7 | 3.1 |
| Total | 22,221,595 | 100.0 | 24,776,494 | 100.0 | 11.5 |