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May 14, 2026

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

Company name: RAKUS Co., Ltd.  
Listing: Tokyo Stock Exchange  
Securities code: 3923  
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Scheduled date of annual general meeting of shareholders: selective June 26, 2026  
Scheduled date to commence dividend payments: June 29, 2026  
Scheduled date to file annual securities report: June 25, 2026  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	60,286	23.3	17,345	70.2	17,440	70.7	13,293	66.1
March 31, 2025	48,904	27.3	10,192	83.3	10,218	82.1	8,003	91.2

(Note) Comprehensive income: For the fiscal year ended March 31, 2026: ¥11,868 million [31.1%]  
For the fiscal year ended March 31, 2025: ¥9,050 million [117.9%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	36.91	-	55.4	51.1	28.8
March 31, 2025	22.09	-	45.3	38.6	20.8

(Reference) Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ - million

For the fiscal year ended March 31, 2025: ¥ - million

(Note) 1. The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Basic earnings per share" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Diluted earnings per share are not stated as there are no potential shares outstanding.

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	36,581	26,034	71.2	73.52
March 31, 2025	31,654	21,977	69.4	60.65

(Reference) Equity: As of March 31, 2026: ¥26,034 million  
As of March 31, 2025: ¥21,977 million

(Note) The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Net assets per share" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	13,391	(2,831)	(8,048)	13,891
March 31, 2025	9,006	(3,465)	(1,180)	11,366

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	-	0.00	-	4.50	4.50	815	10.2	4.6
March 31, 2026	-	0.00	-	7.00	7.00	2,478	19.0	10.4
Fiscal year ending March 31, 2027 (Forecast)	-	0.00	-	8.00	8.00		11.2	

(Note) The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. For the fiscal year ended March 31, 2025, the actual dividends before the stock split are presented. If the stock split is not taken into account, the year-end dividend for the fiscal year ended March 31, 2026 would be 14.00 yen per share.

**3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	59,700	(1.0)	20,500	18.2	20,500	17.5	25,200	89.6	71.16

(Note) As all shares of RAKUS Partners Co., Ltd., a consolidated subsidiary, were transferred on April 1, 2026, the figures for the IT Outsourcing Business are not included in the **forecast of consolidated financial results** for the fiscal year ending March 31, 2027. On an organic basis for the Cloud Business alone, net sales are planned to increase by 15.3% year-on-year, and segment profit is planned to increase by 27.9% year-on-year.

**\* Notes**

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

New: 1 company (PT. Reformasi Kerja Solusi)

(Note) For details, please refer to page 12 of the attached materials, "3. Consolidated Financial Statements and Principal Notes (5) Notes to consolidated financial statements (Notes on changes in the scope of consolidation or application of the equity method)."

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	354,391,000 shares
As of March 31, 2025	362,432,000 shares

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

As of March 31, 2026	281,659 shares
As of March 31, 2025	84,534 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	360,112,185 shares
Fiscal year ended March 31, 2025	362,356,229 shares

(Note) The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Total number of issued shares at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	50,394	24.0	15,468	73.5	17,137	76.4	14,119	76.9
March 31, 2025	40,629	32.0	8,917	86.1	9,716	60.5	7,980	65.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	39.21	-
March 31, 2025	22.02	-

- (Note) 1. The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Basic earnings per share" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.  
2. Diluted earnings per share are not stated as there are no potential shares outstanding.

**(2) Non-consolidated financial position**

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	34,778	25,811	74.2	72.89
March 31, 2025	29,212	20,942	71.7	57.80

(Reference) Equity: As of March 31, 2026: ¥25,811 million

As of March 31, 2025: ¥20,942 million

- (Note) The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. "Net assets per share" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

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

\* Explanation regarding the appropriate use of forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

Forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable. They are not intended as a guarantee of future performance by the Company. Actual results may differ significantly due to various factors. For the conditions underlying the forecasts and notes regarding the use of forecasts, please refer to the attached document, page 3, "1. Overview of Operating Results, etc. (4) Future outlook."

(Availability of supplementary financial results materials and financial results briefing contents)

We plan to hold a web conference for institutional investors and analysts on May 15, 2026. The presentation materials to be distributed at this web conference will be disclosed on TDnet simultaneously with the financial results announcement and will also be posted on our website.

Table of Contents for Attached Materials

1. Overview of Operating Results, etc.	2
(1) Overview of operating results for the fiscal year under review	2
(2) Overview of financial position for the fiscal year under review	2
(3) Overview of cash flows for the fiscal year under review	3
(4) Future outlook	3
(5) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year	4
2. Basic Considerations Regarding the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Principal Notes	5
(1) Consolidated balance sheet	5
(2) Consolidated statement of income and consolidated statement of comprehensive income	7
Consolidated statement of income	7
Consolidated statement of comprehensive income	8
(3) Consolidated statement of changes in shareholders' equity	9
(4) Consolidated statement of cash flows	11
(5) Notes to consolidated financial statements	12
(Notes on going concern assumption)	12
(Notes on changes in the scope of consolidation or application of the equity method)	12
(Notes on segment information, etc.)	12
(Notes on per share information)	15
(Notes on significant subsequent events)	16

## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year under review

In the telecommunications service market in which the Company operates, interest in improving operational efficiency at companies has further increased against the backdrop of work style reforms and intensifying labor shortages, and the digitalization of corporate activities is progressing. As a result, IT investment by companies has remained steady.

Furthermore, in response to the rapidly growing corporate interest in the utilization of generative AI, the Company views this as a driver for creating new value and market opportunities, and is accelerating the expansion of integration into products and the implementation of operational automation.

Meanwhile, the Company recognizes that in some business areas, the market is maturing, and potential customers are becoming more cautious in evaluating implementation benefits before adoption. Moreover, the competitive environment is becoming increasingly severe due to the increase in business operators deploying similar services.

Additionally, regarding the heightening geopolitical risks surrounding the Middle East, we recognize that the impact on the Company's business is limited at this time, but we will continue to closely monitor future developments.

In such a management environment, the Group has worked towards medium-term management targets, with the fiscal year ended March 2021 as the base year, to achieve a net sales CAGR (Compound Annual Growth Rate) of 31% to 32% over the five-year period through the fiscal year ended March 2026, and to achieve profit attributable to owners of parent of 10 billion yen or more and net assets of 20 billion yen or more in the fiscal year ended March 2026.

During the consolidated fiscal year under review, to achieve the medium-term management targets, the Group pursued steady growth in net sales and allocated resources with an emphasis on investment efficiency.

As a result, during the consolidated fiscal year under review, net sales were 60,286 million yen (up 23.3% year-on-year), operating profit was 17,345 million yen (up 70.2% year-on-year), ordinary profit was 17,440 million yen (up 70.7% year-on-year), and profit attributable to owners of parent was 13,293 million yen (up 66.1% year-on-year).

The operating results by segment are as follows.

#### (i) Cloud Business

In the Cloud Business, Raku Raku Seisan, the main service, remained robust and drove the sales growth of the entire segment as it steadily accumulated new orders despite the maturing market, alongside the positive impact of price revisions. Furthermore, for Raku Raku Meisai, we steadily accumulated new orders even though the pace of market expansion was slightly slower than anticipated.

In terms of profit, the profit margin improved significantly due to factors such as increased sales and the optimization of advertising costs based on the market environment, resulting in a significant increase in profit year-on-year.

As a result, net sales were 51,770 million yen (up 23.7% year-on-year), and segment profit was 16,027 million yen (up 71.1% year-on-year).

#### (ii) IT Outsourcing Business

In the IT Outsourcing Business, the number of assigned engineers increased through the continuous strengthening of sales activities. The utilization rate also remained at a high level against the backdrop of strong demand.

As a result, net sales were 8,516 million yen (up 20.9% year-on-year), and segment profit was 1,318 million yen (up 59.2% year-on-year).

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

Assets, liabilities and net assets

#### (Assets)

As of the end of the consolidated fiscal year under review, current assets amounted to 23,399 million yen, an increase of 4,103 million yen compared to the end of the previous consolidated fiscal year. The main factors included increases of 2,525 million yen in cash and deposits and 1,465 million yen in accounts receivable - trade. Non-current assets amounted to 13,181 million yen, an increase of 824 million yen compared to the end of the previous consolidated fiscal year. The main factors included increases of 1,026 million yen in investment securities, 254 million yen in tools, furniture and fixtures, and 76 million yen in guarantee deposits, partially offset by decreases of 305 million yen in goodwill, 145 million yen in customer-related intangible assets, and 111 million yen in deferred tax assets. As a result, total assets amounted to 36,581 million yen, an increase of 4,927 million yen compared to the end of the previous consolidated fiscal year.

#### (Liabilities)

As of the end of the consolidated fiscal year under review, current liabilities amounted to 10,386 million yen, an increase of 923 million yen compared to the end of the previous consolidated fiscal year. The main factors included increases of 686 million yen in income taxes payable, 471 million yen in accrued consumption taxes, 258 million yen in accrued expenses, and 111 million yen in contract liabilities, partially offset by decreases of 400 million yen in accounts payable - other and 216 million yen in current portion of long-term borrowings. Non-current liabilities amounted to 161 million yen, a decrease of 52 million yen compared to the end of the previous consolidated fiscal year. The main factors included decreases of 44 million yen in long-term accrued expenses and 12 million yen in guarantee deposits received.

As a result, total liabilities amounted to 10,547 million yen, an increase of 870 million yen compared to the end of the previous consolidated fiscal year.

#### (Net assets)

As of the end of the consolidated fiscal year under review, total net assets amounted to 26,034 million yen, an increase of 4,056 million yen compared to the end of the previous consolidated fiscal year. The main factors included increases of 5,704 million yen in retained earnings and 216 million yen in treasury shares, while valuation difference on available-for-sale securities decreased by 1,440 million yen. Regarding retained earnings, while it increased by 13,293 million yen due to the recording of profit attributable to owners of parent, this was partially offset by decreases of 6,773 million yen due to the cancellation of treasury shares and 815 million yen due to dividends of surplus.

### (3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents during the consolidated fiscal year under review increased by 2,524 million yen compared to the end of the previous consolidated fiscal year to 13,891 million yen. Cash flows and the main factors for each cash flow category during the consolidated fiscal year under review were as follows.

#### (Cash flows from operating activities)

Cash flows from operating activities resulted in 13,391 million yen in net cash provided (compared with 9,006 million yen in net cash provided in the previous consolidated fiscal year). The main factors for cash inflows included 18,939 million yen in profit before income taxes, 958 million yen in depreciation, a 463 million yen increase in accrued consumption taxes, 305 million yen in amortization of goodwill, and a 213 million yen increase in accrued expenses. These were partially offset by outflows including 4,241 million yen in income taxes paid, a 1,491 million yen gain on sale of investment securities, a 1,370 million yen increase in trade receivables, and a 400 million yen decrease in accounts payable - other.

#### (Cash flows from investing activities)

Cash flows from investing activities resulted in 2,831 million yen in net cash used (compared with 3,465 million yen in net cash used in the previous consolidated fiscal year). The main factors for cash inflows included 2,542 million yen in proceeds from sale of investment securities, while major outflows included 4,161 million yen in purchase of investment securities, 1,044 million yen in purchase of property, plant and equipment, and 210 million yen in payments of guarantee deposits.

#### (Cash flows from financing activities)

Cash flows from financing activities resulted in 8,048 million yen in net cash used (compared with 1,180 million yen in net cash used in the previous consolidated fiscal year). This was mainly attributable to 7,011 million yen in purchase of treasury shares, 815 million yen in dividends paid, and 216 million yen in repayments of long-term borrowings.

### (4) Future outlook

The Group has formulated a Medium-Term Management Plan covering the three-year period from the fiscal year ending March 31, 2027 through the fiscal year ending March 31, 2029.

Following the transfer of the IT Outsourcing Business in April 2026, the Company has transitioned to a pure-play Cloud Business structure. In this Medium-Term Management Plan, we aim to achieve quality growth that balances high growth and high profitability by concentrating our management resources on the Cloud Business.

Specifically, we aim to achieve the "Rule of 50" (\*1) by the final year of the Medium-Term Management Plan.

The numerical targets for the Medium-Term Management Plan, with the final year being the fiscal year ending March 31, 2029, are as follows:

- Three-year organic growth in net sales of the Cloud Business: CAGR (Compound Annual Growth Rate) of 15% or more
- Achievement of the "Rule of 50" (From the fiscal year ending March 31, 2028 onward)
- Net sales per regular employee: 30 million yen or more (Fiscal year ending March 31, 2029)
- ROE excluding one-time effects such as extraordinary income and losses: Maintain 30% or higher
- Shareholder returns: Total payout ratio of 20% or higher and consecutive dividend increases every fiscal year

Based on the above, for the fiscal year ending March 31, 2027, the Group plans net sales of 59,700 million yen (down 1.0% year-on-year), operating profit of 20,500 million yen (up 18.2% year-on-year), ordinary profit of 20,500 million yen (up 17.5% year-on-year) and profit attributable to owners of parent of 25,200 million yen (up 89.6% year-on-year).

Furthermore, due to the business transfer, the above earnings forecast for the fiscal year ending March 31, 2027 does not include the earnings forecast for the IT Outsourcing Business.

On the other hand, an extraordinary profit of 16,685 million yen associated with the business transfer is expected to be recorded in the first quarter of the fiscal year ending March 31, 2027, and is included in the earnings forecasts.

On an organic basis for the Cloud Business alone, net sales are planned to increase by 15.3% year-on-year, and segment profit is planned to increase by 27.9% year-on-year.

\*1 We aim to achieve a sum of 50%, exceeding the "Rule of 40" (an indicator in the cloud services industry where investors pay close attention to the sum of sales growth rate and operating margin, and a total exceeding 40% is generally considered desirable).

\*2 The average number of regular employees during the period is used for the calculation.

#### (5) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year

The Company recognizes that providing returns to shareholders is one of the most important issues for management and has established a basic policy of paying continuous and stable dividends while maintaining internal reserves required for conducting business and strengthening the management base in order to achieve profitable growth.

Regarding dividends of surplus, the Company will implement dividends aiming to provide a consolidated dividend payout ratio of 10% or more based on appropriate distribution of profit according to the expansion of performance. In principle, the Company also sets the lower limit of annual dividends per share at a level higher than the previous year's results to continually increase dividends with consideration for continuity and stability of dividends.

Based on the above policy, dividends for the current fiscal year are planned to be a year-end dividend of ¥7.00 per share, assuming a resolution is passed at the ordinary general meeting of shareholders scheduled to be held in June 2026. The dividend payout ratio based on this is expected to be 19.0%. In addition, the Company acquired treasury shares totaling 6,999 million yen during the current fiscal year and cancelled all the acquired shares. Based on this, the total payout ratio is expected to be 71.3%. Regarding shareholder returns from the next fiscal year onwards, the policy is to aim for a total payout ratio of 20% or more based on the medium-term management plan starting from the fiscal year ending March 31, 2027. Furthermore, the Company will continue to give consideration to the continuity and stability of dividends by setting the lower limit of the annual dividend per share at a level higher than the previous year's results in principle.

Regarding the dividend for the next fiscal year, taking into consideration the stability and high profitability of the businesses developed by the Company, as well as the recording of extraordinary profit associated with the business transfer, the Company plans to pay an annual dividend of ¥8.00 per share as a year-end dividend. The dividend payout ratio based on this is expected to be 11.2%. Although the expected total payout ratio at the time of the initial plan remains at 11.2%, based on the newly established shareholder return policy, the Company plans to flexibly disclose additional shareholder return measures within the fiscal year, taking funding needs and capital efficiency into consideration.

#### 2. Basic Considerations Regarding the Selection of Accounting Standards

The Group applies Japanese accounting standards to ensure comparability with peer companies within Japan.

3. Consolidated Financial Statements and Principal Notes  
(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	11,368	13,894
Accounts receivable - trade	7,212	8,677
Other	746	873
Allowance for doubtful accounts	(29)	(44)
Total current assets	19,296	23,399
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	312	337
Tools, furniture and fixtures, net	1,782	2,036
Total property, plant and equipment	2,095	2,374
Intangible assets		
Goodwill	1,363	1,057
Customer-related intangible assets	1,922	1,777
Software	120	90
Total intangible assets	3,405	2,924
Investments and other assets		
Investment securities	3,877	4,904
Guarantee deposits	1,233	1,309
Deferred tax assets	1,705	1,593
Other	74	124
Allowance for doubtful accounts	(33)	(49)
Total investments and other assets	6,856	7,882
Total non-current assets	12,357	13,181
Total assets	31,654	36,581

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5	10
Current portion of long-term borrowings	216	-
Accounts payable - other	2,309	1,909
Accrued expenses	1,778	2,037
Income taxes payable	2,736	3,423
Accrued consumption taxes	1,191	1,662
Contract liabilities	1,071	1,182
Other	153	161
Total current liabilities	9,462	10,386
Non-current liabilities		
Long-term accrued expenses	163	118
Guarantee deposits received	50	37
Retirement benefit liability	-	0
Other	-	5
Total non-current liabilities	213	161
Total liabilities	9,676	10,547
<b>Net assets</b>		
Shareholders' equity		
Share capital	378	378
Capital surplus	314	308
Retained earnings	20,259	25,963
Treasury shares	(2)	(219)
Total shareholders' equity	20,949	26,430
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	994	(446)
Deferred gains or losses on hedges	3	5
Foreign currency translation adjustment	29	44
Total accumulated other comprehensive income	1,028	(396)
Total net assets	21,977	26,034
Total liabilities and net assets	31,654	36,581

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

(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	48,904	60,286
Cost of sales	12,594	14,865
Gross profit	36,310	45,420
Selling, general and administrative expenses	26,117	28,075
Operating profit	10,192	17,345
Non-operating income		
Interest income	6	39
Dividend income	-	44
Foreign exchange gains	12	14
Compensation income	0	2
Subsidy income	7	3
Other	2	3
Total non-operating income	28	108
Non-operating expenses		
Interest expenses	2	0
Commission for purchase of treasury shares	-	11
Other	0	0
Total non-operating expenses	2	13
Ordinary profit	10,218	17,440
Extraordinary income		
Gain on sale of investment securities	-	1,491
Gain on transfer of business	-	11
Total extraordinary income	-	1,503
Extraordinary losses		
Loss on retirement of non-current assets	2	4
Total extraordinary losses	2	4
Profit before income taxes	10,216	18,939
Income taxes - current	3,326	4,892
Income taxes - deferred	(1,113)	754
Total income taxes	2,212	5,646
Profit	8,003	13,293
Profit attributable to owners of parent	8,003	13,293

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	8,003	13,293
Other comprehensive income		
Valuation difference on available-for-sale securities	1,043	(1,440)
Deferred gains or losses on hedges	2	1
Foreign currency translation adjustment	0	14
Total other comprehensive income	1,046	(1,424)
Comprehensive income	9,050	11,868
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,050	11,868

## (3) Consolidated statement of changes in shareholders' equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	378	308	12,681	(1)	13,365
Changes during period					
Dividends of surplus			(425)		(425)
Profit attributable to owners of parent			8,003		8,003
Purchase of treasury shares				(1)	(1)
Cancellation of treasury shares					-
Restricted stock compensation		6		0	6
Net changes in items other than shareholders' equity					
Total changes during period	-	6	7,578	(0)	7,583
Balance at end of period	378	314	20,259	(2)	20,949

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(48)	1	29	(18)	13,347
Changes during period					
Dividends of surplus					(425)
Profit attributable to owners of parent					8,003
Purchase of treasury shares					(1)
Cancellation of treasury shares					-
Restricted stock compensation					6
Net changes in items other than shareholders' equity	1,043	2	0	1,046	1,046
Total changes during period	1,043	2	0	1,046	8,630
Balance at end of period	994	3	29	1,028	21,977

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	378	314	20,259	(2)	20,949
Changes during period					
Dividends of surplus			(815)		(815)
Profit attributable to owners of parent			13,293		13,293
Purchase of treasury shares				(6,999)	(6,999)
Cancellation of treasury shares		(6)	(6,773)	6,780	-
Restricted stock compensation		0		3	3
Net changes in items other than shareholders' equity					
Total changes during period	-	(6)	5,704	(216)	5,481
Balance at end of period	378	308	25,963	(219)	26,430

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	994	3	29	1,028	21,977
Changes during period					
Dividends of surplus					(815)
Profit attributable to owners of parent					13,293
Purchase of treasury shares					(6,999)
Cancellation of treasury shares					-
Restricted stock compensation					3
Net changes in items other than shareholders' equity	(1,440)	1	14	(1,424)	(1,424)
Total changes during period	(1,440)	1	14	(1,424)	4,056
Balance at end of period	(446)	5	44	(396)	26,034

## (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	10,216	18,939
Depreciation	797	958
Amortization of goodwill	333	305
Increase (decrease) in allowance for doubtful accounts	29	30
Share-based payment expenses	4	4
Increase (decrease) in provision for bonuses	(35)	-
Increase (decrease) in retirement benefit liability	-	0
Interest income and dividend income	(6)	(83)
Interest expenses	2	0
Foreign exchange losses (gains)	7	(2)
Commission for purchase of treasury shares	-	11
Loss (gain) on sale of investment securities	-	(1,491)
Loss (gain) on sale of businesses	-	(11)
Loss on retirement of non-current assets	2	4
Decrease (increase) in trade receivables	(1,358)	(1,370)
Increase (decrease) in trade payables	1	4
Increase (decrease) in accounts payable - other	481	(400)
Increase (decrease) in accrued expenses	510	213
Increase (decrease) in accrued consumption taxes	161	463
Increase (decrease) in guarantee deposits received	(28)	(12)
Other, net	(252)	30
Subtotal	10,867	17,593
Interest and dividends received	6	39
Interest paid	(2)	(0)
Income taxes paid	(1,864)	(4,241)
Net cash provided by (used in) operating activities	9,006	13,391
Cash flows from investing activities		
Payments into time deposits	-	(0)
Purchase of property and equipment	(1,265)	(1,044)
Purchase of intangible assets	(96)	(5)
Purchase of investment securities	(1,947)	(4,161)
Proceeds from the sale of investment securities	-	2,542
Payments of guarantee deposits	(224)	(210)
Proceeds from refund of guarantee deposits	22	48
Proceeds from collection of loan receivables	32	-
Proceeds from sale of business	13	-
Other, net	-	0
Net cash provided by (used in) investing activities	(3,465)	(2,831)
Cash flows from financing activities		
Repayment of long-term borrowings	(754)	(216)
Acquisition of treasury shares	(1)	(7,011)
Dividends paid	(425)	(815)
Other, net	-	(5)
Net cash provided by (used in) financing activities	(1,180)	(8,048)
Effect of exchange rate change on cash and cash equivalents	(2)	13
Net increase (decrease) in cash and cash equivalents	4,357	2,524
Cash and cash equivalents at beginning of period	7,008	11,366
Cash and cash equivalents at end of the period	11,366	13,891

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on changes in the scope of consolidation or application of the equity method)

During the consolidated fiscal year under review, PT. Reformasi Kerja Solusi was newly established and has been included in the scope of consolidation.

(Notes on segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, and are subject to periodic reviews by the Board of Directors to determine the allocation of management resources and assessment of performance.

The Group operates in two businesses: the Cloud Business and the IT Outsourcing Business. Therefore, the Group uses the "Cloud Business" and the "IT Outsourcing Business" as its two reportable segments.

The "Cloud Business" segment includes cloud services such as Raku Raku Seisan, Raku Raku Meisai, Raku Raku Hambai, Raku Raku Kintai, Raku Raku Jidootai, and Raku Raku Mailmarketing.

The "IT Outsourcing Business" is a business focuses on the dispatch of IT engineers. The business provides advanced technical capabilities by specializing in the areas of system development, infrastructure/networking, machine learning and quality assurance.

2. Methods of calculation of the amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

The methods of accounting for the reported business segments are generally the same as those used for preparation of the consolidated financial statements, and the profit of reportable segments is based on operating profit. Intersegment sales and transfers are based on third-party trading prices. The Group does not allocate assets to business segments, but the depreciation of such assets is allocated to business segments according to reasonable standards based on their use.

3. Information on the amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment  
For the fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment			Adjustment	Amount recorded in consolidated statement of income
	Cloud Business	IT Outsourcing Business	Total		
Net sales					
Sales to external customers	41,862	7,041	48,904	-	48,904
Intersegment sales or transfers	-	18	18	(18)	-
Total	41,862	7,059	48,922	(18)	48,904
Segment profit	9,365	827	10,192	-	10,192
Other items					
Depreciation	770	27	797	-	797
Amortization of goodwill	333	-	333	-	333

For the fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segment			Adjustment	Amount recorded in consolidated statement of income
	Cloud Business	IT Outsourcing Business	Total		
Net sales					
Sales to external customers	51,770	8,516	60,286	-	60,286
Intersegment sales or transfers	-	13	13	(13)	-
Total	51,770	8,529	60,300	(13)	60,286
Segment profit	16,027	1,318	17,345	-	17,345
Other items					
Depreciation	939	18	958	-	958
Amortization of goodwill	305	-	305	-	305

[Related Information]

Fiscal year ended March 31, 2025

1. Information by product and service

This information has been omitted because the same information is disclosed in segment information.

2. Information by region

(1) Net sales

This has been omitted because net sales to external customers in Japan account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This has been omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This has been omitted because there are no external customers whose net sales account for 10% or more of net sales on the consolidated statement of income.

Fiscal year ended March 31, 2026

1. Information by product and service

This information has been omitted because the same information is disclosed in segment information.

2. Information by region

(1) Net sales

This has been omitted because net sales to external customers in Japan account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This has been omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This has been omitted because there are no external customers whose net sales account for 10% or more of net sales on the consolidated statement of income.

[Information on impairment losses on non-current assets by reportable segment]

Not applicable.

[Information on the amount of amortization of goodwill and the unamortized balance by reportable segment]

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment			Total
	Cloud Business	IT Outsourcing Business	Total	
Amount of amortization during current period	333	-	333	333
Balance at end of period	1,363	-	1,363	1,363

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segment			Total
	Cloud Business	IT Outsourcing Business	Total	
Amount of amortization during current period	305	-	305	305
Balance at end of period	1,057	-	1,057	1,057

[Information on gain on bargain purchase by reportable segment]

Not applicable.

(Notes on per share information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	60.65 yen	73.52 yen
Basic earnings per share	22.09 yen	36.91 yen

(Note) 1. The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2025. Net assets per share and basic earnings per share have been calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Diluted earnings per share is not stated as there are no potential shares outstanding.

3. The basis for calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (million yen)	8,003	13,293
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent relating to common shares (million yen)	8,003	13,293
Average number of common shares outstanding during the period (shares)	362,356,229	360,112,185

(Notes on significant subsequent events)

(Sale of shares of a subsidiary resulting in change in scope of consolidation)

The Company resolved on February 13, 2026, to transfer all shares of its consolidated subsidiary, RAKUS Partners Co., Ltd. (hereinafter "RAKUS Partners"), to BREXA Technology Co., Ltd. (hereinafter the "Share Transfer"), and executed the transfer on April 1, 2026. Associated with this Share Transfer, RAKUS Partners has been excluded from the Company's scope of consolidation.

#### 1. Overview of the Share Transfer

(1) Name of the transferee company

BREXA Technology Co., Ltd.

(2) Name and business description of the transferred subsidiary

Name: RAKUS Partners Co., Ltd.

Business Description: IT Outsourcing Business

(3) Main reasons for the transfer of shares

The IT Outsourcing Business, which is the founding business of the Group, has maintained steady performance recently. On the other hand, amidst diluting synergies with the Cloud Business, the Company will focus on improving the operating profit margin with the "Rule of 50" in mind in the next Medium-Term Management Plan, and will set a strategic policy to concentrate management resources on the Cloud Business.

Against this background, the Company determined that pursuing more active investment and growth opportunities under the best owner who positions the IT Outsourcing business as a core business contributes to maximizing the corporate value of RAKUS Partners, and decided to transfer all shares.

(4) Share transfer date

April 1, 2026

(5) Other matters regarding the overview of transactions including legal forms

Share transfer with cash consideration

#### 2. Overview of Accounting Procedures Implemented

(1) Amount of gain or loss on transfer

Gain on sale of shares of subsidiaries and associates 16,685 million yen

(2) The appropriate book values of assets and liabilities related to the transferred subsidiaries and their main components

Current assets	2,381 million yen
<u>Non-current assets</u>	<u>368 million yen</u>
<u>Total assets</u>	<u>2,750 million yen</u>
Current liabilities	1,082 million yen
<u>Non-current liabilities</u>	<u>41 million yen</u>
<u>Total liabilities</u>	<u>1,124 million yen</u>

(3) Accounting treatment

Accounting treatment will be applied in accordance with the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, September 13, 2024).

#### 3. Reportable segments that included the transferred business

IT Outsourcing Business

#### 4. Estimated profit or loss related to the transferred subsidiary recorded in the consolidated statement of income for the fiscal year under review

Net sales 8,516 million yen

Operating profit 1,318 million yen