Translation

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under IFRS)

May 15, 2026

Company name	Net Protections Holdings, Inc.	Listing:	Tokyo Stock Exchange
Securities code:	7383	URL:	https: //corp.netprotections.com/en/
Representative:	Shin Shibata, President and Representative Director		
Contact:	Kazuharu Watanabe, CFO and Director		TEL +81-3-4530-9235

Scheduled date to hold ordinary general meeting of shareholders: June 26, 2026
Scheduled date to file Annual Securities Report: June 26, 2026
Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Note) Amounts less than one million yen are rounded down to the nearest million yen.

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.)

	Total operating revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2026	25,214	9.5	2,848	35.4	2,853	33.4	1,732	28.3	17.44	17.29
March 31, 2025	23,032	10.5	2,103	—	2,139	—	1,350	—	13.86	13.73

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)		Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to total operating revenue
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	%	%	%
March 31, 2026	764,384	19.1	11,984	14.3	4,626	23.5	8.6	3.7	11.3
March 31, 2025	641,950	13.4	10,483	34.5	3,747	261.3	7.3	3.3	9.1

Reference: Share of profit (loss) of investments accounted for using equity method
Fiscal year ended March 31, 2026: – Fiscal year ended March 31, 2025: –

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	85,063	21,077	21,019	24.7	211.06
March 31, 2025	70,848	19,229	19,169	27.1	192.76

(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 the period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	8,971	△1,749	(4,124)	20,216
March 31, 2025	6,567	△1,506	1,209	17,039

2. Cash dividends

	Annual dividends per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (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	–	0.00	0.00	–	–	–
March 31, 2026	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending March 31, 2027 (forecast)	–	0.00	–	0.00	0.00		–	

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

(Percentages indicate year-on-year changes.)

	Total operating revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	13,100	5.6	1,600	3.2	1,550	0.7	1,000	4.6	10.05
Fiscal year	27,800	10.3	3,600	26.4	3,450	20.9	2,190	26.4	22.01

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months	420,000	14.3	6,300	7.1	2,600	7.3
Fiscal year	890,000	16.4	13,600	13.5	5,600	21.0

Note: For the average number of shares outstanding during the period that forms the basis for calculating "Basic earnings per share," the number of shares issued (excluding treasury shares) as of March 31, 2026 is used as a substitute.

[Notes]

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

(2) Changes in accounting policies and changes in accounting estimates
1) Changes in accounting policies required by IFRS: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None

(3) Number of issued shares (common stock)
1) Total number of issued shares at the end of the period (including treasury shares)
As of March 31, 2026: 99,480,999 shares
As of March 31, 2025: 99,306,627 shares
2) Number of treasury shares at the end of the period
As of March 31, 2026: – shares
As of March 31, 2025: – shares
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
Fiscal year ended March 31, 2026: 99,365,906 shares
Fiscal year ended March 31, 2025: 97,429,812 shares

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

* [Proper use of earning forecasts, and other special matters]

(Disclaimer on forward-looking statements)

The earnings forecast and other forward-looking statements contained in this report are based on information currently available to us and certain assumptions that we believe are reasonable. Accordingly, we can give no assurance that they will be achieved. Note that actual results may differ significantly from forecast figures due to a number of factors.

Non-GAAP performance measures

The Company additionally discloses non-GAAP performance measures that are not prescribed by IFRS Accounting Standards, the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Gross profit	Total operating revenue - (Invoicing related expenses + Bad debt related expenses + Other operating revenue + Other payment related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

How to obtain supplementary material on financial results and the details of the financial results briefing

The Company will promptly post the supplementary material on financial results and the details of the financial results briefing on our website (https://corp.netprotections.com/en/ir/) after the briefing.

Contents of Attached Materials

1. Overview of Operating Results, etc. 2
   (1) Operating results 2
   (2) Financial position 4
   (3) Status of cash flows 5
   (4) Forward-looking information 6
2. Basic Policy on the Selection of Accounting Standards 7
3. Consolidated Financial Statements and Major Notes 8
   (1) Consolidated statements of financial position 8
   (2) Consolidated statements of profit or loss and consolidated statements of comprehensive income 9
   (3) Consolidated statements of changes in equity 10
   (4) Consolidated statements of cash flows 11
   (5) Notes to consolidated financial statements 12
      Going concern assumption 12
      Segment information 12
      Per-share information 12
      Trade receivables 13
      Operating expenses 13
      Material subsequent events 14

1. Overview of Operating Results, etc.

(1) Operating results

The operating results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026) were as follows:

(Millions of yen, unless otherwise indicated)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)	Percentage change (%)
Total operating revenue	23,032	25,214	9.5
Operating profit	2,103	2,848	35.4
Profit before income taxes	2,139	2,853	33.4
Profit attributable to owners of parent	1,350	1,732	28.3

Business performance by segment is not presented as the Company and its subsidiaries (collectively, the "Group") operate a single segment, Payment Solutions. The Group, nevertheless, discloses its key performance indicators by line of service to the extent possible as shown below.

	Service category	Service
Services for B2C transactions	B2C Services: NP *Atobarai* and others	NP *Atobarai*, NP *Atobarai air*, *AFTEE*, etc.
	B2C Services: *atone*	*atone*
Service for B2B transactions	B2B Service	NP *Kakebarai*

The key performance indicators are shown as below.

(Millions of yen, unless otherwise indicated)

	Three months ended March 31, 2025	Three months ended March 31, 2026	Percentage change (%)	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Percentage change (%)
GMV (non-GAAP)	163,658	193,557	18.3	641,950	764,384	19.1
B2C Services: NP *Atobarai* and others	84,113	86,973	3.4	353,716	358,425	1.3
B2C Services: *atone*	11,397	17,291	51.7	39,966	62,090	55.4
B2B Service	68,147	89,292	31.0	248,267	343,868	38.5
Total operating revenue	5,755	6,254	8.7	23,032	25,214	9.5
B2C Services: NP *Atobarai* and others	4,052	3,918	(3.3)	16,576	16,496	(0.5)
B2C Services: *atone*	482	852	76.8	1,864	2,977	59.7
B2B Service	1,220	1,483	21.6	4,591	5,740	25.0
-Other operating revenue	163	141	(12.9)	593	624	5.1
Revenue	5,592	6,112	9.3	22,438	24,589	9.6
-Invoicing related expenses (non-GAAP)	1,989	2,056	3.4	8,036	8,210	2.2
-Bad debt related expenses	829	986	18.9	3,478	3,805	9.4
-Other payment related expenses (non-GAAP)	129	178	37.5	440	589	33.8
Gross profit (non-GAAP)	2,643	2,891	9.4	10,483	11,984	14.3
B2C Services: NP *Atobarai* and others	1,870	1,848	(1.2)	7,624	7,956	4.4
B2C Services: *atone*	85	262	206.0	485	878	81.0
B2B Service	687	780	13.5	2,373	3,149	32.7
-SG&A and other operating expenses (non-GAAP)	2,478	2,717	9.7	8,973	9,760	8.8
Operating profit (loss)	328	315	(3.9)	2,103	2,848	35.4
+Depreciation and amortization	419	450	7.4	1,629	1,745	7.1
+Share-based payment expenses	1	0	(19.8)	5	18	240.1
+Loss on disposal of property, plant and equipment	2	1	(39.1)	8	13	60.6
+Impairment losses	-	-	-	-	0	-
-Gain from reversal of impairment losses	-	-	-	-	-	-
EBITDA (non-GAAP)	752	769	2.3	3,747	4,626	23.5

Note: The Company additionally discloses non-GAAP performance measures that are not prescribed by International Financial Reporting Standards (the "IFRS"), the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Invoicing related expenses	Collection expense + Invoicing expense, primarily the amount of expenses incurred per invoice
Other payment related expenses	Other expenses required for providing payment services, including credit screening costs and NP point expenses
Gross profit	Revenue – (Invoicing related expenses + Bad debt related expenses + Other payment related expenses)
SG&A and other operating expenses	Operating expenses – (Invoicing related expenses + Bad debt related expenses + Other payment-related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

Given that the Group serves tens of thousands of merchants, our business structure makes us less dependent on specific merchants, but are susceptible to changes in the e-commerce and payment markets impacted by changes in the macro environment.

Notes on GMV

For the current fiscal year, GMV increased 19.1% year-on-year to 764,384 million yen (up 1.3% to 358,425 million yen for the B2C Services: NP *Atobarai* and others, up 55.4% to 62,090 million yen for the B2C Services: *atone*, and up 38.5% to 343,868 million yen for the B2B Service).

Main factors for the B2C Services: NP *Atobarai* and others are as follows:

・GMV for the NP *Atobarai* decreased due to factors such as a decline in transaction volume at some merchants.

・GMV for the NP *Atobarai air* achieved growth driven by a large merchant that onboarded in the second quarter and nationwide demand for digital transformation (DX) of billing operations.

・GMV for the *AFTEE* grew as the acquisition of new merchants progressed steadily.

Main factors for the B2C Services: *atone* are as follows:

・GMV grew driven by the expansion of transactions at existing merchants.

・The onboarding of new merchants in the e-commerce non-merchandise sector, primarily digital content, contributed to the GMV growth.

Main factors for the B2B Service are as follows:

・GMV continued to grow among existing merchants, led by merchants in the recruitment advertising, spot work, and wholesale sectors.

・Large-scale merchants newly onboarded during the current fiscal year contributed to the GMV growth.

Company-wide GMV exceeded the earnings forecast.

Notes on total operating revenue

For the current fiscal year, total operating revenue increased 9.5% year-on-year to 25,214 million yen (down 0.5% to 16,496 million yen for the B2C Services: NP *Atobarai* and others, up 59.7% to 2,977 million yen for the B2C Services: *atone*, and up 25.0% to 5,740 million yen for the B2B Service).

Main factors for the B2C Services: NP *Atobarai* and others are as follows:

・For NP *Atobarai*, total operating revenue decreased due to a decline in GMV and lower commission rates resulting from intensified competition.

・On the other hand, for NP *Atobarai air* and *AFTEE*, total operating revenue increased due to GMV growth.

Main factors for the B2C Services: *atone* and the B2B Service are as follows:

・In both cases, GMV grew steadily, contributing to the increase in total operating revenue.

The take rate (total operating revenue to GMV) decreased due to factors such as a higher weighting of B2B services with relatively lower commission rates and a decline in the commission rates for NP *Atobarai*.

Company-wide total operating revenue was lower than the earnings forecast.

The main factors were the decrease in GMV for NP *Atobarai* and the decline in the commission rates due to intensified competition.

Notes on gross profit

For the current fiscal year, gross profit increased 14.3% year-on-year to 11,984 million yen (up 4.4% to 7,956 million yen for the B2C Services: NP *Atobarai* and others, up 81.0% to 878 million yen for the B2C Services: *atone*, and up 32.7% to 3,149 million yen for the B2B Service).

Main factors for the B2C Services: NP *Atobarai* and others are as follows:

・For NP *Atobarai*, gross profit increased as a result of a decrease in bad debt related expenses and invoicing related expenses due to an improving trend in collections and earlier collection timing.

・For NP *Atobarai air* and *AFTEE*, operating revenue expanded due to GMV growth, and gross profit also increased.

Main factors for the B2C Services: *atone* and the B2B Service are as follows:

・In both cases, total operating revenue grew steadily due to the expansion of GMV, which also contributed to an increase in gross profit.

The gross profit margin to GMV decreased, impacted by an increase in the composition ratio of B2B services, which have a relatively lower margin.

Note that while our calculation methodology for bad debt related expenses is designed to ensure appropriate levels over the long term, fluctuations may occur on a quarter-on-quarter or year-on-year basis when viewed over shorter periods, irrespective of long-term trends.

Company-wide gross profit exceeded the earnings forecast.

Notes on operating profit and EBITDA

For the current fiscal year, operating profit was 2,848 million yen (up 35.4% year-on-year) and EBITDA was 4,626 million yen (up 23.5% year-on-year). The main factors are as follows:

Operating profit and EBITDA increased in line with the growth in gross profit.

While the absolute amount of SG&A expenses increased year-on-year, the SG&A-to-GMV ratio decreased as a result of GMV growth and improved operational efficiency.

Company-wide operating profit was lower than the earnings forecast.

The main factor was the decrease in the operating revenue rate mentioned above.

(2) Financial position

	As of March 31, 2025	As of March 31, 2026	Change	Percentage change (%)
	Millions of yen	Millions of yen	Millions of yen	%
Total assets	70,848	85,063	14,215	20.1
Total current assets	50,540	64,787	14,247	28.2
Total non-current assets	20,307	20,275	(31)	(0.2)
Total liabilities	51,618	63,986	12,368	24.0
Total current liabilities	46,249	63,867	17,617	38.1
Total non-current liabilities	5,368	119	(5,249)	(97.8)
Total equity	19,229	21,077	1,847	9.6

Current assets as of the end of the current fiscal year increased 14,247 million yen from the end of the previous fiscal year. This was attributable mainly to a 10,884 million yen increase in trade and other receivables due to an increase in transaction volume, as well as a 3,176 million yen increase in cash and cash equivalents.

Non-current assets decreased 31 million yen from the end of the previous fiscal year.

Current liabilities increased 17,617 million yen from the end of the previous fiscal year. This was attributable mainly to a 15,408 million yen increase in trade and other payables due to an increase in transaction volume.

Of the Group's current assets, trade and other receivables (before deduction of allowance for doubtful accounts) of 50,466 million yen represent primarily the receivables from end users who used our payment services. Of the Group's current liabilities, trade and other payables of 54,349 million yen represent primarily the payables to merchants. The Group's trade receivables and payables are well-balanced in the short term, backed by appropriately timed cycles of collection and payment from end users and to merchants, respectively. This implies that the Group has a limited need for raising additional working capital for business expansion. It can therefore be said that it is structurally less susceptible to the impact of rising interest rates.

The factors causing fluctuations in the ending balance vary by service. For B2C services, payments of liabilities to merchants are primarily made on Fridays, so the balance fluctuates depending on which day of the week the last day of the period falls on. In addition, for B2B services, the cycle is such that payments to merchants (40-day terms) follow collections from end users (30-

day terms). As a result, unpaid liabilities to merchants tend to accumulate at the end of the period, and "Trade and other payables" structurally tends to be recorded as a large amount.

Non-current liabilities decreased by 5,249 million yen from the end of the previous fiscal year. This was due mainly to the reclassification of loans scheduled to be repaid within one year from non-current to current liabilities.

(3) Status of cash flows

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities	6,567	8,971	2,404
Cash flows from investing activities	(1,506)	(1,749)	(242)
Cash flows from financing activities	1,209	(4,124)	(5,333)
Effects of exchange rate changes on cash and cash equivalents	(40)	78	119
Net increase (decrease) in cash and cash equivalents	6,229	3,176	(3,052)
Cash and cash equivalents at the beginning of the period	10,810	17,039	6,229
Cash and cash equivalents at the end of the period	17,039	20,216	3,176

Cash and cash equivalents ("net cash") as of March 31, 2026 amounted to 20,216 million yen (compared with 17,039 million yen at the end of the previous fiscal year).

Cash flows from operating activities

Net cash provided by operating activities amounted to 8,971 million yen (compared with 6,567 million yen provided in the previous fiscal year). This is attributable mainly to:

・recording of profit before income taxes (positive 2,853 million yen),
・recording of depreciation, amortization, etc. (positive 1,746 million yen),
・changes in trade and other receivables (negative 10,884 million yen),
・changes in trade and other payables (positive 15,408 million yen),
・changes in other assets and liabilities (positive 1,215 million yen), and
・income taxes paid (negative 1,210 million yen).

Cash flows from investing activities

Net cash used in investing activities amounted to 1,749 million yen (compared with 1,506 million yen used in the previous fiscal year).

This is attributable mainly to:

・Purchase of intangible assets due to investment in system development (negative 1,646 million yen)

Cash flows from financing activities

Net cash used in financing activities amounted to 4,124 million yen (compared with 1,209 million yen provided for the previous fiscal year).

This is attributable mainly to the following factors:

・A net decrease in short-term loans (negative 3,850 million yen)
・Repayments of lease liabilities (negative 286 million yen)

(4) Forward-looking information

For the consolidated financial results forecast for the fiscal year ending March 31, 2027, the Group expects total operating revenue of 27,800 million yen (up 10.3% or 2,585 million yen year-on-year), operating profit of 3,600 million yen (up 26.4% or 751 million yen year-on-year), profit before income taxes of 3,450 million yen (up 20.9% or 596 million yen year-on-year), and profit attributable to owners of parent of 2,190 million yen (up 26.4% or 457 million yen year-on-year). Regarding non-GAAP performance measures, the Group expects GMV of 890,000 million yen (up 16.4% or 125,615 million yen year-on-year), gross profit of 13,600 million yen (up 13.5% or 1,615 million yen year-on-year), and EBITDA of 5,600 million yen (up 21.0% or 973 million yen year-on-year).

The policy for each service is as follows:

For B2C Services: NP *Atobarai* and others, as our core business that contributes the most to profit, we will maintain stable profit generation while focusing on acquiring new merchants by accurately capturing the needs for digital transformation (DX) of billing operations.

For B2C Services: *atone*, as our growth driver, we will strengthen partnerships with payment service providers (PSPs). Through this, we will approach a wide range of businesses with whom we previously had no contact and promote the acquisition of new merchants in non-merchandise sectors.

For B2B Service: NP *Kakebarai*, we will capture the needs for streamlining payment operations against the backdrop of a shrinking labor force and Work-Style Reform. We will develop strategic sales activities centered on collaboration with partner companies and focus on expanding GMV through the acquisition of major merchants.

For details of the earnings forecast, please refer to the "Financial Results Presentation for Q4 and Fiscal Year Ended March 31, 2026" disclosed separately.

2. Basic Policy Regarding Selection of Accounting Standards

The Group applies International Financial Reporting Standards (IFRS) to improve the international comparability and convenience of financial information.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	17,039	20,216
Trade and other receivables	32,810	43,695
Operating loans	180	318
Inventories	28	22
Other current assets	481	528
Other financial assets	-	6
Total current assets	50,540	64,787
Non-current assets		
Property, plant and equipment	686	394
Goodwill	11,608	11,608
Other intangible assets	4,886	5,130
Other financial assets	958	1,059
Deferred tax assets	1,884	1,829
Other non-current assets	282	251
Total non-current assets	20,307	20,275
Total assets	70,848	85,063
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	38,940	54,349
Short-term loans	4,766	5,992
Lease liabilities	262	281
Other current financial liabilities	9	11
Income taxes payable	780	648
Provisions	33	39
Liabilities for employee benefits	556	650
Other current liabilities	899	1,893
Total current liabilities	46,249	63,867
Non-current liabilities		
Long-term loans	4,984	-
Lease liabilities	270	3
Provisions	112	114
Other non-current liabilities	-	1
Total non-current liabilities	5,368	119
Total liabilities	51,618	63,986
Equity		
Share capital	4,213	4,230
Capital surplus	14,275	14,287
Retained earnings	544	2,277
Other components of equity	136	224
Total equity attributable to owners of parent	19,169	21,019
Non-controlling interests	60	57
Total equity	19,229	21,077
Total liabilities and equity	70,848	85,063

(2) Consolidated statements of profit or loss and consolidated statements of comprehensive income

(Consolidated statements of profit or loss)

(Millions of yen)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Revenue	22,438	24,589
Other operating revenue	593	624
Total operating revenue	23,032	25,214
Operating expenses	(20,929)	(22,365)
Operating profit	2,103	2,848
Financial income	129	136
Financial costs	(93)	(131)
Profit before income taxes	2,139	2,853
Income tax expense	(801)	(1,129)
Profit	1,337	1,724
Profit attributable to:		
Owners of parent	1,350	1,732
Non-controlling interests	(12)	(8)
Profit	1,337	1,724
Earnings per share		
Basic earnings per share (yen)	13.86	17.44
Diluted earnings per share (yen)	13.73	17.29

(Consolidated statements of comprehensive income)

(Millions of yen)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Profit	1,337	1,724
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(45)	93
Total of items that may be reclassified to profit or loss	(45)	93
Other comprehensive income, net of tax	(45)	93
Comprehensive income	1,291	1,817
Comprehensive income attributable to:		
Owners of parent	1,307	1,820
Non-controlling interests	(16)	(2)
Comprehensive income	1,291	1,817

(3) Consolidated statements of changes in equity

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

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2024	4,134	14,196	(805)	178	17,704	76	17,780
Profit	-	-	1,350	-	1,350	(12)	1,337
Other comprehensive income	-	-	-	(42)	(42)	(3)	(45)
Total comprehensive income	-	-	1,350	(42)	1,307	(16)	1,291
Issuance of new shares and other shares	76	76	-	-	152	-	152
Share-based payment transactions	2	3	-	-	5	-	5
Total transactions with owners	78	79	-	-	157	-	157
Balance as of March 31, 2025	4,213	14,275	544	136	19,169	60	19,229

Current fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2025	4,213	14,275	544	136	19,169	60	19,229
Profit for the period	-	-	1,732	-	1,732	(8)	1,724
Other comprehensive income	-	-	-	87	87	6	93
Total comprehensive income for the period	-	-	1,732	87	1,820	(2)	1,817
Issuance of new shares and other shares	6	6	-	-	12	-	12
Share-based payment transactions	11	6	-	-	17	-	17
Total transactions with owners	17	12	-	-	29	-	29
Balance as of March 31, 2026	4,230	14,287	2,277	224	21,019	57	21,077

(4) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before tax	2,139	2,853
Depreciation, amortization and impairment losses	1,629	1,746
Share-based payment expenses	5	18
Finance income and finance costs	(35)	(5)
Increase (decrease) in provisions	(23)	6
Loss on disposal of property, plant and equipment	8	13
Decrease (increase) in inventories	(16)	6
Decrease (increase) in trade and other receivables	(3,572)	(10,884)
Decrease (increase) in operating loans	(180)	(138)
Increase (decrease) in trade and other payables	6,714	15,408
Other	356	1,215
Subtotal	7,025	10,241
Interest received	11	44
Interest paid	(64)	(103)
Income taxes paid or refund (paid)	(406)	(1,210)
Cash flows from operating activities	6,567	8,971
Cash flows from investing activities		
Purchase of property, plant and equipment	(63)	(15)
Purchase of intangible assets	(1,484)	(1,646)
Payments for long-term prepaid expenses	(17)	-
Payments of guarantee deposits	(50)	(89)
Proceeds from collection of guarantee deposits	108	2
Cash flows from investing activities	(1,506)	(1,749)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	1,351	(3,850)
Repayments of lease liabilities	(294)	(286)
Proceeds from issuance of shares	152	12
Cash flows from financing activities	1,209	(4,124)
Effects of exchange rate changes on cash and cash equivalents	(40)	78
Net increase (decrease) in cash and cash equivalents	6,229	3,176
Cash and cash equivalents at the beginning of the period	10,810	17,039
Cash and cash equivalents at the end of the period	17,039	20,216

(5) Notes to consolidated financial statements

Going concern assumption

Not applicable.

Segment information, etc.

The Group operates as a single segment, Payment Solutions, and therefore segment information is not presented here.

Per share information

The basis for calculating basic earnings per share is as follows.

(Millions of yen, unless otherwise indicated)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent	1,350	1,732
Profit not attributable to common shareholders of parent	-	-
Profit used to calculate basic earnings per share	1,350	1,732
Average number of common shares during the period (Thousands of shares)	97,429	99,365
Basic earnings per share (yen)	13.86	17.44

The basis for calculating diluted earnings per share is as follows.

(Millions of yen, unless otherwise indicated)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Profit used to calculate basic earnings per share	1,350	1,732
Adjustment to profit	-	-
Profit used to calculate diluted earnings per share	1,350	1,732
Average number of common shares during the period (Thousands of shares)	97,429	99,365
Increase in common shares		
Stock acquisition rights (Thousands of shares)	920	816
Common shares from performance-linked stock compensation (Thousands of shares)	-	18
Diluted weighted average number of common shares (Thousands of shares)	98,350	100,200
Diluted earnings per share (yen)	13.73	17.29

Trade receivables

The breakdown of receivables arising from contracts with customers is as follows.

(Millions of yen)

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Receivables arising from contracts with customers		
Trade receivables	419	510
Other trade receivables	39,004	49,955
Allowance for doubtful accounts	(6,613)	(6,771)
Total	32,810	43,695

Operating expenses

The breakdown of operating expenses is as follows.

(Millions of yen)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Collection expense	6,315	6,440
Invoicing expense	1,720	1,769
Bad debt related expenses (Note)	3,478	3,805
Advertising expenses	604	665
Sales promotion expenses	573	678
Salaries	1,730	1,859
Bonuses and provision for bonuses	408	453
Legal welfare expenses	342	364
Wages	387	362
Recruiting expenses	97	104
Consignment expense	1,055	1,159
Operating and maintenance expenses	803	921
Maintenance cost	135	160
Depreciation, amortization and impairment losses	1,629	1,746
Taxes and dues	422	297
Other	1,221	1,576
Total	20,929	22,365

(Note) "Provision for doubtful accounts," "Bad debt expense," and "Loss on sale of trade receivables," which were listed separately in the previous fiscal year, are presented as a single item under "Bad debt related expenses" from the current fiscal year to clarify expense items with similar characteristics. To reflect this change in presentation, the breakdown of operating expenses for the previous fiscal year has been reclassified. As a result, for the previous fiscal year, "Provision for doubtful accounts" of 344 million yen, "Bad debt expense" of 2,235 million yen, and "Loss on sale of trade receivables" of 898 million yen have been reclassified and presented as "Bad debt related expenses" of 3,478 million yen.

Material subsequent events

Not applicable.