May 8, 2026

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

Company name: MKSystem Corporation
Listing: Tokyo Stock Exchange
Stock code: 3910
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Scheduled date of Annual General Meeting of Shareholders: June 26, 2026
Scheduled date of payment of dividend: June 29, 2026
Scheduled date of filing of Annual Securities Report: June 25, 2026
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2026	3,256	(1.0)	247	–	247	–	256	–
Fiscal year ended Mar. 31, 2025	3,290	24.6	(23)	–	(40)	–	(118)	–

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2026: 257 (–%)
Fiscal year ended Mar. 31, 2025: (117) (–%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2026	47.28	–	32.7	10.5	7.6
Fiscal year ended Mar. 31, 2025	(21.85)	–	(16.1)	(1.7)	(0.7)

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2026: – Fiscal year ended Mar. 31, 2025: –

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	2,276	910	39.6	166.25
As of Mar. 31, 2025	2,440	674	27.3	122.97

Reference: Shareholders' equity (million yen) As of Mar. 31, 2026: 902 As of Mar. 31, 2025: 667

(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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2026	711	(181)	(385)	751
Fiscal year ended Mar. 31, 2025	276	(234)	(147)	606

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2025	–	0.00	–	4.00	4.00	21	(18.3)	3.0
Fiscal year ended Mar. 31, 2026	–	0.00	–	8.00	8.00	43	16.9	5.6
Fiscal year ending Mar. 31, 2027 (forecast)	–	0.00	–	8.00	8.00		22.6	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,300	1.3	270	8.9	260	5.1	192	(25.2)	35.37

*** Notes**

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

(2) Changes in accounting policies and accounting-based 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-based estimates: None
4) Restatements: None

(3) Number of issued shares (common stock)

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

As of Mar. 31, 2026: 5,428,000 shares As of Mar. 31, 2025: 5,428,000 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2026: 506 shares As of Mar. 31, 2025: 506 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2026: 5,427,494 shares Fiscal year ended Mar. 31, 2025: 5,427,494 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2026	2,419	1.0	220	–	230	697.1	259	–
Fiscal year ended Mar. 31, 2025	2,395	17.4	(65)	–	33	–	(26)	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Mar. 31, 2026	47.77	–
Fiscal year ended Mar. 31, 2025	(4.88)	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	2,297	1,177	51.2	216.98
As of Mar. 31, 2025	2,418	940	38.9	173.21

Reference: Shareholders' equity (million yen) As of Mar. 31, 2026: 1,177 As of Mar. 31, 2025: 940

* 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 this report are based on assumptions judged to be valid and information available to the MKSystem's management at the time the materials were prepared but are not promises by MKSystem regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

Contents of Attachments

1. Overview of Results of Operations, Etc. 2
(1) Results of Operations 2
(2) Financial Position 4
(3) Cash Flows 4
(4) Outlook 5

2. Basic Approach to the Selection of Accounting Standards 5

3. Consolidated Financial Statements and Notes 6
(1) Consolidated Balance Sheet 6
(2) Consolidated Statements of Income and Comprehensive Income 8
Consolidated Statement of Income 8
Consolidated Statement of Comprehensive Income 9
(3) Consolidated Statement of Changes in Equity 10
(4) Consolidated Statement of Cash Flows 11
(5) Notes to Consolidated Financial Statements 12
Going Concern Assumption 12
Segment and Other Information 12
Per Share Information 13
Subsequent Events 13

1. Overview of Results of Operations, Etc.

(1) Results of Operations

During the fiscal year ended March 31, 2026 (hereinafter "the current fiscal year"), the Japanese economy recovered gradually, supported by a pickup in personal consumption and capital investment, despite the lingering impact of U.S. trade policy. Corporate profits showed signs of improvement, and demand for capital investment also recovered, supported by solid corporate earnings and labor-saving investments. Meanwhile, close attention should continue to be paid to future price trends, tensions in the Middle East, and fluctuations in financial capital markets.

In the information service industry, MKSystem Corporation and its group companies are working to digitize systems that support labor management tasks such as payroll processing, attendance management, and social insurance procedures. This advancement in digitization is supported by the growing adoption of cloud services and Software as a Service (SaaS). While the use of generative AI and RPA is expanding automation in electronic application processing and form creation, demands for compliance with legal revisions and personal information protection are also increasing. In this environment, service providers are required to offer flexible, scalable services that streamline labor and social security attorney operations and corporate labor management while ensuring accuracy and compliance.

Under such circumstances, the Group worked to ensure stable provision of Shalom series, our flagship product, while promoting upsells to higher-tier plans tailored to customers' needs, proposing related products, and providing ongoing support to existing customers. In addition, the Group actively held various seminars featuring customer case studies to deepen understanding of its products and communicate the benefits of their introduction, thereby supporting customers in improving the efficiency of labor management operations and enhancing operational quality.

As a result, for the current fiscal year, the Group reported net sales of 3,256 million yen (down 1.0% year on year), gross profit of 1,472 million yen (up 16.6% year on year), operating profit of 247 million yen (compared with operating loss of 23 million yen for the previous fiscal year), ordinary profit of 247 million yen (compared with ordinary loss of 40 million yen for the previous fiscal year), and profit attributable to owners of parent of 256 million yen (compared with loss attributable to owners of parent of 118 million yen for the previous fiscal year). In addition, the return on equity (ROE), one of the KPIs for the Group, was at 32.7% (compared with minus 16.1% for the previous fiscal year) on a consolidated basis and 24.5% (compared with minus 2.7% for the previous fiscal year) on a non-consolidated basis. The Group will continue to work toward stabilizing its earnings base and strengthening its financial structure, while prioritizing medium- to long-term growth investments.

During the current fiscal year, operating profit, ordinary profit, and profit attributable to owners of parent turned to a surplus as a result of measures to improve the revenue structure, such as cost reductions and reviewing outsourcing expenses. On the other hand, although consolidated net sales fell below the previous fiscal year due to the reversal of special demand in the CuBe business in the previous fiscal year, the results were mostly in line with the previous fiscal year. In addition, operating profit was at a high level compared with past fiscal years, indicating an improvement in the revenue structure.

Results by business segment were as follows.

The Shalom Business

We provide business software to support labor and social security attorney offices, labor insurance administration associations, and general corporations by facilitating their operations and processes for the social security insurance, labor insurance, and payroll calculation in our Shalom business. Our mainstay products include the following cloud services: Shalom series as our flagship product, MYNABOX series as a My Number management system, and eNEN as a web-based year-end adjustment filing system.

A growing number of companies as well as labor and social security attorney offices are more interested in introducing relevant systems, amid an increasing need for operational efficiency following the work-style reforms including teleworking. At the same time, the market environment remains severe, anticipating intensified price competition with succession of active entries of competitors in the market.

Under such difficult circumstances, the business recorded stable operating profit throughout the current fiscal year owing to the successful containment of server and support costs on top of the stable operation of Shalom series, our flagship product, and the return to profitability in the fourth quarter of the previous fiscal year. Also, the business made investments to ensure stable system operations and improve customer convenience, such as opening the Shalom Security & AI Support Office on the second floor of the head-office building in March.

As a result, net sales of the segment amounted to 2,419 million yen (up 1.5% year on year), of which the ASP services under the subscription model amounted to 2,264 million yen (up 2.0%), and the system construction services amounted to 87 million yen (up 10.9% year on year). The segment recorded operating profit of 231 million yen (compared with operating loss of 68 million yen for the previous fiscal year). The ratio of operating profit (loss) to net sales, one of the KPIs for the Group, came in at 9.6% (compared with minus 2.9% for the previous fiscal year).

The CuBe Business

We have been engaged in the contracted development of individually customized front-end systems for the personnel and general affairs divisions of large companies to improve their business processes. The CuBe Business also provides cloud services, GooooN, which focuses on the convenience to small- and medium- sized companies by leveraging our know-how gained through the contracted development of systems for large companies.

In the CuBe business, although net sales decreased due to reversal of special demand in the previous fiscal year, orders for new projects by large companies and local governments remained solid. Although there was an impact of loss caused by certain projects in the first quarter, operating profit was recorded for the full year as the profit structure was concentrated in the fourth quarter.

As a result, the segment recorded net sales of 836 million yen (down 7.8% year on year) and operating profit of 16 million yen (down 63.2% year on year). Operating profit of the CuBe Business reflects the deduction of amortization of goodwill of 38 million yen.

- Sales and composition by segment

		Amount (Millions of yen)	Composition (%)
Shalom Business		2,419	74.3
	Cloud service	2,351	72.2
	System product sale	67	2.1
CuBe Business		836	25.7
Total		3,256	100.0

- Explanation of differences between earnings forecasts and actual results

The following differences occurred between the earnings forecasts announced on May 7, 2025 and the actual results.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	3,200	150	140	97	17.87
Results (B)	3,256	247	247	256	47.28
Difference (B−A)	56	97	107	159	–
Difference (%)	1.8%	65.3%	76.7%	164.5%	–
(Reference) Previous fiscal year results (FY3/25)	3,290	(23)	(40)	(118)	(21.85)

Major factors for the differences

- Reduction in outsourcing processing expenses and IDC-related expenses in cost of sales, as well as outsourcing expenses in selling, general and administrative expenses
- In consideration of the Company’s return to profitability during the current fiscal year, deferred tax assets were recognized

(2) Financial Position

Assets

The balance of current assets at the end of the current fiscal year decreased 16 million yen from the end of the previous fiscal year to 1,496 million yen. This was mainly due to an increase of 144 million yen in cash and deposits and a decrease of 135 million yen in accounts receivable-trade.

The balance of non-current assets decreased 147 million yen from the end of the previous fiscal year to 780 million yen. This was mainly due to a decrease of 135 million yen in software and an increase of 61 million yen in deferred tax assets.

As a result, the balance of total assets decreased 164 million yen from the end of the previous fiscal year to 2,276 million yen.

Liabilities

The balance of current liabilities at the end of the current fiscal year decreased 91 million yen from the end of the previous fiscal year to 1,118 million yen. This was mainly due to decreases of 49 million yen in current portion of long-term borrowings, 30 million yen in accounts payable-trade, and an increase of 30 million yen in income taxes payable.

The balance of non-current liabilities decreased 309 million yen from the end of the previous fiscal year to 247 million yen. This was mainly due to a decrease of 313 million yen in long-term borrowings.

As a result, the balance of total liabilities decreased 400 million yen from the end of the previous fiscal year to 1,366 million yen.

Net assets

The balance of shareholders' equity at the end of the current fiscal year increased 234 million yen from the end of the previous fiscal year to 902 million yen. This was mainly due to an increase of 234 million yen in retained earnings.

As a result, the balance of net assets increased 235 million yen from the end of the previous fiscal year to 910 million yen.

(3) Cash Flows

The balance of cash and cash equivalents (hereinafter "net cash") at the end of the current fiscal year increased 144 million yen from the end of the previous fiscal year to 751 million yen. The details of cash flows during the current fiscal year from each activity and the major components of changes are as follows.

Cash flows from operating activities

Net cash provided by operating activities was 711 million yen. Major positive factors include depreciation of 354 million yen, profit before income taxes of 247 million yen, and a decrease in trade receivables of 135 million yen. Major negative factors include decreases in trade payables of 30 million yen and accrued consumption taxes of 20 million yen.

Cash flows from investing activities

Net cash used in investing activities was 181 million yen. Major negative factors include purchase of intangible assets of 163 million yen and payments of leasehold and guarantee deposits of 11 million yen.

Cash flows from financing activities

Net cash used in financing activities was 385 million yen. Major negative factors include repayments of long-term borrowings of 363 million yen and dividends paid of 21 million yen.

(4) Outlook

The Group's medium- to long-term vision is to build a stable growth model. The Group aims to expand its business scale and improve profitability by providing products and services offered through each of its businesses to more people over a longer period of time, and, as one of its key initiatives to achieve this, will promote the advancement of our products and services through the use of AI and the transformation of its business processes.

In the businesses for labor and social security attorney offices in the Shalom Business, amid labor shortage and increasing workload, much of the time in labor and social security attorney operations is spent on preparatory tasks preceding higher value-added decision-making work, resulting in structural challenges in securing sufficient time for value-added operations. As announced at the Labor and Social Security Attorney Summit 2026 held on March 11 of the current fiscal year, the Company will promote investment in AI Shalom as part of its initiatives to strengthen medium- to long-term competitiveness, in order to move away from such business processes, and will advance its development in stages.

In the CuBe Business, we will be actively approaching potential customers through various channels, such as cooperation with social security attorneys and partner companies, with the aim of expanding the market for our cloud service GooooN. As for the contracted developments, we will be endeavoring to get them to make a stable contribution to revenue not only by continually developing and receiving new projects, but also by steadily carrying out improvement and maintenance work.

As a result of these efforts, for the outlook for the fiscal year ending March 31, 2027, we forecast net sales of 3,300 million yen, operating profit of 270 million yen, ordinary profit of 260 million yen, and profit attributable to owners of parent of 192 million yen.

2. Basic Approach to the Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with accounting principles generally accepted in Japan. This decision was made in consideration primarily of burdens for developing a system to prepare the consolidated financial statements in accordance with International Financial Reporting Standards.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	606,324	751,186
Accounts receivable-trade	811,363	675,502
Merchandise	4,283	9,766
Work in process	46,651	12,087
Supplies	560	506
Prepaid expenses	41,998	46,021
Other	1,970	1,643
Allowance for doubtful accounts	(158)	(441)
Total current assets	1,512,994	1,496,273
Non-current assets		
Property, plant and equipment		
Buildings, net	95,315	87,722
Vehicles, net	0	0
Tools, furniture and fixtures, net	22,400	15,117
Total property, plant and equipment	117,716	102,840
Intangible assets		
Software	553,913	418,252
Software in progress	30,444	–
Trademark right	395	181
Telephone subscription right	1,218	1,218
Goodwill	58,233	19,411
Total intangible assets	644,205	439,063
Investments and other assets		
Investments in capital	70	70
Guarantee deposits	156,859	168,221
Deferred tax assets	6,060	67,406
Other	3,049	2,713
Total investments and other assets	166,039	238,411
Total non-current assets	927,961	780,315
Total assets	2,440,956	2,276,588

(Thousands of yen)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	121,273	90,442
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	363,624	313,669
Accounts payable-other	124,561	113,572
Accrued expenses	15,178	16,054
Income taxes payable	20,364	50,723
Accrued consumption taxes	81,276	60,417
Advances received	100,588	92,039
Provision for bonuses	70,211	74,363
Other	13,000	7,667
Total current liabilities	1,210,080	1,118,949
Non-current liabilities		
Long-term borrowings	539,670	226,001
Retirement benefit liability	16,733	21,324
Total non-current liabilities	556,403	247,325
Total liabilities	1,766,483	1,366,274
Net assets		
Shareholders' equity		
Share capital	219,110	219,110
Capital surplus	202,122	202,122
Retained earnings	246,695	481,591
Treasury shares	(499)	(499)
Total shareholders' equity	667,428	902,325
Non-controlling interests	7,043	7,988
Total net assets	674,472	910,313
Total liabilities and net assets	2,440,956	2,276,588

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net sales	3,290,195	3,256,095
Cost of sales	2,027,533	1,783,664
Gross profit	1,262,661	1,472,431
Selling, general and administrative expenses	1,286,144	1,224,456
Operating profit (loss)	(23,482)	247,975
Non-operating income		
Interest income	306	1,283
Dividend income	1	1
Rental income	40,092	43,826
Outsourcing service income	3,600	3,600
Other	3,122	6,359
Total non-operating income	47,121	55,070
Non-operating expenses		
Interest expenses	10,620	12,226
Rental costs	36,240	39,974
Cancellation penalty	6,280	–
Miscellaneous losses	9,429	–
Other	1,785	3,495
Total non-operating expenses	64,355	55,695
Ordinary profit (loss)	(40,715)	247,350
Extraordinary losses		
Loss on retirement of non-current assets	213	27
Non-recurring loss	38,537	–
Loss on valuation of inventories	17,620	–
Total extraordinary losses	56,371	27
Profit (loss) before income taxes	(97,087)	247,322
Income taxes-current	19,997	51,117
Income taxes-deferred	329	(61,346)
Total income taxes	20,326	(10,228)
Profit (loss)	(117,414)	257,551
Profit attributable to non-controlling interests	1,153	944
Profit (loss) attributable to owners of parent	(118,568)	256,606

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Profit (loss)	(117,414)	257,551
Comprehensive income	(117,414)	257,551
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(118,568)	256,606
Comprehensive income attributable to non-controlling interests	1,153	944

(3) Consolidated Statement of Changes in Equity

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Thousands of yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	219,110	202,122	386,973	(499)	807,706	8,436	816,143
Changes during period							
Dividends of surplus			(21,710)		(21,710)		(21,710)
Profit (loss) attributable to owners of parent			(118,568)		(118,568)		(118,568)
Net changes in items other than shareholders' equity						(1,392)	(1,392)
Total changes during period	–	–	(140,278)	–	(140,278)	(1,392)	(141,670)
Balance at end of period	219,110	202,122	246,695	(499)	667,428	7,043	674,472

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(Thousands of yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	219,110	202,122	246,695	(499)	667,428	7,043	674,472
Changes during period							
Dividends of surplus			(21,709)		(21,709)		(21,709)
Profit attributable to owners of parent			256,606		256,606		256,606
Net changes in items other than shareholders' equity						944	944
Total changes during period	–	–	234,896	–	234,896	944	235,841
Balance at end of period	219,110	202,122	481,591	(499)	902,325	7,988	910,313

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Cash flows from operating activities		
Profit (loss) before income taxes	(97,087)	247,322
Depreciation	372,302	354,837
Amortization of goodwill	38,822	38,822
Increase (decrease) in retirement benefit liability	7,045	4,590
Increase (decrease) in provision for bonuses	7,042	4,151
Increase (decrease) in allowance for doubtful accounts	158	283
Interest and dividend income	(307)	(1,284)
Interest expenses	10,620	12,226
Loss on valuation of inventories	17,620	–
Loss on retirement of non-current assets	213	27
Decrease (increase) in trade receivables	(246,693)	135,861
Decrease (increase) in inventories	30,669	29,134
Increase (decrease) in trade payables	58,590	(30,831)
Increase (decrease) in accrued consumption taxes	87,205	(20,858)
Increase (decrease) in accounts payable-other	16,547	(14,442)
Other, net	7,135	(16,544)
Subtotal	309,885	743,295
Interest and dividends received	307	1,284
Interest paid	(10,620)	(12,226)
Income taxes paid	(23,498)	(20,644)
Net cash provided by (used in) operating activities	276,073	711,709
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,269)	(7,090)
Purchase of intangible assets	(222,252)	(163,124)
Payments of leasehold and guarantee deposits	(162)	(11,635)
Proceeds from refund of leasehold and guarantee deposits	539	273
Net cash provided by (used in) investing activities	(234,144)	(181,576)
Cash flows from financing activities		
Proceeds from long-term borrowings	200,000	–
Repayments of long-term borrowings	(323,193)	(363,624)
Dividends paid	(21,645)	(21,646)
Dividends paid to non-controlling interests	(2,546)	–
Net cash provided by (used in) financing activities	(147,384)	(385,270)
Net increase (decrease) in cash and cash equivalents	(105,455)	144,861
Cash and cash equivalents at beginning of period	711,780	606,324
Cash and cash equivalents at end of period	606,324	751,186

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment and Other Information

Segment information

1. Overview of reportable segment

(1) Method of determining the reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group consists of business segments sorted by merchandise, products, and services based on MKSystem and its consolidated subsidiaries. The Group has two reportable segments: Shalom Business and CuBe Business.

(2) Products and services by each reportable segment

The Shalom Business segment provides software to support the business processes associated primarily with social insurance and labor insurance as an application service provider (ASP).

The CuBe Business segment provides consultation services focused on the business processes to the human resources and general affairs divisions of companies to customize, develop, and provide front-end systems that help enhance efficiency of operations for each customer.

2. Method of calculating net sales, profit/loss, assets, liabilities, and other items by reportable segment

The accounting treatment methods for reportable business segments are generally the same as those listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Inventories are evaluated by the amount after written down to reflect the effect of lower profit margins. Profits for reportable segments are generally operating profit figures. Profits on and transfer amounts of inter-segment transactions within the Group are based on current market prices.

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

FY3/25 (Apr. 1, 2024–Mar. 31, 2025) (Thousands of yen)

	Reportable segment			Adjustment (Note)	Amounts recorded in consolidated financial statements
	Shalom Business	CuBe Business	Total		
Net sales					
External sales	2,382,318	907,876	3,290,195	–	3,290,195
Inter-segment sales and transfers	13,216	9,967	23,184	(23,184)	–
Total	2,395,534	917,844	3,313,379	(23,184)	3,290,195
Segment profit (loss)	(65,188)	30,266	(34,921)	11,438	(23,482)
Segment assets	1,764,487	690,940	2,455,427	(14,471)	2,440,956
Other items					
Depreciation	347,341	24,961	372,302	–	372,302
Amortization of goodwill	–	38,822	38,822	–	38,822
Increase in property, plant and equipment and intangible assets	411,004	20,607	431,612	–	431,612

Notes: 1. The adjustment to segment profit is the elimination of inter-segment transactions.
2. The adjustment of segment assets is the elimination of inter-segment receivables and payables.
3. Segment profit is adjusted to be consistent with operating profit presented on the consolidated statement of income.

FY3/26 (Apr. 1, 2025–Mar. 31, 2026) (Thousands of yen)

	Reportable segment			Adjustment (Note)	Amounts recorded in consolidated financial statements
	Shalom Business	CuBe Business	Total		
Net sales					
External sales	2,419,155	836,940	3,256,095	–	3,256,095
Inter-segment sales and transfers	172	10,922	11,094	(11,094)	–
Total	2,419,327	847,863	3,267,190	(11,094)	3,256,095
Segment profit	220,781	17,014	237,795	10,179	247,975
Segment assets	1,644,209	633,544	2,277,753	(1,165)	2,276,588
Other items					
Depreciation	327,094	27,742	354,837	–	354,837
Amortization of goodwill	–	38,822	38,822	–	38,822
Increase in property, plant and equipment and intangible assets	151,843	52,269	204,113	–	204,113

Notes: 1. The adjustment to segment profit is the elimination of inter-segment transactions.
2. The adjustment of segment assets is the elimination of inter-segment receivables and payables.
3. Segment profit is adjusted to be consistent with operating profit presented on the consolidated statement of income.

Per Share Information

(Yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net assets per share	122.97	166.25
Basic earnings (loss) per share	(21.85)	47.28

Notes: 1. Diluted earnings (loss) per share is not presented since MKSystem had no dilutive potential shares.
2. The basis of calculating basic earnings (loss) per share is as follows:

(Thousands of yen unless otherwise stated)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Profit (loss) attributable to owners of parent	(118,568)	256,606
Amounts not available to common shareholders	–	–
Profit (loss) attributable to owners of parent available to common stock	(118,568)	256,606
Average number of shares of common stock during the period (Shares)	5,427,494	5,427,494

3. The basis of calculating basic net assets per share is as follows:

(Thousands of yen unless otherwise stated)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Total net assets	674,472	910,313
Deduction on total net assets	7,043	7,988
[of which non-controlling interests]	[7,043]	[7,988]
Net assets applicable to common stock	667,428	902,325
Number of shares of common stock at the fiscal year end used in calculation of net assets per share (Shares)	5,427,494	5,427,494

Subsequent Events

Not applicable.

This financial report is solely a translation of MKSystem's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.