1. Business Highlights for the 41st Business Period (Fiscal Year Ended March 31, 2025)

(1) Overview of Consolidated Results of Operations for the Fiscal Year under Review

During the fiscal year ended March 31, 2025 (the "fiscal year under review"), the Japanese economy was said to be on a moderate recovery trend, amid an improved employment and income environment. Meanwhile, due to the instability of the financial markets, in addition to soaring raw material and energy prices driven by such factors as the tension in the Middle East and the prolonged situation in Ukraine, the economic outlook continues to be uncertain. There have also been increasing concerns about the future of the global economy due to U.S. policy developments, including tariff measures imposed on other countries by the Trump administration.

In the Information Infrastructure Business, as cyber-attacks primarily of large companies become more frequent, the attack methods become more sophisticated and elaborate, and legal regulations and corporate governance are strengthened, cybersecurity measures are considered management issues. As a result, the demand for cybersecurity products and services has continued to grow. Under these circumstances, in the Information Infrastructure Business, the Company's core business, we saw strong demand continuing for cloud-based security measure products. Integrated security monitoring services provided by the Company were also robust, proving that its value-added strategies are making progress. Furthermore, with the aim of expanding the business in overseas market, the Company acquired all shares of Firmus Sdn. Bhd., Malaysia's largest cybersecurity company, and made it a wholly owned subsidiary.

In the Application Services Business, business has remained strong in the CRM field thanks to collaboration with a major system integrator and telemarketing vendor. Additionally, business has been steadily increasing through subscription-based products. Furthermore, the Company has been working to expand solutions that utilize generative AI technology, having established a foothold in the form of the capital and business alliance agreement with Mobilus Corporation concluded in the previous fiscal year. In the Software Quality Assurance field, demand remained robust for testing tools used to ensure the quality of enterprise systems and embedded software. In particular, with the further application of IT in automobiles, there was a strong demand for improvement in the quality of embedded software such as in-vehicle software, and orders continued to be favorable. In the Business Solutions field, the accumulation of projects including bidding projects has slowed down and we are continuing to focus on accumulating orders. In the EdTech field, we are constantly receiving inquiries, resulting in a steady increase in the number of new adoptions of our platform by both private and public schools. Moreover, the Company's fully-cloud based school administration support system, "tsumugino," has been officially adopted as "Benesse School Admin Cloud," the school administration support system to be offered to high schools by Benesse Corporation. The Company will continue to expand its business by strengthening the cooperation with Benesse.

In the Medical Systems Business, the new PSP Corporation ("PSP"), which was started on April 1, 2022, has been working to unify our customer base and integrate our products and services, as well as promoting the shift of PACS (medical imaging management) to recurring revenue business models. PSP has also formed a capital and business alliance with Medmain Inc. to promote the digital pathology-related business and has started to offer solutions in the pathology field. In addition, PSP has made REGULUS Inc., which is engaged in business in the medical imaging field, a wholly owned subsidiary.

As a result of the above, consolidated revenue for the year ended March 31, 2025 was ¥64,882 million, a year-on-year increase of ¥11,578 million (21.7%), achieving a record high. Gross profit amounted to ¥20,554 million, a year-on-year increase of ¥2,351 million (12.9%). Selling, general and administrative expenses were ¥13,561 million, a year-on-year increase of ¥1,251 million (10.2%), mainly due to increases in personnel expenses. As a result, operating profit came to ¥6,668 million, a year-on-year increase of ¥818 million (14.0%).

Consequently, profit before tax was ¥6,424 million, a year-on-year increase of ¥569 million (9.7%), and profit attributable to owners of parent was ¥4,060 million, a year-on-year increase of ¥520 million (14.7%).

Results by operating segment were as follows:

1) Information Infrastructure Business

Results of the Information Infrastructure Business for the fiscal year ended March 31, 2025 were strong thanks to orders for new projects, due to large orders for subscription-based cloud cybersecurity measure products and on-premise cybersecurity products. Additionally, there was a steady accumulation of renewal orders including multi-year contracts. Revenue steadily increased thanks to the abundant order backlog accumulated in the previous fiscal year, orders for new projects, and sales of on-premise products. Operating profit increased compared to the previous fiscal year. This was because the growth of the business covered the impact of factors such as the further weakening of the yen and increased headcount and selling, general and administrative expenses. By product, in addition to cloud-based security measure products, other cybersecurity measure products, including e-mail security products designed to protect against attacks that use e-mail as an entry point for ransomware, a security awareness training solution, and solutions to visualize vulnerabilities inherent in companies and organizations, are increasingly adopted as they gain recognition. Furthermore, Firmus Sdn. Bhd., which became a wholly-owned subsidiary in November 2024, and two other subsidiaries became consolidated subsidiaries from the third quarter ended on December 31, 2024.

At CROSS HEAD, orders received, revenue, and operating profit increased significantly compared to the previous fiscal year, due in part to receiving orders for large projects involving storage solution products.

At OCH Co., Ltd., orders received significantly exceeded the previous fiscal year results, while revenue and operating profit both fell short of the previous fiscal years. This is mainly due to the decrease in sales by major distributors of new-model UTM (Unified Threat Management) product (SG-ONE) geared to small and medium-sized businesses. The Company is currently working to strengthen sales of new distributors.

As a result, the business achieved record high revenue and operating profit, with revenue of ¥45,585 million, a year-on-year increase of ¥10,579 million (30.2%), and operating profit of ¥5,273 million, a year-on-year increase of ¥1,300 million (32.7%).

2) Application Services Business

Results of the Application Services Business for the fiscal year under review exceeded those for the previous fiscal year for orders received and revenue, while operating profit fell short of the previous fiscal year result.

In the CRM field, orders received, revenue, and operating profit all significantly exceeded those of the previous fiscal year. Revenue increased thanks to the accumulated sales of subscription-based services.

In the Software Quality Assurance field, strong demand continued for testing tools for in-vehicle software. In addition, orders received, revenue, and operating profit significantly exceeded those of the previous fiscal year, thanks to the accumulated sales of subscription-based services.

In the Business Solutions field, orders received, revenue, and operating profit fell short of the previous fiscal year, due to slowdown in accumulation of orders including bidding projects. At ARECCIA Fintech Corp., orders received, revenue, and operating profit exceeded the levels of the previous fiscal year. Going forward, we will expand the financial systems-related business, which was spun off in the business reorganization of July 2023. At CASAREAL, Inc., orders received exceeded the levels of the previous fiscal year. Meanwhile, revenue and operating profit fell short of that of the previous fiscal year, due to poor performance in the education business such as IT training and the deterioration of profitability.

In the new EdTech field, our school communication platform is being adopted by national and other public schools, in addition to private advanced schools. Furthermore, in conjunction with this service, we are working on a project to offer cloud services to support administrative affairs at the schools that have adopted our school communication platforms, and as a result, both orders received and revenue exceeded the levels of the previous fiscal year. The deficit in operating profit grew from the initial budget due to continuing investments in product development, marketing, and increasing sales and engineering staff. In the fourth quarter ended March 31, 2025, the Company recorded an impairment loss of approximately ¥333 million on fixed assets related to product development, etc.

As a result, revenue of the business amounted to ¥9,177 million, a year-on-year increase of ¥972 million (11.8%), posting a record high, while operating profit amounted to ¥141 million, a year-on-year decrease of ¥175 million (55.4%).

3) Medical Systems Business

For the fiscal year under review, the Medical Systems Business saw continued strong orders for "NOBORI," a cloud service for medical information, and the cumulative number of contracting facilities increased. We have also secured orders for the renewal of service agreements with existing users and orders received have exceeded the levels of the previous fiscal year. Revenue was on the same level as the previous fiscal year due to the impact of the shift to cloud-based medical imaging management (PACS), among others. Operating profit decreased compared to the previous fiscal year due to the shift to cloud-based PACS, the increase in personnel for the expansion of business, and aggressive investments into development, which had all been incorporated into the initial plan. The rising cost of public cloud storage for medical data also had a significant impact. Meanwhile, upfront investments are continuing in projects such as the development of PHR (Personal Health Record) services targeted at general patients and the joint development with medical institutions, AI venture companies, and external partners to launch new businesses, and they have achieved strong results.

At Ichigo LLC, our medical-related consolidated subsidiary, orders received, revenue, and operating profit significantly exceeded the levels of the previous fiscal year, as a result of winning contracts for large projects.

At A-Line Co., another medical-related consolidated subsidiary, orders for MINCADI, a radiation dose management system, have been increasing as medical institutions are increasingly willing to invest in safety management systems for medical radiation, resulting in a steady increase in revenue and a significant reduction in operating loss.

As a result, revenue of the business amounted to ¥10,119 million, a year-on-year increase of ¥26 million (0.3%), while operating profit amounted to ¥1,253 million, a year-on-year decrease of ¥306 million (19.7%).

(2) Overview of Consolidated Financial Position for the Fiscal Year under Review

(Overview of Consolidated Financial Position for the Fiscal Year under Review)

Current assets increased ¥14,984 million (21.3%) from March 31, 2024 to ¥85,446 million as of March 31, 2025. The principal factor in this change was an increase of ¥10,897 million in advance payments to suppliers. Non-current assets stood at ¥19,994 million, an increase of ¥4,700 million (30.7%) from March 31, 2024. The principal factor in this change was a ¥3,920 million increase in goodwill due to the acquisition of Firmus Sdn. Bhd. As a result, total assets amounted to ¥105,441 million, an increase of ¥19,685 million (23.0%) from March 31, 2024.

Current liabilities stood at ¥67,449 million, an increase of ¥15,801 million (30.6%) from March 31, 2024. The principal factor in this change was an increase of ¥15,437 million in contract liabilities. Non-current liabilities stood at ¥7,995 million, a ¥930 million (13.2%) increase from March 31, 2024. The principal factor in this change was a ¥1,650 million increase in borrowings. As a result, total liabilities amounted to ¥75,444 million, an increase of ¥16,731 million (28.5%) from March 31, 2024.

Total equity was ¥29,996 million, an increase of ¥2,953 million (10.9%) from March 31, 2024. The principal factor in this change was an increase of ¥2,875 million in retained earnings. As a result, the ratio of equity attributable to owners of parent to total assets was 23.0%.

(Basic Principle of Profit Distribution and Dividends for Current and Next Period)

As part of its efforts to increase shareholder value, the Company positions the return of profits to shareholders as an important management task. The basic principle of profit distribution is to make decisions by comprehensively determining the balance between returns to shareholders and maintaining sufficient internal reserves. The basic principle of the dividend policy is to have a consolidated payout ratio of at least 30% of the fiscal year’s earnings. Based on these policies, for the fiscal year ended March 31, 2025, it was resolved at the Board of Directors meeting held on May 9, 2024, that the Company will pay an interim dividend of ¥10 per share and a year-end dividend of ¥20 per share (for an annual dividend of ¥30 per share). However, for the fiscal year under review, the Company paid an interim dividend of ¥12 per share, and it was resolved at the Board of Directors meeting held on May 9, 2025, that the Company will pay a year-end dividend of ¥22 per share, for an annual dividend of ¥34 per share.

In the fiscal year ending March 31, 2026, the Company plans to pay an interim dividend of ¥13 per share, and a year-end dividend of ¥23 per share, for an annual dividend of ¥36 per share.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review amounted to ¥27,325 million, an increase of ¥59 million (0.2%) from March 31, 2024. Cash flows in each area of activity for the fiscal year under review are as follows.

(Cash Flows from Operating Activities)
Net cash provided by operating activities for the fiscal year under review was ¥6,836 million, a year-on-year decrease of ¥2,145 million (23.9%). This was primarily due to an increase in advance payments to suppliers.

(Cash Flows from Investing Activities)
Net cash used in investing activities for the fiscal year under review was ¥5,955 million, a year-on-year increase of ¥4,017 million (207.3%). This was primarily due to payments for acquisition of shares in subsidiaries.

(Cash Flows from Financing Activities)
Net cash used in financing activities for the fiscal year under review was ¥799 million, a year-on-year increase of ¥946 million (–%). This was primarily due to proceeds from other financial liabilities.

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Ratio of equity attributable to owners of parent to total assets (%)	25.4	23.0
Ratio of equity attributable to owners of parent to total assets based on fair value (%)	86.7	75.1
Ratio of interest-bearing liabilities to cash flows (%)	10.6	37.3
Interest coverage ratio (times)	345.3	171.2

Ratio of equity attributable to owners of parent to total assets: Equity attributable to owners of parent / Total assets
Ratio of equity attributable to owners of parent to total assets based on fair value: Total market value of shares / Total assets
Ratio of interest-bearing liabilities to cash flows: Interest-bearing liabilities / Cash flows
Interest coverage ratio: Cash flows / Interest payments
(Note 1) Calculations were based on financial data on a consolidated basis.
(Note 2) The total market value of shares is calculated based on the number of outstanding shares without the treasury shares.
(Note 3) Cash flows refer to cash flows from operating activities.
(Note 4) Interest-bearing liabilities include all liabilities recorded on the consolidated statement of financial position for which interest is paid.

(4) Future Outlook

(Outlook for the Next Fiscal Year)

The Company announced the new Medium-Term Management Plan “Creating Customer Value in the New Era” on May 9, 2024.

We are now living in an era of emerging new technologies such as the ever-evolving AI, the decrease in the working population due to the falling birthrate and aging, and changes in corporate social responsibility. Even with the advent of this new era, the TechMatrix Group will continue to be a company that creates a better future by solving social issues with solutions packed with its “foresight” and “business know-how,” thereby creating greater “customer value.” Toward this end, we have formulated the new Medium-Term Management Plan.

Foresight involves finding state-of-the-art technologies and discovering social issues to be solved, and then solving the discovered social issues with our business know-how. The Group recognizes that its strength lies in its profound operational knowledge in specific industries or business processes requiring expert knowledge or skills gained by serving hundreds and thousands of customers.

Customer value refers not only to the solutions and services we offer, but also to the value our customers perceive such as the Company’s branding, the way our employees serve customers, and the procedures and interactions in their transactions with us. We will focus on strengthening the basis (specifically, the internal infrastructure that supports our business) for offering customer value and creating an environment where every single employee can take on challenges to grow through the provision of customer value. We consider that our source of customer value is creating new value mainly by handling new technologies, entering into business sectors that make a greater contribution to society, and supporting customers’ operations primarily through AI and automation. At the same time, we will generate value embracing both our credo and aspiration (corporate culture), such as serving persistently to provide close support for customers and having a constantly learning mindset.

In the Information Infrastructure Business, the Company will continue to pre-empt trends of cutting-edge security-related technologies and actively search for and offer new potential products as cyber-attacks are constantly becoming more sophisticated and smarter, and existing security products alone may not always be sufficient. Furthermore, as for security products, the transaction does not end at introduction. Post-introduction detection and monitoring are required on a continuous basis. The Company will not only provide leading-edge security products but actively invest in the development of managed services and other value-added services.

As a result of the above, the Company has revised the second-year target figures of the Medium-term Management Plan for the segment (revenue of ¥45,600 million and operating profit of ¥4,800 million) and forecasts revenue of ¥52,600 million and operating profit of ¥6,200 million. As orders received for new projects and renewals significantly exceeded the plan during the fiscal year under review, we currently have an order backlog that has been steadily accumulating. Owing to the growth of recurring revenue businesses, we expect stable and continuous growth in revenue. The forecast for operating profit takes into account uncertain exchange rate trends and plans to proactively invest to strengthen the customer support system, in addition to the business performance of Firmus Sdn. Bhd., a Malaysian company, as well as two other subsidiaries that became consolidated subsidiaries in the third quarter ended December 31, 2024.

With regard to the Application Services Business, in each of the CRM field, the Business Solutions field, and the Software Quality Assurance field, we are determined to further enhance customer value through products and services developed in-house.

In the CRM field, we will further accelerate our business development in the ASEAN region, which had been strategically promoted in the previous Medium-term Management Plan, and continue to work on expanding the in-house developed solutions to help streamline contact center operations using generative AI.

In the Software Quality Assurance field, we believe that improving the quality of embedded software is an issue of great social importance as well, in line with the rising need to comply with international standards for functional safety in various fields. In addition, we will strengthen our efforts to build a development base and offer introduction support service with automation and streamlining to help customers use our development support tools more effectively. At the same time, we will work to enhance our unique added value.

In the Business Solutions field, we will leverage the technical capabilities we have developed through our conventional contracted development business for specific customers to facilitate DX in the public sector and develop and offer solutions for improving customer experience (CX).

In the EdTech field, we will continue to promote the adoption of our services to public schools in addition to private schools, and also will work to strengthen our partnership with Benesse Corporation to expand our business for high schools.

Each of our consolidated subsidiaries in this segment will work to expand their businesses in their fields of specialization, while pursuing synergy with non-consolidated businesses.

As a result of the above, the Company forecasts revenue of ¥10,200 million and operating profit of ¥500 million for this segment. As for revenue, we expect a stable and continuous growth thanks to a progressing transition to a subscription-based business and the steady accumulation of subscription sales. The operating profit reflects our forward-looking management decisions, including increase in personnel in EdTech field and other aggressive investments that are larger compared to the initial Medium-term Management Plan.

In the Medical Systems Business, the new PSP Corporation, established on April 1, 2022, has been working to unify our customer base and integrate our products and services, as well as promoting the shift to cloud-based PACS, initiated by the former PSP Corporation, with the aim of switching to recurring revenue business models.

In addition, we will promote the AI platform business to facilitate the use of medical image data, expand our business in the pathology field, the new market developed through the alliance with Medmain Inc., and expand the service and the number of businesses adopting PHR services to consumers (patients).

As are result of the above, the Company forecasts revenue of ¥10,200 million and operating profit of ¥900 million for this segment. Although the shift of PACS to the cloud will lead to lower sales and operating profit in the short term, this is a far-sighted management decision. The Company’s forecast takes into account its plans to make aggressive investments in development, including increasing headcount to expand business.

As a result, on a consolidated basis, revenue of ¥73.0 billion, operating profit of ¥7.6 billion, and profit attributable to owners of parent of ¥4.88 billion are expected for the next fiscal year.

Results of Medium-Term Management Plan

(Target and Progress of the Medium-Term Management Plan, “Creating Customer Value in the New Era”)

(Millions yen)

Consolidated Fiscal Year	Indicators	Information Infrastructure Business	Application Services Business	Medical Systems Business	Total
Targets for fiscal year ended March 31, 2025	Revenue	45,400	9,200	9,800	64,400
	Operating profit	5,140	410	1,450	7,000
Results for fiscal year ended March 31, 2025	Revenue	45,580	9,170	10,110	64,880
	Operating profit	5,270	140	1,250	6,660
Targets for fiscal year ending March 31, 2026	Revenue	52,600	10,200	10,200	73,000
	Operating profit	6,200	500	900	7,600
Targets for fiscal year ending March 31, 2027	Revenue	57,550	11,350	11,100	80,000
	Operating profit	6,840	680	1,080	8,600

Notes: 1. Targets for fiscal year ended March 31, 2025 are figures revised from that released in May 9 ,2024, as announced in “Notice Concerning Differences Between Consolidated Financial Results Forecast and Actual Results for the First Half of the Fiscal Year Ending March 31, 2025 and Revision of Consolidated Financial Results Forecast for the Full Year and Dividend of Surplus“ dated October 31, 2024.

2. Targets for fiscal years ending March 31, 2026 and 2027 have been revised from those announced in May 9, 2024.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Thousand yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	27,265,398	27,325,233
Trade and other receivables	6,874,634	7,699,566
Inventories	484,768	293,804
Advance payments to suppliers	24,946,977	35,844,151
Advance payment - cost of maintenance service	9,792,446	12,762,530
Other current assets	1,097,798	1,521,407
Total current assets	70,462,023	85,446,693
Non-current assets		
Property, plant and equipment	6,117,671	5,987,743
Goodwill	171,978	4,092,972
Intangible assets	2,420,292	3,255,783
Investments accounted for using equity method	1,003,917	716,997
Other financial assets	3,650,032	3,716,107
Deferred tax assets	1,525,861	1,715,137
Other non-current assets	404,549	509,927
Total non-current assets	15,294,304	19,994,670
Total assets	85,756,328	105,441,363

(Thousand yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Trade and other payables	2,230,641	2,166,939
Borrowings	570,000	510,000
Lease liabilities	727,316	749,328
Income taxes payable	1,419,212	1,208,343
Contract liabilities	42,225,862	57,663,116
Other financial liabilities	533,893	631,685
Provisions	–	75
Other current liabilities	3,941,478	4,520,038
Total current liabilities	51,648,404	67,449,528
Non-current liabilities		
Borrowings	100,000	1,750,000
Lease liabilities	2,769,352	2,593,465
Other financial liabilities	1,613,717	1,170,186
Retirement benefit liability	2,121,092	1,937,441
Provisions	166,541	167,874
Deferred tax liabilities	–	124,051
Other non-current liabilities	293,713	252,212
Total non-current liabilities	7,064,416	7,995,231
Total liabilities	58,712,820	75,444,759
Equity		
Share capital	1,298,120	1,298,120
Capital surplus	4,767,089	4,799,261
Treasury shares	(930,159)	(921,995)
Retained earnings	16,037,638	18,912,936
Other components of equity	571,780	118,896
Total equity attributable to owners of parent	21,744,468	24,207,219
Non-controlling interests	5,299,038	5,789,384
Total equity	27,043,507	29,996,604
Total liabilities and equity	85,756,328	105,441,363

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Revenue	53,303,317	64,882,255
Cost of sales	(35,100,536)	(44,327,720)
Gross profit	18,202,781	20,554,535
Selling, general and administrative expenses	(12,309,804)	(13,561,435)
Other income	24,071	38,156
Other expenses	(66,882)	(362,957)
Operating profit	5,850,165	6,668,299
Finance income	52,791	112,029
Finance costs	(43,481)	(68,767)
Share of profit (loss) of investments accounted for using equity method	(4,779)	(286,919)
Profit before tax	5,854,695	6,424,641
Income tax expense	(1,743,745)	(1,916,012)
Profit	4,110,949	4,508,629
Profit attributable to:		
Owners of parent	3,540,323	4,060,857
Non-controlling interests	570,625	447,771
Earnings per share		
Basic earnings per share (Yen)	88.35	101.12
Diluted earnings per share (Yen)	88.03	100.81

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	4,110,949	4,508,629
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(6,575)	118,257
Equity financial assets measured at fair value through other comprehensive income	(54,706)	(300,863)
Total of items that will not be reclassified to profit or loss	(61,281)	(182,606)
Items that may be reclassified to profit or loss		
Cash flow hedges	20,348	34,936
Exchange differences on translation of foreign operations	2,140	(180,753)
Total of items that may be reclassified to profit or loss	22,488	(145,817)
Other comprehensive income, net of tax	(38,793)	(328,423)
Comprehensive income	4,072,156	4,180,206
Comprehensive income attributable to:		
Owners of parent	3,540,747	3,709,219
Non-controlling interests	531,408	470,987

(3) Consolidated Statement of Changes in Equity

(Thousand yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Remeasurements of defined benefit plans
Balance at April 1, 2023	1,298,120	4,594,827	(974,569)	13,380,739	136,261	–
Profit	–	–	–	3,540,323	–	–
Other comprehensive income	–	–	–	–	–	1,865
Comprehensive income	–	–	–	3,540,323	–	1,865
Dividends of surplus	–	–	–	(999,789)	–	–
Purchase of treasury shares	–	–	(73)	–	–	–
Disposal of treasury shares	–	11,559	44,483	–	–	–
Share-based payment transactions	–	23,857	–	–	30,604	–
Exercise of share acquisition rights	–	–	–	–	(17,119)	–
Forfeiture of share options	–	–	–	1,446	(2,084)	–
Changes in ownership interest in subsidiaries	–	136,845	–	–	–	–
Changes resulting from additions to consolidation	–	–	–	–	–	–
Transfer to non-financial assets	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	115,210	–	(1,865)
Other changes	–	–	–	(290)	–	–
Total transactions with owners, etc.	–	172,262	44,409	(883,424)	11,400	(1,865)
Balance at March 31, 2024	1,298,120	4,767,089	(930,159)	16,037,638	147,661	–
Profit	–	–	–	4,060,857	–	–
Other comprehensive income	–	–	–	–	–	85,279
Comprehensive income	–	–	–	4,060,857	–	85,279
Dividends of surplus	–	–	–	(1,244,473)	–	–
Purchase of treasury shares	–	–	(296)	–	–	–
Disposal of treasury shares	–	25,678	8,460	–	–	–
Share-based payment transactions	–	6,493	–	–	30,463	–
Exercise of share acquisition rights	–	–	–	–	(34,105)	–
Changes resulting from additions to consolidation	–	–	–	–	–	–
Transfer to non–financial assets	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	58,914	–	(85,279)
Total transactions with owners, etc.	–	32,172	8,164	(1,185,559)	(3,642)	(85,279)
Balance at March 31, 2025	1,298,120	4,799,261	(921,995)	18,912,936	144,019	–

	Equity attributable to owners of parent						
	Other components of equity					Non-controlling interests	Total equity
	Equity financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Cash flow hedges	Total	Total equity attributable to owners of parent		
Balance at April 1, 2023	565,976	–	(30,361)	671,876	18,970,993	4,946,537	23,917,531
Profit	–	–	–	–	3,540,323	570,625	4,110,949
Other comprehensive income	(23,822)	2,032	20,348	423	423	(39,216)	(38,793)
Comprehensive income	(23,822)	2,032	20,348	423	3,540,747	531,408	4,072,156
Dividends of surplus	–	–	–	–	(999,789)	(7,155)	(1,006,944)
Purchase of treasury shares	–	–	–	–	(73)	–	(73)
Disposal of treasury shares	–	–	–	–	56,042	–	56,042
Share-based payment transactions	–	–	–	30,604	54,461	–	54,461
Exercise of share acquisition rights	–	–	–	(17,119)	(17,119)	–	(17,119)
Forfeiture of share options	–	–	–	(2,084)	(638)	–	(638)
Changes in ownership interest in subsidiaries	–	–	–	–	136,845	(175,751)	(38,906)
Changes resulting from additions to consolidation	–	–	–	–	–	3,998	3,998
Transfer to non-financial assets	–	–	3,289	3,289	3,289	–	3,289
Transfer from other components of equity to retained earnings	(113,344)	–	–	(115,210)	–	–	–
Other changes	–	–	–	–	(290)	–	(290)
Total transactions with owners, etc.	(113,344)	–	3,289	(100,519)	(767,272)	(178,908)	(946,181)
Balance at March 31, 2024	428,809	2,032	(6,723)	571,780	21,744,468	5,299,038	27,043,507
Profit	–	–	–	–	4,060,857	447,771	4,508,629
Other comprehensive income	(292,510)	(179,343)	34,936	(351,638)	(351,638)	23,215	(328,423)
Comprehensive income	(292,510)	(179,343)	34,936	(351,638)	3,709,219	470,987	4,180,206
Dividends of surplus	–	–	–	–	(1,244,473)	(6,475)	(1,250,948)
Purchase of treasury shares	–	–	–	–	(296)	–	(296)
Disposal of treasury shares	–	–	–	–	34,139	–	34,139
Share-based payment transactions	–	–	–	30,463	36,956	–	36,956
Exercise of share acquisition rights	–	–	–	(34,105)	(34,105)	–	(34,105)
Changes resulting from additions to consolidation	–	–	–	–	–	25,834	25,834
Transfer to non–financial assets	–	–	(38,688)	(38,688)	(38,688)	–	(38,688)
Transfer from other components of equity to retained earnings	26,365	–	–	(58,914)	–	–	–
Total transactions with owners, etc.	26,365	–	(38,688)	(101,245)	(1,246,468)	19,359	(1,227,109)
Balance at March 31, 2025	162,664	(177,311)	(10,475)	118,896	24,207,219	5,789,384	29,996,604

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	5,854,695	6,424,641
Depreciation and amortization	2,295,534	2,595,704
Impairment losses	–	333,128
Finance income and finance costs	1,830	35,671
Decrease (increase) in trade and other receivables	(797,616)	(344,675)
Decrease (increase) in inventories	74,248	201,961
Decrease (increase) in advance payments to suppliers	(8,716,128)	(10,479,105)
Decrease (increase) in advance payment – cost of maintenance service	(2,126,638)	(2,970,084)
Increase (decrease) in trade and other payables	316,849	(478,093)
Increase (decrease) in contract liabilities	13,190,400	14,851,307
Increase (decrease) in retirement benefit liability	208,211	(183,651)
Increase (decrease) in provisions	–	75
Other	(98,327)	(816,182)
Subtotal	10,203,058	9,170,699
Interest and dividends received	26,307	20,155
Interest paid	(26,009)	(39,932)
Income taxes paid	(1,220,799)	(2,314,282)
Net cash provided by (used in) operating activities	8,982,557	6,836,640
Cash flows from investing activities		
Purchase of property, plant and equipment	(884,934)	(690,671)
Purchase of intangible assets	(125,200)	(112,029)
Payments for long-term loans receivable	–	(20,000)
Purchase of investments	(328,886)	(413,317)
Proceeds from sale of investments	287,070	0
Payments for acquisition of shares in subsidiaries	–	(4,755,440)
Purchase of investments accounted for using equity method	(899,931)	–
Proceeds from sale of investments accounted for using equity method	18,200	–
Payments of leasehold and guarantee deposits	(27,812)	(15,647)
Proceeds from refund of leasehold and guarantee deposits	207,703	6,706
Payments for asset retirement obligations	(199,545)	–
Other	15,159	45,135
Net cash provided by (used in) investing activities	(1,938,176)	(5,955,263)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(160,000)
Proceeds from long-term borrowings	–	2,000,000
Repayments of long-term borrowings	(200,000)	(273,066)
Proceeds from other financial liabilities	2,451,000	260,502
Payments for other financial liabilities	(313,898)	(611,104)
Dividends paid	(1,000,454)	(1,243,177)
Repayments of lease liabilities	(785,873)	(765,442)
Other	(3,213)	(6,738)
Net cash provided by (used in) financing activities	147,559	(799,026)
Effect of exchange rate changes on cash and cash equivalents	1,917	(22,515)
Net increase in cash and cash equivalents	7,193,858	59,834

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash and cash equivalents at beginning of period	20,071,540	27,265,398
Cash and cash equivalents at end of period	27,265,398	27,325,233