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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



July 28, 2025

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 Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange
 Code number: 3771
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 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing materials on financial results: Not available
 Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	6,940	12.1	601	26.8	611	24.8	441	25.3
June 30, 2024	6,190	11.4	474	0.2	489	0.8	352	(4.2)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 442 million [25.7%]

Three months ended June 30, 2024: ¥ 352 million [(4.6)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	26.66	-
June 30, 2024	21.18	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	16,016	11,278	70.2
As of March 31, 2025	17,526	11,829	67.3

(Reference) Equity: As of June 30, 2025: ¥11,258 million

As of March 31, 2025: ¥11,810 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	60.00	60.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00	-	60.00	60.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	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
Six months ending September 30, 2025	13,601	7.6	1,214	(0.5)	1,231	(0.5)	865	(3.9)	52.22
Full year	29,314	13.0	3,445	14.9	3,504	14.3	2,535	15.5	153.07

Note: Revisions to the financial result forecast most recently announced: No

* Notes:

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement: No
- (4) Number of issued shares (common shares)
 - (i) Total number of issued shares at the end of the period (including treasury shares):
 - As of June 30, 2025: 16,720,000 shares
 - As of March 31, 2025: 16,720,000 shares
 - (ii) Number of treasury shares at the end of the period:
 - As of June 30, 2025: 154,262 shares
 - As of March 31, 2025: 154,262 shares
 - (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
 - Three months ended June 30, 2025: 16,565,738 shares
 - Three months ended June 30, 2024: 16,640,776 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or audit firms: No

* Explanation of the proper use of financial results forecast and other notes

(Notes on forward-looking statements, etc.)

The financial results forecast and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not intend to guarantee that they will be achieved. In addition, actual results may differ significantly from these forecasts due to a wide range of factors. For the conditions assumed for the financial results forecast, precautions for the use of the financial results forecast, etc., please refer to “(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information” on page 2 of the attachments.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2025, the Japanese economy was on a moderate recovery path due to strong corporate performance and an improved employment and income situation. Meanwhile, the economic outlook remained uncertain due to factors such as U.S. Policy trends and raw materials and energy prices remaining at high levels as a result of increases in global geopolitical risk.

In the information service industry, in which the Group operates, software investment plans for June 2025, grew by 12.4% compared with a year earlier according to the Short-Term Economic Survey of Enterprises in Japan (“Tankan”) for June 2025 released by the Bank of Japan. This shows that companies’ IT investment demand continues to be strong as they look to address labor shortage issues utilizing digital transformation (DX) technology and upgrade their core systems.

In this business environment, for the three months ended June 30, 2025, net sales of SI Services Business, which centers on the development of corporate information systems, were 2,626 million yen (an increase of 4.4% year on year), due to steady IT investment demand from the Company's major customer sectors, including in the manufacturing industry. Net sales of Software Development Business were 3,966 million yen (an increase of 18.1% year on year), as the Company was able to steadily acquire maintenance service contracts with existing customers. Net sales of Software Products Business were 83 million yen (a decrease of 7.7% year on year) due to sluggish sales of the Company's own products. Net sales of Merchandise Sales were 183 million yen (an increase of 63.9% year on year), due to purchase and sale of personal computers and IT devices as well as software products, among other items. Net sales of Website Administration and Cloud Services (SaaS) in other categories were 79 million yen (a decrease of 31.5% year on year).

In terms of earnings, the Company recorded stable profits as it successfully maintained a high operating rate of engineers due to increased volume of orders, while also working to avoid generating unprofitable projects through project risk management (PRM) activities.

As a result, for the three months ended June 30, 2025, net sales were 6,940 million yen (an increase of 12.1% year on year), with operating profit of 601 million yen (an increase of 26.8% year on year), ordinary profit of 611 million yen (an increase of 24.8% year on year), and profit attributable to owners of parent of 441 million yen (an increase of 25.3% year on year), on a consolidated basis.

(2) Explanation of Financial Position

Total assets as of June 30, 2025, decreased by 1,510 million yen year on year to 16,016 million yen, due to decreases in cash and deposits, trade receivables and contract asset.

Liabilities as of June 30, 2025, decreased by 959 million yen year on year to 4,738 million yen, due to decreases in income taxes payable and provision for bonuses, among other factors, despite an increase in short-term borrowings.

Net assets as of June 30, 2025, decreased by 551 million yen year on year to 11,278 million yen, due to a payment of dividends of surplus, among other factors.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information

No change has been made to the financial results forecasts for the six months ending September 30, 2025 and the full year ending March 31, 2026, announced on May 8, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	8,203,626	7,078,335
Trade receivables and contract asset	5,297,093	4,814,177
Merchandise	2,094	66,926
Supplies	6,599	6,599
Other	98,319	156,850
Total current assets	13,607,732	12,122,889
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	773,258	764,033
Land	1,095,230	1,095,230
Other, net	954,330	952,693
Total property, plant and equipment	2,822,819	2,811,956
Intangible assets		
Goodwill	114,685	98,301
Software	191,068	191,649
Other	7,688	8,236
Total intangible assets	313,441	298,187
Investments and other assets		
Other	782,383	783,148
Total investments and other assets	782,383	783,148
Total non-current assets	3,918,644	3,893,292
Total assets	17,526,376	16,016,182

(Thousand yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,063,703	1,121,331
Short-term borrowings	-	220,000
Current portion of long-term borrowings	730,534	672,236
Income taxes payable	591,302	229,447
Provision for bonuses	1,342,932	440,321
Other	1,402,172	1,590,937
Total current liabilities	5,130,645	4,274,274
Non-current liabilities		
Long-term borrowings	566,664	463,854
Total non-current liabilities	566,664	463,854
Total liabilities	5,697,309	4,738,128
Net assets		
Shareholders' equity		
Share capital	550,150	550,150
Capital surplus	517,550	517,550
Retained earnings	10,960,530	10,408,292
Treasury shares	(223,780)	(223,780)
Total shareholders' equity	11,804,450	11,252,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,043	5,859
Total accumulated other comprehensive income	6,043	5,859
Non-controlling interests	18,574	19,982
Total net assets	11,829,067	11,278,053
Total liabilities and net assets	17,526,376	16,016,182

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	6,190,518	6,940,180
Cost of sales	4,893,174	5,459,881
Gross profit	1,297,344	1,480,298
Selling, general and administrative expenses	823,193	878,999
Operating profit	474,151	601,299
Non-operating income		
Interest income	0	-
Subsidy income	17,825	12,680
Other	89	105
Total non-operating income	17,915	12,785
Non-operating expenses		
Interest expenses	2,118	2,612
Total non-operating expenses	2,118	2,612
Ordinary profit	489,948	611,471
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	489,948	611,471
Income taxes	136,524	168,357
Profit	353,424	443,113
Profit attributable to non-controlling interests	964	1,407
Profit attributable to owners of parent	352,459	441,706

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	353,424	443,113
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,143)	(183)
Total other comprehensive income	(1,143)	(183)
Comprehensive income	352,280	442,930
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	351,316	441,522
Comprehensive income attributable to non-controlling interests	964	1,407

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There are no relevant matters.

(Notes in the case of significant changes in shareholders' equity)

There are no relevant matters.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company reasonably estimates the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year ending March 31, 2026, and multiplies profit before income taxes for the quarter by the estimated effective tax rate. However, if the estimated effective tax rate used to calculate tax expenses would be significantly unreasonable, the normal effective statutory tax rate is used.

(Notes to segment information, etc.)

[Segment information]

I. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

The Group omits the description of business segments because it has only one segment, the software related business.

II. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

The Group omits the description of business segments because it has only one segment, the software related business.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 are not prepared.

Depreciation, which includes depreciation for intangible assets excluding goodwill, and amortization of goodwill for the three months ended June 30, 2025 are as follows:

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	34,629 thousand yen	39,488 thousand yen
Amortization of goodwill	16,383 thousand yen	16,383 thousand yen

3. Other

Status of Production, Receipt of Orders, and Sales

(1) Production

The amount of production by business category for the three months ended June 30, 2025 is as follows:

Business category	For the three months ended June 30, 2025	
	Amount of production (million yen)	Change from the previous corresponding period (%)
SI Services Business	2,626	104.4
Software Development Business	3,966	118.1
Software Products Business	83	92.2
Other	79	68.4
Total	6,756	111.1

(Note) Amounts are presented based on sales prices.

(2) Outsourcing

The amount of outsourcing by business category for the three months ended June 30, 2025 is as follows:

Business category	For the three months ended June 30, 2025	
	Amount of outsourcing (million yen)	Change from the previous corresponding period (%)
SI Services Business	1,110	101.3
Software Development Business	1,607	119.5
Software Products Business	21	82.6
Total	2,739	111.1

(3) Purchases

The amount of purchases by business category for the three months ended June 30, 2025 is as follows:

Business category	For the three months ended June 30, 2025	
	Amount of purchases (million yen)	Change from the previous corresponding period (%)
Merchandise Sales	212	225.0

(Note) Amounts are presented based on purchase prices.

(4) Receipt of Orders

The amount of orders received by business category for the three months ended June 30, 2025 is as follows:

Business category	For the three months ended June 30, 2025			
	Orders received (million yen)	Change from the previous corresponding period (%)	Backlog of orders (million yen)	Change from the previous corresponding period (%)
SI Services Business	4,351	145.9	3,526	127.0
Software Development Business	5,424	153.5	3,132	119.2
Software Products Business	75	89.3	116	96.4
Merchandise Sales	184	151.6	104	205.3
Total	10,035	149.3	6,879	123.4

(5) Sales

The amount of sales by business category for the three months ended June 30, 2025 is as follows:

Business category	For the three months ended June 30, 2025	
	Amount of sales (million yen)	Change from the previous corresponding period (%)
SI Services Business	2,626	104.4
Software Development Business	3,966	118.1
Software Products Business	83	92.3
Merchandise Sales	183	163.9
Other	79	68.5
Total	6,940	112.1

(Note) The amount of sales by major customer and the share of the sales in total sales are as follows:

Customer	For the three months ended June 30, 2024		For the three months ended June 30, 2025	
	Amount of sales (million yen)	Share (%)	Amount of sales (million yen)	Share (%)
TOYOTA SYSTEMS CORPORATION	1,083	17.4	1,169	16.8