

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 8, 2025

Company name: SYSTEM RESEARCH CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange  
 Code number: 3771  
 URL: <https://www.sr-net.co.jp/>  
 Representative: Hiroshi Hirayama, Representative Director and President  
 Contact: Yoshinobu Ohta, Operating Officer, Senior Executive Manager, Administration Division  
 Phone: +81-52-413-6820  
 Scheduled date of ordinary general meeting of shareholders: June 25, 2025  
 Scheduled date of commencing dividend payments: June 4, 2025  
 Scheduled date of filing annual securities report: June 25, 2025  
 Availability of supplementary briefing materials on annual financial results: Available  
 Schedule of annual financial results briefing session: Scheduled (for investors and securities analysts)

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	25,931	11.1	2,997	10.8	3,066	10.7	2,194	11.4
March 31, 2024	23,320	8.1	2,703	8.0	2,768	10.0	1,969	22.9

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥2,195 million [11.2%]

Fiscal year ended March 31, 2024: ¥1,974 million [31.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	132.29	-	19.6	18.2	11.5
March 31, 2024	117.81	-	20.0	18.2	11.5

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

Fiscal year ended March 31, 2025: ¥- million

Fiscal year ended March 31, 2024: ¥- million

(Note) A two-for-one common share split was issued on April 1, 2024. Basic earnings per share is calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	17,526	11,829	67.3	712.94
As of March 31, 2024	16,145	10,524	65.0	628.67

(Reference) Equity: As of March 31, 2025: ¥11,810 million

As of March 31, 2024: ¥10,508 million

(Note) A two-for-one common share split was issued on April 1, 2024. Net assets per share is calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	2,056	(1,139)	(1,035)	8,203
March 31, 2024	2,458	(926)	(546)	8,321

### 2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	-	0.00	-	80.00	80.00	668	33.9	6.8
March 31, 2025	-	0.00	-	60.00	60.00	993	45.3	8.9
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	60.00	60.00		39.1	

(Note) A two-for-one common share split was issued on April 1, 2024. For the fiscal year ended March 31, 2024, the actual dividend amount before the share split is shown.

### 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

#### \* Notes:

(1) Significant changes in the scope of consolidation during the period: No

Newly included: - (Company name)

Excluded: - (Company name)

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: No

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(3) Number of issued shares (common shares)

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

As of March 31, 2025: 16,720,000 shares

As of March 31, 2024: 16,720,000 shares

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

As of March 31, 2025: 154,262 shares

As of March 31, 2024: 4,224 shares

(iii) Average number of shares during the period:

Fiscal year ended March 31, 2025: 16,588,838 shares

Fiscal year ended March 31, 2024: 16,715,873 shares

(Note) A two-for-one common share split was issued on April 1, 2024. Total number of issued shares at the end of the period (including treasury shares), number of treasury shares at the end of the period, and average number of shares during the period are calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-consolidated Financial Results

## 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	25,878	11.1	2,990	10.9	3,049	10.8	2,186	14.4
March 31, 2024	23,280	11.1	2,695	8.0	2,751	10.0	1,910	19.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	131.78	-
March 31, 2024	114.27	-

(Note) A two-for-one common share split was issued on April 1, 2024. Basic earnings per share is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	17,455	11,769	67.4	710.48
As of March 31, 2024	16,088	10,476	65.1	626.75

(Reference) Equity: As of March 31, 2025: ¥11,769 million

As of March 31, 2024: ¥10,476 million

(Note) A two-for-one common share split was issued on April 1, 2024. Net assets per share is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

## 2. Non-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		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2025	13,572	7.4	1,232	(0.4)	865	(3.8)	52.25
Full year	29,255	13.0	3,499	14.7	2,532	15.8	152.88

\* These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

\* 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 “1. Overview of Business Results, etc. (4) Future Outlook” on page 3 of the attachments.

(Access to supplementary briefing materials on annual financial results)

The Company will hold an annual financial results briefing session on Thursday, May 22, 2025, for investors and securities analysts. The materials to be distributed at this session will be posted on the Company’s website immediately after it is held.

## Table of Contents - Attachments

1. Overview of Business Results, etc. ....	2
(1) Overview of Business Results for the Period Under Review .....	2
(2) Overview of Financial Position for the Period Under Review .....	2
(3) Overview of Cash Flows for the Period Under Review .....	2
(4) Future Outlook .....	3
(5) Basic Policy for the Distribution of Profit and the Dividend Payout for the Period Under Review and the Next Period .....	3
2. Basic Approach Concerning Choice of Accounting Standards .....	3
3. Consolidated Financial Statements and Primary Notes .....	4
(1) Consolidated Balance Sheets .....	4
(2) Consolidated Statements of Income and Comprehensive Income .....	6
Consolidated Statements of Income .....	6
Consolidated Statements of Comprehensive Income .....	7
(3) Consolidated Statements of Changes in Equity .....	8
(4) Consolidated Statements of Cash Flows .....	10
(5) Notes to the Consolidated Financial Statements .....	11
(Notes on going concern assumption) .....	11
(Segment information, etc.) .....	11
(Per share information) .....	11
(Material subsequent events) .....	11
4. Other .....	12
Status of Production, Receipt of Orders, and Sales	
(1) Production .....	12
(2) Outsourcing .....	12
(3) Purchases .....	12
(4) Receipt of Orders .....	13
(5) Sales .....	13

## 1. Overview of Business Results, etc.

### (1) Overview of Business Results for the Period Under Review

During the fiscal year ended March 31, 2025, the Japanese economy was on a moderate recovery path against the backdrop of an increase in inbound demand and an improved employment and income situation. Meanwhile, the economic outlook remained uncertain due to factors such as the yen's depreciation, raw materials and energy prices remaining at high levels, and U.S. policy trends.

In the information service industry, in which the Group operates, the industry's total net sales for January 2025 grew by 15.4% compared with a year earlier, marking 34 consecutive months of growth according to the Monthly Business Survey of Services released by the Ministry of Internal Affairs and Communications. Specifically, the "Custom software services" grew 21.8%, and companies' IT investment demand continues to be strong amid the ongoing transformation of operation processes and business models utilizing digital transformation (DX) technology.

In this business environment, regarding the Group's net sales by business category in the period under review, net sales of SI Services Business, which centers on the development of corporate information systems, were 10,480 million yen (an increase of 14.1% year on year), due to steady IT investment demand from the Company's major customer sectors, including automotive related sectors, in addition to increased orders for contract projects. Net sales of Software Development Business were 14,248 million yen (an increase of 8.4% year on year), as the Company was able to steadily acquire maintenance service contracts with existing customers. Net sales of Software Products Business were 421 million yen (an increase of 18.6% year on year) due to higher sales of the call center system "CTI Connector" and other factors. Net sales of Merchandise Sales were 410 million yen (an increase of 7.8% 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 category were 371 million yen (an increase of 36.3% year on year), backed by an increase in the number of on-line shops and a higher gross merchandise value.

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 fiscal year ended March 31, 2025, net sales were 25,931 million yen (an increase of 11.1% year on year), with operating profit of 2,997 million yen (an increase of 10.8% year on year), ordinary profit of 3,066 million yen (an increase of 10.7% year on year), and profit attributable to owners of parent of 2,194 million yen (an increase of 11.4% year on year), on a consolidated basis.

### (2) Overview of Financial Position for the Period Under Review

Total assets as of March 31, 2025 increased by 1,380 million yen year on year to 17,526 million yen, due to increases in accounts receivable-trade and construction in progress.

Liabilities as of March 31, 2025 increased by 75 million yen year on year to 5,697 million yen, due to increases in accounts payable - trade, income taxes payable, and other factors.

Net assets as of March 31, 2025 increased by 1,304 million yen year on year to 11,829 million yen, due to an increase in retained earnings, among other factors.

### (3) Overview of Cash Flows for the Period Under Review

Cash and cash equivalents (hereinafter referred to as "cash") as of March 31, 2025 amounted to 8,203 million yen, a decrease of 117 million yen from the 8,321 million yen as of March 31, 2024.

Cash flows from operating activities, investing activities, and financing activities and their major factors for the fiscal year ended March 31, 2025 are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities during the period under review amounted to 2,056 million yen (while net cash provided by operating activities during the previous period amounted to 2,458 million yen) due primarily to the effect of the factors contributing to an increase in cash, such as profit before income taxes of 3,073 million yen, more than offsetting the effect of the factors contributing to a decrease in cash, such as income taxes paid of 788 million yen.

(Cash flows from investing activities)

Net cash used in investing activities during the period under review amounted to 1,139 million yen (while net cash used in investing activities during the previous period amounted to 926 million yen) due primarily to purchase of property, plant and equipment of 1,085 million yen, among other factors.

(Cash flows from financing activities)

Net cash used in financing activities during the period under review amounted to 1,035 million yen (while net cash used in financing activities during the previous period amounted to 546 million yen) due primarily to proceeds from long-term borrowings and short-term borrowings of 1,630 million yen, repayments of long-term borrowings and short-term borrowings of 1,774 million yen, and dividends paid of 668 million yen.

#### (4) Future Outlook

The Japanese economy is expected to continue its gradual recovery due to the improved employment and income situation and the effects of various policies, but the outlook is uncertain due to concerns about downside risks to the economy caused by the U.S. administration's imposition of reciprocal tariffs.

Regarding demand for companies' IT investment, we expect to see steady progress in the future, as renewals of corporate legacy systems and moves to improve operational efficiency and productivity through the use of DX technologies are essential for maintaining and strengthening corporate competitiveness. However, the U.S. administration's trade policies may blunt IT investment demand, making it necessary to keep a close eye on trends.

Considering these factors, for the Group's consolidated financial results forecast for the fiscal year ending March 31, 2026, net sales of 29,314 million yen (an increase of 13.0% year on year) are expected. Operating profit of 3,445 million yen (an increase of 14.9% year on year), ordinary profit of 3,504 million yen (an increase of 14.3% year on year), and profit attributable to owners of parent of 2,535 million yen (an increase of 15.5% year on year) are also expected.

In addition, for the full-year non-consolidated financial results forecast, the Company projects net sales of 29,255 million yen (an increase of 13.0% year on year), operating profit of 3,452 million yen (an increase of 15.4% year on year), ordinary profit of 3,499 million yen (an increase of 14.7% year on year), and profit of 2,532 million yen (an increase of 15.8% year on year).

#### (5) Basic Policy for the Distribution of Profit and the Dividend Payout for the Period Under Review and the Next Period

The Company has stipulated in its Articles of Incorporation that matters such as dividends of surplus shall be determined by resolution of the Board of Directors and considers return of profit to its shareholders as an important capital policy. In addition, regarding the distribution of profit, the Company has made it a basic policy to strive to increase business revenue and improve its return on equity from a long-term perspective, and also to endeavor to enhance its equity, strengthen its financial structure and maintain a stable level of dividends to its shareholders over the long term, with a target payout ratio of 40%, and determines the amount of dividends based on this policy.

For the period under review, the Company plans to pay an annual dividend of 60.00 yen per share as announced in its "Notice on Revision to Dividend Forecast for the Fiscal Year Ending March 31, 2025" (available in Japanese only) on January 17, 2025. Regarding the annual dividend forecast for the next period, the Company plans to pay an annual dividend of 60.00 yen per share.

## 2. Basic Approach Concerning Choice of Accounting Standards

The Company will continue to adopt Japanese GAAP for the time being because the Group currently operates within Japan only and has no overseas operations. However, the Company will consider applying the International Financial Reporting Standards (IFRS), taking account of future changes in the percentage of foreign shareholders and how other Japanese companies will respond as to the adoption of IFRS.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	8,326,378	8,203,626
Accounts receivable - trade	4,227,768	4,831,140
Contract assets	357,782	465,952
Merchandise	1,771	2,094
Supplies	6,497	6,599
Other	68,992	98,319
Total current assets	12,989,191	13,607,732
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,363,531	1,271,033
Accumulated depreciation	(551,624)	(497,774)
Buildings and structures, net	811,906	773,258
Land	1,133,800	1,095,230
Construction in progress	-	896,121
Other	221,122	212,416
Accumulated depreciation	(141,782)	(154,206)
Other, net	79,340	58,209
Total property, plant and equipment	2,025,047	2,822,819
Intangible assets		
Goodwill	180,219	114,685
Software	159,966	191,068
Other	7,956	7,688
Total intangible assets	348,141	313,441
Investments and other assets		
Investment securities	15,849	12,879
Deferred tax assets	526,922	525,278
Other	240,586	244,225
Total investments and other assets	783,358	782,383
Total non-current assets	3,156,547	3,918,644
Total assets	16,145,739	17,526,376



(Thousand yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	945,181	1,063,703
Current portion of long-term borrowings	780,510	730,534
Income taxes payable	428,087	591,302
Provision for bonuses	1,266,018	1,342,932
Other	1,540,600	1,402,172
Total current liabilities	4,960,397	5,130,645
Non-current liabilities		
Long-term borrowings	661,086	566,664
Total non-current liabilities	661,086	566,664
Total liabilities	5,621,483	5,697,309
<b>Net assets</b>		
Shareholders' equity		
Share capital	550,150	550,150
Capital surplus	517,550	517,550
Retained earnings	9,434,561	10,960,530
Treasury shares	(1,571)	(223,780)
Total shareholders' equity	10,500,689	11,804,450
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,183	6,043
Total accumulated other comprehensive income	8,183	6,043
Non-controlling interests	15,382	18,574
Total net assets	10,524,256	11,829,067
<b>Total liabilities and net assets</b>	<b>16,145,739</b>	<b>17,526,376</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	23,320,409	25,931,487
Cost of sales	17,962,956	19,903,384
Gross profit	5,357,453	6,028,102
Selling, general and administrative expenses	2,653,713	3,030,543
Operating profit	2,703,739	2,997,558
Non-operating income		
Interest income	17	751
Dividend income	164	228
Subsidy income	66,663	73,783
Dividend income of insurance	1,575	3,880
Other	5,351	2,542
Total non-operating income	73,771	81,185
Non-operating expenses		
Interest expenses	8,506	10,680
Listing expenses	-	2,000
Other	18	-
Total non-operating expenses	8,525	12,680
Ordinary profit	2,768,986	3,066,064
Extraordinary income		
Gain on sale of non-current assets	-	7,614
Total extraordinary income	-	7,614
Extraordinary losses		
Loss on retirement of non-current assets	522	652
Impairment losses	91,814	-
Total extraordinary losses	92,337	652
Profit before income taxes	2,676,648	3,073,026
Income taxes - current	718,645	872,761
Income taxes - deferred	(14,401)	2,473
Total income taxes	704,243	875,234
Profit	1,972,404	2,197,791
Profit attributable to non-controlling interests	3,022	3,191
Profit attributable to owners of parent	1,969,382	2,194,600

# Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	1,972,404	2,197,791
Other comprehensive income		
Valuation difference on available-for-sale securities	1,637	(2,140)
Total other comprehensive income	1,637	(2,140)
Comprehensive income	1,974,042	2,195,651
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,971,020	2,192,459
Comprehensive income attributable to non-controlling interests	3,022	3,191

(3) Consolidated Statements of Changes in Equity  
For the fiscal year ended March 31, 2024

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	550,150	517,550	8,050,238	(1,252)	9,116,686
Changes during period					
Dividends of surplus			(585,059)		(585,059)
Profit attributable to owners of parent			1,969,382		1,969,382
Purchase of treasury shares				(319)	(319)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,384,323	(319)	1,384,003
Balance at end of period	550,150	517,550	9,434,561	(1,571)	10,500,689

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,545	-	6,545	12,360	9,135,592
Changes during period					
Dividends of surplus					(585,059)
Profit attributable to owners of parent					1,969,382
Purchase of treasury shares					(319)
Net changes in items other than shareholders' equity	1,637	-	1,637	3,022	4,660
Total changes during period	1,637	-	1,637	3,022	1,388,663
Balance at end of period	8,183	-	8,183	15,382	10,524,256

For the fiscal year ended March 31, 2025

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	550,150	517,550	9,434,561	(1,571)	10,500,689
Changes during period					
Dividends of surplus			(668,631)		(668,631)
Profit attributable to owners of parent			2,194,600		2,194,600
Purchase of treasury shares				(222,208)	(222,208)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,525,969	(222,208)	1,303,760
Balance at end of period	550,150	517,550	10,960,530	(223,780)	11,804,450

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,183	-	8,183	15,382	10,524,256
Changes during period					
Dividends of surplus					(668,631)
Profit attributable to owners of parent					2,194,600
Purchase of treasury shares					(222,208)
Net changes in items other than shareholders' equity	(2,140)	-	(2,140)	3,191	1,050
Total changes during period	(2,140)	-	(2,140)	3,191	1,304,811
Balance at end of period	6,043	-	6,043	18,574	11,829,067

## (4) Consolidated Statements 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 income taxes	2,676,648	3,073,026
Depreciation	111,801	140,816
Amortization of goodwill	65,534	65,534
Increase (decrease) in allowance for doubtful accounts	(427)	-
Increase (decrease) in provision for bonuses	135,979	76,914
Interest and dividend income	(181)	(979)
Interest expenses	8,506	10,680
Gain on sale of non-current assets	-	(7,614)
Loss on retirement of non-current assets	522	652
Impairment losses	91,814	-
Decrease (increase) in trade receivables	(150,761)	(701,034)
Decrease (increase) in inventories	1,076	(424)
Increase (decrease) in trade payables	72,232	110,821
Decrease (increase) in other assets	(8,647)	(33,952)
Increase (decrease) in other liabilities	213,733	120,445
Subtotal	3,217,833	2,854,886
Interest and dividends received	181	979
Interest paid	(8,622)	(10,862)
Income taxes paid	(751,110)	(788,009)
Net cash provided by (used in) operating activities	2,458,282	2,056,993
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	30,000	5,000
Purchase of property, plant and equipment	(868,755)	(1,085,526)
Proceeds from sale of property, plant and equipment	-	50,385
Purchase of intangible assets	(87,950)	(109,367)
Net cash provided by (used in) investing activities	(926,705)	(1,139,508)
Cash flows from financing activities		
Proceeds from short-term borrowings	880,000	880,000
Repayments of short-term borrowings	(880,000)	(880,000)
Proceeds from long-term borrowings	900,000	750,000
Repayments of long-term borrowings	(861,116)	(894,398)
Purchase of treasury shares	(319)	(222,208)
Dividends paid	(585,059)	(668,631)
Net cash provided by (used in) financing activities	(546,495)	(1,035,237)
Net increase (decrease) in cash and cash equivalents	985,081	(117,752)
Cash and cash equivalents at beginning of period	7,336,297	8,321,378
Cash and cash equivalents at end of period	8,321,378	8,203,626

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

There are no relevant matters.

(Segment information, etc.)

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

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	628.67 yen	712.94 yen
Basic earnings per share	117.81 yen	132.29 yen

(Notes) 1. Diluted earnings per share is not presented because there are no potential shares.

2. On April 1, 2024, the Company performed a share split comprising splitting each of the Company's common shares into two shares. The figures for net assets per share and basic earnings per share have been calculated assuming that the share split was performed at the beginning of the fiscal year ended March 31, 2024.

3. The basis for the calculation of net assets per share is as follows:

Item	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Total net assets on the consolidated balance sheets (thousand yen)	10,524,256	11,829,067
Deductions from total net assets (thousand yen)	15,382	18,574
Non-controlling interests included in the deductions (thousand yen):	(15,382)	(18,574)
Total net assets relating to common shares at end of period (thousand yen)	10,508,873	11,810,493
Number of common shares at end of period used for the calculation of net assets per share (shares)	16,715,776	16,565,738

4. The basis for the calculation of basic earnings per share is as follows:

Item	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent (thousand yen)	1,969,382	2,194,600
Amount not attributable to ordinary shareholders (thousand yen)	—	—
Profit attributable to owners of parent relating to common shares (thousand yen)	1,969,382	2,194,600
Average number of common shares during the period (shares)	16,715,873	16,588,838

(Material subsequent events)

(Introduction of a restricted stock remuneration plan)

At a Board of Directors meeting held on May 8, 2025, the Company resolved to revise its executive compensation system and introduce a restricted stock remuneration plan. A proposal to introduce a restricted stock remuneration plan will be presented at the Company's 45th Ordinary General Meeting of Shareholders, which is scheduled to be held on June 25, 2025. For details, see the "Notice Concerning the Introduction of a Restricted Stock Remuneration Plan," released today.

#### 4. Other

##### Status of Production, Receipt of Orders, and Sales

###### (1) Production

The amount of production by business category for the fiscal year ended March 31, 2025 is as follows:

Business category	For the fiscal year ended March 31, 2025	
	Amount of production (million yen)	Change from the previous corresponding period (%)
SI Services Business	10,480	114.1
Software Development Business	14,248	108.4
Software Products Business	421	118.6
Other	371	136.3
Total	25,521	111.2

(Note) Amounts are presented based on sales prices.

###### (2) Outsourcing

The amount of outsourcing by business category for the fiscal year ended March 31, 2025 is as follows:

Business category	For the fiscal year ended March 31, 2025	
	Amount of outsourcing (million yen)	Change from the previous corresponding period (%)
SI Services Business	4,420	118.1
Software Development Business	5,793	108.4
Software Products Business	106	134.7
Other	0	144.2
Total	10,322	112.6

###### (3) Purchases

The amount of purchases by business category for the fiscal year ended March 31, 2025 is as follows:

Business category	For the fiscal year ended March 31, 2025	
	Amount of purchases (million yen)	Change from the previous corresponding period (%)
Merchandise Sales	347	112.6

(Note) Amounts are presented based on purchase prices.



#### (4) Receipt of Orders

The amount of orders received by business category for the fiscal year ended March 31, 2025 is as follows:

Business category	For the fiscal year ended March 31, 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	9,973	104.8	1,802	78.0
Software Development Business	13,472	102.3	1,674	68.3
Software Products Business	419	111.5	123	98.1
Merchandise Sales	472	126.8	103	251.1
Total	24,337	103.9	3,704	75.1

#### (5) Sales

The amount of sales by business category for the fiscal year ended March 31, 2025 is as follows:

Business category	For the fiscal year ended March 31, 2025	
	Amount of sales (million yen)	Change from the previous corresponding period (%)
SI Services Business	10,480	114.1
Software Development Business	14,248	108.4
Software Products Business	421	118.6
Merchandise Sales	410	107.8
Other	371	136.3
Total	25,931	111.1

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

Customer	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025	
	Amount of sales (million yen)	Share (%)	Amount of sales (million yen)	Share (%)
TOYOTA SYSTEMS CORPORATION	3,742	16.0	4,641	17.8