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May 13, 2026

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

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 Listing: Tokyo Stock Exchange
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 Scheduled date of annual general meeting of shareholders: June 25, 2026
 Scheduled date to commence dividend payments: June 11, 2026
 Scheduled date to file annual securities report: June 23, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	94,400	12.9	15,367	27.3	16,145	36.2	11,312	33.4
March 31, 2025	83,621	8.7	12,067	24.2	11,855	19.2	8,480	17.2

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥11,468 million [36.9%]
 For the fiscal year ended March 31, 2025: ¥8,375 million [12.4%]

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2026	31.65	–	31.4	28.6	16.3
March 31, 2025	23.17	–	24.0	22.4	14.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥102 million
 For the fiscal year ended March 31, 2025: ¥36 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	61,079	40,221	64.9	110.82
March 31, 2025	51,762	32,950	62.7	90.82

Reference: Equity
 As of March 31, 2026: ¥39,612 million
 As of March 31, 2025: ¥32,464 million

(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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	13,283	(896)	(4,316)	29,819
March 31, 2025	7,979	(2,576)	(14,024)	21,464

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	6.00	–	6.00	12.00	4,453	51.8	12.7
Fiscal year ended March 31, 2026	–	6.00	–	8.00	14.00	5,026	44.2	13.9
Fiscal year ending March 31, 2027 (Forecast)	–	9.00	–	9.00	18.00		60.5	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA+S*		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	98,000	3.8	17,250	9.0	15,960	3.9	15,960	(1.1)	10,630	(6.0)	29.74

* EBITDA+S of ¥17,250 million = operating profit of ¥15,960 million + depreciation of ¥450 million + share-based payment expenses of ¥840 million

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: one company (Think Logic Co, Ltd.)

(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: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(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, 2026	425,880,000 shares
As of March 31, 2025	425,880,000 shares

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

As of March 31, 2026	68,424,173 shares
As of March 31, 2025	68,424,163 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	357,455,829 shares
Fiscal year ended March 31, 2025	366,054,843 shares

Note: The Company has introduced a stock compensation plan, and in calculating the number of treasury shares of common shares at the end of the period and the average number of shares outstanding during the period, the number of treasury shares includes shares of the Company held by Japan Custody Bank, Ltd. (the Trust Account) as trust assets for the “Trust for Granting Shares to Directors” and the “Trust for Granting Shares to Executive Officers.” The numbers of treasury shares held by the Trust Account included in the number of treasury shares at the ends of the fiscal years ended March 31, 2026 and March 31, 2025 were 1,552,600 shares, and the numbers of treasury shares held by the Trust Account excluded from the calculation of the average number of shares outstanding during the fiscal years ended March 31, 2026 and March 31, 2025 were as follows: the average numbers of treasury shares of common shares held by the Trust Account for the fiscal years ended March 31, 2026 and March 31, 2025 were 1,552,600 shares and 1,559,770 shares, respectively.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	84,292	12.6	14,679	25.6	15,344	34.5	10,662	31.6
March 31, 2025	74,889	10.8	11,689	34.0	11,412	28.4	8,100	24.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	29.83	—
March 31, 2025	22.13	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	54,126	34,934	64.5	97.73
March 31, 2025	46,225	28,497	61.6	79.72

Reference: Equity

As of March 31, 2026: ¥34,934 million

As of March 31, 2025: ¥28,497 million

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

* Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For assumptions underlying the forecast and cautions regarding the use of earnings forecasts, please refer to “1. Overview of operating results, etc., (1) Overview of operating results for the period under review, (ii) Forecast for the next fiscal year” on page 4 of the Attached Materials.

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The Company will hold a briefing session for investors as follows. The materials distributed at the briefing will be posted on the Company's website immediately after the briefing.

- May 21, 2026 (Thursday) Company Information Briefing for Institutional Investors and Analysts

1. Overview of operating results, etc.

Matters discussed here that are not historical fact reflect judgments made as of the end of the fiscal year under review.

(1) Overview of operating results for the period under review

(i) Operating results for the period under review

During the fiscal year under review (April 1, 2025 to March 31, 2026), the Japanese economy showed a moderate recovery trend supported by continued strong inbound demand and an improvement in the income environment resulting from high-level wage increases agreed in annual wage negotiations. On the other hand, persistently high energy costs due to prolonged geopolitical risks and significant volatility in foreign exchange markets continued to weigh on corporate cost burdens and household purchasing power. Furthermore, the outlook remains uncertain mainly due to specific trends in trade policies following the inauguration of the new administration in the U.S., as well as the global restructuring of supply chains.

Given these conditions, the Group has strived to strengthen our revenue structure and improve productivity. In efforts to further stabilize our revenue base, we continued building up our recurring revenue business, which is less susceptible to economic fluctuations, and promoted diversification of our revenue structure.

In addition, by implementing data-driven management, we have visualized and analyzed operational efficiency and profitability for each project in real time to promote rapid decision-making and optimal resource allocation, thus enabling us to operate and establish a framework that maintains a high earning rate across the entire Group throughout the fiscal year. We expanded our order intake primarily in the software development business as part of our focus on high-value-added areas, and we are concentrating resources on areas with a high profit rate such as implementation support for generative AI, promotion of DX in companies, and PMO projects requiring advanced management.

In terms of our human resources strategy, the junior-level group we have been expanding has steadily become a substantial part of the workforce through our in-house engineer training program, significantly enhancing on-site execution capabilities of our organization. Building on our success in establishing this foundation, the organization is now transitioning to a new phase of growth. With regard to our next challenge of immediately strengthening our senior-level group with highly specialized expertise as the junior-level group we have developed matures into a robust mid-level group, we have continued to develop our junior-level employees while strengthening our hiring of experienced professionals, thereby achieving the optimal combination of human resources for both development and immediate impact. In particular, when shifting to a business model centered around project management (PM), we have maximized the synergistic effects of the senior-level group with abundant knowledge and established a robust framework where our “Next Generation Mobility Business” is followed by our “Project Management Design Business” in strongly driving the growth of the Group.

In addition, as a preparatory step toward pursuing future growth potential, we established the AI Data Center Promotion Office in January 2026. In the period under review, we are continuing to conduct specific studies, including market environment research and verification of technical requirements, with a view to commercialization.

As a result of the above, consolidated results for the period under review were net sales of ¥94,400 million (up 12.9% year on year), operating profit of ¥15,367 million (up 27.3% year on year), ordinary profit of ¥16,145 million (up 36.2% year on year), and profit attributable to owners of parent of ¥11,312 million (up 33.4% year on year).

In the period under review, “Reportable Segments” have been reclassified and some names have been changed in accordance with changes in each segment’s content and main fields of business. The following describes performance by segment. Note that net sales for each segment include inter-segment net sales or transfers.

a. Next Generation Mobility Business

Demand for software development has increased against a backdrop of accelerated SDV adoption in the automotive industry. Throughout the fiscal year under review, direct transactions with major Japanese finished vehicle manufacturers progressed steadily, while project creation in the North American market through our US subsidiary also advanced steadily. By leveraging our strengths in UX design and agile development, we have established a system that consistently supports projects from the earliest stages, such as planning and requirements definition, thereby maintaining high operational levels and achieving the stabilization of order reception and operations for the full year.

As a result, net sales amounted to ¥7,569 million (up 36.6% year on year) and operating profit was ¥3,219 million (up 63.9% year on year).

b. Project Management Design Business

We have implemented resource realignment to strengthen our execution framework in the areas of next generation communications and AI. In the communications sector, we continued our migration support in renewal of system infrastructure platforms, while in the AI sector, we expanded our involvement in upstream processes such as platform reconstruction using generative AI and proof-of-concept (PoC) initiatives. Our execution-oriented promotion system, which provides support from strategy formulation to the successful completion of operations on-site in an integrated approach, was highly regarded, enabling us to maintain a high earning rate throughout the fiscal year under review.

As a result, net sales amounted to ¥15,296 million (down 2.4% year on year) and operating profit was ¥3,342 million (up 29.4% year on year).

c. Digital Integration Business

We have reliably captured DX needs by leveraging the strong relationships of trust we have built with our existing customers across the financial, public, and corporate sectors. In the financial sector, projects to modernize core systems, primarily in the insurance area, expanded throughout the fiscal year and strongly drove overall net sales growth in the segment. In the public and corporate sectors as well, growth remained steady, driven primarily by additional projects from existing customers. During the fiscal year under review, we have prioritized the shifting of resources toward advanced development projects utilizing generative AI and other technologies, as well as the area of DX support, which boasts high unit prices. This shift in our revenue structure has improved the overall profit rate of the segment and further enhanced the stability of our business portfolio. We have also begun AI-driven development to enhance productivity and promoted the strengthening of our technical competitiveness for the next period.

As a result, net sales amounted to ¥10,406 million (up 18.1% year on year) and operating profit was ¥2,476 million (up 26.7% year on year).

d. IT & DX Service Business

Driven by increased investment appetite from companies for transforming their businesses through the use of digital technology, we have continued to receive inquiries throughout the year regarding business process optimization and accompanying PMO services. In DX testing services, we have completed our shift to the enterprise domain. In addition, in BPO services, three companies including our special subsidiary collaborated organically and ensured that resources were allocated in a manner that led to the right personnel in the right positions, resulting in an expansion of orders and significantly contributing to strengthening the Group's overall foundation.

As a result, net sales amounted to ¥22,356 million (up 7.7% year on year) and operating profit was ¥3,146 million (up 10.5% year on year).

e. Business Solution Business

Orders received for PC replacement projects associated with the end of support for Windows 10 in October 2025 were concentrated through the third quarter, significantly boosting net sales.

While this special demand largely subsided by the end of the third quarter, there was an increase in cloud utilization projects including lift and shift to the cloud that we have been simultaneously focusing on, an expansion of managed services, as well as steady growth in the number of orders in the security-related system integration business, such as those involving Zero Trust security, through the end of the fiscal year. These factors helped offset the reactionary decline following the special demand and significantly contributed to increased revenue and profits for the full year.

As a result, net sales amounted to ¥35,584 million (up 19.4% year on year) and operating profit was ¥2,957 million (up 30.0% year on year).

f. DX & Subscription Business

Our Canbus. no-code DX platform has seen strong adoption by major corporations, while package orders for the medical industry have steadily increased throughout the year. In terms of profits, we prioritized strengthening development capabilities in anticipation of future contract growth and maintaining and strengthening our support structure in line with our expanding customer base. As a result, upfront investments increased and profits were down year on year.

As a result, net sales amounted to ¥2,892 million (up 3.9% year on year) and operating profit was ¥251 million (down 45.3% year on year).

g. Other Businesses

Development orders for automotive-related products at our US subsidiary steadily increased throughout the year, while GaYa Co., Ltd. successfully implemented measures to revitalize the operation of the

“Keiba Densetsu” horse racing game series. The strengthening of Group-wide synergies and PMO support for contracted development made stable progress, resulting in significant improvement in the segment’s overall profit and loss year on year.

As a result, net sales amounted to ¥1,001 million (up 25.5% year on year) and operating loss was ¥26 million (versus operating loss of ¥19 million in the previous fiscal year).

(ii) Forecast for the next fiscal year

The outlook for the next fiscal year is as follows.

We anticipate that business opportunities for the Group will continue to expand against the backdrop of factors such as ongoing DX investments at companies, the full-scale adoption of AI, and the advancement of SDV adoption in the mobility sector. At the same time, the competitive environment is becoming increasingly severe due to a worsening shortage of engineers across the industry, rising personnel expenses, and increasingly sophisticated customer needs.

The Group perceives these environmental changes as opportunities for sustainable growth and will pursue the following key measures: strengthening the hiring and retention of engineers, strengthening the competitiveness of each business, expanding our recurring revenue business, and expanding into AI and other growth areas. Through these initiatives, we will work to stabilize our revenue base and evolve our business portfolio, thereby enhancing our medium- to long-term corporate value.

Based on the above, the Group’s consolidated earnings forecasts for the fiscal year ending March 31, 2027 are as follows: net sales of ¥98,000 million (up 3.8% year on year), operating profit of ¥15,960 million (up 3.9% year on year), ordinary profit of ¥15,960 million (down 1.1% year on year), and profit attributable to owners of parent of ¥10,630 million (down 6.0% year on year).

Operating profit, ordinary profit, and profit attributable to owners of parent include stock-based compensation expenses of ¥840 million related to stock acquisition rights resolved to be issued to the Company’s Directors and employees for consideration, based on a resolution at the Board of Directors meeting on March 26, 2026.

(2) Overview of financial position for the period under review

(i) Analysis of assets, liabilities and net assets

Total assets at the end of the fiscal year under review amounted to ¥61,079 million (versus ¥51,762 million at the end of the previous fiscal year), an increase of ¥9,317 million from the end of the previous fiscal year.

Current assets amounted to ¥54,118 million (versus ¥44,184 million at the end of the previous fiscal year), an increase of ¥9,934 million from the end of the previous fiscal year. This was mainly due to a ¥5,517 million increase in cash and deposits and a ¥1,522 million increase in securities.

Non-current assets amounted to ¥6,961 million (versus ¥7,578 million at the end of the previous fiscal year), a decrease of ¥616 million from the end of the previous fiscal year. Property, plant and equipment amounted to ¥1,327 million (versus ¥1,321 million at the end of the previous fiscal year), an increase of ¥6 million from the end of the previous fiscal year. Intangible assets amounted to ¥176 million (versus ¥169 million at the end of the previous fiscal year), an increase of ¥7 million from the end of the previous fiscal year. Investments and other assets amounted to ¥5,457 million (versus ¥6,087 million at the end of the previous fiscal year), a decrease of ¥630 million from the end of the previous fiscal year. This was mainly due to a ¥1,378 million decrease in investment securities.

Total liabilities amounted to ¥20,858 million (versus ¥18,812 million at the end of the previous fiscal year), an increase of ¥2,045 million from the end of the previous fiscal year. This was mainly due to a ¥1,417 million increase in income taxes payable, a ¥395 million increase in accrued consumption taxes, and a ¥289 million increase in provision for bonuses.

Net assets amounted to ¥40,221 million (versus ¥32,950 million at the end of the previous fiscal year), an increase of ¥7,271 million from the end of the previous fiscal year. This was mainly due to profit attributable to owners of parent of ¥11,312 million, and dividends of surplus of ¥4,308 million.

As a result, the equity-to-asset ratio increased 2.2 percentage points from the end of the previous fiscal year to 64.9%.

(ii) Analysis of cash flows

Cash and cash equivalents (“net cash”) at the end of the fiscal year under review amounted to ¥29,819 million, up ¥8,355 million from the end of the previous fiscal year.

The following outlines the status and underlying change factors of each classification of cash flows for the fiscal year under review.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥13,283 million (versus ¥7,979 million provided in the previous fiscal year). The main inflows were profit before income taxes of ¥16,173 million, a decrease in

inventories of ¥859 million, depreciation of ¥452 million, and an increase in provision for bonuses of ¥273 million. The main outflows were an increase in trade receivables of ¥327 million, a decrease in trade payables of ¥338 million, and income taxes paid of ¥3,701 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥896 million (versus ¥2,576 million used in the previous fiscal year). The main outflows were ¥10,977 million for purchase of securities, ¥113 million for purchase of investment securities, and ¥486 million for purchase of property, plant and equipment and intangible assets. The main inflow was ¥9,636 million in proceeds from sale of securities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥4,316 million (versus ¥14,024 million used in the previous fiscal year). The main outflows were dividends paid of ¥4,310 million.

Trends in the Group's cash flow indicators are shown below.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-asset ratio (%)	70.5	62.7	64.9
Equity-to-asset ratio on a market value basis (%)	195.0	249.3	241.7
Ratio of interest-bearing debt to cash flows (%)	17.2	19.4	11.7
Interest coverage ratio (times)	1,244.4	682.7	779.9

Equity-to-asset ratio: Shareholders' equity/Total assets

Equity-to-asset ratio on a market value basis: Market capitalization/Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flows/Interest payments

- * For each indicator, all calculations are based on consolidated financial figures.
- * Market capitalization is calculated by multiplying the number of shares outstanding minus the number of treasury shares by the closing stock price, both as of the end of the fiscal year.
- * Interest-bearing debt is all debt on the consolidated balance sheet for which interest is paid.
- * Cash flows and interest payments refer to "Cash flows from operating activities" and "Interest paid" as reported in the consolidated statement of cash flows.

(3) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year

The Company recognizes that returning profits to shareholders is an important management issue, and its basic policy is to distribute profits in accordance with business performance, with a foundation of ongoing, stable dividends.

The Company will be proactive in targeting a consolidated dividend payout ratio of 40% or more, taking into consideration its business performance and financial position for each fiscal year, as well as the strengthening of its management base and future business development.

The Company will also flexibly implement share repurchases as part of its profit return policy, taking into consideration such factors as its financial condition and stock price trends.

For the fiscal year under review, the Company plans to pay an annual dividend of ¥14 per share, consisting of a year-end dividend of ¥8 per share and an interim dividend of ¥6 per share.

Retained earnings will be effectively used, for investment in business fields where growth is expected, research and development of in-house products, and strengthening of recruitment and training of human resources in line with business expansion.

For the next fiscal year, the Company plans to pay an annual dividend of ¥18 per share (consisting of an interim dividend of ¥9 per share and a year-end dividend of ¥9 per share).

Note that the Company's Articles of Incorporation stipulate that the Company shall pay dividends from surplus, etc. by resolution of the Board of Directors pursuant to Article 459, Paragraph 1 of the Companies Act.

(4) Business and other risks

The following is a list of major risk factors that may affect the Group's business development. While it is the Group's policy to recognize the possibility of the occurrence of these risks and to make every effort to avoid their occurrence and to address any that may occur, the Group believes that investment decisions regarding this stock should be made after careful consideration of the following content provided in this section as well as other matters listed.

This section includes forward-looking statements reflecting judgments made as of the end of the fiscal year

under review.

(i) Management of confidential information

Since many of the Company's operations require a high degree of confidentiality in terms of both technology and sales strategy and information security is becoming increasingly important, the Company has obtained ISO 27001 certification, the international standard for information security management, and is taking rigorous action to ensure this certification is applied and enforced.

If, despite these actions, information leaks were to occur, the Company could face compensation for damages, decreasing business orders due to loss of trust, and other significant effects on the business, which could affect the Group's performance and financial position.

(ii) Legal regulations

The legal regulations surrounding the Group's business are as follows.

a. Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment

This act, known as the Act on Proper Transactions with Small and Medium-Sized Entrusted Business Operators ("SME Transactions Act"), came into effect on January 1, 2026, and requires business operators with share capital exceeding ¥300 million to ensure fairness in passing on costs and prompt payment when outsourcing work to business operators with share capital of ¥300 million or less (small and medium-sized entrusted business operators). This act effectively subsumes and expands the previous Subcontract Act by prohibiting in principle the use of negotiable instruments for payment and strictly requiring cash payment as early as possible within 60 days of receipt of the services delivered.

In view of the enforcement of this act, the Group conducts fair price negotiations for all applicable transactions and has implemented a system for prompt cash payments. However, in the unlikely event of a violation of laws and regulations, the Company could incur administrative penalties such as recommendations or public advisories from regulatory agencies, or fines, and may also suffer a loss of social credibility.

b. Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers ("Worker Dispatching Act")

The purpose of this act is "to take measures for securing proper operation of a worker dispatching business for the proper adjustment of labor demand and supply, in conjunction with the Employment Security Act, as well as measures for protecting dispatched workers, and thereby to contribute to the stability of employment and otherwise to the promotion of the welfare of dispatched workers" (Article 1). In accordance with this act, the Group has been licensed for general worker dispatching business. Reasons for disqualification of license for general worker dispatching are stipulated in the items of Article 6 of this act. Furthermore, Article 14 of this act stipulates that if a general worker dispatching business operator (including its officers) falls under any of the items of Article 6 of the act after license registration, the Minister of Health, Labour and Welfare may rescind the license granted to said general worker dispatching business operator. Article 14 also stipulates that, when a general worker dispatching business operator violates the provisions of the act or the Employment Security Act, or any orders or dispositions based on these provisions, the Minister of Health, Labour and Welfare may order the operator to suspend all or part of the relevant worker dispatching business for a designated period of time.

In addition, the Group submits business reports and settlements of accounts associated with worker dispatching to the Minister of Health, Labour and Welfare in accordance with this act.

Since the Group has established a system that complies with laws and regulations, and its officers are also committed to compliance with laws and regulations, there are currently no factors present that could hinder business activities. Although the Group will continue to make every effort to comply with laws and regulations, any violation of laws and regulations may lead to restrictions on its business, which could affect the Group's performance.

(5) Issues to be addressed

The business environment surrounding the Group is seeing expanding medium- to long-term growth opportunities against the backdrop of factors such as ongoing DX investments at companies, the growing adoption of AI, and the advancement of SDV adoption in the mobility sector. At the same time, the competitive environment is becoming increasingly severe due to a worsening shortage of engineers, rising personnel expenses and outsourcing expenses, and increasingly sophisticated and complex customer needs.

Given this business environment, the Group faces the following three issues that must be addressed in order to achieve sustainable growth and an enhancement of corporate value.

(i) Promoting the hiring and retention of engineers

For the Group to achieve sustainable growth, it is imperative that we continue to secure engineers with

highly specialized expertise and strengthen our organizational foundation so that they can fully demonstrate their capabilities. To achieve this, in addition to improving working conditions through measures such as wage adjustments, it is essential to comprehensively establish a work environment that offers meaningful work, a high-growth environment, and peace of mind. In addition to pursuing system reforms and a more comfortable work environment, the Group has also been recognized by external parties through the Kurumin certification, the Eruboshi certification, and as a Certified Health & Productivity Management Outstanding Organization, a Sports Yell Company, etc. Going forward, we will further strengthen these initiatives and work to further enhance our hiring competitiveness and employee retention by improving our recruitment branding and external communications.

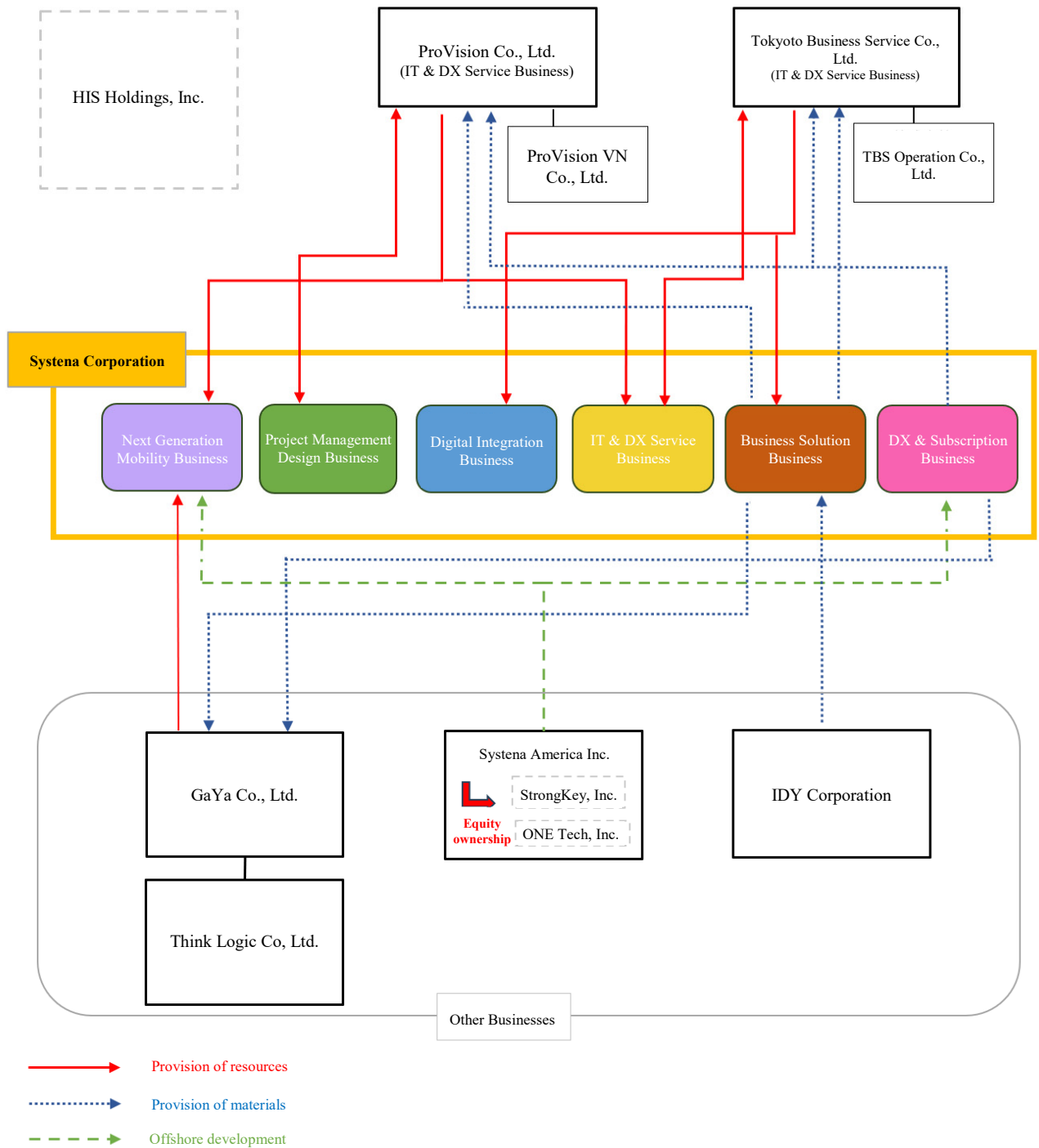
(ii) Elucidating the strengths of each business and creating synergies through all-Systema

The Group has a diverse business foundation encompassing software development, project management, IT services, DX support, and in-house services. Going forward, we need to further elucidate the strengths that each business can leverage in its respective market and further differentiate ourselves from our competitors. In addition, by strengthening business partnerships within the Group, we will combine the development capabilities, proposal capabilities, and project execution capabilities of each business to further enhance the value we provide. At the same time, by optimizing the allocation of management resources and reorganizing business functions to achieve total optimization, we will enhance the growth potential of each business while creating synergies and evolving our business portfolio across the entire Group.

(iii) Expanding our recurring revenue business and into new growth areas

To achieve sustainable growth and stabilize its revenue base, the Group must continue to expand its recurring revenue business while leveraging that foundation to expand into new growth areas. Going forward, we will expand our customer contact points and work to build up recurring revenue by combining our in-house services, cloud services, security services, and services that accompany and support DX and AI. At the same time, we will leverage the technology, customer base, and operational knowledge that we have cultivated through our existing businesses to expand into AI and other new growth areas, with the aim of strengthening our highly reproducible revenue base and fostering new pillars to support future growth.

2. Corporate group



3. Basic approach to the selection of accounting standards

Since most of the Group's stakeholders are domestic shareholders, creditors, business partners, etc., and there is little need to raise funds from overseas, the Group applies accounting standards that are generally accepted in Japan (J-GAAP).

4. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	21,860	27,377
Notes receivable - trade	774	969
Accounts receivable - trade	17,031	16,948
Contract assets	799	1,134
Securities	833	2,356
Crypto assets	–	399
Merchandise	2,053	1,194
Other	830	3,738
Allowance for doubtful accounts	–	(0)
Total current assets	44,184	54,118
Non-current assets		
Property, plant and equipment		
Buildings	1,226	1,333
Accumulated depreciation	(537)	(620)
Buildings, net	688	713
Vehicles	69	70
Accumulated depreciation	(44)	(53)
Vehicles, net	25	17
Tools, furniture and fixtures	2,620	2,680
Accumulated depreciation	(2,111)	(2,181)
Tools, furniture and fixtures, net	509	499
Land	97	97
Other	11	7
Accumulated depreciation	(11)	(7)
Other, net	0	0
Total property, plant and equipment	1,321	1,327
Intangible assets		
Software	153	162
Software in progress	12	10
Other	3	3
Total intangible assets	169	176
Investments and other assets		
Investment securities	*1 3,293	*1 1,914
Long-term loans receivable from subsidiaries and associates	417	306
Leasehold and guarantee deposits	1,676	2,179
Deferred tax assets	1,020	1,209
Other	97	153
Allowance for doubtful accounts	(417)	(306)
Total investments and other assets	6,087	5,457
Total non-current assets	7,578	6,961
Total assets	51,762	61,079

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	9,063	8,730
Short-term borrowings	*2 1,550	*2 1,550
Current portion of long-term borrowings	–	22
Accounts payable - other, and accrued expenses	2,530	2,799
Income taxes payable	2,167	3,584
Accrued consumption taxes	888	1,283
Provision for bonuses	2,068	2,357
Provision for loss on orders received	–	3
Other	353	258
Total current liabilities	18,621	20,591
Non-current liabilities		
Long-term accounts payable - other	12	–
Long-term borrowings	–	29
Provision for share-based payments	169	216
Other	9	21
Total non-current liabilities	190	267
Total liabilities	18,812	20,858
Net assets		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus	2,188	2,188
Retained earnings	39,817	46,822
Treasury shares	(11,099)	(11,099)
Total shareholders' equity	32,419	39,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(72)	12
Foreign currency translation adjustment	117	174
Total accumulated other comprehensive income	45	187
Non-controlling interests	485	609
Total net assets	32,950	40,221
Total liabilities and net assets	51,762	61,079

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	*1 83,621	*1 94,400
Cost of sales	62,642	69,586
Gross profit	20,978	24,813
Selling, general and administrative expenses	*2 8,910	*2 9,446
Operating profit	12,067	15,367
Non-operating income		
Interest income	55	70
Dividend income	10	54
Gain on sale of securities	–	134
Gain on valuation of securities	–	60
Share of profit of entities accounted for using equity method	36	102
Foreign exchange gains	–	5
Gain on sale of investment securities	–	395
Subsidy income	33	13
Other	32	83
Total non-operating income	168	918
Non-operating expenses		
Interest expenses	11	16
Loss on sale of securities	182	–
Loss on valuation of securities	151	–
Loss on sale of investment securities	2	–
Loss on valuation of crypto assets	–	30
Loss on investments in investment partnerships	11	57
Other	21	36
Total non-operating expenses	380	140
Ordinary profit	11,855	16,145
Extraordinary income		
Gain on bargain purchase	–	56
Total extraordinary income	–	56
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	9	–
Loss on step acquisitions	–	29
Total extraordinary losses	9	29
Profit before income taxes	11,846	16,173
Income taxes - current	3,376	5,049
Income taxes - deferred	(4)	(202)
Total income taxes	3,371	4,847
Profit	8,474	11,325
Profit (loss) attributable to non-controlling interests	(5)	12
Profit attributable to owners of parent	8,480	11,312

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	8,474	11,325
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	85
Foreign currency translation adjustment	(10)	68
Share of other comprehensive income of entities accounted for using equity method	2	(11)
Total other comprehensive income	*1 (98)	*1 142
Comprehensive income	8,375	11,468
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,381	11,455
Comprehensive income attributable to non-controlling interests	(5)	12

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,513	6,023	35,440	(5,022)	37,955
Changes during period					
Dividends of surplus			(4,103)		(4,103)
Profit attributable to owners of parent			8,480		8,480
Purchase of treasury shares				(9,889)	(9,889)
Disposal of treasury shares				6	6
Cancellation of treasury shares		(3,805)		3,805	-
Change in ownership interest of parent due to transactions with non-controlling interests		(29)			(29)
Net changes in items other than shareholders' equity					
Total changes during period	-	(3,835)	4,376	(6,077)	(5,535)
Balance at end of period	1,513	2,188	39,817	(11,099)	32,419

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	17	125	143	501	38,601
Changes during period					
Dividends of surplus					(4,103)
Profit attributable to owners of parent					8,480
Purchase of treasury shares					(9,889)
Disposal of treasury shares					6
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests					(29)
Net changes in items other than shareholders' equity	(90)	(7)	(98)	(16)	(115)
Total changes during period	(90)	(7)	(98)	(16)	(5,651)
Balance at end of period	(72)	117	45	485	32,950

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,513	2,188	39,817	(11,099)	32,419
Changes during period					
Dividends of surplus			(4,308)		(4,308)
Profit attributable to owners of parent			11,312		11,312
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period			7,004	(0)	7,004
Balance at end of period	1,513	2,188	46,822	(11,099)	39,424

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(72)	117	45	485	32,950
Changes during period					
Dividends of surplus					(4,308)
Profit attributable to owners of parent					11,312
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	85	57	142	123	266
Total changes during period	85	57	142	123	7,271
Balance at end of period	12	174	187	609	40,221

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	11,846	16,173
Depreciation	460	452
Increase (decrease) in allowance for doubtful accounts	(0)	(44)
Increase (decrease) in provision for bonuses	196	273
Increase (decrease) in provision for share-based payments	27	47
Interest and dividend income	(65)	(124)
Interest expenses	11	16
Loss (gain) on sale of securities	182	(134)
Loss (gain) on valuation of securities	151	(60)
Loss (gain) on investments in investment partnerships	11	57
Loss (gain) on sale of investment securities	2	(395)
Gain on bargain purchase	–	(56)
Loss (gain) on step acquisitions	–	29
Loss (gain) on valuation of crypto assets	–	30
Share of loss (profit) of entities accounted for using equity method	(36)	(102)
Increase (decrease) in provision for loss on orders received	–	3
Loss (gain) on liquidation of subsidiaries and associates	9	–
Decrease (increase) in trade receivables	(3,691)	(327)
Decrease (increase) in inventories	(833)	859
Decrease (increase) in advance payments to suppliers	20	(2)
Increase (decrease) in trade payables	2,625	(338)
Increase (decrease) in accounts payable - other, and accrued expenses	(2)	232
Increase (decrease) in accrued consumption taxes	(38)	375
Increase (decrease) in advances received	132	(115)
Other, net	(218)	(10)
Subtotal	10,791	16,839
Interest and dividends received	73	133
Interest paid	(11)	(17)
Income taxes paid	(2,873)	(3,701)
Income taxes refund	–	29
Net cash provided by (used in) operating activities	7,979	13,283

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Net decrease (increase) in time deposits	0	10
Purchase of crypto assets	–	(429)
Purchase of property, plant and equipment and intangible assets	(318)	(486)
Proceeds from sale of property, plant and equipment and intangible assets	2	6
Purchase of securities	(7,741)	(10,977)
Proceeds from sale of securities	7,356	9,636
Purchase of investment securities	(1,925)	(113)
Proceeds from sale of investment securities	33	1,934
Payments of leasehold and guarantee deposits	(66)	(518)
Proceeds from refund of leasehold and guarantee deposits	38	44
Proceeds from distributions from investment partnerships	39	85
Purchase of shares of subsidiaries	–	(61)
Purchase of shares of subsidiaries and associates	–	(65)
Other payments	(6)	(8)
Other proceeds	11	45
Net cash provided by (used in) investing activities	(2,576)	(896)
Cash flows from financing activities		
Repayments of long-term borrowings	–	(5)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(40)	–
Purchase of treasury shares	(9,895)	(0)
Proceeds from sale of treasury shares	6	–
Dividends paid	(4,095)	(4,310)
Net cash provided by (used in) financing activities	(14,024)	(4,316)
Effect of exchange rate change on cash and cash equivalents	(7)	13
Net increase (decrease) in cash and cash equivalents	(8,628)	8,083
Cash and cash equivalents at beginning of period	30,092	21,464
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	271
Cash and cash equivalents at end of period	*1 21,464	*1 29,819

(5) Notes to the consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Significant matters that serve as the basis for preparing consolidated financial statements)

1. Matters concerning scope of consolidation

(1) Number of consolidated subsidiaries: 9 companies

Names of consolidated subsidiaries

ProVision Co., Ltd.

Tokyoto Business Service Co., Ltd.

GaYa Co., Ltd.

IDY Corporation

TBS Operation Co., Ltd.

Systema America Inc.

Systema Vietnam Co., Ltd.

ProVision VN Co., Ltd.

Think Logic Co, Ltd.

Think Logic Co, Ltd. became an associate accounted for by the equity method following the acquisition of its shares by GaYa Co., Ltd., a consolidated subsidiary. As GaYa Co., Ltd.

subsequently acquired additional shares of Think Logic Co, Ltd. and gained control of it, we have included Think Logic Co, Ltd. in the scope of consolidation.

In addition, MINGAL inc. has been excluded from the scope of consolidation with the completion of liquidation.

(2) Names of unconsolidated subsidiaries

No items to report.

2. Matters concerning the application of the equity method

(1) Number of associates accounted for by the equity method: 3 companies

HIS Holdings, Inc.

StrongKey, Inc.

ONE Tech, Inc.

(2) Names of significant associates not accounted for by the equity method

No items to report.

(3) Of the companies accounted for by the equity method, three companies (HIS Holdings, Inc., StrongKey, Inc. and ONE Tech, Inc.) have a different account closing date from the consolidated account closing date. The fiscal year end for HIS Holdings, Inc. is August 31, and in preparing the consolidated financial statements, the Company uses financial statements based on a provisional settlement of accounts conducted as of February 28. Necessary adjustments are made for significant transactions that occurred between this date and the consolidated account closing date. The fiscal year end for StrongKey, Inc. and ONE Tech, Inc. is June 30 and December 31, respectively. In preparing the consolidated financial statements, the Company uses financial statements based on a provisional settlement of accounts conducted on the consolidated account closing date.

(4) Treatment of amounts equivalent to goodwill

The amount of goodwill resulting from the application of the equity method for U.S. associates is amortized on a straight-line basis over a period not exceeding 10 years.

3. Matters concerning fiscal year, etc. of consolidated subsidiaries

The account closing date of consolidated subsidiaries is the same as the consolidated account closing date.

4. Matters concerning accounting policies

(1) Valuation standards and valuation methods for significant assets

(i) Securities

Trading securities

Stated at fair value (The selling cost is calculated by the moving average method)

Available-for-sale securities

Securities other than stocks and other securities with no market price

Stated at fair value (All valuation differences are processed by the direct net assets method, and selling cost is calculated by the moving average method)

Stocks and other securities with no market price

Stated at cost determined by the moving average method

Investments in limited liability investment partnerships are accounted for based on the most recent financial statements available according to the financial reporting date stipulated in the partnership agreement, and the amount equivalent to the Company's equity interest in the partnerships is included at the net amount.

(ii) Inventories

Merchandise

Stated at cost determined by the moving average method (Calculated by writing down book values based on decreased profitability)

(iii) Valuation standards and valuation methods for cryptoassets

Stated at fair value (If an active market exists for the cryptoasset in question, the market price-based value under the fair value is recognized as the balance sheet value, the difference from that value is posted as profit or loss for the period under review, and the selling cost is calculated by the moving average method)

(2) Method of depreciation and amortization of significant depreciable assets

(i) Property, plant and equipment (excluding leased assets)

Declining-balance method (However, the straight-line method is adopted for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016)

The useful lives and residual values of assets are determined based on the standards stipulated in the Corporation Tax Act. Assets with an acquisition cost of ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.

(ii) Intangible assets (excluding leased assets)

Straight-line method

Software for internal use is amortized by the straight-line method over the estimated useful life (5 years). Software intended for market sale is amortized by the larger of amortization based on the estimated sales revenue over the estimated sales period (within 3 years) or equal amortization over the remaining salable period.

(iii) Long-term prepaid expenses

Amortized based on the straight-line method

(3) Standards for recognition of significant allowances and provisions

(i) Allowance for doubtful accounts

The estimated irrecoverable amount based on historical default rates for general receivables and individual assessments of recoverability for doubtful and other specific receivables is posted to provide for losses on default of receivables.

(ii) Provision for bonuses

To provide for the payment of bonuses to employees, the amount accrued for the fiscal year under review is recorded based on the estimated amount of bonus payments.

(iii) Provision for loss on orders received

To provide for future losses related to order contracts, the estimated amount of loss is recorded for contracts for which losses are expected to be incurred and the amount of such losses can be reasonably estimated.

(iv) Provision for share-based payments

To provide for the future delivery of Company shares to Directors and Executive Officers in accordance with the Company's rules on share delivery, the estimated payment amount is recorded based on the points allotted to Directors and Executive Officers as of the end of the fiscal year under review.

(4) Standards for recognition of significant revenue and expenses

The following is a description of the major performance obligations related to revenue from contracts with customers of the Company and its consolidated subsidiaries in their major businesses, and the normal point in time at which such performance obligations are satisfied (the normal point in time at which revenue is recognized).

(i) Software and system development, and IT services

In the Next Generation Mobility Business, Project Management Design Business, Digital Integration Business, Business Solution Business, and Other Businesses, the Group mainly provides planning, design, development, and verification support for software and system development.

In the IT & DX Service Business, the Group mainly provides IT outsourcing services such as operation, maintenance, and monitoring of systems and networks, as well as helpdesk services.

Contracts in this business involve transactions under contract or quasi-mandate contract, and performance obligations are recognized as follows depending on the contract.

For transactions entered into under contract, the Company recognizes revenue based on the degree of progress made in satisfying the performance obligation, as we consider the obligation to be satisfied over a specified period of time.

For transactions under quasi-mandate contract, the Company recognizes revenue as a prorated portion of the amount promised in the contract with the customer over the period during which the services are provided, based on the judgment that the performance obligation is satisfied over time, since the Company generally provides a certain level of services over the term of the contract.

The consideration for performance obligations is received primarily within one year after the performance obligations are satisfied, and does not include significant financial components.

(ii) Sales of merchandise

In the Business Solution Business, the Group mainly sells servers, computers, peripherals, software, and other IT-related products to enterprises. For these sales of merchandise, revenue is recognized when the merchandise is delivered to the customer or at the time the customer completed inspection.

For sales of merchandise deemed as revenue for which the Company and its consolidated subsidiaries are agents, revenue is recognized at the net amount received in exchange for goods provided by the third party less the amount paid to said third party.

In addition, consideration for performance obligations is received primarily within one year after performance obligations are satisfied, and does not include significant financial components.

(iii) License sales

In the Business Solution Business and DX & Subscription Business, the Group mainly sells licenses for its in-house services, Canbus., Cloudstep, and Web Shelter, as well as for cloud-based services such as Google Workspace and Microsoft 365. For sales of licenses for in-house services, the Company recognizes revenue over the license period specified in the contract, based on the judgment that the performance obligation will be satisfied over a certain period of time. For other license sales, revenue is recognized when the license is granted to the customer.

The consideration for performance obligations is received primarily within one year after the performance obligations are satisfied, and does not include significant financial components.

(5) Standards for translating significant foreign currency denominated assets or liabilities into Japanese currency

Receivables and payables denominated in foreign currencies are converted into yen at the spot exchange rate on the consolidated account closing date and translation differences are posted as profit or loss. Note that the assets and liabilities of overseas subsidiaries, etc. are converted to yen at the spot exchange rate on the day of the consolidated account closing, while related revenues and expenses are converted to yen at the average rate during the period. These translation differences are posted as foreign currency translation adjustments and non-controlling interests under net assets.

(6) Scope of funds in the consolidated statement of cash flows

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term investments with a maturity of 3 months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.

(Notes on significant accounting estimates)

Progress-based revenue recognition

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

(Millions of yen)

	Previous fiscal year	Fiscal year under review
Net sales (Portion not completed)	727	1,032

(2) Details regarding significant accounting estimates for the identified item

(i) Calculation method

For performance obligations within software and system development and IT services to be satisfied over a certain period of time, the Company estimates the degree of progress in satisfying the performance obligation and recognizes revenue over a certain period of time based on this degree of progress. The method of estimating the degree of progress in satisfying performance obligations is based on the ratio of the cost incurred (man-hours) to the total project cost (total man-hours) (input method).

(ii) Primary underlying assumptions

Recording sales revenue recognized in accordance with the measured degree of progress in satisfying a performance obligation affects the amount of revenue and profit or loss, depending on the estimate of the total project cost (total man-hours). The total project cost (total man-hours) is initially estimated in the working budget. When preparing a working budget, the total project cost (total man-hours) is estimated by setting assumptions for specifications and work content based on information available at the time of preparation and by estimating in detail the cost (man-hours) of each process required to complete the development plan. After development has begun, the actual cost incurred is managed for each project, and the total project cost (total man-hours) is reviewed in a timely and appropriate manner for changes in work content due to changes in circumstances, including additional development.

(iii) Impact on the consolidated financial statements for the following fiscal year

If the degree of work progress changes due to the occurrence of costs (man-hours) that were not foreseen in the assumptions used to estimate the total project cost, net sales and cost of sales may change in the consolidated financial statements in the following fiscal year or later.

(Accounting standards, etc. that have not been applied)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024, issued by the Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024, issued by the Accounting Standards Board of Japan), etc.

(1) Outline

The standard, etc. establish how a lessee should treat all of its leases, including recording them under assets and liabilities, similar to international accounting standards.

(2) Expected date of application

The standard, etc. will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) The impact of the application of the accounting standard, etc.

The Company is currently estimating the amount of impact on its consolidated financial statements resulting from the application of the “Accounting Standard for Leases” and other related accounting regulations.

(Notes on additional information)

Stock compensation plan

The Company has introduced a stock compensation plan for the Company's Directors (excluding Outside Directors) and Executive Officers (hereinafter collectively referred to as "Directors, etc.").

1. Outline of transactions

This is a stock compensation plan under which the Company's shares, acquired by a trust using money contributed by the Company, are delivered to Directors, etc. in accordance with the number of points granted in accordance with rules on share delivery established by the Company.

2. Company shares remaining in trust

Company shares remaining in trust are recorded as treasury shares under net assets at the carrying value in trust (excluding the amount of incidental expenses). The book value and number of these treasury shares amounted to ¥699 million and 1,552,600 shares at the end of the previous fiscal year, and ¥699 million and 1,552,600 shares at the end of the fiscal year under review.

Notes on cryptoassets

The Group holds cryptoassets as defined in the Payment Services Act (Act No. 59 of 2009). In addition, notes on cryptoassets are as follows.

(1) Carrying value of cryptoassets on the consolidated balance sheet

(Millions of yen)	
Cryptoassets held	399
Total	399

(2) Quantity held and carrying value on the consolidated balance sheet by type of cryptoassets held

(i) Cryptoassets with active markets

Type	Quantity held (units)	Fiscal year under review (Millions of yen)
BTC	24.8905 BTC	263
ETH	214.9587 ETH	69
XRP	314,658.9100 XRP	65
Total	-	399

(ii) Cryptoassets without active markets

No items to report.

(On the consolidated balance sheet)

1. Items pertaining to associates are as follows.

	(Millions of yen)	
	Previous fiscal year (March 31, 2025)	Fiscal year under review (March 31, 2026)
Investment securities (shares)	577	655

2. Overdraft agreements

The Company and its consolidated subsidiaries have overdraft agreements with six transacting banks in order to raise working capital efficiently.

The unused portion of the lines of credit based on these agreements is as follows.

	(Millions of yen)	
	Previous fiscal year (March 31, 2025)	Fiscal year under review (March 31, 2026)
Maximum amount of overdraft	8,210	8,210
Outstanding balance of overdraft	1,550	1,550
Unused amount	6,660	6,660

(On the consolidated statement of income)

1. Revenue from contracts with customers

Net sales are not separately presented for revenue from contracts with customers and other revenue.

The amount of revenue from contracts with customers is presented in “Information on breakdown of revenue from contracts with customers” under the revenue recognition section of notes to the consolidated financial statements.

2. Significant items and amounts of selling, general and administrative expenses are as follows.

	(Millions of yen)	
	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Fiscal year under review (From April 1, 2025 to March 31, 2026)
Payroll and allowances	2,965	3,038
Rent expenses	1,104	1,185
Provision for bonuses	303	360
Retirement benefit expenses	251	230
Provision for share-based payments	34	47

(On the consolidated statement of comprehensive income)

1. Reclassification adjustments, income taxes and tax effects for other comprehensive income

	(Millions of yen)	
	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Fiscal year under review (From April 1, 2025 to March 31, 2026)
Valuation difference on available-for-sale securities		
Incurred during the period	(134)	463
Reclassification adjustments	2	(338)
Before adjustment for income taxes and tax effect	(132)	125
Income taxes and tax effect amount	41	(39)
Valuation difference on available-for-sale securities	(90)	85
Foreign currency translation adjustment		
Incurred during the period	(10)	68
Foreign currency translation adjustment	(10)	68
Share of other comprehensive income of entities accounted for using equity method		
Incurred during the period	2	(11)
Share of other comprehensive income of entities accounted for using equity method	2	(11)
Total other comprehensive income	(98)	142

(On the consolidated statement of changes in equity)

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

1. Type and number of shares issued and treasury shares

(Shares)

	Number of shares at the beginning of the period	Increase in shares during the period	Decrease in shares during the period	Number of shares at the end of the period
Issued shares				
Common shares (Note 1)	450,880,000	–	25,000,000	425,880,000
Total	450,880,000	–	25,000,000	425,880,000
Treasury shares				
Common shares (Notes 2, 3 and 4)	63,439,188	30,000,075	25,015,100	68,424,163
Total	63,439,188	30,000,075	25,015,100	68,424,163

- (Notes)
- The decrease of 25,000,000 shares in the number of issued common shares during the period is due to the cancellation of treasury shares.
 - The 30,000,075 common shares in treasury shares which increased in the period consist of 30,000,000 shares acquired through market purchases pursuant to the resolution of the Board of Directors and 75 shares of fractional shares repurchased.
 - The 25,015,100 common shares in treasury shares which decreased in the period consist of 25,000,000 shares due to the cancellation of treasury shares and 15,100 shares that were delivered from trust to eligible persons under the stock compensation plan for Directors and the stock compensation plan for Executive Officers.
 - The 68,424,163 common shares in treasury shares at the end of the period include 1,552,600 shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

2. Matters concerning dividends

(1) Dividends paid

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
May 17, 2024 Board of Directors meeting	Common shares	1,945	5.0	March 31, 2024	June 7, 2024
October 31, 2024 Board of Directors meeting	Common shares	2,158	6.0	September 30, 2024	December 3, 2024

- (Notes)
- The total dividend amount resolved by the Board of Directors meeting on May 17, 2024 includes ¥7 million in dividends paid to shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.
 - The total dividend amount resolved by the Board of Directors meeting on October 31, 2024 includes ¥9 million in dividends paid to shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

(2) Dividends with a date of record during the fiscal year under review, but an effective date in the following fiscal year

Resolution	Class of shares	Total dividend amount (Millions of yen)	Source of dividend	Dividend per share (Yen)	Date of record	Effective date
May 16, 2025 Board of Directors meeting	Common shares	2,154	Retained earnings	6.0	March 31, 2025	June 6, 2025

(Note) The total dividend amount includes ¥9 million in dividends paid to shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

(3) Significant changes in the shareholders' equity

The Company acquired 30,000,000 shares of treasury shares based on resolutions at the Board of Directors meetings on May 13, 2024 and August 21, 2024, and treasury shares increased by ¥9,889 million in the fiscal year under review.

In addition, the Company canceled 25,000,000 shares of treasury shares based on a resolution at the Board of Directors meeting on August 21, 2024, and capital surplus and treasury shares each decreased by ¥3,805 million in the fiscal year under review.

As a result, at the end of the fiscal year under review, capital surplus was ¥2,188 million and treasury shares were ¥11,099 million.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

1. Type and number of shares issued and treasury shares

	(Shares)			
	Number of shares at the beginning of the period	Increase in shares during the period	Decrease in shares during the period	Number of shares at the end of the period
Issued shares				
Common shares	425,880,000	–	–	425,880,000
Total	425,880,000	–	–	425,880,000
Treasury shares				
Common shares (Notes 1 and 2)	68,424,163	10	–	68,424,173
Total	68,424,163	10	–	68,424,173

(Notes) 1. The 10 common shares in treasury shares which increased in the period are fractional shares repurchased.

2. The 68,424,173 common shares in treasury shares at the end of the period include 1,552,600 shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

No items to report as of the end of the fiscal year under review (March 31). Stock acquisition rights resolved for issuance by the Board of Directors meeting on March 26, 2026, are presented under the “(Notes on significant subsequent events)” section of notes to the consolidated financial statements.

3. Matters concerning dividends

(1) Dividends paid

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
May 16, 2025 Board of Directors meeting	Common shares	2,154	6.0	March 31, 2025	June 6, 2025
October 30, 2025 Board of Directors meeting	Common shares	2,154	6.0	September 30, 2025	December 2, 2025

(Notes) 1. The total dividend amount resolved by the Board of Directors meeting on May 16, 2025 includes ¥9 million in dividends paid to shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

2. The total dividend amount resolved by the Board of Directors meeting on October 30, 2025 includes ¥9 million in dividends paid to shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

(2) Dividends with a date of record during the fiscal year under review, but an effective date in the following fiscal year

Resolution	Class of shares	Total dividend amount (Millions of yen)	Source of dividend	Dividend per share (Yen)	Date of record	Effective date
May 13, 2026 Board of Directors meeting	Common shares	2,872	Retained earnings	8.0	March 31, 2026	June 11, 2026

(Note) The total dividend amount includes ¥12 million in dividends paid to shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

(3) Significant changes in the shareholders' equity

No items to report.

(On the consolidated statement of cash flows)

1. Relationship between cash and cash equivalents at end of period and the amount of items shown on the consolidated balance sheet

	(Millions of yen)	
	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Fiscal year under review (From April 1, 2025 to March 31, 2026)
Cash and deposits account	21,860	27,377
Time deposits with maturities longer than three months	(530)	(555)
Deposits paid account	134	2,997
Cash and cash equivalents	21,464	29,819

(Lease transactions)

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

Notes are omitted due to immateriality.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

Notes are omitted due to immateriality.

(Financial instruments)

1. Matters concerning status of financial instruments

(1) Policy for financial instrument transactions

The Group raises short-term working capital and capital for equipment, etc. as needed through borrowings from banks. Derivative transactions are strictly managed in accordance with internal management rules governing transactions, and the Company's fundamental policy is not to engage in high-risk speculative transactions.

(2) Nature and extent of risks arising from financial instruments and risk management

Notes and accounts receivable - trade, which are trade receivables, are exposed to credit risk from customers. With respect to this risk, the Company conducts credit checks when beginning transactions with customers, continuously monitors the collection status, and periodically reviews credit limits in accordance with the Company's credit management rules. Consolidated subsidiaries conduct similar management as in the Company.

The Company periodically monitors the fair value of securities and investment securities as well as financial condition of their issuers, etc., and continuously reviews its holdings in consideration of market conditions and other factors.

Short-term borrowings and long-term borrowings are mainly used as funding for working capital and capital investment. Although borrowings with floating interest rates are exposed to interest rate fluctuation risk, the Company is able to respond flexibly to interest rate fluctuations by maintaining short borrowing periods.

(3) Supplementary information on fair value, etc. of financial instruments

The fair value of financial instruments reflects variable factors, and is therefore subject to change depending on different assumptions used.

2. Matters concerning fair value, etc. of financial instruments

The amounts recorded on the consolidated balance sheet, fair values, and the differences between them are shown below.

Previous fiscal year (As of March 31, 2025)

(Millions of yen)

	Carrying value on the consolidated balance sheet	Fair value	Difference
Securities and investment securities			
(1) Trading securities	833	833	–
(2) Available-for-sale securities	1,437	1,437	–
Total assets	2,271	2,271	–

Fiscal year under review (As of March 31, 2026)

(Millions of yen)

	Carrying value on the consolidated balance sheet	Fair value	Difference
Securities and investment securities			
(1) Trading securities	2,356	2,356	–
Total assets	2,356	2,356	–

(Notes) 1. “Cash and deposits,” “Notes receivable - trade,” “Accounts receivable - trade,” “Accounts payable - trade,” “Short-term borrowings,” and “Accounts payable - other, and accrued expenses” are omitted as their fair values approximate their book values. This is due to their nature as cash and as accounts settled over the short term.

2. Stocks and other securities with no market price are not included in “Securities and investment securities.” The carrying values of these financial instruments on the consolidated balance sheet are as follows.

(Millions of yen)

Classification	Previous fiscal year	Fiscal year under review
Unlisted stocks, etc.	584	662

3. Investments in partnerships and similar entities recorded at the net amount of equity interest on the consolidated balance sheet are omitted. The amount of these investments on the consolidated balance sheet is as follows.

(Millions of yen)

	Previous fiscal year	Fiscal year under review
Investment securities	1,270	1,251

4. Scheduled amount of redemption of monetary claims due after the consolidated account closing date

Previous fiscal year (As of March 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Notes receivable - trade	774	—	—	—
Accounts receivable - trade	17,031	—	—	—

Fiscal year under review (As of March 31, 2026)

(Millions of yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Notes receivable - trade	969	—	—	—
Accounts receivable - trade	16,948	—	—	—

5. Scheduled amount of repayment of short-term borrowings and long-term borrowings after the consolidated account closing date

Previous fiscal year (As of March 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term borrowings	1,550	–	–	–	–	–

Fiscal year under review (As of March 31, 2026)

(Millions of yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term borrowings	1,550	–	–	–	–	–
Long-term borrowings	22	22	7	–	–	–

3. Matters concerning breakdown per level of fair value, etc. of financial instruments

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated with observable inputs which are quoted prices for identical assets or liabilities for calculation of fair value in active markets.

Level 2 fair value: Fair value calculated with observable inputs other than in Level 1.

Level 3 fair value: Fair value calculated using unobservable inputs.

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is assigned to the level with the lowest applicable priority among the relevant levels.

(1) Financial instruments recorded on the consolidated balance sheet at fair value

Previous fiscal year (As of March 31, 2025)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
(1) Trading securities				
Stocks	346	–	–	346
Other	487	–	–	487
(2) Available-for-sale securities				
Stocks	1,437	–	–	1,437
Total	2,271	–	–	2,271

Fiscal year under review (As of March 31, 2026)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities (1) Trading securities				
Stocks	2,356	–	–	2,356
Total	2,356	–	–	2,356

(2) Financial instruments other than those recorded on the consolidated balance sheet at fair value

Previous fiscal year (As of March 31, 2025)

No items to report.

Fiscal year under review (As of March 31, 2026)

No items to report.

(Securities)

Previous fiscal year (As of March 31, 2025)

1. Trading securities

(Millions of yen)

Classification	Fiscal year under review
Valuation differences included in the profit (loss) for the fiscal year under review	(151)

2. Available-for-sale securities

(Millions of yen)

	Type	Carrying value on the consolidated balance sheet	Acquisition cost	Difference
Securities whose carrying values on the consolidated balance sheet exceed acquisition cost	Stocks	–	–	–
	Other	–	–	–
Securities whose carrying values on the consolidated balance sheet do not exceed acquisition cost	Stocks	1,437	1,524	(87)
	Other	–	–	–
Total		1,437	1,524	(87)

(Note) Unlisted stocks, etc. (carrying value of ¥7 million on the consolidated balance sheet) are not included in “Available-for-sale securities” above because they are stocks, etc. without market prices.

3. Available-for-sale securities sold during the fiscal year under review (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Type	Amount of sales	Total gain on sale	Total loss on sale
Stocks	33	—	2
Other	—	—	—
Total	33	—	2

Fiscal year under review (As of March 31, 2026)

1. Trading securities

(Millions of yen)

Classification	Fiscal year under review
Valuation differences included in the profit (loss) for the fiscal year under review	(134)

2. Available-for-sale securities

(Millions of yen)

	Type	Carrying value on the consolidated balance sheet	Acquisition cost	Difference
Securities whose carrying values on the consolidated balance sheet exceed acquisition cost	Stocks	—	—	—
	Other	—	—	—
Securities whose carrying values on the consolidated balance sheet do not exceed acquisition cost	Stocks	—	—	—
	Other	—	—	—
Total		—	—	—

(Note) Unlisted stocks, etc. (carrying value of ¥7 million on the consolidated balance sheet) are not included in “Available-for-sale securities” above because they are stocks, etc. without market prices.

3. Available-for-sale securities sold during the fiscal year under review (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Type	Amount of sales	Total gain on sale	Total loss on sale
Stocks	1,934	395	—
Other	—	—	—
Total	1,934	395	—

(Retirement benefits)

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

1. Outline of retirement benefit plans adopted

The Company and some of its consolidated subsidiaries have both a defined contribution pension plan and a prepaid retirement benefit plan.

2. Matters on retirement benefit obligations

Due to adoption of a defined contribution pension plan, there are no retirement benefit obligations.

3. Matters on retirement benefit expenses

	(Millions of yen)
(1) Contributions to defined contribution pension plan	285
(2) Prepaid retirement benefits	1,372
Retirement benefit expenses	<u>1,658</u>

Fiscal year under review (From April 1, 2025 to March 31, 2026)

1. Outline of retirement benefit plans adopted

The Company and some of its consolidated subsidiaries have both a defined contribution pension plan and a prepaid retirement benefit plan.

2. Matters on retirement benefit obligations

Due to adoption of a defined contribution pension plan, there are no retirement benefit obligations.

3. Matters on retirement benefit expenses

	(Millions of yen)
(1) Contributions to defined contribution pension plan	293
(2) Prepaid retirement benefits	1,287
Retirement benefit expenses	<u>1,580</u>

(Tax effect accounting)

1. Deferred tax assets and deferred tax liabilities by major classification

	Previous fiscal year (March 31, 2025)	(Millions of yen) Fiscal year under review (March 31, 2026)
Deferred tax assets		
Accrued enterprise tax	125	205
Accrued business office tax	21	23
Provision for bonuses	637	744
Provision for share-based payments	53	68
Loss on valuation of membership	25	22
Unrealized profit	5	13
Loss carried forward	255	273
Valuation difference on available-for-sale securities	33	-
Allowance for doubtful accounts	205	204
Other	51	51
Subtotal of deferred tax assets	<u>1,414</u>	<u>1,606</u>
Valuation allowance	<u>(391)</u>	<u>(391)</u>
Total deferred tax assets	<u>1,022</u>	<u>1,215</u>
Deferred tax liabilities		
Enterprise tax refund receivable	(2)	-
Valuation difference on available-for-sale securities	-	(6)
Total deferred tax liabilities	<u>(2)</u>	<u>(6)</u>
Net deferred tax assets	<u>1,020</u>	<u>1,209</u>

2. Major components of significant differences arising between the statutory effective tax rate and effective income tax rate after application of tax effect accounting

	Previous fiscal year (March 31, 2025)	Fiscal year under review (March 31, 2026)
Statutory effective tax rate	30.6%	Notes are omitted due to the difference between the statutory effective tax rate and the effective income tax rate after application of tax effect accounting being 5% or less of the statutory effective tax rate.
(Adjustments)		
Share of loss of entities accounted for using equity method	(0.1%)	
Inhabitant tax on per capita basis	0.4%	
Change in valuation allowance	0.2%	
Tax credits for wage increases	(2.7%)	
Other	0.0%	
Effective income tax rate after application of tax effect accounting	28.5%	

(Revenue recognition)

1. Information on breakdown of revenue from contracts with customers

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

(Millions of yen)

	Reportable segment							Total
	Next Generation Mobility Business	Project Management Design Business	Digital Integration Business	IT & DX Service Business	Business Solution Business	DX & Subscription Business	Other Businesses	
Goods or services transferred over a period of time	5,540	15,661	8,815	20,439	1,298	926	238	52,920
Goods or services transferred at a single point in time	–	–	–	–	28,473	1,799	428	30,700
Revenue from contracts with customers	5,540	15,661	8,815	20,439	29,771	2,725	667	83,621
Net sales to external customers	5,540	15,661	8,815	20,439	29,771	2,725	667	83,621

Fiscal year under review (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment							Total
	Next Generation Mobility Business	Project Management Design Business	Digital Integration Business	IT & DX Service Business	Business Solution Business	DX & Subscription Business	Other Businesses	
Goods or services transferred over a period of time	7,569	15,295	10,406	21,882	1,506	960	477	58,098
Goods or services transferred at a single point in time	–	–	–	–	34,057	1,878	365	36,301
Revenue from contracts with customers	7,569	15,295	10,406	21,882	35,564	2,838	842	94,400
Net sales to external customers	7,569	15,295	10,406	21,882	35,564	2,838	842	94,400

2. Fundamental explanation of revenue from contracts with customers

The fundamental explanation of revenue is as described in “(Significant matters that serve as the basis for preparing consolidated financial statements), 4. Matters concerning accounting policies, (4) Standards for recognition of significant revenue and expenses.”

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from these contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers that exist at the end of the fiscal year under review

(1) Balance of contract assets and contract liabilities, etc.

(Millions of yen)

	Previous fiscal year	Fiscal year under review
Contract assets (Balance at beginning of period)	557	799
Contract assets (Balance at end of period)	799	1,134
Contract liabilities (Balance at beginning of period)	59	191
Contract liabilities (Balance at end of period)	191	76

Contract assets relate to the rights of the Company and its consolidated subsidiaries to consideration not yet billed, though their contractual performance obligations have been satisfied as of the end of the fiscal year. Contract assets are reclassified as receivables arising from contracts with customers when the Company and its consolidated subsidiaries' rights to the consideration are unconditional.

Contract liabilities mainly relate to advance payments for customer order-based contracts and suspense payments for ongoing orders. Contract liabilities are reversed upon recognition of revenue.

(2) Transaction price allocated to remaining performance obligations

The Company and its consolidated subsidiaries apply the practical expedient method in the notes to transaction prices allocated to remaining performance obligations. Contracts with an initial expected contract term of one year or less are not included in these notes.

(Notes on segment information, etc.)

Segment information

1. Overview of reportable segments

The Company's reportable segments are those components of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group has established business divisions by product and service. These divisions formulate comprehensive strategies for their respective products and services and carry out business activities.

Therefore, the Group consists of segments that are separated by products and services based on business divisions, and the business activities of each segment are as follows.

Effective from the fiscal year under review, "Reportable Segments" have been reclassified and some names have been changed in accordance with changes in each segment's content and main fields of business.

The "Solution Design Business," which had been classified as a business segment in the previous fiscal year, was reorganized to enable the Group to elevate its specialization in each area rather than view the various areas as a single business segment. Accordingly, businesses that were classified in the "Solution Design Business" have been reclassified into the "Next Generation Mobility Business," "Project Management Design Business," "Digital Integration Business," "IT & DX Service Business," and "Business Solution Business." The "Framework Design Business" has been renamed the "Digital Integration Business." Furthermore, Think Logic Co, Ltd., which became a consolidated subsidiary, is classified in the "Other Businesses."

Segment information for the previous fiscal year is disclosed based on the new reportable segment classifications.

Business segment	Businesses
Next Generation Mobility Business	Planning, design, development, and verification support for various products and telecommunications carrier services. Planning, design, development, and verification support for Internet businesses, business applications, web services, social infrastructure-related systems, IoT, artificial intelligence, and robotics-related services.
Project Management Design Business	Provision of engineering and in-house services such as MaaS for the automotive industry, mainly targeting finished vehicle manufacturers and suppliers.

Business segment	Businesses
Digital Integration Business	Development of core systems in the areas of finance (life and non-life insurance, and banking) and public and corporate sectors. Introduction of DX solutions, building of infrastructure, and system operation. Infrastructure consulting services.
IT & DX Service Business	Provision of IT outsourcing services including IT project promotion/PMO, DX support, system construction and operation, data entry, large-volume output, software testing, and DX verification.
Business Solution Business	Sale of servers, computers, peripherals, software, and other IT-related products to enterprises. Provision of services related to IT equipment, including building infrastructure and virtualization. Planning, development, and provision of product implementation services such as RPA and business intelligence (BI) tools.
DX & Subscription Business	Provision of in-house services Canbus., Canbus.IoT, Cloudstep, and Web Shelter. Provision and implementation support of cloud-based services such as Google Workspace and Microsoft 365.
Other Businesses	Provision of mobile communications-related technical support, development and verification support, and various solutions; trend research and commercialization of the latest technologies and services in the overseas field. Planning, development, and sale of game content for smartphones and tablets in the investment & incubation field.

2. Calculation method of net sales, profit or loss, assets, and other items by reportable segment

Accounting methods for reported business segments are the same as those described in “Significant matters that serve as the basis for preparing consolidated financial statements.”

Profit by reportable segment is based on operating profit.

Inter-segment net sales and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, and other items by reportable segment

I. Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment							Adjustment (Notes 2 and 3)	Total (Note 1)
	Next Generation Mobility Business	Project Managemen t Design Business	Digital Integration Business	IT & DX Service Business	Business Solution Business	DX & Subscriptio n Business	Other Businesses		
Net sales									
Net sales to external customers	5,540	15,661	8,815	20,439	29,771	2,725	667	–	83,621
Inter- segment net sales and transfers	–	8	–	313	23	57	130	(534)	–
Total	5,540	15,669	8,815	20,753	29,795	2,783	797	(534)	83,621
Segment profit (loss)	1,964	2,583	1,954	2,848	2,274	460	(19)	–	12,067
Segment assets	4,202	2,055	1,036	7,346	10,361	381	1,346	25,030	51,762
Other items									
Depreciation	82	183	23	123	40	6	0	–	460
Increase in property, plant and equipment and intangible assets	15	87	16	82	27	20	9	48	302
Investments in equity method associates	–	425	–	–	–	–	152	–	577

- (Notes) 1. Segment profit (loss) is consistent with operating profit in the consolidated statement of income.
2. The ¥25,030 million adjustment to segment assets consists wholly of corporate assets that do not belong to any reportable segment, and is mainly cash and deposits and investment securities. Depreciation of property, plant and equipment and intangible assets included in corporate assets is allocated to reportable segments.
3. The adjustment of ¥48 million for the increase in property, plant and equipment and intangible assets under other items represents corporate assets and mainly consists of capital investment related to in-house infrastructure development.

II. Fiscal year under review (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment							Adjustment (Notes 2 and 3)	Total (Note 1)
	Next Generation Mobility Business	Project Managemen t Design Business	Digital Integration Business	IT & DX Service Business	Business Solution Business	DX & Subscriptio n Business	Other Businesses		
Net sales									
Net sales to external customers	7,569	15,295	10,406	21,882	35,564	2,838	842	–	94,400
Inter- segment net sales and transfers	–	0	–	474	19	54	158	(707)	–
Total	7,569	15,296	10,406	22,356	35,584	2,892	1,001	(707)	94,400
Segment profit (loss)	3,219	3,342	2,476	3,146	2,957	251	(26)	–	15,367
Segment assets	911	5,942	888	8,545	8,818	559	2,360	33,053	61,079
Other items									
Depreciation	48	145	47	135	50	14	10	–	452
Increase in property, plant and equipment and intangible assets	42	218	28	70	11	8	4	96	480
Investments in equity method associates	–	462	–	–	–	–	192	–	655

- (Notes) 1. Segment profit (loss) is consistent with operating profit in the consolidated statement of income.
2. The ¥33,053 million adjustment to segment assets consists wholly of corporate assets that do not belong to any reportable segment, and is mainly cash and deposits and investment securities. Depreciation of property, plant and equipment and intangible assets included in corporate assets is allocated to reportable segments.
3. The adjustment of ¥96 million for the increase in property, plant and equipment and intangible assets under other items represents corporate assets and mainly consists of capital investment related to in-house infrastructure development.

Related information

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

1. Information by product and service

This information is omitted because the same information is disclosed as segment information.

2. Information by geographic area

(1) Net sales

This information is omitted because net sales to external customers in Japan are in excess of 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This information is omitted because there are no customers that account for 10% or more of net sales on the consolidated statement of income.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

1. Information by product and service

This information is omitted because the same information is disclosed as segment information.

2. Information by geographic area

(1) Net sales

This information is omitted because net sales to external customers in Japan are in excess of 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This information is omitted because there are no customers that account for 10% or more of net sales on the consolidated statement of income.

Information about impairment loss on non-current assets by reportable segment

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

No items to report.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

No items to report.

Information about amortization and unamortized balance of goodwill by reportable segment

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

No items to report.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

No items to report.

Information about gain on bargain purchase by reportable segment

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

No items to report.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

No items to report.

(Information on related parties)

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

1. Transactions with related parties

No items to report.

2. Notes on parent company and significant associates

No items to report.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

1. Transactions with related parties

Officers and major shareholders (limited to individuals), etc. of the company submitting consolidated financial statements

Type	Name of company, etc. or individual	Location	Share capital or investments in capital (Millions of yen)	Business description or occupation	Percentage of voting rights, etc. held (held by others) (%)	Relationship with related parties	Description of transaction	Transaction amount (Millions of yen)	Item	Balance at end of period (Millions of yen)
Officers	Yoshichika Hemmi	-	-	Representative Director and Chairman of the Company	-	Acquisition of shares	Acquisition of shares	64	-	-

(Note) The acquisition price of the shares was determined through discussions, referencing the results of the share valuation performed by a third-party valuation institution.

2. Notes on parent company and significant associates

No items to report.

(Notes on per share information)

(Yen)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Fiscal year under review (From April 1, 2025 to March 31, 2026)
Net assets per share	90.82	110.82
Basic earnings per share	23.17	31.65

(Notes) 1. Diluted earnings per share is not shown in the above table, as there are no residual shares with dilutive effects.

2. The basis for calculation of basic earnings per share is as follows.

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Fiscal year under review (From April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	8,480	11,312
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent available to common shares (Millions of yen)	8,480	11,312
Average number of shares during the period (Shares)	366,054,843	357,455,829

3. The Company has introduced a stock compensation plan, and in calculating the average number of common shares during the period, the number of treasury shares includes shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Trust for Granting Shares to Directors and the Trust for Granting Shares to Executive Officers.

The number of treasury shares held by the trust account included in the number of treasury shares at the end of the fiscal year under review and previous fiscal year was 1,552,600 shares. The average number of treasury shares held by the trust account excluded from the calculation of the average number of shares during the fiscal year under review and previous fiscal year were 1,552,600 shares and 1,559,770 shares, respectively.

(Notes on significant subsequent events)

(Issuance of paid-in stock options (stock acquisition rights))

The Company resolved at the meeting of the Board of Directors held on March 26, 2026, to issue paid-in stock options (the “Stock Acquisition Rights”) as described below. As the Stock Acquisition Rights will be issued for value at a fair price to the subscribers and do not constitute an issuance under particularly favorable conditions, the issuance will be conducted without obtaining the approval at a General Meeting of Shareholders. Furthermore, the Stock Acquisition Rights are not intended as remuneration for the grantees, but are to be subscribed for based on the individual investment decisions of each person.

1. Purpose of and reason for the issuance

The Stock Acquisition Rights will be issued for the purpose of further motivating and enhancing the morale of the Company’s Directors and employees and further strengthening the unity of the Company, with the aim of expanding the Company’s business performance and increasing its corporate value over the medium to long term.

The total number of common shares of the Company to be issued upon exercise of all the Stock Acquisition Rights represents 5.00% of the total number of issued shares (425,880,000 shares). However, the exercise of the Stock Acquisition Rights is contingent upon the achievement of predetermined performance targets, and the Company believes that the achievement of such targets will contribute to the enhancement of the Company’s corporate value and shareholder value. Accordingly, the Company believes that the issuance of the Stock Acquisition Rights will contribute to the interests of its existing shareholders and that the impact of the dilution of shares is reasonable.

2. Outline of the issuance

- (1) Eligible grantees of the Stock Acquisition Rights, the number of such grantees, and the number of the Stock Acquisition Rights to be allotted

Directors of the Company	7 persons	207,190 units
Employees of the Company	1 person	5,750 units

(Note) In the event that any of the eligible grantees do not apply for subscription, the number of the Stock Acquisition Rights to be allotted shall be reduced accordingly.

- (2) Class and number of shares to be issued upon exercise of the Stock Acquisition Rights

The number of shares to be issued upon exercise of each Stock Acquisition Right (the “Number of Granted Shares”) shall be 100 common shares of the Company.

If the Company conducts a stock split (including the allotment of common shares of the Company without contribution; the same applies hereinafter) or a stock consolidation after the allotment date of the Stock Acquisition Rights, the Number of Granted Shares shall be adjusted in accordance with the following formula. Provided, however, that such adjustment shall be made only to the number of shares subject to the Stock Acquisition Rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.

$$\text{Adjusted Number of Granted Shares} = \text{Number of Granted Shares before adjustment} \times \text{Ratio of split (or consolidation)}$$

Furthermore, if the Company conducts a merger, company split, or reduction of the amount of share capital, or in any other case where an adjustment to the Number of Granted Shares is required in a manner similar to these events, after the allotment date of the Stock Acquisition Rights, the Number of Granted Shares shall be appropriately adjusted within a reasonable range.

- (3) Total number of the Stock Acquisition Rights

212,940 units

- (4) Amount to be paid in for the Stock Acquisition Rights or the calculation method thereof

The issue price per Stock Acquisition Right shall be ¥300.

This amount was determined to be the same as the results calculated by Plutus Consulting Co., Ltd., a third-party valuation institution, using a Monte Carlo simulation—a common option pricing model—taking into account factors such as the Company’s stock price information.

Accordingly, the Company has determined that the said amount does not constitute an issuance under particularly favorable conditions.

- (5) Value of assets to be contributed upon exercise of the Stock Acquisition Rights and the amount per share (Exercise Price)

The value of assets to be contributed upon exercise of each Stock Acquisition Right shall be the amount obtained by multiplying the amount to be paid in per share (the “Exercise Price”) by the Number of Granted Shares.

The Exercise Price shall be ¥422.

Furthermore, if the Company conducts a stock split or a stock consolidation after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than ¥1 resulting from such adjustment shall be rounded up.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split (or consolidation)}}$$

Furthermore, if the Company issues new common shares of the Company or disposes of its treasury shares at a price below the market price after the allotment date of the Stock Acquisition Rights (excluding cases of issuance of new shares or disposal of treasury shares resulting from the exercise of the Stock Acquisition Rights, or transfer of treasury shares through share exchange), the Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than ¥1 resulting from such adjustment shall be rounded up.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid-in per share}}{\text{Market price per share prior to the new issuance}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

In the formula above, the “Number of shares already issued” shall be the number obtained by deducting the number of treasury shares of the Company’s common shares from the total number of issued shares of the Company’s common shares. Furthermore, in the event of disposal of treasury shares of the Company’s common shares, the “Number of shares newly issued” shall be read as the “Number of treasury shares to be disposed of.”

In addition to the above, if the Company conducts a merger with another company, company split, share exchange, or share delivery, or in any other case where an adjustment to the Exercise Price is required in a manner similar to these events, after the allotment date of the Stock Acquisition Rights, the Company may appropriately adjust the Exercise Price within a reasonable range.

- (6) Exercise period of the Stock Acquisition Rights

The period during which the Stock Acquisition Rights may be exercised (the “Exercise Period”) shall be from July 1, 2029 to April 9, 2046.

- (7) Conditions for the exercise of the Stock Acquisition Rights

(i) Only if the operating profit stated in the Company’s consolidated statement of income (or non-consolidated statement of income if the Company does not prepare consolidated statements of income) satisfies all of the conditions set forth in (a) and (b) below, a person who received an allotment of the Stock Acquisition Rights (the “Holder of Stock Acquisition Rights”) may exercise the Stock Acquisition Rights thereafter.

(a) In the event that the operating profit exceeds ¥15.0 billion for the fiscal year ending March 31, 2027.

(b) In the event that the operating profit exceeds ¥22.0 billion in any of the fiscal years from the fiscal year ending March 31, 2029 to the fiscal year ending March 31, 2036.

In determining the operating profit described above, the Company shall refer to the figures in the consolidated statement of income (or the non-consolidated statement of income if the Company does not prepare consolidated statements of income) in the annual securities report submitted by the Company. In the event of a change in the fiscal year-end, adoption of International Financial Reporting Standards (IFRS), changes in applicable accounting standards, or occurrences of events such as corporate acquisitions that significantly impact the

Company's business performance, where the Board of Directors of the Company deems it inappropriate to use such figures for the determination, the Company may make appropriate adjustments within a reasonable range to exclude such impact. Furthermore, if stock-based compensation expenses related to the Stock Acquisition Rights are recorded in the said consolidated statement of income (or the non-consolidated statement of income if the Company does not prepare consolidated statements of income), the determination shall be made based on operating profit before stock-based compensation expenses by excluding the impact thereof.

- (ii) In addition to the condition in (i) above, a Holder of Stock Acquisition Rights may exercise the Stock Acquisition Rights if the average of the closing prices of the Company's common shares in regular trading on the Tokyo Stock Exchange for 21 consecutive trading days exceeds ¥633 even once during the period from the allotment date until the end of the Exercise Period of the Stock Acquisition Rights. Provided, however, that in the case where an adjustment of the Exercise Price as provided in (5) above is made, this amount shall be adjusted in the same manner as the adjustment of the Exercise Price by deeming such amount to be the Exercise Price before adjustment.
 - (iii) At the time of exercise of the Stock Acquisition Rights, the Holder of Stock Acquisition Rights must be a Director, an Audit & Supervisory Board Member, or an employee of the Company or its associated companies (meaning "associated companies" as defined in Article 8 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963, as amended)). Provided, however, that this shall not apply if the Board of Directors approves.
 - (iv) Exercise of the Stock Acquisition Rights by any heir of a Holder of Stock Acquisition Rights shall not be permitted.
 - (v) No Stock Acquisition Rights may be exercised if such exercise would cause the total number of issued shares of the Company to exceed the total number of authorized shares of the Company at such time.
 - (vi) Exercise of less than one unit of each Stock Acquisition Right shall not be permitted.
- (8) Amount of share capital and legal capital surplus to be increased in the event of issuance of shares upon exercise of the Stock Acquisition Rights
- (i) The amount of share capital to be increased in the event of the issuance of shares upon exercise of the Stock Acquisition Rights shall be one-half of the maximum amount of increase in share capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Regulations for Corporate Accounting. Any fraction of less than ¥1 resulting from the calculation shall be rounded up.
 - (ii) The amount of legal capital surplus to be increased in the event of the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the amount of share capital to be increased as provided in (i) above from the maximum amount of increase in share capital, etc., as described in (i) above.
- (9) Events and conditions for the acquisition of the Stock Acquisition Rights
- (i) In the event that a merger agreement in which the Company is the disappearing company, a company split agreement or a company split plan in which the Company is the splitting company, or a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary is approved at a General Meeting of Shareholders (or by a resolution of the Board of Directors if approval at a General Meeting of Shareholders is not required), or in the event that the Company's approval required by laws and regulations or the Company's Articles of Incorporation for a share transfer through a share delivery in which the Company becomes a share delivery subsidiary is granted, or the effective date of the share delivery arrives, the Company may acquire all of the Stock Acquisition Rights without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.
 - (ii) In the event that a Holder of Stock Acquisition Rights becomes unable to exercise the Stock Acquisition Rights pursuant to the provisions set forth in (7) above prior to the exercise of such rights, the Company may acquire the Stock Acquisition Rights without consideration.

(10) Restriction on the transfer of the Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by transfer shall require the approval by a resolution of the Board of Directors of the Company.

(11) Treatment of the Stock Acquisition Rights in the event of organizational restructuring

In the event that the Company conducts a merger (limited to cases where the Company is the disappearing company), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (collectively, the “Organizational Restructuring Acts”), stock acquisition rights of the stock company listed in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (the “Reorganized Company”) shall be delivered in each case to the Holders of Stock Acquisition Rights on the effective date of the Organizational Restructuring Acts under the following conditions. Provided, however, that this shall be limited to cases where the delivery of stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, an incorporation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan.

(i) Number of stock acquisition rights of the Reorganized Company to be delivered

The same number of stock acquisition rights as the number of the Stock Acquisition Rights held by a Holder of Stock Acquisition Rights shall be delivered respectively.

(ii) Class of shares of the Reorganized Company to be issued upon exercise of the stock acquisition rights

The class shall be common shares of the Reorganized Company.

(iii) Number of shares of the Reorganized Company to be issued upon exercise of the stock acquisition rights

The number shall be determined in accordance with (2) above, taking into account the conditions of the Organizational Restructuring Acts.

(iv) Value of assets to be contributed upon exercise of the stock acquisition rights

The value of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the post-reorganization exercise price, which is determined by adjusting the Exercise Price set forth in (5) above taking into account the conditions of the Organizational Restructuring Acts, by the number of shares of the Reorganized Company to be issued upon exercise of such stock acquisition rights as determined in accordance with (11) (iii) above.

(v) Period during which the stock acquisition rights may be exercised

The period shall be from the later of the first date of the Exercise Period set forth in (6) above or the effective date of the Organizational Restructuring Acts, until the last day of the Exercise Period set forth in (6) above.

(vi) Matters concerning share capital and legal capital surplus to be increased in the event of the issuance of shares upon exercise of the stock acquisition rights

The matters shall be determined in accordance with (8) above.

(vii) Restriction on the acquisition of stock acquisition rights by transfer

Any acquisition of the stock acquisition rights by transfer shall require the approval by a resolution of the Board of Directors of the Reorganized Company.

(viii) Other conditions for the exercise of stock acquisition rights

The other conditions shall be determined in accordance with (7) above.

(ix) Events and conditions for the acquisition of stock acquisition rights

The events and conditions shall be determined in accordance with (9) above.

(x) Other conditions shall be determined in accordance with the conditions of the Reorganized Company.

(12) Allotment date of the Stock Acquisition Rights

April 10, 2026

(13) Matters concerning the issuance of certificates for the Stock Acquisition Rights

The Company shall not issue any certificates for the Stock Acquisition Rights.

(14) Payment date of the Stock Acquisition Rights
April 30, 2026
The payment was completed on April 30, 2026.

5. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	17,688	22,267
Notes receivable - trade	774	969
Accounts receivable - trade	16,054	15,623
Contract assets	748	1,043
Securities	833	2,356
Merchandise	1,998	1,141
Advance payments to suppliers	0	0
Prepaid expenses	390	480
Deposits paid	–	2,927
Other	197	93
Total current assets	38,685	46,905
Non-current assets		
Property, plant and equipment		
Buildings	940	1,012
Accumulated depreciation	(437)	(469)
Buildings, net	502	542
Structures	0	–
Accumulated depreciation	(0)	–
Structures, net	0	–
Vehicles	60	61
Accumulated depreciation	(42)	(48)
Vehicles, net	18	12
Tools, furniture and fixtures	1,963	1,995
Accumulated depreciation	(1,611)	(1,649)
Tools, furniture and fixtures, net	352	345
Land	92	71
Total property, plant and equipment	966	971
Intangible assets		
Software	133	158
Software in progress	–	10
Other	1	1
Total intangible assets	134	170
Investments and other assets		
Investment securities	2,542	1,094
Shares of subsidiaries and associates	1,360	1,317
Long-term prepaid expenses	69	129
Long-term loans receivable	0	1
Long-term loans receivable from subsidiaries and associates	370	870
Leasehold and guarantee deposits	1,404	1,870
Deferred tax assets	888	988
Other	0	0
Allowance for doubtful accounts	(197)	(193)
Total investments and other assets	6,439	6,078
Total non-current assets	7,539	7,221
Total assets	46,225	54,126

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	9,039	8,686
Short-term borrowings	*1 1,550	*1 1,550
Accounts payable - other	1,895	2,065
Income taxes payable	2,161	3,393
Accrued consumption taxes	788	1,043
Accrued expenses	64	75
Advances received	169	68
Deposits received	98	104
Unearned revenue	–	1
Provision for bonuses	1,744	1,920
Provision for loss on orders received	–	3
Other	37	51
Total current liabilities	17,550	18,966
Non-current liabilities		
Long-term lease and guarantee deposited	9	9
Provision for share-based payments	169	216
Total non-current liabilities	178	226
Total liabilities	17,728	19,192
Net assets		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus		
Legal capital surplus	1,428	1,428
Other capital surplus	817	817
Total capital surplus	2,246	2,246
Retained earnings		
Other retained earnings		
General reserve	0	0
Retained earnings brought forward	35,909	42,264
Total retained earnings	35,910	42,264
Treasury shares	(11,099)	(11,099)
Total shareholders' equity	28,570	34,924
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(72)	9
Total valuation and translation adjustments	(72)	9
Total net assets	28,497	34,934
Total liabilities and net assets	46,225	54,126

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales		
Service sales	43,675	47,570
Net sales of goods	31,214	36,721
Total net sales	74,889	84,292
Cost of sales		
Cost of service sales	30,054	31,282
Cost of goods sold		
Beginning merchandise inventory	1,133	1,998
Cost of purchased goods	27,008	30,213
Total	28,142	32,212
Ending merchandise inventory	1,998	1,141
Cost of goods sold	26,143	31,070
Total cost of sales	56,198	62,352
Gross profit	18,691	21,939
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	308	321
Payroll and allowances	2,218	2,233
Provision for share-based payments	34	47
Retirement benefit expenses	198	184
Bonuses	80	78
Provision for bonuses	280	310
Legal welfare expenses	410	382
Travel and transportation expenses	128	122
Recruiting expenses	496	544
Advertising expenses	88	118
Supplies expenses	33	24
Taxes and dues	410	471
Commission expenses	578	654
Rent expenses	970	1,029
Depreciation	336	316
Provision of allowance for doubtful accounts	(0)	–
Other	428	420
Total selling, general and administrative expenses	7,001	7,259
Operating profit	11,689	14,679

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Non-operating income		
Interest income	4	19
Dividend income	18	62
Gain on sale of securities	–	134
Gain on valuation of securities	–	60
Gain on sale of investment securities	–	395
Subsidy income	12	1
Reversal of allowance for doubtful accounts	*1 31	*1 3
Other	17	66
Total non-operating income	85	744
Non-operating expenses		
Interest expenses	11	16
Loss on sale of securities	182	–
Loss on valuation of securities	151	–
Loss on sale of investment securities	2	–
Loss on investments in investment partnerships	–	53
Other	15	9
Total non-operating expenses	362	79
Ordinary profit	11,412	15,344
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	0	9
Loss on valuation of shares of subsidiaries and associates	73	16
Total extraordinary losses	74	26
Profit before income taxes	11,337	15,318
Income taxes - current	3,246	4,793
Income taxes - deferred	(8)	(137)
Total income taxes	3,237	4,655
Profit	8,100	10,662

(3) Non-consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,513	1,428	4,623	6,051	0	31,913	31,913	(5,022)	34,456
Changes during period									
Dividends of surplus						(4,103)	(4,103)		(4,103)
Profit						8,100	8,100		8,100
Purchase of treasury shares								(9,889)	(9,889)
Disposal of treasury shares								6	6
Cancellation of treasury shares			(3,805)	(3,805)				3,805	–
Net changes in items other than shareholders' equity									
Total changes during period	–	–	(3,805)	(3,805)	–	3,996	3,996	(6,077)	(5,886)
Balance at end of period	1,513	1,428	817	2,246	0	35,909	35,910	(11,099)	28,570

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	17	17	34,474
Changes during period			
Dividends of surplus			(4,103)
Profit			8,100
Purchase of treasury shares			(9,889)
Disposal of treasury shares			6
Cancellation of treasury shares			–
Net changes in items other than shareholders' equity	(90)	(90)	(90)
Total changes during period	(90)	(90)	(5,977)
Balance at end of period	(72)	(72)	28,497

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,513	1,428	817	2,246	0	35,909	35,910	(11,099)	28,570
Changes during period									
Dividends of surplus						(4,308)	(4,308)		(4,308)
Profit						10,662	10,662		10,662
Purchase of treasury shares								(0)	(0)
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	6,354	6,354	(0)	6,354
Balance at end of period	1,513	1,428	817	2,246	0	42,264	42,264	(11,099)	34,924

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(72)	(72)	28,497
Changes during period			
Dividends of surplus			(4,308)
Profit			10,662
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	82	82	82
Total changes during period	82	82	6,437
Balance at end of period	9	9	34,934

(4) Notes to the non-consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Significant accounting policies)

1. Valuation standards and valuation methods for securities
 - (1) Trading securities
Stated at fair value (The selling cost is calculated by the moving average method)
 - (2) Shares of subsidiaries and associates
Stated at cost determined by the moving average method
 - (3) Available-for-sale securities
Securities other than stocks and other securities with no market price
Stated at fair value (All valuation differences are processed by the direct net assets method, and selling cost is calculated by the moving average method)
Stocks and other securities with no market price
Stated at cost determined by the moving average method
Investments in limited liability investment partnerships are accounted for based on the most recent financial statements available according to the financial reporting date stipulated in the partnership agreement, and the amount equivalent to the Company's equity interest in the partnerships is included at the net amount.
2. Valuation standards and valuation methods for inventories
Merchandise
Stated at cost determined by the moving average method (Writing down book values based on decreased profitability)
3. Method of depreciation of non-current assets
 - (1) Property, plant and equipment (excluding leased assets)
Declining-balance method (However, the straight-line method is adopted for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016)
The useful lives and residual values of assets are determined based on the standards stipulated in the Corporation Tax Act. Assets with an acquisition cost of ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.
 - (2) Intangible assets (excluding leased assets)
Straight-line method
Software for internal use is amortized using the straight-line method over the estimated internal useful life (5 years).
 - (3) Long-term prepaid expenses
Amortized based on the straight-line method
4. Standards for recognition of allowances and provisions
 - (1) Allowance for doubtful accounts
The estimated irrecoverable amount based on historical default rates for general receivables and individual assessments of recoverability for doubtful and other specific receivables is posted to provide for losses on default of receivables.
 - (2) Provision for bonuses
To provide for the payment of bonuses to employees, the amount accrued for the fiscal year under review is recorded based on the estimated amount of bonus payments.

(3) Provision for loss on orders received

To provide for future losses related to order contracts, the estimated amount of loss is recorded for contracts for which losses are expected to be incurred and the amount of such losses can be reasonably estimated.

(4) Provision for share-based payments

To provide for the future delivery of Company shares to Directors and Executive Officers in accordance with the Company's rules on share delivery, the estimated payment amount is recorded based on the points allotted to Directors and Executive Officers as of the end of the fiscal year under review.

5. Standards for recognition of revenue and expenses

The following is a description of the major performance obligations related to revenue from contracts with the customers in the Company's major businesses, and the normal point in time at which such performance obligations are satisfied (the normal point in time at which revenue is recognized).

(1) Software and system development, and IT services

In the Next Generation Mobility Business, Project Management Design Business, Digital Integration Business, Business Solution Business, and Other Businesses, the Group mainly provides planning, design, development, and verification support for software and system development.

In the IT & DX Service Business, the Group mainly provides IT outsourcing services such as operation, maintenance, and monitoring of systems and networks, as well as helpdesk services.

Contracts in this business involve transactions under contract or quasi-mandate contract, and performance obligations are recognized as follows depending on the contract.

For transactions entered into under contract, the Company recognizes revenue based on the degree of progress made in satisfying the performance obligation, as we consider the obligation to be satisfied over a specified period of time.

For transactions under quasi-mandate contract, the Company recognizes revenue as a prorated portion of the amount promised in the contract with the customer over the period during which the services are provided, based on the judgment that the performance obligation is satisfied over time, since the Company generally provides a certain level of services over the term of the contract.

The consideration for performance obligations is received primarily within one year after the performance obligations are satisfied, and does not include significant financial components.

(2) Sales of merchandise

In the Business Solution Business, the Group mainly sells servers, computers, peripherals, software, and other IT-related products to enterprises. For these sales of merchandise, revenue is recognized when the merchandise is delivered to the customer or at the time the customer completed inspection.

For sales of merchandise deemed as revenue for which the Company is an agent, revenue is recognized at the net amount received in exchange for goods provided by the third party less the amount paid to said third party.

In addition, consideration for performance obligations is received primarily within one year after performance obligations are satisfied, and does not include significant financial components.

(3) License sales

In the Business Solution Business and DX & Subscription Business, the Group mainly sells licenses for its in-house services, Canbus., Cloudstep, and Web Shelter, as well as for cloud-based services such as Google Workspace and Microsoft 365. For sales of licenses for in-house services, the Company recognizes revenue over the license period specified in the contract, based on the judgment that the performance obligation will be satisfied over a certain period of time. For other license sales, revenue is recognized when the license is granted to the customer.

The consideration for performance obligations is received primarily within one year after the performance obligations are satisfied, and does not include significant financial components.

6. Standards for translating foreign currency denominated assets or liabilities into Japanese currency

Receivables and payables denominated in foreign currencies are converted into yen at the spot exchange rate at the end of the fiscal year and translation differences are posted as profit or loss.

(Notes on significant accounting estimates)

Progress-based revenue recognition

(1) Amounts recorded in the non-consolidated financial statements for the fiscal year under review

	(Millions of yen)	
	Previous fiscal year	Fiscal year under review
Net sales (Portion not completed)	680	949

(2) Details regarding significant accounting estimates for the identified item

The method of calculating the amounts in (1) is the same as that described in under “(2) Details regarding significant accounting estimates for the identified item” in the progress-based revenue recognition section of (Notes on significant accounting estimates) to the consolidated financial statements.

(Notes on additional information)

Stock compensation plan

The Company has introduced a stock compensation plan for the Company’s Directors (excluding Outside Directors) and Executive Officers (hereinafter collectively referred to as “Directors, etc.”).

1. Outline of transactions

This is a stock compensation plan under which the Company’s shares, acquired by a trust using money contributed by the Company, are delivered to Directors, etc. in accordance with the number of points granted in accordance with rules on share delivery established by the Company.

2. Company shares remaining in trust

Company shares remaining in trust are recorded as treasury shares under net assets at the carrying value in trust (excluding the amount of incidental expenses). The book value and number of these treasury shares amounted to ¥699 million and 1,552,600 shares at the end of the previous fiscal year, and ¥699 million and 1,552,600 shares at the end of the fiscal year under review.

(On the non-consolidated balance sheet)

1. Overdraft agreements

The Company has overdraft agreements with six transacting banks in order to raise working capital efficiently.

The unused portion of the lines of credit based on these agreements is as follows.

	(Millions of yen)	
	Previous fiscal year (March 31, 2025)	Fiscal year under review (March 31, 2026)
Maximum amount of overdraft	8,100	8,100
Outstanding balance of overdraft	1,550	1,550
Unused amount	6,550	6,550

(On the non-consolidated statement of income)

1. The following items related to transactions with subsidiaries and associates are included.

	(Millions of yen)	
	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Fiscal year under review (From April 1, 2025 to March 31, 2026)
Reversal of allowance for doubtful accounts	31	3

For the previous fiscal year, the total amount of non-operating income for subsidiaries and associates other than those stated above was ¥10 million, exceeding 10% of the total amount of non-operating income.

(Securities)

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

Shares of subsidiaries and associates (carrying value of ¥1,255 million and ¥105 million on the non-consolidated balance sheet, respectively) are stocks, etc. with no market prices. Accordingly, they are omitted.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

Shares of subsidiaries and associates (carrying value of ¥1,212 million and ¥105 million on the non-consolidated balance sheet, respectively) are stocks, etc. with no market prices. Accordingly, they are omitted.

(Tax effect accounting)

1. Deferred tax assets and deferred tax liabilities by major classification

	(Millions of yen)	
	Previous fiscal year (March 31, 2025)	Fiscal year under review (March 31, 2026)
Deferred tax assets		
Accrued enterprise tax	125	185
Accrued business office tax	16	17
Provision for bonuses	528	595
Allowance for doubtful accounts	62	61
Provision for share-based payments	53	68
Loss on valuation of membership	25	22
Loss on valuation of shares of subsidiaries and associates	865	872
Valuation difference on available-for-sale securities	33	-
Other	43	42
Subtotal of deferred tax assets	1,754	1,865
Valuation allowance	(865)	(872)
Total deferred tax assets	888	992
Deferred tax liabilities		
Valuation difference on available-for-sale securities	-	(4)
Total deferred tax liabilities	-	(4)
Net deferred tax assets	888	988

2. Major components of significant differences arising between the statutory effective tax rate and effective income tax rate after application of tax effect accounting

	Previous fiscal year (March 31, 2025)	Fiscal year under review (March 31, 2026)
Statutory effective tax rate	30.6%	Notes are omitted due to the difference between the statutory effective tax rate and the effective income tax rate after application of tax effect accounting being 5% or less of the statutory effective tax rate.
(Adjustments)		
Tax credits for wage increases	(2.6%)	
Change in valuation allowance	0.2%	
Other	0.4%	
Effective income tax rate after application of tax effect accounting	28.6%	

(Revenue recognition)

Notes have been omitted because the fundamental explanation of revenue from contracts with customers is identical to the “(Revenue recognition)” section of notes to the consolidated financial statements.

(Notes on significant subsequent events)

(Issuance of stock acquisition rights as stock options)

Notes have been omitted because the matter concerned is identical to the “(Notes on significant subsequent events)” section of notes to the consolidated financial statements.

6. Other

Production, orders, and sales results

Effective from the fiscal year under review, “Reportable Segments” have been reclassified and some names have been changed in accordance with changes in each segment’s content and main fields of business.

The “Solution Design Business,” which had been classified as a business segment in the previous fiscal year, was reorganized to enable the Group to elevate its specialization in each area rather than view the various areas as a single business segment. Accordingly, businesses that were classified in the “Solution Design Business” have been reclassified into the “Next Generation Mobility Business,” “Project Management Design Business,” “Digital Integration Business,” “IT & DX Service Business,” and “Business Solution Business.” The “Framework Design Business” has been renamed the “Digital Integration Business.” Furthermore, Think Logic Co, Ltd., which became a consolidated subsidiary, is classified in the “Other Businesses.”

Year-on-year changes are calculated after reclassification to the new reportable segments.

(1) Production results

Production results per business segment for the fiscal year under review are as follows.

Business segment	Fiscal year under review (From April 1, 2025 to March 31, 2026) (Millions of yen)	Year-on-year change (%)
Next Generation Mobility Business	3,397	123.3
Project Management Design Business	10,301	92.8
Digital Integration Business	7,041	115.4
IT & DX Service Business	15,531	105.8
Business Solution Business	1,664	126.0
Other Businesses	117	–
Total	38,053	105.8

- (Notes) 1. Within the Group, only segments that involve made-to-order activities are shown due to the nature of services.
2. The above amounts are stated at production cost.

(2) Order results

Order results per segment for the fiscal year under review are as follows.

Business segment	Order value (Millions of yen)	Year-on-year change (%)	Backlog of orders (Millions of yen)	Year-on-year change (%)
Next Generation Mobility Business	8,600	114.5	4,082	133.8
Project Management Design Business	15,597	93.8	6,163	105.1
Digital Integration Business	11,145	123.8	4,430	120.0
IT & DX Service Business	22,464	109.0	7,838	108.0
Business Solution Business	2,215	133.3	994	115.4
Other Businesses	497	–	276	–
Total	60,521	109.2	23,785	114.8

- (Note) Within the Group, only segments that involve made-to-order activities are shown due to the nature of services.

(3) Sales results

Sales results per business segment for the fiscal year under review are as follows.

Business segment	Fiscal year under review (From April 1, 2025 to March 31, 2026) (Millions of yen)	Year-on-year change (%)
Next Generation Mobility Business	7,569	136.6
Project Management Design Business	15,295	97.7
Digital Integration Business	10,406	118.1
IT & DX Service Business	21,882	107.1
Business Solution Business	35,564	119.5
DX & Subscription Business	2,838	104.2
Other Businesses	842	126.3
Total	94,400	112.9

(Note) Inter-segment transactions are offset and eliminated.