

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

Company name: ITFOR Inc.
Listing: Tokyo Stock Exchange Prime Market
Securities code: 4743
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Scheduled date of annual general meeting of shareholders: June 19, 2026
Scheduled date to commence dividend payments: June 22, 2026
Scheduled date to file securities report: June 12, 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.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	23,101	12.4	3,858	9.2	4,054	10.5	2,757	(5.4)
March 31, 2025	20,552	(0.5)	3,532	(5.5)	3,668	(4.6)	2,914	5.2

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥3,131 million/8.5%
For the fiscal year ended March 31, 2025: ¥2,887 million/(12.2%)

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2026	104.27	---	13.9	15.6	16.7
March 31, 2025	108.09	108.05	15.4	15.3	17.2

Reference: Share of profit (loss) of entities accounted for using equity method As of March 31, 2026: ¥10 million
As of March 31, 2025: ¥12 million

Notes: 1. In calculating "Earnings per share" and "Diluted earnings per share," the shares of the Company held by "Stock Grant Trust for Officers and Employees" are included in the treasury stock which is excluded in calculation of the average number of shares during the period.
2. Diluted earnings per share for the fiscal year ended March 31, 2026 are not shown because there are no latent shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-total assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	28,066	21,146	73.6	780.48
March 31, 2025	23,952	19,044	79.5	720.80

Reference: Equity As of March 31, 2026: ¥20,654 million
As of March 31, 2025: ¥19,044 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2026	3,091	(1,619)	(1,496)	8,909
March 31, 2025	2,609	(2,508)	(2,672)	8,934

Note: This document is a translation of the Japanese original document for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese document, the original shall prevail.

2. Cash Dividends

	Annual dividends per share					Total cash dividends	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	---	25.00	---	25.00	50.00	1,353	46.3	7.1
Fiscal year ended March 31, 2026	---	30.00	---	50.00	80.00	2,153	76.7	10.7
Fiscal year ending March 31, 2027 (Forecast)	---	40.00	---	40.00	80.00		63.3	

- Notes: 1. The total amount of dividends for the fiscal year ended March 31, 2025 includes dividends of ¥15 million paid to the shares of the Company held by "Stock Grant Trust for Officers and Employees."
2. The total amount of dividends for the fiscal year ended March 31, 2026 includes dividends of ¥34 million paid to the shares of the Company held by "Stock Grant Trust for Officers and Employees."

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	10,800	17.1	1,400	21.1	1,450	15.6	1,000	1.2	37.79
Full year	28,000	21.2	4,800	24.4	4,900	20.9	3,400	21.6	128.48

Note: In calculating "Earnings per share," the shares of the Company held by "Stock Grant Trust for Officers and Employees" are included in the number of treasury stock at the end of the period, which is excluded from the number of issued shares at the end of the period.

* Notes

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

New: 3 (Company Name: AISEL Co., Ltd., FirstStep Co., Ltd., Brain Assist Inc.)

Exclusion: --- (Company Name:)

- (2) Changes in accounting policy and accounting estimates, and retrospective restatement

- | | |
|--|------|
| 1) Changes in the accounting policy in connection with revision of the accounting standards, etc.: | None |
| 2) Changes in the accounting policy other than 1) above: | None |
| 3) Changes in the accounting estimates: | None |
| 4) Retrospective restatement: | None |

- (3) Number of outstanding shares (common stock)

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

As of March 31, 2026: 27,911,900 shares

As of March 31, 2025: 27,911,900 shares

- 2) Number of shares of treasury stock at the end of period:

As of March 31, 2026: 1,448,744 shares

As of March 31, 2025: 1,490,308 shares

- 3) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2026: 26,449,207 shares

Fiscal year ended March 31, 2025: 26,962,390 shares

(Reference) Overview of Non-consolidated Financial Results

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 income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	17,901	(0.6)	3,376	4.7	3,566	6.2	2,431	(5.4)
March 31, 2025	18,012	(4.2)	3,223	(9.0)	3,357	(7.6)	2,571	(2.7)

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	91.88	---
March 31, 2025	95.34	95.30

Notes: 1. In calculating "Earnings per share" and "Diluted earnings per share," the shares of the Company held by "Stock Grant Trust for Officers and Employees" are included in the treasury stock which is excluded in calculation of the average number of shares during the period.
2. Diluted earnings per share for the fiscal year ended March 31, 2026 are not shown because there are no latent shares.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity-to-total assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	25,192	19,522	77.5	737.07
March 31, 2025	22,691	18,221	80.3	689.32

Reference: Equity As of March 31, 2026: ¥19,522 million
As of March 31, 2025: ¥18,221 million

* Financial results are not subject to audit by certified public accountants or auditing corporations.

* Appropriate use of the financial forecast and other matters

(Matters to be noted for statement about the future)

Forward-looking statements such as forecasts of financial results in this material are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and does not make assurances of the achievement thereof by the Company. Actual financial results may differ significantly due to various factors. For the conditions constituting the precondition of the forecast of financial results and the matters to be noted in using the forecast of financial results, refer to "1. Overview of Operating Results, etc. (4) Future Outlook" on p.5 of the attached materials.

(How to obtain financial results briefing materials)

A financial results briefing for institutional investors and analysts is scheduled to be held on May 14, 2026, and will be live-streamed. A video of the financial results briefing given on the day and the financial results briefing materials will be posted on the Company's IR website at a later date. (<https://ir.itfor.co.jp>)

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1. Overview of Operating Results, etc.

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

(i) Overview of business results for the fiscal year under review

During the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026), the shift towards normalization of monetary policy had a significant impact on corporate activity and markets in the Japanese economy. In addition to sharp exchange rate volatility and persistently elevated resource prices, rising prices became increasingly pronounced. These factors not only suppressed consumer spending but also pushed up raw material and labor costs, putting pressure on corporate earnings. Although the economy is on a gradual recovery trend, companies continue to face challenges in navigating cost headwinds.

Concerns about a global economic downturn intensified amid U.S. interest rate trends and slowdowns in the European and Chinese economies. Furthermore, due to factors such as the reconfiguration of supply chains stemming from prolonged geopolitical risks, the outlook remained uncertain.

Even in an uncertain economic environment, the IT service industry that surrounds ITFOR Inc. (the “Company”) and its consolidated subsidiaries and affiliate (together with the Company, the “Company Group”) experienced strong investment appetite. Driven by labor shortages, the shift to non-face-to-face services and DX (digital transformation) have become urgent issues for businesses. As such, investment appetite for transforming business models with advanced technologies such as AI remains strong.

To achieve sustainable growth even in these circumstances, the Company Group released its new long-term vision for FY2033, “HIGH FIVE 2033.” Led by this vision, the Company Group will utilize its current business base to expand and extend into new areas, establishing businesses that drive economy within a region, with the aim of becoming a company that creates businesses which generate regional economic circulation. Through the Company Group’s businesses, we will contribute to creating quality time for people. To achieve this “HIGH FIVE 2033,” we launched “FLY ON 2026,” our 4th Medium-Term Management Plan for the three years from FY2024 through FY2026. Based on the three pillars of reinforcing the management base, enhancing profitability and advancing ESG management, defined in the 3rd Medium-Term Management Plan, we will tackle the challenges of dynamically developing our existing businesses and achieving drastic growth through new businesses. In line with this theme, we have been conducting activities led by our three categories of strategies: business strategy, human resource strategy, and corporate value enhancement strategy.

As a result, the financial results for the fiscal year ended March 31, 2026 are as follows.

(Unit: millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY change
Net sales	20,552	23,101	112.4%
Operating income	3,532	3,858	109.2%
Ordinary income	3,668	4,054	110.5%
Net income attributable to owners of the parent	2,914	2,757	94.6%
New orders	20,247	24,317	120.1%
Order backlogs	16,295	17,512	107.5%

(ii) Sales activities of the Company

Through specialized proprietary solutions and by cultivating ecosystem with external partners, the Company Group maintains high barriers to entry while preserving growth potential.

- Maximizing earnings through market deepening and cross-group expansion

Backed by strong client relationships, we are rolling out undeployed systems to existing clients in the financial sector. Alongside system renewals, upselling initiatives have driven sales growth. Furthermore, capitalizing on our track record with the parent banks, we are accelerating the implementation of our systems in their affiliated companies such as credit card, leasing, and guarantee companies. By establishing ourselves as the platform of choice for regional banks, we aim to maximize revenue opportunities and achieve sustainable growth.

- Advancing existing businesses and establishing competitive advantages through AI

We will accelerate AI implementation into existing core systems and services in sectors such as financial, regional government, and retail. Leveraging our unique domain knowledge with deep understanding of customers' business processes, we will deliver practical AI solutions tailored to on-site challenges. Through this initiative, we will dramatically enhance the value of existing businesses, pursuing unparalleled competitiveness and sustainable growth.

- Accelerating growth and advancing DX with next-generation products

To achieve further growth, we have been introducing next-generation products with high added value. "Pay Collect," the automated debt collection service, manages everything from billing to providing payment methods, addressing labor shortages while enhancing customer convenience. Furthermore, "Agent Hub" facilitates information sharing between financial institutions and law firms, streamlining operations. With more products such as "DigiShare," which supports the transfer of information to family members, we will drive growth by providing value in new areas.

- Expanding markets by aligning social issue resolution with system sales

We are addressing labor shortages through automation using "Robotic Call," and accelerating the implementation of "iRITSpay Payment Terminal," our multi-payment terminal, taking advantage of the government's policy to promote cashless payment. Through paperless operations and shortened credit screening time, we are simultaneously supporting the reduction of environmental impact and the improvement of customer profitability. Through solutions for foreigners provided by Payke, Inc. and WAmazing, Inc., in which we have invested, we are also contributing to solving critical issues facing regional communities, such as handling inbound tourism and the employment of foreigners, directly translating social issue resolution into business growth.

- Expanding the ecosystem with strategic investments

In addition to the previous fiscal year's investments in Vacan, Inc. and Payke, Inc., we made new investments in ZenTech Inc., MetCom Inc., and WAmazing, Inc. during the fiscal year under review. By combining our own resources with external technologies (such as inbound tourism services, disaster prevention, and AI-related technologies), we will rapidly create new services that solve social issues and diversify the value we provide to our customers.

(iii) Analysis of financial results for the fiscal year under review

Even under the market environment characterized by ongoing restructuring and decline in the number of regional banks, we have firmly achieved higher net sales by introducing new, high-value-added solutions while successfully capturing the system update needs of existing customers. Furthermore, with steady progress in horizontal expansion to financial institutions affiliated with regional banks (such as credit card, leasing, and guarantee companies), the expansion of our customer base has boosted our revenue.

In addition, our alignment with the standardization of regional government information systems in the public sector was also a significantly important factor driving the growth in financial results for the fiscal year under review.

Financial results by reporting segment are as follows:

(System Development and Sales)

(Unit: millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY change
Net sales	11,524	13,671	118.6%
Segment income	1,700	1,956	115.0%
New orders	10,974	15,065	137.3%

Our core business of software system development for financial institutions, renewal of infrastructure equipment, and sales of "SCOPE," our personal loan operation support system, proceeded smoothly as planned. Furthermore, public-sector projects related to the standardization of regional government information systems also steadily increased.

(Recurring Business)

(Unit: millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY change
Net sales	9,027	9,429	104.4%
Segment income	1,832	1,903	103.9%
New orders	9,272	9,252	99.8%

Maintenance services, which are a stable source of earnings, steadily grew. Orders for BPO services targeting the public sector slightly declined from the previous fiscal year, as a result of implementing a strategy to focus resources on profitable projects. However, as we are improving the efficiency of sales activities through an area-dominance strategy while expanding resources, we expect to achieve both scale growth and profitability going forward.

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

Assets, Liabilities and Net Assets

Total assets as of March 31, 2026 were ¥28,066 million, an increase of ¥4,113 million as compared with the end of the previous fiscal year. Current assets were ¥20,081 million, an increase of ¥1,620 million. This was mainly due to increases in cash and deposits of ¥2,770 million and notes, accounts receivable-trade and contract assets of ¥1,667 million, offset by decreases in securities of ¥2,600 million and inventories of ¥232 million. Fixed assets were ¥7,985 million, an increase of ¥2,492 million. This was mainly due to increases in investment securities of ¥1,554 million resulting from acquisition, and other under investments and other assets of ¥376 million.

Total liabilities as of March 31, 2026 were ¥6,920 million, an increase of ¥2,012 million as compared with the end of the previous fiscal year. Current liabilities were ¥6,078 million, an increase of ¥1,565 million. This was mainly due to increases in corporate income tax and other taxes payable of ¥580 million, accounts payable-trade of ¥506 million, and provision for bonuses of ¥145 million. Fixed liabilities were ¥842 million, an increase of ¥446 million. This was mainly due to increases in liabilities for retirement benefit of ¥230 million and long-term borrowings of ¥146 million.

Net assets as of March 31, 2026 were ¥21,146 million, an increase of ¥2,101 million as compared with the end of the previous fiscal year. This was mainly due to a decrease of ¥1,480 million as a result of dividend payments from retained earnings, offset by an increase of ¥2,757 million as a result of recording of net income attributable to owners of the parent, an increase of ¥492 million due to non-controlling interests, and an increase of ¥273 million due to valuation difference on available-for-sale securities.

As a result, the equity-to-total assets ratio was 73.6% compared to 79.5% as of the end of the previous fiscal year.

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

Cash and cash equivalents (hereinafter referred to as “Funds”) as of March 31, 2026 were ¥8,909 million, a decrease of ¥24 million compared with the end of previous fiscal year. The status of cash flows and their factors for the fiscal year ended March 31, 2026 are as follows:

(Cash Flows from Operating Activities)

Funds provided by operating activities were ¥3,091 million (118.5% on a year-on-year basis). The major factors contributing to the increase were net income before taxes of ¥4,160 million, an increase in trade payables of ¥451 million, depreciation of ¥433 million, a decrease in inventories of ¥325 million, and an increase in provision for bonuses of ¥104 million, and the major factors contributing to the decrease were an increase in trade receivables of ¥1,402 million, corporate income tax and other taxes paid of ¥911 million, interest income and dividend income of ¥132 million, and gain on sale of investment securities of ¥121 million.

(Cash Flows from Investing Activities)

Funds used for investing activities were ¥1,619 million (64.6% on a year-on-year basis). The major factors contributing to the increase were a decrease in securities of ¥504 million, proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥439 million, proceeds from sale of investment securities of ¥311 million, proceeds from withdrawal of time deposits of ¥100 million, and the major factors contributing to the decrease were purchase of investment securities of ¥1,486 million, payments into time deposits of ¥701 million, purchase of intangible fixed assets of ¥450 million, purchase of tangible fixed assets of ¥298 million, and payments of leasehold and guarantee deposits of ¥111 million.

(Cash Flows from Financing Activities)

Funds used for financing activities were ¥1,496 million (56.0% on a year-on-year basis). The major factor contributing to the decrease was dividends paid of ¥1,477 million.

[Reference] Cash Flows Indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-total assets ratio	77.9	79.1	78.5	79.5	73.6
Equity-to-total assets ratio on a market price basis	108.4	110.1	153.5	163.8	155.9

Equity-to-total assets ratio: equity / total assets

Equity-to-total assets ratio on a market price basis: market capitalization / total assets

Notes: 1. The benchmarks are calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding excluding treasury stock.

(4) Future Outlook

The Company Group has formulated the Medium-Term Management Plan for FY2024 through FY2026 (the “Plan”), with the final year’s goals of net sales of ¥28,000 million, operating income of ¥4,800 million and ROE and ROIC of 15% or higher.

In FY2024 and FY2025, the Company Group worked to expand its business portfolio to achieve the targets set for the final year of the Medium-Term Management Plan. As a result, for the next fiscal year, which will be the final year of the Plan, the Company forecasts consolidated net sales of ¥28,000 million (121.2% on a year-on-year basis), operating income of ¥4,800 million (124.4% on a year-on-year basis), ordinary income of ¥4,900 million (120.9% on a year-on-year basis), and net income attributable to owners of the parent of ¥3,400 million (121.6% on a year-on-year basis). The above forecasts and other forward-looking statements are based on information currently available to the Company and certain assumptions that the Company deems reasonable. However, actual financial results may differ significantly due to various factors, and the forecasts themselves are subject to change.

(5) Material Events Regarding Going Concern Assumption

No applicable matters.

2. Basic Approach to the Selection of Accounting Standards

For the time being, the Company Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of the consolidated financial statements from period to period and intercompany comparability. Our policy is to respond appropriately to the application of IFRS (International Financial Reporting Standards), taking into consideration various conditions in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	5,037,547	7,808,390
Notes, accounts receivable-trade and contract assets	4,742,770	6,410,467
Securities	7,694,996	5,094,198
Inventories	629,479	397,179
Other	355,654	371,234
Allowance for doubtful accounts	---	(80)
Total current assets	18,460,447	20,081,390
Fixed assets		
Tangible fixed assets		
Buildings and structures	1,094,056	1,225,709
Accumulated depreciation	(637,802)	(648,888)
Buildings and structures, net	456,253	576,820
Machinery, equipment and vehicles	31,593	31,593
Accumulated depreciation	(16,695)	(18,453)
Machinery, equipment and vehicles, net	14,898	13,140
Land	169,145	169,145
Construction in progress	26,540	45,274
Other	1,276,291	1,312,167
Accumulated depreciation	(1,040,703)	(1,051,026)
Other, net	235,587	261,140
Total tangible fixed assets	902,424	1,065,520
Intangible fixed assets		
Goodwill	---	108,045
Other	466,010	799,358
Total intangible fixed assets	466,010	907,404
Investments and other assets		
Investment securities	2,997,342	4,551,539
Deferred tax assets	310,530	268,770
Other	815,719	1,192,049
Allowance for doubtful accounts	---	(268)
Total investments and other assets	4,123,592	6,012,090
Total fixed assets	5,492,026	7,985,015
Total assets	23,952,474	28,066,405

(Unit: thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable-trade	1,241,287	1,747,880
Short-term borrowings	---	92,309
Corporate income tax and other taxes payable	524,764	1,105,283
Provision for bonuses	614,229	759,516
Contract liabilities	827,693	902,017
Other	1,304,275	1,471,226
Total current liabilities	4,512,250	6,078,233
Fixed liabilities		
Long-term borrowings	---	146,480
Liabilities for retirement benefit	217,550	447,553
Provision for stock-based remuneration	173,789	203,364
Long-term accounts payable-other	4,278	44,693
Total fixed liabilities	395,617	842,091
Total liabilities	4,907,868	6,920,324
Net assets		
Shareholders' equity		
Capital stock	1,124,669	1,124,669
Capital surplus	1,221,189	1,221,189
Retained earnings	17,392,253	18,669,531
Treasury stock	(1,613,696)	(1,566,842)
Total shareholders' equity	18,124,414	19,448,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	929,653	1,203,583
Remeasurements of defined benefit plans	(9,462)	1,947
Total accumulated other comprehensive income	920,191	1,205,531
Non-controlling interests	---	492,002
Total net assets	19,044,606	21,146,081
Total liabilities and net assets	23,952,474	28,066,405

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

Consolidated Income Statement

(Unit: thousands of yen)

	Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Net sales	20,552,254	23,101,002
Cost of sales	12,681,836	14,308,447
Gross profit on sales	7,870,417	8,792,555
Selling, general and administrative expenses	4,337,541	4,933,866
Operating income	3,532,875	3,858,688
Non-operating income		
Interest income	19,844	50,108
Dividend income	77,054	81,929
Gain on sale of investment securities	15,811	---
Recoveries of written off receivables	---	16,850
Share of profit of entities accounted for using equity method	12,995	10,308
Miscellaneous income	30,361	66,125
Total non-operating income	156,067	225,321
Non-operating expenses		
Interest expenses	---	3,543
Commissions fee	8,251	6,114
Loss on retirement of fixed assets	5,236	11,607
Loss on sale of non-current assets	---	2,159
Foreign exchange losses	5,950	---
Miscellaneous losses	1,450	6,164
Total non-operating expenses	20,888	29,589
Ordinary income	3,668,054	4,054,421
Extraordinary income		
Gain on sale of investment securities	---	121,044
Gain on step acquisitions	---	33,987
Gain on reversal of stock subscription rights	3,588	---
Total extraordinary income	3,588	155,031
Extraordinary losses		
Impairment losses	---	49,200
Total extraordinary losses	---	49,200
Net income before income taxes	3,671,642	4,160,251
Corporate income taxes - current	962,134	1,450,768
Corporate income taxes - deferred	(204,828)	(135,853)
Total corporate income taxes	757,306	1,314,914
Net income	2,914,336	2,845,337
Net income attributable to non-controlling interests	---	87,578
Net income attributable to owners of the parent	2,914,336	2,757,758

Consolidated Statement of Comprehensive Income

(Unit: thousands of yen)

	Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Net income	2,914,336	2,845,337
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,661)	274,738
Deferred gains or losses on hedges	(2)	---
Remeasurements of defined benefit plans	(4,415)	11,409
Share of other comprehensive income of affiliates accounted for using equity method	131	(61)
Total other comprehensive income	(26,947)	286,087
Comprehensive income	2,887,388	3,131,424
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	2,887,388	3,043,454
Comprehensive income attributable to non-controlling interests	---	87,969

(3) Consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Unit: thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	1,124,669	1,221,189	16,798,657	(1,261,612)	17,882,902
Changes during period					
Dividends of surplus			(1,768,747)		(1,768,747)
Net income attributable to owners of the parent			2,914,336		2,914,336
Purchase of treasury stock				(1,434,299)	(1,434,299)
Disposal of treasury stock		162,882		367,340	530,222
Cancellation of treasury stock		(714,875)		714,875	---
Transfer from retained earnings to capital surplus		551,992	(551,992)		---
Net changes in items other than shareholders' equity					
Total changes during period	---	---	593,596	(352,084)	241,511
Balance at the end of period	1,124,669	1,221,189	17,392,253	(1,613,696)	18,124,414

	Accumulated other comprehensive income				Stock subscription rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	952,183	2	(5,046)	947,139	6,622	18,836,664
Changes during period						
Dividends of surplus						(1,768,747)
Net income attributable to owners of the parent						2,914,336
Purchase of treasury stock						(1,434,299)
Disposal of treasury stock						530,222
Cancellation of treasury stock						---
Transfer from retained earnings to capital surplus						---
Net changes in items other than shareholders' equity	(22,529)	(2)	(4,415)	(26,947)	(6,622)	(33,570)
Total changes during period	(22,529)	(2)	(4,415)	(26,947)	(6,622)	207,941
Balance at the end of period	929,653	---	(9,462)	920,191	---	19,044,606

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Unit: thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	1,124,669	1,221,189	17,392,253	(1,613,696)	18,124,414
Changes during period					
Dividends of surplus			(1,480,480)		(1,480,480)
Net income attributable to owners of the parent			2,757,758		2,757,758
Purchase of treasury stock				(139)	(139)
Disposal of treasury stock				75,327	75,327
Change in treasury shares arising from change in equity in entities accounted for using equity method				(28,333)	(28,333)
Net changes in items other than shareholders' equity					
Total changes during period	---	---	1,277,278	46,854	1,324,132
Balance at the end of period	1,124,669	1,221,189	18,669,531	(1,566,842)	19,448,547

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	929,653	(9,462)	920,191	---	19,044,606
Changes during period					
Dividends of surplus					(1,480,480)
Net income attributable to owners of the parent					2,757,758
Purchase of treasury stock					(139)
Disposal of treasury stock					75,327
Change in treasury shares arising from change in equity in entities accounted for using equity method					(28,333)
Net changes in items other than shareholders' equity	273,929	11,409	285,339	492,002	777,342
Total changes during period	273,929	11,409	285,339	492,002	2,101,474
Balance at the end of period	1,203,583	1,947	1,205,531	492,002	21,146,081

(4) Consolidated Statements of Cash Flows

(Unit: thousands of yen)

	Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Net income before taxes	3,671,642	4,160,251
Depreciation	345,713	433,670
Amortization of goodwill	7,437	19,066
Impairment losses	-	49,200
Increase (decrease) in provision for bonuses	(26,420)	104,898
Increase (decrease) in liabilities for retirement benefit	1,972	20,391
Increase (decrease) in provision for stock-based remuneration	106,375	29,575
Increase (decrease) in long-term accounts payable - other	---	7,014
Increase (decrease) in allowance for doubtful accounts	---	(16,860)
Loss (gain) on sale of investment securities	(15,811)	(121,044)
Loss (gain) on step acquisitions	---	(33,987)
Interest income and dividend income	(96,898)	(132,038)
Interest expenses	---	3,543
Share of loss (profit) of entities accounted for using equity method	(12,995)	(10,308)
Loss (gain) on sale of fixed assets	---	2,159
Loss on retirement of fixed assets	5,236	11,607
Gain on reversal of stock subscription rights	(3,588)	---
Decrease (increase) in trade receivables	(138,720)	(1,402,123)
Decrease (increase) in inventories	56,621	325,884
Increase (decrease) in trade payables	54,071	451,735
Other	(127,464)	(27,487)
Subtotal	3,827,169	3,875,149
Interest and dividends received	96,761	130,614
Interest paid	---	(3,543)
Corporate income tax and other taxes paid	(1,314,535)	(911,073)
Net cash provided by (used in) operating activities	2,609,395	3,091,147
Cash flows from investing activities		
Payments into time deposits	---	(701,274)
Proceeds from withdrawal of time deposits	---	100,000
Net decrease (increase) in securities	(1,395,942)	504,564
Purchase of tangible fixed assets	(275,578)	(298,916)
Purchase of intangible fixed assets	(178,439)	(450,778)
Purchase of investment securities	(571,882)	(1,486,191)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	---	439,181
Proceeds from sale of investment securities	55,945	311,869
Loan advances	---	(4,320)
Proceeds from collection of loans receivable	---	29,861
Purchase of membership	(11,187)	---
Proceeds from sale of membership	4,900	---
Payments of leasehold and guarantee deposits	(149,602)	(111,384)
Proceeds from refund of leasehold and guarantee deposits	60,440	69,583
Other	(47,169)	(21,571)
Net cash provided by (used in) investing activities	(2,508,516)	(1,619,376)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	---	14,878

(Unit: thousands of yen)

	Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Repayments of long-term borrowings	---	(83,154)
Purchase of treasury stock	(1,434,299)	(139)
Proceeds from disposal of treasury stock	527,188	75,327
Purchase of treasury shares of subsidiaries	---	(26,042)
Dividends paid	(1,765,220)	(1,477,619)
Net cash provided by (used in) financing activities	(2,672,332)	(1,496,748)
Net increase (decrease) in cash and cash equivalents	(2,571,453)	(24,978)
Cash and cash equivalents at beginning of period	11,505,898	8,934,445
Cash and cash equivalents at the end of period	* 8,934,445	* 8,909,467

(5) Explanatory Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

No applicable matters.

(Consolidated Statements of Cash Flows)

* Cash and cash equivalents at the end of period in the consolidated statement of cash flows are reconciled to the amounts of accounts in the consolidated balance sheet as follows:

	(Unit: thousands of yen)	
	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Cash and deposits account	5,037,547	7,808,390
Other in investments and other assets (long-term deposits)	50,000	---
Securities account	7,694,996	5,094,198
Total	12,782,544	12,902,589
Time deposits with a deposit period of over three months	(150,000)	(797,812)
Securities and investment securities with maturities exceeding three months	(3,698,098)	(3,195,310)
Cash and cash equivalents	8,934,445	8,909,467

(Business Combinations)

1. Business combination through acquisition

- (1) Outline of business combination
 - (a) Name and business description of the company to be acquired

Name of company acquired	Business description
AISEL Co., Ltd.	Software development, DX support, security solutions
FirstStep Co., Ltd.	Development and maintenance of computer software; planning and production of web content
Brain Assist Inc.	Corporate network construction/operation services; planning, development, and provision of ASP services

(b) Main reason for business combination

As an independent IT solutions provider, the Company has built strong partnerships with diverse regional communities, including regional financial institutions, regional governments, and regional department stores. Leveraging our proven track record and expertise, we have provided optimal solutions through our systems and services. Our strength lies in our ability to address regional challenges and respond flexibly, thereby supporting the sustainable growth of our customers.

AISEL, under its long-term vision of 'Going Beyond Customer Satisfaction,' has been deeply involved in its customers' businesses, delivering optimal solutions tailored to diverse needs and challenges. Through this approach, AISEL enhances competitiveness and creates customer experiences that inspire. Leveraging its experience and expertise, AISEL supports the success of numerous businesses by offering solutions that are aligned with customers' needs and address their distinct business challenges.

Currently, the Company jointly conducts software development projects. By converting AISEL and its two subsidiaries into consolidated subsidiaries, we expect to generate significant synergies through collaboration that maximizes both companies' strengths.

(c) Date of business combination

October 1, 2025

(d) Legal form of business combination

Acquisition of shares for cash consideration

(e) Company name after business combination

No change

(f) Percentage of voting rights acquired

Number of shares held immediately prior to the business combination 31 shares (20.26%)

(voting rights percentage):

Number of shares additionally acquired on the business combination date 37 shares (24.18%)

(voting rights percentage):

Voting rights percentage after acquisition: 45.64%

(g) Main basis for determining the acquired company

The percentage of voting rights held by the Company in AISEL Co., Ltd. became 45.64% as a result of the acquisition of its shares for cash consideration, and the Company is deemed to have substantial control over the decision-making body of AISEL Co., Ltd.

(2) Period of the acquired company's operating results included in the consolidated financial statements

From July 1, 2025 to March 31, 2026

During the fiscal year ended March 31 2026, the fiscal year end of the acquired company, AISEL Co., Ltd., was changed from December 31 to March 31. As the acquired company was an equity method affiliate, its operating results from January 1, 2025 to June 30, 2025 were recorded as share of profit of entities accounted for using equity method.

(3) Breakdown of acquisition cost of and consideration for the acquired company by type

Market value at the business combination date of shares held immediately prior to the business combination date: ¥200,725 thousand

Consideration (cash) for shares additionally acquired at the business combination date: ¥239,575 thousand

Acquisition cost: ¥440,300 thousand

(4) Difference between the acquisition cost of the acquired company and the total amount of the acquisition costs of the respective transactions leading to the acquisition

Gain on step acquisitions: ¥33,987 thousand

(5) Breakdown and amount of major acquisition-related costs

Advisory fees, etc.: ¥2,998 thousand

(6) Amount of goodwill generated, reason for generation, amortization method and period

(a) Amount of goodwill generated

¥127,112 thousand

(b) Reason for generation

As the acquisition cost exceeded the net amount of assets acquired and liabilities assumed, the excess amount was recorded as goodwill.

(c) Amortization method and period

Amortized in equal amounts over five years

(7) Amounts of assets acquired and liabilities assumed on the business combination date and their major breakdowns

Current assets: ¥ 1,159,757 thousand

Fixed assets: ¥ 761,554 thousand

Total assets: ¥ 1,921,393 thousand

Current liabilities: ¥ 361,083 thousand

Fixed liabilities: ¥ 549,273 thousand

Total liabilities: ¥ 906,092 thousand

(8) Estimated impact on the consolidated statement of income for the current consolidated fiscal year assuming that the business combination had been completed at the beginning of the consolidated fiscal year, and the calculation method

Information on profit or loss assuming that the business combination had been conducted at the beginning of the fiscal year has been omitted, as the impact on the Consolidated Income Statement is immaterial.

(Segment Information)

1. Overview of reportable segments

(1) Method of determining reportable segments

The reportable segments of the Company Group are components of the Company Group for which separate financial information is available, and which are subject to review by the Board of Directors on a regular basis to determine the allocation of management resources and evaluate performance.

The Company Group is composed of segments classified based on the business characteristics of products and services, and has two reportable segments: “System Development and Sales” and “Recurring Business.”

(2) Types of products and services that belong to each reportable segment

“System Development and Sales” segment mainly engages in the sale of system equipment, and provides integrated services ranging from design and development to implementation and installation related to software and system infrastructure networks.

“Recurring Business” segment mainly provides software maintenance, hardware maintenance and operation, cloud, and BPO services.

2. Calculation method for net sales, income or loss, assets, liabilities, and other amounts for each reportable segment

The accounting methods for the reportable segments are, in general, the same as those described in the “Basis of preparation of consolidated financial statements.”

The income of each reportable segment is an amount based on operating income.

Intersegment sales or transfers are based on prevailing market prices.

3. Information on net sales, income or loss, and other amounts by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Unit: thousands of yen)

	Reportable segment			Adjustment (Note)	Amount recorded in the Consolidated Financial Statements
	System Development and Sales	Recurring Business	Total		
Net sales					
Net sales to external customers	11,524,496	9,027,757	20,552,254	---	20,552,254
Intersegment sales or transfers	22,225	1,760	23,985	(23,985)	---
Total	11,546,722	9,029,517	20,576,239	(23,985)	20,552,254
Segment income	1,700,555	1,832,543	3,533,099	(223)	3,532,875
Segment assets	4,158,583	2,410,237	6,568,821	17,383,653	23,952,474
Other items					
Depreciation	161,003	184,710	345,713	---	345,713
Increase in tangible fixed assets and intangible fixed assets	260,550	254,793	515,343	---	515,343

Note: Adjustments are as follows.

Adjustment of segment assets of ¥17,383,653 thousand includes corporate assets that are not allocated to each reportable segment and consist mainly of surplus funds under management (cash and deposits, and securities) and long-term investment funds (investment securities).

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Unit: thousands of yen)

	Reportable segment			Adjustment (Note)	Amount recorded in the Consolidated Financial Statements
	System Development and Sales	Recurring Business	Total		
Net sales					
Net sales to external customers	13,671,989	9,429,013	23,101,002	---	23,101,002
Intersegment sales or transfers	49,698	2,825	52,523	(52,523)	---
Total	13,721,688	9,431,838	23,153,526	(52,523)	23,101,002
Segment income	1,956,082	1,903,683	3,859,765	(1,076)	3,858,688
Segment assets	6,085,060	2,741,247	8,826,307	19,240,098	28,066,405
Other items					
Depreciation	287,734	145,936	433,670	---	433,670
Increase in tangible fixed assets and intangible fixed assets	605,902	356,437	962,340	---	962,340

Note: Adjustments are as follows.

Adjustment of segment assets of ¥19,240,098 thousand includes corporate assets that are not allocated to each reportable segment and consist mainly of surplus funds under management (cash and deposits, and securities) and long-term investment funds (investment securities).

[Related information]

1. Information by product and service

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) and fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Information by product and service is omitted, because similar information is provided in Segment Information.

2. Information by geographical area

(1) Net sales

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) and fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

No applicable matters.

(2) Tangible fixed assets

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) and fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

No applicable matters since there are no tangible fixed assets located outside of Japan.

3. Information by major customers

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) and fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Because there are no customers that account for 10% or more of sales stated in the consolidated income statement for sales to external customers, this information is omitted.

[Information on impairment loss on fixed assets by reportable segment]

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

No applicable matters.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Unit: thousands of yen)

	Reportable segment			Corporate and elimination	Total
	System Development and Sales	Recurring Business	Total		
Impairment loss	---	49,200	49,200	---	49,200

[Information on goodwill amortization and unamortized balance by reportable segment]

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Unit: thousands of yen)

	Reportable segment			Corporate and elimination	Total
	System Development and Sales	Recurring Business	Total		
Goodwill amortization in the fiscal year	---	7,437	7,437	---	7,437
Balance at the end of period	---	---	---	---	---

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Unit: thousands of yen)

	Reportable segment			Corporate and elimination	Total
	System Development and Sales	Recurring Business	Total		
Goodwill amortization in the fiscal year	19,066	---	19,066	---	19,066
Balance at the end of period	108,045	---	108,045	---	108,045

[Information on gains incurred from negative goodwill by reportable segment]

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) and fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

No applicable matters.

(Per Share Information)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)		Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Net assets per share	¥720.80	Net assets per share	¥780.48
Earnings per share	¥108.09	Earnings per share	¥104.27
Diluted earnings per share	¥108.05	Diluted earnings per share	¥---

- Notes: 1. In calculating “Net assets per share,” the shares of the Company held by “Stock Grant Trust for Officers and Employees” are included in the number of treasury stock, which is excluded from the number of issued shares at the end of the period (483,791 shares in the fiscal year ended March 31, 2025 and 430,823 shares in the fiscal year ended March 31, 2026). In calculating “Earnings per share,” these shares are included in the treasury stock which is excluded in calculation of the average number of shares during the period (164,781 shares in the fiscal year ended March 31, 2025 and 285,494 shares in the fiscal year ended March 31, 2026).
2. The basis for calculation of earnings per share and diluted earnings per share is as follows.
3. Diluted earnings per share for the fiscal year ended March 31, 2026 are not shown because there are no latent shares.

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Earnings per share		
Net income attributable to owners of the parent (thousand yen)	2,914,336	2,757,758
Amount not attributable to common stockholders (thousand yen)	---	---
Net income attributable to common stockholders of the parent (thousand yen)	2,914,336	2,757,758
Average number of shares during the period	26,962,390	26,449,207
Diluted earnings per share		
Adjustment of net income attributable to owners of the parent (thousand yen)	---	---
Increase in common stock (shares)	10,718	---
(Of which, stock subscription rights)	(10,718)	(---
Overview of latent shares that were not included in the calculation of diluted earnings per share because they have no dilutive effects	No applicable matters.	No applicable matters.

(Significant Subsequent Events)

1. Absorption merger of consolidated subsidiaries

At the meeting of the Board of Directors held on October 20, 2025, the Company's consolidated subsidiary AISEL Co., Ltd. resolved to carry out an absorption merger with its wholly-owned subsidiary (a second-tier subsidiary of the Company) Brain Assist Inc. In accordance with this resolution, the absorption merger was completed on April 1, 2026.

(1) Purpose of the absorption merger

AISEL Co., Ltd. will expand its service area by integrating the services that Brain Assist Inc. has been providing in the network infrastructure domain, from design to construction, operation, and maintenance. This is expected to generate synergies, contributing to improving the speed at which AISEL Co., Ltd. can propose solutions to its customers.

(2) Time table for the merger

Date of conclusion of the agreement:	January 31, 2026
Date of approval of the agreement at the meeting of the Board of Directors:	October 20, 2025
Date of merger (effective date):	April 1, 2026

(Note) As the merger is a simplified merger based on the provisions of Article 796, Paragraph 2 of the Companies Act, AISEL Co., Ltd. did not hold a General Meeting of Shareholders to approve the merger.

(3) Form of the absorption merger

The merger was conducted as an absorption-type merger, with AISEL Co., Ltd. as the surviving company, and Brain Assist Inc. was dissolved.

(4) Details of allotment related to the absorption merger

There was no issuance of new shares or allocation of cash or other assets in the merger.

(5) Handling of stock subscription rights and bonds with stock subscription rights of the dissolved company

No applicable matters.

(6) Overview of accounting treatment to be applied

The merger will be accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, September 13, 2024).

(Status of Production, Orders, and Sales)

(1) Purchases

The purchase results by segment for the fiscal year ended March 31, 2026 are as follows.

Item	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)	YoY change (%)
System Development and Sales (thousand yen)	2,733,519	87.9
Recurring Business (thousand yen)	---	---
Total (thousand yen)	2,733,519	87.9

- Notes: 1. There are no intersegment transactions.
2. The above amounts do not include consumption taxes.

(2) Orders received

The status of orders received by segment in the fiscal year ended March 31, 2026 are as follows.

Item	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)			
	New orders (thousand yen)	YoY change (%)	Order backlogs (thousand yen)	YoY change (%)
System Development and Sales	15,065,131	137.3	7,389,909	123.2
Recurring Business	9,252,553	99.8	10,122,207	98.3
Total	24,317,684	120.1	17,512,116	107.5

- Notes: 1. Intersegment transactions are offset and eliminated.
2. The above amounts do not include consumption taxes.

(3) Sales

The sales results by segment for the fiscal year ended March 31, 2026 are as follows.

Item	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)	YoY change (%)
System Development and Sales (thousand yen)	13,671,989	118.6
Recurring Business (thousand yen)	9,429,013	104.4
Total (thousand yen)	23,101,002	112.4

- Notes: 1. Intersegment transactions are offset and eliminated.
2. The above amounts do not include consumption taxes.