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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 12, 2025

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 Stock code: 8157 URL: <https://www.tsuzuki.co.jp/>
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Scheduled date of general shareholders' meeting: June 26, 2025
 Scheduled date for dividend payment: June 5, 2025
 Scheduled date for filing consolidated financial statements: June 25, 2025
 Preparation of supplemental explanatory materials: Yes
 Results briefing to be held: Yes (for institutional investors and securities analysts)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025)

(1) Consolidated operating results

Millions of yen (rounded down), % figures are year-on-year change

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Year ended March 31, 2025	98,263	(21.3%)	6,481	0.6%	6,596	1.7%	4,764	(13.0%)
Year ended March 31, 2024	124,856	0.8%	6,439	25.8%	6,486	21.1%	5,477	55.6%

Note: Comprehensive income was 5,569 million yen (-19.2%) in year ended March 31, 2025; 6,895 million yen (+132.5%) in year ended March 31, 2024.

	Earnings per share (yen)	Diluted earnings per share (yen)	Ratio of profit to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Year ended March 31, 2025	263.32	—	11.3%	8.2%	6.6%
Year ended March 31, 2024	304.75	—	14.5%	7.9%	5.2%

Reference: Equity in earnings affiliates in year ended March 31, 2025, nil; in year ended March 31, 2024, nil.

(2) Consolidated financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' equity ratio	Net assets per share (yen)
Year ended March 31, 2025	80,063	44,629	55.2%	2,436.05
Year ended March 31, 2024	81,066	40,864	49.8%	2,241.85

Reference: Shareholders' equity in year ended March 31, 2025, 44,155 million yen; in year ended March 31, 2024, 40,401 million yen.

(3) Consolidated cash flows

Millions of yen

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Year ended March 31, 2025	3,407	(792)	(2,595)	38,703
Year ended March 31, 2024	4,954	15,466	(2,613)	38,684

2. Dividends

	Dividends per share for the fiscal year (yen)					Total annual dividend payment (millions of yen)	Dividend payout ratio (consolidated)	Ratio of dividend payout to net assets
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
Year ended March 31, 2024	—	38.00	—	52.00	90.00	1,684	29.5%	4.3%
Year ended March 31, 2025	—	45.00	—	54.00	99.00	1,858	37.6%	4.2%
Year ending March 31, 2026 (Forecast)	—	50.00	—	50.00	100.00		40.3%	

Note: The dividend payout ratio for the fiscal year under review was 37.6%. For details of the expected dividend for the year ended March 31, 2025 please refer to attachment page11“(5) Dividend policy and dividends for the year under review and coming year”

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

% figures are year-on-year change

	Net sales (millions of yen)		Operating income (millions of yen)		Ordinary income (millions of yen)		Profit attributable to owners of parent (millions of yen)		Earnings per share (yen)
		%		%		%		%	
Full year	102,500	4.3%	6,700	3.4%	6,750	2.3%	4,500	(5.6%)	248.26

Note: The Company manages earnings on an annual basis, so does not disclose first-half earnings forecasts.

*Notes

(1) Significant changes in the scope of consolidation during the fiscal year: None

Newly added ___ companies (names)

No longer consolidated ___ company (name)

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

1. Changes in accounting policies due to changes in accounting standards: Yes

2. Changes in accounting policies not due to changes in accounting standards: None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding at year end (including treasury stock)	Year ended March 31, 2025	18,977,894	Year ended March 31, 2024	20,177,894
2. Number of shares at year end (treasury stock)	Year ended March 31, 2025	851,891	Year ended March 31, 2024	2,156,334
3. Average number of shares over the period	Year ended March 31, 2025	18,093,836	Year ended March 31, 2024	17,973,054

Note: The number of treasury shares includes those held in the Directors' Compensation Board Incentive Plan (BIP) trust account (356,831 in year ended March 2025; 420,447 in year ended March 2024) and Stock-grant ESOP trust account (291,427 in year ended March 2025; 332,632 in year ended March 2024).

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025

(April 1, 2024, to March 31, 2025)

(1) Non-consolidated operating results

Millions of yen (rounded down), % figures are year-on-year change

	Net sales		Operating income		Ordinary income		Profit	
Year ended March 31, 2025	84,697	(1.5%)	5,584	22.4%	6,313	(7.8%)	4,863	(71.3%)
Year ended March 31, 2024	85,990	4.1%	4,563	53.8%	6,846	67.9%	16,967	435.6%
	Earnings per share (yen)		Diluted earnings per share (yen)					
Year ended March 31, 2025	268.78		—					
Year ended March 31, 2024	944.06		—					

(2) Non-consolidated financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' equity ratio	Net assets per share (yen)
Year ended March 31, 2025	69,940	42,274	60.4%	2,332.27
Year ended March 31, 2024	70,007	38,782	55.4%	2,151.98

Reference: Shareholders' equity was 42,274 million yen in year ended March 31, 2025; 38,782 million yen in year ended March 31, 2024.

*The financial information in this report is not subject to audit by certified public accountants or auditing firms.

*Appropriate use of earnings forecast and other special notes.

(Note on forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and certain assumptions it considers reasonable, but are not intended to be a promise that the Company will achieve. Actual results may vary materially from forecasts due to a variety of factors.

(How to obtain supplementary explanatory materials for financial results and results briefing materials.)

Supplementary explanatory materials for financial results will be disclosed on TDnet on the same day and also posted on the Company's website.

The Company plans to hold a results briefing for institutional investors and analysts on Monday, May 26, 2025.

The briefing materials distributed will be posted on the Company's website promptly before the briefing.

(Attachment)

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1. Overview of results

(1) Earnings

During the fiscal year ended March 2025, the Japanese economy continued its gradual recovery, supported by improvements in the employment and income conditions. However, personal consumption incurred impact from ongoing inflation, and policy developments in the US continued to present risks with the potential to weigh on economic performance in Japan.

The information and communications services industry, where the Group belongs, continued to expand, driven by the acceleration of digital transformation (DX) initiatives by corporations and the development of generative AI technology.

Under these circumstances, the Group established a long-term vision spanning 10 years from the current fiscal year, and we are currently in the middle of a three-year medium-term management plan, "Transformation 2026," toward achieving the long-term vision. In 10 years' time, we envision ourselves to be Growth Navigator, an organization that navigates growth and creates together with stakeholders, including customers. We aim to be a company that continues to be chosen by customers as an organization that leads the way for growth. Having positioned the next three years as the first stage toward realizing this goal, we will concentrate and transfer resources to growth areas and strive to bolster our earnings capability. Further, to enhance corporate value, the most important theme for the Group, we will promote integrated measures spanning all aspects of business, finance, and non-finance, including management mindful of the cost of capital and strengthening of personnel capital. During the fiscal year under review, key actions undertaken in connection with this medium-term management plan included our conclusion of a business alliance agreement with Daiwabo Information System Co., Ltd., strengthening the functionality of our Ct-e1/SaaS cloud-based contact center service, and strengthening the functionality of our TCloud for SCM cloud-based real-time fleet tracking and delivery management platform.

In the fiscal year under review, which corresponds to the second year of the current medium-term management plan, net sales were 98,263 million yen (down 21.3% year-on-year), operating income was 6,481 million yen (up 0.6% year-on-year), ordinary income was 6,596 million yen (up 1.7% year-on-year), and profit attributable to owners of parent was 4,764 million yen (down 13.0% year-on-year).

Following the sale of the Electronic Devices business in the previous fiscal year, the Group now operates in a single segment—the Information Network Solutions business. Despite growth in services within the six growth domains, including security and contact center systems, orders and net sales declined year-on-year, partly due to the sale of the Electronic Devices business. Additionally, lower orders and net sales in the equipment business, resulting from the absence of large, one-off projects that had boosted performance in the same period of the previous fiscal year, led to the decline. Operating and ordinary income reached record highs for the third consecutive fiscal year thanks to sales growth achieved primarily through pricing management, lower costs, and a downturn in SG&A expenses resulting from the sale of our Electronic Devices business. However, profit attributable to owners of parent declined year on year primarily because performance did not benefit from the boost previously provided by a 1,854 million yen gain on the sale of non-current assets held by the Company and its consolidated subsidiaries, which was booked as extraordinary income for the fiscal year ended March 2024. This transfer of assets was carried out to enhance capital efficiency and improve the utilization of management resources.

In the Information Network Solutions segment, orders increased 6.4% year-on-year, while net sales and operating income decreased by 4.2% and 9.4%, respectively.

Results by business model were as follows

Results by business model

Equipment: We successfully capitalized on PC replacement demand stemming from the conclusion of support for Windows 10, and performance also benefited from the expanded adoption of mobile work systems among clients in sectors such as finance and construction. However, despite growth in orders, which rose to 40,143 million yen (up 5.5% year on year), sales declined to 40,320 million yen (down 10.3% year on year) due primarily to the absence of positive performance impact previously observed from large, one-off projects

Development and construction: Both orders and sales increased year on year, rising to 16,277 million yen (up 19.7% year on year) and 15,310 million yen (up 3.5% year on year), respectively. This performance growth was primarily due to the acquisition of numerous contracts in connection with system development projects and strong contribution from network construction projects for clients in the manufacturing and real estate sectors, a favorable trend we began observing from the third quarter.

Service: Orders came to 44,194 million yen (up 3.0% year on year), while sales amounted to 42,632 million yen (down 0.4% year on year). Equipment maintenance fee income declined year on year due to a downturn in sales generated through the equipment business. However, performance achieved within the six growth domains prioritized under our medium-term management plan—particularly security and contact center systems—remained solid. Additionally, we observed growth in contribution from cloud usage fees and other recurring revenue streams.

*Note regarding quarterly earnings for the Group

Many of the Group's customers have business years from April through March of the following year. Further, fulfillment obligations for many transactions are judged to be satisfied at a certain point, so the Group's sales and profit tend to be concentrated in September and March, the halfway and endpoints of the fiscal year.

The following tables show sales and orders by business model in the fiscal year. Net sales and orders for the Electronic Devices segment for the nine months of the fiscal year ended March 31, 2024, have been omitted, as the Company has transitioned to a single-segment business structure and now operates solely in the Information Network Solutions segment.

Net sales (millions of yen)

	Year ended March 2024	Year ended March 2025		
			Versus previous year	
Information Network Solutions	102,523	98,263	(4,259)	95.8%
Equipment	44,925	40,320	(4,605)	89.7%
Development and construction	14,786	15,310	524	103.5%
Service	42,811	42,632	(179)	99.6%

Orders (millions of yen)

	Year ended March 2024	Year ended March 2025		
			Versus previous year	
Information Network Solutions	94,560	100,615	6,054	106.4%
Equipment	38,051	40,143	2,092	105.5%
Development and construction	13,599	16,277	2,677	119.7%
Service	42,909	44,194	1,284	103.0%

Order backlog (millions of yen)

	Year ended March 2024	Year ended March 2025		
			Versus previous year	
Information Network Solutions	17,895	20,246	2,351	113.1%
Equipment	10,568	10,391	(176)	98.3%
Development and construction	3,484	4,451	967	127.8%
Service	3,842	5,404	1,561	140.6%

(2) Financial position

At the end of the fiscal year under review, total assets amounted to 80,063 million yen (down 1,003 million yen year on year). The primary factors behind this decrease were a decline of 1,047 million yen in inventories, a decrease of 783 million yen in deferred tax assets. The principal factor offsetting this decrease was an increase of 484 million yen in other intangible assets.

Total liabilities stood at 35,433 million yen (down 4,768 million yen year on year) at the end of the fiscal year under review. The primary factors behind this decrease were a reduction of 1,738 million yen in other current liabilities, a decrease of 1,064 million yen in net defined benefit liabilities, and a decrease of 1,077 million yen in income taxes payable.

At the end of the fiscal year under review, net assets amounted to 44,629 million yen (up 3,764 million yen year on year), and the Company's equity ratio had risen to 55.2% (up from 49.8% at the end of the fiscal year ended March 31, 2024). This increase was primarily due to the recognition of 4,764 million yen in profit attributable to owners of parent. Offsetting this increase was a dividend payment of 1,821 million yen from surplus, which reduced retained earnings.

(3) Cash flows

Net cash provided by operating activities was 3,407 million yen, while net cash used in investing activities and financing activities amounted to 792 million yen and 2,595 million yen, respectively.

As a result, cash and cash equivalents totaled 38,703 million yen, up 19 million yen compared to the end of the fiscal year ended March 31, 2024. Changes in cash flows and the main factors behind them are described below.

(Cash flows from operating activities)

Net cash provided by operating activities came to 3,407 million yen (down 31.2% compared to 4,954 million yen reported at the end of the fiscal year ended March 31, 2024). This result was supported by 6,848 million yen in income before income taxes and others, while the main outflows were decrease of 2,358 million yen in Income taxes paid and a decrease of 1,230 million yen in Retirement benefit liability and Assets.

Net cash provided by operating activities declined by 1,546 million yen year on year. The main factors of decrease were a decrease of 1,933 million yen due to changes in accrued consumption taxes (a decrease of 998 million yen in the current period versus an increase of 935 million yen in the previous period) and a decrease of 1,642 million yen due to changes in other liabilities (a decrease of 616 million yen in the current period versus an increase of 1,025 million yen in the previous period). The main factor was an increase of 2,904 million yen in liabilities for retirement benefits and assets (a decrease of 1,230 million yen in the current period versus a decrease of 4,134 million yen in the previous period).

(Cash flows from investing activities)

Net cash used in investing activities came to 792 million yen (compared to 15,466 million yen in net cash provided by investing activities at the end of the fiscal year ended March 31, 2024). The primary outflow was 1,026 million yen used for the purchase of intangible assets, while the main inflow was 314 million yen in proceeds from the sale of investment securities.

Compared to the fiscal year ended March 31, 2024, cash flows from investing activities declined by 16,258 million yen. The main factors behind this decrease were a 8,542 million yen decline in proceeds from the sale of shares of subsidiaries resulting in changes in scope of consolidation (no such transactions recorded in the fiscal year under review), a 3,900 million yen decrease in proceeds from the sale of property, plant, and equipment (33 million yen for the fiscal year under review, down from 3,934 million yen in the previous fiscal year), and a 3,001 million yen decline in proceeds from the collection of loans receivable (5 million yen in the fiscal year under review, down from 3,006 million yen in the previous fiscal year).

(Cash flows from financing activities)

Net cash used in financing activities came to ¥2,595 million (down 0.7% from ¥2,613 million reported at the end of the fiscal year ended March 31, 2024). The main outflows were ¥1,821 million in dividend payments and ¥642 million in repayments of lease liabilities.

Compared to the fiscal year ended March 31, 2024, cash outflows decreased by ¥17 million. The primary factors behind this decrease were a ¥297 million decline in lease liability repayments (¥642 million in the fiscal year under review versus ¥939 million in the previous fiscal year) and a ¥274 million decline in expenditures for the acquisition of treasury stock (¥0 million in the fiscal year under review versus ¥275 million in the previous fiscal year). Partially offsetting these factors was a ¥441 million increase in dividend payments (¥1,821 million in the fiscal year under review versus ¥1,379 million in the previous fiscal year).

Reference: Cash flow related indicators

Year ended March	2022	2023	2024	2025
Shareholders' equity ratio (%)	41.5	42.0	49.8	55.2
Market value based shareholders' equity ratio (%)	33.1	33.7	51.9	51.2
Interest bearing debt to cash flow ratio (years)	2.3	2.6	2.1	2.8
Interest coverage ratio (x)	42.5	37.2	54.5	38.6

Notes: Shareholders' equity ratio = Shareholders' equity/total assets

Market value based shareholders' equity ratio = Market capitalization/total assets

Interest bearing debt to cash flow ratio (years) = Interest bearing debt/cash flow

Interest coverage ratio = Cash flow/interest paid

*All calculations are based on consolidated financial data.

*Market capitalization = fiscal year-end closing share price x number of shares outstanding at fiscal year-end (excluding treasury shares and company shares held in Directors' Compensation BIP trust account and Stock-grant ESOP trust account).

*Cash flow used in calculations is cash flow from operating activities.

*Interest bearing debt includes all liabilities on the consolidated balance sheets that incur interest.

(4) Outlook

Projections indicate Japan's economy will gradually recover thanks to support from improving employment and income conditions. However, uncertainty persists due to the rising risk of economic downturn presented by US policy developments. We anticipate corporate investment in ICT will remain strong within the information and communications services industry under which the Group operates, driven by accelerating digital transformation (DX) and advances in generative AI technologies.

In response to these conditions, the Group will continue reliably addressing customer needs while targeting operational expansion by steadily pushing forward with its strategic reallocation of resources to growth areas, as outlined in its medium-term management plan. Meanwhile, we will also strive to enhance corporate value through management conscious of capital costs and proactive strategic investment.

For the consolidated fiscal year ending March 31, 2026, we forecast net sales of 102,500 million yen (up 4.3% year on year), operating income of 6,700 million yen (up 3.4% year on year), ordinary income of 6,750 million yen (up 2.3% year on year), and profit attributable to owners of parent of 4,500 million yen (down 5.6% year on year). Taking into account the uncertainty of strategic investments such as M&As and collaborations, and the effects of pricing management and other measures being undertaken in the mid-term management plan, Taking into account

the uncertainty of strategic investments such as M&As and collaborations, and the effects of pricing management and other measures being undertaken in the mid-term management plan, favorable than initially anticipated, we have revised the performance targets we previously announced on May 12, 2023 (net sales of 130,000 million yen and operating income of 6,500 million yen). Should any matters requiring disclosure arise as circumstances change, we will promptly provide a commensurate announcement.

	FY03/25 results	FY03/26 Revised target	Change YoY	FY03/26 Initial target	Versus Initial target
Net sales	98,263	102,500	4.3%	130,000	(21.2%)
Operating income	6,481	6,700	3.4%	6,500	3.1%
Operating margin	6.6%	6.5%	(0.1pt)	5.0%	1.5pt
Ordinary income	6,596	6,750	2.3%		
Ordinary profit margin	6.7%	6.6%	(0.1pt)		
Profit attributable to owners of parent	4,764	4,500	(5.6%)		
Margin of profit attributable to owners of parent	4.8%	4.4%	(0.4pt)		

(5) Dividend policy and dividends for the year under review and coming year

The Company considers returning profits to shareholders as a management priority. Our basic policy is to continuously distribute profits twice a year in the form of interim and year-end dividends based on our business performance, and to enhance corporate and shareholder value by effectively utilizing retained earnings.

In the medium-term management plan that commenced in the fiscal year ended March 31, 2024, we revised the dividend policy to pay dividends based on “a target consolidated payout ratio of 40% and a minimum DOE (dividend on equity) of 3.5%,” in accordance with a financial strategy that considers cost of capital, in the aim of fortifying shareholder returns. In this disclosure, the dividend payout ratio for the fiscal year under review was 37.6%. It was because dividends are calculated using profit generated through business activities, excluding extraordinary gains or losses.

For the fiscal year ended March 31, 2025, based on the above policy, we decided to pay a year-end dividend per share of ¥54 (an annual dividend of 99, combined with an interim dividend of ¥45).

For the fiscal year ending March 31, 2026, we expect to pay an interim dividend per share of ¥50 and a year-end dividend of ¥50, for an annual dividend of ¥100

2. Approach to selection of accounting standards

The Group uses Japanese generally accepted accounting principles (JGAAP) to facilitate comparisons with other Japanese companies in our sector.

3.Consolidated financial statements and notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	38,696	38,713
Notes receivable - trade	110	138
accounts receivable	20,261	20,443
Electronically recorded monetary claims - operating	541	459
contract Assets	667	900
Inventories	3,649	2,601
Other	2,005	1,810
Allowance for doubtful accounts	(2)	(3)
Total current assets	65,929	65,063
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,580	1,606
Accumulated depreciation	(706)	(767)
Buildings and structures, net	874	838
Machinery, equipment and vehicles	7	7
Accumulated depreciation	(6)	(6)
Machinery, equipment and vehicles, net	1	1
Land	215	215
Leased assets	2,343	1,787
Accumulated depreciation	(1,634)	(1,310)
Leased assets, net	708	477
Construction in progress	17	22
Other	1,235	1,324
Accumulated depreciation	(865)	(905)
Other, net	369	419
Total property, plant and equipment	2,187	1,974
Intangible assets		
Leased assets	521	291
Other	1,765	2,249
Intangible assets total amount	2,286	2,541
Investments and other assets		
Investment securities	4,092	4,538
Long-term loans receivable	20	15
Retirement benefit asset	2,221	2,556
Deferred tax assets	3,450	2,667
Other	917	744
Allowance for doubtful accounts	(39)	(38)
Total Investments and other assets	10,663	10,483
Total non-current assets	15,137	14,999
Total assets	81,066	80,063

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,637	11,560
contract Liabilities	2,251	2,227
Short-term borrowings	4,747	4,607
Current portion of long-term borrowings	7	4,103
Lease liabilities	605	467
Income taxes payable	1,726	648
Provision for bonuses	2,416	2,105
Allowance for loss on orders received	-	157
Other	5,070	3,331
Total current liabilities	28,462	29,209
Non-current liabilities		
Long-term borrowings	4,104	-
Lease liabilities	726	370
Retirement benefit liability	5,563	4,498
Long-term accounts payable - other	535	504
Provision for share awards	617	595
Other	192	254
Total non-current liabilities	11,739	6,224
Total Liabilities	40,202	35,433
Net assets		
Shareholders' equity		
Share capital	9,812	9,812
Capital surplus	2,756	2,581
Retained earnings	29,705	31,901
Treasury shares	(2,043)	(985)
Total Shareholders' equity	40,230	43,309
Accumulated Other comprehensive income		
Valuation difference on available-for-sale securities	1,944	2,289
Remeasurements of defined benefit plans	(1,773)	(1,443)
Total accumulated Other comprehensive income	171	846
Non-controlling interests	462	473
Total Net assets	40,864	44,629
Total Liabilities and net assets	81,066	80,063

(2) Consolidated statements of income and comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	124,856	98,263
Cost of sales	99,548	75,598
Gross profit	25,308	22,665
Selling, general and administrative expenses	18,868	16,183
Operating income	6,439	6,481
Non-operating income		
Interest income	11	20
Dividend income	90	103
Insurance claim income	3	84
Dividend income of insurance	10	0
Foreign exchange gains	27	0
Other	61	85
Total Non-operating income	203	294
Non-operating expenses		
Interest expenses	90	88
Loss on termination	17	-
Facility move out expenses	34	-
Corporate funeral costs	-	17
Loss on cancellation of lease contracts	-	39
Other	14	34
Total non-operating expenses	157	180
Ordinary income	6,486	6,596
Extraordinary income		
Gain on sale of non-current assets	1,854	-
Gain on sale of investment securities	545	213
Gain on sale of shares of subsidiaries and associates	39	-
Litigation-related income	-	62
Gain on sales of golf club memberships	0	-
Gain on redemption of golf club memberships	4	-
Total extraordinary income	2,443	275
Extraordinary losses		
Loss on retirement of non-current assets	455	23
Loss on termination of retirement benefit plan	57	-
Loss on valuation of golf club membership	1	-
Total Extraordinary losses	514	23
Profit before income taxes	8,415	6,848
Income taxes - current	2,923	1,481
Income taxes - deferred	(155)	471
Total Income taxes	2,768	1,953
Profit	5,647	4,895
Profit attributable to non-controlling interests	170	130
Profit attributable to owners of parent	5,477	4,764

(Consolidated statement of comprehensive income)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	5,647	4,895
Other comprehensive income		
Valuation difference on available-for-sale securities	811	344
Deferred gains or losses on hedges	(2)	-
Foreign currency translation adjustments	(193)	-
Adjustment for retirement benefits	632	330
Total Other comprehensive income	1,248	674
Comprehensive income	6,895	5,569
(Breakdown)		
Comprehensive income attributable to owners of the parent	6,725	5,439
Comprehensive income attributable to noncontrolling interests	170	130

(3) Consolidated statement of changes in net assets
Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
Balance at beginning of fiscal year	9,812	2,581	25,607	(1,979)	36,022
Changes during the year					
Dividend from surplus			(1,379)		(1,379)
Profit attributable to owners of parent			5,477		5,477
Purchase of treasury stock				(275)	(275)
Disposal of treasury stock		174		210	385
Net changes of items other than shareholders' equity					
Total changes during the year	—	174	4,097	(64)	4,208
Balance at end of the year	9,812	2,756	29,705	(2,043)	40,230

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income		
Balance at beginning of fiscal year	1,132	2	193	(2,405)	(1,076)	441	35,387
Changes during year							
Dividend of surplus							(1,379)
Profit attributable to owners of parent							5,477
Purchase of treasury stock							(275)
Disposal of treasury stock							385
Net changes of items other than shareholders' equity	811	(2)	(193)	632	1,248	21	1,269
Total changes during year	811	(2)	(193)	632	1,248	21	5,477
Balance at end of year	1,944	—	—	(1,773)	171	462	40,864

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
Balance at beginning of fiscal year	9,812	2,756	29,705	(2,043)	40,230
Changes during the year					
Dividend from surplus			(1,821)		(1,821)
Profit attributable to owners of parent			4,764		4,764
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				136	136
Cancellation of treasury stock		(174)	(747)	922	—
Net changes of items other than shareholders' equity					
Total changes during the year	—	(174)	2,196	1,058	3,079
Balance at end of year	9,812	2,581	31,901	(985)	43,309

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income		
Balance at beginning of fiscal year	1,944	—	—	(1,773)	171	462	40,864
Changes during year							
Dividend of surplus							(1,821)
Profit attributable to owners of parent							4,764
Purchase of treasury stock							(0)
Disposal of treasury stock							136
Cancellation of treasury stock							—
Net changes of items other than shareholders' equity	344	—	—	330	674	10	685
Total changes during year	344	—	—	330	674	10	3,764
Balance at end of year	2,289	—	—	(1,443)	846	473	44,629

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	8,415	6,848
Depreciation	1,576	1,349
Amortization of goodwill	45	-
Increase (decrease) in allowance for doubtful accounts	(10)	0
Increase (decrease) in provision for bonuses	(17)	(310)
Increase (decrease) in provision for loss on orders received	-	157
Increase decrease in net defined benefit liability and asset	(4,134)	(1,230)
Increase (decrease) in provision for share awards	(20)	(21)
Interest and dividend income	(102)	(124)
Interest expenses	90	88
Loss (gain) on sale of non-current assets	(1,854)	-
Loss (gain) on sale of investment securities	(545)	(213)
Loss (gain) on sale of shares of subsidiaries and associates	(39)	-
Loss on retirement of non-current assets	455	23
Loss on termination of retirement benefit system	57	-
Other non-operating expenses (income)	(2)	(78)
Decrease (increase) in trade receivables	(476)	(361)
Decrease (increase) in inventories	2,333	1,047
Decrease (increase) in other assets	(47)	172
Increase (decrease) in trade payables	(1,305)	(73)
Increase (decrease) in accrued consumption taxes	935	(998)
Increase (decrease) in long-term accounts payable - other	506	(31)
Increase (decrease) in other liabilities	1,025	(616)
Subtotal	6,885	5,628
Interest and dividends received	102	124
Interest paid	(90)	(88)
Other, net	2	78
Income taxes paid	(1,979)	(2,358)
Income taxes refund	33	22
Net cash provided by (used in) operating activities	4,954	3,407

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	2
Purchase of property, plant and equipment	(424)	(277)
Proceeds from sale of property, plant and equipment	3,934	33
Purchase of intangible assets	(522)	(1,026)
Proceeds from sale of intangible assets	158	14
Purchase of investment securities	(162)	(11)
Proceeds from sale of investment securities	1,249	314
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	8,542	-
Proceeds from collection of loans receivable	3,006	5
Other, net	(317)	153
Net cash provided by (used in) investing activities	15,466	(792)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(114)	(140)
Repayments of long-term borrowings	(140)	(8)
Repayments of lease liabilities	(939)	(642)
Purchase of treasury shares	(275)	(0)
Proceeds from disposal of treasury shares	385	136
Dividends paid	(1,379)	(1,821)
Dividends paid to non-controlling interests	(149)	(119)
Net cash provided by (used in) financing activities	(2,613)	(2,595)
Effect of exchange rate change on cash and cash equivalents	31	-
Net increase (decrease) in cash and cash equivalents	17,839	19
Cash and cash equivalents at beginning of period	20,845	38,684
Cash and cash equivalents at end of period	38,684	38,703

(5) Notes to consolidated financial statements
(Notes on premise of going concern)
Not applicable.

(Changes in accounting policies)

(Application of “Accounting Standard for Corporate, Inhabitant and Enterprise Taxes,” etc.)

From the beginning of the consolidated fiscal year under review, we have applied the “Accounting Standard for Corporate, Inhabitant and Enterprise Taxes” (ASBJ Statement No. 27, October 28, 2022; hereafter the “2022 Revised Accounting Standard”).

For revisions related to the classification of corporate taxes (taxes on other comprehensive income), we are complying with the transitional measures prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policy has no impact on the quarterly consolidated financial statement.

Further, we have also applied the 2022 Revised Accounting Standard from the consolidated fiscal year under review for revisions related to the treatment in the consolidated financial statements of gains or losses from the sale of shares in subsidiaries, etc. resulting from intra-group transactions, where such gains or losses can be deferred for tax purposes. This change in accounting policy has been applied retrospectively to the quarterly and full-year consolidated financial statements for the previous quarter and the previous consolidated fiscal year. This change, however, has no impact on the quarterly and full-year consolidated financial statements for the previous fiscal year.

(Additional information)

1 Stock-grant schemes for directors, executive officers, and employees
(Directors’ Compensation BIP trust and Stock-grant ESOP trust)

The Company has established a Directors’ Compensation Board Incentive Plan (BIP) trust for directors and executive officers (excluding outside directors and nonresidents of Japan, “directors and others” below). The purpose is to improve the Company’s medium to long-term earnings and corporate value, and raise awareness of shareholder-oriented management.

It has also enhanced employee benefits with the establishment of a stock-grant ESOP trust for employees. The purpose is to improve the Company’s medium- to long-term corporate value by raising awareness of improvements in earnings and share price appreciation.

(1) Overview of transactions

The Directors’ Compensation BIP trust is a stock-based remuneration plan. The trust uses remuneration of directors and others contributed by the Company as funds to acquire the Company’s shares and provides directors and others with the shares and cash equivalent to the shares’ conversion value.

The Stock-grant ESOP trust is an incentive plan. The trust acquires the Company’s shares and delivers them to employees who fulfil certain conditions in accordance with the stock-grant rules.

(2) Company shares owned by the trusts

The Company’s shares in the trusts are recorded as treasury stock under net assets at the trusts’ book value (excluding incidental expenses). The book value of treasury stock and number of shares held by the Directors’ Compensation BIP trust were 628 million yen and 420,447 respectively in the previous fiscal year and 533 million yen and 356,831 in the year under review. The book value of treasury stock and number of shares held by the Stock-grant ESOP trust were 337 million yen and 332,632 respectively in the previous fiscal year and 295 million yen and 291,427 in the year under review.

(Segment and other information)

Segment information

1. Overview of reporting segments

Segment information has been omitted because the Group operates in a single segment.

2. Calculation of segment sales, profit or loss, assets, liabilities, and other items

Segment information has been omitted because the Group operates in a single segment.

3. Segment sales, profit or loss, assets, liabilities, and other items

Fiscal year ended March 2024

(Millions of yen)

	Reporting segment			Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Information Network Solutions	Electronic Devices	Total		
Sales					
Sales to external customers	102,523	22,333	124,856	—	124,856
Intersegment sales and transfers	24	93	118	(118)	—
Total	102,548	22,427	124,975	(118)	124,856
Segment profit	5,925	487	6,412	27	6,439
Segment assets	81,066	—	81,066	—	81,066
Segment liabilities	40,202	—	40,202	—	40,202
Other					
Depreciation	1,557	18	1,576	—	1,576
Goodwill amortization	45	—	45	—	45
Increase in tangible and intangible fixed assets	945	2	947	—	947

Notes:

1 Adjustments to segment profit are elimination of intersegment transactions.

2 Segment profit is adjusted with operating income in the consolidated income statements.

Fiscal year ended March 2025

Segment information has been omitted because the Group operates in a single segment.

(Matters relating to changes in reportable segments)

Previously, the Group reported its earnings results in two reportable segments: Information Network Solutions and Electronic Devices. However, after the transfer of all shares in the four group companies operating the Electronic Devices segment on January 9, 2024, we now operate in the single segment of Information Network solutions. Because the Group operates in a single segment due to this change, we have omitted segment information for the nine months of the current consolidated fiscal years.

Related information

Fiscal year ended March 2024

1. Information by product and service

This is omitted because it is disclosed in the segment information.

2. Information by region

(1) Net sales

This is omitted because net sales to external customers in Japan exceed 90% of the net sales in the consolidated statement of income.

(2) Property, plant, and equipment

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

3. Information by major customer

This is omitted because none of the Company's customers account for more than 10% of net sales in the consolidated statement of income.

Fiscal year ended March 2025

1. Information by product and service

Segment information has been omitted because the Group operates in a single segment.

2. Information by region

(1) Net sales

This is omitted because net sales to external customers in Japan exceed 90% of the net sales in the consolidated statement of income.

(2) Property, plant, and equipment

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

3. Information by major customer

This is omitted because none of the Company's customers account for more than 10% of the net sales in the consolidated statement of income.

Information on impairment loss on fixed assets by reportable segment

Previous fiscal year (April 1, 2023, to March 31, 2024)

Not applicable

Fiscal year under review (April 1, 2024, to March 31, 2025)

Segment information has been omitted because the Group operates in a single segment

Information on amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended March 2024

(Millions of yen)

	Reporting segment			Adjustments	Total Information Network Solutions
	Information Network Solutions	Electronic Devices	Total		
Balance at end of year	—	—	—	—	—

Note: Information on amortization of goodwill is omitted because the same information is disclosed in the segment information.

Fiscal year ended March 2025

Segment information has been omitted because the Group operates in a single segment.

Information on gain on negative goodwill by reportable segment

Fiscal year ended March 2024

Not applicable

Fiscal year ended March 2025

Segment information has been omitted because the Group operates in a single segment.

(Per share information)

Fiscal year ended March 2024		Fiscal year ended March 2025	
Net assets per share (yen)	2,241.85	Net assets per share (yen)	2,436.05
Basic earnings per share (yen)	304.75	Basic earnings per share (yen)	263.32
Note: Diluted earnings per share is not stated because there are no dilutive shares.		Note: Diluted earnings per share is not stated because there are no dilutive shares.	

Notes:

- Treasury shares held in the Employee Stock Ownership Plan (ESOP) trust account, Directors' Compensation BIP trust account, and Stock-grant ESOP trust account are deducted from the total number of shares outstanding at the end of the year for calculating net assets per share. (BIP trust account for directors' remuneration: 420,447 shares in the previous consolidated fiscal year, 356,831 shares in the current consolidated fiscal year; ESOP trust account for stock award: 332,632 shares in the previous consolidated fiscal year, 291,427 shares in the current consolidated fiscal year).
Treasury shares held in the Employee Stock Ownership Plan (ESOP) trust account, Directors' Compensation BIP trust account, and Stock-grant ESOP trust account are deducted in the calculation of average number of shares outstanding during the year for calculating basic earnings per share (Employee Stock Ownership Plan (ESOP) trust account: 1,608 shares in the previous fiscal year, 0 shares in the current fiscal year; Directors' Compensation BIP trust account: 333,847 shares in the previous fiscal year, 373,652 shares in the current fiscal year; Stock Grant ESOP trust account: 379,647 shares in the previous fiscal year, 306,976 shares in the current fiscal year)

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

	Fiscal year ended March 2024	Fiscal year ended March 2025
Profit attributable to owners of parent (millions of yen)	5,477	4,764
Amounts not attributable to ordinary shareholders (millions of yen)	—	—
Profit attributable to owners of parent (millions of yen) related to common stock	5,477	4,764
Average number of shares (thousands)	17,973	18,093

(Major subsequent events)

Not applicable.