



Consolidated Financial Report for the Fiscal Year Ended March 31, 2026 [IFRS]

April 30, 2026

BIPROGY Inc.

Stock Listing:	Tokyo Stock Exchange, Prime Market
Stock Code:	8056
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Representative:	Noboru Saito, Representative Director, President & CEO
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Scheduled Date for Ordinary General Meeting of Shareholders:	June 24, 2026
Scheduled Starting Date for Dividend Payment:	June 25, 2026
Scheduled Submission Date for Securities Report:	June 23, 2026
Earnings Supplementary Explanatory Documents:	yes
Earnings Results Briefing:	yes (for institutional investors, analysts and the press)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for FY2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated Results of Operations

(Percentage below represents increase (decrease) from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2026	433,686	7.3	42,604	9.1	43,845	13.0	31,209	15.7	32,338	28.9
FY2025	404,010	9.2	39,066	17.4	38,789	13.5	26,965	6.8	25,085	(28.8)

(Note) Adjusted operating profit FY2026 : 43,567 Million Yen (13.4%) FY2025 : 38,420 Million Yen (13.6%)

Adjusted operating profit is the result obtained after deducting cost of sales and selling, general and administrative expenses from revenue.

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Profit before tax to total assets	Operating Profit to revenue
	Yen	Yen	%	%	%
FY2026	320.64	320.03	17.9	12.3	9.8
FY2025	272.65	272.03	16.1	12.0	9.7

(Reference) Share of Profit of Entities Accounted for Using Equity Method FY2026: 1,303 Million Yen FY2025: 831 Million Yen

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of owners' equity to gross assets	Owners' equity per share
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
FY2026	380,669	181,059	178,988	47.0%	1,853.33
FY2025	330,876	171,297	169,050	51.1%	1,721.81

(3) Consolidated Cash Flow Status

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2026	57,566	(73,978)	(1,512)	47,043
FY2025	44,916	(8,926)	(30,613)	64,801

2. Dividends

	Dividends Per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2025	—	50.00	—	60.00	110.00	10,805	40.3	6.5
FY2026	—	60.00	—	70.00	130.00	12,614	40.5	7.3
FY2027 (Forecast)	—	70.00	—	70.00	140.00		42.0	

3. Consolidated Earnings Forecast for FY2027 (from April 1, 2026 to March 31, 2027)

(Percentage below represents increase (decrease) from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2027	470,000	8.4	48,400	13.6	48,000	9.5	32,200	3.2	333.41

(Note) Adjusted operating profit (Full Year) 48,400 Million Yen (11.1%)

* Notes

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

Newly added: 3 companies (BIPROGY and Translink Sustainability & Innovation Fund, L.P., Catalina Marketing Japan K.K., BCF1, L.P.)

(2) Changes in accounting policies and accounting estimates

1. Changes in accounting policies required by IFRS : No

2. Changes in accounting policies due to other reasons : No

3. Changes in accounting estimates : No

(3) Number of shares outstanding (common stock)

(shares)

1. Total number of issued shares at the end of the period
(including treasury shares)

FY2026	98,959,624	FY2025	100,663,524
FY2026	2,382,882	FY2025	2,481,445
FY2026	97,334,579	FY2025	98,902,359

2. Number of treasury shares at the end of the period

3. Average number of shares outstanding (during the period)

* This Consolidated Financial Report is not subject to audit procedures.

* Comments regarding appropriate usage of earnings forecast, and other special notes

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

(Appendix)

Contents

1. Results of Business Operations and Financial Conditions	
(1) Summary of Business Operations	2
(2) Summary of Financial Condition	3
(3) Summary of Cash Flows	4
(4) Prospects for the Next Fiscal Year	5
(5) Basic Policy on Distribution of Profits	5
2. Basic Concept on the Selection of Accounting Standards	6
3. Consolidated Financial Statements and Material Notes	7
(1) Consolidated Statements of Financial Position	7
(2) Consolidated Statements of Profit or Loss and Comprehensive Income	9
(3) Consolidated Statements of Changes in Equity	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes on Consolidated Financial Statements	14
(Notes on Going Concern Assumption)	14
(Segment Information and Others)	14
(Business Combination)	17
(Per-Share Information)	19
(Subsequent Events)	19

1. 【Results of Business Operations and Financial Conditions】

(1) Summary of Business Operations

For the fiscal year ended March 31, 2026, the Japanese economy continued to show signs of gradual recovery in response to the employment and income situations improving.

We have seen continued good appetite of companies mainly for digital transformation (DX) investment in the information services industry. According to the Bank of Japan's Tankan survey in March, software investment in the fiscal year 2026 is also expected to increase compared to the previous fiscal year.

At the same time, while we must closely monitor the impact of the situation in the Middle East, we must also pay close attention to the effects of fluctuations in the financial and capital market, as well as developments surrounding U.S. trade policy.

In this environment, we have been promoting initiatives as indicated in the “Management Policies (2024-2026)” with an eye on realizing the “Vision 2030,”^{Note 1} which is envisioned by the Group.

We have been performing business pursuant to the basic policies to: increase corporate value by establishing a sustainable business portfolio; optimize an allocation of management resources; and strengthen the Group's business platform.

We have been enhancing business through core businesses (the existing revenue sources) in tandem with growth businesses (the new revenue base).

We have defined five focus areas in the core business: Financial, Retail, Energy, Mobility, and OT Infrastructure^{Note 2} where we can utilize our excellent customer base and our operational knowledge.

In the Financial focus area, we have seen expanding revenue from the BankVision®, a full banking system in an open environment/public cloud, driven in part by the acquisition of new users. We are also seeing expansion of the adoption of front-end services, including the foreign remittance processing workflow service SurFIN®.

In the Retail focus area, we have implemented a large-scale core merchandising system and launched integrated EC services. In addition, demand for store DX solutions such as AI automated ordering systems remains strong. In addition, in January 2026, we made Catalina Marketing Japan K.K. (hereinafter “CMJ”), which operates AOUMI™, one of Japan's largest retail media networks, a wholly-owned subsidiary. BIPROGY and CMJ aim to establish a platform that enhances the added value across the entire distribution industry, starting from the needs of consumers and communities. By highly utilizing consumer purchasing and behavior data, we aim to digitally connect data from retail sales locations to the supply chain, realizing a “consumer and community driven distribution demand chain.”

In the Energy focus area, network projects for electric power companies are performing well. We are also stepping up our efforts to expand our carbon neutrality-related businesses. Leveraging the expertise we have cultivated through many years of building systems for the energy industry, as well as our IT and AI technologies, we will pursue an aggregation business^{Note 3} leveraging grid-scale battery energy storage systems.

In the Mobility focus area, to improve logistics quality and address future labor shortages, we have implemented a picking automation solution utilizing autonomous collaborative robots for a pharmaceutical company. Going forward, we will continue to leverage physical AI to tackle further challenges.

In the OT Infrastructure focus area, we are successfully securing projects in the OT network and security area by promoting the horizontal rollout of best practices. In addition, our pipeline is growing as we strengthen our collaboration with our business partners.

In growth businesses, we have defined three areas of market development, business development and global initiatives with the aim of establishing a new revenue base and providing value.

In market development, we aim to provide high-value AI services to users through Data & AI Solutions, drawing on insights from Data & AI Innovation Lab®, a DX support business that leverages data and AI to accelerate business improvement cycles. In addition, we have launched a new managed services brand, GASSAI®, and have begun offering services in the areas of Security, Multi/Hybrid Cloud, and Digital Workplace, with the business expanding steadily.

In business development, in the regional economy revitalization area, we have made Matrzz, Inc., a provider of digital marketing solutions, a consolidated subsidiary, and are advancing our DX support business to contribute to improving productivity for small and medium-sized enterprises. In the healthcare area, we have also commercialized the legacy of the Expo 2025 Osaka, Kansai and launched the DotHealth® Body Measurement Service. We will provide social infrastructure that contributes to the health of society as a whole and realize a future society where healthcare is integrated into daily life.

In global initiatives, the ICT/DX business is steadily expanding in major ASEAN countries. We are also

investing in North American startups through our CVC fund.

Under the “Management Policies (2024-2026),” we have been promoting human resources strategy, technology strategy, investment strategy, and financial strategy, in collaboration with the business strategies, and also willingly investing management resources in areas where we have strength and towards providing new value in order to strengthen market competitiveness.

Regarding our human resource strategy, we have published the BIPROGY Group Human Resources Strategy Report 2025^{Note 4}. We are making steady progress in securing and developing the four human resource models to lead the business strategies as set forth in the Management Policies (2024-2026). In addition, as part of our technology strategy, we have accelerated the use of AI. We aim to differentiate our services by combining the operational expertise we have cultivated across a wide range of fields with AI technology, while achieving both high quality and fast turnaround times through AI-driven development, thereby enhancing the value we deliver to our customers. We will evolve value chains for the Group in order to cope with changes in the environments in Japan and overseas and improve value that we provide to customers.

(Notes)

1. For more information on Vision 2030 and the Management Policies (2024-2026), please refer to the Group’s web page below.
https://www.biprogy.com/invest-e/com/management_policy.html (in English)
2. OT is an abbreviation of Operational Technology. It refers to information system platform that supports design and manufacture processes mainly for factories and plants.
3. Aggregation business is a business that engages in market transactions and supply and demand adjustments in the wholesale electricity market and the supply and demand adjustment market for distributed energy sources such as grid-scale battery energy storage systems.
4. For the “BIPROGY Group Human Resources Strategy Report 2025,” please refer to the Group’s web page below.
https://www.biprogy.com/pdf/sustainability/human_resources_strategy_report2025.pdf (in Japanese only)
5. Names of companies or products herein described are trademarks or registered trademarks of their respective organizations.

For the fiscal year ended March 31, 2026, revenue amounted to ¥433,686 million up by ¥29,676 million or 7.3% compared with the previous fiscal year, due to growth primarily in sales of services and products, against a backdrop of continued demand from customers for IT investments.

Operating profit increased by ¥3,537 million or 9.1% compared with the previous fiscal year to ¥42,604 million, as higher gross profit from increased revenue offset the increase in SG&A expenses mainly due to rising labor costs, increased investment in future business expansion, and the recognition of M&A-related expenses.

Profit attributable to owners of parent increased to ¥31,209 million, up by ¥4,243 million or 15.7% compared with the previous fiscal year.

Adjusted operating profit^(*) that is used by the Company as an index for managing performance was ¥43,567 million, up by ¥5,146 million or 13.4% compared with the previous fiscal year.

(*) Adjusted operating profit: Calculated by deducting cost of sales and SG&A expenses from revenue.

(2) Summary of Financial Condition

In the period of the fiscal year under review, partly due to an increase in goodwill, total assets were ¥380,669 million, an increase of ¥49,793 million compared with the end of the previous fiscal year.

Liabilities were ¥199,610 million, a ¥40,031 million increase from the end of the previous fiscal year, partly due to an increase in trade and other payables and an increase in borrowings.

Equity was ¥181,059 million. The ratio of owners' equity to gross assets was 47.0%, down by 4.1 pts. from the end of the previous fiscal year.

(3) Summary of Cash Flows

Cash and cash equivalents at the end of the fiscal year under review were ¥47,043 million, a decrease of ¥17,758 million compared with the end of the previous fiscal year. The cash flow situations and relevant factors are stated below.

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥57,566 million (an increase of ¥12,649 million in proceeds compared with the previous period).

This reflects proceeds of ¥43,845 million in profit before income taxes, the elements of increasing the proceeds and the elements of decreasing the proceeds.

The factors increasing proceeds include ¥17,898 million in depreciation and amortization (non-cash expenses) and an increase in trade and other payables of ¥5,695 million. The factors decreasing the proceeds include an increase in contract assets of ¥1,183 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥73,978 million (an increase of ¥65,051 million in expenditures compared with the previous period).

This reflects expenditures of ¥3,936 million as a result of purchasing property, plant and equipment such as computers for business activities, expenditures of ¥13,462 million due to the acquisitions of intangible assets such as the investments in software for outsourcing, and expenditures of ¥5,169 million from acquiring subsidiaries.

(Cash flows from financing activities)

Net cash used in the financing activities was ¥1,512 million (a decrease of ¥29,101 million in expenditures from the same period of the previous fiscal year). This expenditure includes net increase in short-term borrowings ¥29,662 million, purchase of treasury shares ¥10,000 million, and dividends payment of ¥11,745 million.

(Reference) Changes in the equity attributable to owners of parent ratios and the indicators related to cash flows

	Fiscal Year ending March 2026	Fiscal Year ending March 2025
Equity attributable to owners of parent ratio (%)	47.0	51.1
Equity attributable to owners of parent ratio (Market cap.) (%)	117.2	136.0
Ratio of cash flow to interest-bearing debts (years)	1.3	0.9
Interest coverage ratio (times)	106.8	144.9

(Notes)

Equity attributable to owners of parent ratio: Equity attributable to owners of parent/Total assets

Equity attributable to owners of parent ratio (Market cap.): Market capitalization /Total assets

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

Interest coverage ratio: Cash flow/Interest payments

* 1. All of the above indicators are calculated using financial figures on a consolidated basis.

* 2. Cash flows indicated above mean cash flows from operating activities.

(4) Prospects for the Next Fiscal Year

The Company plans to post revenue of ¥470,000 million, an increase of 8.4% as it projects for the next fiscal year on a consolidated basis.

We plan to post operating profit of ¥48,400 million, up by 13.6%, profit before tax of ¥ 48,000 million, up by 9.5% and profit attributable to owners of parent of ¥ 32,200 million, up by 3.2%.

Adjusted operating profit is projected to be ¥48,400 million, up by 11.1%.

Forecast of the consolidated performance for FY 2027

(Billions of Yen)

	Fiscal Year ending March 2027	Fiscal Year ending March 2026	Changes
Revenue	470.0	433.7	8.4%
Operating Profit	48.4	42.6	13.6%
Profit before Tax	48.0	43.8	9.5%
Profit Attributable to Owners of Parent	32.2	31.2	3.2%
Adjusted Operating Profit	48.4	43.6	11.1%

(5) Basic Policy on Distribution of Profits

Based on the consolidated financial results for the current fiscal year, the Board of Directors resolved to pay dividends of surplus with a record date of March 31, 2026, as described below, on April 30, 2026.

This matter will be submitted to the 82nd Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2026.

In line with a policy of paying dividends in accordance with our performance, the Company sets forth as measures for improving capital efficiency and enhancing shareholder returns acquisition of treasury shares as well as a dividend payout ratio of 40% or more, as stipulated in the Management Policies (2024-2026).

We will pay a year-end dividend of 70.0 yen per share, an increase of 10.0 yen per share from 60.0 yen per share (with a record date of March 31, 2026), based upon the performance results on a consolidated basis for the fiscal year under review as well as this basic earnings distribution policy.

For the fiscal year under review, we will pay an annual dividend of 130.0 yen per share (including the interim dividend), with the dividend payout ratio of 40.5% on a consolidated basis based upon the performance on a consolidated basis.

Details of dividends

	Resolved	Recent Forecast (Announced on April 30, 2025)	Year-end dividends for the previous fiscal year (Fiscal Year Ending March 2025)
Record date	Yen March 31, 2026	Yen Same as on the left	Yen March 31, 2025
Dividend per share	70.00	60.00	60.00
Total amount of dividends	6,765 million	—	5,897 million
Effective date	June 25, 2026	—	June 26, 2025
Dividend resource	Retained earnings	—	Retained earnings

The Company plans to pay an annual dividend of 140.0 yen per share (an interim dividend of 70.0 yen per share and a year-end of 70.0 yen per share) for the next fiscal year.

2. 【Basic Concept on the Selection of Accounting Standards】

We have applied IFRS (International Financial Reporting Standards) in the fiscal year ending March 2022 and thereafter, in order to prepare our consolidated financial statements, in light of improving global comparability of financial information in the capital market.

3. Consolidated Financial Statements and Material Notes

(1) Consolidated Statements of Financial Position

	(Millions of Yen)	
	FY2025	FY2026
	(As of March 31, 2025)	(As of March 31, 2026)
Assets		
Current assets		
Cash and cash equivalents	64,801	47,043
Trade and other receivables	87,949	88,595
Contract assets	7,387	8,587
Inventories	15,842	12,112
Other financial assets	2,664	1,342
Other current assets	18,163	20,407
Total current assets	196,809	178,089
Non-current assets		
Property, plant and equipment	13,056	16,789
Right-of-use assets	20,647	23,721
Goodwill	2,539	48,378
Intangible assets	33,592	39,186
Investments accounted for using equity method	5,801	6,714
Other financial assets	32,548	38,839
Deferred tax assets	12,341	13,603
Retirement benefit asset	2,784	3,267
Other non-current assets	10,755	12,079
Total non-current assets	134,066	202,580
Total assets	330,876	380,669

(Millions of Yen)

	FY2025	FY2026
	(As of March 31, 2025)	(As of March 31, 2026)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	31,979	38,413
Contract liabilities	31,912	35,775
Borrowings	9,467	40,525
Lease liabilities	8,003	7,719
Other financial liabilities	2,917	3,090
Income taxes payable	8,759	4,374
Provisions	1,066	837
Other current liabilities	28,545	30,330
Total current liabilities	122,649	161,065
Non-current liabilities		
Borrowings	11,262	10,200
Lease liabilities	13,867	17,204
Other financial liabilities	308	776
Retirement benefit liability	7,380	6,656
Provisions	3,713	3,178
Deferred tax liabilities	396	528
Total non-current liabilities	36,929	38,544
Total liabilities	159,578	199,610
Equity		
Share capital	5,483	5,483
Capital surplus	13,972	13,338
Treasury shares	(5,247)	(8,689)
Other components of equity	3,734	4,451
Retained earnings	151,107	164,405
Total equity attributable to owners of parent	169,050	178,988
Non-controlling interests	2,247	2,070
Total equity	171,297	181,059
Total liabilities and equity	330,876	380,669

(2) Consolidated Statements of Profit or Loss and Comprehensive Income

(Consolidated Statements of Profit or Loss)

(Millions of Yen)

	FY2025 (Fiscal year ended March 31, 2025)	FY2026 (Fiscal year ended March 31, 2026)
Revenue	404,010	433,686
Cost of sales	298,179	317,677
Gross profit	105,831	116,009
Selling, general and administrative expenses	67,410	72,441
Share of profit (loss) of investments accounted for using equity method	831	1,303
Other income	344	251
Other expenses	529	2,518
Operating profit	39,066	42,604
Finance income	497	1,843
Finance costs	774	601
Profit before tax	38,789	43,845
Income tax expense	11,526	12,353
Profit	27,263	31,491
Profit attributable to		
Owners of parent	26,965	31,209
Non-controlling interests	297	282
Profit	27,263	31,491
Earnings per share		
Basic earnings per share (Yen)	272.65	320.64
Diluted earnings per share (Yen)	272.03	320.03

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2025 (Fiscal year ended March 31, 2025)	FY2026 (Fiscal year ended March 31, 2026)
Profit	27,263	31,491
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(2,231)	555
Remeasurements of defined benefit plans	(408)	(7)
Share of other comprehensive income of investments accounted for using equity method	(0)	0
Total of items that will not be reclassified to profit or loss	(2,640)	548
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	357	233
Share of other comprehensive income of investments accounted for using equity method	104	65
Total of items that may be reclassified to profit or loss	462	299
Other comprehensive income, net of tax	(2,178)	847
Comprehensive income	25,085	32,338
Comprehensive income attributable to		
Owners of parent	24,754	32,073
Non-controlling interests	330	264
Comprehensive income	25,085	32,338

(3) Consolidated Statements of Changes in Equity
FY2025 (Fiscal year ended March 31, 2025)

(Millions of Yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			
				Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Share acquisition rights	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2024	5,483	15,004	(13,226)	7,383	—	413	104
Profit							
Other comprehensive income				(2,231)	(408)		104
Comprehensive income	—	—	—	(2,231)	(408)	—	104
Dividends of surplus							
Purchase of treasury shares			(11,188)				
Disposal of treasury shares		(23)	91			(67)	
Cancellation of treasury shares		(19,033)	19,033				
Share-based payment transactions		116	43				
Obtaining of control of subsidiaries							
Changes in ownership interest in subsidiaries		(21)					
Changes in investments accounted for using equity method interests in their subsidiaries		(644)					
Transfer from retained earnings to capital surplus		18,573					
Transfer from other components of equity to retained earnings				(2,952)	408		
Other							
Total transactions with owners	—	(1,031)	7,979	(2,952)	408	(67)	—
As of March 31, 2025	5,483	13,972	(5,247)	2,199	—	345	209

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total				
As of April 1, 2024	655	8,556	150,605	166,423	1,890	168,314
Profit			26,965	26,965	297	27,263
Other comprehensive income	324	(2,211)		(2,211)	32	(2,178)
Comprehensive income	324	(2,211)	26,965	24,754	330	25,085
Dividends of surplus			(10,438)	(10,438)	(148)	(10,587)
Purchase of treasury shares				(11,188)		(11,188)
Disposal of treasury shares		(67)		0		0
Cancellation of treasury shares						—
Share-based payment transactions				160		160
Obtaining of control of subsidiaries					211	211
Changes in ownership interest in subsidiaries				(21)	(37)	(58)
Changes in investments accounted for using equity method interests in their subsidiaries				(644)		(644)
Transfer from retained earnings to capital surplus			(18,573)			—
Transfer from other components of equity to retained earnings		(2,543)	2,543			—
Other			5	5		5
Total transactions with owners	—	(2,611)	(26,463)	(22,127)	25	(22,101)
As of March 31, 2025	980	3,734	151,107	169,050	2,247	171,297

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			
				Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Share acquisition rights	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2025	5,483	13,972	(5,247)	2,199	—	345	209
Profit							
Other comprehensive income				555	(7)		65
Comprehensive income	—	—	—	555	(7)	—	65
Dividends of surplus							
Purchase of treasury shares		(38)	(10,000)				
Disposal of treasury shares		(66)	117			(50)	
Cancellation of treasury shares		(6,294)	6,294				
Share-based payment transactions		99	146				
Obtaining of control of subsidiaries							
Changes in ownership interest in subsidiaries		(596)					
Transfer from retained earnings to capital surplus		6,261					
Transfer from other components of equity to retained earnings				(104)	7		
Total transactions with owners	—	(634)	(3,442)	(104)	7	(50)	—
As of March 31, 2026	5,483	13,338	(8,689)	2,650	—	295	274

	Equity attributable to owners of parent					
	Other components of equity					
	Exchange differences on translation of foreign operations	Total	Retained earnings	Total	Non-controlling interests	Total equity
As of April 1, 2025	980	3,734	151,107	169,050	2,247	171,297
Profit			31,209	31,209	282	31,491
Other comprehensive income	250	864		864	(17)	847
Comprehensive income	250	864	31,209	32,073	264	32,338
Dividends of surplus			(11,746)	(11,746)	(153)	(11,900)
Purchase of treasury shares				(10,039)		(10,039)
Disposal of treasury shares		(50)		0		0
Cancellation of treasury shares						—
Share-based payment transactions				246		246
Obtaining of control of subsidiaries					20	20
Changes in ownership interest in subsidiaries				(596)	(307)	(903)
Transfer from retained earnings to capital surplus			(6,261)			—
Transfer from other components of equity to retained earnings		(97)	97			—
Total transactions with owners	—	(147)	(17,910)	(22,135)	(441)	(22,576)
As of March 31, 2026	1,231	4,451	164,405	178,988	2,070	181,059

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2025 (Fiscal year ended March 31, 2025)	FY2026 (Fiscal year ended March 31, 2026)
Cash flows from operating activities		
Profit before tax	38,789	43,845
Depreciation and amortization	17,941	17,898
Impairment losses	483	2,210
Interest and dividend income	(487)	(802)
Interest expenses	307	566
Share of loss (profit) of investments accounted for using equity method	(831)	(1,303)
Decrease (increase) in trade and other receivables	(378)	2,671
Decrease (increase) in contract assets	3,443	(1,183)
Decrease (increase) in inventories	(2,824)	3,868
Increase (decrease) in trade and other payables	(1,360)	5,695
Increase (decrease) in contract liabilities	5,746	3,186
Increase or decrease in retirement benefit asset or liability	(1,120)	(1,219)
Other	(1,976)	(172)
Subtotal	57,733	75,262
Interest and dividends received	513	873
Interest paid	(309)	(538)
Income taxes paid	(13,020)	(18,031)
Net cash provided by (used in) operating activities	44,916	57,566
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,086)	(3,936)
Proceeds from sale of property, plant and equipment	1	4
Purchase of intangible assets	(9,909)	(13,462)
Purchase of investment securities	(2,227)	(4,351)
Proceeds from sale of investment securities	6,218	128
Payments for acquisition of subsidiaries	(510)	(51,609)
Purchase of investments accounted for using equity method	(9)	(105)
Proceeds from sale of investments accounted for using equity method	26	31
Other	571	(678)
Net cash provided by (used in) investing activities	(8,926)	(73,978)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	950	29,662
Proceeds from long-term borrowings	3,250	6,450
Repayments of long-term borrowings	(4,205)	(6,474)
Repayments of lease liabilities	(9,177)	(8,756)
Purchase of treasury shares	(11,188)	(10,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(903)
Dividends paid	(10,435)	(11,745)
Dividends paid to non-controlling interests	(148)	(153)
Other	341	410
Net cash provided by (used in) financing activities	(30,613)	(1,512)
Effect of exchange rate changes on cash and cash equivalents	162	166
Net increase (decrease) in cash and cash equivalents	5,538	(17,758)
Cash and cash equivalents at beginning of period	59,263	64,801
Cash and cash equivalents at end of period	64,801	47,043

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Segment Information and Others)

(1) Overview of reportable segments

The reportable segments of the Company are those among the constituent units of the Company for which separate financial statements can be obtained and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

By fully harnessing the collective capabilities of the Group, the Company provides comprehensive IT solution services, from identifying customers' management issues to providing solutions to them.

The Company's operations therefore consist of segments composed of products and services that constitute our IT solution services.

We have five reportable segments: System Services, Support Services, Outsourcing, Software, and Hardware.

Details of the reportable segments are as follows:

- System Services: Software contract development business, system engineer services, and consulting
- Support Services: Software and hardware maintenance, installation support and related services
- Outsourcing: System operation by contract, and related services
- Software: Provision of software based on software license agreements
- Hardware: Provision of hardware partly based on equipment sales agreements

(2) Information about performance by reportable segment

FY2024 (from April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Reportable segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated financial statements
	System Services	Support Services	Out sourcing	Software	Hardware	Total				
Revenue	130,433	58,355	90,583	45,087	67,401	391,861	12,149	404,010	—	404,010
Segment profits (Note 4)	44,746	19,405	18,230	9,166	11,377	102,926	2,904	105,831	(67,410)	38,420
Share of profit (loss) of investments accounted for using equity method										831
Other income										344
Other expense										529
Operating profit										39,066
Finance income										497
Finance costs										774
Profit before tax										38,789

(Millions of Yen)

	Reportable Segments						Other (Note 1)	Total	Adjustment (Note 2)	Consolidation
	System services	Support services	Out sourcing	Software	Hardware	Total				
Segment assets	1,872	1,585	31,758	7,435	10,513	53,165	174	53,340	277,535	330,876
Other items										
Depreciation and amortization	258	203	7,405	1,320	151	9,339	28	9,367	8,574	17,941
Impairment loss	—	—	33	—	—	33	—	33	449	483
Investments accounted for using equity method	—	—	—	—	—	—	—	—	5,801	5,801
Capital expenditures (Note 3)	1,091	151	10,572	861	111	12,788	17	12,805	16,140	28,946

(Note)

- The Other category is a business segment that is not included in the reportable segments. It includes network services, installation and corporate training..
- The contents of adjustment are described below.
 - The adjustment to segment profits represents selling, general and administrative expenses that have not been distributed to each segment.
 - The adjustment to segment assets represents the corporate assets that have not been distributed to each reportable segment.
 - The adjustment to depreciation and amortization represents the depreciation and amortization of the corporate assets that have not been distributed to each reportable segment.
 - The adjustment to investments accounted for using equity method represents the investments accounted for using equity method that have not been distributed to each reportable segment.
 - The adjustment to capital expenditures represents an increase in the corporate assets that have not been distributed to each reportable segment.
- Capital expenditures include amounts that are related to right-of-use assets and goodwill.
- Segment profits are represented by adjusted operating profit which is the result of deducting cost of sales and selling, general and administrative expenses from revenue.

FY2025 (from April 1, 2025 to March 31, 2026)

(Millions of Yen)

	Reportable segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated financial statements
	System Services	Support Services	Out sourcing	Software	Hardware	Total				
Revenue	140,845	59,942	97,245	47,444	75,264	420,742	12,944	433,686	—	433,686
Segment profits (Note 4)	51,127	18,953	21,353	7,542	13,638	112,615	3,393	116,009	(72,441)	43,567
Share of profit (loss) of investments accounted for using equity method										1,303
Other income										251
Other expense										2,518
Operating profit										42,604
Finance income										1,843
Finance costs										601
Profit before tax										43,845

(Millions of Yen)

	Reportable Segments						Other (Note 1)	Total	Adjustment (Note 2)	Consolidation
	System Services	Support Services	Out sourcing	Software	Hardware	Total				
Segment assets	2,249	1,647	77,821	5,785	7,935	95,440	393	95,834	284,834	380,669
Other items										
Depreciation and amortization	306	165	7,979	1,306	97	9,855	36	9,891	8,007	17,898
Impairment loss	—	—	1,674	—	—	1,674	—	1,674	536	2,210
Investments accounted for using equity method	—	—	—	—	—	—	—	—	6,714	6,714
Capital expenditures (Note 3)	279	113	56,934	1,549	63	58,939	27	58,967	16,988	75,956

(Note)

- The Other category is a business segment that is not included in the reportable segments. It includes network services, installation and corporate training.
- The contents of adjustment are described below.
 - The adjustment to segment profits represents selling, general and administrative expenses that have not been distributed to each segment.
 - The adjustment to segment assets represents the corporate assets that have not been distributed to each reportable segment.
 - The adjustment to depreciation and amortization represents the depreciation and amortization of the corporate assets that have not been distributed to each reportable segment.
 - The adjustment to investments accounted for using equity method represents the investments accounted for using equity method that have not been distributed to each reportable segment.
 - The adjustment to capital expenditures represents an increase in the corporate assets that have not been distributed to each reportable segment.
- Capital expenditures include amounts that are related to right-of-use assets and goodwill.
- Segment profits are represented by adjusted operating profit which is the result of deducting cost of sales and selling, general and administrative expenses from revenue.

(3) Information by product and service

Information by product and service is not described because the same information is stated as part of segment information.

(4) Information by region

① Revenue from external customers

Revenue by region is not disclosed because the amount of revenue from external customers in Japan accounts for a large portion of the amount of revenue of consolidated statements of income.

② Non-current assets

Non-current assets by region are not disclosed because the amount of non-current assets that are located in Japan accounts for a large portion of the amount of non-current assets of consolidated balance sheets.

(5) Information by major customer

No major customer is stated because no customer accounted for 10% or more of the amount of revenue as stated in the consolidated statements of income.

(Business Combination)

(Acquisition of Catalina Marketing Japan K.K.)

(1) Summary of the Business Combination

① Name of the acquired company and description of its business operations

Name of the acquired company: Catalina Marketing Japan K.K.

Description of its business operations: Various types of marketing support predicated upon actual purchase data

② Main reason for the business combination

The Company intends to obtain new earnings opportunities and improve corporate value of the two companies through merging the store DX-related services that it deploys and Catalina Marketing Japan K.K. solutions. The integration is expected to enable the deployment of services conducive to solving issues in the entire distribution industry, ranging from demand forecasting and marketing optimization to the automation of ordering based upon demand and sales promotion plans.

③ Ratio of voting rights acquired

100.0%

④ Acquisition date

January 6, 2026

⑤ Method of acquiring control of the acquired company

Acquisition of shares for cash consideration

(2) Expenses related to the acquisition

The acquisition-related expenses concerning the business combination are 787 million yen, as recognized in the selling, general and administrative expenses.

(3) Fair value of consideration paid, assets acquired, and liabilities assumed at the acquisition date

(Unit : Millions of Yen)

	Amounts
Fair value of consideration paid (cash)	39,642
Fair value of acquired assets and assumed liabilities (Note 1)	
Current assets	6,021
Non-current assets	5,089
Current liabilities	(6,048)
Non-current liabilities	(10,467)
Fair value of acquired assets and assumed liabilities (net)	(5,406)
Goodwill (Note 2)	45,048

(Note 1) The fair values of acquired assets and assumed liabilities are preliminary, as the allocation of transferred consideration was not finalized by the end of the fiscal year under review.

(Note 2) Goodwill is primarily attributable to synergies with existing operations and superior profitability expected from the acquisition, which do not individually satisfy the criteria of separate recognition.

(Note 3) The acquisition was financed through 30,000 million yen in short-term borrowings.

(4) Cash flows accompanying the acquisition

(Unit: Millions of Yen)

	Amounts
Cash and cash equivalents used for the acquisition	39,642
Loan used as the source of funds to repay the acquired company's borrowings	13,441
Cash and cash equivalents of the acquired company at the time of acquisition	(2,339)
Payments for the acquisition of subsidiaries	50,743

(5) Impact upon performance

The profit and loss information on or after the acquisition date for the business combination as well as the profit and loss, assuming that the business combination had occurred at the beginning of the fiscal year, are immaterial to the consolidated statement of profit or loss and therefore are omitted.

The profit and loss information, assuming that the business combination occurred at the beginning of the fiscal year under review, are not subject to the auditing procedures of the audit firm.

(Per-Share Information)

(1) Calculation basic data for basic earnings per share

	FY 2024 (from April 1, 2024 to March 31, 2025)	FY 2025 (from April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent (¥ Mil)	26,965	31,209
Profit not attributable to ordinary shareholders of parent (¥ Mil)	—	—
Profit used for calculating basic earnings per share (¥ Mil)	26,965	31,209
Weighted-average number of shares outstanding (thousand shares)	98,902	97,334
Basic earnings per share (¥)	272.65	320.64

(2) Calculation basic data for diluted earnings per share

	FY 2025 (from April 1, 2024 to March 31, 2025)	FY 2026 (from April 1, 2025 to March 31, 2026)
Profit used for calculating basic earnings per share (¥ Mil)	26,965	31,209
Profit adjustments (¥ Mil)	—	—
Profit used for calculating diluted earnings per share (¥ Mil)	26,965	31,209
Weighted-average number of shares outstanding (thousand shares)	98,902	97,334
Increase in the number of ordinary shares		
Share acquisition rights (thousand shares)	225	186
Weighted-average number of shares outstanding used for calculating diluted earnings per share (thousand shares)	99,128	97,520
Diluted earnings per share (¥)	272.03	320.03
Dilutive shares, which were not included in the calculation of diluted earnings per share, due to lack of dilution effect	—	—

(Note) The Company's shares owned by the ESOP Trust are processed as treasury shares. Basic earnings per share and diluted earnings per share were calculated by deducting the Company's shares owned by the ESOP Trust from an average number of ordinary shares outstanding.

The weighted-average number of treasury shares deducted for the purpose of calculating basic earnings per share and diluted earnings per share was 74 thousand shares for the fiscal year under review and 39 thousand shares for the previous fiscal year.

(Subsequent Events)

Not applicable