

Translation

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

May 7, 2026

Company name: CUBE SYSTEM INC.
 Stock exchange listing: Tokyo
 Stock code: 2335 URL <https://www.cubesystem.co.jp/en/>
 Representative: Representative Director and President Masahiro Nakanishi
 Seniority Corporate Officer,
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 Scheduled date of annual general meeting of shareholders: June 25, 2026
 Scheduled date to commence dividend payments: June 5, 2026
 Scheduled date to file annual securities report: June 18, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

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 profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	18,498	0.8	1,558	12.9	1,581	13.5	1,564	24.0
Fiscal year ended March 31, 2025	18,351	1.8	1,380	(10.1)	1,393	(12.4)	1,261	18.2

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥1,051 million [(30.9%)]

For the fiscal year ended March 31, 2025: ¥1,522 million [29.1%]

	Earnings per share	Diluted earnings per share	Return on equity	Return on Assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	103.37	–	14.0	10.8	8.4
Fiscal year ended March 31, 2025	83.81	–	12.0	10.0	7.5

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

For the fiscal year ended March 31, 2026: ¥– million

For the fiscal year ended March 31, 2025: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	14,901	11,404	76.5	751.46
As of March 31, 2025	14,366	10,874	75.7	722.27

Reference: Equity As of March 31, 2026: ¥11,404 million

As of March 31, 2025: ¥10,874 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2026	767	371	(521)	6,826
Fiscal year ended March 31, 2025	255	(68)	(780)	6,213

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	20.00	–	20.00	40.00	629	47.7	6.0
Fiscal year ended March 31, 2026	–	20.00	–	26.00	46.00	724	44.5	6.5
Fiscal year ending March 31, 2027 (Forecast)	–	22.00	–	24.00	46.00		46.5	

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 profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	9,300	1.7	741	1.4	751	1.7	600	8.3	39.59
Full year	20,000	8.1	1,800	15.5	1,810	14.4	1,500	(4.1)	98.83

* Notes

- (1) Significant changes in scope of consolidation during the fiscal year ended March 31, 2026 No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2026	15,750,000 shares	As of March 31, 2025	15,750,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2026	572,954 shares	As of March 31, 2025	693,536 shares
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Average number of shares during the period

Fiscal year ended March 31, 2026	15,132,580 shares	Fiscal year ended March 31, 2025	15,049,587 shares
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(Note) The total number of issued shares at the end of the period includes the number of the Company's shares held by the Board Incentive Plan (BIP) trust account and the stock-granting Employee Stock Ownership Plan (ESOP) trust account (570,132 shares for the fiscal year ended March 31, 2026; 690,734 shares for the fiscal year ended March 31, 2025). The Company's shares held by the BIP trust account and the stock-granting ESOP trust account (614,616 shares for the fiscal year ended March 31, 2026; 697,652 shares for the fiscal year ended March 31, 2025) are included in the treasury shares that are excluded from the calculation of the average number of shares during the period.

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	17,550	1.0	1,443	8.3	1,661	23.5	1,691	43.4
Fiscal year ended March 31, 2025	17,375	1.3	1,332	(10.5)	1,345	(13.5)	1,179	11.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2026	111.81	–
Fiscal year ended March 31, 2025	78.40	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	14,118	10,780	76.4	710.34
As of March 31, 2025	13,093	9,886	75.5	656.60

Reference: Equity	As of March 31, 2026:	¥10,780 million
	As of March 31, 2025:	¥9,886 million

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

* Proper use of earnings forecasts, and other special matters

(Cautions regarding forward looking statements and others)

The forward-looking statements, including earnings forecasts, contained in this report are based on the information currently available to the Company and certain assumptions judged to be reasonable by the Company, and are not intended for the Company to guarantee the attainment thereof. Actual results may turn out to be significantly different due to various factors. As for preconditions underlying the performance forecasts and cautions regarding the use of those performance forecasts, please see “(5) Business forecast” of “1. Overview of Operating Results, Etc.” on page 5 of the attached material.

(How to obtain supplementary information on financial results and the contents of the financial results investor meeting)

The Company plans to hold a financial results meeting for investors and analysts on Tuesday, May 19, 2026.

The video and materials for the financial result meeting will be available on the IR Information section of the Company’s website (<https://www.cubesystem.co.jp/en/ir/library/results/>) promptly after the meeting.

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1. Overview of Operating Results, Etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy was on a gradual recovery trend, driven by an increase in income because of the improvement in corporate profits, expansion of consumption by the increase of inbound tourists and growing expectations for the economic policies of the new administration. On the other hand, uncertainty surrounding the global economy remains high due to factors such as shifting U.S. policies and escalating tensions in the Middle East, so the outlook remains unclear due to factors including a surge in resource and raw material prices and rising prices.

Under these circumstances, the information service industry continues to see demand for digital transformation (business transformation and process transformation) against a backdrop of higher value-added customer services and a shortage of human resources, as well as active investments in and implementation support for informatization and IT using AI technologies. IT investment is expected to continue to grow due to strong needs for migrating legacy mission-critical systems to the cloud (Lift) and for building systems to improve efficiency (Shift), alongside the full-scale utilization of AI services to revitalize business operations and the growing use of cloud services. Furthermore, with the advancement of digital transformation, improving system performance and reliability has become a key issue, further increasing demand for cybersecurity measures. On the other hand, there are concerns that the profit environment will deteriorate due to lost order opportunities arising from a prolonged shortage of IT personnel and increased labor costs resulting from intensified competition for human resources.

In the SI Business and the Digital Business, the Group has implemented measures to optimize resources, secure development organization and facilities, and expand business amid growing orders in the public and energy sectors. While some large-scale projects became unprofitable due to delays in establishing the necessary development structure and achieving sufficient productivity, the End-User Business achieved higher profitability. In addition, because of a decrease in personnel expenses resulting from a change in the discount rate for retirement benefits and the sale of investment securities based on the policy for cross-shareholdings, the Company recorded ¥18,498 million in net sales (a year-on-year increase of 0.8%), ¥1,558 million in operating profit (a year-on-year increase of 12.9%), ¥1,581 million in ordinary profit (a year-on-year increase of 13.5%) and ¥1,564 million in profit attributable to owners of parent (a year-on-year increase of 24.0%) for the fiscal year under review.

In addition, the Group has been engaged in the following activities to achieve sustainable growth.

1) Initiatives for business growth

- An employee of the Company was selected by ORACLE CORPORATION JAPAN as a top-level engineer with advanced expertise and a proven track record
- Selected as a core partner of Fujitsu Limited and its group companies for contributing to stable system operations and the promotion of digital transformation
- Selected by the VIETNAM INSTITUTE OF DEVELOPMENT STUDIES as one of the top 10 foreign enterprises achieving mid- to long-term sustainable growth

2) Initiatives for AI technologies

- Conducted training sessions on the latest AI tools and workshops utilizing such tools provided by Amazon Web Services, Inc.
- Added more functions to “InCUBEator,” a conversational AI app for internal use of our own, and implemented reasoning and other functions
- Planning to launch “H・CUBiC” in April, a service which provides multifaceted support for human capital management based on analysis using AI
- Planning to launch the “AI automated ordering system” service, which uses AI machine learning to forecast demand based on ordering trends backed by end-user’s expertise.

3) Sustainability management

- Opened the Shinagawa Innovation Hub with more than 400 seats, designed to promote communication and provide a refreshing environment
- Held multiple sessions of “Katarou-kai with the President” to facilitate exchanges of opinions with management, aiming to create an environment in which both the Company and employees can grow on mutual respect principle
- Certified for the fifth consecutive year as an Outstanding Organization of KENKO Investment for Health, jointly selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi
- An employee of the Company participated in an international para-sports Brazilian Jiu-Jitsu competition and won third place
- A domestic subsidiary received the “Monisu Certification System*” in recognition of its initiatives to promote and stabilize the employment of persons with disabilities

- * A certification system under which the Minister of Health, Labour and Welfare recognizes small and medium-sized enterprises (300 employees or less) with outstanding initiatives for promoting and stabilizing the employment of persons with disabilities

Performance results by business model are as shown below.

(Digital Business)

Net sales increased to ¥1,315 million (a year-on-year increase of 62.7%) because of the increase in the number of orders received for consulting and advanced technology assistance projects.

(SI Business)

Net sales increased to ¥7,731 million (a year-on-year increase of 23.9%) because of the growing scale of modernization projects and the acquisition of new projects.

(System Enhancement Business)

Net sales decreased to ¥9,451 million (a year-on-year decrease of 16.4%) because of a review of low-profitability projects and the allocation of resources to the Digital Business and the SI Business.

* Three business models

- Digital Business

This is a planning-type business originating from our company that utilizes digital technology. We aim to create new business through approaches that combine our unique know-how, such as consulting services, our own products, solutions originating from our company, and conversion into IP (intellectual property). Through DX, we support our customers' business reform.

- SI Business

This service covers whole development process followed by system planning to design, development, and implementation. We will establish a Lift & Shift model to migrate legacy environments to cloud environments (Lift) and to establish new methodologies (Shift), based on the theme of providing systems centered on multi-cloud and microservice projects for efficient enhancement and transforming to a new operational model.

- System Enhancement Business

This is a business model, in which we excel the most, providing services that improve the performance and quality of systems and increase their value in response to changes in the customer's business requirement and the evolution of new technologies. We are going to accelerate the ongoing initiatives we have implemented to realize high productivity and high profitability.

(2) Overview of financial position for the fiscal year under review

Assets

The current assets at the end of the fiscal year under review amounted to ¥10,896 million, an increase of ¥1,089 million compared with the end of the previous fiscal year. This result is mainly attributed to an increase of ¥612 million in cash and deposits, an increase of ¥516 million in accounts receivable - trade, and a decrease of ¥160 million in contract assets. The total non-current assets at the end of the fiscal year under review amounted to ¥4,005 million, a decrease of ¥554 million compared with the end of the previous fiscal year. This result is mainly attributed to a decrease of ¥674 million in investment securities and an increase of ¥153 million in buildings.

Consequently, the total assets amounted to ¥14,901 million, an increase of ¥535 million compared with the end of the previous fiscal year.

Liabilities

The current liabilities at the end of the fiscal year under review amounted to ¥2,736 million, an increase of ¥349 million compared with the end of the previous fiscal year. This result is mainly attributed to increases of ¥165 million in income taxes payable and ¥151 million in provision for loss on orders received. The non-current liabilities at the end of the fiscal year under review amounted to ¥759 million, a decrease of ¥344 million compared with the end of the previous fiscal year. This result is mainly attributed to decreases of ¥284 million in deferred tax liabilities and ¥129 million in long-term accounts payable (included in "Other" in non-current liabilities), and an increase of ¥87 million in asset retirement obligations.

Consequently, the total liabilities amounted to ¥3,496 million, an increase of ¥5 million compared with the end of the previous fiscal year.

Net assets

The net assets at the end of the fiscal year under review amounted to ¥11,404 million, an increase of ¥530 million compared with the end of the previous fiscal year. This is mainly attributed to increases of ¥934 million in retained earnings and ¥108 million in disposal of treasury shares, and decreases of ¥275 million in valuation difference on available-for-sale securities and ¥244 million in remeasurements of defined benefit plans.

Consequently, the equity ratio was 76.5% (75.7% at the end of the previous fiscal year).

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereafter, “net cash”) at the end of the fiscal year under review increased to ¥6,826 million, an increase of ¥612 million compared with the end of the previous fiscal year.

Status and factors for each cash flow category are as follows.

Cash flows from operating activities

Net cash provided from operating activities was ¥767 million (a year-on-year increase of 200.3%). This result is mainly attributed to an increase in the amount reported as profit before income taxes of ¥2,039 million, and decreases in the net cash of ¥462 million in gain on sale of investment securities, ¥371 million due to income taxes paid, and ¥354 million due to an increase in trade receivables.

Cash flows from investing activities

Net cash provided by investing activities was ¥371 million (¥68 million used in investing activities in the previous fiscal year). This result is mainly attributed to the proceeds from sale of investment securities of ¥589 million, proceeds from redemption of investment securities of ¥100 million, and purchase of property, plant and equipment of ¥298 million.

Cash flows from financing activities

Net cash used in financing activities was ¥521 million (a year-on-year decrease of 33.1%). This result is mainly attributed to the dividends paid of ¥630 million and a decrease resulting from the disposal of treasury shares of ¥108 million.

Changes in cash flow metrics for the Group are as shown below.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	75.7	76.5
Market-value-based equity ratio (%)	109.4	107.4
Cash flow to interest-bearing debt ratio (years)	0.9	0.3
Interest coverage ratio (times)	150.2	268.7

* Equity ratio: Equity capital / Total assets

Market-value-based equity ratio: Market capitalization / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest

(Notes) 1. All the metrics were calculated with consolidated financial statement values.

2. The market capitalization was calculated by multiplying the stock price at the end of the fiscal year under review with the total number of issued shares at the end of the fiscal year under review.
3. The cash flow refers to the cash flow from operating activities.
4. The interest-bearing debt refers to all of the liabilities on the consolidated balance sheet on which interest has been paid. The amount paid as stated on the consolidated statement of cash flows was used as the amount of the interest.

(4) Profit distribution policy and dividends for the fiscal year under review and the next fiscal year

We understand that returning profits to our shareholders is a fundamental responsibility to fulfill as a listed company and overriding management objective. We are determined to improve our business performance in order to maintain stable dividend payments and increase the Company’s aggregate market value and thereby contribute to heightening the value of assets owned by our shareholders.

We make it our basic policy to aim at a consolidated dividend payout ratio of 50%, so we can ensure internal reserves needed for the Company to keep growing while maintaining stable dividend payments.

In light of the aforementioned policy and the Group's performance results, we are going to pay a year-end dividend of ¥26 per share. That will make the total dividends for the fiscal year under review to be ¥46 per share, which includes the interim dividend of ¥20 per share that was paid out in December 2025.

For the next fiscal year, we are planning to pay dividends of ¥46 per share, which includes an interim dividend of ¥22 and a year-end dividend of ¥24 per share.

Internal reserves will be allocated to hiring and training employees, expenses for R&D activities aimed at acquiring new technologies and developing solutions, and the expansion of development bases.

(5) Business forecast

The information service industry is expected to see continued demand for digital transformation as well as an increase in demand for investments in informatization accompanied by utilization of AI technologies and investments in labor-saving software. On the other hand, the rise in raw material prices and constraints in the supply of various resources continue, and the risks of fluctuations in financial and capital markets are exposing the direction of the economy to an uncertain situation. In such business conditions, companies are required to respond flexibly to risks, in addition to addressing medium- to long-term challenges.

The Group is driving its business with an aim to expand its business areas through various ways, such as one-stop services*, establishment of a new collaboration style with system integrators, activities to acquire projects for existing direct-contract customers and new customers, collaboration with cloud vendors and development of new services. In light of concerns over potential opportunity losses arising from the impact of recent advances in cutting-edge AI and its widespread adoption on the competitive advantages of conventional software development, the Group will establish an AI Promotion Office from FY2026 to adapt to the rapid advancement of AI technologies. Through the implementation and operation of advanced AI technologies, the Group will pursue business transformation and productivity improvements, followed by connecting the value of AI to business results. For the fiscal year ending March 31, 2027, the Group aims, by focusing on those initiatives, to post net sales of ¥20,000 million (a year-on-year increase of 8.1%), operating profit of ¥1,800 million (a year-on-year increase of 15.5%), ordinary profit of ¥1,810 million (a year-on-year increase of 14.4%) and profit attributable to owners of parent of ¥1,500 million (a year-on-year decrease of 4.1%).

- * Providing and supporting all processes for the implementation of business applications and systems, from design and development to operation and enhancement, as a one-stop service.

The Group strives to develop and strengthen its business and management foundations to realize its Medium- to Long-Term Management Vision "VISION 2026," and to achieve exponential business growth under its Second Medium-Term Management Plan from FY2024 to FY2026.

In FY2025, the Group focused primarily on the expansion of development organization with facilities and research investment. In addition to activities aimed at providing one-stop services covering SI and enhancement in system development, the Group achieved certain results through the application of AI to production activities and the launch of new planning business projects. However, quality-related issues still remain. In FY2026, the Group will work to resolve these existing issues, while promoting business creation and operational reform initiatives in order to establish a foundation for business growth. Furthermore, the Group will strive to enhance the effectiveness of its governance structure that supports fair and efficient management, aiming for the sustainable improvement of corporate value.

2. Basic Policy Regarding the Adoption of Accounting Standards

The Group has adopted Japanese GAAP, because its shareholders, creditors, customers and most of its other interested parties reside in Japan and hence the Group has not had a need to finance outside the country.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	6,233	6,846
Accounts receivable - trade	2,992	3,509
Contract assets	345	185
Securities	-	99
Work in process	1	0
Allowance for doubtful accounts	-	(0)
Other	232	255
Total current assets	9,806	10,896
Non-current assets		
Property, plant and equipment		
Buildings, net	206	359
Other, net	34	110
Total property, plant and equipment	240	469
Intangible assets	3	42
Investments and other assets		
Investment securities	2,170	1,495
Retirement benefit asset	1,367	1,287
Other	777	710
Total investments and other assets	4,316	3,493
Total non-current assets	4,560	4,005
Total assets	14,366	14,901
Liabilities		
Current liabilities		
Accounts payable - trade	802	800
Short-term borrowings	230	230
Income taxes payable	206	372
Contract liabilities	23	19
Provision for bonuses	465	469
Provision for bonuses for directors (and other officers)	4	7
Provision for loss on orders received	29	180
Other	625	657
Total current liabilities	2,387	2,736
Non-current liabilities		
Provision for share-based compensation	284	225
Provision for share awards	35	66
Asset retirement obligations	203	291
Deferred tax liabilities	384	100
Other	195	75
Total non-current liabilities	1,104	759
Total liabilities	3,491	3,496

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Shareholders' equity		
Share capital	1,400	1,400
Capital surplus	1,491	1,491
Retained earnings	7,496	8,430
Treasury shares	(654)	(546)
Total shareholders' equity	9,733	10,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	727	451
Foreign currency translation adjustment	39	47
Remeasurements of defined benefit plans	374	129
Total accumulated other comprehensive income	1,141	629
Total net assets	10,874	11,404
Total liabilities and net assets	14,366	14,901

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	18,351	18,498
Cost of sales	14,403	14,201
Gross profit	3,947	4,296
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	207	174
Provision for bonuses for directors (and other officers)	2	7
Salaries and allowances	752	762
Provision for bonuses	87	87
Retirement benefit expenses	11	(7)
Provision for share-based payments	39	46
Provision for share awards	4	5
Provision of allowance for doubtful accounts	0	0
Rent expenses	321	380
Commission expenses	395	334
Other	743	945
Total selling, general and administrative expenses	2,566	2,738
Operating profit	1,380	1,558
Non-operating income		
Interest income	5	5
Dividend income	17	14
Consumption tax difference	7	4
Gain on sale of investment securities	-	11
Other	11	5
Total non-operating income	41	40
Non-operating expenses		
Interest expenses	1	2
Foreign exchange losses	5	9
Loss on investments in investment partnerships	19	-
Commission expenses	2	2
Loss on cancellation of membership	-	2
Other	0	-
Total non-operating expenses	29	17
Ordinary profit	1,393	1,581
Extraordinary income		
Gain on revision of retirement benefit plan	359	-
Gain on sale of investment securities	52	462
Insurance claim income	-	34
Total extraordinary income	411	496
Extraordinary losses		
Retirement benefit expenses for prior periods	33	-
Condolence money	-	33
Loss on retirement of non-current assets	-	5
Total extraordinary losses	33	38
Profit before income taxes	1,771	2,039
Income taxes - current	406	530
Income taxes - deferred	103	(54)
Total income taxes	509	475
Net profit	1,261	1,564
Profit attributable to owners of parent	1,261	1,564

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net profit	1,261	1,564
Other comprehensive income		
Valuation difference on available-for-sale securities	80	(275)
Foreign currency translation adjustment	(3)	7
Remeasurements of defined benefit plans, net of tax	183	(244)
Total other comprehensive income	260	(512)
Comprehensive income	1,522	1,051
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,522	1,051

(3) Consolidated statement of changes in equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,400	1,491	6,864	(503)	9,252
Changes during period					
Dividends of surplus			(629)		(629)
Profit attributable to owners of parent			1,261		1,261
Purchase of treasury shares				(186)	(186)
Disposal of treasury shares				34	34
Net changes in items other than shareholders' equity					
Total changes during period	-	-	631	(151)	480
Balance at end of period	1,400	1,491	7,496	(654)	9,733

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	646	43	190	880	10,133
Changes during period					
Dividends of surplus					(629)
Profit attributable to owners of parent					1,261
Purchase of treasury shares					(186)
Disposal of treasury shares					34
Net changes in items other than shareholders' equity	80	(3)	183	260	260
Total changes during period	80	(3)	183	260	740
Balance at end of period	727	39	374	1,141	10,874

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,400	1,491	7,496	(654)	9,733
Changes during period					
Dividends of surplus			(629)		(629)
Profit attributable to owners of parent			1,564		1,564
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				108	108
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	934	108	1,042
Balance at end of period	1,400	1,491	8,430	(546)	10,775

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	727	39	374	1,141	10,874
Changes during period					
Dividends of surplus					(629)
Profit attributable to owners of parent					1,564
Purchase of treasury shares					(0)
Disposal of treasury shares					108
Net changes in items other than shareholders' equity	(275)	7	(244)	(512)	(512)
Total changes during period	(275)	7	(244)	(512)	530
Balance at end of period	451	47	129	629	11,404

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,771	2,039
Depreciation	57	151
Increase (decrease) in provisions	54	130
Increase (decrease) in assets and liabilities related to retirement benefits	(152)	(277)
Interest and dividend income	(22)	(19)
Interest expenses	1	2
Loss (gain) on investments in investment partnerships	19	(11)
Loss (gain) on sale of investment securities	(52)	(462)
Loss on cancellation of membership	-	2
Insurance claim income	(5)	(36)
Gain on revision of retirement benefit plan	(359)	-
Retirement benefit expenses for prior periods	33	-
Loss on retirement of non-current assets	-	5
Decrease (increase) in trade receivables	(406)	(354)
Decrease (increase) in inventories	1	1
Decrease (increase) in prepaid expenses	(74)	18
Increase (decrease) in trade payables	(18)	(2)
Increase (decrease) in accrued consumption taxes	(71)	30
Increase (decrease) in accounts payable - other	(4)	(129)
Increase (decrease) in accrued expenses	(24)	36
Other, net	(40)	(2)
Subtotal	706	1,121
Interest and dividends received	22	20
Interest paid	(1)	(2)
Income taxes paid	(473)	(371)
Income taxes refund	0	0
Net cash provided by (used in) operating activities	255	767
Cash flows from investing activities		
Purchase of property, plant and equipment	(39)	(298)
Purchase of intangible assets	-	(38)
Purchase of investment securities	(20)	(27)
Proceeds from sale of investment securities	124	589
Proceeds from redemption of investment securities	-	100
Purchase of membership	(6)	(5)
Payments of leasehold and guarantee deposits	(127)	(0)
Proceeds from refund of leasehold and guarantee deposits	3	8
Proceeds from cancellation of insurance funds	1	61
Proceeds from maturity of insurance reserves	9	4
Other, net	(13)	(21)
Net cash provided by (used in) investing activities	(68)	371
Cash flows from financing activities		
Decrease (increase) in treasury shares	(151)	108
Dividends paid	(629)	(630)
Net cash provided by (used in) financing activities	(780)	(521)
Effect of exchange rate change on cash and cash equivalents	(8)	(4)
Net increase (decrease) in cash and cash equivalents	(601)	612
Cash and cash equivalents at beginning of period	6,815	6,213
Cash and cash equivalents at end of period	6,213	6,826

(5) Notes to consolidated financial statements**(Notes regarding going concern)**

Not applicable.

(Notes on segment information, etc.)

Previous Fiscal Year (April 1, 2024 to March 31, 2025) and the Fiscal Year Under Review (April 1, 2025 to March 31, 2026)

The information is omitted, as the Group has no segment other than the System Solution Service Business.

(Notes on information per share)

(Yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	722.27	751.46
Earnings per share	83.81	103.37

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

2. The bases of the calculated earnings per share are as shown below.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Earnings per share		
Profit attributable to owners of parent (million yen)	1,261	1,564
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent pertaining to common shares (million yen)	1,261	1,564
Average number of common shares during the period (thousand shares)	15,049	15,132

(Note) 3. The bases of the calculated net assets per share are as shown below.

	As of March 31, 2025	As of March 31, 2026
Total net assets (million yen)	10,874	11,404
Amount deducted from total net assets (million yen)	–	–
[Of which non-controlling interests (million yen)]	[–]	[–]
Net assets attributable to common shares at the end of the period (million yen)	10,874	11,404
Number of common shares at the end of the period used in calculation of net assets per share (thousand shares)	15,056	15,177

(Note) 4. The Company's shares held by the BIP trust account and the stock-granting ESOP trust account (690,734 shares for the previous fiscal year; 570,132 shares for the fiscal year under review) are included in the treasury shares which are deducted from the year-end total number of issued shares when the "net assets per share" is calculated. The Company's shares held by the BIP trust account (697,652 shares for the previous fiscal year; 614,616 shares for the fiscal year under review) are included in the treasury shares that are excluded from the calculation of the average number of shares during the period when the "earnings per share" is calculated.

(Notes on material subsequent events)

Not applicable.