

April 28, 2025

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

Company name: CORE CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 2359
 URL: <https://www.core.co.jp>
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 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 5, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|-----|------------------|------|-----------------|------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 24,599 | 2.5 | 3,175 | 1.1 | 3,267 | 1.5 | 2,242 | (1.2) |
| March 31, 2024 | 23,998 | 5.0 | 3,140 | 14.5 | 3,219 | 14.5 | 2,270 | 15.4 |

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥2,237 million [(6.7)%]
 For the fiscal year ended March 31, 2024: ¥2,398 million [19.0%]

| Fiscal year ended | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|--|--|
| | Yen | Yen | % | % | % |
| March 31, 2025 | 156.18 | 156.07 | 12.6 | 13.3 | 12.9 |
| March 31, 2024 | 158.59 | 158.47 | 14.1 | 14.1 | 13.1 |

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥1 million
 For the fiscal year ended March 31, 2024: ¥1 million

(2) Consolidated financial position

| As of | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 25,157 | 18,532 | 73.6 | 1,288.66 |
| March 31, 2024 | 23,889 | 17,003 | 71.1 | 1,184.93 |

Reference: Equity
 As of March 31, 2025: ¥18,518 million
 As of March 31, 2024: ¥16,989 million

(3) Consolidated cash flows

| Fiscal year ended | 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 |
| March 31, 2025 | 2,372 | 49 | (1,136) | 7,586 |
| March 31, 2024 | 2,190 | (673) | (803) | 6,300 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2024 | - | 5.00 | - | 45.00 | 50.00 | 716 | 31.5 | 4.5 |
| Fiscal year ended March 31, 2025 | - | 10.00 | - | 45.00 | 55.00 | 790 | 35.2 | 4.4 |
| Fiscal year ending March 31, 2026 (Forecast) | | 10.00 | | 45.00 | 55.00 | | 31.6 | |

Note: Breakdown of dividends at the end of the second quarter of the fiscal year ending March 31, 2024: Dividend commemorating the 50th anniversary of the formation of the Core Group: ¥5.00

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

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------------|-----|------------------|------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2025 | 12,500 | 6.0 | 1,500 | 14.0 | 1,550 | 12.6 | 1,050 | 10.0 | 73.13 |
| Fiscal year ending March 31, 2026 | 27,000 | 9.8 | 3,500 | 10.2 | 3,600 | 10.2 | 2,500 | 11.5 | 174.13 |

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 14,834,580 shares |
| As of March 31, 2024 | 14,834,580 shares |

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

| | |
|----------------------|----------------|
| As of March 31, 2025 | 464,379 shares |
| As of March 31, 2024 | 496,850 shares |

- (iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 14,357,139 shares |
| Fiscal year ended March 31, 2024 | 14,318,194 shares |

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|-----|------------------|------|-----------------|------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 19,856 | 1.7 | 2,934 | 13.4 | 3,150 | 13.8 | 2,049 | 3.3 |
| March 31, 2024 | 19,516 | 6.4 | 2,588 | 13.5 | 2,768 | 11.3 | 1,983 | 10.7 |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| March 31, 2025 | 142.78 | 142.67 |
| March 31, 2024 | 138.54 | 138.43 |

(2) Non-consolidated financial position

| As of | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 21,385 | 16,031 | 74.9 | 1,114.63 |
| March 31, 2024 | 19,839 | 14,657 | 73.8 | 1,021.27 |

Reference: Equity

As of March 31, 2025: ¥16,017 million

As of March 31, 2024: ¥14,642 million

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

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 6 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

Consolidated balance sheet

(Thousands of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,300,075 | 7,586,071 |
| Notes receivable - trade | 35,795 | 14,654 |
| Accounts receivable - trade | 6,115,964 | 5,829,956 |
| Contract assets | 1,682,631 | 2,030,603 |
| Securities | 250,000 | 200,000 |
| Merchandise and finished goods | 164,016 | 117,033 |
| Work in process | 27,093 | 41,356 |
| Raw materials and supplies | 101,415 | 110,246 |
| Other | 295,295 | 457,466 |
| Allowance for doubtful accounts | - | (827) |
| Total current assets | 14,972,288 | 16,386,561 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 4,502,321 | 4,541,912 |
| Accumulated depreciation | (3,155,380) | (3,234,634) |
| Buildings and structures, net | 1,346,941 | 1,307,277 |
| Machinery, equipment and vehicles | 992,292 | 992,763 |
| Accumulated depreciation | (799,650) | (819,748) |
| Machinery, equipment and vehicles, net | 192,641 | 173,015 |
| Land | 3,705,566 | 3,705,566 |
| Other | 507,913 | 508,333 |
| Accumulated depreciation | (433,946) | (439,296) |
| Other, net | 73,967 | 69,036 |
| Total property, plant and equipment | 5,319,117 | 5,254,895 |
| Intangible assets | | |
| Other | 192,195 | 152,327 |
| Total intangible assets | 192,195 | 152,327 |
| Investments and other assets | | |
| Investment securities | 2,021,755 | 1,921,175 |
| Deferred tax assets | 620,414 | 678,306 |
| Other | 763,788 | 764,467 |
| Total investments and other assets | 3,405,958 | 3,363,949 |
| Total non-current assets | 8,917,271 | 8,771,172 |
| Total assets | 23,889,559 | 25,157,734 |

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,781,753 | 1,738,467 |
| Short-term borrowings | 1,606,476 | 1,352,359 |
| Income taxes payable | 577,388 | 658,344 |
| Contract liabilities | 188,224 | 234,964 |
| Provision for bonuses | 1,077,266 | 1,073,427 |
| Provision for loss on orders received | 6,197 | 1,749 |
| Provision for product warranties | 2,566 | 1,641 |
| Other | 1,003,090 | 935,110 |
| Total current liabilities | 6,242,962 | 5,996,063 |
| Non-current liabilities | | |
| Long-term borrowings | 128,359 | 60,000 |
| Lease liabilities | 132,487 | 103,717 |
| Deferred tax liabilities | 76,645 | 79,875 |
| Provision for retirement benefits for directors (and other officers) | 181,500 | 181,500 |
| Retirement benefit liability | 13,882 | 13,551 |
| Asset retirement obligations | 33,192 | 35,020 |
| Other | 76,831 | 155,871 |
| Total non-current liabilities | 642,898 | 629,536 |
| Total liabilities | 6,885,861 | 6,625,599 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 440,200 | 440,200 |
| Capital surplus | 277,913 | 316,326 |
| Retained earnings | 16,355,129 | 17,808,539 |
| Treasury shares | (513,302) | (471,108) |
| Total shareholders' equity | 16,559,940 | 18,093,957 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 429,260 | 424,337 |
| Total accumulated other comprehensive income | 429,260 | 424,337 |
| Share acquisition rights | 14,498 | 13,839 |
| Non-controlling interests | - | - |
| Total net assets | 17,003,698 | 18,532,134 |
| Total liabilities and net assets | 23,889,559 | 25,157,734 |

Consolidated statement of income

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 23,998,562 | 24,599,166 |
| Cost of sales | 17,407,880 | 17,821,475 |
| Gross profit | 6,590,682 | 6,777,691 |
| Selling, general and administrative expenses | | |
| Advertising expenses | 46,674 | 69,938 |
| Personnel expenses | 2,048,554 | 2,136,343 |
| Provision for bonuses | 79,125 | 91,190 |
| Retirement benefit expenses | 29,322 | 30,999 |
| Welfare expenses | 61,582 | 52,151 |
| Travel and transportation expenses | 60,779 | 62,276 |
| Depreciation | 66,721 | 61,617 |
| Research and development expenses | 233,452 | 207,897 |
| Provision of allowance for doubtful accounts | - | 827 |
| Other | 823,885 | 888,987 |
| Total selling, general and administrative expenses | 3,450,098 | 3,602,229 |
| Operating profit | 3,140,583 | 3,175,462 |
| Non-operating income | | |
| Interest income | 25,386 | 33,508 |
| Dividend income | 42,212 | 54,861 |
| Gain on sale of securities | - | 15,000 |
| Gain on investments in investment partnerships | 5,428 | - |
| Share of profit of entities accounted for using equity method | 1,408 | 1,433 |
| Rental income | 5,243 | 7,273 |
| Surrender value of insurance policies | 974 | 6,357 |
| Insurance claim income | 4,199 | 6,191 |
| Other | 21,172 | 18,365 |
| Total non-operating income | 106,025 | 142,991 |
| Non-operating expenses | | |
| Interest expenses | 12,029 | 14,008 |
| Rental costs | 1,259 | 2,569 |
| Loss on investments in investment partnerships | - | 23,487 |
| Other | 13,817 | 11,112 |
| Total non-operating expenses | 27,106 | 51,177 |
| Ordinary profit | 3,219,501 | 3,267,276 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 2,285 | - |
| Total extraordinary losses | 2,285 | - |
| Profit before income taxes | 3,217,216 | 3,267,276 |
| Income taxes - current | 969,277 | 1,082,634 |
| Income taxes - deferred | (27,943) | (57,699) |
| Total income taxes | 941,334 | 1,024,935 |
| Profit | 2,275,881 | 2,242,340 |
| Profit attributable to non-controlling interests | 5,177 | - |
| Profit attributable to owners of parent | 2,270,704 | 2,242,340 |

Consolidated statement of comprehensive income

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit | 2,275,881 | 2,242,340 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 122,282 | (4,922) |
| Total other comprehensive income | 122,282 | (4,922) |
| Comprehensive income | 2,398,164 | 2,237,418 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,392,987 | 2,237,418 |
| Comprehensive income attributable to non-controlling interests | 5,177 | - |

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Thousands of yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income | | Share acquisition rights |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|--|--------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | |
| Balance at beginning of period | 440,200 | 231,494 | 14,727,661 | (570,094) | 14,829,261 | 306,977 | 306,977 | 14,498 |
| Dividends of surplus | | | (643,236) | | (643,236) | | | |
| Profit attributable to owners of parent | | | 2,270,704 | | 2,270,704 | | | |
| Disposal of treasury shares | | 40,464 | | 56,792 | 97,256 | | | |
| Purchase of shares of consolidated subsidiaries | | 5,954 | | | 5,954 | | | |
| Net changes in items other than shareholders' equity | | | | | | 122,282 | 122,282 | |
| Total changes during period | - | 46,418 | 1,627,468 | 56,792 | 1,730,679 | 122,282 | 122,282 | - |
| Balance at end of period | 440,200 | 277,913 | 16,355,129 | (513,302) | 16,559,940 | 429,260 | 429,260 | 14,498 |

| | Non-controlling interests | Total net assets |
|--|---------------------------|------------------|
| Balance at beginning of period | 47,981 | 15,198,718 |
| Dividends of surplus | | (643,236) |
| Profit attributable to owners of parent | | 2,270,704 |
| Disposal of treasury shares | | 97,256 |
| Purchase of shares of consolidated subsidiaries | | 5,954 |
| Net changes in items other than shareholders' equity | (47,981) | 74,301 |
| Total changes during period | (47,981) | 1,804,980 |
| Balance at end of period | - | 17,003,698 |

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income | | Share acquisition rights |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|--|--------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | |
| Balance at beginning of period | 440,200 | 277,913 | 16,355,129 | (513,302) | 16,559,940 | 429,260 | 429,260 | 14,498 |
| Dividends of surplus | | | (788,930) | | (788,930) | | | |
| Profit attributable to owners of parent | | | 2,242,340 | | 2,242,340 | | | |
| Disposal of treasury shares | | 38,413 | | 42,194 | 80,607 | | | |
| Purchase of shares of consolidated subsidiaries | | | | | | | | |
| Net changes in items other than shareholders' equity | | | | | | (4,922) | (4,922) | (659) |
| Total changes during period | - | 38,413 | 1,453,410 | 42,194 | 1,534,017 | (4,922) | (4,922) | (659) |
| Balance at end of period | 440,200 | 316,326 | 17,808,539 | (471,108) | 18,093,957 | 424,337 | 424,337 | 13,839 |

| | Non-controlling interests | Total net assets |
|--|---------------------------|------------------|
| Balance at beginning of period | - | 17,003,698 |
| Dividends of surplus | | (788,930) |
| Profit attributable to owners of parent | | 2,242,340 |
| Disposal of treasury shares | | 80,607 |
| Purchase of shares of consolidated subsidiaries | | |
| Net changes in items other than shareholders' equity | | (5,581) |
| Total changes during period | | 1,528,436 |
| Balance at end of period | - | 18,532,134 |

Consolidated statement of cash flows

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,217,216 | 3,267,276 |
| Depreciation | 241,171 | 216,277 |
| Share-based payment expenses | 81,620 | 82,009 |
| Increase (decrease) in allowance for doubtful accounts | - | 827 |
| Increase (decrease) in provision for bonuses | 99,195 | (3,839) |
| Increase (decrease) in provision for loss on orders received | (24,041) | (4,448) |
| Increase (decrease) in provision for product warranties | (3,165) | (925) |
| Increase (decrease) in retirement benefit liability | (2,093) | (331) |
| Loss (gain) on sale of securities | - | (15,000) |
| Share of loss (profit) of entities accounted for using equity method | (1,408) | (1,433) |
| Loss (gain) on valuation of investment securities | 2,285 | - |
| Loss (gain) on investments in investment partnerships | (5,428) | 23,487 |
| Interest and dividend income | (67,598) | (88,369) |
| Interest expenses | 12,029 | 14,008 |
| Rental income | (5,243) | (7,273) |
| Rent expenses | 1,259 | 2,569 |
| Surrender value of insurance policies | (974) | (6,357) |
| Insurance claim income | (4,199) | (6,191) |
| Decrease (increase) in accounts receivable - trade, and contract assets | (867,711) | (40,823) |
| Decrease (increase) in inventories | (13,631) | 23,890 |
| Increase (decrease) in trade payables | 209,579 | (301,674) |
| Increase (decrease) in contract liabilities | 63,690 | 125,911 |
| Increase (decrease) in accrued consumption taxes | 57,510 | (12,611) |
| Other, net | 66,510 | 24,724 |
| Subtotal | 3,056,572 | 3,291,703 |
| Interest and dividends received | 65,366 | 92,207 |
| Proceeds from insurance income | 4,199 | 6,191 |
| Insurance premiums refunded cancellation received | 974 | 6,357 |
| Interest paid | (12,029) | (14,008) |
| Income taxes refund (paid) | (924,989) | (1,009,651) |
| Net cash provided by (used in) operating activities | 2,190,094 | 2,372,799 |

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from investing activities | | |
| Purchase of securities | (100,000) | (150,000) |
| Proceeds from sale of securities | - | 115,000 |
| Proceeds from redemption of securities | - | 400,000 |
| Purchase of property, plant and equipment | (93,400) | (95,320) |
| Purchase of intangible assets | (39,862) | (36,881) |
| Purchase of investment securities | (425,000) | (225,000) |
| Proceeds from rental of investment property | 5,243 | 7,053 |
| Payments from rental of real estate for investment | (887) | (2,160) |
| Payments of leasehold and guarantee deposits | (54,779) | - |
| Proceeds from refund of leasehold and guarantee deposits | - | 25,052 |
| Proceeds from distributions from investment partnerships | 32,015 | 5,550 |
| Other, net | 3,287 | 6,130 |
| Net cash provided by (used in) investing activities | (673,383) | 49,425 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 80,000 | (250,000) |
| Proceeds from long-term borrowings | - | 50,000 |
| Repayments of long-term borrowings | (157,146) | (122,476) |
| Repayments of lease liabilities | (35,983) | (24,821) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (46,847) | - |
| Dividends paid | (643,236) | (788,930) |
| Dividends paid to non-controlling interests | (357) | - |
| Net cash provided by (used in) financing activities | (803,570) | (1,136,228) |
| Net increase (decrease) in cash and cash equivalents | 713,140 | 1,285,996 |
| Cash and cash equivalents at beginning of period | 5,586,934 | 6,300,075 |
| Cash and cash equivalents at end of period | 6,300,075 | 7,586,071 |

Balance sheet

(Thousands of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,135,787 | 6,189,200 |
| Notes receivable - trade | 12,024 | 1,581 |
| Accounts receivable - trade | 5,069,611 | 5,080,999 |
| Contract assets | 1,282,007 | 1,344,147 |
| Merchandise and finished goods | 48,063 | 51,789 |
| Work in process | 108 | 56 |
| Raw materials and supplies | 17,699 | 13,462 |
| Prepaid expenses | 168,349 | 288,037 |
| Other | 75,840 | 317,165 |
| Allowance for doubtful accounts | - | (827) |
| Total current assets | 11,809,492 | 13,285,614 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 1,267,788 | 1,233,198 |
| Structures | 6,069 | 5,431 |
| Machinery and equipment | 132,000 | 111,216 |
| Vehicles | 12,129 | 18,930 |
| Tools, furniture and fixtures | 65,827 | 65,960 |
| Land | 3,427,250 | 3,427,250 |
| Total property, plant and equipment | 4,911,066 | 4,861,988 |
| Intangible assets | | |
| Software | 8,987 | 4,460 |
| Right to use electricity supply facilities | 3,237 | 2,591 |
| Telephone subscription right | 5,189 | 5,189 |
| Total intangible assets | 17,414 | 12,241 |
| Investments and other assets | | |
| Investment securities | 252,952 | 366,409 |
| Shares of subsidiaries and associates | 1,586,040 | 1,557,420 |
| Investments in capital | 165,112 | 165,112 |
| Guarantee deposits | 288,246 | 264,162 |
| Right to use facilities | 119,500 | 119,500 |
| Investments in leases | 16,919 | 12,197 |
| Deferred tax assets | 559,191 | 583,973 |
| Other | 113,659 | 156,784 |
| Total investments and other assets | 3,101,624 | 3,225,561 |
| Total non-current assets | 8,030,105 | 8,099,792 |
| Total assets | 19,839,597 | 21,385,406 |

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,777,914 | 1,585,728 |
| Short-term borrowings | 538,000 | 538,000 |
| Current portion of long-term borrowings | 54,000 | 56,000 |
| Accrued expenses | 360,368 | 370,499 |
| Income taxes payable | 468,632 | 570,147 |
| Accrued consumption taxes | 227,554 | 235,519 |
| Contract liabilities | 118,099 | 163,263 |
| Provision for bonuses | 864,923 | 856,971 |
| Provision for loss on orders received | - | 1,749 |
| Other | 207,165 | 150,755 |
| Total current liabilities | 4,616,658 | 4,528,634 |
| Non-current liabilities | | |
| Long-term borrowings | 70,000 | 60,000 |
| Lease liabilities | 131,713 | 103,717 |
| Provision for loss on business of subsidiaries and associates | - | 206,380 |
| Provision for retirement benefits | 13,882 | 13,551 |
| Provision for retirement benefits for directors (and other officers) | 181,500 | 181,500 |
| Long-term guarantee deposits | 90,300 | 90,300 |
| Asset retirement obligations | 31,462 | 33,093 |
| Other | 46,883 | 136,880 |
| Total non-current liabilities | 565,741 | 825,423 |
| Total liabilities | 5,182,399 | 5,354,058 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 440,200 | 440,200 |
| Capital surplus | | |
| Legal capital surplus | 152,412 | 152,412 |
| Other capital surplus | 126,049 | 164,462 |
| Total capital surplus | 278,461 | 316,874 |
| Retained earnings | | |
| Legal retained earnings | 84,505 | 84,505 |
| Reserve for tax purpose reduction entry of non-current assets | 15,239 | 14,436 |
| General reserve | 3,460,000 | 3,460,000 |
| Retained earnings brought forward | 10,793,758 | 12,055,509 |
| Total retained earnings | 14,353,503 | 15,614,451 |
| Treasury shares | (513,302) | (471,108) |
| Total shareholders' equity | 14,558,863 | 15,900,418 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 83,837 | 117,090 |
| Total valuation and translation adjustments | 83,837 | 117,090 |
| Share acquisition rights | 14,498 | 13,839 |
| Total net assets | 14,657,198 | 16,031,347 |
| Total liabilities and net assets | 19,839,597 | 21,385,406 |

Statement of income

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 19,516,901 | 19,856,649 |
| Cost of sales | 14,332,405 | 14,215,556 |
| Gross profit | 5,184,495 | 5,641,092 |
| Selling, general and administrative expenses | 2,596,074 | 2,706,309 |
| Operating profit | 2,588,421 | 2,934,783 |
| Non-operating income | | |
| Interest income | 25 | 12 |
| Dividend income | 87,826 | 127,309 |
| Rental income | 163,776 | 167,252 |
| Other | 19,036 | 21,725 |
| Total non-operating income | 270,664 | 316,299 |
| Non-operating expenses | | |
| Interest expenses | 4,932 | 6,653 |
| Rental costs | 75,497 | 74,308 |
| Other | 10,627 | 19,417 |
| Total non-operating expenses | 91,057 | 100,379 |
| Ordinary profit | 2,768,028 | 3,150,703 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 2,285 | - |
| Loss on valuation of shares of subsidiaries and associates | - | 28,620 |
| Provision for loss on business of subsidiaries and associates | - | 206,380 |
| Total extraordinary losses | 2,285 | 235,000 |
| Profit before income taxes | 2,765,743 | 2,915,703 |
| Income taxes - current | 795,992 | 907,500 |
| Income taxes - deferred | (13,892) | (41,676) |
| Total income taxes | 782,100 | 865,824 |
| Profit | 1,983,642 | 2,049,878 |

Statement of changes in equity

Fiscal year ended March 31, 2024

(Thousands of yen)

| | Shareholders' equity | | | | | | | | | | |
|---|----------------------|-----------------------|---|-----------------------|-------------------------|---|-----------------|-----------------------------------|-------------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | | | Retained earnings | | | | | Treasury shares | Total shareholders' equity |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings | | | Total retained earnings | | |
| | | | Accumulated profit on sales of treasury stock | | | Reserve for tax purpose reduction entry of non-current assets | General reserve | Retained earnings brought forward | | | |
| Balance at beginning of period | 440,200 | 152,412 | 85,584 | 237,997 | 84,505 | 15,861 | 3,460,000 | 9,452,730 | 13,013,097 | (570,094) | 13,121,200 |
| Dividends of surplus | | | | | | | | (643,236) | (643,236) | | (643,236) |
| Profit | | | | | | | | 1,983,642 | 1,983,642 | | 1,983,642 |
| Disposal of treasury shares | | | 40,464 | 40,464 | | | | | | 56,792 | 97,256 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | | | | | (621) | | 621 | - | | - |
| Net changes in items other than shareholders' equity | | | | | | | | | | | |
| Total changes during period | - | - | 40,464 | 40,464 | - | (621) | - | 1,341,027 | 1,340,406 | 56,792 | 1,437,662 |
| Balance at end of period | 440,200 | 152,412 | 126,049 | 278,461 | 84,505 | 15,239 | 3,460,000 | 10,793,758 | 14,353,503 | (513,302) | 14,558,863 |

| | Accumulated other comprehensive income | | Share acquisition rights | Total net assets |
|---|---|---|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | | |
| Balance at beginning of period | 30,621 | 30,621 | 14,498 | 13,166,319 |
| Dividends of surplus | | | | (643,236) |
| Profit | | | | 1,983,642 |
| Disposal of treasury shares | | | | 97,256 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | | | - |
| Net changes in items other than shareholders' equity | 53,215 | 53,215 | | 53,215 |
| Total changes during period | 53,215 | 53,215 | - | 1,490,878 |
| Balance at end of period | 83,837 | 83,837 | 14,498 | 14,657,198 |

Statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

| | Shareholders' equity | | | | | | | | | | |
|---|----------------------|-----------------------|---|-----------------------|-------------------------|---|-----------------|-----------------------------------|-------------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | | | Retained earnings | | | | | Treasury shares | Total shareholders' equity |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings | | | Total retained earnings | | |
| | | | Accumulated profit on sales of treasury stock | | | Reserve for tax purpose reduction entry of non-current assets | General reserve | Retained earnings brought forward | | | |
| Balance at beginning of period | 440,200 | 152,412 | 126,049 | 278,461 | 84,505 | 15,239 | 3,460,000 | 10,793,758 | 14,353,503 | (513,302) | 14,558,863 |
| Dividends of surplus | | | | | | | | (788,930) | (788,930) | | (788,930) |
| Profit | | | | | | | | 2,049,878 | 2,049,878 | | 2,049,878 |
| Disposal of treasury shares | | | 38,413 | 38,413 | | | | | | 42,194 | 80,607 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | | | | | (803) | | 803 | - | | - |
| Net changes in items other than shareholders' equity | | | | | | | | | | | |
| Total changes during period | - | - | 38,413 | 38,413 | - | (803) | - | 1,261,751 | 1,260,947 | 42,194 | 1,341,555 |
| Balance at end of period | 440,200 | 152,412 | 164,462 | 316,874 | 84,505 | 14,436 | 3,460,000 | 12,055,509 | 15,614,451 | (471,108) | 15,900,418 |

| | Accumulated other comprehensive income | | Share acquisition rights | Total net assets |
|---|---|---|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | | |
| Balance at beginning of period | 83,837 | 83,837 | 14,498 | 14,657,198 |
| Dividends of surplus | | | | (788,930) |
| Profit | | | | 2,049,878 |
| Disposal of treasury shares | | | | 80,607 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | | | - |
| Net changes in items other than shareholders' equity | 33,253 | 33,253 | (659) | 32,594 |
| Total changes during period | 33,253 | 33,253 | (659) | 1,374,149 |
| Balance at end of period | 117,090 | 117,090 | 13,839 | 16,031,347 |

(Notes on segment information, etc.)

Segment Information

1 Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Company has identified business segments based on a management approach based on the Group's business strategy policies, and has identified three reporting segments: "Future Society Solutions Business," "Industrial Technology Solutions Business," and "Customer Business Integration Business."

Each segment contains the following:

Future Society Solutions Business Creating high-value-added solutions to future social issues such as the environment and living infrastructure by leveraging our strengths

Industrial Technology Solutions Business Providing solutions to customers' business issues by utilizing specialized ICT technologies such as IoT (AI) and GNSS.

Customer business integration business: Providing ICT total services for customer operations that make use of business knowledge and know-how

2. Method of calculating the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment

The method of accounting for the reported business segments is the same as described in the "Fundamental Important Matters for the Preparation of Consolidated Financial Statements".

Profit in the reporting segment is a figure based on operating income.

Internal transaction revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment

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

(Unit: 1 thousand yen)

| | Reportable segments | | | | Adjustment amount (Note) 2 | Amount recorded in consolidated financial statements (Note)3 |
|--|-------------------------------------|--|---|------------|-------------------------------|---|
| | Future society solution business | Industrial technology solution business | Customer business integration business | Total | | |
| Sales | | | | | | |
| Revenues from external customers | 4,768,722 | 10,548,587 | 8,681,253 | 23,998,562 | - | 23,998,562 |
| Transactions with other segments | - | 71,323 | 4,551 | 75,874 | (75,874) | - |
| Total | 4,768,722 | 10,619,910 | 8,685,804 | 24,074,437 | (75,874) | 23,998,562 |
| Segment Profit | 675,678 | 1,641,643 | 823,261 | 3,140,583 | - | 3,140,583 |
| Segment Assets | 3,601,589 | 8,010,665 | 3,000,822 | 14,613,077 | 9,276,482 | 23,889,559 |
| Other items | | | | | | |
| Depreciation | 46,046 | 136,042 | 20,723 | 202,812 | 38,359 | 241,171 |
| Increase in property, plant and equipment and intangible assets | 34,268 | 64,055 | 21,820 | 120,144 | 10,331 | 130,476 |

Note: 1 Head office expenses that are not attributable to the reporting segments of administrative divisions, etc., are allocated to each reporting segment based on a reasonable allocation standard.

2 The "Adjustment Amount" is as follows:

(1) The main adjustments to segment assets of 9,276,482 thousand yen are the parent company's residual investment funds (cash), long-term investment funds (investment securities), and assets related to the management division.

(2) The adjustment amount of 38,359 thousand yen for depreciation and amortization is a head office expense that is not attributable to the reporting segment of the administrative division.

(3) The adjustment amount of 10,331 thousand yen for the increase in property, plant and equipment and intangible assets was mainly due to the replacement of facilities at the head office.

3 The total amount of segment profit is consistent with operating income in the consolidated statements of income.

| | Reportable segments | | | | Adjustment amount (Note) 2 | Amount recorded in consolidated financial statements (Note)3 |
|--|-------------------------------------|--|---|------------|-------------------------------|---|
| | Future society solution business | Industrial technology solution business | Customer business integration business | Total | | |
| Sales | | | | | | |
| Revenues from external customers | 4,570,562 | 12,035,600 | 7,993,003 | 24,599,166 | - | 24,599,166 |
| Transactions with other segments | - | 61,631 | 8,255 | 69,886 | (69,886) | - |
| Total | 4,570,562 | 12,097,231 | 8,001,259 | 24,669,053 | (69,886) | 24,599,166 |
| Segment Profit | 461,388 | 1,884,789 | 829,285 | 3,175,462 | - | 3,175,462 |
| Segment Assets | 3,828,453 | 8,419,823 | 2,712,316 | 14,960,593 | 10,197,140 | 25,157,734 |
| Other items | | | | | | |
| Depreciation | 50,856 | 109,223 | 17,972 | 178,051 | 38,225 | 216,277 |
| Increase in property, plant and equipment and intangible assets | 24,300 | 71,442 | 23,064 | 118,807 | 20,884 | 139,692 |

Note: 1 Head office expenses that are not attributable to the reporting segments of administrative divisions, etc., are allocated to each reporting segment based on a reasonable allocation standard.

2 The "Adjustment Amount" is as follows:

(1) The main adjustments to segment assets of 10,197,140 thousand yen are the parent company's residual investment funds (cash), long-term investment funds (investment securities), and assets related to the management division.

(2) The adjustment amount of 38,225 thousand yen for depreciation and amortization is a head office expense that is not attributable to the reporting segment of the administrative division.

(3) The adjustment amount of 20,884 thousand yen for the increase in property, plant and equipment and intangible assets was mainly due to the replacement of facilities at the head office.

3 The total amount of segment profit is consistent with operating income in the consolidated statements of income.

Related Information

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

1 Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2 Regional information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3 Key customer information

None of the sales to external customers in the main customer segment account for more than 10% of the sales in the consolidated statements of income in the consolidated statements of operations, so the description is omitted.

The current fiscal year (April 1, 2024 to March 31, 2025)

1 Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2 Regional information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3 Key customer information

None of the sales to external customers in the main customer segment account for more than 10% of the sales in the consolidated statements of income in the consolidated statements of operations, so the description is omitted.

Information on impairment losses on fixed assets by reporting segment

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

Not applicable.

The current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

Information on amortization and unamortized balances of goodwill by reporting segment

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

Not applicable.

The current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

Information on Negative Goodwill Accrual Gains by Reporting Segment

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

Not applicable.

The current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.