



Translation

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**Consolidated Financial Results
for the Fiscal Year Ended February 28, 2025
(Under Japanese GAAP)**

April 14, 2025

Company name TerraSky Co., Ltd. Stock exchange listings: Tokyo Prime
 Securities code 3915 URL <http://www.terrasky.co.jp>
 Representative Representative Director, President and CEO Hideya Sato
 Inquiries Director, Senior Managing Executive Officer and CFO Koichiro Tsukada (Tel)03-5255-3410
 Date of general shareholders' meeting (as planned) May 30, 2025 Dividend payable date (as planned) —
 Annual securities report filing date (as planned) May 30, 2025
 Supplemental material of annual results : Yes
 Convening briefing of annual results : None

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

1. Consolidated financial results for the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 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	%
February 28, 2025	24,709	29.1	1,452	177.8	1,603	144.7	1,018	239.4
February 29, 2024	19,137	23.9	522	2.1	655	7.4	300	(13.6)

Note: Comprehensive income For the fiscal year ended February 28, 2025 (64) Millions of yen (–%) For the fiscal year ended February 29, 2024 1,617 Millions of yen (95.2%)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
February 28, 2025	78.94	78.89	9.2	8.5	5.9
February 29, 2024	23.35	23.25	2.9	3.9	2.7

Reference: Investment profit (loss) on equity method For the fiscal year ended February 28, 2025 55 Millions of yen For the fiscal year ended February 29, 2024 73 Millions of yen

(2) Consolidated financial position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2025	19,470	12,839	56.9	857.93
February 29, 2024	18,446	12,553	60.2	863.53

Reference: Owner's equity As of February 28, 2025 11,075 Millions of yen As of February 29, 2024 11,103 Millions of yen

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2025	1,558	(1,008)	345	6,512
February 29, 2024	671	(894)	(59)	5,616

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 29, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended February 28, 2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending February 28, 2026 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated financial forecast for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 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
Fiscal year ending February 28, 2026	29,438	19.1	1,833	26.3	1,973	23.1	1,363	33.9	105.66

* 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)

① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

As of February 28, 2025	12,918,380 shares	As of February 29, 2024	12,866,380 shares
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② Number of treasury stock at the end of fiscal year

As of February 28, 2025	9,003 shares	As of February 29, 2024	8,116 shares
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③ Average number of shares

Fiscal year ended February 28, 2025	12,901,191 shares	Fiscal year ended February 29, 2024	12,851,546 shares
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[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2025	12,111	36.1	845	—	850	—	588	—
February 29, 2024	8,898	17.1	15	(8.0)	54	6.1	(8)	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended February 28, 2025	Yen 45.59	Yen 45.57
February 29, 2024	(0.68)	—

(2) Non-consolidated financial position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	Millions of yen		Millions of yen		%	Yen
As of February 28, 2025	12,541		8,688		69.2	672.51
February 29, 2024	12,911		9,312		72.1	724.27

Reference: Owner's equity As of February 28, 2025 8,681 Millions of yen As of February 29, 2024 9,312 Millions of yen

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	5,616,176	6,512,437
Accounts receivable - trade, and contract assets	3,487,748	4,494,799
Prepaid expenses	1,497,985	1,800,148
Other	40,101	37,530
Total current assets	10,642,010	12,844,915
Non-current assets		
Property, plant and equipment		
Buildings	358,700	417,127
Accumulated depreciation	(148,191)	(161,895)
Buildings, net	210,509	255,232
Other	339,939	429,561
Accumulated depreciation	(241,864)	(284,359)
Other, net	98,075	145,201
Total property, plant and equipment	308,584	400,433
Intangible assets		
Software	641,497	806,988
Goodwill	38,952	7,790
Other	245,903	431,609
Total intangible assets	926,353	1,246,388
Investments and other assets		
Investment securities	5,948,726	4,269,158
Deferred tax assets	48,795	100,864
Leasehold and guarantee deposits	510,535	568,388
Other	61,593	39,941
Total investments and other assets	6,569,651	4,978,352
Total non-current assets	7,804,589	6,625,175
Total assets	18,446,600	19,470,090

(Thousands of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,243,758	1,594,187
Short-term borrowings	200,000	200,000
Current portion of long-term borrowings	23,122	3,672
Income taxes payable	157,779	484,591
Contract liabilities	1,853,712	2,249,044
Provision for loss on orders received	211	5,386
Other	943,985	1,187,878
Total current liabilities	4,422,569	5,724,761
Non-current liabilities		
Long-term borrowings	5,958	2,286
Deferred tax liabilities	1,452,272	893,565
Other	11,870	9,933
Total non-current liabilities	1,470,100	905,784
Total liabilities	5,892,670	6,630,545
Net assets		
Shareholders' equity		
Share capital	1,252,993	1,256,892
Capital surplus	1,711,191	1,897,683
Retained earnings	4,781,663	5,800,091
Treasury shares	(650)	(851)
Total shareholders' equity	7,745,198	8,953,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,342,846	2,115,839
Foreign currency translation adjustment	15,514	5,703
Total accumulated other comprehensive income	3,358,360	2,121,543
Share acquisition rights	—	6,934
Non-controlling interests	1,450,371	1,757,251
Total net assets	12,553,930	12,839,545
Total liabilities and net assets	18,446,600	19,470,090

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Thousands of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Net sales	19,137,184	24,709,987
Cost of sales	14,125,345	18,034,884
Gross profit	5,011,839	6,675,102
Selling, general and administrative expenses	4,489,036	5,222,930
Operating profit	522,803	1,452,172
Non-operating income		
Interest income	205	2,935
Dividend income	11,772	17,151
Commission income	35,542	34,531
Subsidy income	11,891	18,102
Gain on investments in investment partnerships	—	6,488
Foreign exchange gains	2,391	6,246
Share of profit of entities accounted for using equity method	73,194	55,849
Other	2,716	11,915
Total non-operating income	137,714	153,221
Non-operating expenses		
Interest expenses	904	1,527
Loss on investments in investment partnerships	4,034	—
Other	173	—
Total non-operating expenses	5,112	1,527
Ordinary profit	655,405	1,603,866
Extraordinary income		
Gain on sale of investment securities	—	29,855
Total extraordinary income	—	29,855
Extraordinary losses		
Impairment losses	21,988	—
Total extraordinary losses	21,988	—
Profit before income taxes	633,416	1,633,721
Income taxes - current	231,670	534,253
Income taxes - deferred	1,205	(72,766)
Total income taxes	232,876	461,487
Profit	400,540	1,172,234
Profit attributable to non-controlling interests	100,508	153,807
Profit attributable to owners of parent	300,031	1,018,427

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Profit	400,540	1,172,234
Other comprehensive income		
Valuation difference on available-for-sale securities	1,217,546	(1,227,006)
Foreign currency translation adjustment	(244)	(9,810)
Total other comprehensive income	1,217,302	(1,236,816)
Comprehensive income	1,617,843	(64,582)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,514,929	(203,516)
Comprehensive income attributable to non-controlling interests	102,913	138,933

Consolidated statements of changes in equity

Fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,252,129	1,710,327	4,481,632	(564)	7,443,524
Changes during period					
Issuance of new shares	864	864			1,728
Profit attributable to owners of parent			300,031		300,031
Purchase of treasury shares				(86)	(86)
Net changes in items other than shareholders' equity					
Total changes during period	864	864	300,031	(86)	301,673
Balance at end of period	1,252,993	1,711,191	4,781,663	(650)	7,745,198

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2,125,299	15,758	2,141,057	1,347,457	10,932,039
Changes during period					
Issuance of new shares					1,728
Profit attributable to owners of parent					300,031
Purchase of treasury shares					(86)
Net changes in items other than shareholders' equity	1,217,546	(244)	1,217,302	102,913	1,320,216
Total changes during period	1,217,546	(244)	1,217,302	102,913	1,621,890
Balance at end of period	3,342,846	15,514	3,358,360	1,450,371	12,553,930

Fiscal year ended February 28, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,252,993	1,711,191	4,781,663	(650)	7,745,198
Changes during period					
Issuance of new shares	3,899	3,899			7,799
Profit attributable to owners of parent			1,018,427		1,018,427
Capital increase of consolidated subsidiaries		180,299			180,299
Purchase of shares of consolidated subsidiaries		25			25
Sale of shares of consolidated subsidiaries		2,267			2,267
Purchase of treasury shares				(201)	(201)
Net changes in items other than shareholders' equity					
Total changes during period	3,899	186,492	1,018,427	(201)	1,208,618
Balance at end of period	1,256,892	1,897,683	5,800,091	(851)	8,953,816

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	3,342,846	15,514	3,358,360	—	1,450,371	12,553,930
Changes during period						
Issuance of new shares						7,799
Profit attributable to owners of parent						1,018,427
Capital increase of consolidated subsidiaries						180,299
Purchase of shares of consolidated subsidiaries						25
Sale of shares of consolidated subsidiaries						2,267
Purchase of treasury shares						(201)
Net changes in items other than shareholders' equity	(1,227,006)	(9,810)	(1,236,816)	6,934	306,879	(923,002)
Total changes during period	(1,227,006)	(9,810)	(1,236,816)	6,934	306,879	285,615
Balance at end of period	2,115,839	5,703	2,121,543	6,934	1,757,251	12,839,545

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	633,416	1,633,721
Impairment losses	21,988	—
Depreciation	392,263	476,162
Amortization of goodwill	33,249	31,161
Share-based payment expenses	12,543	9,339
Share of loss (profit) of entities accounted for using equity method	(73,194)	(55,849)
Loss (gain) on sale of investment securities	—	(29,855)
Interest income	(205)	(2,935)
Dividend income	(11,772)	(17,151)
Interest expenses	904	1,527
Decrease (increase) in accounts receivable - trade, and contract assets	(591,606)	(1,006,594)
Decrease (increase) in prepaid expenses	(223,707)	(306,829)
Increase (decrease) in trade payables	231,557	350,428
Increase (decrease) in deposits received	57,434	30,382
Increase (decrease) in accounts payable - other, and accrued expenses	(81,320)	113,537
Increase (decrease) in accrued consumption taxes	197,525	84,584
Increase (decrease) in contract liabilities	405,095	395,345
Increase (decrease) in long-term accounts payable - other	(1,937)	(1,937)
Other, net	(89,265)	47,702
Subtotal	912,968	1,752,740
Interest and dividends received	11,977	20,086
Interest paid	(947)	(1,523)
Income taxes paid	(264,089)	(230,882)
Income taxes refund	0	—
Subsidy income	11,891	18,102
Net cash provided by (used in) operating activities	671,801	1,558,523
Cash flows from investing activities		
Purchase of property, plant and equipment	(59,265)	(168,238)
Purchase of intangible assets	(652,858)	(730,352)
Purchase of investment securities	(147,104)	(58,671)
Proceeds from sale of investment securities	5,477	52,186
Payments of leasehold and guarantee deposits	(40,906)	(104,294)
Proceeds from refund of leasehold and guarantee deposits	87	585
Other, net	(38)	—
Net cash provided by (used in) investing activities	(894,609)	(1,008,785)

(Thousands of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from financing activities		
Repayments of long-term borrowings	(61,136)	(23,122)
Proceeds from issuance of shares	1,728	7,799
Proceeds from share issuance to non-controlling shareholders	—	350,295
Proceeds from issuance of share acquisition rights	—	6,934
Distributions to non-controlling interests in consolidated investment funds	—	(4,135)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(3,949)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	11,616
Other, net	(288)	—
Net cash provided by (used in) financing activities	(59,696)	345,438
Effect of exchange rate change on cash and cash equivalents	4,808	1,085
Net increase (decrease) in cash and cash equivalents	(277,696)	896,261
Cash and cash equivalents at beginning of period	5,893,872	5,616,176
Cash and cash equivalents at end of period	5,616,176	6,512,437