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April 30, 2025

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

Company name: Simplex Holdings, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4373
 URL: <https://www.simplex.holdings/en/>
 Representative: Hideki Kaneko, Representative Director, President and CEO
 Inquiries: Keisuke Enosawa, Director and CFO
 Telephone: +81-3-3539-7370
 Scheduled date to hold ordinary general meeting of shareholders: June 14, 2025
 Scheduled date to commence dividend payments: June 2, 2025
 Scheduled date to file Annual Securities Report: June 16, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Amounts less than a million yen are rounded off to the nearest million yen.)

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.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	47,394	16.4	10,804	22.1	10,729	22.7	7,781	25.6
March 31, 2024	40,708	16.5	8,850	18.8	8,744	19.8	6,194	14.0

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2025	7,781	25.6	8,194	32.7	133.82	130.24
March 31, 2024	6,194	14.0	6,173	11.5	107.54	103.47

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Operating profit margin
Fiscal year ended	%	%	%
March 31, 2025	16.2	13.6	22.8
March 31, 2024	13.9	11.7	21.7

Reference: Share of profit (loss) of investments accounted for using equity method
 Fiscal year ended March 31, 2025: 97 million yen
 Fiscal year ended March 31, 2024: 22 million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	79,022	48,810	48,810	61.8	857.07
March 31, 2024	79,248	47,089	47,089	59.4	809.33

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	9,746	534	(10,570)	13,438
March 31, 2024	8,329	(3,673)	(3,772)	13,731

2. Cash dividends

	Annual dividends per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	0.00	—	42.00	42.00	2,444	39.1	5.4
March 31, 2025	—	0.00	—	50.00	50.00	2,847	37.4	6.0
Fiscal year ending March 31, 2026 (Forecast)	—	0.00	—	65.00	65.00		43.1	

Note: The year-end dividend for the fiscal year ended March 31, 2025 will be proposed for approval at the Board of Directors' meeting of the Company to be held on May 21, 2025.

**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.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	26,250	20.0	5,655	44.4	5,569	43.6	3,843	48.1	3,843	48.1	67.30
Fiscal year	54,500	15.0	12,700	17.5	12,536	16.8	8,650	11.2	8,650	11.2	150.83

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies and changes in accounting estimates
 - (i) Changes in accounting policies required by IFRS: None
 - (ii) Changes in accounting policies due to reasons other than (i) above: None
 - (iii) Changes in accounting estimates: None
- (3) Number of shares issued (ordinary shares)

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

As of March 31, 2025	58,707,975 shares
As of March 31, 2024	58,182,950 shares

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

As of March 31, 2025	1,758,447 shares
As of March 31, 2024	147 shares

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

Fiscal year ended March 31, 2025	58,144,696 shares
Fiscal year ended March 31, 2024	57,593,635 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 (Percentage indicates year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	7,373	2.3	2,720	(21.8)	2,724	(21.7)	2,581	(23.0)
March 31, 2024	7,207	26.4	3,480	36.2	3,480	28.9	3,351	29.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	44.39	43.21
March 31, 2024	58.19	55.98

- (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, 2025	32,162	28,712	89.2	504.17
March 31, 2024	34,662	32,616	94.1	560.57

Reference: Equity (Shareholders' equity + Valuation and translation adjustments)

As of March 31, 2025: 28,690 million yen As of March 31, 2024: 32,616 million yen

* A financial results report is exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

We calculated basic earnings per share for the first six months and fiscal year specified in the forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026) based on the assumption that the average number of shares outstanding during the period will increase by 151,630 shares for the first six months and by 398,621 shares for the fiscal year from the total number of shares issued as of March 31, 2025 (excluding treasury shares) through the exercise of share acquisition rights.

The forward-looking statements including earnings forecast contained in this document are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, the Company does not guarantee the achievement of the forecast, and the actual results may differ materially due to various factors.

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1. Overview of Consolidated Financial Results

(1) Operating results

Operating results for the fiscal year ended March 31, 2025 (the current fiscal year) are summarized as follows:

Revenue	47,394	million yen	(up 16.4% year-on-year)
Operating profit	10,804	million yen	(up 22.1% year-on-year)
Profit before tax	10,729	million yen	(up 22.7% year-on-year)
Profit attributable to owners of parent	7,781	million yen	(up 25.6% year-on-year)

Matters worthy of note with respect to earnings for the current fiscal year are as follows:

- i) Revenue significantly increased year-on-year to 47,394 million yen (up 16.4% from 40,708 million yen for the previous fiscal year), hitting a record high, driven by robust sales in System Integration and Operation Service and new contracts won by Strategy/DX Consulting.

While gross profit increased year-on-year to 19,638 million yen (up 12.5% from 17,450 million yen for the previous fiscal year), the gross profit margin decreased year-on-year to 41.4% (compared with 42.9% for the previous fiscal year).

Selling, general and administrative expenses increased year-on-year to 7,307 million yen (up 15.0% from 6,354 million yen for the previous fiscal year) due mainly to the opening of a new office and the expansion of the existing one as well as the implementation of measures for strengthening mid-career recruitment. Research and development expenses decreased year-on-year to 1,475 million yen (down 20.6% from 1,858 million yen for the previous fiscal year).

In addition, we recognized 117 million yen in amortization of identifiable assets (compared with 356 million yen for the previous fiscal year), 398 million yen in other income, and 333 million yen in other expenses.

As a result, operating profit amounted to 10,804 million yen (up 22.1% from 8,850 million yen for the previous fiscal year), and the operating profit margin came in at 22.8% (compared with 21.7% for the previous fiscal year). Profit before tax increased year-on-year to 10,729 million yen (up 22.7% from 8,744 million yen for the previous fiscal year), with 25 million yen, 197 million yen, and 97 million yen recognized as finance income, finance costs, and share of profit of investments accounted for using equity method, respectively.

Income tax expense amounted to 2,948 million yen (compared with 2,551 million yen for the previous fiscal year) and profit attributable to owners of parent increased year-on-year to 7,781 million yen (up 25.6% from 6,194 million yen for the previous fiscal year).

- ii) By service category, revenue from Strategy/DX Consulting amounted to 7,510 million yen, which significantly exceeded revenue of 4,206 million yen for the previous fiscal year, and the gross profit margin was 49.7%, which also exceeded the margin of 48.8% for the previous fiscal year.

Revenue from System Integration amounted to 26,320 million yen, which exceeded revenue of 24,417 million yen for the previous fiscal year, but the gross profit margin was 39.8%, which fell short of the margin of 43.8% for the previous fiscal year, due mainly to the effect of accounting for the decision made in the second quarter to cancel an insurance system integration project.

Revenue from Operation Service amounted to 13,518 million yen and the gross profit margin was 39.7%, which exceeded both revenue of 12,078 million yen and the gross profit margin of 39.0% for the previous fiscal year.

(Reference)

Breakdown of revenue by service category

(Millions of yen, unless otherwise indicated)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)			Current fiscal year (from April 1, 2024 to March 31, 2025)			
	Revenue	Percentage of total revenue (%)	Gross profit margin (%)	Revenue	Percentage of total revenue (%)	Gross profit margin (%)	YoY change
Strategy/DX Consulting	4,206	10.3	48.8	7,510	15.8	49.7	3,304
System Integration	24,417	60.0	43.8	26,320	55.5	39.8	1,903
Operation Service	12,078	29.7	39.0	13,518	28.5	39.7	1,440
Other	7	0.0	100.0	45	0.1	100.0	38
Total	40,708	100.0	42.9	47,394	100.0	41.4	6,686

(2) Financial position

Assets

As of the end of the current fiscal year, total assets amounted to 79,022 million yen (down 226 million yen from the end of the previous fiscal year). This is primarily attributable to a decrease in other financial assets of 900 million yen mainly due to the refund of leasehold deposits and the sale of investment securities, in addition to a decrease in right-of-use assets of 1,906 million yen due to depreciation, which were partially offset by an increase in trade and other receivables of 2,928 million yen due to an increase in the scale of projects won.

Liabilities

As of the end of the current fiscal year, total liabilities amounted to 30,212 million yen (down 1,947 million yen from the end of the previous fiscal year). This is primarily attributable to a decrease in borrowings of 2,106 million yen as a result of repayments made primarily through refinancing.

Equity

As of the end of the current fiscal year, total equity amounted to 48,810 million yen (up 1,721 million yen from the end of the previous fiscal year) and the ratio of equity attributable to owners of parent came in at 61.8% (compared with 59.4% as of the end of the previous fiscal year).

(3) Cash flows

Cash and cash equivalents (“net cash”) as of the end of the current fiscal year amounted to 13,438 million yen (down 292 million yen from the end of the previous fiscal year). The status of cash flows and reasons for changes during the current fiscal year are as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to 9,746 million yen (compared with 8,329 million yen provided for the previous fiscal year). This is primarily attributable to an increase in cash flow resulting from the recording of profit before tax of 10,729 million yen and depreciation and amortization in total of 2,756 million yen and an increase in provisions of 924 million yen, which was partially offset by a decrease in cash flow due to income taxes paid of 3,888 million yen and an increase in trade and other receivables of 2,928 million yen.

Cash flows from investing activities

Net cash provided by investing activities amounted to 534 million yen (compared with 3,673 million yen used for the previous fiscal year). This is primarily attributable to an increase in cash flow due to proceeds from sale of investment securities of 1,267 million yen and proceeds from refund of leasehold and guarantee deposits of 251 million yen, which was partially offset by a decrease in cash flow due to purchase of property, plant and equipment of 973 million yen mainly as a result of the opening of a new office and the expansion of the existing one.

Cash flows from financing activities

Net cash used in financing activities amounted to 10,570 million yen (compared with 3,772 million yen used for the previous fiscal year). This is primarily attributable to a decrease in cash flow resulting from repayments of borrowings of 16,950 million yen, purchase of treasury shares of 4,386 million yen, and cash dividends paid of 2,444 million yen, which was partially offset by an increase in cash flow due to proceeds from long-term borrowings of 14,800 million yen through refinancing.

(4) Business outlook

The consolidated earnings forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026) is as follows:

(Millions of yen, unless otherwise indicated)

	Fiscal year ended March 31, 2025 (actual)	Fiscal year ending March 31, 2026 (forecast)	YoY change	YoY change (%)
Revenue	47,394	54,500	7,106	15.0
Operating profit	10,804	12,700	1,896	17.5
Profit attributable to owners of parent	7,781	8,650	869	11.2

On October 26, 2023, Simplex Group announced Vision1000, its long-term growth strategy, and the Medium-Term Business Plan 2027 (MTBP2027) for the three-year period beginning with the fiscal year ending March 31, 2025.

In the midst of the sweeping trend of digital transformation (DX), Vision1000 has defined the growth trajectory toward 100 billion yen in revenue and what the Group should aim to be for the Group. During the MTBP2027 period from April 1, 2024 to March 31, 2027, we aim to maximize group synergies to achieve sustainable growth and high profitability under the themes of “Deep Dive” and “Domain Expansion.”

In the fiscal year ending March 31, 2026, the second year of the MTBP 2027 period, we expect to increase revenue by capturing solid and strong DX demand as in the previous fiscal year, as well as by simultaneously achieving three goals: further expansion of Strategy/DX Consulting, consistent growth in the financial domain, and the expansion of Non-financial Solutions leveraging our core technologies cultivated in the financial domain.

We will steadily establish a foundation for growth toward achieving the goals of MTBP 2027 by continuing to promote measures to enhance human capital, which include strengthening of the system of talent recruitment and development and reduction of the turnover rate, while investing aggressively in R&D.

Based on the above, for the fiscal year ending March 31, 2026, we expect to increase both revenue and profits with revenue of 54,500 million yen (up 15.0% year-on-year), operating profit of 12,700 million yen (up 17.5% year-on-year), and profit attributable to owners of parent of 8,650 million yen (up 11.2% year-on-year), while continuing to invest in growth and strengthen our human capital strategy from a medium- to long-term perspective.

Disclaimer:

Note that the business outlook above is merely based on our judgment or view at the time of preparation of this document. Actual results of operations, financial position, and other results of the Group may differ materially from those implied by this document due to various factors, including changes in economic conditions in Japan and overseas, changes in the market environment, and competitive landscape.

(5) Basic policy on the distribution of profits and dividends

The Company believes that prioritizing investments for growth that helps strengthen its business foundation will contribute to achieving profit growth and improving its corporate value in a sustainable manner while maintaining its financial soundness based on its strong cashflow-generating capability.

In addition, the Company is committed to pursuing a management approach mindful of capital efficiency and has therefore set an ROE target as one of its KPIs. The Company is also aware that providing shareholder returns, which helps increase capital efficiency, is a key measure in capital allocation.

Based on this belief, the Company seeks to enhance shareholder returns by paying dividends as a fundamental measure, comprehensively considering trends in business performance, ROE level, opportunities of investments for growth, and other factors.

Specifically, the Company has set a dividend policy of stably and sustainably increasing dividend per share through profit growth, with a target dividend payout ratio of 40% on a consolidated basis.

Based on the above dividend policy, the Company has decided to pay 50 yen per share as the year-end dividend for the fiscal year ended March 31, 2025, and plans to pay 65 yen per share as the year-end dividend for the fiscal year ending March 31, 2026.

The Company also intends to continue to buy back its own shares flexibly as part of its shareholder return policy that helps increase capital efficiency, by considering market environment including stock prices, on top of the aforementioned considerations to determine dividends.

Note: The year-end dividend for the fiscal year ended March 31, 2025 will be proposed for approval at the Board of Directors' meeting of the Company to be held on May 21, 2025.

2. Basic Policy on the Selection of Accounting Standards

Simplex Group has adopted IFRS Accounting Standards to improve international comparability and usefulness of financial information in capital markets.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated statements of financial position

	(Millions of yen)	
	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Assets		
Current assets		
Cash and cash equivalents	13,731	13,438
Trade and other receivables	10,093	13,021
Inventories	1	–
Other current assets	1,787	1,100
Total current assets	25,611	27,559
Non-current assets		
Property, plant and equipment	1,521	1,674
Right-of-use assets	5,732	3,826
Goodwill	36,476	36,476
Intangible assets	317	130
Investments accounted for using equity method	1,859	1,956
Other financial assets	5,359	4,459
Deferred tax assets	1,510	2,152
Other non-current assets	863	790
Total non-current assets	53,637	51,463
Total assets	79,248	79,022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,837	2,826
Borrowings	16,906	1,480
Lease liabilities	1,909	2,016
Other financial liabilities	2	2
Income taxes payable	2,243	2,507
Provisions	2,966	3,890
Other current liabilities	1,082	1,954
Total current liabilities	27,945	14,674
Non-current liabilities		
Borrowings	–	13,320
Lease liabilities	3,805	1,809
Provisions	408	409
Total non-current liabilities	4,214	15,538
Total liabilities	32,159	30,212
Equity		
Share capital	1,189	1,350
Capital surplus	27,153	27,385
Retained earnings	18,350	23,679
Treasury shares	(0)	(4,386)
Other components of equity	399	782
Total equity attributable to owners of parent	47,089	48,810
Total equity	47,089	48,810
Total liabilities and equity	79,248	79,022

(2) Consolidated statements of profit or loss and consolidated statements of comprehensive income

Consolidated statements of profit or loss

(Millions of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Current fiscal year (from April 1, 2024 to March 31, 2025)
Revenue	40,708	47,394
Cost of sales	(23,257)	(27,756)
Gross profit	17,450	19,638
Amortization of identifiable assets	(356)	(117)
Selling, general and administrative expenses	(6,354)	(7,307)
Research and development expenses	(1,858)	(1,475)
Other income	60	398
Other expenses	(93)	(333)
Operating profit	8,850	10,804
Finance income	34	25
Finance costs	(162)	(197)
Share of profit of investments accounted for using equity method	22	97
Profit before tax	8,744	10,729
Income tax expense	(2,551)	(2,948)
Profit	6,194	7,781
Profit attributable to:		
Owners of parent	6,194	7,781
Profit	6,194	7,781
Earnings per share		
Basic earnings per share (Yen)	107.54	133.82
Diluted earnings per share (Yen)	103.47	130.24

Consolidated statements of comprehensive income

(Millions of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Current fiscal year (from April 1, 2024 to March 31, 2025)
Profit	6,194	7,781
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(32)	416
Total of items that will not be reclassified to profit or loss	(32)	416
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	12	(2)
Total of items that may be reclassified to profit or loss	12	(2)
Other comprehensive income, net of tax	(20)	413
Comprehensive income	6,173	8,194
Comprehensive income attributable to:		
Owners of parent	6,173	8,194
Comprehensive income	6,173	8,194

(3) Consolidated statements of changes in equity

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

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Share acquisition rights
Balance at April 1, 2023	1,013	26,903	13,587	(0)	313
Profit	—	—	6,194	—	—
Other comprehensive income	—	—	—	—	—
Comprehensive income	—	—	6,194	—	—
Exercise and forfeiture of share acquisition rights	176	250	—	—	(75)
Purchase of treasury shares	—	—	—	(0)	—
Dividends	—	—	(1,431)	—	—
Share-based payment transactions	—	—	—	—	12
Total transactions with owners	176	250	(1,431)	(0)	(62)
Balance at March 31, 2024	1,189	27,153	18,350	(0)	250

	Equity attributable to owners of parent			
	Other components of equity			Total
	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Total	
Balance at April 1, 2023	25	143	481	41,984
Profit	—	—	—	6,194
Other comprehensive income	12	(32)	(20)	(20)
Comprehensive income	12	(32)	(20)	6,173
Exercise and forfeiture of share acquisition rights	—	—	(75)	351
Purchase of treasury shares	—	—	—	(0)
Dividends	—	—	—	(1,431)
Share-based payment transactions	—	—	12	12
Total transactions with owners	—	—	(62)	(1,068)
Balance at March 31, 2024	37	111	399	47,089

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Share acquisition rights
Balance at April 1, 2024	1,189	27,153	18,350	(0)	250
Profit	–	–	7,781	–	–
Other comprehensive income	–	–	–	–	–
Comprehensive income	–	–	7,781	–	–
Issuance of share acquisition rights	–	–	–	–	22
Exercise and forfeiture of share acquisition rights	161	232	–	–	(71)
Purchase of treasury shares	–	–	–	(4,386)	–
Dividends	–	–	(2,444)	–	–
Share-based payment transactions	–	–	–	–	11
Transfer from other components of equity to retained earnings	–	–	(8)	–	–
Total transactions with owners	161	232	(2,451)	(4,386)	(37)
Balance at March 31, 2025	1,350	27,385	23,679	(4,386)	213

	Equity attributable to owners of parent			
	Other components of equity			Total
	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Total	
Balance at April 1, 2024	37	111	399	47,089
Profit	–	–	–	7,781
Other comprehensive income	(2)	416	413	413
Comprehensive income	(2)	416	413	8,194
Issuance of share acquisition rights	–	–	22	22
Exercise and forfeiture of share acquisition rights	–	–	(71)	323
Purchase of treasury shares	–	–	–	(4,386)
Dividends	–	–	–	(2,444)
Share-based payment transactions	–	–	11	11
Transfer from other components of equity to retained earnings	–	8	8	–
Total transactions with owners	–	8	(29)	(6,473)
Balance at March 31, 2025	35	535	782	48,810

(4) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Current fiscal year (from April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before tax	8,744	10,729
Depreciation and amortization	605	708
Amortization of identifiable assets	356	117
Deprecation of right-of-use assets	1,594	1,931
Finance income	(34)	(25)
Finance costs	162	197
Share of loss (profit) of investments accounted for using equity method	(22)	(97)
Decrease (increase) in trade and other receivables	(1,273)	(2,928)
Decrease (increase) in inventories	16	1
Increase (decrease) in trade and other payables	502	(12)
Increase (decrease) in provisions	551	924
Decrease (increase) in other current assets	(542)	687
Increase (decrease) in other current liabilities	126	871
Other	(802)	141
Subtotal	9,984	13,244
Interest and dividends received	34	23
Interest paid	(108)	(148)
Income taxes paid	(1,963)	(3,888)
Income taxes refund	383	514
Net cash provided by (used in) operating activities	8,329	9,746
Cash flows from investing activities		
Purchase of property, plant and equipment	(907)	(973)
Purchase of intangible assets	(81)	(9)
Purchase of investments accounted for using equity method	(1,739)	—
Purchase of investment securities	(350)	—
Proceeds from sale of investment securities	—	1,267
Payments of leasehold and guarantee deposits	(596)	(2)
Proceeds from refund of leasehold and guarantee deposits	—	251
Net cash provided by (used in) investing activities	(3,673)	534
Cash flows from financing activities		
Proceeds from long-term borrowings	—	14,800
Repayments of long-term borrowings	(1,140)	(16,950)
Repayments of lease liabilities	(1,551)	(1,936)
Proceeds from exercise of share acquisition rights	351	323
Proceeds from issuance of share acquisition rights	—	22
Purchase of treasury shares	(0)	(4,386)
Cash dividends paid	(1,431)	(2,444)
Net cash provided by (used in) financing activities	(3,772)	(10,570)
Net increase (decrease) in cash and cash equivalents	884	(291)
Cash and cash equivalents at beginning of period	12,832	13,731
Effect of exchange rate changes on cash and cash equivalents	14	(2)
Cash and cash equivalents at end of period	13,731	13,438

(5) Notes to consolidated financial statements

Going concern assumption

Not applicable

Segment information, etc.

(1) Overview of reportable segments

The Group's business consists of providing IT solutions related to system consulting, system development, and system operation and maintenance for success of our clients. Because there are no separate segments into which the business should be classified, there is only one reportable segment.

(2) Information concerning revenue and gross profit by service category

Our services are categorized into Strategy/DX Consulting, System Integration, and Operation Service. Revenue and gross profit from each of these services are as follows:

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

(Millions of yen)

	Service category				Other	Total
	Strategy/DX Consulting	System Integration	Operation Service	Total		
Revenue	4,206	24,417	12,078	40,701	7	40,708
Gross profit	2,051	10,685	4,707	17,444	7	17,450

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Service category				Other	Total
	Strategy/DX Consulting	System Integration	Operation Service	Total		
Revenue	7,510	26,320	13,518	47,348	45	47,394
Gross profit	3,733	10,486	5,374	19,593	45	19,638

* System Integration includes system engineering and other services.

Operation Service includes operation and maintenance, subscription services, and licensing.

Other consists primarily of the sale of goods, such as hardware and middleware.

Per share information

Basic earnings per share and diluted earnings per share are calculated based on the following.

	(Millions of yen, unless otherwise indicated)	
	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Current fiscal year (from April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent	6,194	7,781
Adjusted amount of profit	—	—
Profit used for the calculation of diluted earnings per share	6,194	7,781
Average number of shares outstanding during the period (Shares)	57,593,635	58,144,696
Increase in shares		
Share acquisition rights (Shares)	2,268,227	1,596,115
Average number of diluted shares outstanding during the period (Shares)	59,861,862	59,740,811
Basic earnings per share (Yen)	107.54	133.82
Diluted earnings per share (Yen)	103.47	130.24

Subsequent events

Not applicable