

May 12, 2025

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

Company name: ALPHA SYSTEMS INC.
 Listing: Tokyo Stock Exchange
 Securities code: 4719
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Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 9, 2025
 Scheduled date to file annual securities report: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

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

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.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	38,484	5.8	4,422	1.7	4,540	2.7	3,211	5.5
March 31, 2024	36,383	2.3	4,348	3.2	4,422	3.3	3,045	4.3

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	228.76	-	7.5	8.8	11.5
March 31, 2024	216.91	-	7.5	8.9	12.0

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	52,016	43,472	83.6	3,096.62
March 31, 2024	50,807	41,861	82.4	2,981.81

Reference: Equity

As of March 31, 2025: ¥43,472 million
 As of March 31, 2024: ¥41,861 million

(3) Non-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	1,568	(3,085)	(1,613)	21,995
March 31, 2024	4,706	(1,138)	(983)	25,126

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	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	-	35.00	-	65.00	100.00	1,403	46.1	3.4
Fiscal year ended March 31, 2025	-	50.00	-	75.00	125.00	1,754	54.6	4.1
Fiscal year ending March 31, 2026 (Forecast)		60.00		65.00	125.00		53.2	

Note: Breakdown of year-end dividend for the fiscal year ended March 31, 2025: ordinary dividend of ¥50.00, commemorative dividend of ¥25.00.

3. Forecast of non-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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	19,000	4.7	2,200	4.2	2,250	3.6	1,500	1.7	106.85
Fiscal year ending March 31, 2026	40,000	3.9	4,800	8.5	4,900	7.9	3,300	2.8	235.06

* Notes

(1) 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

(2) 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	14,052,400 shares
As of March 31, 2024	14,052,400 shares

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

As of March 31, 2025	13,695 shares
As of March 31, 2024	13,584 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	14,038,745 shares
Fiscal year ended March 31, 2024	14,039,017 shares

* 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. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Summary of Operating Results (1) Summary of Operating Results for the Current Fiscal Year (Future Outlook)" and "1. Summary of Operating Results, etc. (4) Business Risks."

(Method of accessing the contents of the financial results briefing)

The Company plans to hold a briefing for analysts and institutional investors on Monday, May 19, 2025. The video of this briefing will be posted on the Company's website promptly after the meeting.

Balance sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	25,626,683	24,195,685
Accounts receivable - trade	7,220,818	8,617,611
Contract assets	654,635	699,979
Securities	1,499,966	100,000
Work in process	1,885	8,408
Raw materials and supplies	3,094	2,631
Prepaid expenses	29,143	46,792
Other	160,283	433,029
Allowance for doubtful accounts	-	(2,000)
Total current assets	35,196,511	34,102,138
Non-current assets		
Property, plant and equipment		
Buildings, net	3,934,480	3,781,524
Structures, net	37,510	46,531
Tools, furniture and fixtures, net	65,581	100,781
Land	5,173,538	5,173,538
Construction in progress	422	70,818
Other	1,313	525
Total property, plant and equipment	9,212,846	9,173,719
Intangible assets		
Software	22,524	15,612
Other	4,098	4,051
Total intangible assets	26,622	19,663
Investments and other assets		
Investment securities	1,625,058	3,769,777
Long-term prepaid expenses	1,030	6,533
Deferred tax assets	1,059,079	1,067,913
Long-term time deposits	3,500,000	3,700,000
Other	186,980	177,798
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	6,371,149	8,721,022
Total non-current assets	15,610,619	17,914,405
Total assets	50,807,130	52,016,544

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,609,132	1,117,935
Accounts payable - other	250,068	261,307
Accounts payable - facilities	-	17,910
Accrued expenses	2,012,095	1,995,304
Income taxes payable	788,707	861,019
Contract liabilities	481,025	418,138
Advances received	231	3,405
Deposits received	733,862	622,653
Provision for bonuses	1,277,802	1,706,230
Other	503,288	579,833
Total current liabilities	7,656,214	7,583,739
Non-current liabilities		
Provision for retirement benefits	1,061,764	732,286
Other	228,010	228,010
Total non-current liabilities	1,289,774	960,296
Total liabilities	8,945,988	8,544,035
Net assets		
Shareholders' equity		
Share capital	8,500,550	8,500,550
Capital surplus		
Legal capital surplus	8,647,050	8,647,050
Total capital surplus	8,647,050	8,647,050
Retained earnings		
Legal retained earnings	179,000	179,000
Other retained earnings		
General reserve	5,525,000	5,525,000
Retained earnings brought forward	18,974,311	20,571,307
Total retained earnings	24,678,311	26,275,307
Treasury shares	(40,429)	(40,767)
Total shareholders' equity	41,785,481	43,382,139
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	75,660	90,369
Total valuation and translation adjustments	75,660	90,369
Total net assets	41,861,141	43,472,508
Total liabilities and net assets	50,807,130	52,016,544

Statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	36,383,278	38,484,142
Cost of sales	27,890,294	29,568,086
Gross profit	8,492,983	8,916,056
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	517,000	558,200
Salaries and allowances	1,712,757	1,924,163
Bonuses	457,503	519,143
Provision for bonuses	118,285	171,391
Commutation allowance	44,585	47,630
Legal welfare expenses	352,526	375,862
Retirement benefit expenses	24,998	4,253
Depreciation	36,344	32,598
Provision of allowance for doubtful accounts	-	2,000
Other	880,419	857,939
Total selling, general and administrative expenses	4,144,420	4,493,183
Operating profit	4,348,562	4,422,873
Non-operating income		
Interest income	21,835	37,546
Interest on securities	12,272	28,644
Dividend income	1,250	1,350
Rental income	36,320	36,320
Compensation income	-	19,573
Other	16,178	9,806
Total non-operating income	87,858	133,241
Non-operating expenses		
Rental costs	14,153	15,115
Other	-	82
Total non-operating expenses	14,153	15,198
Ordinary profit	4,422,268	4,540,916
Extraordinary income		
Gain on sale of non-current assets	630	951
Total extraordinary income	630	951
Extraordinary losses		
Loss on retirement of non-current assets	6,052	592
Total extraordinary losses	6,052	592
Profit before income taxes	4,416,846	4,541,274
Income taxes - current	1,282,223	1,346,848
Income taxes - deferred	89,385	(17,030)
Total income taxes	1,371,608	1,329,818
Profit	3,045,237	3,211,456

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	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	16,911,809	22,615,809	(39,334)	39,724,074
Dividends of surplus						(982,736)	(982,736)		(982,736)
Profit						3,045,237	3,045,237		3,045,237
Purchase of treasury shares								(1,094)	(1,094)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	2,062,501	2,062,501	(1,094)	2,061,406
Balance at end of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	18,974,311	24,678,311	(40,429)	41,785,481

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	51,159	51,159	39,775,233
Dividends of surplus			(982,736)
Profit			3,045,237
Purchase of treasury shares			(1,094)
Net changes in items other than shareholders' equity	24,501	24,501	24,501
Total changes during period	24,501	24,501	2,085,907
Balance at end of period	75,660	75,660	41,861,141

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	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	18,974,311	24,678,311	(40,429)	41,785,481
Dividends of surplus						(1,614,460)	(1,614,460)		(1,614,460)
Profit						3,211,456	3,211,456		3,211,456
Purchase of treasury shares								(338)	(338)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	1,596,996	1,596,996	(338)	1,596,658
Balance at end of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	20,571,307	26,275,307	(40,767)	43,382,139

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	75,660	75,660	41,861,141
Dividends of surplus			(1,614,460)
Profit			3,211,456
Purchase of treasury shares			(338)
Net changes in items other than shareholders' equity	14,708	14,708	14,708
Total changes during period	14,708	14,708	1,611,367
Balance at end of period	90,369	90,369	43,472,508

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	4,416,846	4,541,274
Depreciation	232,725	235,695
Increase (decrease) in provision for bonuses	16,510	428,428
Increase (decrease) in provision for retirement benefits	(124,549)	(329,478)
Increase (decrease) in allowance for doubtful accounts	-	2,000
Interest and dividend income	(35,358)	(67,680)
Loss on retirement of property, plant and equipment	6,052	592
Loss (gain) on sale of property, plant and equipment	(630)	(951)
Decrease (increase) in trade receivables	434,805	(1,396,793)
Decrease (increase) in contract assets	219,379	(45,344)
Decrease (increase) in inventories	13,780	(6,058)
Increase (decrease) in trade payables	316,048	(491,196)
Increase (decrease) in accounts payable - other	9,913	9,917
Other, net	457,250	(91,186)
Subtotal	5,962,774	2,789,219
Interest and dividends received	35,062	61,199
Income taxes paid	(1,290,907)	(1,282,067)
Net cash provided by (used in) operating activities	4,706,929	1,568,352
Cash flows from investing activities		
Payments into time deposits	(1,000,000)	(2,700,000)
Proceeds from withdrawal of time deposits	500,000	500,000
Purchase of property, plant and equipment	(108,871)	(170,971)
Purchase of intangible assets	(10,837)	(1,320)
Purchase of short-term and long-term investment securities	(2,499,825)	(3,222,542)
Proceeds from sale and redemption of short-term and long-term investment securities	2,000,000	2,500,000
Proceeds from refund of guarantee deposits	-	9,638
Other, net	(19,232)	(678)
Net cash provided by (used in) investing activities	(1,138,767)	(3,085,873)
Cash flows from financing activities		
Purchase of treasury shares	(1,094)	(338)
Dividends paid	(982,667)	(1,613,139)
Net cash provided by (used in) financing activities	(983,762)	(1,613,477)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	2,584,399	(3,130,998)
Cash and cash equivalents at beginning of period	22,542,284	25,126,683
Cash and cash equivalents at end of period	25,126,683	21,995,685

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance, as segregated financial information is available among the Company's constituent units.

Since the Company's main businesses, contract development of software related to communication systems, open systems, embedded systems, etc., and related businesses, both account for more than 90% of the total sales and profits, and the "software development-related business" is the reporting segment.

2. Method of calculating the amount of sales, profit or loss, assets, and other items for each reporting segment

The accounting methods for the reporting segment are generally identical to those used for the preparation of financial statements.

Profit in the reporting segment is a figure based on operating income. Inter-segment transfers are based on sales prices.

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

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

(Unit: 1 thousand yen)

	Reportable segments	Other (Note) 1	Total	Adjustment amount (Note) 2	Amount recorded in financial statements (Note)3
	Software development related business				
Sales					
Revenues from external customers	35,232,309	1,150,968	36,383,278	-	36,383,278
Transactions with other segments	(41)	41	-	-	-
Total	35,232,268	1,151,010	36,383,278	-	36,383,278
Segment Profit	4,260,411	93,970	4,354,381	(5,818)	4,348,562
Segment Assets	7,635,712	241,627	7,877,339	42,929,790	50,807,130

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments, and includes product sales businesses.

2. The details of the adjustment amount are as follows.

(1) The adjusted amount of segment profit of (5,818) thousand yen is personnel expenses that have not been allocated to each reporting segment.

(2) The adjusted amount of 42,929,790 thousand yen for segment assets is the company-wide assets that have not been allocated to each reporting segment.

3. Segment profit is adjusted to operating income in the financial statements.

4. Depreciation and amortization are omitted because they are not significant in monetary value and are not covered in the reporting segment.

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

(Unit: 1 thousand yen)

	Reportable segments	Other (Note) 1	Total	Adjustment amount (Note) 2	Amount recorded in financial statements (Note)3
	Software development related business				
Sales					
Revenues from external customers	36,996,238	1,487,903	38,484,142	-	38,484,142
Transactions with other segments	(41)	41	-	-	-
Total	36,996,197	1,487,945	38,484,142	-	38,484,142
Segment Profit	4,300,071	128,742	4,428,814	(5,941)	4,422,873
Segment Assets	8,258,284	1,067,715	9,325,999	42,690,544	52,016,544

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments, and includes product sales businesses.

2. The details of the adjustment amount are as follows.

(1) The adjusted amount of segment profit of (5,941) thousand yen is personnel expenses that have not been allocated to each reporting segment.

(2) The adjusted amount of 42,690,544 thousand yen for segment assets is the company-wide assets that have not been allocated to each reporting segment.

3. Segment profit is adjusted to operating income in the financial statements.

4. Depreciation and amortization are omitted because they are not significant in monetary value and are not covered in the reporting segment.

Related Information

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

1. Product and Service Information

Revenue to external customers for a single product or service segment exceeds 90% of the sales in the income statement, so the description is omitted.

2. Regional Information

(1) Net sales

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

(2) Property, plant and equipment

Since there are no property, plant and equipment located outside of Japan, there is no applicable matter.

3. Information per main customer

(Unit: 1 thousand yen)

Customer's name	Sales	Relevant Segment Names
NTT DATA Corporation	6,407,620	Software development related business
Fujitsu Limited	4,732,947	Software development-related business, etc.
LINE Yahoo Japan Corporation	3,536,367	Software development related business

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

1. Product and Service Information

Revenue to external customers for a single product or service segment exceeds 90% of the sales in the income statement, so the description is omitted.

2. Regional Information

(1) Net sales

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

(2) Property, plant and equipment

Since there are no property, plant and equipment located outside of Japan, there is no applicable matter.

3. Information per main customer

(Unit: 1 thousand yen)

Customer's name	Sales	Relevant Segment Names
NTT DATA Corporation	6,466,907	Software development related business
Fujitsu Limited	4,470,455	Software development-related business, etc.
LINE Yahoo Japan Corporation	3,562,934	Software development related business

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (April 1, 2023 to March 31, 2024) and 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) and 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) and current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.