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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 13, 2025

Company name: Business Engineering Corporation
 Stock exchange listing: Tokyo Stock Exchange, Prime Market
 Code number: 4828
 URL: <https://www.b-en-g.co.jp/>
 Representative: Masakazu Haneda, President & CEO
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 Phone: +81-3-3510-1600
 Scheduled date of the Annual General Meeting of Shareholders: June 20, 2025
 Scheduled date of commencing dividend payments: June 23, 2025
 Scheduled date of filing securities report: June 19, 2025
 Availability of supplementary briefing materials on financial results: Available
 Schedule of financial results briefing session: Scheduled (for securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	20,776	6.6	4,676	20.4	4,679	20.7	3,330	26.8
March 31, 2024	19,493	5.3	3,885	19.7	3,877	19.3	2,625	12.8

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥3,490 million [32.0%]

Fiscal year ended March 31, 2024: ¥2,644 million [12.1%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	278.16	—	27.4	27.4	22.5
March 31, 2024	219.10	—	25.9	26.6	19.9

(Reference) Investment profit (loss) on equity method: Fiscal year ended March 31, 2025: ¥— million

Fiscal year ended March 31, 2024: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	18,451	13,384	72.5	1,117.77
As of March 31, 2024	15,718	10,950	69.7	914.49

(Reference) Equity: As of March 31, 2025: ¥13,384 million

As of March 31, 2024: ¥10,950 million

(3) Status of 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	Million yen	Million yen	Million yen	Million yen
March 31, 2025	3,522	(1,476)	(1,065)	9,347
March 31, 2024	3,553	(1,127)	(1,003)	8,381

2. Dividends

	Annual dividends					Total amount of dividends (Annual)	Payout ratio (Consoli- dated)	Ratio of dividends to net assets (Consoli- dated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	32.00	—	46.00	78.00	935	35.6	9.2
Fiscal year ended March 31, 2025	—	42.00	—	58.00	100.00	1,199	36.0	9.8
Fiscal year ending March 31, 2026 (Forecast)	—	78.00	—	78.00	156.00		50.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% represents changes from the previous fiscal year for full year, and on a year-on-year basis for quarterly results.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	11,000	9.0	2,600	7.6	2,600	7.0	1,900	14.6	158.67
Full year	22,000	5.9	5,200	11.2	5,200	11.1	3,700	11.1	308.99

*** Notes:**

(1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2025: None

New subsidiaries: – Excluded subsidiaries: –

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

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

March 31, 2025: 12,000,000 shares

March 31, 2024: 12,000,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 25,668 shares

March 31, 2024: 25,644 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2025: 11,974,343 shares

Fiscal year ended March 31, 2024: 11,984,215 shares

(Note) “Total number of treasury shares at the end of the period” and “Average number of shares during the period” are calculated by including the Company’s shares held by stock grant trust for directors in the treasury shares that are deductible.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	20,166	6.0	4,201	23.5	4,163	23.8	3,085	34.7
March 31, 2024	19,028	5.4	3,401	21.2	3,363	20.8	2,291	14.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	257.69	—
March 31, 2024	191.20	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	18,419	11,660	63.3	973.78
As of March 31, 2024	15,579	9,455	60.7	789.61

(Reference) Equity: As of March 31, 2025: ¥11,660 million

As of March 31, 2024: ¥9,455 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages represent changes from the previous fiscal year for full year, and on a year-on-year basis for quarterly results)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	10,800	10.4	2,400	10.6	1,750	18.3	146.15
Full year	21,600	7.1	4,700	12.9	3,300	6.9	275.59

* These financial results are outside the scope of audit by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on the information currently available to the Company and certain assumptions that are deemed reasonable. They are not a pledge by the Company to achieve the forecasted results. Actual results, etc. may differ significantly from these forecasts due to a wide range of factors. For more details on the above forecasts, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 6.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2025, the Japanese economy gradually recovered as corporate earnings showed an improving trend and business sentiment remained at a favorable level, although the country saw some signs of weakness.

In the information service industry, customers' willingness to invest in digital transformations (DX) is robust, and investments in information technology in the manufacturing industry remained strong.

In such a business environment, under the management plan "Management Vision 2026 Revised Version" for the six years through the fiscal year ending March 31, 2027, the Group has worked to resolve management issues such as the promotion of DX and global expansion in the manufacturing industry, in order to support its main customers facing changes in the business environment of the manufacturing industry with products and services that leverage the strengths of the Group. At the same time, the Group has been working to contribute to sustainability.

The main initiatives in the fiscal year under review are as follows.

- The Company promoted its customers to improve the efficiency of operations, as well as accumulated knowledge and know-how on various products, through providing complex solutions that link ERP systems and various systems and services.
- The Company worked to increase the added value of the solutions through efforts to enhance the solution portfolio and promote "Monozukuri Digitalization" toward a digitalized manufacturing industry by strengthening functions of in-house developed products and promoting collaboration with potent partners.
- The Company worked to strengthen functions of and expand the in-house developed ERP package "mcframe" series products. In particular, the Company worked on the development and sales of a SaaS (Software as a Service) type product of "mcframe" and its implementation projects.
- With capital participation in CIMTOPS Corporation, which is the developer of "i-Reporter," paperless digital form solutions for on-site manufacturing, the Company strengthened the development of "mcframe RAKU-PAD," the OEM version of "i-Reporter," in the overseas market. The Company worked to support the enhancement of competitiveness of the domestic and overseas manufacturing industry by cooperating with CIMTOPS Corporation to accelerate DX at manufacturing sites.
- The Company worked to promote business that maximizes the value of data accumulated after a system is introduced and co-creation type business with users to support innovation in business models and the development of innovative services in the manufacturing industry.
- The Company worked to strengthen life cycle support for the customers' systems and cross-departmental sales skills.
- Overseas, the head office in Tokyo and local subsidiaries and partners worked together to further expand the integrated customer support system in order to strengthen our sales activities and development system. In addition, the Company focused on providing cloud-based system services, which enables cooperation between the customers' head office in Japan and their overseas bases, besides conventional introduction of IT at overseas locations of customers.
- Based on the recognition that human resources are the source of the Group's competitiveness, the Company views human resources as capital, and promoted human capital management through recruitment, nurturing human resources and retention, engagement improvement, workstyle reform and diversity, and equity and inclusion, in order to maximize their value to enhance the Company's corporate value over the medium to long term.
- The Company strove to develop and provide products and services that support digitalization and sustainability activities that contribute to resolving social issues of customers. In addition, the Company published an integrated report for the first time in order to explain to and deepen dialogues with a broad range of stakeholders the Company's sustainable corporate value creation. Furthermore, the Company set KPIs for materiality (material issues) and worked to address issues surrounding the Group's sustainability.

As a result of these initiatives, the Company received a “B” score in the field of “climate change” in the 2024 survey by CDP, an international non-governmental organization.

- In order to achieve medium- to long-term growth and enhance corporate value, the Company invested mainly in three areas of product development, human resources and human capital, and enhancement of technological capabilities and systems.

In the fiscal year under review, we achieved consecutive record highs in terms of orders, sales, and profit.

Orders received were ¥21,690 million (up 8.7% year on year) and net sales were ¥20,776 million (up 6.6% year on year), reflecting growth supported by robust investments in information technology, with both setting record highs for three consecutive fiscal years, mainly owing to increased orders and sales in the Solutions Business and increased license sales in the Products Business. In addition, owing to robust license sales, sales of mcframe licenses were ¥5,120 million (up 17.3% year on year), setting a consecutive record high. In terms of profits, owing to the improvement of project profitability in the Solutions Business and growth in license sales in the Products Business, in addition to profit growth from increased net sales, operating profit was ¥4,676 million (up 20.4% year on year), ordinary profit was ¥4,679 million (up 20.7% year on year), and profit attributable to owners of parent was ¥3,330 million (up 26.8% year on year), achieving record-highs in each profit indicator for nine consecutive fiscal years.

Operating results by business segment are as follows.

(i) Solutions Business

The Solutions Business mainly engages in the consulting and system construction services, which are based on ERP package products developed by other companies.

- The Company developed activities for actively offering proposals to new customers in response to strong demand from the manufacturing industry and focused on providing proposals from medium- to long-term perspectives to existing customers, with whom relationships were deepened. As a result of these activities, orders increased.
- The Company focused on offering ERP system, the manufacturing execution system, the system for data analysis and the planning for supply chains, and cloud-based solutions.
- The Company focused on areas with high added value in which the Solutions Business has strengths, and worked to improve project profitability, which led to growth in profits.

Orders received for this segment were ¥13,623 million (up 5.0% year on year), net sales were ¥13,150 million (up 3.0% year on year), and segment profit was ¥3,635 million (up 12.0% year on year).

(ii) Products Business

The Products Business mainly engages in sales of the in-house developed ERP package “mcframe” series products through business partners as well as consulting and system construction services based on these products.

- The Company focused on the enhancement of brand appeal for “mcframe,” by strengthening functions of core product “mcframe 7” as well as other functions that contribute to global business development and digitalization for customers, and IoT services functions that contribute to improving work efficiency at manufacturing sites.
- The Company held many events and seminars to actively develop sales promotion activities.
- The Company’s long-term efforts to increase business partners and engineering partners and to strengthen relationships with them resulted in the acquisition of new customers and projects. In addition, an increase in sales of the core product “mcframe 7” and its peripheral solutions led to growth in sales of licenses.

Orders received for this segment were ¥7,550 million (up 16.6% year on year), net sales were ¥7,083 million (up 12.0% year on year), and segment profit was ¥2,636 million (up 30.2% year on year).

(iii) Systems Support Business

The Systems Support Business mainly engages in operation and maintenance services of systems introduced to customers, and offering proposals and additional development through these services. This business segment is operated by Business System Service Corporation, a subsidiary of the Company.

- The Company worked to enhance life cycle support for the customers' systems.
- The Company focused on improving service quality and productivity as well as striving to develop new customers and projects to establish a base for stable revenue and profits.
- The Company established a location in Akita Prefecture to strengthen its recruitment and worked on public relations and recruiting activities in that region.

As a result, orders received for this segment were ¥515 million (up 3.6% year on year), net sales were ¥542 million (up 36.1% year on year), and segment profit was ¥499 million (up 0.3% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets increased by ¥1,753 million from the end of the previous fiscal year to ¥14,336 million. This was mainly attributable to increases in cash and deposits and notes and accounts receivable – trade, and contract assets. The ratio of current assets to total assets at the end of the fiscal year under review was 77.7%.

Non-current assets increased by ¥980 million from the end of the previous fiscal year to ¥4,115 million. This was mainly attributable to an increase due to purchase of investment securities, purchase of intangible assets, which exceeded the depreciation of intangible assets, and purchase of property, plant, and equipment, which exceeded the depreciation of property, plant, and equipment.

As a result, total assets at the end of the fiscal year under review increased by ¥2,733 million from the end of the previous fiscal year to ¥18,451 million.

(Liabilities)

Liabilities at the end of the fiscal year under review increased by ¥299 million from the end of the previous fiscal year to ¥5,067 million. This was mainly attributable to increases in provision for bonuses and advances received.

(Net assets)

Net assets at the end of the fiscal year under review increased by ¥2,434 million from the end of the previous fiscal year to ¥13,384 million. This was mainly attributable to an increase owing to the recording of profit attributable to owners of parent, a decrease due to dividends of surplus, and an increase in valuation difference on available-for-sale securities.

As a result, the equity ratio at the end of the fiscal year under review increased by 2.8 percentage points from the end of the previous fiscal year to 72.5%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review increased by ¥965 million from the end of the previous fiscal year to ¥9,347 million.

(Cash flows from operating activities)

Cash flows provided by operating activities during the fiscal year ended March 31, 2025 decreased by ¥30 million from the same period of the previous year to ¥3,522 million. This was mainly attributable to the recording of profit before income taxes of ¥4,679 million as well as income taxes paid of ¥1,565 million, depreciation of ¥825 million, and an increase in trade receivables of ¥750 million.

(Cash flows from investing activities)

Cash flows used in investing activities during the fiscal year ended March 31, 2025 increased by ¥348 million from the same period of the previous year to ¥1,476 million. This was mainly attributable to purchase of property, plant and equipment and intangible assets (including developmental investment in “mcframe,” an in-house developed ERP package), and purchase of investment securities.

(Cash flows from financing activities)

Cash flows used in financing activities during the fiscal year ended March 31, 2025 increased by ¥61 million from the same period of the previous year to ¥1,065 million. This was mainly attributable to expenditure arising from the payment of dividends.

(Reference) Changes in indices related to cash flows

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	69.3	69.7	72.5
Equity ratio based on market price (%)	268.5	286.1	236.9
Ratio of interest-bearing liabilities to cash flows (%)	0.0	0.0	0.0
Interest coverage ratio (times)	1,334.5	1,450.9	1,097.3

Equity ratio: Equity/Total assets

Equity ratio based on market price: Market capitalization/Total assets

Ratio of interest-bearing liabilities to cash flows: Interest-bearing liabilities/Cash flows

Interest coverage ratio: Cash flows/Interest payment

(Notes) 1. Each index was calculated using consolidated financial figures.

2. Market capitalization is the amount of the closing price of share at the end of the period multiplied by the total number of issued shares at the end of the period (after deduction of treasury shares).

3. Operating cash flows were used for cash flows in the above indices.

4. Interest-bearing liabilities represent all liabilities recorded on the balance sheet for which interest was paid.

(4) Future Outlook

The Japanese economy is expected to experience a slower pace of growth in the short term, with the slowdown in the overseas economies due to the impact of trade policies of the countries and other factors.

Regarding investment in information technology in the manufacturing industry, strategic investment in information technology is expected to continue with needs for DX remaining strong, although the slowdown of economic growth is expected in the short term.

Under these circumstances, the Group will promote the management plan “Management Vision 2026 Revised Version,” in which it will deepen relationships with customers to explore customers’ needs, strengthen relationships with business partners for our in-house developed product “mcframe” to acquire orders and secure profitability. In addition, the Group will promote the allocation of management resources to growth investments to achieve sustainable growth and enhance corporate value over the medium- to long-term. The Group plans to allocate management resources mainly to growth investments related to R&D, business development, human resources, business foundation, and M&As.

The Group’s outlook for the consolidated financial results for the next fiscal year is expected to increase in both sales and profit. With the anticipation that the Group will be able to achieve the targets set forth in the management plan ahead of the schedule, the Group announced “BE 2030” as the vision and targets that B-EN-G aims for in FY2030 (the fiscal year ending March 31, 2031) in “Notice Regarding Formulation of Growth Strategy BE 2030” disclosed separately today.

[Consolidated]	2nd quarter Consolidated cumulative period	(Year on year)	Full year	(Year on year)
Net sales	¥11,000 million	(Up 9.0%)	¥22,000 million	(Up 5.9%)
Operating profit	¥2,600 million	(UP 7.6%)	¥5,200 million	(Up 11.2%)
Ordinary profit	¥2,600 million	(Up 7.0%)	¥5,200 million	(Up 11.1%)
Profit attributable to owners of parent	¥1,900 million	(Up 14.6%)	¥3,700 million	(Up 11.1%)

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and Next Fiscal Year

The Company is working to return profits to shareholders in consideration of overall factors including the business environment surrounding the Company, expected financial results, and the financial standing of the Company. The Company intends to provide shareholder returns through dividend payments, and its basic policy is to strive for a progressive dividend and maintain a consolidated dividend payout ratio of over 35% in the medium to long term. In addition, the Company makes dividend payments twice a year as an interim dividend and a year-end dividend under the basic policy.

Internal reserves are mainly allocated to investment for strengthening competitiveness and utilized for a stable business foundation and performance improvement.

In accordance with the above policy, the Company plans to pay a year-end dividend of ¥58 per share as an ordinary dividend for the fiscal year under review. Together with an interim dividend of ¥42 per share already paid, the annual dividend will be ¥100 per share for the fiscal year under review. As a result, the annual dividend for the fiscal year under review is expected to reach a record high and to increase for the tenth consecutive fiscal year.

In addition, the Group has determined to change its policy of returning profits from the fiscal year ending March 31, 2026, which aims for 50% as a consolidated dividend payout ratio, an increase from 35%, as described in “Notice Regarding Changes in Shareholder Return Policy (Dividend Policy)” as disclosed separately today.

For the fiscal year ending March 31, 2026, the Company plans to pay an annual dividend of ¥156 per share (an interim dividend of ¥78 and a year-end dividend of ¥78), in accordance with the new shareholder returns policy.

2. Status of Corporate Group

The Group consists of the Company, two (2) consolidated subsidiaries, and five (5) non-consolidated subsidiaries and engages in the information service business. The segments include the “Solutions Business,” “Products Business,” and “Systems Support Business.”

The description of each business segment and the business structure are as follows.

(1) Solutions Business

This segment mainly utilizes ERP package products developed by other companies to provide services for design, development, and introduction of corporate information systems.

Major company in charge: The Company

(2) Products Business

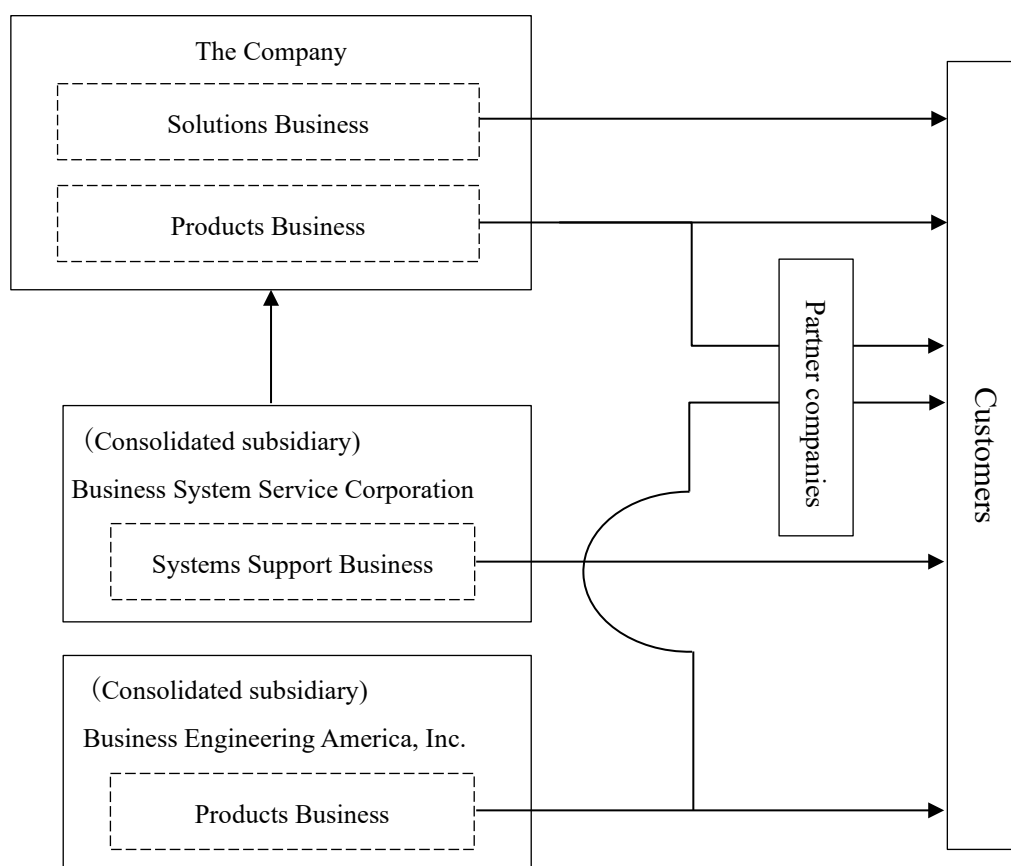
This segment sells ERP package products developed by the Company through partner companies and provides services for design, development, and introduction of corporate information systems utilizing those products.

Major company in charge: The Company, Business Engineering America, Inc.

(3) Systems Support Business

This segment provides support services including operation and maintenance of systems for companies that have introduced core business systems.

Major company in charge: Business System Service Corporation



(Notes) 1. Provision of various information services: —————→

2. In addition to the above consolidated subsidiaries, there are five (5) non-consolidated subsidiaries.

3. Management Policies

(1) Basic Policy on Management

As a corporate group that utilizes the new value of information technologies (IT) for customer success, the Group supports business innovation for customers in a wide range of industries including manufacturing.

In order to meet customers' needs that have become more sophisticated, complicated, and globalized, the Group works on the provision of software products and services of a high quality through evaluation and introduction of advanced technologies.

[Corporate philosophy]

With customer satisfaction as its foremost goal, the Group is committed, as a professional group, to contributing to society through the creation of new value.

[Brand statement]

Business Engineering for Growth

[Purpose]

Engineering Value-Creating Businesses

(2) Target Business Indicators

The management goal of the Group is to improve corporate value through continuous expansion of businesses. The Group focuses on return on equity (ROE) among other business indicators and strives for a higher ROE.

(3) Medium-to-Long-term Management Strategies and Issues to be Addressed

• **Management environment and medium-to-long-term management strategy of the Group**

The Group works on the strategies of the “four pillars” of the management plan “Management Vision 2026 Revised Version” to support the manufacturing industry with products and services that leverage its strengths in response to changes in the business environment in the manufacturing industry where the Group's major customers operate business.

<Changes in business environment of customers>

1. Digital transformation

As a way to respond to Japan's 2025 Digital Cliff and the impact of COVID-19, digital transformation will further accelerate in the future.

2. Innovation of business models in manufacturing

As values in society shift along with the end of the era of mass production and mass consumption, innovation in manufacturing business models will progress.

3. Globalization

With an increasingly multipolar global economy and a shrinking Japanese market, overseas relocation will advance. COVID-19 will cause changes in needs for the global supply chain.

4. Achievement of a sustainable society (sustainability)

Toward the achievement of a sustainable society, companies will be required to work to reduce the burden on the global environment and resolve social issues.

<Strength and resources of B-EN-G>

- Achievements in IT support services in manufacturing
The Company has supported implementation of IT in manufacturing for over 20 years.^(*1)
 - Product planning and development skills for in-house products
The Company boasts development skills for its highly acclaimed in-house products utilizing its technologies and expertise.
 - Relationships of trust with customers
The Company boasts strong relationships with customers based on trust and issue-solving skills established over 20 years.
 - Achievements in global development
The Company supports global development by utilizing its ample experience and expertise based on its development track record in 25 countries worldwide.
- *1: The Company has track record of more than 30 years including experience in the plant systematization support business of Toyo Engineering Corporation, the predecessor company, prior to its business launch in April 1999.

<Four pillars>

1) Expand “Monozukuri Digitalization”^(*)2)

We will promote DX for efficient operations with “Monozukuri Digitalization,” aiming at optimal provision of products and services.

2) Promote “DX for innovation”

While supporting innovation in business models for customers, we will work on our own business innovation through creation of new types of business.

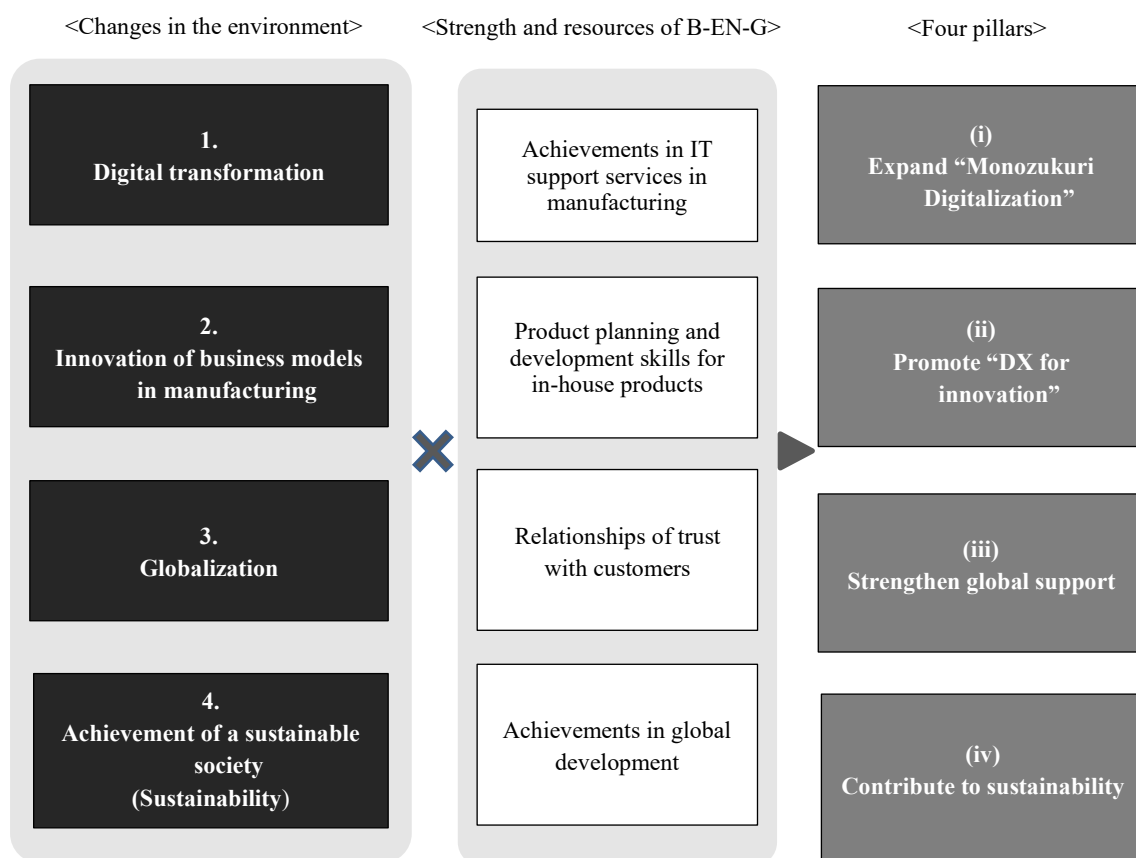
3) Strengthen global support

We continuously reinforce global development for the Japanese manufacturing industry to expand our own businesses.

4) Contribute to sustainability

We will contribute to the achievement of a sustainable society through initiatives to resolve social issues that leverage the strengths of the Company.

^{*}2: To realize efficiency by digitalizing operations related to “Monozukuri (manufacturing in Japanese),” leading to business innovation.



• **Issues to be Addressed**

Strategic investment in information technology in the manufacturing industry is expected to continue with needs for DX remaining strong, although the slowdown of economic growth is expected in the short term.

Under these circumstances, we will promote the management plan “Management Vision 2026 Revised Version” mentioned above, work on creation of business opportunities and enhancement of our merchandise and services, and take the next step to achieve sustainable growth and enhance corporate value over the medium- to long-term.

- Improve quality and productivity of system integration, secure profitability, and suppress unprofitable projects.
- Deepen relationships with customers, strengthen proposals and solutions that capture customer needs, promote co-creation of business with customers, build stronger alliances with potent partners, and strengthen relationships with business partners.
- Respond flexibly to customer needs according to their usage types (owner or user). Strengthen SaaS business by expanding SaaS-type products and services.
- Expand products and services that contribute to solving social issues, supporting sustainability of the manufacturing industry.
- Promote human capital management through recruitment, nurturing human resources and retention, engagement improvement, workstyle reform and diversity, and equity and inclusion.
- Promote initiatives for sustainability activities and materiality, implement ongoing improvement in corporate governance, and strengthen business continuity activities.

4. Basic Views on Selecting Accounting Standards

The Group adopts Japanese GAAP (Japanese accounting standards).

In view of various situations, the Group will also proceed to consider the application of IFRS (International Financial Reporting Standards).

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(thousands of yen)	
	FY03/2024 (As of Mar. 31, 2024)	FY03/2025 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	8,381,943	9,347,420
Notes and accounts receivable - trade, and contract assets	3,526,528	4,277,387
Work in process	9,228	20,887
Other	665,546	690,731
Total current assets	12,583,247	14,336,426
Non-current assets		
Property, plant and equipment		
Buildings	249,600	265,075
Accumulated depreciation	(183,148)	(182,971)
Buildings, net	66,451	82,104
Tools, furniture and fixtures	457,760	464,997
Accumulated depreciation	(354,291)	(352,000)
Tools, furniture and fixtures, net	103,468	112,996
Total property, plant and equipment	169,920	195,101
Intangible assets		
Software	1,622,421	1,855,211
Other	4,969	4,376
Total intangible assets	1,627,390	1,859,588
Investments and other assets		
Investment securities	538,888	1,044,062
Leasehold deposits	298,661	306,480
Deferred tax assets	375,263	524,817
Other	130,449	190,560
Allowance for doubtful accounts	(5,499)	(5,499)
Total investments and other assets	1,337,762	2,060,420
Total non-current assets	3,135,073	4,115,109
Total assets	15,718,321	18,451,536

	(thousands of yen)	
	FY03/2024 (As of Mar. 31, 2024)	FY03/2025 (As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	422,634	450,256
Short-term borrowings	100,000	100,000
Accrued expenses	535,416	525,055
Income taxes payable	969,646	936,403
Advances received	1,312,757	1,459,850
Provision for bonuses	784,470	1,010,887
Provision for bonuses for directors (and other officers)	47,900	48,000
Reserve for guarantee for after-care of products	18,942	7,134
Other	560,749	492,776
Total current liabilities	4,752,518	5,030,364
Non-current liabilities		
Provision for share awards for directors (and other officers)	15,387	36,644
Total non-current liabilities	15,387	36,644
Total liabilities	4,767,906	5,067,009
Net assets		
Shareholders' equity		
Share capital	697,600	697,600
Capital surplus	565,273	565,273
Retained earnings	9,759,510	12,034,324
Treasury shares	(81,175)	(81,277)
Total shareholders' equity	10,941,208	13,215,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,643	213,406
Foreign currency translation adjustment	(28,437)	(44,799)
Total accumulated other comprehensive income	9,206	168,607
Total net assets	10,950,415	13,384,526
Total liabilities and net assets	15,718,321	18,451,536

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(thousands of yen)

	FY03/2024 (Apr. 1, 2023 – Mar. 31, 2024)	FY03/2025 (Apr. 1, 2024 – Mar. 31, 2025)
Net sales	19,493,075	20,776,900
Cost of sales	11,640,305	11,685,318
Gross profit	7,852,770	9,091,582
Selling, general and administrative expenses	3,967,367	4,415,229
Operating profit	3,885,403	4,676,353
Non-operating income		
Interest income	1	102
Dividend income	14,588	22,564
Subsidy income	250	1,100
Other	1,304	3,070
Total non-operating income	16,144	26,837
Non-operating expenses		
Interest expenses	2,454	3,195
Foreign exchange losses	2,053	6,102
Commission expenses	19,042	9,994
Other	592	3,983
Total non-operating expenses	24,142	23,275
Ordinary profit	3,877,404	4,679,914
Profit before income taxes	3,877,404	4,679,914
Income taxes - current	1,313,867	1,530,154
Income taxes - deferred	(62,259)	(181,031)
Total income taxes	1,251,608	1,349,123
Profit	2,625,796	3,330,791
Profit attributable to owners of parent	2,625,796	3,330,791

Consolidated Statement of Comprehensive Income

(thousands of yen)

	FY03/2024 (Apr. 1, 2023 – Mar. 31, 2024)	FY03/2025 (Apr. 1, 2024 – Mar. 31, 2025)
Profit	2,625,796	3,330,791
Other comprehensive income		
Valuation difference on available-for-sale securities	25,664	175,762
Foreign currency translation adjustment	(7,432)	(16,362)
Total other comprehensive income	18,232	159,400
Comprehensive income	2,644,028	3,490,191
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,644,028	3,490,191
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity

FY03/2024(Apr. 1, 2023 – Mar. 31, 2024)

(thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	697,600	565,273	8,033,699	(304)	9,296,267
Changes during period					
Dividends of surplus			(899,985)		(899,985)
Profit attributable to owners of parent			2,625,796		2,625,796
Purchase of treasury shares				(80,870)	(80,870)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,725,811	(80,870)	1,644,940
Balance at end of period	697,600	565,273	9,759,510	(81,175)	10,941,208

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	11,979	(21,005)	(9,025)	9,287,242
Changes during period				
Dividends of surplus				(899,985)
Profit attributable to owners of parent				2,625,796
Purchase of treasury shares				(80,870)
Net changes in items other than shareholders' equity	25,664	(7,432)	18,232	18,232
Total changes during period	25,664	(7,432)	18,232	1,663,172
Balance at end of period	37,643	(28,437)	9,206	10,950,415

FY03/2025(Apr. 1, 2024 – Mar. 31, 2025)

(thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	697,600	565,273	9,759,510	(81,175)	10,941,208
Changes during period					
Dividends of surplus			(1,055,977)		(1,055,977)
Profit attributable to owners of parent			3,330,791		3,330,791
Purchase of treasury shares				(102)	(102)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,274,813	(102)	2,274,711
Balance at end of period	697,600	565,273	12,034,324	(81,277)	13,215,919

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	37,643	(28,437)	9,206	10,950,415
Changes during period				
Dividends of surplus				(1,055,977)
Profit attributable to owners of parent				3,330,791
Purchase of treasury shares				(102)
Net changes in items other than shareholders' equity	175,762	(16,362)	159,400	159,400
Total changes during period	175,762	(16,362)	159,400	2,434,111
Balance at end of period	213,406	(44,799)	168,607	13,384,526

(4) Consolidated Statement of Cash Flows

(thousands of yen)

	FY03/2024 (Apr. 1, 2023 – Mar. 31, 2024)	FY03/2025 (Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	3,877,404	4,679,914
Depreciation	703,341	825,745
Increase (decrease) in provision for bonuses	90,748	226,416
Increase (decrease) in provision for bonuses for directors (and other officers)	(32,100)	100
Increase (decrease) in reserve for guarantee for after-care of products	(3,564)	(11,808)
Increase (decrease) in provision for loss on orders received	(23,334)	—
Increase (decrease) in provision for share awards for directors (and other officers)	15,387	21,256
Interest and dividend income	(14,590)	(22,666)
Interest expenses	2,454	3,195
Foreign exchange losses (gains)	2,053	6,102
Decrease (increase) in trade receivables	(265,516)	(750,858)
Decrease (increase) in inventories	(6,741)	(11,658)
Decrease (increase) in advance payments to suppliers	(37,852)	16,978
Increase (decrease) in trade payables	23,873	(29,531)
Increase (decrease) in accrued consumption taxes	(199,626)	62,508
Increase (decrease) in advances received	184,738	147,092
Other, net	(7,492)	(93,635)
Subtotal	4,309,185	5,069,152
Interest and dividends received	14,590	22,666
Interest paid	(2,449)	(3,210)
Income taxes paid	(767,776)	(1,565,632)
Net cash provided by (used in) operating activities	3,553,549	3,522,977
Cash flows from investing activities		
Purchase of property, plant and equipment	(51,235)	(107,826)
Purchase of intangible assets	(935,439)	(1,009,467)
Purchase of investment securities	(137,694)	(294,000)
Other, net	(3,409)	(64,821)
Net cash provided by (used in) investing activities	(1,127,778)	(1,476,116)
Cash flows from financing activities		
Purchase of treasury shares	(80,870)	(102)
Dividends paid	(898,977)	(1,054,820)
Other, net	(23,495)	(10,099)
Net cash provided by (used in) financing activities	(1,003,343)	(1,065,022)
Effect of exchange rate change on cash and cash equivalents	(7,432)	(16,362)
Net increase (decrease) in cash and cash equivalents	1,414,996	965,476
Cash and cash equivalents at beginning of period	6,966,947	8,381,943
Cash and cash equivalents at end of period	8,381,943	9,347,420