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April 7, 2025

Non-consolidated Financial Results for the First Quarter of the Fiscal Year Ending November 30, 2025 (Under Japanese GAAP)

Company name: Japaniace Co., Ltd. Listing: Tokyo Stock Exchange (Growth Market)
 Securities code: 9558
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 Scheduled date to commence dividend payments: -
 Supplementary material on financial results: Yes
 Financial results briefing: None

(Amounts are rounded down to the nearest million yen.)

1. Non-consolidated Financial Results for the First Quarter of the Fiscal Year Ending November 30, 2025 (December 1, 2024 to February 28, 2025)

(1) Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	2,835	6.4	221	50.6	234	40.2	153	40.6
February 29, 2024	2,665	16.5	147	(25.5)	167	(22.5)	108	(21.5)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
February 28, 2025	38.68	38.32
February 29, 2024	27.33	26.94

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
February 28, 2025	4,919	2,960	60.2
November 30, 2024	4,949	2,996	60.5

(Reference) Shareholders' equity As of February 28, 2025: ¥2,960 million
 As of November 30, 2024: ¥2,996 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended November 30, 2024	—	47.00	—	48.00	95.00
Fiscal year ending November 30, 2025	—				
Fiscal year ending November 30, 2025 (Forecast)		49.00	—	50.00	99.00

Note: Revisions to the forecast of dividends most recently announced: None

3. Forecast of Non-consolidated Earnings for the Fiscal Year Ending November 30, 2025

(December 1, 2024 to November 30, 2025)

(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
Full fiscal year	12,050	7.5	1,040	9.9	1,130	10.5	800	10.7	200.81

Note: Revisions to the forecast of non-consolidated earnings most recently announced: None

*** Notes**

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: 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 stock)

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

As of February 28, 2025	4,010,900 shares
As of November 30, 2024	4,009,200 shares

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

As of February 28, 2025	49,001 shares
As of November 30, 2024	49,001 shares

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

Three months ended February 28, 2025	3,960,687 shares
Three months ended February 29, 2024	3,987,127 shares

- * Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

- * Proper use of earnings forecasts, and other special matters

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

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1. Overview of Financial Performance

(1) Quarterly Overview of Operating Results

During the first quarter of the current fiscal year, the Japanese economy has been performing steadily as a result of the gradual recovery in the economy. However, the outlook remains uncertain due to factors such as rising prices, the impact of the U.S. policy trends, and the destabilization of international affairs.

Under these circumstances, the domestic IT services market has continued to see growing demand for DX promotion against a backdrop of chronic talent shortages, and the Company's Advanced Engineering business increased sales for both its on-site development support and contract development operations. Selling, general and administrative expenses decreased as a result of the equalization of the timing of engineer recruitment.

As a result, the Company recorded net sales of ¥2,835,214 thousand (up 6.4% year-on-year), operating profit of ¥221,782 thousand (up 50.6% year-on-year), ordinary profit of ¥234,759 thousand (up 40.2% year-on-year) and profit of ¥153,186 thousand (up 40.6% year-on-year).

The Company does not provide segment information since it operates in a single reportable segment “Advanced Engineering”.

(2) Quarterly Overview of Financial Position

(Assets)

Total assets at the end of the first quarter of the current fiscal year amounted to ¥4,919,411 thousand, down ¥30,160 thousand from the end of the previous fiscal year. The main factors were a ¥75,980 thousand decrease in cash and deposits and a ¥98,674 thousand decrease in accounts receivable and contract assets in current assets, and a ¥130,952 thousand increase in investments and other assets in non-current assets.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year amounted to ¥1,958,511 thousand, up ¥5,871 thousand from the end of the previous fiscal year. The main factors were a ¥172,285 thousand decrease in accrued expenses, a ¥328,290 thousand increase in provision for bonuses, and a ¥186,652 thousand decrease in other in current liabilities.

(Net assets)

Total net assets at the end of the first quarter of the current fiscal year amounted to ¥2,960,900 thousand, down ¥36,032 thousand from the end of the previous fiscal year. The main factors were profit of ¥153,186 thousand and dividends payment of ¥190,089 thousand.

As a result, the Company recorded a shareholders' equity ratio of 60.2% (60.5% at the end of the previous fiscal year).

(3) Forecasts for the Fiscal Year Ending November 30, 2025

There are currently no changes to the earnings forecast announced on January 14, 2025. The forecasts are based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors.

2. Quarterly Non-consolidated Financial Statements and Notes

(1) Quarterly Non-consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	2,999,564	2,923,584
Accounts receivable and contract assets	1,519,629	1,420,955
Other	48,391	61,239
Total current assets	4,567,585	4,405,779
Non-current assets		
Property, plant and equipment	56,984	58,834
Intangible assets	15,306	14,149
Investments and other assets	309,695	440,648
Total non-current assets	381,986	513,632
Total assets	4,949,572	4,919,411
Liabilities		
Current liabilities		
Accounts payable	14,250	24,527
Accrued expenses	851,928	679,643
Income taxes payable	173,179	196,357
Provision for bonuses	197,564	525,854
Provision for loss on orders received	5,285	8,349
Other	498,313	311,660
Total current liabilities	1,740,520	1,746,392
Non-current liabilities		
Long-term accounts payable - other	212,119	212,119
Total non-current liabilities	212,119	212,119
Total liabilities	1,952,640	1,958,511
Net assets		
Shareholders' equity		
Common stock	22,355	22,790
Capital surplus	87,583	88,018
Retained earnings	2,988,988	2,952,085
Treasury stock	(101,993)	(101,993)
Total shareholders' equity	2,996,932	2,960,900
Total net assets	2,996,932	2,960,900
Total liabilities and net assets	4,949,572	4,919,411

(2) Quarterly Non-consolidated Statements of Income

Three Months Ended February 29, 2024 and February 28, 2025

(Thousands of yen)

	Three months ended February 29, 2024	Three months ended February 28, 2025
Net sales	2,665,763	2,835,214
Cost of sales	1,976,563	2,094,252
Gross profit	689,199	740,961
Selling, general and administrative expenses	541,975	519,178
Operating profit	147,223	221,782
Non-operating income		
Interest income	13	1,349
Subsidy income	19,731	11,191
Other	446	436
Total non-operating income	20,190	12,976
Ordinary profit	167,413	234,759
Profit before income taxes	167,413	234,759
Income taxes - current	164,286	196,563
Income taxes - deferred	(105,828)	(114,991)
Total income taxes	58,457	81,572
Profit	108,955	153,186

(3) Notes to Quarterly Non-consolidated Financial Statements

(Segment Information)

The Company does not provide segment information since it operates in a single reportable segment “Advanced Engineering”.

(Quarterly Non-consolidated Statements of Cash Flows)

Non-consolidated statements of cash flows are not available in the first quarter. Depreciation (including amortization related to intangible assets) for the first quarter is as follows:

	Three months ended February 29, 2024	Three months ended February 28, 2025
Depreciation	¥3,497 thousand	¥3,364 thousand

(Significant Changes in Shareholders' Equity)

Three months ended February 29, 2024 (December 1, 2023 to February 29, 2024)

1. Dividends paid

Resolution	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
General Meeting of Shareholders February 22, 2024	Common stock	306,592	77.00	November 30, 2023	February 26, 2024	Retained earnings

2. Dividends for which the record date is during the first quarter and the effective date is after the end of the first quarter:
Not applicable.

Three months ended February 28, 2025 (December 1, 2024 to February 28, 2025)

1. Dividends paid

Resolution	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
General Meeting of Shareholders February 21, 2025	Common stock	190,089	48.00	November 30, 2024	February 25, 2025	Retained earnings

2. Dividends for which the record date is during the first quarter and the effective date is after the end of the first quarter:
Not applicable.

(Going Concern Assumption)

Not applicable.

(Significant Subsequent Events)

(Significant Borrowings of Funds)

The Company has taken out the following loans to secure working capital.

(1) Lender	The Bank of Yokohama, Ltd., Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd.
(2) Loan amount	¥300,000 thousand
(3) Drawdown date	March 31, 2025
(4) Interest rate	Fixed rate
(5) Borrowing period	1 year
(6) Collateral	None