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February 12, 2025

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)



Company name: IX Knowledge Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9753  
 URL: <https://www.ikic.co.jp>  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

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

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	16,904	3.7	1,536	15.4	1,609	15.4	1,094	15.3
December 31, 2023	16,304	—	1,331	—	1,394	—	950	—

Note: Comprehensive income For the nine months ended December 31, 2024: ¥1,309 million [11.2%]  
 For the nine months ended December 31, 2023: ¥1,177 million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	114.51	—
December 31, 2023	98.43	—

Note: The Company started preparing consolidated financial statements from the end of the fiscal year ended March 31, 2023. Therefore, year-on-year changes for the nine months ended December 31, 2023 are omitted.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	14,508	9,837	67.8
March 31, 2024	13,652	8,813	64.6

Reference: Equity As of December 31, 2024: ¥9,837 million  
 As of March 31, 2024: ¥8,813 million

## 2. Cash 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 March 31, 2024	—	0.00	—	30.00	30.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				40.00	40.00

Notes: Revisions to the forecast of cash dividends most recently announced: None

Breakdown of the fiscal year-end dividend for the fiscal year ending March 31, 2025: Common dividend of 35.00 yen and commemorative dividend of 5.00 yen (for the 25th anniversary of the Company's inception)

## 3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	22,231	2.2	1,752	5.9	1,817	4.5	1,216	(4.6)	127.21

Note: Revisions to the financial results forecast most recently announced: None

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: –

Excluded: –

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2024	10,800,000 shares
As of March 31, 2024	10,800,000 shares

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

As of December 31, 2024	1,235,936 shares
As of March 31, 2024	1,238,465 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	9,562,276 shares
Nine months ended December 31, 2023	9,652,098 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

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

The forecast figures stated above are projections based on currently available information and contain many uncertainties. Actual results may differ from the forecast figures above due to changes in business conditions and other factors.

For matters related to the above forecasts, please see page 3 of the Attachments.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the nine months ended December 31, 2024 (the “nine-month period under review”), the Japanese economy was on a gradual recovery track due in part to improvements in employment conditions and the income environment and recovery in consumption mainly driven by inbound tourism demand. Meanwhile, there are concerns over possible impacts of price increases caused by foreign exchange trends, geopolitical risks, and other factors, and thus the economic outlook remains uncertain.

In the domestic information services market, companies’ continuing efforts on digital transformation (DX) to promote business transformation and work-style reforms led to strong demand for IT services that support these initiatives. However, given uncertainties remaining in the economic landscape, their impacts on IT investments by companies need to be closely monitored.

Under these circumstances, the Group has established its Group Purpose, “Connecting people one world,” aimed at fostering a corporate culture that develops a group-wide management system in order to connect IT and society through co-creation and create a prosperous future. Under this Group Purpose, the Group has added non-financial perspectives, such as human capital that contributes to improving corporate value, to its medium-term management policy, centered on the three pillars of expanding core businesses, creating next growth businesses, and strengthening business foundations, and has worked to expand its capabilities through sustainability management by combining financial and non-financial aspects.

Specifically, the Group strove to expand its core businesses by enhancing the ability to deal with cloud-native development through cross-sectional human resources development and operational support by the Company’s special unit, as well as by strengthening the Group’s sales system and collaboration with partner companies to respond to diversifying customer needs. In addition, the Group advanced efforts on business innovation utilizing cutting-edge digital technologies through co-creation with its customers and partner companies. Further, the Group promoted additional initiatives by positioning investments in businesses through alliances and M&A, which it had long been working on, as a means of strengthening its business foundations over the medium to long term.

In terms of trends by item of services for the nine-month period under review, in the Consulting and System Integration Services, orders for financial-related system development projects and social and public service-related system development projects received via leading vendors remained strong. In the System Management Services, orders for infrastructure and environment development projects received via leading vendors were also robust.

As a result, for the nine-month period under review, net sales were 16,904 million yen, up 3.7% year on year. In terms of profits, an increase in net sales and ongoing efforts to control selling, general and administrative expenses offset losses from unprofitable projects, resulting in operating profit of 1,536 million yen, up 15.4% year on year, ordinary profit of 1,609 million yen, up 15.4% year on year, and profit attributable to owners of parent of 1,094 million yen, up 15.3% year on year.

### (2) Explanation of Financial Position

#### *Assets*

Total assets as of December 31, 2024 amounted to 14,508 million yen, an increase of 856 million yen from March 31, 2024. This is mainly attributable to increases in notes and accounts receivable - trade, and contract assets of 444 million yen, investment securities of 321 million yen, and cash and deposits of 216 million yen.

#### *Liabilities*

Total liabilities as of December 31, 2024 amounted to 4,670 million yen, a decrease of 168 million yen from March 31, 2024. This is primarily attributable to a decrease in provision for bonuses of 400 million yen, increases in accrued expenses of 124 million yen and deposits received of 115 million yen, which both are included in other under current liabilities, and income taxes payable of 113 million yen, and a decrease in retirement benefit liability of 96 million yen.

*Net assets*

Total net assets as of December 31, 2024 amounted to 9,837 million yen, an increase of 1,024 million yen from March 31, 2024. This is mainly attributable to increases in retained earnings of 808 million yen and valuation difference on available-for-sale securities of 210 million yen.

As a result, the equity-to-asset ratio increased to 67.8% from 64.6% as of March 31, 2024.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There are no revisions to the full-year financial results forecast for the fiscal year ending March 31, 2025 that was announced on May 10, 2024 at this point. This is because the Company believes that, in view of the financial results for the nine-month period under review and the current business conditions and environment, they have been trending within the range of the forecast.

Meanwhile, actual results may differ from the forecast figures due to various factors going forward.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,798,941	6,015,910
Notes and accounts receivable - trade, and contract assets	3,512,203	3,956,840
Securities	10,000	—
Other	189,406	214,463
Allowance for doubtful accounts	(225)	(225)
Total current assets	9,510,326	10,186,988
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,737	72,913
Land	116,992	116,992
Other, net	12,656	15,235
Total property, plant and equipment	208,386	205,141
Intangible assets		
Software	57,556	37,389
Software in progress	—	451
Goodwill	137,129	119,988
Customer-related intangible assets	133,714	116,999
Other	8,835	8,835
Total intangible assets	337,235	283,664
Investments and other assets		
Investment securities	2,672,076	2,993,180
Deferred tax assets	659,820	565,245
Other	264,405	274,544
Total investments and other assets	3,596,302	3,832,970
Total non-current assets	4,141,924	4,321,775
Total assets	13,652,250	14,508,764

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	800,520	901,755
Current portion of long-term borrowings	60,000	60,000
Accounts payable - other	367,777	343,315
Income taxes payable	207,864	321,109
Provision for bonuses	1,130,318	729,533
Provision for bonuses for directors (and other officers)	37,625	—
Provision for loss on orders received	62,063	78,234
Other	469,649	680,577
Total current liabilities	3,135,818	3,114,525
Non-current liabilities		
Long-term borrowings	140,000	95,000
Retirement benefit liability	1,428,060	1,331,757
Deferred tax liabilities	40,125	34,343
Asset retirement obligations	65,275	65,344
Other	29,800	29,800
Total non-current liabilities	1,703,260	1,556,246
Total liabilities	4,839,078	4,670,771
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,180,897	1,180,897
Capital surplus	1,106,558	1,107,638
Retained earnings	6,106,689	6,914,818
Treasury shares	(633,730)	(632,409)
Total shareholders' equity	7,760,415	8,570,944
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	878,016	1,088,832
Remeasurements of defined benefit plans	174,739	178,215
Total accumulated other comprehensive income	1,052,756	1,267,047
Total net assets	8,813,171	9,837,992
Total liabilities and net assets	13,652,250	14,508,764



(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	16,304,498	16,904,116
Cost of sales	12,995,989	13,424,217
Gross profit	3,308,508	3,479,899
Selling, general and administrative expenses	1,977,109	1,943,496
Operating profit	1,331,398	1,536,402
Non-operating income		
Interest income	5,015	4,582
Dividend income	37,924	49,046
Subsidy income	1,404	787
Foreign exchange gains	3,851	3,208
Share of profit of entities accounted for using equity method	9,996	10,192
Miscellaneous income	6,357	5,892
Total non-operating income	64,550	73,708
Non-operating expenses		
Interest expenses	924	891
Miscellaneous losses	228	69
Total non-operating expenses	1,153	960
Ordinary profit	1,394,796	1,609,151
Extraordinary income		
Gain on sale of non-current assets	—	5
Gain on sale of investment securities	159	—
Total extraordinary income	159	5
Extraordinary losses		
Loss on abandonment of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	1,394,956	1,609,156
Income taxes	444,926	514,181
Profit	950,030	1,094,974
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	950,030	1,094,974

Quarterly Consolidated Statements of Comprehensive Income  
 Nine Months Ended December 31

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	950,030	1,094,974
Other comprehensive income		
Valuation difference on available-for-sale securities	221,776	210,815
Remeasurements of defined benefit plans, net of tax	5,463	3,476
Total other comprehensive income	227,240	214,291
Comprehensive income	1,177,270	1,309,266
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,177,270	1,309,266
Comprehensive income attributable to non-controlling interests	—	—

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year that includes the nine-month period under review, and multiplying profit before income taxes by the estimated effective tax rate.

However, in the case where using the estimated effective tax rate results in extremely unreasonable tax expenses, the statutory effective tax rate is used instead.

(Notes on segment information, etc.)

[Segment information]

This information is omitted since the Group has a single segment consisting of the information services business.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statement of cash flows for the nine-month period under review have not been prepared.

Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the nine months ended December 31, 2023 and 2024 are as shown below.

	(Thousands of yen)	
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	48,654	47,482
Amortization of goodwill	17,141	17,141