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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

July 31, 2025

Company name Miroku Jyoho Service Co., Ltd. Stock exchange listings: Tokyo Prime
 Securities code 9928 URL <https://www.mjs.co.jp>
 Representative (Title) President and CEO (Name) Hiroki Koreeda
 Director, Managing Executive
 Inquiries (Title) Officer and CFO, General (Name) Junichi Sato Tel 03-5361-6369
 Manager of Business
 Management Headquarter
 Dividend payable date (as planned) —
 Supplemental material of results : None
 Convening briefing of results : None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	11,568	3.7	1,244	△9.4	1,279	△8.3	895	△20.0
June 30, 2024	11,157	6.4	1,373	△4.0	1,394	△4.2	1,118	20.2

Note: Comprehensive For the three months ended income June 30, 2025

940 Millions of yen (△1.4%)

For the three months ended June 30, 2024

953 Millions of yen (15.4%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	29.91	29.10
June 30, 2024	37.40	36.38

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	44,482	28,931	64.4	956.59
March 31, 2025	45,331	29,637	64.6	978.29

Reference: Owner's equity

As of June 30, 2025

28,631 Millions of yen

As of March 31, 2025

29,281 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ended March 31, 2025	Yen	Yen	Yen	Yen	Yen
—	—	0.00	—	55.00	55.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		0.00	—	60.00	60.00

Note: Revisions to the forecast of cash dividends most recently announced :

None

3. Consolidated financial forecast 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 attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	23,800	4.6	3,100	4.5	3,150	4.0	2,270	10.2	75.84
Fiscal year ending March 31, 2026	49,000	6.2	6,700	6.6	6,800	6.4	4,900	11.8	163.71

Note: Revisions to the earnings forecasts most recently announced :

None

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: - companies (Company name)- Excluded: 1 company (Company name) MJS Finance & Technology Co., Ltd.

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes, (3) Notes to Quarterly Consolidated Financial Statements (Notes Regarding Changes in Scope of Consolidation or Application of the Equity Method)" on page -10 of the attached documents.

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

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes, (3) Notes to Quarterly Consolidated Financial Statements (Notes to Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)" on page 10 of the attached documents.

(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)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of June 30, 2025	32,306,286shares	As of March 31, 2025	32,306,286shares
② Number of treasury stock at the period end	As of June 30, 2025	2,375,130shares	As of March 31, 2025	2,375,130shares
③ Average number of shares (quarterly period-YTD)	Three months ended June 30, 2025	29,931,156shares	Three months ended June 30, 2024	29,919,243shares

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

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements, etc.)

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. The Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to "1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements " on page 5 of the attached documents.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Results of Operations

During the first three months of the fiscal year under review, the Japanese economy continued to stage a gradual recovery with an improving employment and income environment and the effects of various measures. However, due to the concerns over the impact on economic activity of US trade policy, ongoing price rises and the impact of fluctuations, etc. of the financial and capital market, future prospects remained uncertain.

In the software and information service industries, demand for IT investment remained at high levels as companies addressed labor shortages, changed their ways of working and developed an environment for the digitalization of work processes, while IT implementation subsidies continued.

In this business environment, the MJS Group sought to maintain relationships with existing customers and enhance their satisfaction levels by improving sales capabilities and product/service competitiveness, while at the same time, the Group worked to expand its customer base through the development of new customers, increase relevant service revenues, and reinforce the earnings foundation. In particular, in addition to expanding sales of subscription-based cloud services, in which sales are recorded according to the period of use, the Group is accelerating the transition to a subscription model for on-premise products, in which sales are recorded as a lump sum, with the aim of further improving profitability as a shift to a cloud subscription-based business model.

On the sales side, the Group participated in exhibitions and events across the country related to accounting, financial affairs and back-office operations and actively promoted sales activities, emphasizing artificial intelligence (AI), digital transformation (DX) and other fields that customers are greatly interested in. Moreover, the Group launched Matsue Sales Office in April 2025 as its 33rd office in Japan. And the Group launched one new Solution Branch specializing in the solution business for small and medium sized enterprises, establishing a 19- Solution Branch framework nationwide. By leveraging the strengths of its direct sales network in major cities across the country, the Group will develop sales and support activities rooted in the local community, and will aim to further improve customer experience and build a customer success system in the future. Additionally, in order to support customers' digital transformation, the Group will also focus on human resource development for employees and support for obtaining qualifications, including IT coordinator qualifications to further strengthen its solutions business structure for medium-sized and small enterprises. As part of relevant initiatives, the Group began offering MJS DX consulting services in April 2025 to strengthen in stages support services to accompany DX for small and medium sized enterprises.

In terms of development, the Group continued with development investments to improve the functions of the Company's ERP and cloud products so as to meet the needs of customers. The Group is also focusing on development to promote the integrated DX platform business and is continuously improving the services of Hirameki 7, which was launched by its subsidiary Tribec Inc. in July 2022, to provide services using an integrated DX platform. An AI Report function that uses generative AI was added to Management Analysis Plus, a management support service, included in Hirameki 7, which accounting firms can use to provide management guidance to client companies.

In May 2024, the Group announced Sustainability 2030 and Medium-Term Management Plan Vision 2028. In Sustainability 2030, the Group has set forth its vision of "MJS Value: Value customers and make employees happy" and four basic policies based on the perspective of ESG, and will contribute to the realization of a sustainable society. Furthermore, in the Medium-Term Management Plan Vision 2028, the Group set out "Taking on challenges to reform the business model and create new value," and will aim to achieve sustainable growth and increase its corporate value by implementing six basic strategies.

As a result of these business activities, sales of various ERP products to accounting firms and small and medium-sized enterprises were strong during the three months of the current consolidated fiscal year. In the sale of ERP products, revenue from software utilization fees significantly rose thanks to a shift to subscription-based sales, resulting in an increase in revenue from stable recurring services.

As a result, despite the ongoing transition to a subscription-based sales, net sales for the first three months under review increased to 11,568 million yen (up 3.7% year on year). In terms of profits, based on our human capital management strategy, there was a significant increase in personnel expenses due to the proactive hiring of new graduates, salary increases and raises, which are upfront investments, as well as an increase in purchasing costs due to sales expansion. As a result of the cost of sales, selling, general and administrative expenses increased by 540 million yen compared to the same period last year, operating profit was 1,244 million yen (down 9.4% year on year), ordinary profit was 1,279 million yen (down 8.3% year on year), and profit attributable to owners of parent was 895 million yen (down 20.0% year on year).

Net sales by product for the three months of the current consolidated fiscal year are as follows:

(System installation contract sales)

Hardware sales were 1,585 million yen, up 32.7% year on year, software sales were 2,288 million yen, down 22.9% from a

year earlier. Useware sales were 1,983 million yen, up 10.5% from one year earlier.

As a result, total system installation contract sales were 5,856 million yen, down 1.7% from one year earlier.

* “System installation contract sales” are the total of sales recorded when a system is newly installed. These sales consist of hardware, software and useware (system installation support services, etc.) sales.

(Service revenues)

Sales from the Total Value Service (TVS), which is a comprehensive maintenance service for tax accountant and CPA firms, increased 2.2% from one year earlier to 659 million yen. Software utilization revenues increased 30.8% year on year to 2,247 million yen as a result of growth in sales through the subscription model of various ERP products. Corporate software operations support service revenues decreased 1.2% year on year, to 1,517 million yen. Hardware and network maintenance service revenues increased 6.2% from one year earlier to 437 million yen and sales from supplies and office products decreased 22.6% from one year earlier to 119 million yen.

As a result, service revenues increased 11.6% from one year earlier to 4,982 million yen.

* "Service revenues" are stable revenues that are mainly compensation for services provided continuously. These revenues consist of compensation for software operations support services, and hardware and network maintenance services, software utilization fees, and the sales of supplies and office products.

(2) Explanation of Financial Position

Assets

Current assets were 22,694 million yen at the end of the first quarter under review, a decrease of 1,934 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 2,455 million yen in cash and deposits.

Fixed assets were 21,787 million yen, an increase of 1,085 million yen from the end of the previous fiscal year. The main factor was an increase of 1,002 million yen in intangible fixed assets.

As a result, total assets were 44,482 million yen at the end of the first quarter under review, down 848 million yen from the end of the previous fiscal year.

Liabilities

Current liabilities were 13,434 million yen at the end of the first quarter under review, up 261 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 1,281 million yen in accounts payable - other.

Fixed liabilities were 2,116 million yen, down 404 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease of 400 million yen in long-term debt.

As a result, total liabilities were 15,550 million yen, down 142 million yen from the end of the previous fiscal year.

Net assets

Net assets were 28,931 million yen at the end of the first quarter under review, a decrease of 706 million yen from the end of the previous fiscal year. The main factor was a decrease of 751 million yen in retained earnings due to the payment of dividends from surplus of 1,646 million yen, offsetting the posting of 895 million yen in profit attributable to owners of parent in the first three months of the fiscal year under review.

As a result, the capital adequacy ratio was 64.4% (compared with 64.6% at the end of the previous fiscal year).

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

Looking at the Japanese economy going forward, it is hoped that the employment and income situations will continue to improve and that government policy will support sustained economic growth, despite lingering uncertainties about impact of price rises, US trade policy, etc.

To date, the consolidated financial forecasts for the fiscal year ending March 31, 2026 remain unchanged from those announced on May 13, 2025. If the Company needs to revise the full-year forecasts due to trends in results, it will promptly disclose the revision.

2. Quarterly Consolidated Financial Statements and Notes on Important Matters

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,722	14,266
Notes and accounts receivable - trade, and contract assets	5,322	5,561
Merchandise	700	531
Work in process	369	374
Supplies	35	41
Other	1,500	1,939
Allowance for doubtful accounts	△20	△20
Total current assets	24,629	22,694
Non-current assets		
Property, plant and equipment		
Land	2,888	2,888
Other, net	1,826	1,807
Total property, plant and equipment	4,714	4,696
Intangible assets		
Software	1,546	1,379
Software in progress	8,869	10,037
Other	6	6
Total intangible assets	10,422	11,424
Investments and other assets		
Investment securities	2,023	2,173
Other	3,553	3,504
Allowance for doubtful accounts	△11	△11
Total investments and other assets	5,565	5,666
Total non-current assets	20,702	21,787
Total assets	45,331	44,482
Liabilities		
Current liabilities		
Accounts payable - trade	1,426	1,970
Short-term borrowings	3,160	3,135
Current portion of long-term borrowings	800	800
Income taxes payable	1,552	510
Provision for bonuses	1,303	696
Other	4,929	6,321
Total current liabilities	13,173	13,434
Non-current liabilities		
Long-term borrowings	2,400	2,000
Provision for retirement benefits for directors (and other officers)	85	—
Asset retirement obligations	22	22
Other	11	93
Total non-current liabilities	2,520	2,116
Total liabilities	15,693	15,550

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	3,198	3,198
Capital surplus	2,904	2,904
Retained earnings	25,711	24,960
Treasury shares	△2,875	△2,875
Total shareholders' equity	28,938	28,187
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	342	443
Total accumulated other comprehensive income	342	443
Non-controlling interests	356	300
Total net assets	29,637	28,931
Total liabilities and net assets	45,331	44,482

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

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	11,157	11,568
Cost of sales	4,337	4,748
Gross profit	6,819	6,820
Selling, general and administrative expenses	5,445	5,576
Operating profit	1,373	1,244
Non-operating income		
Interest income	0	5
Dividend income	15	19
Share of profit of entities accounted for using equity method	1	5
Other	20	22
Total non-operating income	38	52
Non-operating expenses		
Interest expenses	15	14
Other	1	3
Total non-operating expenses	16	17
Ordinary profit	1,394	1,279
Extraordinary income		
Gain on sale of investment securities	264	—
Total extraordinary income	264	—
Extraordinary losses		
Loss on retirement of non-current assets	0	4
Total extraordinary losses	0	4
Profit before income taxes	1,659	1,274
Income taxes	558	436
Profit	1,100	838
Loss attributable to non-controlling interests	△18	△56
Profit attributable to owners of parent	1,118	895

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	1,100	838
Other comprehensive income		
Valuation difference on available-for-sale securities	△147	95
Share of other comprehensive income of entities accounted for using equity method	—	5
Total other comprehensive income	△147	101
Comprehensive income	953	940
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	971	996
Comprehensive income attributable to non-controlling interests	△18	△56

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding Changes in Scope of Consolidation or Application of the Equity Method)

(Significant Change in Scope of Consolidation)

During the first quarter of the consolidated fiscal period, MJS Finance & Technology Co., Ltd., a consolidated subsidiary, was excluded from the scope of consolidation due to an absorption-type merger in which the Company was the surviving entity and MJS Finance & Technology Co., Ltd. was the absorbed entity.

(Notes on Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Taxes are calculated by determining a reasonable estimate of the effective tax rate, after the application of tax effect accounting, for profit before income taxes in the current fiscal year (including the first quarter). Quarterly profit before income taxes is then multiplied by this estimated effective tax rate to calculate taxes.

(Notes to Segment Information, Etc.)

[Segment information]

Segment information is not shown because the Group's operations are limited to the single segment of the software business.

(Notes in the Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first three months under review have not been prepared.

Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three-month period under review are as follows. (Millions of yen)

	Previous first quarter (April 1, 2024– June 30, 2024)	First quarter under review (April 1, 2025–June 30, 2025)
Depreciation and amortization	411	311
Amortization of goodwill	18	—