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Consolidated Financial Results for the Fiscal Year Ended January 31, 2025 [Japanese GAAP]



March 13, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3921
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 Scheduled date of annual general meeting of shareholders: April 25, 2025
 Scheduled date of commencing dividend payments: April 28, 2025
 Scheduled date of filing securities report: April 25, 2025
 Preparation of supplementary materials on annual financial results: Yes
 Schedule of annual financial results briefing session: Scheduled (for analysts and institutional investors (online))

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

1. Consolidated Financial Results for the Fiscal Year Ended January 31, 2025 (February 1, 2024–January 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended January 31, 2025	7,263	9.8	1,951	50.5	2,049	49.1	1,414	47.9
January 31, 2024	6,615	10.1	1,296	4.5	1,375	2.9	956	17.7

(Note) Comprehensive income: Fiscal year ended January 31, 2025: ¥1,451 million [47.2%]

Fiscal year ended January 31, 2024: ¥986 million [27.0%]

	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
	Yen	Yen	%	%	%
Fiscal year ended January 31, 2025	100.41	100.20	22.4	23.0	26.9
January 31, 2024	64.43	64.30	15.9	16.5	19.6

(Reference) Equity in earnings of affiliated companies: Fiscal year ended January 31, 2025: ¥- million

Fiscal year ended January 31, 2024: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2025	9,240	6,313	68.3	450.67
As of January 31, 2024	8,622	6,339	73.4	427.03

(Reference) Equity: As of January 31, 2025: ¥6,306 million

As of January 31, 2024: ¥6,332 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
January 31, 2025	2,061	(452)	(1,488)	5,379
January 31, 2024	1,027	(359)	(389)	5,240

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended January 31, 2024	–	0.00	–	23.00	23.00	341	35.7	5.7
Fiscal year ended January 31, 2025	–	14.00	–	26.00	40.00	559	39.8	9.1
Fiscal year ending January 31, 2026 (Forecast)	–	21.00	–	21.00	42.00		40.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2026 (February 1, 2025–January 31, 2026)

(% indicates changes from the previous corresponding period.)

	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
Full year	8,048	10.8	2,106	7.9	2,166	5.7	1,462	3.4	104.50

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (NEOPhilippine Tech Inc.), Excluded: – ()

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: Yes
4) Retrospective restatement: None

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

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

January 31, 2025: 14,073,200 shares

January 31, 2024: 14,914,800 shares

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

January 31, 2025: 79,222 shares

January 31, 2024: 85,565 shares

3) Average number of shares during the period:

Fiscal year ended January 31, 2025: 14,083,070 shares

Fiscal year ended January 31, 2024: 14,844,058 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2025 (February 1, 2024–January 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	%
January 31, 2025	5,213	13.7	2,011	64.3	2,051	62.1	1,388	58.7
January 31, 2024	4,584	8.8	1,224	(0.4)	1,265	(0.9)	874	26.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
January 31, 2025	98.58	98.38
January 31, 2024	58.94	58.83

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2025	8,453	5,892	69.7	421.05
As of January 31, 2024	7,828	5,938	75.9	400.43

(Reference) Equity: As of January 31, 2025: ¥5,892 million

As of January 31, 2024: ¥5,938 million

* These financial results are outside the scope of audit by certified public accountants or an audit firm.* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Group and certain premises that the Group deems to be reasonable, and are not guarantees of future performance. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

The Japanese economy in the fiscal year ended January 31, 2025 continued on the gradual path to recovery against a backdrop of improving corporate earnings, employment and income. The economy is expected to continue its gradual recovery; however, there are certain factors which require noting, including rising prices, policy trends in the U.S., the situation in the Middle East, and trends in financial markets.

The IT industry, to which the Group belongs, continues to witness an increase in software investment, and is expected to continue to see solid investments in IT on the back of corporate earnings improvement and labor shortages, among other factors.

Under such circumstances, regarding desknet's NEO and AppSuite, we improved our mobile apps, releasing desknet's NEO version 8.5, which added 14 new functions and 80 items, including compatibility with Teams, in March 2024, and version 8.6, which added new functions, including mobile support for AppSuite and an app linked to an alcohol checker made by Elecom Co., Ltd., in September 2024. In addition, regarding the business chat tool ChatLuck, we made a wholesale revamp of the mobile app, which became available in April 2024, released version 6.5, which added new functions, including conversation log archiving and questions for ChatGPT utilizing images, in August 2024, and released version 6.6, which added template functions to make input of canned messages and ChatGPT prompts more efficient, in December 2024. In this way, we are striving to contribute to the enhancement of our customers' operational efficiency by continuing to improve our services. However, in response to recently soaring energy prices, increasing costs of IT infrastructure due to yen depreciation, and the significant increase in the cost of service provision due mainly to the rise in personnel expenses in development and support systems for functional enhancement and quality maintenance, we revised the price of desknet's NEO cloud and introduced set plans from September 2024.

In May 2024, we began operation of a system for evacuation security plans and a system for evacuation drills utilizing our products (desknet's NEO and AppSuite), following the implementation of demonstration experiments of the systems in the "YOKOHAMA Hack!" project, which promotes digital transformation of administrative services by utilizing digital technology from the private sector and has been implemented by the City of Yokohama since the previous fiscal year, as part of "strengthening measures for evacuation security plans to ensure the safety of users of facilities requiring special consideration." In addition, in October 2024, we began the demonstrative operation of a "system for sharing information on casualties with medical institutions in emergency activities" (tentative name), which is also in the "YOKOHAMA Hack!" project. We were ranked No.1 in the groupware and business chat category of Local Government IT System Satisfaction Survey 2024-2025 announced at Nikkei BP Government Technology 2024, Autumn, by Nikkei Business Publications, Inc., in which we scored more than five points above the average for "reliability." We believe that this high level of reliability and the measures described above will enable us to contribute to the digital transformation of local governments and to local disaster prevention and mitigation through the rolling out of systems that use our products and services to local governments nationwide.

In January 2025, our three principal products (desknet's NEO, AppSuite, and ChatLuck) were awarded "LEADER," the highest award, across four categories, in the ITreview Grid Award 2025 Winter, organized by IT product comparison and review website ITreview. Now desknet's NEO has received the award 23 consecutive times since 2019.

Also in June 2024, the Company was certified as a digital transformation (DX)-certified operator based on the DX Certification initiative established by the Ministry of Economy, Trade and Industry. We will continue striving to achieve both economic development and solutions to social issues by supporting our customers' new work styles and digitalization through the making of excellent products.

In addition, in April 2024, we established a subsidiary company in the Philippines, the third ASEAN country in which we now have a subsidiary company. We will strive to expand sales of our products and services

in the Philippines, a country expected to see strong economic growth and to have higher demand by local businesses for solutions to help transition to IT infrastructures.

As a result, for the fiscal year ended January 31, 2025, the Company posted net sales of ¥7,263,470 thousand (up 9.8% year on year), operating profit of ¥1,951,178 thousand (up 50.5% year on year), ordinary profit of ¥2,049,886 thousand (up 49.1% year on year), and profit attributable to owners of parent of ¥1,414,109 thousand (up 47.9% year on year).

Operating results for the fiscal year ended January 31, 2025 by segment are as follows.

(Software business)

Business sector	For the fiscal year ended January 31, 2024		For the fiscal year ended January 31, 2025		
	Net sales (Thousand yen)	Percentage breakdown (%)	Net sales (Thousand yen)	Percentage breakdown (%)	Change (%)
Cloud services	2,951,377	64.4	3,427,877	65.8	16.1
Packaged products	1,562,474	34.1	1,703,645	32.7	9.0
Technological development	70,600	1.5	81,900	1.5	16.0
Total	4,584,451	100.0	5,213,423	100.0	13.7

1) Cloud services

Net sales by principal cloud service are as follows.

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025	Change (Thousand yen)	Change (%)
	Net sales (Thousand yen)	Net sales (Thousand yen)		
desknet's NEO cloud	2,445,300	2,871,176	425,876	17.4
AppSuite cloud	177,028	251,206	74,177	41.9
ChatLuck cloud	72,579	82,970	10,391	14.3
Other monthly recurring revenue	199,565	177,747	(21,817)	(10.9)
Total monthly recurring revenue	2,894,474	3,383,101	488,627	16.9
Other services, etc.	56,903	44,775	(12,127)	(21.3)
Cloud services total	2,951,377	3,427,877	476,499	16.1

(*1) Regarding the set plan introduced from September 1, 2024, the revised price of the previous plan is used to calculate the prorated amount for each service.

Net sales of desknet's NEO cloud for the fiscal year ended January 31, 2025 increased by ¥425,876 thousand year on year to ¥2,871,176 thousand (up 17.4% year on year), due to an increase in the number of users (up 3.5% from the end of the previous fiscal year), and the effect of the price revisions implemented from September 2024. The average number of users of the service remained roughly in line with the previous year, at 83 users per company. The monthly churn rate (*2) is 0.45%. Although the monthly churn rate for the five months since the price revisions in September 2024 onward has slightly increased to 0.60%, the impact of one large-scale user who switched to packaged products was significant. The increase is within our expectations, and we will continue working to keep the rate at a low level. When excluding the impact of switching by the abovementioned large-scale user, the monthly churn rate is 0.35%, and that for the five months since the price revisions is 0.36%, which have not changed significantly compared to previous years. Net sales of AppSuite cloud increased by ¥74,177 thousand year on year, increasing by over 40% year on year to ¥251,206 thousand (up 41.9% year on year), due to an increase in the number of users and the effect of the price revisions implemented from September 2024. As

of January 31, 2025, the number of users of the service accounted for about 15% of the number of desknet's NEO cloud users, increasing by 4.0 percentage points since January 31, 2024. Regarding the set plan for combined use with desknet's NEO cloud, which was introduced in September 2024, the price setting will make it easy to also use AppSuite cloud, and we will continue striving to make the plan more appealing and increase the number of users. Net sales of ChatLuck cloud increased by ¥10,391 thousand year on year to ¥82,970 thousand (up 14.3% year on year). Although this accounts for a small proportion of overall net sales, growth is expected in the field. We will therefore strive to expand the number of ChatLuck users who also use desknet's NEO by continuously working to enhance functions. Other monthly recurring revenue decreased by ¥21,817 thousand year on year to ¥177,747 thousand (down 10.9% year on year), primarily due to the impact of the termination of a service provided by the Company. Net sales of other services, etc. decreased by ¥12,127 thousand year on year to ¥44,775 thousand (down 21.3% year on year). This was primarily due to a reduction in sales of data migration services.

As a result, the overall net sales of cloud services increased by ¥476,499 thousand year on year to ¥3,427,877 thousand (up 16.1% year on year).

(*2) The churn rate for desknet's NEO cloud users is calculated by averaging the figures of “amount of MRR (*3) decreased during a month caused by cancellation of the service ÷ MRR at the end of the previous month” for the fiscal year under review.

(*3) MRR (Monthly Recurring Revenue) is calculated based on the monthly charge for continuously billed users as of the end of the target month or the total amount of 1/12 of the annual charge.

2) Packaged products

Net sales by principal packaged product (on-premise type licenses and related services, etc.) are as follows.

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025	Change (Thousand yen)	Change (%)
	Net sales (Thousand yen)	Net sales (Thousand yen)		
desknet's NEO (*)	236,859	220,973	(15,886)	(6.7)
AppSuite	116,079	74,250	(41,828)	(36.0)
ChatLuck	46,643	35,162	(11,481)	(24.6)
Other license sales	8,487	9,832	1,344	15.8
Total license sales	408,070	340,218	(67,851)	(16.6)
Support	843,471	954,173	110,701	13.1
Customization	106,445	142,208	35,762	33.6
Other services, etc.	204,486	267,045	62,559	30.6
Packaged products total	1,562,474	1,703,645	141,171	9.0

(*) Following the change to the licensing system in February 2024, desknet's NEO Enterprise license and desknet's NEO Small license, which were reported separately up until the previous period, have been reclassified to desknet's NEO.

Net sales of desknet's NEO license decreased by ¥15,886 thousand year on year to ¥220,973 thousand (down 6.7% year on year), due mainly to a reduction in additional licenses for less than 300 users, although net sales of new large-scale licenses for 5,000 users or more increased.

AppSuite license and ChatLuck license are often purchased simultaneously with desknet's NEO license. However, net sales of AppSuite license decreased by ¥41,828 thousand year on year to ¥74,250 thousand (down 36.0% year on year), due mainly to a decline in the number of large-scale licenses; more specifically, the number of additional licenses for 5,000 users or more decreased by seven year on year. Net sales of ChatLuck license

decreased by ¥11,481 thousand year on year to ¥35,162 thousand (down 24.6% year on year). As with AppSuite licenses, this was due mainly to a decline in the number of large-sized projects, for example, the number of new licenses for 5,000 users or more decreased by four year on year.

Net sales of customization increased by ¥35,762 thousand year on year to ¥142,208 thousand (up 33.6% year on year) mainly because of a year-on-year increase in the number of large-sized projects for government agencies and financial institutions. Net sales of support increased by ¥110,701 thousand year on year to ¥954,173 thousand (up 13.1% year on year), mainly because net sales of support for desknet's NEO increased by ¥77,962 thousand year on year to ¥783,714 thousand (up 11.0% year on year). Net sales of other services, etc. increased by ¥62,559 thousand year on year to ¥267,045 thousand (up 30.6% year on year), mainly because sales and services of other companies' ID integrated management systems increased.

As a result, the overall net sales of packaged products increased by ¥141,171 thousand year on year to ¥1,703,645 thousand (up 9.0% year on year).

3) Technological development

Our policy is not to actively accept development contracts. Net sales of technological development increased by ¥11,300 thousand year on year to ¥81,900 thousand (up 16.0% year on year). This was mainly because of the expansion of scale of ongoing projects from the past.

As a result, the software business posted net sales of ¥5,213,423 thousand (up 13.7% year on year) and segment profit of ¥2,011,364 thousand (up 64.3% year on year).

(System development service business)

The system development service business consists of businesses operated by our subsidiary, Pro-SPIRE Inc., develops engineers based on the cloud integration and system integration know-how it cultivated over the years, and mainly provides system engineering services that meet new customer needs by taking advantage of cutting-edge technologies.

For the fiscal year ended January 31, 2025, net sales remained roughly in line with the previous fiscal year. Cost of sales increased by ¥9,097 thousand overall, due mainly to an increase in personnel expenses resulting from the increased number of personnel and a raise in salaries, although outsourcing expenses were reduced due to an increase in the number of personnel. Selling, general and administrative expenses increased by ¥12,064 thousand due to an increase in personnel expenses.

As a result, the system development service business posted net sales of ¥2,033,845 thousand (down 0.8% year on year) and segment profit of ¥65,873 thousand (down 36.1% year on year).

(Overseas business)

The overseas business consists of businesses of four overseas subsidiaries, which include selling desknet's NEO license and providing cloud services to local companies. Further, NEOPhilippine Tech Inc., which was newly established in the Philippines in April 2024, began operations on April 23, 2024.

The main products sold in the ASEAN region are desknet's NEO and AppSuite. In Malaysia and Thailand, we are making efforts such as training our sales staff to enhance their sales capabilities, raising awareness of our products and services on a local level by opening booths at exhibitions, and developing new local sales agents. With regard to our ASEAN subsidiaries (Malaysia and Thailand), we continue to focus our efforts on marketing activities for a steady accumulation of recurring sales. In the U.S., we continue to be engaged in contract development of new services, which were transferred from our U.S. subsidiary to the Company and are currently under development.

For the fiscal year ended January 31, 2025, there were increases mainly in recruiting and personnel expenses due to the establishment of a development system at our U.S. subsidiary and in start-up costs at the Philippines subsidiary, although our three ASEAN subsidiaries saw an increase in net sales.

As a result, the overseas business posted net sales of ¥128,145 thousand (up 36.4% year on year) and segment loss of ¥127,485 thousand (segment loss of ¥31,922 thousand for the same period of the previous fiscal year).

(2) Analysis of Financial Position

(Assets)

Total assets as of January 31, 2025 increased by ¥617,407 thousand from the end of the previous fiscal year to ¥9,240,361 thousand. This was mainly due to increases of ¥187,794 thousand in cash and deposits resulting from profit, of ¥196,608 thousand in accounts receivable - trade, and contract assets associated with an increase in net sales, and of ¥472,688 thousand in securities and investment securities resulting primarily from the purchase of bonds, etc., while other under current assets decreased by ¥368,150 thousand resulting primarily from recovery of accounts receivable - other associated with the sale of bonds that had been accrued at the end of the previous fiscal year.

(Liabilities)

Total liabilities as of January 31, 2025 increased by ¥643,341 thousand from the end of the previous fiscal year to ¥2,926,474 thousand. This was mainly due to increases of ¥268,373 thousand in contract liabilities for cloud services, support services, etc. in line with an increase in the number of users and the effect of the price revisions for cloud services, of ¥210,787 thousand in income taxes payable, and of ¥116,031 thousand in other under current liabilities resulting primarily from an increase of ¥83,094 thousand in accrued consumption taxes.

(Net assets)

Total net assets as of January 31, 2025 decreased by ¥25,934 thousand from the end of the previous fiscal year to ¥6,313,886 thousand. This was mainly due to a recording of ¥1,414,109 thousand in profit attributable to owners of parent, while retained earnings decreased by ¥6,996 thousand in total as a result of the payment of a dividend of surplus of ¥536,921 thousand and a decrease of ¥884,184 thousand in retained earnings due to cancellation of treasury shares.

(3) Analysis of Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) as of January 31, 2025 was ¥5,379,660 thousand, an increase of ¥139,445 thousand compared with the end of the previous fiscal year.

(Cash flows from operating activities)

Cash provided by operating activities amounted to ¥2,061,766 thousand (cash inflow of ¥1,027,404 thousand in the previous fiscal year). The main inflows were an increase of cash resulting from profit before income taxes of ¥2,050,651 thousand, depreciation of ¥298,477 thousand, and an increase in contract liabilities of ¥268,090 thousand, despite a decrease of cash resulting from an increase in accounts receivable - trade, and contract assets of ¥196,211 thousand and income taxes paid of ¥479,971 thousand.

(Cash flows from investing activities)

Cash used in investing activities amounted to ¥452,864 thousand (cash outflow of ¥359,171 thousand in the previous fiscal year). This was mainly due to a decrease in cash due to purchase of intangible assets of ¥305,412 thousand and purchase of investment securities of ¥547,499 thousand, despite an increase in cash resulting from proceeds from sale of investment securities of ¥466,276 thousand.

(Cash flows from financing activities)

Cash used in financing activities amounted to ¥1,488,279 thousand (cash outflow of ¥389,511 thousand in the previous fiscal year). This was mainly due to dividends paid of ¥536,706 thousand and purchase of treasury shares of ¥951,279 thousand.

(4) Future Outlook

For the fiscal year ending January 31, 2026, the Group forecasts consolidated net sales of ¥8,048 million (up 10.8% year on year), operating profit of ¥2,106 million (up 7.9% year on year), ordinary profit of ¥2,166 million (up 5.7% year on year), and profit attributable to owners of parent of ¥1,462 million (up 3.4% year on year).

As for net sales, we expect a continued increase mainly from the cloud services in the software business. In the cloud services of the software business, monthly net sales are expected to increase by approximately 20% compared with the fiscal year ended January 31, 2025. By service, net sales of desknet's NEO cloud are expected to increase by approximately 20% and net sales of AppSuite cloud are expected to increase by approximately 35%. In the system development service business, we plan to increase sales by roughly 5%.

When it comes to expenses, personnel expenses, usage fees for data center, software depreciation, research and development expenses, office rent, advertising expenses, and promotion expenses are expected to increase.

2. Basic Policy on Selection of Accounting Standards

The Company plans to prepare its consolidated financial statements in accordance with generally accepted accounting practices in Japan, taking into account the comparability of consolidated financial statements between different accounting periods and against different companies. In adopting the international financial reporting standards (IFRS), the Company will take appropriate action considering the conditions and trends in Japan and abroad.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	5,209,119	5,396,914
Accounts receivable - trade, and contract assets	708,131	904,740
Securities	195,198	154,052
Supplies	2,644	2,687
Other	481,472	113,322
Allowance for doubtful accounts	(1,508)	(1,594)
Total current assets	6,595,058	6,570,121
Non-current assets		
Property, plant and equipment		
Buildings	92,792	138,030
Accumulated depreciation	(64,778)	(68,315)
Buildings, net	28,014	69,714
Vehicles	22,904	22,978
Accumulated depreciation	(10,629)	(15,029)
Vehicles, net	12,274	7,949
Tools, furniture and fixtures	109,421	114,066
Accumulated depreciation	(101,812)	(105,173)
Tools, furniture and fixtures, net	7,609	8,893
Right of use assets	1,065	2,883
Accumulated depreciation	(888)	(240)
Right of use assets, net	177	2,642
Total property, plant and equipment	48,076	89,200
Intangible assets		
Goodwill	78,377	64,545
Software	145,005	246,513
Software in progress	156,661	78,173
Other	677	677
Total intangible assets	380,722	389,910
Investments and other assets		
Investment securities	1,027,093	1,540,928
Deferred tax assets	306,254	332,676
Other	266,068	317,884
Allowance for doubtful accounts	(319)	(359)
Total investments and other assets	1,599,097	2,191,129
Total non-current assets	2,027,896	2,670,240
Total assets	8,622,954	9,240,361

(Thousand yen)

	As of January 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	156,793	152,397
Income taxes payable	248,057	458,844
Contract liabilities	1,033,370	1,301,743
Provision for bonuses	105,341	142,395
Lease liabilities	223	2,697
Other	340,669	456,700
Total current liabilities	1,884,455	2,514,779
Non-current liabilities		
Retirement benefit liability	371,099	384,159
Lease liabilities	67	23
Other	27,512	27,512
Total non-current liabilities	398,678	411,695
Total liabilities	2,283,133	2,926,474
Net assets		
Shareholders' equity		
Share capital	297,161	297,846
Capital surplus	334,566	287,846
Retained earnings	5,706,096	5,699,099
Treasury shares	(77,482)	(87,561)
Total shareholders' equity	6,260,342	6,197,231
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,282	96,149
Foreign currency translation adjustment	18,913	13,222
Total accumulated other comprehensive income	72,195	109,372
Non-controlling interests	7,282	7,282
Total net assets	6,339,821	6,313,886
Total liabilities and net assets	8,622,954	9,240,361

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

(Thousand yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Net sales	6,615,676	7,263,470
Cost of sales	2,976,471	3,231,459
Gross profit	3,639,204	4,032,011
Selling, general and administrative expenses	2,342,370	2,080,832
Operating profit	1,296,834	1,951,178
Non-operating income		
Interest income	42,456	69,720
Gain on sale of securities	28,353	3,904
Foreign exchange gains	8,254	17,886
Other	6,336	9,883
Total non-operating income	85,400	101,394
Non-operating expenses		
Organization expenses	–	2,528
Interest expenses	31	36
Loss on investments in investment partnerships	7,129	–
Other	23	122
Total non-operating expenses	7,183	2,686
Ordinary profit	1,375,051	2,049,886
Extraordinary income		
Gain on sale of non-current assets	4,375	–
Gain on sale of investment securities	7,307	765
Gain on redemption of investment securities	38,463	–
Total extraordinary income	50,146	765
Extraordinary losses		
Loss on sale of investment securities	26,924	–
Total extraordinary losses	26,924	–
Profit before income taxes	1,398,273	2,050,651
Income taxes - current	487,346	681,335
Income taxes - deferred	(42,386)	(44,794)
Total income taxes	444,960	636,541
Profit	953,312	1,414,109
Loss attributable to non-controlling interests	(3,037)	–
Profit attributable to owners of parent	956,350	1,414,109

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Profit	953,312	1,414,109
Other comprehensive income		
Valuation difference on available-for-sale securities	29,446	42,867
Foreign currency translation adjustment	3,419	(5,690)
Total other comprehensive income	32,866	37,176
Comprehensive income	986,178	1,451,286
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	989,200	1,451,286
Comprehensive income attributable to non-controlling interests	(3,022)	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended January 31, 2024 (from February 1, 2023 to January 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	297,161	333,445	5,048,037	(384)	5,678,260
Changes during period					
Issuance of new shares - exercise of share acquisition rights					—
Dividends of surplus			(298,291)		(298,291)
Profit attributable to owners of parent			956,350		956,350
Purchase of treasury shares				(90,400)	(90,400)
Disposal of treasury shares		1,121		13,301	14,422
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity					
Total changes during period	—	1,121	658,059	(77,098)	582,081
Balance at end of period	297,161	334,566	5,706,096	(77,482)	6,260,342

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	23,836	15,509	39,345	10,304	5,727,911
Changes during period					
Issuance of new shares - exercise of share acquisition rights					—
Dividends of surplus					(298,291)
Profit attributable to owners of parent					956,350
Purchase of treasury shares					(90,400)
Disposal of treasury shares					14,422
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity	29,446	3,404	32,850	(3,022)	29,828
Total changes during period	29,446	3,404	32,850	(3,022)	611,909
Balance at end of period	53,282	18,913	72,195	7,282	6,339,821

Fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	297,161	334,566	5,706,096	(77,482)	6,260,342
Changes during period					
Issuance of new shares - exercise of share acquisition rights	684	684			1,369
Dividends of surplus			(536,921)		(536,921)
Profit attributable to owners of parent			1,414,109		1,414,109
Purchase of treasury shares				(951,279)	(951,279)
Disposal of treasury shares		2,559		7,051	9,611
Cancellation of treasury shares		(934,150)		934,150	—
Transfer from retained earnings to capital surplus		884,184	(884,184)		—
Net changes in items other than shareholders' equity					
Total changes during period	684	(46,720)	(6,996)	(10,078)	(63,110)
Balance at end of period	297,846	287,846	5,699,099	(87,561)	6,197,231

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	53,282	18,913	72,195	7,282	6,339,821
Changes during period					
Issuance of new shares - exercise of share acquisition rights					1,369
Dividends of surplus					(536,921)
Profit attributable to owners of parent					1,414,109
Purchase of treasury shares					(951,279)
Disposal of treasury shares					9,611
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity	42,867	(5,690)	37,176	—	37,176
Total changes during period	42,867	(5,690)	37,176	—	(25,934)
Balance at end of period	96,149	13,222	109,372	7,282	6,313,886

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,398,273	2,050,651
Depreciation	223,788	298,477
Amortization of goodwill	13,831	13,831
Increase (decrease) in allowance for doubtful accounts	(77)	126
Increase (decrease) in provision for bonuses	26,208	37,053
Increase (decrease) in retirement benefit liability	3,253	13,060
Interest and dividend income	(42,456)	(69,720)
Foreign exchange losses (gains)	(11,950)	(18,307)
Interest expenses	31	36
Loss (gain) on sale of securities	(28,353)	(3,904)
Loss (gain) on investments in investment partnerships	7,129	(847)
Loss (gain) on redemption of investment securities	(38,463)	–
Loss (gain) on sale of investment securities	19,617	(765)
Loss (gain) on sale and retirement of non-current assets	(4,375)	120
Surrender value of insurance policies	(655)	–
Decrease (increase) in accounts receivable - trade, and contract assets	(20,432)	(196,211)
Decrease (increase) in inventories	153	(43)
Decrease (increase) in advance payments to suppliers	(395)	499
Decrease (increase) in prepaid expenses	(34,905)	11,903
Increase (decrease) in trade payables	14,855	(4,395)
Increase (decrease) in accounts payable - other	(66,672)	(24,005)
Increase (decrease) in accrued expenses	7,061	7,985
Increase (decrease) in accrued consumption taxes	3,392	87,304
Increase (decrease) in deposits received	8,911	1,926
Increase (decrease) in contract liabilities	34,250	268,090
Other, net	11,620	16,320
Subtotal	1,523,640	2,489,185
Interest and dividends received	36,779	52,589
Interest paid	(31)	(36)
Income taxes paid	(532,984)	(479,971)
Net cash provided by (used in) operating activities	1,027,404	2,061,766

(Thousand yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Cash flows from investing activities		
Payments into time deposits	(7,202)	(7,203)
Purchase of property, plant and equipment	(15,893)	(8,283)
Proceeds from sale of property, plant and equipment	9,982	–
Purchase of intangible assets	(258,498)	(305,412)
Purchase of investment securities	(354,297)	(547,499)
Proceeds from redemption of investment securities	150,553	–
Proceeds from sale of investment securities	120,716	466,276
Proceeds from distributions from investment partnerships	6,400	11,300
Payments of leasehold and guarantee deposits	(1,151)	(41,508)
Proceeds from refund of leasehold and guarantee deposits	818	815
Purchase of insurance funds	(16,074)	(16,492)
Proceeds from maturity of insurance funds	5,874	1,631
Other, net	(397)	(6,488)
Net cash provided by (used in) investing activities	(359,171)	(452,864)
Cash flows from financing activities		
Proceeds from issuance of shares	–	1,369
Dividends paid	(298,024)	(536,706)
Purchase of treasury shares	(90,400)	(951,279)
Other, net	(1,086)	(1,662)
Net cash provided by (used in) financing activities	(389,511)	(1,488,279)
Effect of exchange rate change on cash and cash equivalents	44,114	18,823
Net increase (decrease) in cash and cash equivalents	322,836	139,445
Cash and cash equivalents at beginning of period	4,917,378	5,240,215
Cash and cash equivalents at end of period	5,240,215	5,379,660

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting estimates)

In the fiscal year ended January 31, 2025, the Company made a change to its estimate of the restoration obligations associated with the real estate lease agreement for its headquarters office after obtaining new information regarding the restoration costs.

As a result of this change, operating profit, ordinary profit, and profit before income taxes for the fiscal year ended January 31, 2025 decreased by ¥3,271 thousand compared with the previous method. As for asset retirement obligations, instead of recording as liabilities, a simplified method is used to reasonably estimate the amount of leasehold deposits related to the real estate lease agreement that are not expected to be recovered in the future, and record as expenses the portion of such amount that is to be borne in the fiscal year ended January 31, 2025.

(Revenue recognition accounting)

1. Disaggregation of revenue from contracts with customers

For the fiscal year ended January 31, 2024 (from February 1, 2023 to January 31, 2024)

(Thousand yen)

	Reportable segment			Total
	Software business	System development service business	Overseas business	
Recurring revenue (Note 1)	3,744,748	1,934,706	9,747	5,689,201
One-time revenue (Note 2)	835,581	77,322	13,570	926,474
Revenue from contracts with customers	4,580,329	2,012,028	23,317	6,615,676
Net sales to outside customers	4,580,329	2,012,028	23,317	6,615,676

For the fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

(Thousand yen)

	Reportable segment			Total
	Software business	System development service business	Overseas business	
Recurring revenue (Note 1)	4,336,948	1,953,275	24,769	6,314,993
One-time revenue (Note 2)	869,934	67,510	11,032	948,477
Revenue from contracts with customers	5,206,883	2,020,785	35,802	7,263,470
Net sales to outside customers	5,206,883	2,020,785	35,802	7,263,470

(Notes) 1. Main contents of recurring revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from usage fees for cloud services provided, packaged software support fees, ASP license fees, etc.	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts and dispatching contracts (including contracts covering 12 months or longer through renewal of contracts) under which sales are recognized for the same customer for consecutive 12 months or longer immediately before the last day of each accounting period	Over a certain period of time

2. Main contents of one-time revenue are as follows.

Segment	Main contents	When to recognize revenue
Software business and overseas business	Revenue from packaged products license fees	At a point in time
	Revenue from service contracts such as product customization and services including product installation, data migration and education	Over a certain period of time
System development service business	Revenue from quasi-entrustment contracts, dispatching contracts and service contracts, which does not fall under the category of recurring revenue	Over a certain period of time

2. Information providing a basis for understanding revenue from contracts with customers

The principal performance obligations in the Company and its consolidated subsidiaries' principal businesses relating to revenue from contracts with customers and the usual time at which such performance obligations are fulfilled (the usual time at which revenue is recognized) are as follows.

1) Software business and overseas business

In the software business and overseas business, the Company mainly provides cloud services, such as groupware desknet's NEO, license sales (licensing), support services, and product customization.

For cloud services and support services, the Company discerns a performance obligation as the provision of services based on a contract with a customer over the contract period. The performance obligation is determined to be fulfilled over time, and revenue is recognized over the contract period in the amount of consideration promised in the contract with the customer.

For license sales, the Company discerns a performance obligation as the granting of a license based on a contract with a customer. The performance obligation is deemed to be fulfilled at the time the license is granted and revenue is recognized at the time (point in time) the license is granted. When license sales include support services, the Company discerns license sales and support services as separate performance obligations, allocates the transaction prices based on their stand-alone selling prices, and recognizes revenue for license sales and support services separately.

For development contracts, such as product customization, the Company discerns a performance obligation as the provision of software with specifications required based on a contract with a customer. The performance obligation is deemed to be fulfilled over a certain period of time, and the Company estimates the degree of progress toward fulfilling the performance obligation and recognizes revenue over a certain period of time based on the degree of completion of the performance obligation. The progress of the fulfillment of performance obligations is estimated by the input method, calculating the ratio of costs incurred to the total estimated amount of costs. If the progress of completion cannot be reasonably estimated, but it is expected that the costs incurred will be recovered, revenue is recognized using the cost recovery method.

2) System development service business

In the system development service business, the Company mainly provides system engineering services based

on quasi-entrustment contracts with customers.

For systems engineering services under quasi-entrustment contracts with customers, the Company discerns a performance obligation as the provision of engineering work based on a contract with a customer. The performance obligation is deemed to be fulfilled over time, and the amount of consideration promised in the contract with the customer is recognized as revenue over the contract period.

According to the terms of payment related to the Company and its consolidated subsidiaries' transactions, payment is generally due within a short period of time and significant financial elements are not included in a contract.

3. Information about the relationship between the fulfillment of performance obligations based on contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in the following fiscal year or later from contracts with customers that existed at the end of the fiscal year under review

For the fiscal year ended January 31, 2024 (from February 1, 2023 to January 31, 2024)

1) Balance of contract assets and contract liabilities, etc.

(Thousand yen)

	Fiscal year ended January 31, 2024	
	Balance at February 1, 2023	Balance at January 31, 2024
Claims arising from contracts with customers	676,355	707,728
Contract assets	11,277	403
Contract liabilities	999,091	1,033,370

Contract assets primarily relate to the Group's rights to consideration for contracts for made-to-order software, such as product customization, for which revenue is recognized because the performance obligation has been fulfilled as of the balance sheet date, but an invoice has not been issued. Once the Group has unconditional rights to consideration, it reclassifies contract assets to receivables from contracts with customers.

Contract liabilities primarily relate to advances received from customers for cloud and support services. Contract liabilities are reversed when revenue is recognized.

The amount of revenue recognized in the fiscal year ended January 31, 2024 that was included in the contract liability balance as of February 1, 2023 was ¥707,851 thousand. The increase in contract liabilities of ¥34,747 thousand in the fiscal year ended January 31, 2024 was mainly due to an increase in advances received for cloud services.

In addition, the amount of revenue recognized from performance obligations that were fulfilled (or partially fulfilled) in prior periods was insignificant in the fiscal year ended January 31, 2024.

2) Transaction prices allocated to remaining performance obligations

The aggregate transaction prices allocated to the remaining performance obligations and the period over which revenue is expected to be recognized are as follows.

(Thousand yen)

	Fiscal year ended January 31, 2024
Within 1 year	759,036
More than 1 year but within 2 years	133,379
More than 2 years but within 3 years	82,849
More than 3 years	58,105
Total	1,033,370

For the fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

1) Balance of contract assets and contract liabilities, etc.

(Thousand yen)

	Fiscal year ended January 31, 2025	
	Balance at February 1, 2024	Balance at January 31, 2025
Claims arising from contracts with customers	707,728	867,246
Contract assets	403	37,494
Contract liabilities	1,033,370	1,301,743

Contract assets primarily relate to the Group's rights to consideration for contracts for made-to-order software, such as product customization, for which revenue is recognized because the performance obligation has been fulfilled as of the balance sheet date, but an invoice has not been issued. Once the Group has unconditional rights to consideration, it reclassifies contract assets to receivables from contracts with customers.

Contract liabilities primarily relate to advances received from customers for cloud and support services. Contract liabilities are reversed when revenue is recognized.

The amount of revenue recognized in the fiscal year ended January 31, 2025 that was included in the contract liability balance as of February 1, 2024 was ¥759,200 thousand. The increase in contract liabilities of ¥268,373 thousand in the fiscal year ended January 31, 2025 was mainly due to an increase in advances received for cloud services.

In addition, the amount of revenue recognized from performance obligations that were fulfilled (or partially fulfilled) in prior periods was insignificant in the fiscal year ended January 31, 2025.

2) Transaction prices allocated to remaining performance obligations

The aggregate transaction prices allocated to the remaining performance obligations and the period over which revenue is expected to be recognized are as follows.

(Thousand yen)

	Fiscal year ended January 31, 2025
Within 1 year	968,753
More than 1 year but within 2 years	136,542
More than 2 years but within 3 years	96,697
More than 3 years	99,749
Total	1,301,743

(Segment information, etc.)

(Segment information)

1. Summary of reportable segments

The Group's reportable segments are the units of the Group for which discrete financial information is available and for which the Board of Directors regularly conducts reviews to make decisions on the allocation of management resources and evaluates the segments' performances.

The Company has been conducting performance evaluations for the Company and each consolidated subsidiary. Therefore, the Company defines each company as constituent units of business segments and designates three reportable segments: "software business," "system development service business" and "overseas business."

The "software business" is a business operated by the Company and it mainly provides groupware products through cloud service, having desknet's NEO as the flagship product. The software business also sells licenses as packaged products, provides services related to the above products, and undertakes contract development of products that will lead to future products and services.

The "system development service business" is operated by Pro-SPIRE Inc., develops engineers based on the cloud integration and system integration know-how it cultivated over the years, and mainly provides system engineering services that meet new customer needs by taking advantage of cutting-edge technologies.

The "overseas business" is operated by overseas subsidiaries and sells our products and services mainly in the ASEAN region.

2. Method of calculating the amounts of net sales, profit or loss, assets, liabilities and other accounts by reportable segment

The accounting procedures for reportable business segments use the same principles and procedures of the accounting procedures adopted to prepare the consolidated financial statements. Segment profit consists of figures based on operating profit. Intersegment net sales or transfers are based on prevailing market prices.

Segment assets and liabilities are not disclosed as they are not provided to the Board of Directors on a regular basis and are not subject to examinations for decisions on the allocation of management resources and performance evaluations.

3. Information on the amounts of net sales, profit or loss, assets, liabilities and other accounts by reportable segment

For the fiscal year ended January 31, 2024 (from February 1, 2023 to January 31, 2024)

(Thousand yen)

	Reportable segment				Adjustment	Amount recorded in consolidated financial statements
	Software business	System development service business	Overseas business	Total		
Net sales						
Net sales to outside customers	4,580,329	2,012,028	23,317	6,615,676	–	6,615,676
Intersegment net sales or transfers	4,122	37,913	70,655	112,691	(112,691)	–
Total	4,584,451	2,049,942	93,973	6,728,367	(112,691)	6,615,676
Segment profit (loss)	1,224,099	103,146	(31,922)	1,295,323	1,511	1,296,834
Other accounts						
Depreciation	218,876	3,495	1,416	223,788	–	223,788
Amortization of goodwill	–	13,831	–	13,831	–	13,831

(Notes) 1. The segment profit (loss) adjustment of ¥1,511 thousand represents elimination of intersegment transactions.

2. Segment profit (loss) was adjusted based on operating profit reported on the consolidated statements of income.

3. Depreciation includes amortization of long-term prepaid expenses.

For the fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

(Thousand yen)

	Reportable segment				Adjustment	Amount recorded in consolidated financial statements
	Software business	System development service business	Overseas business	Total		
Net sales						
Net sales to outside customers	5,206,883	2,020,785	35,802	7,263,470	–	7,263,470
Intersegment net sales or transfers	6,539	13,060	92,343	111,942	(111,942)	–
Total	5,213,423	2,033,845	128,145	7,375,413	(111,942)	7,263,470
Segment profit (loss)	2,011,364	65,873	(127,485)	1,949,752	1,426	1,951,178
Other accounts						
Depreciation	293,009	3,398	2,070	298,477	–	298,477
Amortization of goodwill	–	13,831	–	13,831	–	13,831

(Notes) 1. The segment profit (loss) adjustment of ¥1,426 thousand represents elimination of intersegment transactions.

2. Segment profit (loss) was adjusted based on operating profit reported on the consolidated statements of income.

3. Depreciation includes amortization of long-term prepaid expenses.

[Related information]

Fiscal year ended January 31, 2024 (from February 1, 2023 to January 31, 2024)

1. Information for each product and service

Description is omitted since similar information is disclosed in the segment information.

2. Information by region

(1) Net sales

Description is omitted as net sales to external customers in Japan exceed 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

Description is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information on major customer

(Thousand yen)

Customer	Net sales	Relevant segment
DAIWABO INFORMATION SYSTEM CO., LTD.	837,046	Software business

Fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

1. Information for each product and service

Description is omitted since similar information is disclosed in the segment information.

2. Information by region

(1) Net sales

Description is omitted as net sales to external customers in Japan exceed 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

Description is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information on major customer

(Thousand yen)

Customer	Net sales	Relevant segment
DAIWABO INFORMATION SYSTEM CO., LTD.	1,020,222	Software business

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended January 31, 2024 (from February 1, 2023 to January 31, 2024)

Not applicable.

For the fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

Not applicable.

[Information on amortization of goodwill and balance of unamortized goodwill by reportable segment]

For the fiscal year ended January 31, 2024 (from February 1, 2023 to January 31, 2024)

(Thousand yen)

	Reportable segment				Corporate and elimination	Total
	Software business	System development service business	Overseas business	Total		
Depreciation for the period under review	–	13,831	–	13,831	–	13,831
Balance at end of period	–	78,377	–	78,377	–	78,377

For the fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

(Thousand yen)

	Reportable segment				Corporate and elimination	Total
	Software business	System development service business	Overseas business	Total		
Depreciation for the period under review	–	13,831	–	13,831	–	13,831
Balance at end of period	–	64,545	–	64,545	–	64,545

[Information on gain on negative goodwill by reportable segment]

Not applicable.

(Per share information)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Net assets per share	¥427.03	¥450.67
Basic earnings per share	¥64.43	¥100.41
Diluted earnings per share	¥64.30	¥100.20

(Notes) 1. The basis for calculating basic earnings per share and diluted earnings per share is as follows:

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	956,350	1,414,109
Amount not attributable to shareholders of common shares (thousand yen)	—	—
Profit attributable to owners of parent relevant to common shares (thousand yen)	956,350	1,414,109
Average number of common shares during the period (shares)	14,844,058	14,083,070
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (thousand yen)	—	—
Increase in common shares (shares)	29,076	29,449
(Of which, number of share acquisition rights (shares))	(29,076)	(29,449)
Overview of potential shares that were not included in the calculation of diluted earnings per share due to no diluting effect	—	—

2. The basis for calculating net assets per share is as follows:

	As of January 31, 2024	As of January 31, 2025
Total amount of net assets (thousand yen)	6,339,821	6,313,886
Amount to be deducted from total net assets (thousand yen)	7,282	7,282
Net assets at the end of the period associated with common shares (thousand yen)	6,332,538	6,306,603
Number of common shares at the end of the period used to calculate net assets per share (shares)	14,829,235	13,993,978

(Significant subsequent events)

Not applicable.