This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

November 11, 2025

Consolidated Financial Results for the Year Ended September 30, 2025

Name of Company	Japan Business Systems, Inc.
Stock exchange	Prime Market of Tokyo Stock Exchange (Code: 5036)
URL	https://www.jbs.co.jp/en
Representative	Yukihiro Makita, President & CEO
Contact	Kohei Katsuta, Managing Executive Officer and Director & CFO
TEL	+81-3-6778-7336

Scheduled date of annual general meeting of shareholders	December 18, 2025
Scheduled date to commence dividend payment	December 19, 2025
Scheduled date to submit annual securities report	December 18, 2025
Preparation of supplementary material on financial results	Yes (for institutional investors and analysts)

Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts are rounded down to the nearest million yen.

1. Consolidated financial highlights for the year ended September 30, 2025

(1) Consolidated operating results

Note: Percentages indicate changes form the same period of the previous fiscal year.

	Year ended			
	September 30, 2024	%	September 30, 2025	%
Net sales (Millions of yen)	140,858	24.9	172,580	22.5
Operating profit (Millions of yen)	4,593	9.6	7,594	65.3
Ordinary profit (Millions of yen)	4,587	5.5	7,372	60.7
Profit attributable to owners of parent (Millions of yen)	1,514	(54.8)	5,629	271.6
Earnings per share (Yen):				
Basic	33.23		123.47	
Diluted	31.74		118.05	
Return on equity (%)	6.7		22.6	
Ordinary profit to total assets (%)	8.3		10.9	
Operating profit to net sales (%)	3.3		4.4	

Notes: 1. Comprehensive income
For the year ended September 30, 2025: 5,709 million yen [277.8 %]
For the year ended September 30, 2024: 1,511 million yen [(57.1 %)]
2. Share of profit (loss) of entities accounted for using equity method
For the year ended September 30, 2025: 42 million yen
For the year ended September 30, 2024: 59 million yen

(2) Consolidated financial position

	Year ended	
	September 30, 2024	September 30, 2025
Total assets (Millions of yen)	60,949	74,467
Total net assets (Millions of yen)	22,735	27,244
Equity ratio (%)	37.3	36.4
Net assets per share (Yen)	498.68	597.52

Equity: 27,136 million yen (as of September 30, 2025)
22,735 million yen (as of September 30, 2024)

(3) Consolidated cash flows

	As of	
	September 30, 2024	September 30, 2025
Cash flows from operating activities (Millions of yen)	(320)	1,135
Cash flows from investing activities (Millions of yen)	(7,659)	(4,743)
Cash flows from financing activities (Millions of yen)	6,055	3,134
Cash and cash equivalents at end of period (Millions of yen)	3,366	2,939

2. Dividends

	Year ended		Year ending
	September 30, 2024	September 30, 2025	September 30, 2026
1Q-end dividends per share (Yen)	-	-	-
2Q-end dividends per share (Yen)	12.00	17.00	22.00
3Q-end dividends per share (Yen)	-	-	-
Year-end dividends per share (Yen)	13.00	23.00	23.00
Annual dividends per share (Yen)	25.00	40.00	45.00
Total dividends (Millions of yen)	1,139	1,874	
Payout ratio (%)	75.2	33.3	36.8
Dividend on equity (%)	5.1	7.3	

Notes: 1. Breakdown of year-end dividend for the fiscal year ended September 30, 2025:
23.00 yen per share (ordinary dividend: 18.00, commemorative dividend for transition to TSE Prime Market: 5.00 yen)

3. Consolidated financial forecasts for the fiscal year ending September 30, 2026

	Year ending	
	September 30, 2026	%
Net sales (Millions of yen)	176,500	2.3
Operating profit (Millions of yen)	8,400	10.6
Ordinary profit (Millions of yen)	8,200	11.2
Profit attributable to owners of parent (Millions of yen)	5,850	3.9
Basic earnings per share (Yen):	128.30	

4. Notes

(1) Changes in significant subsidiaries during the three months under review
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
New: 1 (Company name: Sure Biz Cloud, Inc.)
Excluded: -

(2) Changes to accounting policy, changes/restatements to accounting estimates
1) Changes in accounting policy due to revision of accounting standards, etc. : Yes
2) Changes in accounting policy other than number 1 above : No
3) Changes in accounting estimates : No
4) Restatement : No

(3) Number of shares issued and outstanding (common stock)
1) Number of shares issued at the end of the period (including treasury stock)
As of September 30, 2025 : 48,366,400 shares
As of September 30, 2024 : 48,366,400 shares
2) Number of treasury stock shares at end of period
As of September 30, 2025 : 2,770,595 shares
As of September 30, 2024 : 2,775,605 shares
3) Average number of shares during the period
As of September 30, 2025 : 45,593,582 shares
As of September 30, 2024 : 45,582,569 shares

Note: The number of treasury shares at the end of the period includes shares of the Company held by the stock grant ESOP trust (As of September 30, 2025: 2,200,000 shares, As of September 30, 2024: -).
In addition, the treasury shares deducted from the average number of shares during the period include shares of the Company held by the stock grant ESOP trust.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated financial highlights for the Year Ended September 30, 2025

(1) Non-consolidated Operating results

Note: Percentages indicate changes form the same period of the previous fiscal year.

	Year ended			
	September 30, 2024		September 30, 2025	
		%		%
Net sales (Millions of yen)	138,677	25.3	170,082	22.6
Operating profit (Millions of yen)	5,129	16.1	7,330	42.9
Ordinary profit (Millions of yen)	5,096	13.5	7,070	38.7
Profit (Millions of yen)	1,480	(58.0)	5,435	267.1
Earnings per share (Yen):				
Basic	32.48		119.22	
Diluted	31.03		113.96	

(2) Non-consolidated financial position

	Year ended	
	September 30, 2024	September 30, 2025
Total assets (Millions of yen)	60,584	73,621
Total net assets (Millions of yen)	22,723	26,872
Equity ratio (%)	37.5	36.5
Net assets per share (Yen)	498.41	589.36

Equity: 26,872 million yen (as of September 30, 2025)
22,722 million yen (as of September 30, 2024)

(3) Non-consolidated financial forecasts for the fiscal year ending September 30, 2026

	Year ending	
	September 30, 2026	%
Total assets (Millions of yen)	170,000	(0.0)
Ordinary profit (Millions of yen)	7,400	4.7
Profit (Millions of yen)	5,350	(1.6)
Basic earnings per share (Yen):	117.34	

* Earnings reports are not subject to reviews by certified public accountants or audit firms

* Explanation regarding the appropriate use of business forecasts and other special notes

The forward-looking statements in this material, including business outlooks, are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. The statements do not promise achievement thereof by the Company. Furthermore, actual results may differ significantly due to various factors. For conditions forming the assumptions for business forecasts and notes regarding the use of business forecasts, please refer to page 4 of the attached document "1. Overview of Business Results, etc. (4) Future outlook."

The financial results presentation materials to be distributed at this briefing will be posted on the Company's website.

Table of Contents of the Attached Materials

1. Overview of Business Results, etc. …… 2
(1) Summary of Business Results for the Current Period …… 2
(2) Overview of Financial Position in the Current Period …… 3
(3) Summary of cash flows for the current period …… 3
(4) Future outlook …… 4
2. Basic approach regarding the selection of accounting standards …… 4
3. Consolidated financial statements and main notes …… 5
(1) Consolidated Balance sheet …… 5
(2) Consolidated statement of income and consolidated statements of comprehensive income …… 7
Consolidated statement of income …… 7
Consolidated statements of comprehensive income …… 8
(3) Consolidated Statements of changes in net assets …… 9
(4) Consolidated Statements of Cash Flows …… 11
(5) Notes to Consolidated Financial Statements …… 12
(Notes on going concern assumption) …… 12
(Notes on Changes to Accounting Policy) …… 12
(Segment information, etc.) …… 12
(Per share information) …… 14
(Important subsequent events) …… 14

1. Overview of Business Results, etc.

Any forward-looking statements in the materials are based on judgments as of the end of the consolidated fiscal year under review.

(1) Summary of Business Results for the Current Period

The Japanese economy is expected to continue its gradual recovery during the current fiscal year (October 1, 2024 - September 30, 2025) due to improvements in the employment and income environment and the effects of various government policies. Furthermore, improvements in the employment and income environment, along with strong corporate performance, have led to a recovery in capital investment. As a result, solid investment plans have been outlined, and further growth in demand for IT investment is expected. Meanwhile, the outlook remains uncertain due to factors such as the impact of U.S. trade policy and the impact of continuing price increases on personal consumption through a downward swing in consumer sentiment.

In this economic environment, the domestic IT market saw companies across a wide range of industries remain eager to invest in digital transformation (DX), and demand for IT investment to improve productivity, enhance competitiveness, and reduce costs remained robust. It is expected that the use of cloud technology and cloud services will continue to grow in an increasingly diverse range of fields.

Driven by the global expansion of hyperscaler companies such as Microsoft Azure and AWS, along with the emergence of generative AI, the IT market is undergoing a significant shift away from traditional on-premises services toward digital technology and business services. In Japan, the cloud sector continues to grow at a pace far exceeding the overall IT market. Microsoft's cloud portfolio, a core focus of our group, maintains strong market share across both application and infrastructure domains, and in the IaaS segment it stands alongside AWS as a market leader. For many customers, the initial wave of cloud adoption was triggered by the need to support remote work in the aftermath of Covid-19, particularly in infrastructure. Since the rise of generative AI, however, demand has expanded into full-scale digital transformation, with growing needs for cloud and AI utilization not only in information systems but also in customer-specific business IT areas. In the information systems domain, organizations are increasingly seeking to optimize siloed cloud environments and strengthen cybersecurity. To meet these needs, our group has evolved into a cloud integrator with deep expertise in communication infrastructure, built around Microsoft Cloud. Looking ahead, we aim to drive infrastructure modernization (including multi-cloud and security solutions) while expanding into business IT, AI, and global markets to address our customers' medium-term management challenges. Our goal is to become a one-stop cloud integrator capable of solving customers' IT issues in the cloud era.

As a result, business results for the consolidated fiscal year under review recorded net sales of 172,580 million yen (up 22.5% year-on-year), operating profit of 7,594 million yen (up 65.3% year-on-year), ordinary profit of 7,372 million yen (up 60.7% year-on-year), and profit attributable to owners of the parent of 5,629 million yen (up 271.6% year-on-year).

Operating results by segment are as follows:

(Cloud integration business)

During the consolidated fiscal year under review, we secured a diverse range of projects by deepening customer engagement through an integrated production and sales framework. This led to an increase in the number of projects per client and a rise in average customer value. Additionally, enhanced project management contributed to maintaining and improving profitability. As a result, revenue totaled 27,736 million yen (up 17.6% year-on-year), and segment profit reached 5,036 million yen (up 68.7% year-on-year).

(Cloud service business)

During the consolidated fiscal year under review, in addition to stable transactions with existing clients, deeper customer engagement and lead generation from our cloud integration business drove an increase in project volume. This resulted in net sales of 21,890 million yen (up 15.7% year-on-year) and segment profit of 3,290 million yen (up15.3% year-on-year).

(Licenses and products business)

During the consolidated fiscal year under review, we saw strong momentum in license upselling and

cross-selling to existing customers, driven by increased cloud adoption among client companies. Additionally, robust product sales were supported by large public sector projects and heightened demand for PC replacements following the end of Windows 10 support, resulting in net sales of 122,941 million yen (up 25.0% year-on-year) and segment profit of 2,841 million yen (up 17.6% year-on-year).

(2) Overview of Financial Position in the Current Period

(Assets)

Current assets at the end of the consolidated fiscal year under review increased by 8,877 million yen from the end of the previous accounting year to 39,316 million yen. This was mainly due to an increase of 7,981 million yen in accounts receivable. Fixed assets increased by 4,640 million yen from the end of the previous accounting year to 35,150 million yen. This was mainly due to an increase of 3,848 million yen in property, plant, and equipment.

As a result, total assets increased by 13,518 million yen from the end of the previous accounting year to 74,467 million yen.

(Liabilities)

Current liabilities at the end of the consolidated fiscal year under review increased by 9,570 million yen from the end of the previous accounting year to 32,056 million yen. This was mainly due to an increase of 5,000 million yen in short-term borrowings and an increase of 2,178 million yen in accounts payable-trade. Fixed liabilities decreased by 561 million yen from the end of the previous accounting year to 15,166 million yen. This was mainly due to a decrease of 835 million yen in long-term borrowings.

As a result, total liabilities increased by 9,008 million yen from the end of the previous accounting year to 47,222 million yen.

(Net assets)

Total net assets at the end of the consolidated fiscal year under review increased by 4,509 million yen from the end of the previous accounting year to 27,244 million yen. This was mainly due to an increase of 4,261 million yen in retained earnings.

As a result, the equity ratio was 36.4% (37.3% at the end of the previous fiscal year).

(3) Summary of cash flows for the current period

Cash flow conditions for the consolidated accounting year under review were as follows.

The balance of cash and cash equivalents (hereinafter, “Cash”) at the end of the consolidated accounting year under review decreased 427 million yen from the end of the previous accounting year to 2,939 million yen. This was due to a decrease of 474 million yen in total cash flows from operating, investing, and financing activities, and an increase of 47 million yen resulting from the translation difference related to cash and cash equivalents.

The status of each cash flow and related reasons during the current consolidated accounting year are as follows.

(Cash flows from business activities)

Cash from business activities increased by 1,135 million yen. This increase was primarily due to a net income before income taxes of 7,358 million yen and an increase in trade payables of 2,178 million yen. On the other hand, an increase in trade receivables and contract assets of 9,485 million yen led to a corresponding decrease in cash flow.

(Cash flows from investing activities)

Cash from investing activities decreased by 4,743 million yen. This was mainly due to payments for the acquisition of tangible and intangible assets amounting to 4,455 million yen.

(Cash flows from financing activities)

Cash from financing activities increased by 3,134 million yen. This was mainly due to a net increase in short-term borrowings of 5,000 million yen and an increase in proceeds from long-term borrowings of 2,000 million yen, while there was a decrease due to a repayment of long-term borrowings of 2,691 million yen and dividend payments of 1,367 million yen.

(4) Future outlook

With corporate DX investments accelerating and spending on cloud and generative AI expanding, demand in the Japanese IT market continues to rise. This growth extends beyond the renewal of core enterprise systems to include the optimization of siloed IT infrastructure, data utilization for generative AI, and increasing needs for in-house development within business divisions to drive new business creation. To contribute to the acceleration of our customers' digital transformation (centered on the cloud), our group will transform from a communications infrastructure vendor with strengths in Microsoft Cloud to a business IT partner offering one-stop support for in-house development for business growth.

Furthermore, the group has expanded its business with enterprise companies since providing Microsoft 365 licenses. Looking ahead, we aim to expand our transactions with the enterprise clients we've developed, by increasing the revenue share of engineering services, specifically in cloud integration and cloud services, while enhancing overall profitability.

In the next consolidated fiscal year, we plan to increase the scale of our overall business as described above, and by actively hiring and strengthening training of talent for further growth in the future. The Company forecasts an increase in both sales and profit, with net sales of 176,500 million yen (up 2.3% year-on-year), operating income of 8,400 million yen (up 10.6% year-on-year), ordinary income of 8,200 million yen (up 11.2% year-on-year), and profit attributable to owners of parent of 5,850 million yen (up 3.9% year-on-year).

2. Basic approach regarding the selection of accounting standards

In order to ensure comparability with other Japanese companies in the same industry, the Group has adopted Japanese GAAP for accounting standards.

3. Consolidated financial statements and main notes

(1) Consolidated Balance sheet

(Unit: Millions of yen)

	Current fiscal year (September 30, 2024)	Current fiscal year (September 30, 2025)
Assets		
Current assets		
Cash and deposits	3,366	2,939
Notes receivable - trade	85	184
Accounts receivable - trade	15,556	23,537
Contract assets	2,269	3,674
Investments in leases	361	103
Inventories	1,809	609
Advance payments to suppliers	4,685	5,994
Other	2,494	2,486
Allowance for doubtful accounts	(189)	(212)
Total current assets	**30,439**	**39,316**
Non-current assets		
Property, plant and equipment		
Buildings (net)	13,382	14,189
Land	9,570	12,506
Construction in progress	148	316
Other (net)	1,138	1,076
Total property, plant and equipment	24,240	28,088
Intangible fixed assets		
Other	304	260
Total intangible fixed assets	304	260
Investments and other assets		
Investments in securities	1,405	1,770
Deferred tax assets	1,203	1,427
Other	3,387	3,604
Allowance for doubtful accounts	(30)	(0)
Total investments and other assets	5,965	6,801
Total non-current assets	**30,510**	**35,150**
Total assets	**60,949**	**74,467**

(Unit: Millions of yen)

	Current fiscal year (September 30, 2024)	Current fiscal year (September 30, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	6,852	9,030
Short-term debt	3,800	8,800
Current portion of long-term borrowings	2,188	2,332
Lease liabilities	337	40
Income taxes payable	1,561	1,299
Contract liabilities	2,626	3,439
Provision for bonuses	1,926	1,994
Provision for shareholder benefit program	-	41
Provision for loss on orders received	17	346
Other	3,177	4,732
Total current liabilities	**22,486**	**32,056**
Non-current liabilities		
Long-term borrowings	13,388	12,553
Provision for retirement benefits for directors (and other officers)	380	416
Provision for repairs	236	272
Asset retirement obligations	1,720	1,867
Other	0	56
Total non-current liabilities	**15,727**	**15,166**
Total liabilities	**38,213**	**47,222**
Net assets		
Shareholders' equity		
Share capital	539	539
Capital surplus	8,651	11,879
Retained earnings	13,601	17,863
Treasury shares	(296)	(3,464)
Total shareholders' equity	**22,496**	**26,818**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	238	318
Total accumulated other comprehensive income	**238**	**318**
Stock acquisition rights	0	0
Non-controlling interests	-	107
Total net assets	**22,735**	**27,244**
Total liabilities and net assets	**60,949**	**74,467**

(2) Consolidated statement of income and consolidated statements of comprehensive income

(Consolidated statement of income)

(Unit: Millions of yen)

	Current fiscal year (From October 1, 2023 to September 30, 2024)	Current fiscal year (From October 1, 2024 to September 30, 2025)
Net sales	**140,858**	**172,580**
Cost of sales	126,290	154,716
Gross profit	14,567	17,863
Selling, general and administrative expenses	9,974	10,268
Operating profit	**4,593**	**7,594**
Non-operating income		
Interest and dividend income	16	15
Share of profit of entities accounted for using equity method	59	42
Gain on sale of investment securities	22	10
Gain on investments in investment partnerships	17	22
Dividend income of insurance	14	16
Surrender value of insurance policies	40	5
Reversal of allowance for doubtful accounts	-	16
Other	31	20
Total non-operating income	**202**	**149**
Non-operating expenses		
Interest expenses	84	174
Commission expenses	24	124
Foreign exchange losses	49	-
Other	50	72
Total non-operating expenses	**208**	**371**
Ordinary profit	**4,587**	**7,372**
Extraordinary income		
Gain on sale of non-current assets	3	-
Gain on reversal of share acquisition rights	0	0
Total extraordinary income	**3**	**0**
Extraordinary loss		
Impairment losses	1,720	-
Loss on retirement of non-current assets	14	10
Loss on valuation of golf club membership	-	2
Other	-	0
Total extraordinary loss	**1,734**	**13**
Profit before income taxes	**2,856**	**7,358**
Income taxes - current	1,867	1,995
Income taxes - deferred	(525)	(265)
Total income taxes	1,341	1,729
Profit	**1,514**	**5,629**
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	**1,514**	**5,629**

(Consolidated statements of comprehensive income)

(Unit: Millions of yen)

	Current fiscal year (From October 1, 2023 to September 30, 2024)	Current fiscal year (From October 1, 2024 to September 30, 2025)
Profit	**1,514**	**5,629**
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	80
Total other comprehensive income	**(3)**	**80**
Comprehensive income	**1,511**	**5,709**
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,511	5,709
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of changes in net assets

Previous fiscal year (From October 1, 2023 to September 30, 2024)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	539	8,648	13,089	(298)	21,979
Changes during period					
Dividends of surplus			(1,002)		(1,002)
Profit attributable to owners of parent			1,514		1,514
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		3		2	5
Exercise of share acquisition rights					-
Forfeiture of share acquisition rights					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	3	512	1	517
Balance at end of period	539	8,651	13,601	(296)	22,496

	Accumulated other comprehensive income		Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	241	241	0	22,221
Changes during period				
Dividends of surplus		-		(1,002)
Profit attributable to owners of parent		-		1,514
Purchase of treasury shares		-		(0)
Disposal of treasury shares		-		5
Exercise of share acquisition rights		-	(0)	(0)
Forfeiture of share acquisition rights		-	(0)	(0)
Net changes in items other than shareholders' equity	(3)	(3)		(3)
Total changes during period	(3)	(3)	(0)	513
Balance at end of period	238	238	0	22,735

Current fiscal year (From October 1, 2024 to September 30, 2025)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	539	8,651	13,601	(296)	22,496
Changes during period					
Dividends of surplus			(1,367)		(1,367)
Profit attributable to owners of parent			5,629		5,629
Purchase of treasury shares				(3,403)	(3,403)
Disposal of treasury shares		3,169		235	3,404
Sale of shares of consolidated subsidiaries		58			58
Net changes in items other than shareholders' equity					-
Total changes during period	-	3,227	4,261	(3,167)	4,321
Balance at end of period	539	11,879	17,863	(3,464)	26,818

	Accumulated other comprehensive income		Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	238	238	0	-	22,735
Changes during period					
Dividends of surplus		-			(1,367)
Profit attributable to owners of parent		-			5,629
Purchase of treasury shares		-			(3,403)
Disposal of treasury shares		-			3,404
Sale of shares of consolidated subsidiaries		-			58
Net changes in items other than shareholders' equity	80	80	(0)	107	187
Total changes during period	80	80	(0)	107	4,509
Balance at end of period	318	318	0	107	27,244

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Current fiscal year (From October 1, 2023 to September 30, 2024)	Current fiscal year (From October 1, 2024 to September 30, 2025)
Cash flows from operating activities		
Profit before income taxes	2,856	7,358
Depreciation	923	1,153
Impairment losses	1,720	-
Amortization of goodwill	114	-
Increase (decrease) in provision for bonuses	135	68
Increase (decrease) in provision for loss on orders received	(23)	328
Interest and dividend income	(16)	(15)
Interest expenses	84	174
Share of loss (profit) of entities accounted for using equity method	(59)	(42)
Foreign exchange losses (gains)	82	(65)
Decrease (Increase) in trade receivables and contract assets	(2,006)	(9,485)
Decrease (increase) in inventories	(765)	1,200
Decrease (increase) in advance payments to suppliers	(4,678)	(1,308)
Decrease (increase) in prepaid expenses	(269)	(68)
Decrease (increase) in accounts receivable - other	768	68
Increase (decrease) in trade payables	1,623	2,178
Increase (decrease) in accounts payable - other	229	76
Increase (decrease) in accrued expenses	199	(32)
Increase (Decrease) in contract liabilities	(285)	677
Increase (decrease) in accrued consumption taxes	(370)	1,107
Increase (decrease) in deposits received	(118)	11
Other, net	228	170
Subtotal	**371**	**3,555**
Interest and dividends received	45	36
Interest paid	(87)	(176)
Subsidies received	2	6
Surrender value of insurance policies	40	5
Income taxes refund (paid)	(693)	(2,992)
Net cash provided by (used in) operating activities	**(320)**	**1,135**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(7,534)	(4,455)
Purchase of investment securities	(188)	(349)
Proceeds from sale of investment securities	168	115
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(68)
Payments of leasehold and guarantee deposits	(44)	(74)
Proceeds from refund of leasehold and guarantee deposits	4	3
Net decrease (increase) in short-term loans receivable	(74)	32
Other, net	10	53
Net cash provided by (used in) investing activities	**(7,659)**	**(4,743)**
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,300	5,000
Proceeds from long-term borrowings	6,500	2,000
Repayments of long-term borrowings	(1,746)	(2,691)
Dividends paid	(1,002)	(1,367)
Net decrease (increase) in treasury shares	5	1
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	192
Net cash provided by (used in) financing activities	**6,055**	**3,134**
Effect of exchange rate change on cash and cash equivalents	(55)	47
Net increase (decrease) in cash and cash equivalents	(1,979)	(427)
Cash and cash equivalents at beginning of period	5,345	3,366
Cash and cash equivalents at end of period	3,366	2,939

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes on Changes to Accounting Policy)

(Application of "Accounting Standard for Current Income Taxes" and other policies)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27; October 28, 2022), "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25; October 28, 2022), and "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28; October 28, 2022) from the start of the consolidated accounting year under review. The consolidated financial statements will not be affected.

(Segment information, etc.)

(Segment information)

1) Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group consists of product and service segments based on business activities, and has three reportable segments: the Cloud Integration Business, Cloud Services Business, and License and Products Business.

a) Cloud Integration Business (CI)

This business mainly supports the implementation of Microsoft's cloud products Azure (Microsoft Azure), M365 (Microsoft365), and D365 (Dynamics365), as well as peripheral cloud services.

Specifically, the business formulates cloud DX plans for our customers, performs agile development of business applications which use SaaS/PaaS for introduction of work environments including D365 (CRM, ERP, etc.) and of platforms mainly consisting of IaaS on Azure, and provides integrated services related to the construction of cloud environments, from the demonstration phase (PoC) to design, construction, adoption, and monitoring of effectiveness in fields of required security/devices and modern workplace solutions which support the introduction of M365 (Teams, Outlook, etc.) from consulting for optimization of working style and communication.

b) Cloud Service Business (CS)

This business provides integrated support by undertaking maintenance, operation, and improvement of cloud utilization, including Azure, M365, and D365.

Furthermore, we provide our own cloud solution service with a unique and highly convenient function in Microsoft's cloud license.

c) License & Products Business (L&P)

The business provides cloud solutions, including Azure, M365, D365, etc., which mainly serve as the foundation for customers' system development, as well as resale of licenses and related equipment. We also provide resale of equipment for hybrid cloud environments consisting of on-premise infrastructure, private clouds, and public clouds.

2) Method of calculating net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting methods for the reportable business segments are in accordance with the accounting policies adopted for preparing consolidated financial statements. Reportable segment profits are based on operating profit, and inter-segment sales are based on third-party transaction prices.

3) Information on the amount of net sales, profit/loss, assets, liabilities, and other items

Precious fiscal year (From October 1, 2023 to September 30, 2024)

	Reportable segments				Others Note1	Adjustment Note2	Total Note3
	Cloud Integration Business	Cloud Service Business	License & Products Business	Segments total			
Net sales							
Sales to external customers	23,593	18,922	98,330	140,846	11	-	140,858
Intersegment sales or transfers	13	7	36	57	-	(57)	-
Total	23,606	18,930	98,366	140,903	11	(57)	140,858
Segment profit	2,985	2,854	2,417	8,256	5	(3,668)	4,593
Other Items							
Depreciation	375	282	-	658	2	263	923

(Note) 1. The "Other" category includes business segments not included in reportable segments; for example, real estate leasing.

2. The adjusted segment profit of (3,668 million yen) includes amortization of goodwill of (114 million yen) and corporate expenses of (3,554 million yen) that are not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses that do not belong to reportable segments.

3. Segment profit is adjusted with operating profit on the consolidated statements of income.

4. Segment assets are not listed because assets are not allocated to business segments.

Current fiscal year (From October 1, 2024 to September 30, 2025)

	Reportable segments				Others Note1	Adjustment Note2	Total Note3
	Cloud Integration Business	Cloud Service Business	License & Products Business	Segments total			
Net sales							
Sales to external customers	27,736	21,890	122,941	172,568	11	-	172,580
Intersegment sales or transfers	11	-	35	47	-	(47)	-
Total	27,747	21,890	122,977	172,615	11	(47)	172,580
Segment profit	5,036	3,290	2,841	11,167	5	(3,578)	7,594
Other Items							
Depreciation	469	359	-	828	2	322	1,153

(Note) 1. The "Other" category includes business segments not included in reportable segments; for example, real estate leasing.

2. The adjusted segment profit of (3,578 million yen) includes corporate expenses of (3,593 million yen) that are not allocated to reportable segments, and inter-segment eliminations of 14 million yen. Corporate expenses are mainly general and administrative expenses that do not belong to reportable segments.

3. Segment profit is adjusted with operating profit on the consolidated statements of income.

4. Segment assets are not listed because assets are not allocated to business segments.

(Per share information)

	Current fiscal year (From October 1, 2023 to September 30, 2024)	Current fiscal year (From October 1, 2024 to September 30, 2025)
Net assets per share	498.68 yen	597.52 yen
Profit per share	33.23 yen	123.47 yen
Diluted profit per share	31.74 yen	118.05 yen

(Note) 1. In calculating "Net assets per share," the Company's shares held by the Stock-Granting ESOP Trust are included in the treasury stock deducted from the total number of shares issued at the end of the fiscal year (previous fiscal year: - shares; current fiscal year: 2,200,000 shares). In addition, in calculating "Net income per share," the Company's shares held by the Stock-Granting ESOP Trust are included in the treasury stock deducted in calculating the average number of shares during the fiscal year.

2. The basis for calculation of net income per share and diluted net income per share is as follows.

	Current fiscal year (From October 1, 2023 to September 30, 2024)	Current fiscal year (From October 1, 2024 to September 30, 2025)
Profit per share		
Profit attributable to owners of parent (million yen)	1,514	5,629
Amount not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common stock (million yen)	1,514	5,629
Average number of shares of common stock during the period (shares)	45,582,569	45,593,582
Diluted profit per share		
Adjustment to profit attributable to owners of parent	-	-
Increase in common stock (shares)	2,143,372	2,093,086
(of which are stock acquisition rights (shares))	(2,143,372)	(2,093,086)
Summary of potentially dilutive shares not included in the calculation of diluted net income per share due to the absence of dilutive effects	-	-

(Important subsequent events)

N/A