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May 13, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4783
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 Scheduled date of annual general meeting of shareholders: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file annual securities report: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	25,481	11.5	2,115	76.9	2,140	76.5	1,387	106.4
March 31, 2023	22,853	11.2	1,195	32.5	1,212	26.7	672	46.7

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥1,475 million [113.9%]
 For the fiscal year ended March 31, 2023: ¥689 million [67.1%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	170.38	—	24.5	15.7	8.3
March 31, 2023	83.31	—	14.3	10.0	5.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥— million
 For the fiscal year ended March 31, 2023: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	14,899	6,403	42.6	775.87
March 31, 2023	12,387	5,045	40.4	619.62

Reference: Equity
 As of March 31, 2024: ¥6,346 million
 As of March 31, 2023: ¥5,001 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	2,574	(99)	(508)	5,767
March 31, 2023	568	(171)	(413)	3,799

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2023	Yen —	Yen 7.00	Yen —	Yen 13.00	Yen 20.00	Millions of yen 161	% 24.0	% 3.4
Fiscal year ended March 31, 2024	—	16.00	—	34.00	50.00	409	29.3	7.2
Fiscal year ending March 31, 2025 (Forecast)	—	27.00	—	27.00	54.00		30.5	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	28,000	9.9	2,200	4.0	2,200	2.8	1,450	4.5	177.25

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: One company (Japan Computer Services, Inc.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	8,800,000 shares
As of March 31, 2023	8,800,000 shares

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

As of March 31, 2024	619,757 shares
As of March 31, 2023	728,932 shares

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

Fiscal year ended March 31, 2024	8,145,953 shares
Fiscal year ended March 31, 2023	8,071,068 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	20,854	10.7	1,710	75.6	1,723	75.2	1,132	113.5
March 31, 2023	18,845	11.2	974	52.6	983	48.0	530	88.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	139.03	—
March 31, 2023	65.73	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	11,382	4,991	43.9	610.23
March 31, 2023	9,999	3,966	39.7	491.41

Reference: Equity

As of March 31, 2024: ¥4,991 million

As of March 31, 2023: ¥3,966 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Appropriate use of earnings forecasts, and other special matters

The forward-looking statements, such as the financial forecast, provided in this material are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and are not intended as a guarantee that the Company will achieve the same. In addition, actual results, including financial performance, may significantly differ due to various factors.

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Fiscal Year under Review

During the fiscal year under review (April 1, 2023 to March 31, 2024), the Japanese economy maintained a moderate pick-up trend, with socioeconomic activity being normalized further due to the easing of various restrictions, including the lowering of the classification of COVID-19 to Class 5. However, the outlook remains uncertain due to the effects of the prolonged conflicts in the Middle East and Ukraine, rising raw materials prices and exchange rate fluctuations, among others.

In the information services industry to which the Group belongs, efforts to modernize core systems ^{(*)1} and cloud migration ^{(*)2} among others, are accelerating as DX makes progress. The Company's customers are also making progress in the renewal of core systems in anticipation of medium to long-term business expansion and in the use of cloud services in response to heightened security awareness. In addition, there is a movement to outsource system maintenance, operation and other works to solve the shortage of IT personnel and to work on BCP. The Group continues to focus on human capital management by strengthening human resource development and recruitment activities, while promoting near-shore utilization, etc., to expand the scale of orders and reduce costs. In May 2024, the Fukuoka office was relocated and renovated to expand operations. In December 2023, the Company acquired Japan Computer Services, Inc. (JCS) as its subsidiary with the aim of further enhancing its corporate value by integrating its technological capabilities and customer base.

^{(*)1} Replacing software and hardware that are running in the system with the latest products and designs while taking advantage of the assets in operation

^{(*)2} Migrating the system operating environment from a physical base (on-premises environment) to a virtual base (cloud environment) on the Internet

In the bicycle-parking industry, people have more opportunities to go out due to the relaxation of various anti-COVID-19 restrictions, and bicycle-parking use has been on the rise. However, due to concerns about risks arising from the external environment, such as behavioral changes resulting from the diversification of working styles, it is necessary to shift to a business model that can respond flexibly to environmental changes and fluctuations in demand. The Group has been implementing structural reforms of its business over a period of approximately three years with the aim of stabilizing profitability. Going forward, it will maintain a strong profit structure by utilizing the data platform established through the reforms and entrenching an improvement cycle, while promoting the bicycle parking business with an emphasis on profit margins.

During the fiscal year under review, both sales and profit increased year on year mainly due to the expansion of business areas in the IT-related business (System Development Business, Support and Service Business) and the increase in bicycle parking lot usage fee income in the Parking System Business.

As a result, net sales for the fiscal year under review were 25,481 million yen (up 11.5% year on year), operating profit was 2,115 million yen (up 76.9% year on year), ordinary profit was 2,140 million yen (up 76.5% year on year), and net profit attributable to owners of parent was 1,387 million yen (up 106.4% year on year).

The profit and loss of JCS is included from the last three months ended March 31, 2024.

Results by segment for the fiscal year under review are as follows.

System Development Business

Sales increased year on year mainly due to the expansion and growth of business areas in system development projects for new products of insurance companies and a core system renewal project for the manufacturing company. On the profit side, there was a significant year-on-year increase as profits were successfully built up thanks to smooth management of various projects and profitability improved due to the steady shift to the NCD service model mainly in application maintenance. As a result, net sales were 10,421 million yen (up 12.7% year on year) and segment profit was 1,541 million yen (up 49.2% year on year).

Support and Service Business

Sales increased year on year due to the expansion of business areas such as cloud-related projects for insurance companies. On the profit side, there was a year-on-year increase thanks to smooth management of various projects and efficient operations of the Managed Service Center along with the shift to the NCD service model. As a result, net sales were 7,735 million yen (up 12.2% year on year) and segment profit was 851 million yen (up 21.0% year on year).

Parking System Business

In addition to the relaxation of various restrictions related to COVID-19, good weather contributed to an increase in opportunities to go out, in turn mainly leading to increased pay-by-the-hour use of bicycle parking. The Company continued to promote parking rate revisions mainly for directly operated bicycle parking lots, resulting in bicycle parking lot usage fee income greatly exceeding pre-COVID-19 levels. As a result, sales increased year on year. Profits significantly increased year on year as profitability of bicycle parking lots greatly improved due to a significant increase in bicycle parking lot usage fee income and initiatives were undertaken to promote insourcing of outsourced operations by using Group subsidiaries. As a result, net sales were 7,297 million yen (up 9.3% year on year) and segment profit was 1,284 million yen (up 57.1% year on year).

(2) Summary of Financial Position for the Fiscal Year under Review

Assets, Liabilities and Net Assets

Total assets increased 2,511 million yen from the end of the previous fiscal year to 14,899 million yen. The main items of increase were cash and deposits of 1,999 million yen, accounts receivable - trade of 213 million yen, deferred tax assets of 213 million yen and goodwill of 114 million yen. Liabilities increased 1,153 million yen from the end of the previous fiscal year to 8,495 million yen. The main items of increase were income taxes payable of 411 million yen, retirement benefit liability of 236 million yen, provision for bonuses of 165 million yen, provision for retirement benefits for directors (and other officers) of 159 million yen and accounts payable - trade of 100 million yen. On the other hand, the main items of decrease were lease liabilities of 397 million yen. Net assets increased 1,358 million yen from the end of the previous fiscal year to 6,403 million yen, and the equity ratio increased from 40.4% at the end of the previous fiscal year to 42.6%.

(3) Summary of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents in the fiscal year under review increased 1,968 million yen year on year to 5,767 million yen. The status of each cash flow and their factors during the fiscal year under review are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities in the fiscal year under review amounted to 2,574 million yen (568 million yen in the same period of the previous fiscal year). The main inflows were profit before income taxes of 2,093 million yen, depreciation of 359 million yen, and increase (decrease) in other current liabilities of 101 million yen. On the other hand, the main outflows were income taxes paid of 343 million yen and a decrease (increase) in inventories of 114 million yen.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities in the fiscal year under review amounted to 99 million yen (171 million yen in the same period of the previous fiscal year). The main outflow was purchase of property, plant and equipment of 183 million yen. On the other hand, the main inflow was proceeds from sale of property, plant and equipment of 111 million yen.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities in the fiscal year under review amounted to 508 million yen (413 million yen in the same period of the previous fiscal year). The main outflows were repayments of lease liabilities of 293 million yen and dividends paid of 229 million yen.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity ratio (%)	38.3	37.3	40.4	42.6
Equity ratio based on market value (%)	50.3	46.9	49.5	102.0
Ratio of interest-bearing debt to cash flow (%)	752.0	87.8	297.6	67.6
Interest coverage ratio (times)	10.9	86.2	22.9	111.8

Equity ratio: owner's equity / total assets

Equity ratio based on market value: market capitalization / total assets

Ratio of interest-bearing debt to cash flow: ((interest-bearing debt at beginning of period + interest-bearing debt at end of period) / 2) / operating cash flow

Interest coverage ratio: operating cash flow / interest payments

(Notes) 1 All calculations are based on consolidated financial figures.

2 Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the number of shares outstanding (less treasury stock) at the end of the fiscal year.

3 Cash flow is the net cash provided by operating activities in the consolidated statements of cash flows. Interest-bearing liabilities are all liabilities on the consolidated balance sheets for which interest is paid. For interest payments, the amount of interest paid in the consolidated statements of cash flows is used.

(4) Future Outlook

In the fiscal year ending March 31, 2025, the Japanese economy is expected to see a rise in consumer confidence due to reasons such as high wage increases. On the other hand, it is necessary to pay attention to downside risks in overseas economies and the effects of fluctuations in financial and capital markets, among other factors.

Looking at the business environment surrounding the Group, the IT-related business is expected to see a further expansion of the DX market in the finance and manufacturing industries, as well as to face the needs for improving operational efficiency against the backdrop of labor shortages and other factors. In addition, demand for advanced IT, such as cloud computing and AI, is expected to increase as a result of these developments. The Group will continue to respond flexibly to diversifying customer needs by focusing on human resource development through means such as encouraging the acquisition of cloud-related certifications and implementing digital technology training, enhancing mid-career recruitment of work-ready personnel, utilizing near-shore operations, and creating synergies with JCS, which has become a subsidiary. In addition, the Group will continue to expand the existing client base and acquire new clients by promoting IT full outsourcing and other measures, which provides comprehensive support for the IT lifecycles of the clients.

In the Parking System Business, bicycle parking lot use has remained steady due to decreased COVID-19 infections, even though teleworking has taken hold to a certain degree. Bicycle parking lot usage fee income has remained above pre-COVID-19 levels, thanks in part to steady progress in the revision of the fees. Furthermore, withdrawal from unprofitable projects in line with municipal strategies is expected to bring a further improvement of profitability, though the number of managed bicycle parking spaces will temporarily decrease. The Group will focus on introducing "ECOPOOL," which is a monthly bicycle parking lot management system, to railroad operators and other companies, implementing continuous fee revisions, and promoting DX in bicycle parking lot operations, among other measures. In addition, through strengthening cooperation with its subsidiaries, the Group will work to enhance the added value of its services by, for example, increasing the number of next-generation bicycle parking lots that meet diverse mobility needs.

Under these circumstances, the Group has revised its target figures for the fiscal year ending March 31, 2026, the final year of its medium-term management plan "Vision 2026" (from the fiscal year ended March 31, 2024 to that ending March 31, 2026), in light of recent business performance trends. For details, please refer to the "Notice Concerning Revision of Medium-Term Management Plan Target Figures" announced today, May 13.

Through continued company-wide efforts to increase human capital investment, raise wages, and other measures, in line with

the promotion of "Vision 2026," consolidated financial results for the full year ending March 31, 2025 are expected to be as shown in the table below.

(Forecast of consolidated financial results for the fiscal year ending March 31, 2025)

(Millions of yen)

	Fiscal year ending March 31, 2025
Net sales	28,000
Operating profit	2,200
Ordinary profit	2,200
Profit attributable to owners of parent	1,450

The above forecast is based on currently available information. Actual results may differ significantly due to a variety of factors. If it becomes necessary to revise the forecast, the information will be promptly disclosed.

(5) Basic Policy on Profit Allocation and Dividends for the Fiscal Year under Review and the Following Fiscal Year

The Company has changed its dividend policy in the medium-term management plan "Vision2026," which is a three-year plan starting from the fiscal year under review. The Company positions the return of profits to shareholders as one of the most important management issues, and stipulates the basic policy as paying stable and continuous dividends with a consolidated dividend payout ratio of 30% or higher as a guideline, comprehensively taking into consideration the consolidated results of operations, the level of retained earnings necessary for future business development, and others. Based on this basic policy, the Company has decided to pay a year-end ordinary dividend of 34 yen per share for the fiscal year ended March 31, 2024. As a result, the annual dividend per share for the fiscal year ended March 31, 2024 will be 50 yen, together with the interim dividend of 16 yen that has already been paid.

For the fiscal year ending March 31, 2025, the Company plans to pay an ordinary dividend of 54 yen per share (interim dividend of 27 yen and year-end dividend of 27 yen).

2. Basic Approach to the Selection of Accounting Standards

Since most of the Group's stakeholders are domestic shareholders, creditors, business partners, etc., and there is little need to raise funds from overseas, Japanese GAAP is applied for accounting standards.

The Company intends to make appropriate decisions regarding the application of International Financial Reporting Standards (IFRS), while keeping an eye on future developments.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,913,476	5,912,650
Notes receivable - trade	37,477	42,264
Accounts receivable - trade	3,435,256	3,648,730
Contract assets	135,718	91,089
Lease receivables and investments in leases	277,048	196,333
Securities	-	200,071
Merchandise and finished goods	150,613	238,498
Work in process	112,706	177,191
Other	517,692	537,915
Allowance for doubtful accounts	(832)	-
Total current assets	8,579,158	11,044,746
Non-current assets		
Property, plant and equipment		
Buildings and structures	515,755	663,580
Accumulated depreciation	(206,264)	(274,616)
Buildings and structures, net	309,490	388,964
Vehicles	1,940	3,526
Accumulated depreciation	(1,742)	(2,922)
Vehicles, net	198	604
Tools, furniture and fixtures	497,394	571,375
Accumulated depreciation	(379,171)	(442,298)
Tools, furniture and fixtures, net	118,223	129,077
Land	339,426	339,426
Leased assets	1,154,012	1,174,692
Accumulated depreciation	(457,498)	(537,136)
Leased assets, net	696,513	637,556
Construction in progress	22,565	13,179
Total property, plant and equipment	1,486,419	1,508,808
Intangible assets		
Goodwill	-	114,973
Other	239,082	209,281
Total intangible assets	239,082	324,254
Investments and other assets		
Investment securities	345,738	204,444
Deferred tax assets	1,052,751	1,266,207
Other	684,370	550,901
Total investments and other assets	2,082,861	2,021,552
Total non-current assets	3,808,363	3,854,615
Total assets	12,387,522	14,899,361

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,010,312	1,110,425
Short-term borrowings	807,368	833,200
Current portion of long-term borrowings	-	19,936
Lease liabilities	564,884	458,594
Income taxes payable	202,865	614,027
Contract liabilities	219,663	223,155
Provision for bonuses	928,640	1,094,050
Provision for loss on orders received	-	2,388
Provision for share-based payments	125,148	-
Asset retirement obligations	-	3,581
Other	1,026,657	1,431,735
Total current liabilities	4,885,542	5,791,095
Non-current liabilities		
Long-term borrowings	-	55,798
Lease liabilities	943,650	652,907
Provision for retirement benefits for directors (and other officers)	46,753	206,195
Provision for share-based payments	-	60,950
Retirement benefit liability	1,224,320	1,461,264
Asset retirement obligations	205,205	229,511
Other	36,733	37,918
Total non-current liabilities	2,456,662	2,704,546
Total liabilities	7,342,205	8,495,641
Net assets		
Shareholders' equity		
Share capital	438,750	438,750
Capital surplus	954,989	1,019,556
Retained earnings	3,842,025	5,007,649
Treasury shares	(269,509)	(229,170)
Total shareholders' equity	4,966,255	6,236,785
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,492	90,522
Foreign currency translation adjustment	1,948	3,685
Remeasurements of defined benefit plans	△17,674	15,857
Total accumulated other comprehensive income	34,766	110,064
Non-controlling interests	44,295	56,869
Total net assets	5,045,317	6,403,720
Total liabilities and net assets	12,387,522	14,899,361

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

Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	22,853,690	25,481,801
Cost of sales	19,013,539	20,319,168
Gross profit	3,840,150	5,162,632
Selling, general and administrative expenses	2,644,200	3,047,176
Operating profit	1,195,950	2,115,455
Non-operating income		
Interest income	1,030	4,241
Dividend income	5,422	6,410
Subsidy income	16,086	11,652
Rental income from buildings	12,663	14,913
Insurance claim income and dividend income	3,780	6,557
Other	9,518	10,117
Total non-operating income	48,503	53,893
Non-operating expenses		
Interest expenses	24,754	23,645
Other	7,245	5,671
Total non-operating expenses	31,999	29,316
Ordinary profit	1,212,453	2,140,032
Extraordinary loss		
Loss on sale of non-current assets	4,638	-
Impairment losses	136,081	45,859
Loss on transfer of retirement benefit plan	85,589	-
Other	2,637	1,086
Total Extraordinary loss	228,947	46,945
Profit before income taxes	983,506	2,093,087
Income taxes - current	370,945	734,578
Income taxes - deferred	(67,903)	(42,005)
Total income taxes	303,041	692,573
Profit	680,464	1,400,513
Profit attributable to non-controlling interests	8,012	12,574
Profit attributable to owners of parent	672,451	1,387,939

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	680,464	1,400,513
Other comprehensive income		
Valuation difference on available-for-sale securities	10,210	40,029
Foreign currency translation adjustment	956	1,736
Remeasurements of defined benefit plans, net of tax	(1,793)	33,531
Total other comprehensive income	9,374	75,298
Comprehensive income	689,839	1,475,812
(Breakdown)		
Comprehensive income attributable to owners of parent	681,826	1,463,237
Comprehensive income attributable to non-controlling interests	8,012	12,574

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the current period	438,750	954,989	3,282,568	(269,509)	4,406,798
Changes during period					
Dividends of surplus			(112,994)		(112,994)
Profit attributable to owners of parent			672,451		672,451
Purchase of treasury shares					-
Disposal of treasury shares					-
Adjustment due to change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	559,456	-	559,456
Balance at the end of the current period	438,750	954,989	3,842,025	(269,509)	4,966,255

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income Cumulative total		
Balance at the beginning of the current period	40,281	991	(15,881)	25,391	36,282	4,468,472
Changes during period						
Dividends of surplus						(112,994)
Profit attributable to owners of parent						672,451
Purchase of treasury shares						-
Disposal of treasury shares						-
Adjustment due to change in scope of consolidation						-
Net changes in items other than shareholders' equity	10,210	956	(1,793)	9,374	8,012	17,387
Total changes during period	10,210	956	(1,793)	9,374	8,012	576,844
Balance at the end of the current period	50,492	1,948	(17,674)	34,766	44,295	5,045,317

Fiscal year under review (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the current period	438,750	954,989	3,842,025	(269,509)	4,966,255
Changes during period					
Dividends of surplus			(235,808)		(235,808)
Profit attributable to owners of parent			1,387,939		1,387,939
Purchase of treasury shares				(34)	(34)
Disposal of treasury shares		64,566		40,374	104,941
Adjustment due to change in scope of consolidation			13,492		13,492
Net changes in items other than shareholders' equity					
Total changes during period	-	64,566	1,165,623	40,339	1,270,530
Balance at the end of the current period	438,750	1,019,556	5,007,649	(229,170)	6,236,785

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income Cumulative total		
Balance at the beginning of the current period	50,492	1,948	(17,674)	34,766	44,295	5,045,317
Changes during period						
Dividends of surplus						(235,808)
Profit attributable to owners of parent						1,387,939
Purchase of treasury shares						(34)
Disposal of treasury shares						104,941
Adjustment due to change in scope of consolidation						13,492
Net changes in items other than shareholders' equity	40,029	1,736	33,531	75,298	12,574	87,872
Total changes during period	40,029	1,736	33,531	75,298	12,574	1,358,402
Balance at the end of the current period	90,522	3,685	15,857	110,064	56,869	6,403,720

(4) Consolidated Statement of Cash Flows

(thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	983,506	2,093,087
Depreciation	337,651	359,621
Impairment losses	136,081	45,859
Loss on transfer of retirement benefit plan	85,589	-
Increase (decrease) in allowance for doubtful accounts	478	(832)
Increase (decrease) in provision for bonuses	208,783	90,252
Increase (decrease) in provision for loss on orders received	(1,885)	629
Increase (decrease) in retirement benefit liability	39,568	16,503
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9,000	18,360
Increase (decrease) in provision for share-based payments	62,398	40,743
Interest and dividend income	(6,453)	(10,652)
Subsidy income	(16,086)	(11,652)
Interest expenses	24,754	23,645
Decrease (increase) in trade receivables	(661,761)	89,104
Decrease (increase) in inventories	(54,084)	(114,132)
Increase (decrease) in trade payables	78,937	63,161
Increase (decrease) in accrued consumption taxes	36,057	63,829
Decrease (increase) in other current assets	(85,489)	66,140
Increase (decrease) in other current liabilities	(46,666)	101,969
Other	66,673	(16,643)
Subtotal	1,197,052	2,918,994
Interest and dividends received	6,453	10,652
Interest paid	(24,830)	(23,020)
Subsidies received	16,086	11,652
Income taxes paid	(626,700)	(343,829)
Net cash provided by (used in) operating activities	568,062	2,574,448
Cash flows from investing activities		
Payments into time deposits	(122,000)	(123,500)
Proceeds from withdrawal of time deposits	122,000	122,000
Purchase of property, plant and equipment	(540,007)	(183,567)
Proceeds from sale of property, plant and equipment	473,592	111,223
Purchase of intangible assets	(96,719)	(42,171)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	52,090
Decrease (increase) in insurance funds	2,471	3,718
Other	(11,025)	(39,305)
Net cash provided by (used in) investing activities	(171,688)	(99,512)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	25,832
Repayments of long-term borrowings	-	(11,014)
Repayments of lease liabilities	(302,946)	(293,390)
Dividends paid	(110,685)	(229,891)
Other	-	(34)
Net cash provided by (used in) financing activities	(413,632)	(508,499)
Effect of exchange rate change on cash and cash equivalents	1,999	1,736
Net increase (decrease) in cash and cash equivalents	(15,258)	1,968,173
Beginning balance of cash and cash equivalents	3,814,735	3,799,476
Ending balance of cash and cash equivalents	3,799,476	5,767,650

(5) Notes to Consolidated Financial Statements

(Notes on Assumptions for Going Concerns)

Not applicable.

(Changes in Significant Subsidiaries during the Fiscal Year under Review)

During the current consolidated fiscal year, we have included Japan Computer Services, Inc. within the scope of consolidation due to the acquisition of all its shares.

The deemed acquisition date is December 31, 2023. Although only the balance sheet was included in the scope of consolidation in the third quarter, the income statement is also included in the scope of consolidation from the fourth quarter of the current consolidated fiscal year.

(Segment Information, etc.)

(Segment Information)

1 Overview of reportable segments

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

The Company has established business departments by product and service. Each department formulates comprehensive strategies for the products and services it handles and develops business activities.

Accordingly, the Company is composed of product and service segments based on business departments, and has three reportable segments: "System Development Business," "Support and Service Business," and "Parking System Business."

The System Development Business provides system development and maintenance services, including consulting, system integration services, package solution services, and application system operation and maintenance. The Support and Services Business provides technical support services, help desk services, outsourcing services, and system management and operation. The Parking System Business sells and operates bicycle parking management systems, provides consulting services related to these systems, and sells related products.

2 Calculation method of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods used for the reported business segments are the same as those used for the preparation of the consolidated financial statements.

Profit by reportable segment is based on operating profit. Intersegment revenues and transfers are based on prevailing market prices.

3 Amount of net sales, profit or loss, assets, liabilities and other items by reportable segment

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	System Development Business	Support and Service Business	Parking System Business	Total				
Net sales								
Revenue from contracts with customers	9,243,337	6,892,608	6,656,850	22,792,796	41,893	22,834,690	—	22,834,690
Other revenue	—	—	18,999	18,999	—	18,999	—	18,999
Sales to external customers	9,243,337	6,892,608	6,675,850	22,811,796	41,893	22,853,690	—	22,853,690
Intersegment sales and transfers	1,921	7,189	—	9,110	—	9,110	(9,110)	—
Total	9,245,258	6,899,798	6,675,850	22,820,907	41,893	22,862,800	(9,110)	22,853,690
Segment profit (loss)	1,033,311	703,421	817,759	2,554,492	6,246	2,560,738	(1,364,788)	1,195,950
Other Items								
Depreciation	19,727	78,715	210,031	308,474	88	308,563	29,088	337,651
Amortization of goodwill	—	—	10,670	10,670	—	10,670	—	10,670
Impairment losses	—	—	136,081	136,081	—	136,081	—	136,081

(Notes) 1 "Other" is a business segment not included in the reportable segments.

2 Adjustments to segment profit (loss) include elimination of intersegment transactions and corporate expenses not allocated to each segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

Depreciation is allocated to each segment, but segment assets and liabilities are omitted because they are not used to determine the allocation of resources or to evaluate performance.

3 Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.

Fiscal year under review (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	System Development Business	Support and Service Business	Parking System Business	Total				
Net sales								
Revenue from contracts with customers	10,421,084	7,735,922	7,281,644	25,438,651	26,836	25,465,487	—	25,465,487
Other revenue	—	—	16,313	16,313	—	16,313	—	16,313
Sales to external customers	10,421,084	7,735,922	7,297,958	25,454,965	26,836	25,481,801	—	25,481,801
Intersegment sales and transfers	9,370	—	—	9,370	—	9,370	(9,370)	—
Total	10,430,455	7,735,922	7,297,958	25,464,335	26,836	25,491,171	(9,370)	25,481,801
Segment profit (loss)	1,541,978	851,011	1,284,985	3,677,975	7,812	3,685,788	(1,570,332)	2,115,455
Other Items								
Depreciation	23,224	96,353	205,857	325,435	72	325,508	34,112	359,621
Amortization of goodwill	3,885	6,567	—	10,452	—	10,452	—	10,452
Impairment losses	—	—	45,859	45,859	—	45,859	—	45,859

(Notes) 1 "Other" is a business segment not included in the reportable segments.

2 Adjustments to segment profit (loss) include elimination of intersegment transactions and corporate expenses not allocated to each segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

Depreciation is allocated to each segment, but segment assets and liabilities are omitted because they are not used to determine the allocation of resources or to evaluate performance.

3 Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.

(Information per share)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	619.62 yen	775.87 yen
Basic earnings per share	83.31 yen	170.38 yen

(Notes) 1 Diluted earnings per share is not stated because there are no latent shares.

2 Basis for calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	672,451	1,387,939
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common stock (thousand yen)	672,451	1,387,939
Average number of shares of common stock during the period (thousand shares)	8,071	8,145

3 Basis for calculation of net assets per share is as follows

	As of March 31, 2023	As of March 31, 2024
Total net assets (thousand yen)	5,045,317	6,403,720
Amount deducted from total net assets (thousand yen)	44,295	56,869
(Of which: Non-controlling interests (thousand yen))	(44,295)	(56,869)
Net assets related to common stock at the end of the period (thousand yen)	5,001,021	6,346,850
Number of shares of common stock used in the calculation of net assets per share at the end of the period (thousand shares)	8,071	8,180

(Significant Subsequent Events)

Not applicable.