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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



May 9, 2025

Company name: IPS, Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4390  
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 Scheduled date of annual general meeting of shareholders: June 24, 2025  
 Scheduled date to file annual securities report: June 20, 2025  
 Scheduled date to commence dividend payments: June 25, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (For institutional investors and analysts)

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

### 1. Consolidated financial results for the Fiscal Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	15,264	8.1	4,413	13.3	4,073	(8.0)	2,544	(10.3)
March 31, 2024	14,117	14.4	3,894	17.6	4,427	27.8	2,835	23.7

(Note) Comprehensive income: For the fiscal year ended March 31, 2025: ¥5,160 million [88.8%]  
 For the fiscal year ended March 31, 2024: ¥2,733 million [(6.8%)]

	Profit per share	Diluted Profit per share	Equity Profit rate	Total assets Ordinary profit rate	Net sales Operating profit rate
Fiscal Year ended	Yen	Yen	%	%	%
March 31, 2025	197.14	192.85	19.2	10.8	28.9
March 31, 2024	225.08	215.76	27.5	15.1	27.6

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	42,031	20,982	36.3	1,175.66
March 31, 2024	33,529	15,183	33.7	878.29

(Reference) Equity: As of March 31, 2025: ¥15,239 million  
 As of March 31, 2024: ¥11,301 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investment 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, 2025	704	(2,542)	1,380	3,918
March 31, 2024	(574)	(4,735)	2,315	4,234

## 2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	17.50	—	19.50	37.00	468	16.4	4.5
Fiscal year ended March 31, 2025	—	20.00	—	20.00	40.00	509	20.3	3.9
Fiscal year ending March 31, 2026 (Forecast)	—	20.00	—	20.00	40.00		17.3	

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	8,200	5.9	2,000	(14.5)	1,800	13.3	900	(6.4)	69.43
Fiscal year ending March 31, 2026	18,000	17.9	5,250	18.9	4,900	20.3	3,000	17.9	231.42

### \* Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(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: Yes

(ii) Changes in accounting policies due to other than (i): 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, 2025:	12,963,300 shares
As of March 31, 2024:	12,867,800 shares

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

As of March 31, 2025:	426 shares
As of March 31, 2024:	395 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025:	12,906,981 shares
Fiscal year ended March 31, 2024:	12,598,070 shares

(Reference) Overview of non-consolidated financial results

### 1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2025 to March 31, 2026)

#### (1) Non-consolidated operating results

(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, 2025	2,407	(26.3)	328	(49.3)	822	(58.2)	369	(75.1)
March 31, 2024	3,264	(26.9)	648	(20.7)	1,969	50.0	1,483	62.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended March 31, 2025	Yen 28.66	Yen 28.04
March 31, 2024	117.76	112.88

## (2) Non-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, 2025	18,782	7,361	37.6	545.44
March 31, 2024	18,926	7,348	37.4	550.56

(Reference) Equity: As of March 31, 2025: ¥7,070 million

As of March 31, 2024: ¥7,084 million

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

\* Proper use of earnings forecasts and other special matters

(Notes on description about the future, etc.)

Descriptions about the future such as the earnings outlook, which are included in these materials, are based on the information currently available to the Company and on certain conditions that the Company deems reasonable, and it does not mean that the Company promises to realize them. Also, there is a possibility that the actual earnings, etc., may differ significantly due to various factors. For matters related to earnings forecasts, refer to Attachment P.4 “Future outlook”.

We plan to hold a financial result briefing for institutional investors and analysts on Tuesday, May 13, 2025. Individual investors can also participate via the web. Please check our website for details. Additionally, we will disclose our medium-term management plan on the same day and provide an overview during the briefing. The presentation materials for the day will be disclosed on TDnet and posted on our website on the same day as well.

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## 1. Overview of Financial results

### (1) Overview of operating results

Our group, under the corporate philosophy of "Open Door," strives to pioneer business opportunities in areas closely related to everyday life where barriers have yet to be overcome. We aim to create, develop, and expand businesses ahead of others, transforming industrial structures and realizing the ideal society. We are actively engaged in various businesses, particularly focusing on utilizing new IT technologies to provide communication solutions that address societal issues in the Philippines. Through these efforts, we aim to contribute to the Sustainable Development Goals (SDGs) while expanding our business.

During the fiscal year under review, although monetary easing led by Western countries was implemented amid expectations of subdued inflation and economic stabilization, uncertainties remained due to heightened geopolitical risks such as the situations in Ukraine and the Middle East, as well as the slowing Chinese economy and the unpredictability of U.S. trade policy, including tariffs. In Japan, despite gradual economic recovery driven by a rebound in inbound demand, continued high prices of goods and energy, and the Bank of Japan's interest rate hike, uncertainties remained regarding inflation trends and foreign exchange rates.

In the Philippines, one of our group's major markets, the central bank lowered interest rates in anticipation of easing inflation, despite adverse weather conditions such as typhoons. Although the real GDP growth rate for 2024 was 5.6% year-on-year, falling short of government targets, it remained high among Asian countries. The acceleration of digitalization has led to increased investment in AI and data centers, further emphasizing the critical importance of telecommunications infrastructure to support data traffic. Expanding and enhancing telecommunications infrastructure has become an urgent global issue, and we will continue to actively expand our business.

Our group acquired part of the usage rights for the City-to-City Cable System (hereinafter referred to as "C2C Cable"), which connects the Philippines with Singapore and Hong Kong, as well as an international network composed of terrestrial cables in each country. We have established our position as a "carrier's carrier" to meet growing demand. Additionally, we are working to expand services across the Philippines through the Philippine Domestic Submarine Cable Network (hereinafter referred to as "PDSCN"), which was completed in December 2023.

In the Medical & Healthcare Business in the Philippines, Shinagawa Lasik & Aesthetics Center Corporation (hereinafter referred to as "SLACC") continues to provide stable LASIK services, while Shinagawa Healthcare Solutions Corporation (hereinafter referred to as "SHSC") promotes preventive medicine through the Shinagawa Diagnostic & Preventive Care Center (hereinafter referred to as "SDPCC"), a health screening facility established in April 2023 that meets Japanese standards.

As a result, consolidated net sales for the fiscal year were ¥15,264 million (8.1% increase year-on-year), with operating profit of ¥4,413 million (13.3% increase). Mainly due to the appreciation of the yen, a foreign exchange loss of ¥276 million was recorded (compared to a gain of ¥730 million in the previous year), resulting in an ordinary profit of ¥4,073 million (8.0% decrease), and profit attributable to owners of the parent was ¥2,544 million (10.3% decrease).

The financial results by segment are as follows:

#### (Global Telecommunications Business)

We expanded our services using the C2C Cable and PDSCN across Metro Manila and provincial areas. Both large and small-capacity line sales increased, and sales of telecommunications equipment bundled with network services remained strong. InfiniVAN, Inc.'s corporate internet service had 1,593 paying customers as of December 2024, an increase of 157 from September 2024. This segment saw both increased revenue and profit.

As a result, net sales were 11,219 million yen (up 32.9% year-on-year) and segment profit was 4,500 million yen (up 55.1% year-on-year).

(Domestic Telecommunications Business)

We continued to offer customized solutions combining the “AmeyoJ” call center system and per-second billing lines sourced from major telecom operators. We also prepared to launch new toll-free services like “0120” numbers in response to the IP transition of telephone networks (PSTN migration).

Meanwhile, the interconnection of voice communication lines between telecommunications carriers was impacted by the transition to IP-based telephone networks. Reflecting changes in access charge rates, retroactive adjustments for the past three fiscal years, and a conservative reassessment of certain transactions, the segment recorded a temporary decline in revenue and recognized losses during the current consolidated fiscal year. As a result, the business segment posted a year-on-year decrease in revenue and an operating loss.

As a result, sales revenue amounted to 2,489 million yen (a decrease of 39.5% compared to the previous period), and segment loss was 11 million yen (compared to segment profit of 925 million yen in the previous period).

(Medical & Healthcare Business)

Despite intensifying competition, SLACC maintained profitability in LASIK services. We aim to increase surgeries by expanding our target demographics and optimizing marketing and service models.

SHSC has seen steady patient growth at SDPCC, despite ongoing depreciation costs for advanced equipment (CT, MRI). We continue to raise awareness of preventive healthcare in the Philippines

As a result, net sales were 1,555 million yen (down 0.4% year-on-year) and segment loss was 84 million yen (segment profit of 67 million yen in the previous fiscal year).

(2) Overview of financial position

(Status of Assets)

As of the end of the consolidated fiscal year, current assets were ¥23,637 million, an increase of ¥5,772 million compared to the previous fiscal year-end. This was primarily due to a ¥5,736 million increase in accounts receivable.

Property, plant, and equipment were ¥12,882 million, up ¥1,316 million year-on-year. The increase was mainly due to a ¥1,398 million rise in construction in progress, and ¥92 million decrease in buildings and structures (net).

Intangible assets amounted to ¥4,006 million, an increase of ¥1,141 million from the previous year, primarily due to a ¥513 million increase in the right to use communication line. As a result, total assets were at ¥42,031 million, ¥8,501 million increase from the end of the previous fiscal year.

(Status of Liabilities)

Current liabilities at the end of the fiscal year were ¥16,747 million, an increase of ¥4,215 million from the previous year. This was mainly due to increases of ¥1,530 million in short-term borrowings, ¥633 million in deferred payment profit, ¥467 million in accounts payable- trade, and ¥298 million in accounts payable.

Non-current liabilities amounted to ¥4,300 million, a decrease of ¥1,513 million, mainly due to ¥1,503 million reduction in long-term borrowings.

As a result, total liabilities amounted to ¥21,048 million, an increase of ¥2,702 million from the previous fiscal year.

(Status of net assets)

Net assets at the end of the fiscal year totaled ¥20,982 million, an increase of ¥5,799 million compared to the previous fiscal year. This was mainly due to ¥2,055 million increase in foreign currency translation adjustments and ¥1,834 million increase in non-controlling interests, partially offset by the recording of ¥2,544 million in profit attributable to owners of the parent and dividend payments totaling ¥509 million.

As a result, the equity ratio was 36.3%, compared to 33.7% at the end of the previous fiscal year

(3) Overview of cash flows

Cash and cash equivalents (hereinafter referred to as "cash") decreased by ¥316 million compared to the end of the previous fiscal year, resulting in a balance of ¥3,918 million.

The status of each cash flow and their factors in the consolidated fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥704 million (compared to ¥574 million used in the same period of the previous fiscal year). This was mainly due to profit before income taxes of ¥4,042 million, depreciation of ¥998 million, an increase in accounts receivable of ¥5,048 million, an increase in deferred payment profit of ¥633 million, and an increase in accounts payable of ¥273 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥2,542 million (compared to ¥4,735 million used in the same period of the previous fiscal year). This was primarily due to expenditures of ¥1,255 million for the acquisition of property, plant and equipment, and ¥1,239 million for the acquisition of intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥1,380 million (compared to ¥2,315 million provided in the same period of the previous fiscal year). This was mainly due to a net increase of ¥1,530 million in short-term borrowings and proceeds of ¥1,795 million from non-controlling shareholders, offset by repayments of long-term borrowings totaling ¥1,890 million.

#### (4) Future outlook

In the fiscal year ending March 2026, the global telecommunications business will continue to expand its network, centered on the C2C Cable and PDSCN, across both Metro Manila and regional areas. We aim to establish partnerships with telecom and CATV operators in previously underserved areas to broaden our customer base in the provinces. Additionally, corporate internet services, previously concentrated in Metro Manila, will be expanded through improved interconnection between urban and rural areas, contributing to increased customers and diversified service offerings. As a result, we expect increased revenue and profit in the global telecommunications business.

The domestic telecommunications business is expected to record a decline in revenue, primarily due to the continued impact of revisions to certain transactions related to access charges and a projected decrease in inter-carrier communication traffic. Nonetheless, the segment is projected to return to profitability and shift toward a recovery trend, driven by the introduction of new services in response to the IP transition of the telephone network and the continued expansion of high-margin solutions for call centers.

In the medical & healthcare business, while the LASIK market remains competitive, we aim to enhance profitability through targeted promotions and optimized operations. At the health screening and check-up center continued efforts to raise awareness of preventive healthcare are leading to increased patient visits and repeat customers. We plan to achieve a return to profitability across the entire segment.

For the current fiscal year, we expect consolidated net sales to reach ¥18,000 million, an increase of 17.9% year on year. Operating profit is projected at ¥5,250 million, up 18.9%. After accounting for non-operating income and expenses, including interest income and interest expenses, ordinary profit is forecast to be ¥4,900 million, representing a 20.3% increase. Net income attributable to owners of the parent is expected to total ¥3,000 million, up 17.9% year on year.

The performance forecasts above are based on information available as of the date of this announcement, and actual results may differ from these forecasts due to various factors going forward.

## 2. Basic Approach towards Selection of Accounting Standards

The Group prepares consolidated financial statements based on Japanese GAAP taking into consideration the comparability of consolidated financial statements and the comparability between companies. We are planning to take appropriate action for the future application of International Financial Reporting Standards (IFRS) after considering various domestic and overseas situations.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	4,234	3,918
Accounts receivable - trade	5,532	11,269
Lease receivables	5,789	6,517
Merchandise	53	137
Supplies	176	140
Other	2,624	2,745
Allowance for doubtful accounts	(546)	(1,090)
Total current assets	17,864	23,637
Non-current assets		
Property, plant and equipment		
Buildings and structures	937	980
Accumulated depreciation	(320)	(455)
Buildings and structures, net	617	525
Machinery, equipment and vehicles	8,942	9,714
Accumulated depreciation	(1,976)	(2,647)
Machinery, equipment and vehicles, net	6,965	7,067
Tools, furniture and fixtures	301	350
Accumulated depreciation	(205)	(261)
Tools, furniture and fixtures, net	95	89
Land	83	—
Leased assets	47	47
Accumulated depreciation	(40)	(41)
Leased assets, net	6	5
Construction in progress	3,795	5,194
Total property, plant and equipment	11,565	12,882
Intangible assets		
The right to use communication line	2,623	3,137
Goodwill	38	28
Other	203	840
Total intangible assets	2,865	4,006
Investments and other assets		
Shares of subsidiaries and associates	111	110
Long-term prepaid expenses	193	169
Deferred tax assets	393	595
Other	502	603
Allowance for doubtful accounts	(7)	(4)
Total investments and other assets	1,194	1,474
Total non-current assets	15,624	18,363
Deferred assets	40	30
Total assets	33,529	42,031



(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	670	1,137
Short-term borrowings	2,720	4,250
Current portion of long-term borrowings	1,867	1,809
Lease obligations	0	—
Accounts payable	220	519
Income taxes payable	560	344
Deferred payment profit	4,076	4,709
Provision for bonuses	39	35
Other	2,377	3,941
Total current liabilities	12,532	16,747
Non-current liabilities		
Long-term borrowings	5,514	4,010
Retirement benefit liability	69	82
Asset retirement obligations	17	4
Other	212	203
Total non-current liabilities	5,814	4,300
Total liabilities	18,346	21,048
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,145	1,208
Capital surplus	753	542
Retained earnings	9,191	11,227
Treasury shares	(0)	(0)
Total shareholders' equity	11,090	12,976
Accumulated other comprehensive income		
Foreign currency translation adjustment	211	2,266
Remeasurements of defined benefit plans	(0)	(3)
Total accumulated other comprehensive income	210	2,263
Share acquisition rights	264	290
Non-controlling interests	3,617	5,452
Total net assets	15,183	20,982
Total liabilities and net assets	33,529	42,031

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

## Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	14,117	15,264
Cost of sales	7,039	6,988
Gross profit	7,078	8,275
Selling, general and administrative expenses	3,183	3,861
Operating profit	3,894	4,413
Non-operating income		
Interest and dividend income	110	221
Foreign exchange gains	730	—
Other	94	144
Total non-operating income	935	365
Non-operating expenses		
Interest expenses	378	400
Foreign exchange losses	—	276
Other	24	29
Total non-operating expenses	402	705
Ordinary profit	4,427	4,073
Extraordinary income		
Gain on reversal of share acquisition rights	0	—
Gain on sale of non-current assets	—	28
Total extraordinary income	0	28
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Subsidiary company head office transfer cost	—	59
Total extraordinary losses	3	59
Profit before income taxes	4,425	4,042
Income taxes - current	1,003	932
Income taxes - deferred	(115)	(327)
Total income taxes	888	605
Profit	3,536	3,436
Profit attributable to non-controlling interests	700	892
Profit attributable to owners of parent	2,835	2,544

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,536	3,436
Other comprehensive income		
Foreign currency translation adjustment	(801)	1,722
Remeasurements of defined benefit plans, net of tax	(1)	(2)
Share of other comprehensive income of entities accounted for using equity method	(0)	4
Total other comprehensive income	(803)	1,724
Comprehensive income	2,733	5,160
Comprehensive income attributable to		
Owners of parent	2,597	3,974
Non-controlling interests	136	1,186

## (3) Consolidated statement of changes in equity

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Other comprehensive income Cumulative total			
Balance at beginning of period	1,109	1,004	6,791	(0)	8,905	448	1	449	263	2,245	11,864
Changes during period											
Issuance of new shares	36	36	—	—	72	—	—	—	—	—	72
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—
Dividends of surplus	—	—	(435)	—	(435)	—	—	—	—	—	(435)
Profit attributable to owners of parent	—	—	2,835	—	2,835	—	—	—	—	—	2,835
Capital increase of consolidated subsidiaries	—	(286)	—	—	(286)	—	—	—	—	—	(286)
Net changes in items other than shareholders' equity	—	—	—	—	—	(237)	(1)	(238)	0	1,371	1,133
Total changes during period	36	(250)	2,400	—	2,185	(237)	(1)	(238)	0	1,371	3,319
Balance at end of period	1,145	753	9,191	(0)	11,090	211	(0)	210	264	3,617	15,183

The consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Other comprehensive income Cumulative total			
Balance at beginning of period	1,145	753	9,191	(0)	11,090	211	(0)	210	264	3,617	15,183
Changes during period											
Issuance of new shares	62	62	—	—	125	—	—	—	—	—	125
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	—	—	—	(0)
Dividends of surplus	—	—	(509)	—	(509)	—	—	—	—	—	(509)
Profit attributable to owners of parent	—	—	2,544	—	2,544	—	—	—	—	—	2,544
Capital increase of consolidated subsidiaries	—	(274)	—	—	(274)	—	—	—	—	—	(274)
Net changes in items other than shareholders' equity	—	—	—	—	—	2,055	(2)	2,052	26	1,834	3,913
Total changes during period	62	(211)	2,035	(0)	1,886	2,055	(2)	2,052	26	1,834	5,799
Balance at end of period	1,208	542	11,227	(0)	12,976	2,266	(3)	2,263	290	5,452	20,982

## (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,425	4,042
Depreciation	555	998
Share-based payment expenses	14	60
Foreign exchange losses (gains)	579	(28)
Increase (decrease) in allowance for doubtful accounts	291	518
Increase (decrease) in provision for bonuses	(0)	(4)
Increase (decrease) in retirement benefit liability	0	7
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	-
Interest and income	(110)	(221)
Interest expenses	378	400
Loss (gain) on sale of non-current assets	-	(28)
Loss on retirement of non-current assets	3	27
Decrease (increase) in trade receivables	(2,746)	(5,048)
Decrease (increase) in lease receivables	(2,265)	(235)
Decrease (increase) in inventories	(37)	(32)
Increase (decrease) in trade payables	(1,202)	206
Increase (decrease) in accounts payable - other	60	273
Increase (decrease) in deferred payment profit	1,885	633
Increase (decrease) in advances received	(98)	(34)
Other, net	(745)	499
Subtotal	986	2,034
Interest and dividends received	110	221
Interest paid	(378)	(400)
Income taxes paid	(1,293)	(1,151)
Net cash provided by (used in) operating activities	(574)	704
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,327)	(1,255)
Proceeds from sale of property, plant and equipment	25	8
Purchase of intangible assets	(1,297)	(1,239)
Purchase of shares of subsidiaries and associates	(120)	1
Payment for guarantee deposits	(47)	(102)
Proceeds from refund of guarantee deposits	0	26
Purchase of long-term prepaid expenses	(12)	(11)
Proceeds from cancellation of insurance funds	136	60
Other, net	(94)	(30)
Net cash provided by (used in) investing activities	(4,735)	(2,542)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,139	1,530
Proceeds from long-term borrowings	100	400
Repayments of long-term borrowings	(769)	(1,890)
Proceeds from issuance of shares	59	90
Proceeds from share issuance to non-controlling shareholders	277	1,795
Repayments of long-term accounts payable - other	(0)	-
Repayments of lease obligations	(6)	-
Payment of dividends	(435)	(509)
Purchase of treasury shares	-	(0)
Dividends paid to non-controlling interests	(47)	(35)
Net cash provided by (used in) financing activities	2,315	1,380
Effect of exchange rate change on cash and cash equivalents	347	140
Net increase (decrease) in cash and cash equivalents	(2,646)	(316)
Cash and cash equivalents at beginning of period	6,881	4,234
Cash and cash equivalents at end of period	4,234	3,918

- (5) Notes to consolidated financial statements  
 (Notes to assumptions for ongoing concerns)  
 Not applicable.

(Changes in Accounting Policies)

Application of the “Accounting Standard for Current Income Taxes”

The “Accounting Standard for Current Income Taxes ” (Accounting Standard No. 27, October 28, 2022, hereinafter referred to as the “2022 Revised Accounting Standard”) has been applied from the beginning of the current consolidated accounting period.

Regarding the revisions to the classification of corporate taxes, etc. (taxation on other comprehensive income), we are following the transitional treatment stipulated in Paragraph 20-3 proviso of the 2022 Revised Accounting Standard and the transitional treatment stipulated in Paragraph 65-2 (2) proviso of the “Guidance on the Application of Accounting Standards for Tax Effect Accounting” (Guidance No. 28, October 28, 2022, hereinafter referred to as the “2022 Revised Guidance”). There is no impact on the quarterly consolidated financial statements due to this change in accounting policy.

Additionally, concerning the revisions related to the handling in consolidated financial statements of deferred tax treatment for gains and losses arising from the sale of subsidiary shares between consolidated companies, we have applied the 2022 Revised Guidance from the beginning of the first quarter of the current consolidated accounting period. There is no impact on the quarterly consolidated financial statements due to this change in accounting policy.

(Segment information, etc.)

[Segment information]

1. Overview of the reportable segments

(1) Method of determining reportable segments

The reportable segments of the company are the segments whose separate financial information is available out of the constituent units of the company, and which are subject to periodical review by the Board of Directors to determine the allocation of the management resources and evaluate the business performance.

The company has business divisions for each product and service. Each business division draws up comprehensive domestic and overseas strategies for the products and services they handle to deploy business activities.

(2) Types of products and services that belong to each reportable segment

Reportable segment	Type of the service
Global Telecommunications Business	Provide international communication lines for CATV operators in the Philippines Telecommunication business in the Philippines Customer acquisition / utilization promotion business for overseas remittance service, etc.
Domestic Telecommunications Business	Sell software for telephone services and call centers
Medical & Healthcare Business	Ophthalmology care and cosmetic dermatology Provide physical and health checkup

2. Calculation method for net sales, profit or loss, and other items for each reportable segment

The method of accounting treatment of the reported business segments is the same as what is described in “Basic important matters for preparing consolidated financial statements”.

The internal revenue and transfer amount between segments are mainly based on the transaction price between third parties or the price obtained by adding appropriate profit to the cost.

3. Information on the amount of net sales, profit or loss, and other items for each reportable segment and revenue breakdown information

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment			Total	Adjustment amount	Consolidated Financial statements Recorded amount (Note 1)
	Global Telecommunications Business	Domestic Telecommunications Business	Medical & Healthcare Business			
Net sales						
Revenue from contracts with customers	5,464	3,880	1,561	10,906	—	10,906
Other revenue	2,975	236	—	3,211	—	3,211
Net sales to external customers	8,440	4,116	1,561	14,117	—	14,117
Internal net sales or transfer amount between segments	30	1	0	32	(32)	—
Total	8,470	4,118	1,561	14,150	(32)	14,117
Segment profit (loss)	2,901	925	67	3,894	0	3,894
Other items						
Depreciation	334	28	192	555	—	555

(Notes) 1. The segment profit or loss is consistent with the operating profit in the consolidated financial statements.

2. Segment assets and liabilities are not presented because they are not regularly provided to the Board of Directors and are not subject to management resource allocation decisions or performance evaluations.

3. No specific assets are allocated to reportable segments, but related expenses such as depreciation is allocated.

4. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.

5. The plus ¥0 million adjustment to segment profit (loss) is eliminations for inter-segment transactions.



The consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment			Total	Adjustment amount	Consolidated Financial statements Recorded amount (Note 1)
	Global Telecommunications Business	Domestic Telecommunications Business	Medical & Healthcare Business			
Net sales						
Revenue from contracts with customers	9,300	2,429	1,555	13,285	—	13,285
Other revenue	1,918	60	—	1,978	—	1,978
Net sales to external customers	11,219	2,489	1,555	15,264	—	15,264
Internal net sales or transfer amount between segments	34	2	2	39	(39)	—
Total	11,253	2,491	1,558	15,304	(39)	15,264
Segment profit (loss)	4,500	(11)	(84)	4,404	9	4,413
Other items						
Depreciation	713	45	239	998	—	998

- (Notes)
1. The segment profit or loss is consistent with the operating profit in the consolidated financial statements.
  2. Segment assets and liabilities are not presented because they are not regularly provided to the Board of Directors and are not subject to management resource allocation decisions or performance evaluations.
  3. No specific assets are allocated to reportable segments, but related expense such as depreciation is allocated.
  4. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.
  5. The plus ¥9 million adjustment to segment profit (loss) is eliminations for inter-segment transactions.

## (Per-share information)

	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	The consolidated fiscal year under review (From April 1, 2024 to March 31, 2025)
Amount of net assets per share	¥878.29	¥1,175.66
Profit per share	¥225.08	¥197.14
Diluted profit per share	¥215.76	¥192.85

(Note) The basis for the calculation of profit per share and adjusted profit per share for dilutive shares is as follows:

	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	The consolidated fiscal year under review (From April 1, 2024 to March 31, 2025)
Profit per share		
Profit attributable to owners of parent (millions of yen)	2,835	2,544
Amount of money not attributable to ordinary shareholders (millions of yen)	—	—
Profit attributable to owners of parent, which is related to common stock (millions of yen)	2,835	2,544
Average number of shares of common stock during the period (shares)	12,598,070	12,906,981
Diluted profit per share		
Adjustment of profit attributable to owners of parent (millions of yen)	—	—
Increase in common stock (shares)	544,335	286,765
(of which, share acquisition rights (shares))	544,335	286,765
Overview of the dilutive shares that were not included in the calculation of the amount of money of adjusted profit per share for dilutive shares because they have no dilutive effect	—	—

## (Important subsequent events)

None.