

Note: 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.



May 14, 2026

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: FLECT Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4414
 URL: <https://www.flect.co.jp/> (in Japanese)
 Representative: Koji Kurokawa, Representative Director and CEO
 Inquiries: Hiroshi Kawata, Executive Officer, Head of Finance & Accounting Division, CFO
 Telephone: +81-3-5159-2090
 Scheduled date of annual general meeting of shareholders: June 23, 2026
 Scheduled date to commence dividend payments: –
 Scheduled date to file annual securities report: June 24, 2026
 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. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	8,251	3.8	1,244	14.6	1,245	15.2	684	△5.1
March 31, 2025	7,949	14.7	1,085	43.3	1,081	43.8	720	63.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity (ROE)	Ratio of ordinary profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
March 31, 2026	113.17	108.70	27.6	31.6	15.1
March 31, 2025	118.81	112.78	30.6	26.3	13.7

Reference: Equity in earnings (losses) of affiliates
 Fiscal year ended March 31, 2026 ¥(87) million
 Fiscal year ended March 31, 2025 ¥(15) million

(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, 2026	3,695	2,235	60.5	414.43
March 31, 2025	4,198	2,722	64.8	443.67

Reference: Equity
 As of March 31, 2026 ¥2,235 million
 As of March 31, 2025 ¥2,722 million

(3) Non-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, 2026	330	(69)	(1,251)	1,136
March 31, 2025	895	(288)	(54)	2,128

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	0.00	–	0.00	0.00
Fiscal year ended March 31, 2026	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2027 (Forecast)	–	0.00	–	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Non-consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,400	26.0	1,247	0.3	1,246	0.1	751	9.8	139.30

*** Notes**

(1) 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

(2) 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, 2026	6,197,920 shares
As of March 31, 2025	6,188,560 shares

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

As of March 31, 2026	804,871 shares
As of March 31, 2025	52,628 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	6,046,168 shares
Fiscal year ended March 31, 2025	6,066,537 shares

Note: The Company has introduced the BIP trust for remuneration for directors (and other officers) and the ESOP trust for share granting, and shares in the Company held by these trusts are included in the number of treasury shares at the end of the period and treasury shares deducted from the calculation of the average number of shares outstanding during the period.

* Review of the Japanese-language originals of the attached non-consolidated financial statements by certified public accountants or an audit firm: Out of scope.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company makes no promise regarding achievement of any content in the forward-looking statements. Actual performance and other results may differ substantially due to various factors. For matters related to earnings forecasts, please refer to "(4) Explanation of earnings forecasts and other forward-looking statements" on page 4 of the attached materials.

Attached Materials

Index

1. Qualitative information on financial results	2
(1) Explanation of operating results	2
(2) Explanation of financial position	3
(3) Explanation of cash flow position.....	4
(4) Explanation of earnings forecasts and other forward-looking statements	4
2. Basic policy on selection of accounting standards.....	6
3. Non-consolidated financial statements and significant notes thereto.....	7
(1) Non-consolidated balance sheet.....	7
(2) Non-consolidated statement of income.....	9
(3) Non-consolidated statement of changes in net assets.....	10
(4) Non-consolidated statement of cash flows.....	11
(5) Notes to non-consolidated financial statements.....	12
(Notes on premise of going concern).....	12
(Notes on equity in earnings of affiliates, etc.).....	12
(Notes on segment information, etc.)	12
(Per share information).....	12
(Significant events after reporting period).....	13

1. Qualitative information on financial results

(1) Explanation of operating results

Under its corporate vision of "realizing an ideal future with the cloud," the Company is a multi-cloud integrator that supports the Digital Transformation (DX) of enterprises through cutting-edge cloud and AI technologies.

In the fiscal year under review, the outlook for the Japanese economy continued to remain uncertain due to factors such as price hikes and political and economic trends overseas, despite signs of gradual improvement in employment conditions.

Regarding the DX market to which the Company belongs, there are various definitions for DX. However, according to Keidanren (Japan Business Federation), DX cannot be described as simple improvement, automation, or greater efficiency. Rather, it is defined as reform to create new values in response to fundamental social changes. (Source: "Digital Transformation" (May 19, 2020), Keidanren) This means that a shift from "Defensive DX," digitizing internal analog operations and data through replacement of paper documents with data in order to cut costs, to "Proactive DX," creating new customer experiences designed to enhance revenue and customer engagement, is required. As "Proactive DX" involves steps toward customer contact transformation, service/product transformation, and business model transformation, it has a great difficulty in attainment. However, by achieving it, companies can acquire greater competitiveness. It can be said that this "Proactive DX" is indeed the core of DX.

Amidst this environment, the scale of the domestic DX market is forecasted to grow from an estimated ¥5,275.9 billion in FY2024 to ¥9,266.6 billion in FY2030. (Source: "2025 Future Prospects of the Digital Transformation Market," Fuji Chimera Research Institute, Inc.) Additionally, the domestic public cloud service market, which supports the realization of DX, is forecasted to grow at a compound annual growth rate of 15.7% from 2023 to 2028, with the market scale in 2028 expected to be 2.1 times larger than in 2023, reaching ¥6,514.6 billion. (Source: "Domestic Public Cloud Service Market Forecasts, 2024-2028," International Data Corporation Japan)

In addition, as the labor shortage caused by the declining birth rate and aging population becomes increasingly serious, corporate needs to drive operational efficiency, productivity improvement, and the creation of new customer value through AI are rapidly increasing, and the business implementation of AI has become an important management issue for companies. The domestic AI systems market is expected to grow significantly as multi-AI agents are utilized in distinctive business and industry areas, and is forecasted to grow from ¥1,341.2 billion (spending basis) in 2024 to ¥4,187.3 billion in 2029. (Source: "Japan AI Systems Market Forecasts, 2024-2029," International Data Corporation Japan)

The Company has been conducting business operations in "Cloud Integration Services." The Company operates in a single segment of the Cloud Solutions Business, and therefore, segment-specific information is omitted.

In regard to the operating results for the fiscal year under review, against a backdrop of strong demand for DX support, we achieved a record-high net sales. For major companies (Note 1), the "number of quarterly contract customers (Note 2)" in the fourth quarter totaled 70 companies (55 companies in the corresponding period of the previous fiscal year; 65 companies in the previous quarter). The "quarterly average revenue per account (ARPA) (Note 3)" for major companies amounted to ¥29.3 million (¥33.3 million in the corresponding period of the previous fiscal year; ¥30.8 million in the previous quarter).

Strengthened sales proposal activities have led to expanded business with some existing customers, the number of customers among major companies with quarterly sales exceeding ¥50 million totaled 13 companies (11 companies in the corresponding period of the previous fiscal year; 13 companies in the previous quarter). The number of customers among major companies with quarterly sales exceeding ¥100 million increased by 1 company from the previous quarter to 5 companies. Additionally, the number of customers among major companies with quarterly sales of ¥10 million or less totaled 32 companies (20 companies in the corresponding period of the previous fiscal year; 28 companies in the previous quarter), reflecting the achievement of multiple new orders in the advanced technology domains of cloud and AI. The gross profit margin achieved a high level through operations ensuring healthy project management, optimal assignment of engineers, and utilization of AI within the Company.

As specific initiatives, we provided total services that combine AI with data integration, ID integration, and the building of data integration platforms. We also continued to provide application development services such as contact center services, community services, e-commerce services, and IoT services utilizing the Salesforce platform.

Among new customers, we received multiple orders for the autonomous AI agent "Agentforce" and "Data 360," primarily in the financial industry, as well as multiple orders from several companies for the data integration platform "Databricks" and the API integration platform "MuleSoft." Among existing customers, projects utilizing the Salesforce platform contributed to operating results.

The number of cloud engineers and other employees (Note 4) totaled 415 people as of the end of March 2026 (359 people in the corresponding period of the previous fiscal year; 408 people in the previous quarter).

Notes:

1. Major companies: Those listed in Nikkei 225, Nikkei 400, or Nikkei 500; or their group companies or those whose sales are equivalent (¥100 billion or more).
2. Number of quarterly contract customers: Number of contract customers in the quarterly accounting period excluding resales and customers with quarterly sales of ¥1 million or less. Resales are where the Company resells purchased licenses to customers and are excluded because the amount at the Company is small.
3. Quarterly average revenue per account (ARPA): Abbreviation of average revenue per account (average sales per customer), or quarterly average sales per customer excluding resales and customers with quarterly sales of ¥1 million or less. Calculated by dividing quarterly sales excluding resales and customers with quarterly sales of ¥1 million or less by the number of quarterly contract customers.
4. Cloud engineers and other employees: Professionals such as engineers and managers in Cloud Integration Services Division, excluding administrative personnel.

Due to the above, regarding the operating results for the fiscal year under review, net sales was ¥8,251,666 thousand (up 3.8% year on year), gross profit was ¥3,908,221 thousand (up 10.3% year on year), operating profit was ¥1,244,194 thousand (up 14.6% year on year), ordinary profit was ¥1,245,601 thousand (up 15.2% year on year) and profit was ¥684,270 thousand (down 5.1% year on year).

(2) Explanation of financial position

Current assets

Current assets as of the end of the fiscal year under review amounted to ¥3,339,894 thousand, a decrease of ¥393,110 thousand compared to the end of the previous fiscal year. This was mainly attributable to a decrease of ¥991,340 thousand in cash and deposits, despite an increase of ¥519,346 thousand in accounts receivable - trade, and contract assets.

Non-current assets

Non-current assets as of the end of the fiscal year under review amounted to ¥355,557 thousand, a decrease of ¥109,941 thousand compared to the end of the previous fiscal year. This was mainly attributable to a decrease of ¥156,033 thousand in investments and other assets and a decrease of ¥504 thousand in intangible assets, despite an increase of ¥46,597 thousand in property, plant and equipment.

Current liabilities

Current liabilities as of the end of the fiscal year under review amounted to ¥1,075,569 thousand, an increase of ¥81,532 thousand compared to the end of the previous fiscal year. This was mainly attributable to an increase of ¥138,725 thousand in income taxes payable and an increase of ¥33,502 thousand in accrued expenses.

Non-current liabilities

Non-current liabilities as of the end of the fiscal year under review amounted to ¥384,829 thousand, a decrease of ¥97,329 thousand compared to the end of the previous fiscal year. This was mainly attributable to the repayment of long-term borrowings of ¥67,752 thousand.

Net assets

Net assets as of the end of the fiscal year under review amounted to ¥2,235,052 thousand, a decrease of ¥487,255 thousand compared to the end of the previous fiscal year. This was mainly attributable to an increase of ¥1,176,261 thousand in treasury shares as a result of the acquisition of treasury shares, despite an increase in retained earnings due to the recording of ¥684,270 thousand in profit.

(3) Explanation of cash flow position

Cash and cash equivalents (hereinafter referred to as "funds") as of the end of the fiscal year under review amounted to ¥1,136,760 thousand. The status of each cash flow during the fiscal year under review and the factors thereof are as follows.

Cash flows from operating activities

Net cash provided by operating activities during the fiscal year under review was ¥330,229 thousand (compared to ¥895,213 thousand provided in the previous fiscal year). The main increase factors were profit before income taxes of ¥1,142,210 thousand and loss on valuation of shares of subsidiaries and associates of ¥102,311 thousand. The main decrease factors were an increase in trade receivables of ¥519,346 thousand and a decrease in accrued consumption taxes of ¥133,486 thousand.

Cash flows from investing activities

Net cash used in investing activities during the fiscal year under review was ¥69,768 thousand (compared to ¥288,048 thousand used in the previous fiscal year). The main increase factor was proceeds from refund of guarantee deposits of ¥39,758 thousand. The main decrease factor was the purchase of property, plant and equipment of ¥108,735 thousand.

Cash flows from financing activities

Net cash used in financing activities during the fiscal year under review was ¥1,251,801 thousand (compared to ¥54,130 thousand used in the previous fiscal year). The main increase factor was proceeds from disposal of treasury shares of ¥11,066 thousand. The main decrease factors were the acquisition of treasury shares of ¥1,199,851 thousand and repayments of long-term borrowings of ¥67,752 thousand.

(4) Explanation of earnings forecasts and other forward-looking statements

For the fiscal year ending March 31, 2027, the Company anticipates that demand for DX support centered on AI will continue to grow strongly, and accordingly plans net sales of ¥10.4 billion.

The Company has long been engaged in "AI-Ready system construction" for data integration, data integration platforms, and CRM, as well as "AI implementation and utilization" provided through R&D and for internal customer use and external end-user use. The Company holds a unique position with abundant knowledge and track records in both "AI-Ready system construction" and "AI implementation and utilization."

As specific initiatives, the Company will further strengthen the total services that combine AI with data integration, ID integration, and the building of data integration platforms.

The Company will implement and manage multi-AI capabilities, including Agentforce, across the data integration platforms "MuleSoft" and "Informatica" that connect all systems; the data foundations "Data 360" and "Databricks" that centrally manage data; the ID authentication platform "Auth0"; as well as all application development utilizing the Salesforce platform, including contact center services, community services, e-commerce services, and marketing services. By doing so, the Company will drive the production-grade utilization of AI agents beyond Proof of Concept (PoC) as well as subsequent operational expansion, thereby maximizing outcomes.

The Company will also expand its business with an ID infrastructure package that enhances and standardizes the authentication platform service "Auth0" provided by Okta, Inc. (headquartered in the United States).

Building on its customer base of major companies representing leading industries in Japan, the Company will continue to develop the public sector domain, including central government ministries and local governments, while also newly expanding into the financial industry.

As strengthening the development structure to meet robust demand is essential for business growth, the Company plans to make active investments in human capital, including increased recruitment and training expenses and personnel costs accompanying headcount growth. New graduate hires in April 2026 will total 40 people, primarily science and engineering graduate program graduates.

Furthermore, the Company will utilize AI across the organization in both project operations and internal operations, thereby driving operational efficiency and productivity improvement.

2. Basic policy on selection of accounting standards

Taking into consideration the comparability of financial statements across periods and across companies, the Company prepares its financial statements in accordance with Japanese GAAP for the time being.

Regarding the application of International Financial Reporting Standards (IFRS), the Company plans to respond appropriately in light of various circumstances both in Japan and abroad.

3. Non-consolidated financial statements and significant notes thereto

(1) Non-consolidated balance sheet

	(Thousands of yen)	
	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	2,128,101	1,136,760
Accounts receivable - trade, and contract assets	1,412,319	1,931,665
Work in process	4,450	2,502
Supplies	92	192
Advance payments to suppliers	-	3,334
Prepaid expenses	185,496	242,291
Other	2,545	23,147
Total current assets	3,733,005	3,339,894
Non-current assets		
Property, plant and equipment		
Buildings, net	9,408	80,843
Tools, furniture and fixtures, net	92,577	67,739
Total property, plant and equipment	101,986	148,583
Intangible assets		
Software	856	351
Total intangible assets	856	351
Investments and other assets		
Shares of subsidiaries and associates	102,312	0
Deferred tax assets	60,754	75,866
Other	199,589	130,755
Total investments and other assets	362,656	206,622
Total non-current assets	465,499	355,557
Total assets	4,198,504	3,695,451

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	222,560	253,107
Current portion of long-term borrowings	67,752	67,752
Accounts payable - other	49,632	77,938
Accrued expenses	66,653	100,156
Capital investment payable	1,260	–
Income taxes payable	200,218	338,943
Advances received	37,817	37,550
Deposits received	20,608	11,163
Provision for bonuses	99,045	86,959
Provision for bonuses for directors (and other officers)	7,722	437
Provision for share awards	11,122	24,322
Provision for share awards for directors (and other officers)	4,999	6,079
Other	204,644	71,158
Total current liabilities	994,036	1,075,569
Non-current liabilities		
Long-term borrowings	450,117	382,365
Long-term advances received	32,042	2,464
Total non-current liabilities	482,159	384,829
Total liabilities	1,476,196	1,460,399
Net assets		
Shareholders' equity		
Share capital	753,641	756,009
Capital surplus		
Legal capital surplus	743,639	746,007
Total capital surplus	743,639	746,007
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,317,317	2,001,587
Total retained earnings	1,317,317	2,001,587
Treasury shares	(92,290)	(1,268,551)
Total shareholders' equity	2,722,308	2,235,052
Total net assets	2,722,308	2,235,052
Total liabilities and net assets	4,198,504	3,695,451

(2) Non-consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	7,949,168	8,251,666
Cost of sales	4,406,382	4,343,445
Gross profit	3,542,786	3,908,221
Selling, general and administrative expenses	2,457,476	2,664,027
Operating profit	1,085,310	1,244,194
Non-operating income		
Interest income	843	4,344
Outsourcing service income	3,176	1,332
Gain on consumption tax variance	3	1,090
Other	81	434
Total non-operating income	4,104	7,201
Non-operating expenses		
Interest expenses	8,182	5,794
Total non-operating expenses	8,182	5,794
Ordinary profit	1,081,232	1,245,601
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	508	-
Gain on sale of non-current assets	73	-
Total extraordinary income	582	-
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	-	102,311
Loss on retirement of non-current assets	-	1,078
Total extraordinary losses	-	103,390
Profit before income taxes	1,081,815	1,142,210
Income taxes - current	337,141	473,052
Income taxes - deferred	23,886	(15,111)
Total income taxes	361,027	457,940
Profit	720,787	684,270

(3) Non-consolidated statement of changes in net assets

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Share capital	Legal capital surplus	Total capital surplus	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity	Total net assets
Balance at beginning of period	701,049	691,048	691,048	596,530	596,530	(397)	1,988,230	1,988,230
Changes during period								
Issuance of new shares	52,591	52,591	52,591	–	–	–	105,182	105,182
Profit	–	–	–	720,787	720,787	–	720,787	720,787
Acquisition of treasury shares	–	–	–	–	–	(97,466)	(97,466)	(97,466)
Disposal of treasury shares	–	–	–	–	–	5,574	5,574	5,574
Total changes during period	52,591	52,591	52,591	720,787	720,787	(91,892)	734,078	734,078
Balance at end of period	753,641	743,639	743,639	1,317,317	1,317,317	(92,290)	2,722,308	2,722,308

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Share capital	Legal capital surplus	Total capital surplus	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity	Total net assets
Balance at beginning of period	753,641	743,639	743,639	1,317,317	1,317,317	(92,290)	2,722,308	2,722,308
Changes during period								
Issuance of new shares	2,368	2,368	2,368	–	–	–	4,736	4,736
Profit	–	–	–	684,270	684,270	–	684,270	684,270
Acquisition of treasury shares	–	–	–	–	–	(1,199,851)	(1,199,851)	(1,199,851)
Disposal of treasury shares	–	–	–	–	–	23,590	23,590	23,590
Total changes during period	2,368	2,368	2,368	684,270	684,270	(1,176,261)	(487,255)	(487,255)
Balance at end of period	756,009	746,007	746,007	2,001,587	2,001,587	(1,268,551)	2,235,052	2,235,052

(4) Non-consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,081,815	1,142,210
Depreciation and amortization	93,104	70,095
Increase (decrease) in provision for bonuses	(51,075)	(12,085)
Increase (decrease) in provision for bonuses for directors (and other officers)	(1,732)	(7,285)
Increase (decrease) in provision for share awards	11,122	18,849
Increase (decrease) in provision for share awards for directors (and other officers)	4,999	3,908
Interest and dividend income	(843)	(4,344)
Interest expenses	8,182	5,794
Loss on valuation of shares of subsidiaries and associates	–	102,311
Loss (gain) on sale of shares of subsidiaries and associates	(508)	–
Loss (gain) on sale of non-current assets	(73)	–
Decrease (increase) in trade receivables	430,079	(519,346)
Decrease (increase) in inventories	(4,309)	1,847
Decrease (increase) in prepaid expenses	(65,917)	(38,038)
Increase (decrease) in trade payables	(133,855)	30,547
Increase (decrease) in accounts payable - other	(25,405)	28,305
Increase (decrease) in accrued consumption taxes	(1,024)	(133,486)
Other, net	11,280	(11,854)
Subtotal	1,355,835	677,431
Interest and dividends received	843	4,344
Interest paid	(7,997)	(5,794)
Income taxes paid	(453,468)	(345,751)
Net cash provided by (used in) operating activities	895,213	330,229
Cash flows from investing activities		
Purchase of shares of subsidiaries and associates	(53,512)	–
Proceeds from sale of shares of subsidiaries and associates	61,200	–
Purchase of property, plant and equipment	(61,273)	(108,735)
Proceeds from sale of property, plant and equipment	297	–
Purchase of intangible assets	(35,412)	–
Payments associated with business divestiture	(114,776)	–
Proceeds from refund of guarantee deposits	13,603	39,758
Payments of guarantee deposits	(98,174)	(792)
Net cash provided by (used in) investing activities	(288,048)	(69,768)
Cash flows from financing activities		
Repayments of long-term borrowings	(67,421)	(67,752)
Proceeds from issuance of shares	105,182	4,736
Acquisition of treasury shares	(97,466)	(1,199,851)
Proceeds from disposal of treasury shares	5,574	11,066
Net cash provided by (used in) financing activities	(54,130)	(1,251,801)
Net increase (decrease) in cash and cash equivalents	553,033	(991,340)
Cash and cash equivalents at beginning of period	1,575,067	2,128,101
Cash and cash equivalents at end of period	2,128,101	1,136,760

(5) Notes to non-consolidated financial statements**(Notes on premise of going concern)**

Not applicable.

(Notes on equity in earnings of affiliates, etc.)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Thousands of Yen	Thousands of Yen
Amount of investment in associates	102,312	0
Amount of investment if equity method had been applied	87,158	-
Amount of loss on investment (Δ) if equity method had been applied	(15,153)	(87,158)

(Notes on segment information, etc.)**[Segment information]**

This information is omitted as the Company operates in a single segment of the Cloud Solutions Business.

(Per share information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Yen	Yen
Net assets per share	443.67	414.43
Basic earnings per share	118.81	113.17
Diluted earnings per share	112.78	108.70

Notes:

1. The Company has introduced the BIP trust for remuneration for directors (and other officers) and the ESOP trust for share granting. Shares in the Company held by these trusts are included in the number of treasury shares deducted from the total number of issued shares at the end of the period when calculating "Net assets per share" (52,420 shares in the previous fiscal year and 38,963 shares in the current fiscal year). They are also included in the number of treasury shares deducted from the average number of shares outstanding during the period when calculating "Basic earnings per share" and "Diluted earnings per share" (32,620 shares in the previous fiscal year and 46,711 shares in the current fiscal year).

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

Item	As of March 31, 2025	As of March 31, 2026
Total net assets (thousands of yen)	2,722,308	2,235,052
Amount deducted from total net assets (of which: share subscription rights)	-	-
Net assets attributable to common shares at end of period (thousands of yen)	2,722,308	2,235,052
Number of common shares used in the calculation of net assets per share (shares)	6,135,932	5,393,049

3. The basis for calculating basic earnings per share and diluted earnings per share is as follows:

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share		
Profit (thousands of yen)	720,787	684,270
Amounts not attributable to common shareholders	-	-
Profit attributable to common shares (thousands of yen)	720,787	684,270
Weighted-average number of common shares (shares)	6,066,537	6,046,168
Diluted earnings per share		
Adjustment to profit (thousands of yen)	-	-
Increase in common shares (shares)	324,838	248,770
(of which: share subscription rights, shares)	324,838	248,770
Outline of potential shares that were not included in the calculation of diluted earnings per share because they have no dilutive effect	-	-

(Significant events after reporting period)

Not applicable.