



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

May 14, 2025

Company name: Startia Holdings, Inc.

Listing: Tokyo Stock Exchange

Securities code: 3393

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Scheduled date of annual general meeting of shareholders: June 20, 2025

Scheduled date to commence dividend payments: June 23, 2025

Scheduled date to file annual securities report: June 18, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Director and President

Director, Executive Officer and CFO,

Head of Corporate Headquarters

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) 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	22,211	13.5	2,737	19.9	2,784	23.6	1,960	26.8
March 31, 2024	19,571	(2.2)	2,282	32.4	2,253	22.2	1,546	27.5

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 1,918 million [18.9%]
Fiscal year ended March 31, 2024: ¥ 1,612 million [54.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	206.29	-	27.3	19.3	12.3
March 31, 2024	165.32	-	24.8	16.3	11.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 44 million
Fiscal year ended March 31, 2024: ¥ (32) million

(Note) Diluted net income per share is not stated as there are no potential shares outstanding.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	14,204	7,649	53.5	802.96
March 31, 2024	14,689	6,818	46.2	724.31

(Reference) Equity: As of March 31, 2025: ¥ 7,595 million
As of March 31, 2024: ¥ 6,786 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	1,718	(429)	(2,087)	6,565
March 31, 2024	2,523	(495)	447	7,366

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	0.00	21.00	0.00	48.00	69.00	694	41.7	10.3
March 31, 2025	0.00	46.00	0.00	68.00	114.00	1,136	55.3	14.9
Fiscal year ending								
March 31, 2026 (Forecast)	0.00	54.00	0.00	63.00	117.00		55.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (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	11,700	8.6	1,380	4.4	1,380	3.1	920	(9.3)	97.26
Full year	24,100	8.5	3,000	9.6	3,000	7.7	2,000	2.0	211.43

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)

Excluded: - (Company name:)

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 10,240,400 shares

March 31, 2024: 10,240,400 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 781,190 shares

March 31, 2024: 870,770 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 9,501,851 shares

Fiscal Year ended March 31, 2024: 9,353,205 shares

(Note)

- The number of treasury shares at the end of the fiscal year includes 447,360 shares held in the trust accounts for share-based compensation plans (BBT-RS and J-ESOP-RS) for the fiscal year ending March 2025, and 692,660 shares held in the trust accounts for share-based compensation plans (BBT, BBT-RS, J-ESOP, and J-ESOP-RS) for the fiscal year ended March 2024.
- The average number of shares outstanding during the period excludes the shares held in the trust accounts for share-based compensation plans (BBT, BBT-RS, J-ESOP, and J-ESOP-RS) from the calculation of average treasury shares. (500,210 shares for the fiscal year ending March 2025, and 530,979 shares for the fiscal year ended March 2024)

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	1,435	(62.4)	137	(94.7)	115	(95.5)	87	(96.6)
March 31, 2024	3,815	242.7	2,614	-	2,582	-	2,578	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	9.22	-
March 31, 2024	275.72	-

(Note) Diluted net income per share is not presented as there were no dilutive shares outstanding.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	10,219	4,178	40.9	441.74
March 31, 2024	11,580	5,071	43.8	541.27

(Reference) Equity: As of March 31, 2025: ¥ 4,178 million
As of March 31, 2024: ¥ 5,071 million

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

* Proper use of earnings forecasts, and other special matters

Cautionary Statement Regarding Forward-Looking Information

This document contains forward-looking statements such as earnings forecasts, which are based on information currently available to the Company and certain assumptions deemed reasonable. These statements are not guarantees of future performance. Actual results may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and precautions regarding their use, please refer to page 5 of the Supplementary Materials to the Financial Results: “1. Overview of Operating Results, (4) Future Outlook.”

The Company plans to hold an online financial results briefing for securities analysts, institutional investors, and members of the press on Friday, May 23, 2025. Materials used in the briefing will be made available on the Company’s website.

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year

During the current consolidated fiscal year, the Japanese economy continued its gradual recovery trend. However, complex risks such as rising prices, uncertainty in the global economy, and sluggish personal consumption persisted, resulting in a continued uncertain outlook. Under such business conditions, our group proceeded with operations aiming to achieve record-high consolidated net sales and operating income, as this fiscal year marked the final year of our medium-term management plan.

In the IT infrastructure business, we established a stable customer and earnings base through both organic growth and growth via M&A. In the digital marketing business as well, we continued to provide the digital marketing tool "Cloud CIRCUS," which supports customer acquisition and development, in a subscription model (recurring revenue), thereby establishing a solid earnings foundation.

As a result, consolidated net sales for the fiscal year amounted to ¥22,211,760 thousand (a 13.5% increase year-on-year).

Cost of sales amounted to ¥12,243,771 thousand (a 17.8% increase year-on-year).

Selling, general and administrative expenses were ¥7,230,213 thousand (a 4.9% increase year-on-year).

As a result, operating profit was ¥2,737,775 thousand (a 19.9% increase year-on-year).

Ordinary profit amounted to ¥2,784,425 thousand (a 23.6% increase year-on-year), primarily due to the recording of investment income under the equity method.

In addition, while a gain on the sale of investment securities was recorded as extraordinary income during the fiscal year, a loss on valuation of investment securities and a loss on change in equity due to the exclusion of MAC Office Inc., an equity-method affiliate, were recorded as extraordinary losses.

Income before income taxes was ¥2,788,427 thousand (a 21.5% increase year-on-year), and income taxes after applying tax effect accounting amounted to ¥805,891 thousand (a 7.4% increase year-on-year).

As a result, profit attributable to owners of the parent for the fiscal year was ¥1,960,104 thousand (a 26.8% increase year-on-year).

Performance by segment is as follows.

<Digital Marketing Business>

The performance of the digital marketing business during the fiscal year under review is as follows.

The digital marketing business supports solving five marketing challenges—information dissemination, customer acquisition, customer experience improvement, customer nurturing, and repeat promotion—through the provision of the integrated SaaS tool suite "Cloud CIRCUS."

Major products such as "BowNow," "COCOAR," and "IZANAI" not only offer convenience as standalone tools, but also integrate with the AI chatbot service ChatGPT and feature UI/UX enhancements, creating an environment that is easy to adopt even for small and medium-sized enterprises new to digital marketing.

In the fiscal year under review, the revision of prices for certain SaaS plans in March 2024 led to steady growth in monthly recurring revenue (MRR), which is the source of stock-type sales, with significant growth particularly seen in existing tools such as BowNow and ActiBook.

In the fan marketing tool "Metabadge," fan engagement improved through enhancements such as NFT and quiz features. Orders for website production using the new web-building support tool "LP Builder" also remained steady.

Regarding partner sales, revenue through distributors increased, expanding the reach of Cloud CIRCUS to small and medium-sized enterprises in regional areas and promoting diversification of sales channels.

As a result, the digital marketing business posted net sales of ¥3,868,925 thousand (a 10.2% increase year-on-year) and segment profit (operating profit) of ¥694,591 thousand (a 137.8% increase year-on-year) for the fiscal year under review.

<IT Infrastructure Business>

The performance of the IT infrastructure business during the fiscal year under review is as follows.

The IT infrastructure business offers a wide range of services, from creating office environments with multifunction peripherals (MFPs) and business phones, to providing optical fiber services and secure networks against cyberattacks. It also includes environmental services such as LED lighting and new electricity solutions, and RPA tools to support the digital shift and digital transformation of small and medium-sized enterprises.

In the fiscal year under review, strong sales of network-related equipment were driven by continued demand for cybersecurity. Sales of MFPs and business phones, as well as efforts to expand new electricity and fiber-optic collaboration services, contributed to stable revenue growth. Additionally, Fujifilm BI Nara Co., Ltd., which commenced operations in April 2024, contributed to results as planned. Both flow and stock revenue showed steady growth throughout the year.

As a result, the IT infrastructure business recorded net sales of ¥18,335,322 thousand (a 14.2% increase year-on-year) and segment profit (operating profit) of ¥1,923,354 thousand (a 1.7% increase year-on-year).

<CVC Business>

The performance of the CVC (Corporate Venture Capital) business during the fiscal year under review is as follows.

In the CVC business, we made an additional investment in the K&P Partners No.4 Investment Limited Partnership.

As a result, the CVC business recorded no sales (compared to ¥3,107 thousand in the previous fiscal year) and a segment loss (operating loss) of ¥2,807 thousand (compared to segment profit of ¥2,107 thousand in the previous fiscal year).

(2) Financial Position for the Fiscal Year

(Current Assets)

Current assets totaled ¥11,529,900 thousand, a decrease of ¥30,354 thousand compared to the end of the previous consolidated fiscal year.

This was mainly due to a decrease in cash and deposits of ¥800,813 thousand, which was partially offset by an increase of ¥535,473 thousand in notes and accounts receivable and contract assets, ¥112,417 thousand in other current assets, and ¥87,544 thousand in inventories.

(Non-Current Assets)

Non-current assets totaled ¥2,674,180 thousand, a decrease of ¥455,068 thousand compared to the end of the previous consolidated fiscal year.

This was mainly due to a decrease in investment securities of ¥237,281 thousand, a decrease in deferred tax assets of ¥182,757 thousand, a decrease in goodwill of ¥72,157 thousand, and a decrease in software of ¥66,269 thousand, partially offset by an increase of ¥112,980 thousand in other investments and other assets.

(Current Liabilities)

Current liabilities totaled ¥5,249,667 thousand, a decrease of ¥885,823 thousand compared to the end of the previous consolidated fiscal year.

This was mainly due to a decrease of ¥700,000 thousand in short-term borrowings, a decrease of ¥195,447 thousand in accounts payable, and a decrease of ¥140,630 thousand in provision for share-based compensation, partially offset by an increase of ¥89,712 thousand in trade payables and an increase of ¥73,878 thousand in long-term borrowings due within one year.

(Non-Current Liabilities)

Non-current liabilities totaled ¥1,304,628 thousand, a decrease of ¥430,896 thousand compared to the end of the previous consolidated fiscal year.

This was mainly due to a decrease of ¥420,930 thousand in long-term borrowings and a decrease of ¥9,203 thousand in deferred tax liabilities.

(Net Assets)

Net assets totaled ¥7,649,785 thousand, an increase of ¥831,297 thousand compared to the end of the previous consolidated fiscal year.

This was mainly due to an increase of ¥1,960,104 thousand in retained earnings from profit attributable to owners of the parent, partially offset by a decrease of ¥945,838 thousand due to dividends and a decrease of ¥64,478 thousand in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year

Cash and cash equivalents at the end of the fiscal year were ¥6,565,756 thousand, a decrease of ¥800,813 thousand (10.9% year-on-year) from the end of the previous fiscal year.

Cash flows by activity for the fiscal year under review are as follows.

(i) Cash Flows from Operating Activities

Cash flows from operating activities amounted to an inflow of ¥1,718,164 thousand (a 31.9% decrease year-on-year).

This was primarily due to income before income taxes of ¥2,788,427 thousand and depreciation of ¥424,613 thousand, offset by corporate tax payments of ¥673,440 thousand, an increase in accounts receivable of ¥535,473 thousand, and a decrease in accounts payable of ¥170,949 thousand.

(ii) Cash Flows from Investing Activities

Cash flows from investing activities resulted in an outflow of ¥429,344 thousand (a 13.4% decrease year-on-year).

This was mainly due to expenditures of ¥366,320 thousand for the acquisition of fixed assets and ¥128,000 thousand in loans, partially offset by proceeds of ¥63,980 thousand from the sale of investment securities.

(iii) Cash Flows from Financing Activities

Cash flows from financing activities recorded an outflow of ¥2,087,678 thousand (compared to an inflow of ¥447,171 thousand in the previous consolidated fiscal year).

This was mainly due to proceeds of ¥1,590,000 thousand from long-term borrowings and ¥900,000 thousand from short-term borrowings, offset by repayments of long-term borrowings of ¥1,937,052 thousand, repayments of short-term borrowings of ¥1,600,000 thousand, and dividend payments of ¥945,838 thousand.

(4) Outlook

Our group has established a solid earnings base through the dual strategies of organic growth and M&A in the IT infrastructure business, as well as through offering the “Cloud CIRCUS” digital marketing tool in a subscription-based model in the digital marketing business. To further grow these businesses, we plan to announce a new three-year medium-term management plan covering fiscal years ending March 2026 through March 2028 on May 22, 2025.

The consolidated earnings forecast for the fiscal year ending March 2026 is as follows: net sales of ¥24.1 billion (an 8.5% increase year-on-year), operating income of ¥3.0 billion (a 9.6% increase), ordinary income of ¥3.0 billion (a 7.7% increase), and profit attributable to owners of the parent of ¥2.0 billion (a 2.0% increase).

The strategies by business segment are as follows.

(Digital Marketing Business)

We will further strengthen product development and sales activities focused on customer success, aiming to maximize the value provided by the Cloud CIRCUS tool suite.

In our product strategy, we will strengthen development and marketing investments in high-growth phase products such as the AI chatbot “IZANAI” and “Fullstar,” which excels in internal FAQ applications, to accelerate cross-selling through synergies between products.

We will optimize users' workflow by unifying UI/UX and promoting data integration across tools, thereby encouraging continued usage (weekly active users, WAU).

Through the establishment and expansion of a BPO organization, we aim to evolve beyond SaaS tool provision into a BPaaS (Business Process as a Service) model with execution capabilities, in order to reduce churn and maximize lifetime value (LTV).

In particular, within Customer Success (CS) activities, we will build a structure committed to fostering consistent tool usage and delivering results, aiming to improve both the coverage and retention rates of consulting BPO services.

We will also continue to strategically explore M&A, business alliances, and partner channels, aiming to achieve discontinuous growth in the value of Cloud CIRCUS through collaboration and integration with companies in adjacent fields.

(IT Infrastructure Business)

In the IT infrastructure business, we will further advance the expansion of our customer base through M&A and business acquisitions, which we have been pursuing to date,

and continue promoting the sales expansion of our core products such as multifunction devices, business phones, and network-related equipment, as well as stock-type products including new power and fiber-optic collaboration services.

By cross-selling these key products, we will encourage customers to use multiple products and services, enabling us to provide comprehensive support from digital shift readiness to digital transformation. This will contribute to improving productivity for small and medium-sized enterprises and lead to higher customer satisfaction.

(CVC Business)

In the CVC business, we will continue to focus on supporting the growth of existing investees and realizing exit opportunities.

(Note) Forward-looking statements such as full-year earnings forecasts described in this document are subject to various factors including unforeseen economic changes and do not constitute a guarantee of future performance. They contain inherent risks and uncertainties.

2. Basic idea for adoption of accounting standards In preparing its consolidated financial statements, the Company Group adopts the Japanese accounting standards for the time being, considering comparability from period to period and among companies.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	7,366,570	6,565,756
Notes and accounts receivable - trade, and contract assets	2,964,108	3,499,581
Operational investment securities	143,662	148,993
Inventories	367,073	454,618
Other	913,239	1,025,657
Allowance for doubtful accounts	(194,399)	(164,706)
Total current assets	11,560,254	11,529,900
Non-current assets		
Property, plant and equipment		
Buildings	294,672	305,155
Accumulated depreciation	(144,611)	(161,450)
Buildings, net	150,061	143,704
Vehicles	19,437	19,540
Accumulated depreciation	(17,147)	(18,159)
Vehicles, net	2,289	1,381
Tools, furniture and fixtures	373,621	367,186
Accumulated depreciation	(293,899)	(286,098)
Tools, furniture and fixtures, net	79,722	81,087
Land	252	252
Total property, plant and equipment	232,325	226,426
Intangible assets		
Goodwill	463,594	391,437
Software	1,001,073	934,804
Other	5,433	4,683
Total intangible assets	1,470,101	1,330,924
Investments and other assets		
Investment securities	388,374	151,092
Deferred tax assets	613,913	431,156
Guarantee deposits	305,196	302,261
Other	119,337	232,318
Total investments and other assets	1,426,821	1,116,828
Total non-current assets	3,129,248	2,674,180
Total assets	14,689,503	14,204,080

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,393,625	1,483,337
Short-term borrowings	1,100,000	400,000
Current portion of long-term borrowings	1,336,784	1,410,662
Accounts payable - other	679,906	484,459
Accrued expenses	303,733	275,942
Income taxes payable	329,135	278,879
Accrued consumption taxes	290,377	238,700
Advances received	125,844	157,425
Provision for bonuses	321,930	375,328
Provision for share awards	140,630	-
Provision for share awards for directors (and other officers)	36,130	15,005
Other	77,392	129,927
Total current liabilities	6,135,490	5,249,667
Non-current liabilities		
Long-term borrowings	1,715,922	1,294,992
Deferred tax liabilities	17,639	8,436
Other	1,962	1,199
Total non-current liabilities	1,735,524	1,304,628
Total liabilities	7,871,015	6,554,295
Net assets		
Shareholders' equity		
Share capital	824,315	824,315
Capital surplus	1,162,614	1,162,614
Retained earnings	5,676,306	6,573,936
Treasury shares	(1,019,593)	(1,043,879)
Total shareholders' equity	6,643,643	7,516,987
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	142,864	78,386
Total accumulated other comprehensive income	142,864	78,386
Non-controlling interests	31,980	54,412
Total net assets	6,818,488	7,649,785
Total liabilities and net assets	14,689,503	14,204,080

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales	19,571,506	22,211,760
Cost of sales		
Cost of sales	10,394,822	12,243,771
Gross profit	9,176,683	9,967,988
Selling, general and administrative expenses	6,893,941	7,230,213
Operating profit	2,282,741	2,737,775
Non-operating income		
Interest income	7,998	9,172
Dividend income	6,126	5,432
Foreign exchange gains	23,334	-
Share of profit of entities accounted for using equity method	-	44,216
Subsidy income	9,816	13,146
Gain on investments in investment partnerships	4,465	-
Other	11,782	12,317
Total non-operating income	63,522	84,285
Non-operating expenses		
Interest expenses	13,287	17,559
Share of loss of entities accounted for using equity method	32,027	-
Loss on investments in investment partnerships	-	2,526
Nondeductible consumption tax	10,744	11,450
Loss on retirement of non-current assets	33,125	-
Other	3,776	6,097
Total non-operating expenses	92,962	37,634
Ordinary profit	2,253,302	2,784,425
Extraordinary income		
Gain on sale of investment securities	73,337	53,186
Total extraordinary income	73,337	53,186
Extraordinary losses		
Loss on change in equity	-	30,002
Loss on valuation of investment securities	19,968	19,182
Impairment losses	11,124	-
Total extraordinary losses	31,093	49,184
Profit before income taxes	2,295,546	2,788,427
Income taxes - current	716,741	600,758
Income taxes - deferred	33,947	205,132
Total income taxes	750,689	805,891
Profit	1,544,857	1,982,536
Profit (loss) attributable to non-controlling interests	(1,419)	22,432
Profit attributable to owners of parent	1,546,277	1,960,104

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	1,544,857	1,982,536
Other comprehensive income		
Valuation difference on available-for-sale securities	68,072	(64,478)
Total other comprehensive income	68,072	(64,478)
Comprehensive income	1,612,929	1,918,057
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,614,349	1,895,625
Comprehensive income attributable to non-controlling interests	(1,419)	22,432

Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	824,315	905,814	4,689,182	(802,152)	5,617,159
Changes during period					
Dividends of surplus			(559,152)		(559,152)
Profit attributable to owners of parent			1,546,277		1,546,277
Purchase of treasury shares				(695,668)	(695,668)
Disposal of treasury shares		256,800		478,227	735,027
Net changes in items other than shareholders' equity					-
Total changes during period	-	256,800	987,124	(217,440)	1,026,483
Balance at end of period	824,315	1,162,614	5,676,306	(1,019,593)	6,643,643

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	74,792	74,792	-	5,691,952
Changes during period				
Dividends of surplus				(559,152)
Profit attributable to owners of parent				1,546,277
Purchase of treasury shares				(695,668)
Disposal of treasury shares				735,027
Net changes in items other than shareholders' equity	68,072	68,072	31,980	100,052
Total changes during period	68,072	68,072	31,980	1,126,535
Balance at end of period	142,864	142,864	31,980	6,818,488

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	824,315	1,162,614	5,676,306	(1,019,593)	6,643,643
Changes during period					
Dividends of surplus			(945,838)		(945,838)
Profit attributable to owners of parent			1,960,104		1,960,104
Purchase of treasury shares				(304,575)	(304,575)
Disposal of treasury shares				280,288	280,288
Change in scope of equity method			(116,635)		(116,635)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	897,630	(24,286)	873,344
Balance at end of period	824,315	1,162,614	6,573,936	(1,043,879)	7,516,987

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	142,864	142,864	31,980	6,818,488
Changes during period				
Dividends of surplus				(945,838)
Profit attributable to owners of parent				1,960,104
Purchase of treasury shares				(304,575)
Disposal of treasury shares				280,288
Change in scope of equity method				(116,635)
Net changes in items other than shareholders' equity	(64,478)	(64,478)	22,432	(42,046)
Total changes during period	(64,478)	(64,478)	22,432	831,297
Balance at end of period	78,386	78,386	54,412	7,649,785

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,295,546	2,788,427
Depreciation	363,235	424,613
Impairment losses	11,124	-
Amortization of goodwill	66,071	72,157
Increase (decrease) in allowance for doubtful accounts	17,637	(29,692)
Increase (decrease) in provision for bonuses	(1,365)	53,397
Increase (decrease) in provision for share awards	75,155	76,416
Increase (decrease) in provision for share awards for directors (and other officers)	9,104	7,471
Interest and dividend income	(14,124)	(14,605)
Interest expenses	13,287	17,559
Foreign exchange losses (gains)	(23,334)	1,955
Share of loss (profit) of entities accounted for using equity method	32,027	(44,216)
Loss on retirement of non-current assets	33,125	-
Loss (gain) on sale of investment securities	(73,337)	(53,186)
Loss (gain) on valuation of investment securities	19,968	19,182
Loss (gain) on investments in investment partnerships	(4,465)	2,526
Loss (gain) on change in equity	-	30,002
Decrease (increase) in trade receivables	385,844	(535,473)
Decrease (increase) in inventories	417,861	(87,544)
Decrease (increase) in operational investment securities	(9,000)	(7,011)
Increase (decrease) in trade payables	(242,624)	89,712
Increase (decrease) in accounts payable - other	141,222	(170,949)
Increase (decrease) in accrued consumption taxes	(28,132)	(51,677)
Subsidy income	(9,816)	(13,146)
Other, net	(1,066)	(218,064)
Subtotal	3,473,948	2,357,854
Interest and dividends received	14,124	14,605
Interest paid	(13,969)	(17,829)
Income taxes paid	(1,090,634)	(673,440)
Income taxes refund	129,844	23,828
Subsidies received	9,816	13,146
Net cash provided by (used in) operating activities	2,523,130	1,718,164
Cash flows from investing activities		
Purchase of non-current assets	(444,147)	(366,320)
Purchase of investment securities	(21,701)	(2,244)
Proceeds from sale of investment securities	113,194	63,980
Loan advances	-	(128,000)
Proceeds from collection of loans receivable	-	2,852
Payments for acquisition of businesses	(108,000)	-
Purchase of shares of subsidiaries	(51,027)	-
Proceeds from distributions from investment partnerships	2,729	9,939
Payments of guarantee deposits	(22,523)	(10,574)
Proceeds from refund of guarantee deposits	40,047	2,872
Other, net	(4,237)	(1,851)
Net cash provided by (used in) investing activities	(495,666)	(429,344)

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	1,100,000	900,000
Repayments of short-term borrowings	(900,000)	(1,600,000)
Proceeds from long-term borrowings	1,900,000	1,590,000
Repayments of long-term borrowings	(1,126,244)	(1,937,052)
Purchase of treasury shares	(695,668)	(304,575)
Proceeds from disposal of treasury shares	695,600	210,550
Dividends paid	(559,152)	(945,838)
Proceeds from share issuance to non-controlling shareholders	33,400	-
Other, net	(762)	(762)
Net cash provided by (used in) financing activities	447,171	(2,087,678)
Effect of exchange rate change on cash and cash equivalents	23,334	(1,955)
Net increase (decrease) in cash and cash equivalents	2,497,970	(800,813)
Cash and cash equivalents at beginning of period	4,868,599	7,366,570
Cash and cash equivalents at end of period	7,366,570	6,565,756

(5) Notes to Consolidated Financial Statements
(Notes on the Assumption of a Going Concern)
There are no applicable matters.

(Changes in Accounting Policies)

The “Accounting Standard for Taxes on Income, Inhabitant Taxes and Enterprise Taxes” (ASBJ Statement No. 27, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and related standards have been applied from the beginning of the current consolidated fiscal year.

With regard to the revision on the classification of income taxes (taxation on other comprehensive income), transitional treatment stipulated in paragraph 20-3 proviso of the 2022 Revised Accounting Standard and in paragraph 65-2 (2) proviso of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”) has been followed.

This change in accounting policy has no impact on the consolidated financial statements.

In addition, the revision related to the handling of gains or losses on the sale of subsidiary shares among consolidated companies for tax deferral purposes has been applied from the beginning of the current fiscal year in accordance with the 2022 Revised Implementation Guidance.

This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year reflect the retrospective application.

There is no impact on the consolidated financial statements for the previous fiscal year due to this change in accounting policy.

(Matters Related to Consolidated Statement of Income)

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

Impairment Loss

Our group recorded impairment losses for the following asset groups.

Use	Type	Impairment Loss (Thousands of yen)
IT Infrastructure Business	Software	11,124
	Total	11,124

Asset grouping is carried out based on management accounting classifications.

In the current consolidated fiscal year, signs of impairment were identified for software in the IT Infrastructure-related business, and as a result of assessing its recoverability, an impairment loss of ¥11,124 thousand was recorded as a special loss.

The recoverable amount of the asset group was measured based on its value in use, and since no future cash flows are expected, it was assessed as zero.

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

Impairment Loss

No applicable items.

(Segment Information, etc.)

[Segment Information]

1 Overview of Reporting Segments

(1) Method for Determining Reporting Segments

The reporting segments of our group are components for which separate financial information is available and which are regularly reviewed by the Board of Directors to make decisions regarding the allocation of management resources and to evaluate performance.

Our group adopts a holding company structure, in which the Company is responsible for formulating overall group strategies and managing business subsidiaries, while each business subsidiary flexibly carries out operations based on the products and services it handles.

Accordingly, our group consists of segments based on these business subsidiaries by product and service type, and we have defined three reporting segments: the "Digital Marketing Business," the "IT Infrastructure Business," and the "CVC Business."

(2) Types of Products and Services Belonging to Each Reporting Segment

The "Digital Marketing Business" provides a SaaS platform called Cloud CIRCUS, which is an integrated digital marketing service.

Targeting mainly the SME market, we provide a suite of cloud tools that address five key areas to increase customers: "Information Dissemination," "Customer Attraction," "Improving Customer Experience Value," "Nurturing and Converting Prospective Customers," and "Preventing Churn & Increasing Repeat Business." These products are designed to be easy for anyone to start using immediately, even those new to digital marketing.

The "IT Infrastructure Business" provides comprehensive network integration and cloud-based system integration tailored to the needs and growth of client companies, offering total solutions that combine network equipment and services.

We also focus on selling business phones, MFPs, and counter services. Leveraging our group's long-standing expertise in selling information and communication equipment and ISP line arrangements, we propose office layouts that account for LAN and other communication environments. We also generate incentive income from telecom carriers by acting as an intermediary for telephone line arrangements and subscription processing.

The "CVC Business" invests in IT venture companies that are taking on the challenge of pioneering new businesses with original ideas and innovative technologies, while supporting the growth of investees by leveraging our group's customer base and IT solution capabilities.

At the same time, we aim to drive innovation within our group and create new corporate value through capital-based collaboration with these investee companies.

2 Basis of Calculation for Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reporting Segment

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

Segment profit is based on operating income.

Inter-segment internal revenues and transfers are based on market prices.

3 information on Net sales and amounts of profits or losses, assets, Liabilities and other items, and revenue breakdown information for each Reportable segments;

(From April 1, 2023 to March 31, 2024)

(Unit: thousand yen)

	Reportable segments				Miscellaneous Notes: 1
	Digital Marketing Business	IT infrastructure Business	CVC Business	Total	
Sales					
Revenue recognized at a point in time	889,643	9,190,131	3,107	10,082,882	-
Revenue recognized over time	2,620,900	6,867,304	-	9,488,205	-
Revenue arising from contracts with customers	3,510,543	16,057,436	3,107	19,571,087	-
Sales to external customers	3,510,543	16,057,436	3,107	19,571,087	-
Intersegment sales or transfers	11,850	70,525	-	82,376	-
Total	3,522,394	16,127,962	3,107	19,653,463	-
Segment profit or loss (△ indicates loss)	292,143	1,891,081	2,107	2,185,332	△3,600
Segment assets	1,656,851	5,474,777	143,662	7,275,291	5,821
Other Items					
Depreciation	249,554	74,242	-	323,797	-
Amortization of Goodwill	-	66,071	-	66,071	-
Increase in property, plant and equipment and intangible assets	280,843	133,903	-	414,746	-

	Sum	Adjustment (Note 2) 4, 5, 6	Consolidated Recorded (Note) 3
Sales			
Revenue recognized at a point in time	10,082,882	419	10,083,301
Revenue recognized over time	9,488,205	-	9,488,205
Revenue arising from contracts with customers	19,571,087	419	19,571,506
Sales to external customers	19,571,087	419	19,571,506
Intersegment sales or transfers	82,376	△82,376	-
Total	19,653,463	△81,957	19,571,506
Segment profit or loss (△ indicates loss)	2,181,731	101,010	2,282,741
Segment assets	7,281,113	7,408,390	14,689,503
Other Items			
Depreciation	323,797	39,438	363,235
Amortization of Goodwill	66,071	-	66,071
Increase in property, plant and equipment and intangible assets	414,746	140,799	555,546

(Notes) 1. "Other" represents Operating segments which is not included in Reportable segments.

2 The amount of adjustment for inter-segment Net sales or transfer amounts is elimination of inter-segment transactions. The amount of adjustment for segment profit or loss includes corporate profit or loss, elimination of inter-segment transactions and other items not included in Reportable segments.

3 The total amount of segment profit or loss is consistent with operating profit of Consolidated statement of profit or loss.

4 Company-wide assets included in the "Reconciliation" of segment assets amounted to ¥7,408.39 million, primarily consisting of cash and deposits not attributable to Reportable segments and Company-wide assets not allocated to Reportable segments.

5 The "Reconciliation" of ¥39,438,000 for Depreciation is for corporate expenses not allocated to Reportable segments.

6 The "Reconciliation" of ¥140,799,000 for increases in Property, plant and equipment and intangible assets is primarily for investments in company-wide assets.

(From April 1, 2024 to March 31, 2025)

(Unit: thousand yen)

	Reportable segments				Miscellaneous Notes: 1
	Digital Marketing Business	IT infrastructure Business	CVC Business	Total	
Sales					
Revenue recognized at a point in time	811,941	10,889,481	-	11,701,423	-
Revenue recognized over time	3,056,983	7,445,840	-	10,502,823	-
Revenue arising from contracts with customers	3,868,925	18,335,322	-	22,204,247	-
Sales to external customers	3,868,925	18,335,322	-	22,204,247	-
Intersegment sales or transfers	12,822	94,762	-	107,584	-
Total	3,881,747	18,430,084	-	22,311,832	-
Segment profit or loss (△ indicates loss)	694,591	1,923,354	△2,807	2,615,137	△4,155
Segment assets	1,497,430	5,848,308	148,993	7,494,731	6,096
Other Items					
Depreciation	282,955	67,974	-	350,930	-
Amortization of Goodwill	-	72,157	-	72,157	-
Increase in property, plant and equipment and intangible assets	258,537	55,543	-	314,081	-

	Sum	Adjustment (Note 2) 4, 5, 6	Consolidated Recorded (Note) 3
Sales			
Revenue recognized at a point in time	11,701,423	7,512	11,708,936
Revenue recognized over time	10,502,823	-	10,502,823
Revenue arising from contracts with customers	22,204,247	7,512	22,211,760
Sales to external customers	22,204,247	7,512	22,211,760
Intersegment sales or transfers	107,584	△107,584	-
Total	22,311,832	△100,071	22,211,760
Segment profit or loss (△ indicates loss)	2,610,982	126,793	2,737,775
Segment assets	7,500,827	6,703,253	14,204,080
Other Items			
Depreciation	350,930	73,683	424,613
Amortization of Goodwill	72,157	-	72,157
Increase in property, plant and equipment and intangible assets	314,081	27,741	341,822

(Note) 1 "Other" represents Operating segments which is not included in Reportable segments.

2 The amount of adjustment for inter-segment Net sales or transfer amounts is elimination of inter-segment transactions.

The amount of adjustment for segment profit or loss includes corporate profit or loss, elimination of inter-segment transactions and other items not included in Reportable segments.

3 The total amount of segment profit or loss is consistent with operating profit of Consolidated statement of profit or loss.

4 Company-wide assets included in the items of "Adjusted Amount" in segment assets amounted to ¥6,703,253,000, mainly consisting of cash and deposits not attributable to Reportable segments and Company-wide assets not allocated to Reportable segments.

5 The adjusted amount of ¥73,683,000 for Depreciation is for company-wide expenses not allocated to Reportable segments.

6 The adjusted amount of ¥27,741,000 for increase in Property, plant and equipment and intangible assets is mainly for investments in company-wide assets.

4 Information on Impairment losses on fixed assets per Reportable segments

(From April 1, 2023 to March 31, 2024)

(Unit: thousand yen)

	Digital Marketing Business	IT infrastructure Business	CVC Business	Miscellaneous	Adjustments	Sum
Impairment losses	-	11,124	-	-	-	11,124

(From April 1, 2024 to March 31, 2025)

Not applicable.

(Per Share Information)

	Previous fiscal year (From April 1, 2023) To March 31, 2024)	Current fiscal year (From April 1, 2024) To March 31, 2025)
Net assets per share	724.31 yen	802.96 yen
Net income per share	165.32 yen	206.29 yen

Notes: 1. Diluted net income per share is not stated because there are no dilutive shares.

The basis for the calculation of net income per 2.1 shares is as follows.

Items	Previous fiscal year (From April 1, 2023 To March 31, 2024)	Current fiscal year (From April 1, 2024 To March 31, 2025)
Net income per share		
Net income attributable to owners of the parent (thousand yen)	1,546,277	1,960,104
Amount not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent per common share Net income (thousand yen)	1,546,277	1,960,104
Net income attributable to owners of the parent related to common stock (thousand yen)	9,353,205	9,501,851

The basis for calculating net assets per 3.1 shares is as follows:

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Total amount of net assets (thousand yen)	6,818,488	7,649,785
Amount to be Deducted from the Total Amount of the Net Assets Section (thousand yen)	31,980	54,412
(including non-controlling interests (thousand yen))	(31,980)	(54,412)
Term-end net assets related to common stock (thousand yen)	6,786,508	7,595,373
at the end of the period used to calculate net assets per share Number of shares of common stock	9,369,630	9,459,210

4. Treasury shares remaining in the trust and recorded under shareholders' equity are included in the treasury shares deducted in the calculation of the average number of shares outstanding during the period for earnings per share, and also deducted from the total number of shares issued at the end of the period for calculating net assets per share.

The average number of such treasury shares deducted during the period for the calculation of earnings per share was 530,979 shares in the previous consolidated fiscal year and 500,210 shares in the current consolidated fiscal year.

The number of such treasury shares deducted at the end of the period for the calculation of net assets per share was 692,660 shares in the previous consolidated fiscal year and 447,360 shares in the current consolidated fiscal year.

(Significant Subsequent Events)

There are no applicable matters.