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Summary of Financial Statements for the Fiscal Year Ended December 31, 2024 [IFRS] (Consolidated)



February 7, 2025

Broadleaf Co., Ltd

Stock listing:

Representative:

Scheduled date of Annual General Meeting of Shareholders

Scheduled date of commencement of dividend payout

Earnings Supplementary Explanatory Documents

Earnings Results Briefing:

Tokyo Stock Exchange Prime Market

Representative Director, President and CEO Kenji Oyama

March 21, 2025

March 24, 2025

Yes

Yes (For institutional investors and analysts)

(Figures are rounded to the nearest million yen)

Consolidated Financial Results for FY2024 (January 1, 2024-December 31, 2024)

(1) Consolidated Operating Results (Percentage below represents increase (decrease) from the same period of previous year)

	Revenue		Operating profit		Profit before tax		Net income		Profit attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	18,045	17.3	674	-	545	-	332	-	343	-	437	-
FY2023	15,385	11.2	-1,902	-	-1,921	-	-1,525	-	-1,487	-	-1,380	-

	Basic earnings per share		Diluted earnings per share		Net margin of equity attributable to owners of the parent		Return on assets		Operating Margin	
	Yen		Yen		%		%		%	
FY2024	3.85		3.75		1.5		1.4		3.7	
FY2023	-16.76		-16.76		-6.5		-5.5		-12.4	

(Reference) Share of profit or loss of entities accounted for using equity method FY2024 -87Millions of yen

FY2023 -2Millions of yen

(2) Consolidated Financial Position

	Total assets		Total equity		Equity attributable to owners of the parent		Percentage of equity attributable to owners of the parent		Equity attributable to owners of the parent per share	
	Millions of yen		Millions of yen		Millions of yen		%		Yen	
FY2024	39,895		23,143		23,142		58.0		259.39	
FY2023	36,750		22,487		22,473		61.2		253.08	

(3) Consolidated Cash Flows

	Cash flow from operating activities		Cash flow from investing activities		Cash flow from financing activities		Cash and cash equivalents at quarter end	
	Millions of yen		Millions of yen		Millions of yen		Millions of yen	
FY2024	6,531		-4,308		-1,835		4,306	
FY2023	3,425		-3,669		705		3,920	

2. Dividends

	Dividend per share					Total dividend	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2024	-	0.00	-	1.00	1.00	92	-	0.4
FY2023	-	0.00	-	2.00	2.00	183	51.9	0.8
FY2025 (forecast)	-	2.00	-	2.00	4.00		35.9	

Forecast of Consolidated Financial Results for the Fiscal Year Ending December 3, 2025 (January 1, 2025-December 31, 2025)

(Percentages represent year-on-year changes for the full fiscal year and year-on-year changes for the quarter.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
1H FY2025	9,500	12.8	300	-	300	-	200	-	2.23	
FY2025	20,100	11.4	1,500	122.5	1,500	175.3	1,000	191.3	11.13	

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※ Notes

(1) Significant changes in the scope of consolidation during the period: None

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

1. Changes in accounting policies required by IFRS: None
2. 1. Changes in accounting policies other than the above: None
3. Changes in accounting estimates: None

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury shares)	FY2024	97,896,800 shares	FY2023	97,896,800 shares
2. Number of shares of treasury shares	FY2024	8,680,791 shares	FY2023	9,095,224 shares
3. Average number of shares during the period	FY2024	89,119,161 shares	FY2023	88,701,919 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated results for the year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Non-Consolidated Operating Results (Percentage below represents increase (decrease) from the same period of previous year)

	Net sales		Operating profit		Ordinary income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	16,077	17.0	643	-	702	-	147	-
FY2023	13,737	11.6	-1,518	-	-1,506	-	-1,874	-

	Net income per share		Diluted EPS	
	Yen		Yen	
FY2024	1.65		1.60	
FY2023	-21.13		-	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity Ratio	Net assets per share	
	Millions of yen		Millions of yen		%	Yen	
FY2024	30,268		15,178		50.1	170.13	
FY2023	27,662		15,019		54.3	169.13	

Reference: Shareholders' equity FY2024 15,178Millions of yen FY2023 15,019Millions of yen

<Reasons for differences in non-consolidated results from the results of the previous fiscal year>

Earnings improved as existing customers switched to subscription contracts for business software, which is a mainstay product, and sales increased due to the steady acquisition of new customers.

* The financial results are outside the scope of audits by a certified public accountant or an auditing firm.

* Comments regarding appropriate usage of earnings forecasts, and other special notes

(Notes on forward-looking statements)

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to Broadleaf Co., Ltd. group (Hereinafter "the Group") and certain assumptions which are regarded as legitimate. The Group makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

(Availability of earnings supplementary explanatory documents and information on earnings results briefings)

We plan to hold an online live presentation for institutional investors and analysts on Friday, February 7, 2025. The materials used at the meeting will be posted on its website.

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1. Overview of operating results, etc

(1) Overview of operating results for the current fiscal year

(i) Qualitative information on financial Current management results

During the current fiscal year (January 1, 2024 to December 31, 2024) under review, the Japanese economy continued to recover moderately, but uncertainty remained high due in part to risk factors that impact downward pressure on the economy, such as soaring energy prices, exchange rate fluctuations, and the situation in the Middle East.

In terms of trends in IT investment, efforts were active in digital transformation (DX), including not only operational reforms but also the creation of new digital services using the generating AI. In addition to reforming work styles and responding to labor shortages, our customers aggressively invested in a wide range of IT, including rebuilding their supply chains to improve productivity and responding to digital administration.

In this business environment, the Group is promoting the 2 growth strategies of "Cloud Penetration" and "Service Expansion" as outlined in the Medium-Term Management Plan (2022-2028) (Hereinafter "the Plan"). Specifically, Mobility sector customers using packaged software will systematically switch to ".c Series" of cloud software. At the same time, the Group is focusing on acquiring new customers. In addition to expanding the range of cloud software and improving its performance, we are also researching and developing platform-based services that utilize big data and AI techniques owned by the Group.

During the fiscal year under review, the switch from packaged software to cloud software progressed, and the acquisition of new customers also proceeded steadily. As a result, cloud service revenues increased 48.6% year on year. In addition, Mobility sector customers made steady progress in switching to cloud software. In addition, packaged system revenues increased 1.1% due to the acquisition of large-scale projects for packaged software for non-mobility sector.

The shift to cloud software is going to change the composition of revenues by service category, but this will be a factor behind the increase in overall sales. This increase is expected to continue until 2028, when Mobility sector customers complete their transition to cloud software.

In terms of costs, the Group aggressively expanded the functionality and performance of cloud software and promoted the efficiency of business processes. SG&A expenses declined 112 million yen from the previous fiscal year as a result of efforts to optimize operating and administrative costs.

As a result of the above, revenue for the fiscal year under review was 18,045 million yen (up 17.3% year on year). Operating income was 674 million yen (compared to a loss of 1,902 million yen in the previous fiscal year), income before income taxes was 545 million yen (compared to a loss of 1,921 million yen in the previous fiscal year), and profit attributable to owners of the parent was 343 million yen (compared to a loss of 1,487 million yen in the previous fiscal year), both of which returned to profitability compared to the previous fiscal year.

The Group is a single segment of IT Services Business, but the breakdown of revenues by service category is as follows.

(Millions of yen)

Classification	FY2023 (From January 1, 2023 To December 31, 2023)	FY2024 (From January 1, 2024 To December 31, 2024)	YoY ratio
Cloud services	5,236	7,781	48.6%
Packaged system	10,149	10,264	1.1%
Total	15,385	18,045	17.3%

Cloud services

Consists of usage fees for subscription-type software, including ".c Series" of cloud software, and fees for platforms for ordering automotive aftermarket parts.

Packaged system

This segment consists of sales proceeds (lease sales or bulk sales) for packaged software for mobile phone shops, travel services, bus operators, machine tool trading companies, and manufacturers, as well as various service fees required for the use of packaged software, as well as sales proceeds for PC and other equipment and supplies.

(ii) Outlook for the Next Fiscal Year

For the next fiscal year (January 1, 2025 to December 31, 2025), the consolidated earnings forecasts are 20,100 million yen for revenue, 1,500 million yen for operating profit, 1,500 million yen for profit before tax, and 1,000 million yen for profit attributable to owners of the parent.

Cloud software contracts acquired in the current fiscal year will be booked as sales for the next fiscal year as a full year. In the next fiscal year as well, cloud service revenues are expected to increase as customers who expire the right to use package software will gradually switch to cloud software. On the other hand, sales of packaged systems will decline as the switch to cloud software progresses, but as the increase in sales of cloud services will exceed this, revenue is expected to increase by 2,055 million yen from the previous fiscal year. In addition, amid anticipated increases in purchases of goods and IT infrastructures due to rising prices, the Group will work to streamline its business processes by actively utilizing AI techniques and continuing to promote DX. As a result, operating income is expected to increase by 826 million yen year on year.

The earnings forecasts and other forward-looking information contained in these materials are based on our management's assumptions and beliefs in light of the information currently available to management. Please refrain from relying excessively on these forecasts.

(2) Overview of financial position for the current fiscal year

(i) Financial position

Total assets at the end of the fiscal year under review increased 3,145 million yen, or 8.6%, compared with the end of the previous fiscal year to 39,895 million yen. Current assets increased by 1,157 million yen to 8,211 million yen, a 16.4% increase. Non-current assets increased by 1,987 million yen to 31,684 million yen, a 6.7% increase. The increase in current assets was mainly attributable to increases of 654 million yen in trade and other receivables and 386 million yen in cash and cash equivalents. The increase in non-current assets was mainly due to an increase in intangible assets of 2,458 million yen, despite a decrease in property, plant and equipment of 320 million yen.

Total liabilities at the end of the fiscal year under review increased 2,488 million yen, or 17.4%, from the end of the previous fiscal year to 16,751 million yen. Current liabilities increased by 2,602 million yen to 13,681 million yen, a 23.5% increase. Non-current liabilities decreased by 114 million yen to 3,071 million yen, a 3.6% decrease.

The increase in current liabilities was mainly due to increases of 3,117 million yen in contractual liabilities and 296 million yen in other current liabilities, despite a decrease of 997 million yen in short-term interest-bearing debt. The main reason for the decrease in non-current liabilities was a 117 million yen decrease in long-term interest-bearing debt.

Total equity at the end of the fiscal year under review increased 657 million yen, or 2.9%, compared with the end of the previous fiscal year to 23,143 million yen. The increase in total equity was mainly attributable to an increase of 350 million yen in retained earnings, 119 million yen in treasury stock, and 110 million yen in capital surplus.

As a result, the ratio of equity attributable to owners of the parent to total assets decreased 3.2 percentage points from 61.2% at the end of the previous fiscal year to 58.0%.

(ii) Cash flow

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review increased by 386 million yen from the end of the previous fiscal year to 4,306 million yen. Net cash provided by operating activities was 6,531 million yen, net cash used in investing activities was 4,308 million yen, and net cash used in financing activities was 1,835 million yen.

The situation of each cash flow in the current consolidated fiscal year and the factors behind them are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 6,531 million yen, an increase of 90.7% compared with the previous fiscal year. This was mainly due to an increase in contract liabilities of 3,117 million yen and depreciation and amortization of 2,918 million yen.

(Cash flow from investment activities)

Net cash used in investing activities was 4,308 billion yen, up 17.4% from the previous fiscal year. This was mainly due to the purchase of intangible assets of 4,553 million yen despite proceeds from sales and redemption of investments of 331 million yen.

(Cash flow from financing activities)

Net cash used in financing activities was 1,835 million yen, compared with net cash provided by financing activities of 705 million yen in the previous fiscal year. This was mainly due to a net decrease in short-term loans payable of 2,900 million yen, repayments of long-term loans payable of 2,627 million yen, and repayments of lease liabilities of 880 million yen, despite an increase in proceeds from long-term loans payable of 4,700 million yen.

(3) Basic policy on profit distribution and dividends for the current and next fiscal years

We regard the return of profits to shareholders as an important management issue. The Group's basic policy is to distribute profits in accordance with business performance, while securing internal reserves necessary for business development to increase corporate value and maintain financial soundness, and aims for a consolidated dividend payout ratio of 35% or more.

In addition, in order to enhance opportunities to return profits to shareholders, our basic policy is to pay dividends from surplus twice a year, consisting of an interim dividend and a year-end dividend. These dividend decision-making bodies are the Board of Directors for interim dividends and the Ordinary General Meeting of Shareholders for year-end dividends.

Based on the above policy, we will pay an annual dividend of 2 yen per share for the fiscal year under review.

The dividend forecast for the next fiscal year is 4 yen per share (interim dividend of 2 yen and year-end dividend of 2 yen).

2. Basic concept regarding the selection of accounting standards

In order to enhance the convenience of our domestic and overseas shareholder and other stakeholders by enhancing the comparability and disclosure of financial information internationally, the Group has adopted the International Accounting Standards (IFRS) in place of the conventional Japanese standard, instead of the consolidated financial statements in the fiscal year ending December 2016.

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3. Consolidated financial statements and major notes

(1) Consolidated statements of financial position

(Thousands of yen)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	3,920,033	4,305,936
Operating and other receivables	2,710,922	3,364,516
Inventories	100,931	185,926
Other current assets	321,609	354,393
Total current assets	7,053,496	8,210,771
Non-current assets		
Property, plant and equipment	1,488,379	1,168,350
Goodwill	11,126,040	11,126,040
Intangible assets	14,067,950	16,526,210
Investments accounted for using equity method	81,175	95,076
Other financial assets	1,181,240	987,931
Other non-current assets	145,297	195,198
Deferred tax assets	1,606,193	1,584,934
Total non-current assets	29,696,276	31,683,739
Total assets	36,749,771	39,894,510
Liabilities and equity		
Liabilities		
Current liabilities		
Operating and other payables	2,827,827	2,796,551
Contract liabilities	3,169,790	6,286,757
Short-term interest-bearing debts	4,476,551	3,479,686
Accrued income taxes	3,925	220,779
Other current liabilities	600,877	896,834
Total current liabilities	11,078,970	13,680,607
Non-current liabilities		
Long-term interest-bearing debts	2,772,578	2,655,163
Obligations for retirement pay	235,776	241,176
Provisional sum	137,049	137,255
Other non-current liabilities	38,814	36,916
Total non-current liabilities	3,184,217	3,070,510
Total liabilities	14,263,186	16,751,117
Equity		
Capital stock	7,147,905	7,147,905
Share premium	7,449,297	7,558,945
Treasury shares	-3,045,268	-2,926,532
Retained earnings	10,057,477	10,407,827
Other components of equity	864,081	953,378
Total equity attributable to owners of the parent	22,473,492	23,141,522
Non-controlling interests	13,093	1,870
Total equity	22,486,585	23,143,393
Total liabilities and equity	36,749,771	39,894,510

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

Consolidated statements of income

(Thousands of yen)

	FY2023 (From January 1, 2023 To December 31, 2023)	FY2024 (From January 1, 2024 To December 31, 2024)
Revenue	15,384,879	18,045,315
Cost of sales	-6,045,269	-6,333,626
Gross profit	9,339,610	11,711,689
Selling, general and administrative expenses	-11,221,441	-11,109,868
Other operating income	56,453	78,082
Other operating expenses	-76,524	-5,815
Operating income (-)	-1,901,902	674,088
Finance income	53,381	36,569
Finance costs	-70,534	-79,039
Equity in losses of affiliates	-1,837	-86,749
Income (-) before income taxes	-1,920,892	544,870
Corporate income tax expenses	396,237	-212,794
Net income (-)	-1,524,655	332,076
Net income (-) for the year attributable to		
Owners of the parent	-1,487,036	343,298
Non-controlling interests	-37,619	-11,222
Net income (-)	-1,524,655	332,076
Earnings per share (-) per share		
Basic earnings per share or basic loss per share (-) (yen)	-16.76	3.85
Diluted earnings per share or diluted loss (-) per share (yen)	-16.76	3.75

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Consolidated statements of comprehensive income

(Thousands of yen)

	FY2023 (From January 1, 2023 To December 31, 2023)	FY2024 (From January 1, 2024 To December 31, 2024)
Net income (-)	-1,524,655	332,076
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income	140,612	104,323
Remeasurements of defined benefit plans	4,677	5,961
Total items that will not be reclassified to profit or loss	145,289	110,284
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	-546	-5,772
Total items that may be reclassified to profit or loss	-546	-5,772
Total other comprehensive income, net of tax	144,743	104,512
Current term comprehensive income	-1,379,912	436,588
Comprehensive income attributable to:		
Owners of the parent	-1,342,293	447,810
Non-controlling interests	-37,619	-11,222
Current term comprehensive income	-1,379,912	436,588

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(3) Consolidated statements of changes in equity

FY2023 (January 1, 2023, to December 31, 2023)

(Thousands of yen)

	Equity attributable to owners of the parent						
	Capital stock	Share premium	Treasury shares	Retained earnings	Other components of equity		
					Warrants	Shares with restriction on transfer	Exchange differences on translating foreign operations
Balance on January 1, 2023	7,147,905	7,366,245	-3,167,193	11,656,730	812,624	-12,888	-41,414
Loss (-) for the year	-	-	-	-1,487,036	-	-	-
Other comprehensive income	-	-	-	-	-	-	-546
Total comprehensive income	-	-	-	-1,487,036	-	-	-546
Disposal of treasury shares	-	103,570	121,926	-	-173,762	-56,000	-
Dividends	-	-	-	-88,389	-	-	-
Share-based payment transactions	-	-	-	4,021	238,127	54,888	-
Changes in ownership interest in subsidiaries	-	-20,518	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-27,849	-	-	-
Total transactions with owners	-	83,052	121,926	-112,217	64,364	-1,112	-
Balance on December 31, 2023	7,147,905	7,449,297	-3,045,268	10,057,477	876,989	-14,000	-41,960

(Thousands of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Of equity financial assets measured at fair value through other comprehensive income Net change in fair value	Defined benefit plan Remeasurements	Total			
Balance on January 1, 2023	-130,086	-	628,237	23,631,923	30,194	23,662,116
Loss (-) for the year	-	-	-	-1,487,036	-37,619	-1,524,655
Other comprehensive income	140,612	4,677	144,743	144,743	-	144,743
Total comprehensive income	140,612	4,677	144,743	-1,342,293	-37,619	-1,379,912
Disposal of treasury shares	-	-	-229,762	-4,266	-	-4,266
Dividends	-	-	-	-88,389	-	-88,389
Share-based payment transactions	-	-	293,015	297,036	-	297,036
Changes in ownership interest in subsidiaries	-	-	-	-20,518	20,518	-
Transfer from other components of equity to retained earnings	32,526	-4,677	27,849	-	-	-
Total transactions with owners	32,526	-4,677	91,101	183,862	20,518	204,380
Balance on December 31, 2023	43,051	-	864,081	22,473,492	13,093	22,486,585

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FY2024 (from January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Equity attributable to owners of the parent						
	Capital stock	Share premium	Treasury shares	Retained earnings	Other components of equity		
					Warrants	Shares with restriction on transfer	Exchange differences on translating foreign operations
Balance on January 1, 2024	7,147,905	7,449,297	-3,045,268	10,057,477	876,989	-14,000	-41,960
Net income	-	-	-	343,298	-	-	-
Other comprehensive income	-	-	-	-	-	-	-5,772
Total comprehensive income	-	-	-	343,298	-	-	-5,772
Disposal of treasury shares	-	109,648	118,735	-	-178,302	-54,820	-
Dividends	-	-	-	-88,802	-	-	-
Share-based payment transactions	-	-	-	1,327	258,902	55,527	-
Transfer from other components of equity to retained earnings	-	-	-	96,521	-	-	-
Other changes	-	-	-	-1,995	-	-	-
Total transactions with owners	-	109,648	118,735	7,052	80,600	706	-
Balance on December 31, 2024	7,147,905	7,558,945	-2,926,532	10,407,827	957,589	-13,294	-47,732

(Thousands of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Of equity financial assets measured at fair value through other comprehensive income	Defined benefit plan Remeasurements	Total			
	Net change in fair value					
Balance on January 1, 2024	43,051	-	864,081	22,473,492	13,093	22,486,585
Net income	-	-	-	343,298	-11,222	332,076
Other comprehensive income	104,323	5,961	104,512	104,512	-	104,512
Total comprehensive income	104,323	5,961	104,512	447,810	-11,222	436,588
Disposal of treasury shares	-	-	-233,122	-4,739	-	-4,739
Dividends	-	-	-	-88,802	-	-88,802
Share-based payment transactions	-	-	314,428	315,756	-	315,756
Transfer from other components of equity to retained earnings	-90,560	-5,961	-96,521	-	-	-
Other changes	-	-	-	-1,995	-	-1,995
Total transactions with owners	-90,560	-5,961	-15,215	220,220	-	220,220
Balance on December 31, 2024	56,814	-	953,378	23,141,522	1,870	23,143,393

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(4) Consolidated statements of cash flows

(Thousands of yen)

	FY2023 (From January 1, 2023 To December 31, 2023)	FY2024 (From January 1, 2024 To December 31, 2024)
Cash flow from operating activities		
Income (-) before income taxes	-1,920,892	544,870
Depreciation and amortization expense	2,724,635	2,917,942
Impairment loss	63,464	44,949
Share-based payment expense	243,923	260,815
Finance costs (income)	9,657	42,469
Equity in loss (earnings) of affiliates	1,837	86,749
Decrease (increase) in trade and other receivables (- shown is increased)	-133,310	-653,685
Decrease (- shown is increase) in inventories	29,958	-84,994
Increase (decrease) in trade and other payables (- shown is decreased)	125,365	-46,532
Decrease (- shown is increase) in prepaid expenses	69,139	-6,384
Decrease (- shown is increase) in long-term prepaid expenses	80,342	-47,551
Increase (- shown is decrease) in employees' bonuses payable	-15,513	44,093
Increase (- shown is decrease) in contract liabilities	2,243,608	3,116,967
Increase (- shown is decrease) in consumption taxes payable	-80,255	258,335
Others	7,441	90,493
Subtotal	3,449,399	6,568,535
Interest received	4,571	6,782
Dividend received	9,231	5,324
Interest expenses paid	-28,565	-44,231
Income taxes refunded (- shown is paid)	-9,640	-5,688
Cash flow from operating activities	3,424,997	6,530,722
Cash flow from investing activities		
Acquisition of property, plant and equipment	-56,995	-6,303
Proceeds from sales of property, plant and equipment	600	1,639
Acquisition of intangible assets	-4,066,212	-4,553,200
Acquisition of investments	-	-10,608
Proceeds from sales and redemption of investments	467,522	331,441
Loan advances	-48,832	-230
Collection of loans receivable	27,199	10,596
Payments for lease and guarantee deposits	-3,452	-4,362
Proceeds from collection of lease and guarantee deposits	12,537	7,188
Proceeds from sales investments accounted for using equity method	-	-100,650
Others	-1,214	16,080
Cash flow from investing activities	-3,668,848	-4,308,408

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(Thousands of yen)

	FY2023 (From January 1, 2023 To December 31, 2023)	FY2024 (From January 1, 2024 To December 31, 2024)
Cash flow from financing activities		
Net increase (- shown is decrease) in short-term loans payable	1,637,498	-2,900,000
Proceeds from long-term debt	500,000	4,700,000
Repayments of long-term debt	-445,834	-2,626,814
Repayments of lease obligations	-872,090	-879,556
Cash dividends paid	-88,389	-88,802
Expenses related to commitment lines	-26,432	-39,540
Cash flow from financing activities	704,752	-1,834,711
Impact of exchange fluctuations for cash and cash equivalents	2,359	-1,699
Net increase (- shown is decrease) in cash and cash equivalents	463,260	385,903
Cash and cash equivalents at beginning of period	3,456,772	3,920,033
Cash and cash equivalents at year-end	3,920,033	4,305,936

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(5) Financial statements

(Notes on the going concern)

Not applicable.

(Segment information)

(1) The outline of any Reporting Segment

Our Group is a single segment of IT Services Business, but we disclose revenue from products and services as related information in 2 fields: cloud services and packaged system.

The cloud service consists of usage fees for “.c Series” and other monthly subscription-type software, usage fees for platforms for ordering automotive components, and usage fees for the “Dencho.DX”, which complies with the Electronic Book Retention Act.

Packaged system consists of sales proceeds from the sale of packaged software, including “.NS Series” (leased or sold out), as well as commissions for various services required for the use of packaged software and sales proceeds for PC and other equipment and supplies.

(2) Segment revenues and results

This information is omitted because the Group only has a single business.

(Profits per share)

Basic and diluted loss per share and the basis for calculating such loss are as follows:

	FY2023 (From January 1, 2023 To December 31, 2023)	FY2024 (From January 1, 2024 To December 31, 2024)
Net income (-shown is loss) attributable to owners of the parent (thousand yen)	-1,487,036	343,298
Adjustments to net income (thousand yen)	-	-
Diluted income (- shown is loss) attributable to owners of the parent (thousand yen)	-1,487,036	343,298
Average number of common shares outstanding during the period (shares)	88,701,919	89,119,161
Effect of dilutive potential common shares		
Stock Benefit Trust Co., Ltd. (shares)	-	2,455,084
Diluted average number of common shares outstanding during the period (shares)	88,701,919	91,574,245
Basic earnings (- shown is loss) per share (yen)	-16.76	3.85
Diluted earnings (- shown is loss) per share (yen)	-16.76	3.75

(NOTE) In the previous fiscal year, the stock benefit trust was antidilutive and therefore excluded from the computation of diluted loss per share.

(Significant subsequent events)

Not applicable.