

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

May 15, 2025

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 Securities code: 3905 URL: <https://www.datasection.co.jp>
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 Scheduled date of the Ordinary General Meeting of Shareholders June 26, 2025 Scheduled date of dividend payment commencement: -
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 Holding of financial results briefing: Yes

(Millions of yen, rounded down to the nearest million)

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

(1) Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Adjusted EBITDA		Ordinary profit		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2025	2,942	32.0	(496)	-	(169)	-	(613)	-	(654)	-
FY2024	2,229	15.9	(216)	-	47	(93.1)	(235)	-	(1,261)	-

(Note 1) Comprehensive income FY2025 (631)millions of yen (-%) FY2024 (1,260)millions of yen (-%)

(Note 2) We disclose Adjusted EBITDA as an indicator of our cash flow generation capability in business activities.

Adjusted EBITDA = Operating income + Depreciation and amortization + Amortization of intangible fixed assets + Stock-based compensation expenses + M&A - related expenses

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	yen	yen	%	%	%
FY2025	(37.40)	-	(27.4)	(13.7)	(16.9)
FY2024	(84.07)	-	(57.6)	(5.8)	(9.7)

(Reference) Equity in Earnings of Affiliates FY2025 (4)millions of yen FY2024 (7)millions of yen

(Note 3) The diluted net income per share for the fiscal years ended March 31, 2024, and March 31, 2025, is not disclosed as it resulted in a net loss per share despite the existence of dilutive shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2025	4,593	2,400	50.4	130.74
FY2024	3,786	1,982	50.6	111.78

(Reference) Equity Capital FY2025 2,314millions of yen FY2024 1,914millions of yen

(3) Consolidated Cash Flow Status

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2025	(83)	(1,192)	163	505
FY2024	333	(569)	382	1,659

2. Dividend Status

	Annual Dividend per Share					Total Dividends (Total)	Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	Q1 End	Q2 End	Q3 End	Year-End	Total Annual Dividend			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2024	-	0.00	-	0.00	0.00	-	-	-
FY2025	-	0.00	-	0.00	0.00	-	-	-
FY2026 (forecast)	-	0.00	-	0.00	0.00		-	

(Note) Whether there has been a revision from the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

The contract amount per project in the AI data center business is large, and at this stage, whether or not a single project is concluded has a significant impact on the Group's operating results. Therefore, consolidated earnings forecasts for the fiscal year ending March 31, 2026 are not disclosed at this time, and once one of the project orders is confirmed, we will promptly announce the consolidated earnings forecasts that reflect the earnings from such a project.

(Notes)

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

Newly included: 1 company (MSS Inc.); Excluded: None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1) Changes in accounting policies due to revisions of accounting standards: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(3) Number of shares issued (common stock):

1) Number of shares issued at the end of the period (including treasury stock)

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

3) Average number of shares during the period

FY2025	17,795,951shares	FY2024	17,188,051shares
FY2025	90,912shares	FY2024	62,922shares
FY2025	17,515,436shares	FY2024	15,007,284shares

(Reference) Summary of non-consolidated financial results

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

(1) Non-Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025	628	35.6	(747)	-	(730)	-	(682)	-
FY2024	463	2.8	(546)	-	(1,388)	-	(1,953)	-

	Net Income per Share	Diluted Net Income per Share
	yen	yen
FY2025	(38.99)	-
FY2024	(130.14)	-

(Note) The diluted net income per share for the fiscal years ended March 31, 2024, and March 31, 2025, is not disclosed as it resulted in a net loss per share despite the existence of dilutive shares.

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2025	3,048	1,344	41.8	72.03
FY2024	2,268	944	39.9	52.83

(Reference) Equity Capital FY2025 1,275 Million s of yen FY2024 904 Million s of yen

* The financial results (Financial Report) are not subject to audit by certified public accountants or auditing firms.

* Explanation of the Appropriate Use of Performance Forecasts and Other Special Notes

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual results may differ significantly due to various factors. For details on the assumptions underlying the earnings forecasts and precautions for using the forecasts, please refer to the attached materials on page 6, "1. Overview of Operating Results, etc. (4) Future Outlook."

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year

During the current consolidated fiscal year, the Japanese economy showed a moderate recovery trend amid an improving employment and income environment. However, uncertainties persist, such as the prolonged situation in Ukraine and the Middle East, soaring resource prices, and the impact of continued high interest rate levels in the U.S. and Europe.

In the domestic AI business market, investments are expected to increase from FY2023 onward in enhancing application functionalities and developing systems specialized for specific tasks. As applications and systems become more complex to meet user demands, in-house development is anticipated to become more prevalent over outsourcing due to factors such as cost and development speed. Consequently, the market for items related to in-house development, particularly middleware, servers, storage, and IaaS, is expected to see significant growth, with forecasts predicting a market size of 1.9787 trillion yen by FY2027, a 1.7 times increase compared to FY2021 (Fuji Chimera Research Institute, Inc., "2022 Comprehensive Survey of Artificial Intelligence Business").

The global AI market is also expected to grow at an accelerated pace as applications of generative AI, a specialty of the Group, expand and social implementation progresses. Furthermore, the market environment for AI data centers, another area expected to gain traction going forward, is such that there is a need to build AI data centers that can handle the rapidly growing AI processing on a global basis. Given the current global economic and security environment where geopolitical issues and security risks persist, AI is becoming an even more important factor in solving various issues. Therefore, there is a strong need to expand the capacity of AI data centers and cross-border collaboration. In addition, with the industry-wide doubling of computing power required to train AI models approximately every 6 months (from the May 2024 EPOCH AI research report, "Training Compute of Frontier AI Models Grows by 4-5x per Year"), in the future, we expect demand for AI data centers and AI cloud stacks to increase further as new and larger models emerge.

The South American smart retail device market is projected to grow from USD 1.8322 billion in 2019 to USD 2.6692 billion by 2027, with an estimated CAGR of 5.3% from 2020 to 2027. This market is segmented into Brazil, Argentina, and other regions of South America. Some of these regions face complex macroeconomic and political environments, leading to various growth scenarios. Developing countries such as Brazil, Argentina, Chile, and Peru are making significant investments in infrastructure and the retail sector. Moreover, many retailers in these regions are beginning digital transformations to enhance competitiveness and adapt to changing conditions. Colombia and Brazil are rapidly advancing in digital innovation, while Chile is ranked as the most outstanding country in terms of digitalization and innovation. This digital transformation is expected to create new opportunities in the smart retail

device market across the region. The demand for smart retail devices is also anticipated to increase due to urbanization and the growth of various shopping complexes and recreation centers in the region (Business Market Insights, "South America Smart Retail Devices Market Research Report").

In Japan's retail technology market (including payment terminals, self-service terminals, next-generation facilities, and next-generation operations), investments in contactless solutions and operations with fewer staff have been progressing, such as full self-checkout registers and remote customer service systems, as companies strive to maintain their businesses during the pandemic. The visibility and utilization of data that were previously difficult to quantify, such as consumer demographics and in-store behavior, have increased, leading to growth in related product categories. Moving forward, next-generation solutions, including cashierless payment systems and smart entrances, are expected to expand. Additionally, products related to the optimization of the entire supply chain, such as RFID solutions and demand forecasting systems, are also projected to grow. By 2030, the domestic market is expected to reach 555.3 billion yen, which is 2.2 times the size of the market in 2021 (according to FUJI KEIZAI CO., LTD.'s report, "2022 Next-Generation Store & Retail Tech Market: Current Status and Future Outlook").

In the distribution/retail industry related to digital transformation, fully self-service checkouts are being introduced to address labor shortages in physical stores and enhance customer shopping experiences. Additionally, supermarkets and hypermarkets are increasingly adopting shopping carts equipped with tablet devices, and growth in unmanned store solutions is also anticipated. To enhance shopping experiences, retailers, systems integrators, and advertising companies are advancing the use of AR/VR technologies. In digital operations, the adoption of automatic ordering systems is expanding, particularly in food and general supermarkets, with expected adoption in supply chain management (SCM) by wholesale businesses. Demand forecasting systems are also being increasingly implemented by major national retailers, driven by needs such as reducing food waste and complying with SDGs. The market for these systems is projected to reach 185.2 billion yen by FY2030, a 3.6 times increase compared to FY2021 (Fuji Chimera Research Institute, Inc., "2023 Future Outlook of the Digital Transformation Market: Market Edition and Vendor Strategy Edition").

Under these circumstances, in addition to restructuring of the business portfolio in its existing businesses, the Group has launched a new AI data center business on a global basis as a strategic core business. In order to develop and expand this new

business, the Group is promoting the revamping of its management structure, securing high-level human resources, seeking and acquiring optimal business partners, and developing and building the AI cloud stack “TAIZA.”*The Group is also collaborating and discussing with its business partners and potential business partners to establish AI data centers in Europe and Japan.

* Our proprietary operational optimization algorithm essential for the operation of large GPU clusters for AI

Specifically, in order to secure GPU servers, which are indispensable for the construction of AI data centers, the Company engaged in dialogue with major Taiwanese server equipment suppliers between November and December 2024 (INVENTEC CORPORATION (Head office: Taipei, Taiwan; Representative: President, Tsai Chih-An), Wistron Corporation (Head office: New Taipei City, Taiwan; Representative: Chairman, Simon Lin), GIGA Computing Technology CO. LTD. (Head Office: New Taipei City, Taiwan; Representative: CEO, Daniel Hou), and Quanta Computer INC. (Head office: Taoyuan, Taiwan; Representative: Chairman, Barry Lam). In November and December 2024, we reached a basic agreement to discuss business alliance with each of these companies. We are currently in discussions with them in order to establish a business alliance with an optimal framework that will contribute to the Group’s AI data center business.

In order to secure excellent engineering resources, which is an essential and critical factor to accelerate the AI data center business, and to achieve early development and building of TAIZA, the Company entered into a joint development agreement in August 2024 with NowNaw Japan (Location: Chuo-ku, Tokyo; Representative: Reika Omi) in August 2024. Based on this joint development agreement, the development and construction of TAIZA progressed, and operational testing by the client was completed in March 2025, leading to its official launch.

The Group is also in discussions with business partners and potential partners to jointly establish and operate AI data centers. In parallel with these efforts, the Company has decided to establish the "DS AI Infrastructure Global Investment Fund", the purpose of which is to invest in global AI data centers (the Fund will hold shares of companies operating AI data centers), and has made preparations for this.

The operating results for the current consolidated fiscal year are as follows: In the current consolidated fiscal year, we acquired MSS Inc. (hereinafter, “MSS”) and made it a newly consolidated subsidiary.

(Net Sales)

Net sales for the current consolidated fiscal year were 2,942 million yen (an increase of 32.0% YoY). This increase was mainly due to a steady increase in orders at both the Company and its existing major subsidiaries, as well as the consolidation of MSS, acquired on July 1, 2024, as a consolidated subsidiary from the first quarter of the fiscal year.

(Cost of Sales)

The cost of sales for the current consolidated fiscal year was 1,690 million yen (an increase of 10.6% YoY). The main components of this cost are personnel expenses of 921 million yen, outsourcing expenses of 468 million yen, depreciation expenses of 162 million yen, and server usage fees of 48 million yen.

(Selling, General and Administrative Expenses)

Selling, general and administrative expenses for the current consolidated fiscal year were 1,748 million yen (an increase of 90.5% YoY). The main components of this cost are personal expenses of 872 million yen, outsourcing expenses of 243 million yen, payment of commissions of 164 million yen, amortization of goodwill and customer-related assets of 100 million yen, travel and transportation expenses of 65 million yen, rent expenses of 57 million yen, payment of fees of 47 million yen, and taxes and public dues of 44 million yen.

(Non-operating Expenses)

A foreign exchange losses of 88 million yen, interest expenses of 41 million yen, loss on cancellation of insurance policies of 6 million yen, and equity in losses of affiliated companies of 4 million yen were recorded.

(Extraordinary Income)

We recorded 6 million yen in gain on adjustment of accounts payable, 5 million yen in gain on sale of investment securities, and 5 million yen in gain on reversal of stock acquisition rights.

(Extraordinary Losses)

We recorded 24 million yen as impairment losses) and 8 million yen in loss on disposal of fixed assets.

(Corporate Taxes, etc.)

The total amount of corporate taxes, etc., was 39 million yen, including corporate tax, inhabitant tax, and business tax. Additionally, based on an estimate of future taxable income at this time, we reviewed the recoverability of deferred tax assets and recorded a tax adjustment amount of -14 million yen.

As a result, while net sales for the current consolidated fiscal year were 2,942 million yen (a 32.0% increase YoY), operating loss amounted to 496 million yen (compared to an operating loss of 216 million yen in the same period previous year) due to upfront investment costs for the new AI data center business. Consequently, despite the almost planned non-cash expenses such as goodwill amortization, adjusted EBITDA was (169) million yen (47 million yen YOY), affected by the increased operating loss. Additionally, we recorded non-operating expenses including 88 million yen in foreign exchange losses, 41 million yen in interest expense, 6 million yen in loss on cancellation of insurance policies, and 4 million yen in equity in losses of affiliated companies, resulting in an ordinary loss of 613 million yen (compared to an ordinary loss of 235 million yen in the same period of the previous year). We also recorded extraordinary income of 6 million yen from gain on adjustment of accounts payable, 5 million yen from the gain on sale of investment securities, and 5 million yen from the reverse of stock acquisition rights, while recording extraordinary losses including 24 million yen in impairment loss, 8 million yen in loss on disposal of fixed assets, resulting in a net loss attributable to owners of the parent of 654 million yen ((compared to a net loss attributable to owners of the parent of 1.261 million yen in the same period of the previous year).

*Adjusted EBITDA = Operating income + Depreciation and amortization + Amortization of intangible fixed assets + Stock-based compensation expenses + M&A - related expenses

The segment operating results for the current consolidated fiscal year are as follows:

i. Japan Segment

Japan Segment consists of the data science business, the system integration business, and the marketing solution business.

Net sales to external customers increased to 1,919 million yen (up 40.7% YoY) and segment profit increased to 92 million yen (compared to a segment loss of 18 million yen in the same period previous year), mainly due to the growth in each of the existing businesses and the consolidation of MSS, acquired on July 1, 2024, as a subsidiary from the first quarter of the current consolidated fiscal year.

ii. Overseas Segment

In the Overseas Segment, net sales increased from the previous fiscal year due to steady increase in orders in our main bases (Chile and Colombia), as well as the effect of the increase in consolidated subsidiaries (Panama and Spain) in the previous fiscal year.

As a result, net sales to external customers in the current consolidated fiscal year increased to 1,023 million yen (up 18.2% YOY), and the segment recorded a profit of 163 million yen (down 3.5% YOY).

(2) Overview of Financial Position for the Fiscal Year

Assets, Liabilities and Net Assets

(Assets)

Total assets at the end of the current consolidated fiscal year amounted to 4,593 million yen, an increase of 807 million yen (13.7% increase compared to the end of the previous fiscal year).

This was primarily due to an increase in intangible fixed assets by 1,980 million yen and a decrease in cash and deposits by 1,164 million yen.

(Liabilities)

Total liabilities at the end of the current consolidated fiscal year increased by 390 million yen (up 21.6% from the end of the previous fiscal year) to 2,193 million yen.

This was mainly due to an increase in short-term debt by 350 million yen and accrued liabilities by 286 million yen, and a decrease in long-term debt (including long-term debt due within one year) by 218 million yen.

(Net Assets)

Net assets at the end of the current consolidated fiscal year amounted to 2,400 million yen, an increase of 417 million yen (21.1% increase compared to the end of the previous fiscal year).

This increase was primarily due to MSS becoming a consolidated subsidiary, which increased the capital stock by 935 million yen, and the issuance and exercise of the 20th series of stock acquisition rights, as disclosed in the announcements dated February 18, 2025, "Notice on Issuance of New Shares and 20th Stock Acquisition Rights (with an amended exercise

price) by Third-Party Allotment." These transactions resulted in an increase in capital stock and capital surplus by 43 million yen each and an increase in stock acquisition rights by 30 million yen. However, these were offset by a decrease in retained earnings by 654 million yen due to the net loss attributable to owners of the parent for the current fiscal year.

(3) Overview of Cash Flows for the Fiscal Year

At the end of the current consolidated fiscal year, cash and cash equivalents (hereinafter referred to as "funds") amounted to 505 million yen, a decrease of 1,154 million yen compared to the end of the previous consolidated fiscal year. The status and factors of each cash flow during the current consolidated fiscal year are as follows:

(Cash Flows from Operating Activities)

Funds used in operating activities during the current consolidated fiscal year amounted to 83 million yen (compared to 333 million yen generated in the previous consolidated fiscal year). The main contributing factors were a profit before income taxes of (630) million yen, increase or decrease in payables and accrued expenses of 236 million yen, depreciation of 176 million yen, and goodwill amortization of 96 million yen.

(Cash Flows from Investing Activities)

Funds used in investing activities during the current consolidated fiscal year amounted to 1,192 million yen (compared to 569 million yen used in the previous consolidated fiscal year). This was primarily due to expenditures of 927 million yen for the acquisition of intangible assets.

(Cash flows from financing activities)

Funds generated from financing activities during the current consolidated fiscal year amounted to 163 million yen (compared to 382 million generated in the previous consolidated fiscal year). This was mainly due to 351 million yen from an increase in short-term borrowings, and expenditures of 251 million yen for the repayment of long-term loans, and proceeds of 87 million yen from issuance of shares through exercise of stock acquisition rights.

(Reference) Trends in Cash Flow-Related Indicators

	FY2024 (Consolidated)	FY2025 (Consolidated)
Equity Ratio (%)	50.6	50.4
Market Value-Based Equity Ratio (%)	329.7	371.9
Cash Flow to Interest-Bearing Debt Ratio (Years)	3.7	-
Interest Coverage Ratio (Times)	28.6	-

Equity Ratio: $\text{Equity} / \text{Total Assets}$

Market Value-Based Equity Ratio: $\text{Market Capitalization} / \text{Total Assets}$

Cash Flow to Interest-Bearing Debt Ratio: $\text{Interest-Bearing Debt} / \text{Cash Flow}$

Interest Coverage Ratio: $\text{Cash Flow} / \text{Interest Payments}$

(Note 1) Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.

(Note 2) Cash flow refers to operating cash flow.

(Note 3) Interest-bearing debt includes all debt listed on the consolidated balance sheet for which interest is paid.

(Note 4) For the fiscal year ended March 31, 2025, the cash flow to interest-bearing debt ratio and the interest coverage ratio are not shown because cash flow from operating activities was negative.

(4) Future Outlook

The contract amount per project in the AI data center business is large, and at this stage, whether or not a single project is concluded has a significant impact on the Group's operating results. Therefore, consolidated earnings forecasts for the fiscal year ending March 31, 2026 are not disclosed at this time, and once one of the project orders is confirmed, we will promptly announce the consolidated earnings forecasts that reflect the earnings from such a project.

(5) Significant Events Regarding the Assumption of a Going Concern

In the current consolidated fiscal year, while all existing businesses performed well, delivered steady performance, due to the impact of large upfront investments for new AI data center business to realize high growth over the medium to long terms, the Group recorded an operating loss of 496 million yen (216 million yen YOY), ordinary loss of 613 million yen (235 million yen YOY), and a net loss attributable to owners of the parent of 654 million yen (1,261 million yen YOY), and has continuously recorded large losses in each stage of income excluding adjusted EBITDA from the previous fiscal year. In addition, we recorded negative cash flow of 1,192 million yen from investing activities mainly due to investment in the development of "TAIZA," a system for the new AI data center business, and the acquisition of MSS as a consolidated subsidiary, etc. As a result, the balance of cash at the end of the current consolidated fiscal year amounted to 505 million yen, a decrease of 1,154 million yen compared to the end of the previous fiscal year.

Due to these circumstances, the Company recognizes that events or circumstances exist that may cast significant doubt on the Company's ability to continue as a going concern at the end of the current consolidated fiscal year.

In light of these circumstances, in addition to making continuous corporate efforts at each company in the Group, our Board of Directors, at its meetings held on January 26, 2024 and February 13, 2024, resolved to issue new shares by third-party allotment (hereinafter referred to as the "New Shares"), and the 19th series of stock acquisition rights with fixed exercise price (exercise price: 544 yen, number of dilutive shares: 1,488,000 shares, term: 5 years). The Company raised 688 million yen in February 2024 through the issuance of New Shares and the 19th series of stock acquisition rights.

In addition, as additional fundraising, the Company's Board of Directors resolved on February 18, 2025 to issue the 20th series of stock acquisition rights with a clause to revise exercise price (initial exercise price: 688 yen, number of dilutive shares: 4,400,000 shares, term: 1 year) by third-party allotment, and the 20th series of stock acquisition rights were issued and 395,100 shares were exercised between March and April 2025, raising 309 million yen.

Both of First Plus Financial Holdings PTE. Ltd., the allottee of the 19th series of stock acquisition rights, and Hayate Management, the allottee of the 20th series of stock acquisition rights, have given final written statements of intent regarding the exercisability of all the stock acquisition rights.

Moreover, the Company has established a system with financial institutions with which it can discuss responses on a case-by-case basis as necessary, and by maintaining a good relationship with them, the Company seeks to maintain and sustain its borrowings.

Taking the above situation into account, after evaluating the cash management plan and the underlying business plan, we believe that we will have sufficient funds until March 31, 2026, one year from the day after the balance sheet date, and that there is no material uncertainty regarding the assumption of a going concern.

2. Basic Policy on the Selection of Accounting Standards

The group applies Japanese accounting standards in order to ensure comparability with other domestic companies in the same industry.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Unit: thousands of yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	1,690,432	526,039
Notes and accounts receivable - trade, and contract assets	646,601	651,195
Merchandise and finished goods	62,462	60,131
Work in process	-	2,912
Income taxes refund receivable	70,958	67,285
Other	65,912	85,119
Allowance for doubtful accounts	-	△880
Total current assets	2,536,366	1,391,803
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,639	20,699
Accumulated depreciation	△20,289	△19,536
Buildings and structures, net	6,350	1,162
Tools and fixtures	464,422	504,355
Accumulated depreciation	△87,073	△99,174
Tools and fixtures, net	377,348	405,181
Vehicles	-	2,060
Accumulated depreciation	-	△1,449
Vehicles, net	-	611
Total tangible fixed assets	383,698	406,954
Intangible assets		
goodwill	174,048	1,318,157
software	450,731	1,290,739
other	20,095	16,809
Total intangible assets	644,875	2,625,706
Investments and other assets		
Investment securities	67,704	49,326
Long-term loans	16,359	8,671
Deferred tax assets	14,120	32,020
insurance reserves	65,067	13,409
Other	58,055	66,078
Total investments and other assets	221,307	169,506
Total non-current assets	1,249,882	3,202,167
Total assets	3,786,248	4,593,971

(Unit: thousands of yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Liabilities		
Current liabilities		
Short-term debt	600,000	950,832
Long-term debt due within one year	258,276	192,540
Accrued Liabilities	205,421	492,218
Accrued expenses	87,621	67,975
Corporate taxes payables	94,270	88,199
Consumption tax payables	22,688	38,767
Allowance for bonuses	19,159	22,663
other	31,683	24,245
Total current liabilities	1,319,121	1,877,443
Non-Current liabilities		
Long-term debt	379,830	226,745
Asset retirement obligations	11,807	9,000
Retirement benefit liability	-	19,787
Deferred tax liabilities	2,551	1,698
other	90,313	59,141
Total non-current liabilities	484,502	316,373
Total liabilities	1,803,624	2,193,817
Net assets		
Shareholders' equity		
Capital	1,868,479	1,912,113
Capital surplus	1,577,970	2,567,471
Retained earnings	△1,541,545	△2,196,537
Treasury shares	△3	△50
Total shareholders' equity	1,904,900	2,282,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,876	3,690
Currency translation adjustment account	3,404	27,984
Total other comprehensive income	9,281	31,674
Stock acquisition rights	39,237	69,556
Non-controlling interests	29,206	15,926
Total net assets	1,982,624	2,400,153
Total liabilities and net assets	3,786,248	4,593,971

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

(Unit: thousands of yen)

	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)
Net sales	2,229,281	2,942,635
Cost of sales	1,527,915	1,690,421
Gross profit	701,365	1,252,213
Selling, general and administrative expenses	917,462	1,748,215
Operating loss	△216,097	△496,001
Non-operating revenue		
Interest received	3,721	2,245
Dividend received	3,093	1,160
Profit on investments in anonymous partnerships	2,544	-
Subsidy income	-	17,833
Other	5,326	5,114
Total non-operating revenue	14,686	26,354
Non-operating expenses		
Interest expenses	11,656	41,454
Equity in losses of affiliated companies	7,090	4,050
Foreign exchange losses	465	88,297
Loss on policy cancellation	-	6,372
Other	14,416	3,403
Total non-operating expenses	33,629	143,577
Ordinary loss	△235,040	△613,224
Extraordinary income		
Gain on sale of investment securities	-	5,658
Gain on sale of fixed assets	3,323	-
Reversal of stock acquisition rights	9,434	5,021
Gain on negative goodwill	6,629	-
Gain on adjustment of accounts payable	-	6,024
Total extraordinary income	19,387	16,704
Extraordinary losses		
Impairment loss	378,409	24,700
Loss on disposal of fixed assets	-	8,782
Bad debts loss	505,907	-
Total extraordinary losses	884,317	33,482
Net loss before income taxes	△1,099,970	△630,002
Income taxes, inhabitant taxes, and business taxes	45,494	39,524
Adjustments for income taxes	113,175	△14,192
Total income taxes	158,670	25,332
Net loss	△1,258,640	△655,335
Net income (loss) attributable to non-controlling shareholders	3,055	△343
Net loss attributable to owners of parent	△1,261,695	△654,991

(Consolidated Statements of Comprehensive Income)

(Unit: thousands of yen)

	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)
Net loss	△1,258,640	△655,335
Other comprehensive income		
Valuation difference on available-for-sale securities	2,838	△2,186
Currency translation adjustment account	△4,952	25,585
Total other comprehensive income	△2,113	23,398
Comprehensive income	△1,260,754	△631,936
(Breakdown)		
Comprehensive income attributable to owners of parent	△1,264,445	△632,598
Comprehensive income attributable to non-controlling interests	3,690	661

(3) Statement of Changes in Consolidated Shareholders' Equity
Previous fiscal year (April 1, 2023 to March 31, 2024)

(Unit: thousands of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the current fiscal year	1,516,478	1,225,970	△287,953	△3	2,454,492
Changes in the current fiscal year					
Issuance of new shares	352,000	352,000			704,000
Net loss attributable to owners of parent			△1,261,695		△1,261,695
Changes in retained earnings due to new consolidation			8,103		8,103
Changes in items other than shareholders' equity (net) for the current fiscal year					
Total changes in the current fiscal year	352,000	352,000	△1,253,592	-	△549,591
Balance at the end of the current fiscal year	1,868,479	1,577,970	△1,541,545	△3	1,904,900

(Unit: thousands of yen)

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Currency translation adjustment account	Total other comprehensive income			
Balance at beginning of the current fiscal year	3,038	8,992	12,030	16,841	25,515	2,508,880
Changes in the current fiscal year						
Issuance of new shares						704,000
Net loss attributable to owners of parent						△1,261,695
Changes in retained earnings due to new consolidation						8,103
Changes in items other than shareholders' equity (net) for the current fiscal year	2,838	△5,587	△2,749	22,395	3,690	23,336
Total changes in the current fiscal year	2,838	△5,587	△2,749	22,395	3,690	△526,255
Balance at the end of the current fiscal year	5,876	3,404	9,281	39,237	29,206	1,982,624

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

(Unit: thousands of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the current fiscal year	1,868,479	1,577,970	(1,541,545)	(3)	1,904,900
Changes in the current fiscal year					
Issuance of new shares	43,633	43,633			87,267
Restricted stock-based compensation		9,999			9,999
Net loss attributable to owners of parent			(654,991)		(654,991)
Changes due to business combinations		935,867			935,867
Acquisition of treasury stock				(46)	(46)
Changes in items other than shareholders' equity (net) for the current fiscal year					
Total changes in the current fiscal year	43,633	989,500	(654,991)	(46)	378,096
Balance at the end of the current fiscal year	1,912,113	2,567,471	(2,196,537)	(50)	2,282,996

(Unit: thousands of yen)

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Currency translation adjustment account	Total other comprehensive income			
Balance at beginning of the current fiscal year	5,876	3,404	9,281	39,237	29,206	1,982,624
Changes in the current fiscal year						
Issuance of new shares						87,267
Restricted stock-based compensation						9,999
Net loss attributable to owners of parent						(654,991)
Changes due to business combinations						935,867
Acquisition of treasury stock						(46)
Changes in items other than shareholders' equity (net) for the current fiscal year	(2,186)	24,579	22,392	30,319	(13,279)	39,432
Total changes in the current fiscal year	(2,186)	24,579	22,392	30,319	(13,279)	417,528
Balance at the end of the current fiscal year	3,690	27,984	31,674	69,556	15,926	2,400,153

(4) Consolidated Statement of Cash Flows

(Unit: thousands of yen)

	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)
Cash Flows from Operating Activities		
Net loss before income taxes	△1,099,970	△630,002
Depreciation	167,274	176,506
Impairment loss	378,409	24,700
Bad debts loss	505,907	-
Reversal of stock acquisition rights	△9,434	△5,021
Gain on adjustment of accounts payable	-	△6,024
Goodwill amortization	47,136	96,796
Gain on negative goodwill	△6,629	-
Interest received and dividends received	△6,815	△3,406
Interest expenses	11,656	41,454
Gain or loss on investments under the equity method (profit in negative)	7,090	4,050
Foreign exchange gains (profit in negative)	465	88,297
Gain or loss in anonymous partnerships investment (profit in negative)	△2,180	-
Gain or loss on sale of fixed assets (profit in negative)	△3,323	-
Loss on disposal of fixed assets	-	8,782
Gain on sale of investment securities (profit in negative)	-	△5,658
Increase or decrease in receivables for sales (increase in negative)	△58,263	66,530
Increase in inventories (increase in negative)	31,670	7,440
Increase or decrease in payables and accrued expenses (decrease in negative)	37,572	236,802
Other	371,999	△113,722
Subtotal	372,566	△12,475
Receipts of interest and dividends	6,814	3,406
Interest payment	△11,656	△40,899
Amount paid for corporate taxes	△34,120	△33,440
Cash Flows from Operating Activities	333,604	△83,408
Cash Flows from Investing Activities		
Expenditures from acquisition of property, plant and equipment	△536,773	△94,023
Proceeds from sale off tangible fixed assets	16,860	-
Expenditures from acquisition of intangible assets	△157,583	△927,555
Expenditures from acquisition of investment securities	-	29,487
Expenditures for acquisition of subsidiary shares with changes in scope of consolidation	-	△248,283
Expenditures for acquisition of affiliated company shares	-	△1,934
Expenditures on loans	△33,612	△13,032
Expenditures by accumulating insurance reserves	-	△27,331
Proceeds from cancellation of insurance reserves	152,965	72,854
Proceeds from return of investments in anonymous partnerships	2,180	-
Other	△13,301	17,082
Cash Flows from Investing Activities	△569,264	△1,192,735
Cash Flows from Financing Activities		
Proceeds from long-term borrowings	135,652	-
Repayments of long-term borrowings	△504,455	△251,548
Increase or decrease in short-term borrowings (decrease in negative)	86,533	351,575
Proceeds from issuance of shares	704,000	-
Proceeds from issuance of shares through exercise of stock acquisition rights	-	87,267

Expenditures for acquisition of subsidiary shares without changes in scope of consolidation	△38,774	△23,697
Expenditures from acquisition of treasury stock	-	△46
Cash Flows from Financing Activities	382,956	163,550
Exchange differences on cash and cash equivalents	85,440	△41,798
Increase or decrease in cash and cash equivalents (decrease in negative)	232,737	△1,154,391
Cash and cash equivalents at the beginning of the period	1,415,253	1,659,429
Increase in cash and cash equivalents due to new consolidation	11,438	-
Cash and cash equivalents at the end of the period	1,659,429	505,038

(5) Notes to Consolidated Financial Statements

(Notes Regarding the Assumption of a Going Concern)

There are no applicable matters.

(Notes on Changes in Accounting Policies)

ASBJ Statement No. 27 (revised 2022) Accounting Standard for Current Income Taxes (October 28, 2022; hereinafter, the "2022 Revised Accounting Standard") is applied from the beginning of the current consolidated fiscal year.

The revisions to the classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatments prescribed in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the "2022 Revised Guidance"). There is no effect of this change in the accounting policy on the consolidated financial statements.

In addition, the Company has applied the 2022 Revised Guidance from the beginning of the current consolidated fiscal year for revisions related to the treatment of consolidated financial statements when gains or losses on the sale of subsidiary shares among consolidated companies are deferred for tax purposes. The change in the accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been adjusted retrospectively. There is no effect of this change in the accounting policy on the consolidated financial statements for the previous fiscal year.

(Notes to Segment Information, etc.)

[Segment information]

1. Overview of reporting segments

The reporting segments of our group are units for which separate financial information is available, and are subject to regular review by the Board of Directors for the purpose of making decisions on resource allocation and evaluating performance.

The Group has two reporting segments: Japan Segment, which is mainly engaged in business activities in Japan, and Overseas Segment, which is mainly engaged in business activities overseas.

2. Method of Calculating Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reporting Segment

The accounting methods for the reported business segments are consistent with the accounting policies adopted for the preparation of the consolidated financial statements.

The profit for the reporting segment is based on operating profit.

Inter-segment revenue and transfers are based on prevailing market prices.

3. Information on Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reporting Segment, and Breakdown of Revenue Previous fiscal year (April 1, 2023 to March 31, 2024)

(Unit: thousands of yen)

	Reporting Segment			Adjustments (Note 1)	Amounts Recorded in Consolidated Financial Statements (Note 2)
	Japan Segment	Overseas Segment	Total		
Net sales					
Goods or Services Transferred at a Point in Time	743,814	56,547	800,361	-	800,361
Goods or Services Transferred Over Time	620,009	808,910	1,428,919	-	1,428,919
Revenue from Contracts with Customers	1,363,824	865,457	2,229,281	-	2,229,281
Other Revenue	-	-	-	-	-
Sales to External Customers	1,363,824	865,457	2,229,281	-	2,229,281
Inter-Segment Internal Sales or Transfers	19,849	-	19,849	△19,849	-
Total	1,383,674	865,457	2,249,131	△19,849	2,229,281
Segment Profit or (Loss)	△18,261	169,683	151,422	△367,519	△216,097
Segment Assets	2,166,985	1,452,816	3,619,802	166,446	3,786,248
Other Items					
Depreciation	38,926	124,107	163,033	4,240	167,274
Amortization of Goodwill	25,049	22,086	47,136	0	47,136

(Notes) 1. The adjustments are as follows:

(1) The adjustment of (367,519) thousand yen for segment profit or (loss) represents corporate expense that are not allocated to each reporting segment.

(2) The adjustment of 166,446 thousand yen for segment assets represents corporate assets and the elimination of inter-segment transactions that are not allocated to each reporting segment.

2. Segment profit or (loss) is reconciled with operating loss in the consolidated financial statements.

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

(Unit: thousands of yen)

	Reporting Segment			Adjustments (Note 1)	Amount Recorded in Consolidated Financial Statements (Note 2)
	Japan Segment	Overseas Segment	Total		
Net sales					
Goods or Services Transferred at a Point in Time	1,320,882	50,816	1,371,699	-	1,371,699
Goods or Services Transferred Over Time	598,678	972,257	1,570,935	-	1,570,935
Revenue from Contracts with Customers	1,919,561	1,023,073	2,942,635	-	2,942,635
Other Revenue	-	-	-	-	-
Sales to External Customers	1,919,561	1,023,073	2,942,635	-	2,942,635
Inter-Segment Internal Sales or Transfers	12,588	-	12,588	△12,588	-
Total	1,932,149	1,023,073	2,955,223	△12,588	2,942,635
Segment Profit or (Loss)	92,972	163,793	256,765	△752,767	△496,001
Segment Assets	4,371,969	1,507,262	5,879,232	△1,285,260	4,593,971
Other Items					
Depreciation	9,681	166,476	176,158	348	176,506
Goodwill amortization	85,153	11,643	96,796	-	96,796

(Notes) 1. The adjustments are as follows:

- (1) The adjustment of segment profit or (loss) of (752,767) thousand yen represents corporate expense that are not allocated to each reporting segment.
 - (2) The adjustment of segment assets of (1,285,260) thousand yen represents corporate assets and the elimination of inter-segment transactions that are not allocated to each reporting segment.
2. Segment profit or (loss) is reconciled with operating loss in the consolidated financial statements.

[Related information]

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

1. Information by Product and Service

(Unit: thousands of yen)

Retail Marketing	Data Analysis Solutions	Total Annual Dividend
1,055,256	1,174,025	2,229,281

2. Information by Region

(1) Net Sales

(Unit: thousands of yen)

Japan	Chile	Other	Total Annual Dividend
1,363,824	505,652	359,804	2,229,281

(2) Tangible Fixed Assets

(Unit: thousands of yen)

Chile	Colombia	Panama	Peru	Other	Total Annual Dividend
197,360	92,331	46,598	38,846	8,562	383,698

3. Information by Major Customer

Information by major customer is omitted because there is no customer that accounts for 10% or more of the net sales in the statement of income.

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

1. Information by Product and Service

(Unit: thousands of yen)

Retail Marketing	Data Analysis Solutions	Total Annual Dividend
1,454,692	1,487,942	2,942,635

2. Information by Region

(1) Net Sales

(Unit: thousands of yen)

Japan	Chile	Other	Total Annual Dividend
1,919,561	509,864	513,209	2,942,635

(2) Tangible Fixed Assets

(Unit: thousands of yen)

Chile	Colombia	Panama	Peru	Other	Total Annual Dividend
207,161	93,422	43,727	45,224	17,417	406,954

3. Information by Major Customer

Information by major customer is omitted because there is no customer that accounts for 10% or more of the net sales in the statement of income.

[Information on Impairment Losses on Fixed Assets by Reporting Segment]

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

(Unit: thousands of yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total Annual Dividend
Impairment loss	274,590	103,819	—	378,409

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

(Unit: thousands of yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total Annual Dividend
Impairment loss	24,700	-	-	24,700

[Information on Amortization and Unamortized Balances of Goodwill by Reporting Segment]

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

(Unit: thousands of yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total Annual Dividend
Amortization for the Period	25,049	22,086	—	47,136
Balance at End of Period	86,672	87,376	—	174,048

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

(Unit: thousands of yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total Annual Dividend
Amortization for the Period	85,153	11,643	-	96,796
Balance at End of Period	1,243,693	74,464	-	1,318,157

[[Information on Gain on Negative Goodwill by Reporting Segment]

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

In the "Overseas Segment," negative goodwill was generated due to the new consolidation of Alianza FollowUP Panamá S.A. starting from the intermediate consolidated accounting period. The recorded gain on negative goodwill from this event amounts to 6,629 thousand yen.

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

There are no applicable matters.

(Information per Share)

	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)
Net Assets per Share	111.78 yen	130.74 yen
Net Loss per Share	(84.07 yen)	(37.40 yen)

(Note 1) The diluted net income per share for both the consolidated fiscal year and the current consolidated fiscal year is not presented, as there was a net loss per share despite the existence of dilutive shares.

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

	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)
Net Loss per Share		
Parent Company Shareholders' Net Loss (Unit: 1,000 yen)	△1,261,695	△654,991
Amount Not Attributable to Common Shareholders (Unit: 1,000 yen)	—	—
Parent Company Shareholders' Net Loss Attributable to Common Shares (Unit: 1,000 yen)	△1,261,695	△654,991
Average Number of Shares Outstanding During the Period (shares)	15,007,284	17,515,436

(Significant subsequent events)

There are no applicable matters.