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Financial Results for the Fiscal Year Ended June 30, 2025 [Japanese GAAP] (Non-consolidated)



August 8, 2025

Company name: WELLNET CORPORATION

Stock exchange listing: Tokyo Stock Exchange, Sapporo Securities Exchange

Code number: 2428

URL: <https://www.wellnet.co.jp>

Representative: Kazuhiro Miyazawa, President and Representative Director

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Scheduled date of annual general meeting of shareholders: September 26, 2025

Scheduled date of commencing dividend payments: September 29, 2025

Scheduled date of filing securities report: September 25, 2025

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Fiscal Year Ended June 30, 2025 (July 1, 2024 to June 30, 2025)

(1) Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	10,918	7.8	1,502	22.9	1,664	36.0	1,077	28.8
June 30, 2024	10,132	7.5	1,222	30.1	1,223	30.8	836	31.7

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2025	57.56	56.85	12.6	5.9	13.8
June 30, 2024	44.29	43.95	10.1	4.7	12.1

(Reference) Equity in earnings/loss of affiliates: Fiscal year ended June 30, 2025: ¥— million

Fiscal year ended June 30, 2024: ¥— million

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2025	29,302	8,860	29.9	467.03
As of June 30, 2024	27,141	8,378	30.5	437.87

(Reference) Equity: As of June 30, 2025: ¥8,774 million

As of June 30, 2024: ¥8,276 million

(3) Status of 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 year
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
June 30, 2025	2,406	(831)	(737)	17,495
June 30, 2024	2,644	333	(392)	16,657

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividend to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended June 30, 2024	—	0.00	—	22.15	22.15	418	50.0	5.1
Fiscal year ended June 30, 2025	—	0.00	—	29.00	29.00	544	50.5	6.4
Fiscal year ending June 30, 2026 (Forecast)	—	12.00	—	17.50	29.50		50.4	

3. Financial Results Forecast for the Fiscal Year Ending June 30, 2026 (July 1, 2025 to June 30, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	5,300	(5.3)	670	(18.0)	680	(17.1)	440	(21.9)	23.42
Full year	11,500	5.3	1,680	11.8	1,700	2.1	1,100	2.1	58.55

* Notes:

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

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

As of June 30, 2025: 19,400,000 shares

As of June 30, 2024: 19,400,000 shares

- 2) Total number of treasury shares at the end of the period:

As of June 30, 2025: 611,857 shares

As of June 30, 2024: 498,316 shares

- 3) Average number of shares during the period:

Fiscal year ended June 30, 2025: 18,725,430 shares

Fiscal year ended June 30, 2024: 18,891,592 shares

* These financial results are outside the scope of audit procedures by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements, including earnings forecasts, contained in this document are based on information available to the Company at the time of the announcement of this document and on certain assumptions judged to be reasonable. Actual business performance and other results may differ from the forecasts due to various factors.

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1. Overview of Business Results, etc.

(1) Overview of Business Results

The Japanese economy in the fiscal year under review continued to encounter uncertainties due to factors including unstable international affairs, the political situation, and tariff issues. Under these circumstances, Digital Transformation (DX) is being actively promoted in a variety of industries and business categories, and this trend is expected to continue in the future.

The Company has also been working on initiatives including “paperless” and “cashless,” promoting activities such as “Electronic invoicing and electronic payment” and “DX Promotion Solution Project and MaaS for the transportation industry” as priority measures, and conducting measures considering a lifestyle-based fintech platform in this context. We are focused on the “Payment Plus Alpha Platform,” including ekaiin.com, and SHIMA-YELL, a service for issuing and storing electronic invoices.

In the fiscal year under review, for the “Sapporo Living Support Premium Coupons,” we utilized our payment portal site and remittance system to realize a complete service in collaboration with companies that provide a range of different features. Also, we began a collaboration with Japan Communications Inc. (Stock code: 9424, “JCI”) utilizing JCI’s authentication infrastructure to achieve a safe, secure, easy, and convenient to use “e-money with identity authentication” system with maximum efficiency, released it in July 2025, and began the challenge of its social implementation.

The “Surutto QRtto” service, which launched in June 2024, is operating smoothly and expanded to Hyogo Prefecture and the northern Osaka region in April, with an increase in usage. The core system, “ALTAIR triple star,” has also expanded beyond the Kansai region to include Shonan Monorail and JR Hokkaido. Regarding our “electronic money,” we are proceeding with preparations to provide services that enable each company to internalize payments of its own money. In addition, to strengthen our community based sales framework, the Company opened the new Kyushu Office in August 2025, establishing a four-location network with operations in Sapporo, Tokyo, Osaka, and Fukuoka.

Amid these activities, we have seen an expansion in demand for our key products Multi Payment Services, Money Transfer Services, and ALTAIR triple star, as well as gain on investments in investment partnerships. Business results for the current fiscal year are as follows.

(Millions of yen)

	FY2024	FY2025	YoY Difference	YoY Change	Forecast*	Difference
Net sales	10,132	10,918	786	107.8%	10,800	118
Cost of sales	7,992	8,399	407	105.1%	—	—
Gross profit	2,140	2,518	378	117.7%	—	—
Selling, general and administrative expenses	917	1,016	98	110.8%	—	—
Operating profit	1,222	1,502	279	122.9%	—	—
Ordinary profit	1,223	1,664	440	136.0%	1,600	64
Profit	836	1,077	241	128.8%	1,050	27
ROE (%)	10.1	12.6	2.5	—	—	—

*The financial results forecasts were announced on April 30, 2025.

(2) Overview of Financial Position

1) Status of assets, liabilities, and net assets

(Assets)

Current assets as of June 30, 2025 stood at ¥23,250 million. This mainly comprises cash and deposits of ¥17,495 million, deposits paid of ¥4,198 million and accounts receivable - trade, and contract assets of ¥661 million. Cash and deposits include ¥12,407 million of receiving agency deposits in money collection business, which will be transferred to operators up to the predetermined date of transfer in the following month. Meanwhile, non-current assets amounted to ¥6,052 million. This mainly comprises buildings of ¥1,930 million, land of ¥1,602 million, guarantee deposits of ¥1,549 million, and software of ¥392 million. As a result, total assets amounted to ¥29,302 million.

(Liabilities)

Current liabilities as of June 30, 2025 stood at ¥18,683 million. This mainly comprises receiving agency deposits of ¥12,407 million and deposits received of ¥4,939 million. Meanwhile, non-current liabilities amounted to ¥1,758 million. This mainly comprises long-term borrowings of ¥1,500 million. As a result, total liabilities amounted to ¥20,441 million.

(Net assets)

Net assets as of June 30, 2025 stood at ¥8,860 million. This mainly comprises shareholders' equity of ¥8,779 million.

(Reference) Overview of balance sheet

(Millions of yen)

	FY2024	FY2025	YoY Difference	YoY Change
Current assets	21,746	23,250	1,503	106.9%
Of which, cash and deposits	16,657	17,495	838	105.0%
Non-current assets a	5,394	6,052	657	112.2%
Total assets	27,141	29,302	2,161	108.0%
Liabilities	18,762	20,441	1,679	109.0%
Of which, receiving agency deposits	11,427	12,407	980	108.6%
of which, long-term borrowings b	1,600	1,500	(100)	93.8%
Net assets c	8,378	8,860	481	105.7%
Net cash and deposits c+b-a	4,584	4,308	(275)	94.0%

2) Status of cash flows

Cash and cash equivalents (the “funds”) at the end of the current fiscal year stood at ¥17,495 million.

The status of cash flows at the end of the current fiscal year and their contributing factors are as follows.

(Cash flows from operating activities)

Funds provided by operating activities for the fiscal year ended June 30, 2025 amounted to ¥2,406 million. The main factors for the increase are profit before income taxes of ¥1,595 million, recording of depreciation of ¥318 million and an increase in receiving agency deposits of ¥980 million, while the main factor for the decrease is an increase in deposits paid of ¥557 million.

(Cash flows from investing activities)

Funds used in investing activities for the fiscal year ended June 30, 2025 amounted to ¥831 million. The main factor for the increase is proceeds from refund of guarantee deposits of ¥1,000 million, while the main factor for the decrease is payments of guarantee deposits of ¥1,600 million.

(Cash flows from financing activities)

Funds used in financing activities for the fiscal year ended June 30, 2025 amounted to ¥737 million. The main factors for the decrease are dividends paid of ¥417 million and purchase of treasury shares of ¥299 million.

(3) Basic Policy for Profit Sharing and Dividends for the Current and Next Fiscal Years

The dividend for the current fiscal year has been determined to be ¥29.00 per share based on the basic policy for sharing profits with shareholders (dividend payout ratio of 50% or more). In addition, regarding dividend payments for the next fiscal year, we have changed the basic policy for sharing profits with shareholders as follows so that shareholders may invest with more peace of mind.

Annual dividends: Introduce a minimum dividend on equity (DOE) ratio of 5% and maintain a payout ratio of 50% or more

Interim dividends: Implement a minimum DOE ratio of 2.5% from the six months ending December 31, 2025

2. Management Policy

Basic policy and strategy for the fiscal year ending June 30, 2026

We have formulated “Think Wild: Creating New Services from Hokkaido to Lead Japan’s DX Transformation” as our management plan for the next five years (from July 2025 to June 2030).

In accordance with this plan, we will focus on maximizing the profitability of our current services and fostering new businesses related to electronic money and authentication.

- A. “Smartphone payment service,” Shiharai-Hisho and electronic money during the shift to paperless and cashless

We will promote a two-type deployment strategy for our electronic money, which has evolved to be safe and secure through collaboration with Japan Communications Inc. These two types are a universally usable electronic money and an “OEM supply type” that can be integrated into applications developed by companies for their own customers.

- B. Actively promoting IT projects for transportation operators

The smartphone electronic ticketing applications Bus Mori! and ALTAIR triple star have expanded the types of electronic ticket to include single-trip tickets, coupon tickets, commuter passes, unlimited ride passes, and discount passes. As we make a significant shift from local to server-based authentication, we anticipate that the DX of transportation will expand even in regions where investment has traditionally been challenging. We will further strengthen our proposal-based sales efforts to increase the utilization rate of “ALTAIR triple star,” our all-in-one total cloud service for transport business operators.

- C. WELLNET’s key products, Multi Payment Services and Money Transfer Services

Multi Payment Services and Money Transfer Services for non-face-to-face payment are expected to have the potential for continued growth, and the Company aims to continue to enhance payment functions that contribute to increase in convenience for both operators and consumers.

Also, the number of customers using stanp, the smartphone barcode payment service adopted by Family Mart in September 2022, is steadily increasing. We are actively proposing the adoption of the product at other convenience stores.

- D. Activities contributing to local communities

We recognize that the “IT utilization and DX” we promote itself contributes to global environmental conservation.

As part of our social contribution, we are also providing support to many students through our WELLNET Scholarship, established to help financially struggling students at colleges of technology in Hokkaido. Approximately ¥111 million in scholarships was paid to a total of 1,025 students until the fiscal year 2024, directly contributing to zero students dropping out due to economic difficulties. We will continue these activities moving forward.

Furthermore, in order to contribute to the promotion of local Hokkaido winter sports, the Company has participated in the “Scrum” concept promoted by Hokkaido All Olympians, and is supporting brothers Masaya Yamada and Kazuya Yamada, athletes and employees of the Company, along with Yudai Yamamoto and Motonaga Arito, two new young and promising athletes, in their activities on the world stage during the Olympics and other events. In addition to that, we also intend to actively utilize our service platform ekaiin.com, and boost the promotion of sports through the Company’s IT services.

Our head office earlier received the platinum rank of WELL Certification, the highest ranking of the WELL Certification that began in the U.S. to evaluate and certify spaces including buildings and offices from the standpoint of human health. More recently, our head office won the “36th Nikkei New Office Awards,” which awards creativity in office design. By providing our employees as human capital, with

the best possible work environment, we are working to increase corporate value through measures such as increased productivity and workstyle reforms.

E. Financial results forecast

Regarding the financial results for the fiscal year ending June 2026, we will continue to focus on expanding the adoption of high value-added services and forecast as follows.

(Millions of yen)

	Interim period			Full year		
	FY24/12 Results	FY25/12 Forecasts	YoY Difference	FY25/6 Results	FY26/6 Forecasts	YoY Difference
Net sales	5,599	5,300	(299)	10,918	11,500	582
Operating profit	816	670	(146)	1,502	1,680	178
Ordinary profit	819	680	(139)	1,664	1,700	36
Profit	563	440	(123)	1,077	1,100	23

The year-end dividend for the fiscal year ended June 30, 2025 has been determined to be ¥29.00 per share based on the basic policy for sharing profits with shareholders (dividend payout ratio of 50% or more).

In addition, regarding dividend payments for the fiscal year ending June 30, 2026, based on the following new basic policy for sharing profits with shareholders, we forecast an interim dividend of ¥12.00 per share, a year-end dividend of ¥17.50 per share, and an annual dividend of ¥29.50 yen per share.

Annual dividends: Introduce a minimum dividend on equity (DOE) ratio of 5% and maintain a payout ratio of 50% or more

Interim dividends: Implement a minimum DOE ratio of 2.5% from the six months ending December 31, 2025

- * The financial results forecast and dividends forecast above are based on certain assumptions judged to be reasonable based on information available to the Company at the time of the announcement of this document. Actual business performance may differ from the forecasts due to various factors that may arise in the future.
- * The Company will promptly announce any significant events that should be disclosed.

3. Basic Principle on the Selection of Accounting Standards

The Company's policy, for the time being, is to prepare the financial statements in accordance with J-GAAP, in consideration of the comparability of financial statements over time as well as between companies.

With respect to the adoption of IFRS, the Company will make decision as appropriate, in view of the circumstances both in Japan and abroad.

4. Financial Statements and Significant Notes

(1) Balance Sheet

(Thousands of yen)

	As of June 30, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,657,168	17,495,195
Accounts receivable - trade, and contract assets	809,182	661,842
Merchandise	2,202	8,058
Supplies	600	1,014
Prepaid expenses	77,875	97,455
Deposits paid	3,641,155	4,198,514
Other	558,398	788,110
Total current assets	21,746,583	23,250,192
Non-current assets		
Property, plant and equipment		
Buildings	2,272,497	2,272,497
Accumulated depreciation	(256,611)	(341,984)
Buildings, net	2,015,886	1,930,513
Structures	47,515	52,322
Accumulated depreciation	(16,229)	(15,703)
Structures, net	31,285	36,618
Vehicles	870	4,500
Accumulated depreciation	(869)	(1,232)
Vehicles, net	0	3,267
Tools, furniture and fixtures	604,371	541,785
Accumulated depreciation	(463,697)	(343,485)
Tools, furniture and fixtures, net	140,673	198,299
Land	1,602,943	1,602,943
Total property, plant and equipment	3,790,788	3,771,641
Intangible assets		
Trademark right	474	321
Software	340,128	392,605
Other	226	207
Total intangible assets	340,829	393,134
Investments and other assets		
Investment securities	152,819	83,842
Long-term prepaid expenses	23,553	106,927
Investments in capital	56,050	40,175
Guarantee deposits	948,732	1,549,370
Prepaid pension costs	1,067	–
Deferred tax assets	79,535	105,744
Other	1,414	1,413
Total investments and other assets	1,263,173	1,887,474
Total non-current assets	5,394,791	6,052,250
Total assets	27,141,374	29,302,442

(Thousands of yen)

	As of June 30, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	483,478	470,018
Current portion of long-term borrowings	125,000	100,000
Accounts payable - other	249,700	267,494
Accrued expenses	44,158	37,522
Income taxes payable	241,344	379,941
Contract liabilities	715	341
Deposits received	4,250,235	4,939,161
Receiving agency deposits	11,427,285	12,407,384
Provision for bonuses	24,963	37,549
Provision for point card certificates	1	0
Other	70,957	43,649
Total current liabilities	16,917,841	18,683,062
Non-current liabilities		
Long-term borrowings	1,600,000	1,500,000
Provision for share awards	83,610	90,925
Provision for retirement benefits	-	4,687
Asset retirement obligations	15,941	16,065
Long-term accounts payable - other	119,007	119,007
Other	26,042	27,991
Total non-current liabilities	1,844,600	1,758,677
Total liabilities	18,762,442	20,441,740
Net assets		
Shareholders' equity		
Share capital	667,782	667,782
Capital surplus		
Legal capital surplus	3,509,216	3,509,216
Total capital surplus	3,509,216	3,509,216
Retained earnings		
Legal retained earnings	22,010	22,010
Other retained earnings		
General reserve	3,160,000	3,160,000
Retained earnings brought forward	1,584,471	2,135,087
Total retained earnings	4,766,481	5,317,097
Treasury shares	(671,118)	(714,341)
Total shareholders' equity	8,272,361	8,779,754
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,185	(5,052)
Total valuation and translation adjustments	4,185	(5,052)
Share acquisition rights	102,385	86,001
Total net assets	8,378,932	8,860,702
Total liabilities and net assets	27,141,374	29,302,442

(2) Statement of Income

(Thousands of yen)

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Net sales	10,132,265	10,918,645
Cost of sales	7,992,238	8,399,891
Gross profit	2,140,026	2,518,754
Selling, general and administrative expenses	917,659	1,016,465
Operating profit	1,222,366	1,502,289
Non-operating income		
Interest income	56	3,149
Interest on securities	—	1,304
Dividend income	105	122
Gain on investments in investment partnerships	—	159,829
Gain on forfeiture of unclaimed dividends	437	467
Rental income	600	730
Subsidy income	2,351	524
Business cooperation fee	1,800	1,800
Other	968	503
Total non-operating income	6,318	168,430
Non-operating expenses		
Interest expenses	3,535	6,191
Loss on investments in investment partnerships	1,197	—
Total non-operating expenses	4,733	6,191
Ordinary profit	1,223,951	1,664,528
Extraordinary income		
Gain on reversal of share acquisition rights	208	287
Total extraordinary income	208	287
Extraordinary losses		
Loss on valuation of investment securities	—	69,167
Total extraordinary losses	—	69,167
Profit before income taxes	1,224,160	1,595,648
Income taxes - current	376,241	539,833
Income taxes - deferred	11,128	(22,076)
Total income taxes	387,369	517,756
Profit	836,790	1,077,892

(Schedule of cost of sales)

Schedule of cost of sales

		Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)			Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)		
Type	Note no.	Amount (Thousands of yen)		Compo- sition (%)	Amount (Thousands of yen)		Compo- sition (%)
I. Cost of merchandise sold							
1. Beginning merchandise		3,532			2,202		
2. Cost of purchased merchandise		28,043			35,500		
Total		31,576			37,703		
3. Ending merchandise		2,202	29,373	0.4	8,058	29,645	0.3
II. Labor cost			549,796	6.8		550,297	6.4
III. Expenses			7,266,653	90.1		7,733,223	89.2
IV. Subcontract expenses			223,357	2.8		354,647	4.1
Total			8,069,180	100		8,667,813	100
Transfer to other account			78,254			267,922	
Beginning work-in-process			1,313			—	
Cost of sales			7,992,238			8,399,891	

(Notes) *1. Cost of sales is calculated based on the job-order cost system.

*2. Details of the expenses are as follows.

(Thousands of yen)

Item	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Receiving agency fees	6,387,325	6,703,558
Invoice postage fees	225,000	229,773
Depreciation	270,453	278,207
Other	383,873	521,684
Total	7,266,653	7,733,223

*3. Details of the transfer to other account are as follows.

(Thousands of yen)

Item	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Software	55,861	211,481
Research and development expenses	22,393	56,441
Total	78,254	267,922

(3) Statement of Changes in Equity

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	667,782	3,509,216	3,509,216	22,010	3,160,000	1,082,331	4,264,341
Changes during period							
Dividends of surplus						(317,847)	(317,847)
Profit						836,790	836,790
Purchase of treasury shares							
Disposal of treasury shares						(16,803)	(16,803)
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	502,140	502,140
Balance at end of period	667,782	3,509,216	3,509,216	22,010	3,160,000	1,584,471	4,766,481

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(703,349)	7,737,990	7,791	7,791	81,164	7,826,946
Changes during period						
Dividends of surplus		(317,847)				(317,847)
Profit		836,790				836,790
Purchase of treasury shares						
Disposal of treasury shares	32,230	15,427				15,427
Net changes in items other than shareholders' equity			(3,605)	(3,605)	21,221	17,615
Total changes during period	32,230	534,371	(3,605)	(3,605)	21,221	551,986
Balance at end of period	(671,118)	8,272,361	4,185	4,185	102,385	8,378,932

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	667,782	3,509,216	3,509,216	22,010	3,160,000	1,584,471	4,766,481
Changes during period							
Dividends of surplus						(418,672)	(418,672)
Profit						1,077,892	1,077,892
Purchase of treasury shares							
Disposal of treasury shares						(108,603)	(108,603)
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	550,616	550,616
Balance at end of period	667,782	3,509,216	3,509,216	22,010	3,160,000	2,135,087	5,317,097

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(671,118)	8,272,361	4,185	4,185	102,385	8,378,932
Changes during period						
Dividends of surplus		(418,672)				(418,672)
Profit		1,077,892				1,077,892
Purchase of treasury shares	(299,922)	(299,922)				(299,922)
Disposal of treasury shares	256,699	148,095				148,095
Net changes in items other than shareholders' equity			(9,238)	(9,238)	(16,384)	(25,623)
Total changes during period	(43,223)	507,393	(9,238)	(9,238)	(16,384)	481,769
Balance at end of period	(714,341)	8,779,754	(5,052)	(5,052)	86,001	8,860,702

(4) Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Cash flows from operating activities		
Profit before income taxes	1,224,160	1,595,648
Depreciation	314,549	318,868
Gain on reversal of share acquisition rights	(27)	(287)
Interest and dividend income	(161)	(4,575)
Interest expenses	3,535	6,191
Loss (gain) on valuation of investment securities	1,197	69,167
Loss (gain) on investments in investment partnerships	–	(159,829)
Decrease (increase) in trade receivables	(204,747)	147,339
Decrease (increase) in inventories	2,941	(6,270)
Increase (decrease) in trade payables	42,541	(13,460)
Decrease (increase) in deposits paid	(192,113)	(557,358)
Increase (decrease) in deposits received	665,491	688,925
Increase (decrease) in receiving agency deposits	986,223	980,099
Other, net	162,434	(246,980)
Subtotal	3,006,025	2,817,476
Interest and dividends received	161	3,871
Interest paid	(2,618)	(8,601)
Income taxes paid	(358,867)	(406,499)
Net cash provided by (used in) operating activities	2,644,701	2,406,247
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,948)	(149,114)
Purchase of intangible assets	(60,958)	(243,452)
Purchase of investment securities	(101,388)	–
Proceeds from share of profits on investments in capital	7,000	162,000
Proceeds from refund of leasehold and guarantee deposits	510,320	1,000,000
Payments of leasehold and guarantee deposits	(3,137)	(1,600,638)
Net cash provided by (used in) investing activities	333,887	(831,204)
Cash flows from financing activities		
Purchase of treasury shares	–	(299,922)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	105,638
Repayments of long-term borrowings	(75,000)	(125,000)
Dividends paid	(317,221)	(417,731)
Net cash provided by (used in) financing activities	(392,221)	(737,015)
Net increase (decrease) in cash and cash equivalents	2,586,368	838,027
Cash and cash equivalents at beginning of period	14,070,800	16,657,168
Cash and cash equivalents at end of period	16,657,168	17,495,195

(5) Notes to Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in accounting policies)

Application of Accounting Standard for Current Income Taxes

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”), etc. has been applied since the beginning of the fiscal year ended June 30, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in 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, “Revised Guidance 2022”).

The change in accounting policies had no impact on the Financial Statements.

(Additional information)

(Employee Stock Ownership Plan)

In July 2010, we introduced the Employee Stock Ownership Plan (J-ESOP; hereafter, “the program”) with the aim of providing employees with benefits, raising their motivation to boost the share price with higher earnings, and sharing profits with shareholders and employees.

(1) Overview of the program

The program grants retiring employees shares in the Company based on the Share Granting Rules established in advance by the Company.

The Company gives employees points based on their contributions to earnings and their years of service and grants them shares in the Company equivalent to their cumulative points when they retire. These shares are acquired, including the future portion, based on an amount entrusted in advance, and managed separately as assets in trust.

With the introduction of the program, employees’ motivation to work and their interest in share prices rise, and it is also expected to help attract talented employees.

(2) We have applied the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc., through Trusts” (PITF No. 30, March 26, 2015), but accounting treatment is based on the method previously adopted.

(3) Matters related to Company shares held by the trust

- i) The book value in the trust was ¥88,240 thousand at the end of the previous fiscal year and ¥88,240 thousand at the end of the current fiscal year. The Company shares held by the trust are posted as treasury shares under shareholders’ equity.
- ii) The number of outstanding shares was 190,600 shares at the end of the previous fiscal year and 190,600 shares at the end of the current fiscal year. The average number of shares during the fiscal year was 190,600 shares in the previous fiscal year and 190,600 shares in the current fiscal year. The number of shares at the end of the fiscal year and the average number of shares during the fiscal year are not included in the treasury shares excluded when calculating per share information.

(Notes to balance sheet)

*1 Amounts of receivables and contract assets arising from contracts with customers from among accounts receivable - trade, and contract assets are as follows.

(Thousands of yen)

	As of June 30, 2024	As of June 30, 2025
Accounts receivable - trade	694,651	641,678
Contract assets, net	114,531	20,163

*2 Receiving agency deposits, deposits paid, and deposits received

Receiving agency deposits are deposits related to money collection business, and an equivalent amount is included in the deposits. A portion of deposits received includes deposits in remittance services, and an equivalent amount is included in the deposits. Deposits paid are contributed from deposits to the trust account related to remittance services.

(Notes to statement of income)

*1 Approximate ratio of expenses included in selling expenses was 7% in the previous fiscal year, and 6% in the fiscal year under review. Approximate ratio of expenses included in general and administrative expenses was 93% in the previous fiscal year, and 94% in the fiscal year under review. The major components and amounts of selling, general and administrative expenses are as follows.

	(Thousands of yen)	
	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Advertising expenses	12,539	17,171
Directors' compensations	62,365	73,039
Salaries, allowances and bonuses	273,073	343,633
Rent expenses	49,123	49,085
Depreciation	44,096	40,661
Commission fees	106,401	62,112

*2 Total research and development expenses included in general and administrative expenses

	(Thousands of yen)	
	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
	22,393	56,441

(Notes to statement of changes in equity)

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

1. Class and total number of issued shares and class and total number of treasury shares

	(Shares)			
	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common shares	19,400,000	—	—	19,400,000
Total	19,400,000	—	—	19,400,000
Treasury shares				
Common shares (Notes 1, 2)	717,075	—	28,159	688,916
Total	717,075	—	28,159	688,916

- (Notes)
1. The decrease in treasury shares of common shares by 28,159 shares of common shares is due to the decrease of 27,159 shares owing to the granting of stock compensation with restrictions on transfers and the decrease of 1,000 shares owing to the granting of shares under the Japan Stock Ownership Plan (J-ESOP).
 2. Following the introduction of the Employee Stock Ownership Plan (J-ESOP), Custody Bank of Japan, Ltd. (Trust Account E) purchased 1,000 shares of the Company on October 25, 2010. The number of treasury shares stated herein includes 191,600 shares at beginning of period and 190,600 shares at end of period in the Company held by the Trust Account E as of June 30, 2024.

2. Matters related to stock acquisition rights

Type	Schedule of stock acquisition rights	Class of shares for the purpose of stock acquisition rights	Number of shares for the purpose of stock acquisition rights				Balance at the end of period (Thousands of yen)
			Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period	
Submitting company	1st series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	6,946
	2nd series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	6,075
	3rd series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	5,795
	4th series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	3,666
	1st series stock acquisition rights in the form of qualified stock options	—	—	—	—	—	22,447
	5th series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	4,410
	6th series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	5,386
	3rd series stock acquisition rights in the form of performance-based stock options	—	—	—	—	—	47,657
Total		—	—	—	—	—	102,385

3. Dividends

(1) Cash dividends paid

(Resolution)	Class of shares	Total cash dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
August 14, 2023 Board of Directors meeting	Common shares	317,847	16.84	June 30, 2023	September 22, 2023

(Note) Total amount of dividend includes dividend paid to Custody Bank of Japan, Ltd. (Trust Account E) based on the Employee Stock Ownership Plan (J-ESOP) scheme.

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date falls in the following fiscal year

(Resolution)	Class of shares	Total cash dividends (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
August 14, 2024 Board of Directors meeting	Common shares	418,672	Retained earnings	22.15	June 30, 2024	September 25, 2024

(Note) Total amount of dividend includes dividend paid to Custody Bank of Japan, Ltd. (Trust Account E) based on the Employee Stock Ownership Plan (J-ESOP) scheme.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

1. Class and total number of issued shares and class and total number of treasury shares

(Shares)

	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common shares	19,400,000	—	—	19,400,000
Total	19,400,000	—	—	19,400,000
Treasury shares				
Common shares (Notes 1, 2)	688,916	364,400	250,859	802,457
Total	688,916	364,400	250,859	802,457

(Notes) 1. The 364,400 share increase in the number of treasury shares of common shares was due to returning profit to shareholders, and the 250,859 share decrease was due to the 29,859 share decrease from the granting of stock compensation with restrictions on transfers and the 221,000 share decrease from the exercising of rights for the 3rd series stock acquisition rights in the form of performance-based stock options.

2. Following the introduction of the Employee Stock Ownership Plan (J-ESOP), Custody Bank of Japan, Ltd. (Trust Account E) purchased 1,000 shares of the Company on October 25, 2010. The number of treasury shares stated herein includes 190,600 shares at beginning of period and 190,600 shares at end of period in the Company held by the Trust Account E as of June 30, 2025.

2. Matters related to stock acquisition rights

Type	Schedule of stock acquisition rights	Class of shares for the purpose of stock acquisition rights	Number of shares for the purpose of stock acquisition rights				Balance at the end of period (Thousands of yen)
			Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period	
Submitting company	1st series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	6,946
	2nd series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	6,075
	3rd series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	5,795
	4th series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	3,666
	1st series stock acquisition rights in the form of qualified stock options	—	—	—	—	—	22,447
	5th series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	4,410
	6th series stock acquisition rights in the form of stock options as stock-based compensation	—	—	—	—	—	5,386
	3rd series stock acquisition rights in the form of performance-based stock options	—	—	—	—	—	31,272
Total		—	—	—	—	—	86,001

3. Dividends

(1) Cash dividends paid

(Resolution)	Class of shares	Total cash dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
August 14, 2024 Board of Directors meeting	Common shares	418,672	22.15	June 30, 2024	September 26, 2024

(Note) Total amount of dividend includes dividend paid to Custody Bank of Japan, Ltd. (Trust Account E) based on the Employee Stock Ownership Plan (J-ESOP) scheme.

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date falls in the following fiscal year

(Resolution)	Class of shares	Total cash dividends (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
August 8, 2025 Board of Directors meeting	Common shares	544,856	Retained earnings	29.00	June 30, 2025	September 26, 2025

(Note) Total amount of dividend includes dividend paid to Custody Bank of Japan, Ltd. (Trust Account E) based on the Employee Stock Ownership Plan (J-ESOP) scheme.

(Notes to statement of cash flows)

*Relationship between “Cash and cash equivalents at end of period” and account items listed in the Balance Sheet
(Thousands of yen)

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Cash and deposits	16,657,168	17,495,195
Cash and cash equivalents	16,657,168	17,495,195

(Note) Cash and cash equivalents include ¥11,427,285 thousand and ¥12,407,384 thousand for the fiscal years ended June 30, 2024 and 2025, corresponding to receiving agency deposits.

(Notes on segment information, etc.)

[Segment information]

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

Description is omitted because the Company operates in a single segment of payment and authentication business.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

Description is omitted because the Company operates in a single segment of payment and authentication business.

[Related information]

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

1. Information by product and service

Description is omitted because the Company operates in a single segment of payment and authentication business.

2. Information by region

(1) Net sales

Description is omitted because net sales to external customers in Japan account for more than 90% of total net sales stated in the Statement of Income.

(2) Property, plant and equipment

Description is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the property, plant and equipment on the Balance Sheet.

3. Information by major customer

(Thousands of yen)

Customer name	Net sales	Related segment
Amazon Japan G.K.	2,173,489	Payment and authentication
DEGICA Co., Ltd.	1,261,106	Payment and authentication

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

1. Information by product and service

Description is omitted because the Company operates in a single segment of payment and authentication business.

2. Information by region

(1) Net sales

Description is omitted because net sales to external customers in Japan account for more than 90% of total net sales stated in the Statement of Income.

(2) Property, plant and equipment

Description is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the property, plant and equipment on the Balance Sheet.

3. Information by major customer

(Thousands of yen)

Customer name	Net sales	Related segment
DEGICA Co., Ltd.	2,101,753	Payment and authentication
Amazon Japan G.K.	1,781,284	Payment and authentication

[Information on impairment of non-current assets by reported segment]

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

Segment information is omitted because the Company operates in the single segment of payment and authentication business, and it is immaterial in terms of disclosure information.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

Segment information is omitted because the Company operates in the single segment of payment and authentication business, and it is immaterial in terms of disclosure information.

[Information on amortization and unamortized balance of goodwill by reported segment]

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

There is no relevant information.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

There is no relevant information.

[Information on gain on bargain purchase by reported segment]

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

There is no relevant information.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

There is no relevant information.

(Per share information)

(Yen)

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Net assets per share	437.87	467.03
Basic earnings per share	44.29	57.56
Diluted earnings per share	43.95	56.85

(Notes) 1. With respect to the number of treasury shares of common shares for the purpose of calculating net assets per share, as well as the average number of treasury shares of common shares during the period for the purpose of calculating basic earnings per share, the number of treasury shares does not include the number of shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E).

2. The basis of calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Basic earnings per share		
Profit (Thousands of yen)	836,790	1,077,892
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit available to common shares (Thousands of yen)	836,790	1,077,892
Average number of shares of common shares during the period (Shares)	18,891,592	18,725,430
Diluted earnings per share		
Adjustment to profit (Thousands of yen)	—	—
Increase in number of shares of common shares	149,981	235,067
(Stock acquisition rights included in the above)	(149,981)	(235,067)
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	One class of stock acquisition rights (59,700 shares of common shares)	One class of stock acquisition rights (59,700 shares of common shares)

(Significant subsequent events)

There is no relevant information.

5. Others

(1) Changes to Directors

There is no relevant information.

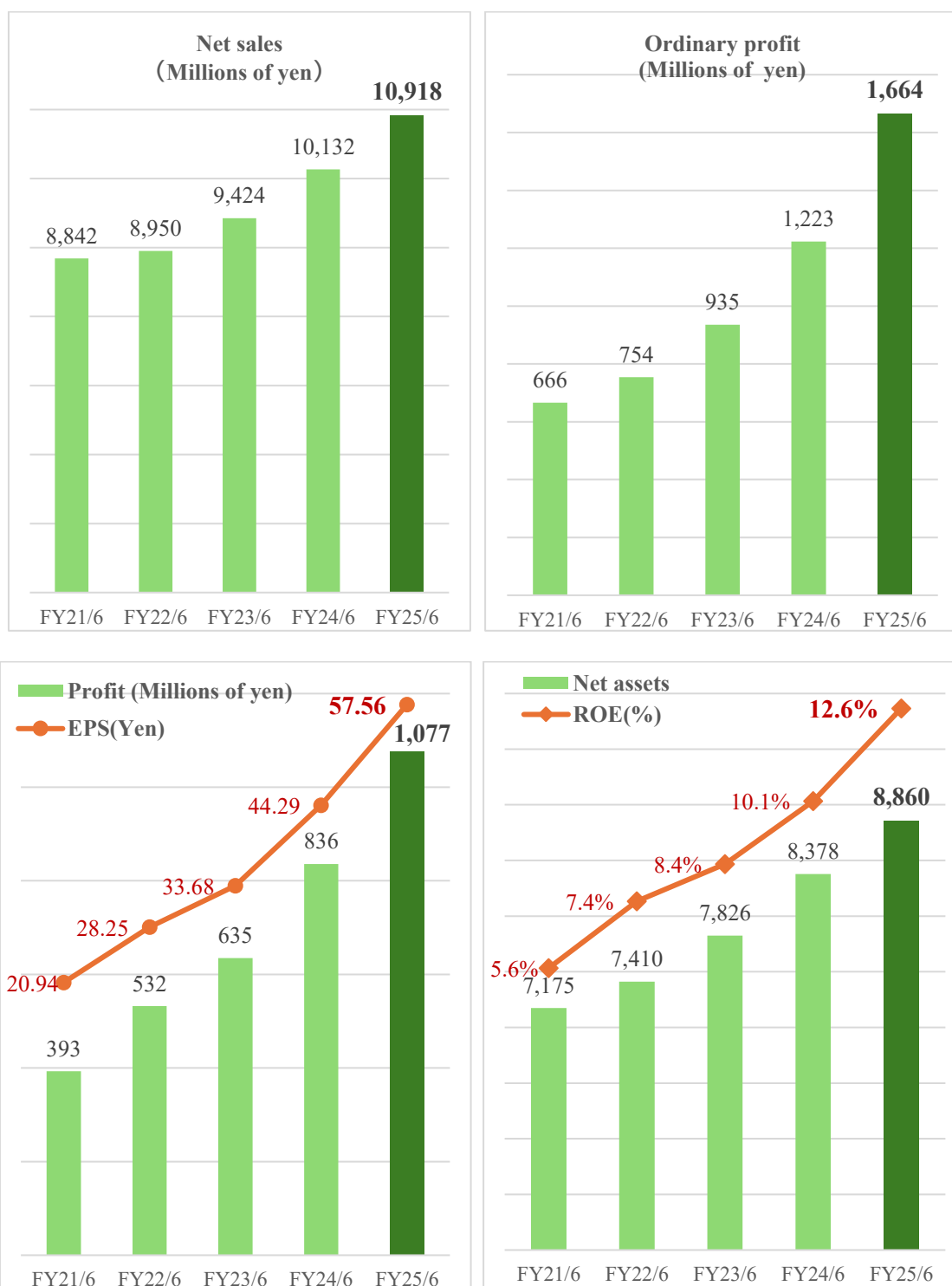
(2) Others

There is no relevant information.

Overview of Financial Results for the Fiscal Year Ended June 30, 2025

For the fiscal year ended June 30, 2025, the Company reported net sales of ¥10,918 million (107.8% year on year), ordinary profit of ¥1,664 million (136.0% year on year), profit of ¥1,077 million (128.8% year on year), and basic earnings per share (EPS) of ¥57.56.

Net assets amounted to ¥8,860 million and return on equity (ROE) was 12.6%.



Overview of operating results

(Millions of yen)

	FY2024	FY2025	YoY Difference	YoY Change	Forecast*	Difference
Net sales	10,132	10,918	786	107.8%	10,800	118
Cost of sales	7,992	8,399	407	105.1%		
Gross profit	2,140	2,518	378	117.7%		
Selling, general and administrative expenses	917	1,016	98	110.8%		
Operating profit	1,222	1,502	279	122.9%		
Ordinary profit	1,223	1,664	440	136.0%	1,600	64
Profit	836	1,077	241	128.8%	1,050	27
ROE (%)	10.1	12.6	2.5			

*The financial results forecasts were announced on April 30, 2025.

Overview of balance sheet

(Millions of yen)

	FY2024	FY2025	YoY Difference	YoY Change
Current assets	21,746	23,250	1,503	106.9%
Of which, cash and deposits (Note 2)	16,657	17,495	838	105.0%
Non-current assets	5,394	6,052	657	112.2%
Total assets	27,141	29,302	2,161	108.0%
Liabilities	18,762	20,441	1,679	109.0%
Of which, receiving agency deposits (Note 2)	11,427	12,407	980	108.6%
of which, long-term borrowings	1,600	1,500	(100)	93.8%
Net assets	8,378	8,860	481	105.7%
Net cash and deposits (Note 1)	4,584	4,308	(275)	94.0%

- (Notes)
1. Net cash and deposits=Net assets + Long-term borrowings – Non-current assets
 2. Cash and deposits include receiving agency deposits in money collection business, which will be transferred to operators up to the predetermined date of transfer in the following month.

Financial results forecast for the fiscal year ending June 30, 2026

- The Company forecasts a decline in both revenue and profit for the six months ending December 31, 2025 from a rebound from large-scale products in the previous fiscal year.
- The Company forecasts an increase in both revenue and profit for the full fiscal year ending June 30, 2026 with net sales of ¥11,500 million (105% year on year), operating profit of ¥1,680 million (112% year on year), ordinary profit of ¥1,700 million (102% year on year), and profit of ¥1,100 million (102% year on year).

(Millions of yen)

	Interim period			Full year		
	FY24/12 Results	FY25/12 Forecasts	YoY Difference	FY25/6 Results	FY26/6 Forecasts	YoY Difference
Net sales	5,599	5,300	(299)	10,918	11,500	582
Operating profit	816	670	(146)	1,502	1,680	178
Ordinary profit	819	680	(139)	1,664	1,700	36
Profit	563	440	(123)	1,077	1,100	23