



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

October 15, 2025

Company name: SERAKU Co., Ltd. Listing: Tokyo Stock Exchange (Standard Market)  
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 Scheduled date of Annual General Meeting of Shareholders: November 21, 2025 Scheduled date of payment of dividend: November 25, 2025  
 Scheduled date of filing of Annual Securities Report: November 20, 2025  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(All amounts are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Sep. 1, 2024 to Aug. 31, 2025)

### (1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Aug. 31, 2025	24,776	11.5	2,550	12.2	2,599	12.1	1,709	8.5
Fiscal year ended Aug. 31, 2024	22,221	6.5	2,273	16.9	2,317	7.5	1,575	7.0

Note: Comprehensive income (millions of yen) Fiscal year ended Aug. 31, 2025 1,711 (up 8.7%)  
 Fiscal year ended Aug. 31, 2024 1,574 (up 7.0%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Aug. 31, 2025	127.16	126.89	20.6	20.5	10.3
Fiscal year ended Aug. 31, 2024	114.24	114.09	21.6	19.9	10.2

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Aug. 31, 2025 —  
 Fiscal year ended Aug. 31, 2024 —

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Aug. 31, 2025	13,324	8,902	66.6	668.83
As of Aug. 31, 2024	12,052	7,762	64.2	572.00

Reference: Shareholders' equity (millions of yen) As of Aug. 31, 2025 8,870 As of Aug. 31, 2024 7,731

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Aug. 31, 2025	2,053	(650)	(634)	7,612
Fiscal year ended Aug. 31, 2024	1,357	(404)	(923)	6,844

## 2. Dividends

	Dividend per share					Total dividends	Payout ratio	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Aug. 31, 2024	—	0.00	—	13.00	13.00	175	11.4	2.4
Fiscal year ended Aug. 31, 2025	—	0.00	—	13.20	13.20	176	10.4	2.1
Fiscal year ending Aug. 31, 2026 (forecast)	—	0.00	—	17.40	17.40		12.3	

## 3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2026 (Sep. 1, 2025 to Aug. 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	13,100	6.5	1,030	(24.6)	1,040	(25.1)	680	(26.0)	51.27
Full year	27,400	10.6	2,850	11.7	2,880	10.8	1,870	9.4	140.99

\* Notes

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

Newly added: – Excluded: –

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

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

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of shares issued (common shares)

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

As of Aug. 31, 2025 13,680,900 shares As of Aug. 31, 2024 13,833,300 shares

2) Number of treasury shares as of the end of the period

As of Aug. 31, 2025 417,970 shares As of Aug. 31, 2024 315,770 shares

3) Average number of shares during the period

Fiscal year ended Aug. 31, 2025: 13,445,150 shares Fiscal year ended Aug. 31, 2024: 13,793,651 shares

Note: Both “Number of treasury shares as of the end of the period” and the number of treasury shares that are to be subtracted when calculating “Average number of shares during the period,” contain the shares issued by Seraku and held by its Employee Stock Ownership Plan (ESOP) trust account.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Sep. 1, 2024 to Aug. 31, 2025)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Aug. 31, 2025	20,485	8.0	1,798	8.7	2,171	11.6	1,406	5.9
Fiscal year ended Aug. 31, 2024	18,962	1.3	1,653	8.6	1,945	3.9	1,327	6.2

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Aug. 31, 2025	104.60		104.38	
Fiscal year ended Aug. 31, 2024	96.24		96.12	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of Aug. 31, 2025	12,226		8,157		66.5		612.65	
As of Aug. 31, 2024	11,187		7,322		65.2		539.43	

Reference: Shareholders' equity (millions of yen) As of Aug. 31, 2025 8,125 As of Aug. 31, 2024 7,291

\* The current financial report is not subject to audit by certified public accountants or auditing firms.

\* Explanation of appropriate use of earnings forecasts and other special items

Forecasts of future performance in these materials are based on assumptions judged to be reasonable and information available to the management of Seraku at the time these materials were prepared and do not represent guarantees of future performance. Actual results may differ materially from these forecasts for various reasons. For a discussion of the assumptions and other factors considered by Seraku in preparing the above projections, please refer to page 4 of the attachments, “1. Overview of Results of Operations, (4) Outlook.”

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## 1. Overview of Results of Operations

### (1) Results of Operations

During the fiscal year ended August 31, 2025, the future of the Japanese economy still remained uncertain, impacted by overseas situations including the prolonged monetary tightening in Europe and the US, the slowdown in the Chinese economy and geopolitical risks in the Middle East. On the other hand, the economy maintained its moderate recovery trend, thanks to improvements in employment and income conditions and also to the effects of government economic policies, among others.

In Japan's IT sector, which is the primary business field where the Group provides its services, IT/DX-related investments aimed at improving business efficiency and strengthening competitiveness continued to show a steady growth, in line with the rapid progress and broader use of digital technologies, including generative AI. In particular, the demand for cloud-enabled system integration and system operation/maintenance services is growing, as the optimal IT infrastructure forms an important base to support management strategy. On the other hand, the IT personnel shortage in Japan continues to be a major challenge, with the need growing to develop and secure engineers who can handle cutting-edge technology.

The Seraku Group actively promoted the recruitment and development of highly qualified engineers while simultaneously providing a wide range of IT services by utilizing resources of our business partners. We also helped improve engineers' skills and expedited their digital transformation, whereby preparing our business base as a Digital Integrator supporting the social implementation in the IT and DX fields.

As a result, net sales at the Group increased 11.5% year on year, to 24,776,494 thousand yen, operating profit rose 12.2% year on year, to 2,550,693 thousand yen, and ordinary profit climbed 12.1% year on year, to 2,599,037 thousand yen. Profit attributable to owners of parent increased 8.5% year on year, to 1,709,688 thousand yen.

Results by business segment were as follows.

#### 1) Digital Integration

In the Digital Integration business, we undertake the construction, operation, and maintenance of IT systems in the SI (System Integration) area. In the DX (Digital Transformation) area, we provide cloud infrastructure and IoT service operations on a 24x7 basis at the Cloud Support Center. We help companies introduce, operate, and fully deploy cloud systems centered around Salesforce, a customer and sales management system, and COMPANY, an integrated personnel affairs system. We also provide NewtonX, a business support service for corporate clients to introduce and utilize ChatGPT.

Looking at the fiscal year under review, we took steps to further expand transactions by capitalizing on solid demand for IT investments with a focus on the construction and operation of IT systems, the adoption of cloud platforms, and the implementation of 24x7 managed services. In addition, we sought to enhance services and improve value added by developing engineers who can handle data analysis and digital marketing.

As a result, net sales in this segment came to 23,881,016 thousand yen, up 11.9% year on year. Segment profit was 2,611,933 thousand yen, up 12.6% year on year.

#### 2) Midori Cloud

The Midori Cloud business provides a platform service, including Midori Cloud and Farm Cloud, to support the DX of the agriculture, livestock, and fisheries sectors using IT and a solution service to solve individual issues, particularly those faced in primary industries.

In the fiscal year under review, we spared no effort to increase orders for solution services. We also make upfront investments for our future business expansion. One of the initiatives includes the expansion of Midori Cloud Rakuraku Shukka, a software-based solution released in March 2023, to help companies engaging in the distribution of vegetables and fruits adopt digital technologies that use bar codes, cloud systems, etc. With many farmers and shipping authorities facing the same issue with respect to the collection and shipping operation of agricultural products, we will promote the service with a focus on JA nationwide.

As a result, net sales in this segment amounted to 235,062 thousand yen, down 1.3% year on year. The segment loss was 118,810 thousand yen (segment loss of 109,172 thousand yen in the previous year).

### 3) Mechanical Design and Engineering

In the Mechanical Design and Engineering business, SERAKU Business Solutions, a consolidated subsidiary, provides 3D CAD technologies and technologies for the quality control of experiments and performance tests, as well as those for communications system construction and telecommunications.

In the fiscal year under review, we enhanced the training environment and took steps to recruit and develop engineers. Sales were strong, attributable to stable utilization rates and efforts to win projects in new technological fields. As we anticipate the further acquisition of projects in each field, we will strive to increase engineers' added value through training that aims at business scale and geographic expansion.

As a result, net sales in this segment came to 786,190 thousand yen, up 5.5% year on year. Segment profit was 37,018 thousand yen, down 17.5% year on year.

## (2) Financial Position

### Assets

Total assets increased by 1,272,215 thousand yen from the end of the previous fiscal year to 13,324,336 thousand yen as of the end of the current fiscal year. This was mainly due to increases of 869,255 thousand yen in cash and deposits, 613,061 thousand yen in land, 94,211 thousand yen in accounts receivable - trade and contract assets, partially offset by decreases of 181,071 thousand yen in work in process, 131,621 thousand yen in property, plant and equipment (other), and 25,723 thousand yen in goodwill.

### Liabilities

Total liabilities increased by 132,055 thousand yen from the end of the previous fiscal year to 4,421,562 thousand yen. This was attributable largely to increases of 101,958 thousand yen in income taxes payable, 70,267 thousand yen in accounts payable - trade, and 55,525 thousand yen in provision for share awards, partially offset by decreases of 57,313 thousand yen in provision for bonuses, and 45,698 thousand yen in long-term borrowings.

### Net assets

Total net assets increased by 1,140,159 thousand yen from the end of the previous fiscal year to 8,902,774 thousand yen. This was mainly due to an increase of 1,533,960 thousand yen in retained earnings, partially offset by an increase of 208,160 thousand yen in treasury shares and a decrease of 189,810 thousand yen in capital surplus.

## (3) Cash Flows

Cash and cash equivalents ("net cash") at the end of the current fiscal year amounted to 7,612,132 thousand yen.

Cash flow in each section of the cash flow statement in the current fiscal year and the main factors are as follows.

### Cash flows from operating activities

Net cash provided by operating activities totaled 2,053,446 thousand yen.

Cash used for income taxes paid of 793,427 thousand yen, a decrease in inventories of 170,497 thousand yen, a decrease in provision for bonuses of 57,313 thousand yen, among other factors, were offset by cash provided by profit before income taxes of 2,601,084 thousand yen, an increase in trade receivables of 98,324 thousand yen, an increase in trade payables of 70,267 thousand yen, and an increase in provision for share awards of 55,525 thousand yen, among other factors.

### Cash flows from investing activities

Net cash used in investing activities totaled 650,754 thousand yen.

Cash was used for the purchase of property, plant and equipment of 551,831 thousand yen and purchase of insurance funds of 81,413 thousand yen, payments of leasehold and guarantee deposits of 17,701 thousand yen.

### Cash flows from financing activities

Net cash used in financial activities totaled 634,647 thousand yen.

Cash was used mainly for the purchase of treasury shares of 401,493 thousand yen, dividends paid of 175,680 thousand yen, and repayments of long-term borrowings of 57,104 thousand yen.

Reference: Trends in cash flow indicators

	FY8/22	FY8/23	FY8/24	FY8/25
Equity ratio (%)	57.3	61.0	64.2	66.6
Market value-based equity ratio (%)	159.3	162.8	158.4	164.04
Interest-bearing debt to cash flow ratio (year)	1.1	0.1	0.1	0.0
Interest coverage ratio (time)	200.6	1,028.9	1,599.1	4,823.42

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

Notes: 1. Cash flows are calculated using the figures for operating cash flows in the consolidated statement of cash flows.

2. Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest.

#### (4) Outlook

Looking ahead, we anticipate that the outlook of overseas economies remains uncertain, reflecting the trends of monetary policies in Europe and the US, concerns about the slowdown in the Chinese economy, and geopolitical risks in the Middle East. In Japan, too, the future of the economy still remains uncertain, impacted by a rise in consumer prices and volatile exchange rates, among others.

In the IT services industry, investments in IT continued to expand to realize efficient business and new value creation as generative AI and cloud services advanced. We therefore anticipate a steady growth in demand for DX promotion. In this business environment, the Group will seek to develop personnel capable of project management (PM), enhance the alignment with our business partners, improve technological capabilities in advanced IT areas, and further expand our service lineups. By developing new business structures through the expansion of the DX area, the acquisition of prime projects, and the active use of business partners, we will not only boost profitability but also improve engineers' skills, so as to realize further corporate growth.

Considering the above, we forecast net sales of 27,400,000 thousand yen, an operating profit of 2,850,000 thousand yen, an ordinary profit of 2,880,000 thousand yen and a profit attributable to owners of parent of 1,870,000 thousand yen.

This forecast is based on information available at the time this report was released. Actual results may differ for a variety of reasons.

## 2. Basic Approach to the Selection of Accounting Standards

The Seraku Group currently prepares consolidated financial statements using Generally Accepted Accounting Principles in Japan to permit comparisons with prior years and with the financial data of other companies. We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by considering the situation in Japan and overseas.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Thousands of yen)

	FY8/24 (As of Aug. 31, 2024)	FY8/25 (As of Aug. 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	6,896,690	7,765,946
Accounts receivable - trade and contract assets	2,740,887	2,835,099
Work in process	219,097	38,026
Raw materials	47,055	57,629
Other	183,469	216,664
Allowance for doubtful accounts	(1,856)	(2,239)
Total current assets	10,085,344	10,911,126
Non-current assets		
Property, plant and equipment		
Buildings, net	195,904	218,201
Tools, furniture and fixtures, net	55,356	45,822
Land	—	613,061
Other	133,636	2,015
Total property, plant and equipment	384,897	879,100
Intangible assets		
Goodwill	124,827	99,103
Software	435	121
Other	1,807	1,807
Total intangible assets	127,070	101,032
Investments and other assets		
Investment securities	3,496	3,496
Deferred tax assets	532,306	536,015
Leasehold and guarantee deposits	332,158	337,449
Insurance funds	465,282	546,696
Other	121,565	13,532
Allowance for doubtful accounts	—	(4,113)
Total investments and other assets	1,454,809	1,433,077
Total non-current assets	1,966,777	2,413,210
<b>Total assets</b>	<b>12,052,121</b>	<b>13,324,336</b>



(Thousands of yen)

	FY8/24 (As of Aug. 31, 2024)	FY8/25 (As of Aug. 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	262,363	332,631
Current portion of long-term borrowings	39,204	27,798
Accounts payable - other	1,461,721	1,484,676
Income taxes payable	441,369	543,327
Accrued consumption taxes	385,225	384,360
Provision for bonuses	1,215,100	1,157,787
Provision for loss on order received	468	1,539
Other	318,650	350,961
Total current liabilities	4,124,102	4,283,083
Non-current liabilities		
Long-term borrowings	45,698	—
Retirement benefit liability	91,382	79,720
Provision for share awards	—	55,525
Other	28,325	3,233
Total non-current liabilities	165,405	138,479
Total liabilities	4,289,507	4,421,562
<b>Net assets</b>		
Shareholders' equity		
Share capital	311,269	312,433
Capital surplus	309,835	120,025
Retained earnings	7,482,934	9,016,895
Treasury shares	(374,518)	(582,678)
Total shareholders' equity	7,729,520	8,866,675
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	2,474	4,027
Total accumulated other comprehensive income	2,474	4,027
Share acquisition rights	30,619	32,072
Total net assets	7,762,614	8,902,774
<b>Total liabilities and net assets</b>	<b>12,052,121</b>	<b>13,324,336</b>

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

## Consolidated Statement of Income

(Thousands of yen)

	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)
Net sales	22,221,595	24,776,494
Cost of sales	16,521,542	18,320,293
Gross profit	5,700,052	6,456,200
SG&A expense	3,426,190	3,905,507
Operating profit	2,273,862	2,550,693
Non-operating income		
Interest and dividend income	1,806	9,384
Subsidy income	14,319	—
Rental income from real estate	—	1,682
Surrender value of insurance policies	—	5,216
Subsidy income	26,093	32,798
Other	3,537	2,052
Total non-operating income	45,756	51,134
Non-operating expenses		
Interest expenses	848	425
Commission fee	1,048	2,358
Other	11	7
Total non-operating expenses	1,909	2,791
Ordinary profit	2,317,709	2,599,037
Extraordinary income		
Gain on reversal of share acquisition rights	6,094	2,262
Total extraordinary income	6,094	2,262
Extraordinary losses		
Loss on retirement of non-current assets	726	215
Loss on valuation of investment securities	5,445	—
Total extraordinary losses	6,172	215
Profit before income taxes	2,317,631	2,601,084
Income taxes-current	761,650	895,789
Income taxes-deferred	(19,738)	(4,394)
Total income taxes	741,912	891,395
Profit	1,575,719	1,709,688
Profit attributable to owners of parent	1,575,719	1,709,688

## Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)
Profit	1,575,719	1,709,688
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	—
Remeasurements of defined benefit plans, net of tax	(1,182)	1,552
Total other comprehensive income	(1,216)	1,552
Comprehensive income	1,574,503	1,711,241
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,574,503	1,711,241

(3) Consolidated Statement of Changes in Equity  
FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	307,006	504,756	6,052,693	(199)	6,864,256
Changes during period					
Issuance of new shares	4,262	4,262			8,525
Dividends of surplus			(145,478)		(145,478)
Profit attributable to owners of parent			1,575,719		1,575,719
Purchase of treasury shares				(600,096)	(600,096)
Disposal of treasury shares		(3,485)		30,078	26,593
Cancellation of treasury shares		(195,698)		195,698	—
Net changes in items other than shareholders' equity					
Total changes during period	4,262	(194,920)	1,430,241	(374,319)	865,263
Balance at end of period	311,269	309,835	7,482,934	(374,518)	7,729,520

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	33	3,656	3,690	36,270	6,904,217
Changes during period					
Issuance of new shares				(1,503)	7,021
Dividends of surplus					(145,478)
Profit attributable to owners of parent					1,575,719
Purchase of treasury shares					(600,096)
Disposal of treasury shares					26,593
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity	(33)	(1,182)	(1,216)	(4,146)	(5,362)
Total changes during period	(33)	(1,182)	(1,216)	(5,650)	858,396
Balance at end of period		2,474	2,474	30,619	7,762,614

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	311,269	309,835	7,482,934	(374,518)	7,729,520
Changes during period					
Issuance of new shares	1,164	1,164			2,328
Dividends of surplus			(175,727)		(175,727)
Profit attributable to owners of parent			1,709,688		1,709,688
Purchase of treasury shares				(399,135)	(399,135)
Disposal of treasury shares		23,700		(23,700)	
Cancellation of treasury shares		(214,675)		214,675	
Transfer from retained earnings to capital surplus		104,558	(104,558)		
Net changes in items other than shareholders' equity					
Total changes during period	1,164	(85,252)	1,429,402	(208,160)	1,137,154
Balance at end of period	312,433	224,583	8,912,336	(582,678)	8,866,675

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period		2,474	2,474	30,619	7,762,614
Changes during period					
Issuance of new shares				(460)	1,868
Dividends of surplus					(175,727)
Profit attributable to owners of parent					1,709,688
Purchase of treasury shares					(399,135)
Disposal of treasury shares					
Cancellation of treasury shares					
Net changes in items other than shareholders' equity		1,552	1,552	1,912	3,465
Total changes during period		1,552	1,552	1,452	1,140,159
Balance at end of period		4,027	4,027	32,072	8,902,774

## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,317,631	2,601,084
Depreciation	46,230	53,040
Amortization of goodwill	3,791	25,723
Increase (decrease) in provision for share awards	—	55,525
Increase (decrease) in allowance for doubtful accounts	280	4,496
Increase (decrease) in provision for bonuses	92,464	(57,313)
Increase (decrease) in retirement benefit liability	(12,639)	(9,424)
Interest and dividend income	(1,806)	(9,384)
Subsidy income	(14,319)	—
Subsidy income	(26,093)	(32,798)
Commission fee	1,048	2,358
Gain on reversal of share acquisition rights	(6,094)	(2,262)
Loss (gain) on valuation of investment securities	5,445	—
Interest expenses	848	425
Loss on retirement of non-current assets	726	215
Decrease (increase) in trade receivables	(121,317)	(98,324)
Decrease (increase) in inventories	(165,598)	170,497
Decrease (increase) in prepaid expenses	15,065	(33,258)
Increase (decrease) in trade payables	123,678	70,267
Increase (decrease) in accounts payable - other	(14,897)	12,631
Increase (decrease) in accrued consumption taxes	(161,788)	(864)
Other	65,050	53,829
Subtotal	2,147,709	2,806,465
Interest and dividends received	1,792	7,947
Interest paid	(741)	(337)
Proceeds from subsidy income	14,319	—
Subsidies received	26,093	32,798
Income taxes paid	(832,061)	(793,427)
Net cash provided by (used in) operating activities	1,357,112	2,053,446
<b>Cash flows from investing activities</b>		
Payments into time deposits	(102,400)	(4,011)
Proceeds from withdrawal of time deposits	2,400	2,800
Proceeds from redemption of investment securities	100,000	—
Purchase of property, plant and equipment	(199,205)	(551,831)
Payments of leasehold and guarantee deposits	(51,800)	(17,701)
Proceeds from refund of leasehold and guarantee deposits	1,638	1,404
Purchase of insurance funds	(83,752)	(81,413)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(70,980)	—
Net cash provided by (used in) investing activities	(404,100)	(650,754)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(183,824)	(57,104)
Repayments of lease obligations	(706)	(706)
Purchase of treasury shares	(601,145)	(401,493)
Dividends paid	(145,102)	(175,680)
Proceeds from issuance of share acquisition rights	1,947	—
Proceeds from issuance of shares resulting from exercise of share acquisition rights	7,021	1,868
Other	(1,532)	(1,532)
Net cash provided by (used in) financing activities	(923,341)	(634,647)
Net increase (decrease) in cash and cash equivalents	29,670	768,044
Cash and cash equivalents at beginning of period	6,814,417	6,844,087
Cash and cash equivalents at end of period	6,844,087	7,612,132

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

Not applicable.

## Segment and Other Information

### Segment information

#### 1. Overview of reportable segments

Segments used for financial reporting are the Seraku Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

#### 2. Calculation methods for net sales, profit/loss, assets, liabilities and other items for each reportable segment

The accounting methods applied to the reported business segments are consistent with those adopted for the preparation of the consolidated financial statements. Segment profit is presented on an operating income basis.

#### 3. Information related to net sales, profit/loss, assets, liabilities and other items in reportable segments

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amount in the consolidated financial statements (Note 2)
	Digital Integration	Midori Cloud	Mechanical Design and Engineering	Total		
Net sales						
Sales to external customers	21,342,828	238,238	640,528	22,221,595	—	22,221,595
Inter-segment sales and transfers	—	—	104,510	104,510	(104,510)	—
Total	21,342,828	238,238	745,038	22,326,105	(104,510)	22,221,595
Segment profit (loss)	2,320,428	(109,172)	44,887	2,256,143	17,718	2,273,862
Segment assets	3,006,100	53,330	301,134	3,360,564	8,691,556	12,052,121
Other items						
Amortization of goodwill	3,791	—	—	3,791	—	3,791
Depreciation	45,203	689	337	46,230	—	46,230
Increase in property, plant and equipment, and intangible assets	128,618	—	—	128,618	204,277	332,896

Notes: 1. The adjustment of segment profit (loss) primarily represents the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.

3. The adjustment of 8,691,556 thousand yen to segment assets includes corporate assets that are not allocated to reportable segments.

4. Corporate assets are not allocated to specific reportable segments, but corporate costs and other expenses associated with these assets are allocated to specific reportable segments using reasonable standards.

5. The 204,277 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes capital expenditures of 173,851 thousand yen associated with the expansion of the head office's floor spaces, etc.



FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amount in the consolidated financial statements (Note 2)
	Digital Integration	Midori Cloud	Mechanical Design and Engineering	Total		
Net sales						
Sales to external customers	23,881,016	235,062	660,416	24,776,494	—	24,776,494
Inter-segment sales and transfers	—	—	125,774	125,774	(125,774)	—
Total	23,881,016	235,062	786,190	24,902,269	(125,774)	24,776,494
Segment profit (loss)	2,611,933	(118,810)	37,018	2,530,140	20,553	2,550,693
Segment assets	2,892,463	63,089	344,634	3,300,187	10,024,148	13,324,336
Other items						
Amortization of goodwill	25,723	—	—	25,723	—	25,723
Depreciation	52,046	654	339	53,040	—	53,040
Increase in property, plant and equipment, and intangible assets	—	—	—	—	677,144	677,144

- Notes: 1. The adjustment of segment profit (loss) primarily represents the elimination of intersegment transactions.
2. Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.
3. The adjustment of 10,024,148 thousand yen to segment assets includes corporate assets that are not allocated to reportable segments.
4. Corporate assets are not allocated to specific reportable segments, but corporate costs and other expenses associated with these assets are allocated to specific reportable segments using reasonable standards.
5. The 677,144 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes a purchase price of 613,061 thousand yen for the planned construction site of Vital Village in the Seisho area of Kanagawa Prefecture.

Related information

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

1. Information for each product and service

Information for each product and service is omitted as similar information is disclosed in the segment information.

2. Information for each region

(1) Net sales

Information about net sales is omitted as sales to external customers in Japan exceed 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

Not applicable as we have no property, plant and equipment outside of Japan.

3. Information for each major customer

Not applicable because, of sales to external customers, we have no customer who accounts for over 10% of the net sales on the consolidated statement of income.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

1. Information for each product and service

Information for each product and service is omitted as similar information is disclosed in the segment information.

2. Information for each region

(1) Net sales

Information about net sales is omitted as sales to external customers in Japan exceed 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

Not applicable as we have no property, plant and equipment outside of Japan.

3. Information for each major customer

Not applicable because, of sales to external customers, we have no customer who accounts for over 10% of the net sales on the consolidated statement of income.

Information about impairment losses on non-current assets by reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

Not applicable.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

Not applicable.

Information concerning amortization and unamortized balance of goodwill by reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Reportable segment				Adjustment	Amount in the consolidated financial statements
	Digital Integration	Midori Cloud	Mechanical Design and Engineering	Total		
Amortization during period	3,791	—	—	3,791	—	3,791
Balance at end of period	124,827	—	—	124,827	—	124,827

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Reportable segment				Adjustment	Amount in the consolidated financial statements
	Digital Integration	Midori Cloud	Mechanical Design and Engineering	Total		
Amortization during period	25,723	—	—	25,723	—	25,723
Balance at end of period	99,103	—	—	99,103	—	99,103

Information concerning gain on bargain purchase by reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

Not applicable.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

Not applicable.

Per Share Information

	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)
Net assets per share	572.00 yen	668.83 yen
Net income per share	114.24 yen	127.16 yen
Diluted net income per share	114.09 yen	126.89 yen

Notes: The basis of calculating the net income per share and diluted net income per share is as follows:

	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)
Net income per share		
Profit attributable to owners of parent	1,575,719	1,709,688
Amounts not attributable to common shareholders	—	—
Profit attributable to owners of parent applicable to common shares (Thousands of yen)	1,575,719	1,709,688
Average number of common shares outstanding during the period (Shares)	13,793,651	13,445,150
Diluted net income per share		
Adjustment to profit attributable to owners of parent	—	—
Increase in the number of common shares (Shares)	17,989	28,086
[of which share acquisition rights (Shares)]	(17,989)	(28,086)
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	Five types of share acquisition rights (Number of share acquisition rights: 4,036)	Five types of share acquisition rights (Number of share acquisition rights: 3,775)

Material Subsequent Events

Not applicable.

#### 4. Additional Information

##### Sales Results

(Thousands of yen)

-	Previous fiscal year		Fiscal year under review		Year-on-year change (%)
	Net sales	Ratio to total net sales (%)	Net sales	Ratio to total net sales (%)	
System Integration	14,785,582	66.5	16,382,120	66.1	10.8
Digital Transformation	6,557,245	29.5	7,498,895	30.3	14.4
Midori Cloud	238,238	1.1	235,062	0.9	(1.3)
Mechanical Design and Engineering	640,528	2.9	660,416	2.7	3.1
Total	22,221,595	100.0	24,776,494	100.0	11.5