

# Summary of Consolidated Financial Results for the Fiscal Year Ended February 2023 (Japanese GAAP)



April 13, 2023

Name of listed company: Ricksoft Co., Ltd. Listing exchange: Tokyo Stock Exchange  
 Securities code: 4429 URL: <https://www.ricksoft.jp/en>  
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 Scheduled date for next regular general meeting of shareholders: May 25, 2023 Scheduled date for start of dividend payment: —  
 Scheduled date for submission of periodic securities report: May 25, 2023  
 Supplementary materials on financial results: Yes  
 Financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

## 1. Consolidated results for fiscal year ended February 2023 (from March 1, 2022 to February 28, 2023)

### (1) Consolidated operating results (% figures show the rate of increase (decrease) compared with the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended Feb. 2023	5,623	30.5	546	25.0	567	26.0	423	29.7
Fiscal year ended Feb. 2022	4,308	(2.8)	437	(27.3)	450	(25.1)	326	(26.7)

(Note) Comprehensive income Fiscal year ended Feb. 2023 435 million yen (31.4 %) Fiscal year ended Feb. 2022 331 million yen (-25.5%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit ratio
	yen	yen	%	%	%
Fiscal year ended Feb. 2023	94.39	93.74	17.9	15.1	9.7
Fiscal year ended Feb. 2022	74.54	72.94	15.7	14.8	10.2

(Reference) Equity gains (losses) of affiliated companies Fiscal year ended Feb. 2023 - million yen Fiscal year ended Feb. 2022 - million yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended Feb. 2023	4,571	2,474	54.1	547.41
Fiscal year ended Feb. 2022	2,932	2,255	76.9	507.15

(Reference) Equity Fiscal year ended Feb. 2023 2,474 million yen Fiscal year ended Feb. 2022 2,255 million yen

### (3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended Feb. 2023	977	(27)	18	3,070
Fiscal year ended Feb. 2022	161	(46)	22	2,088

## 2. Dividends

	Annual dividends					Total dividends (Total)	Payout ratio (Consolidated)	Net assets to dividend ratio (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended Feb. 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended Feb. 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending Feb. 2024 (forecast)	-	0.00	-	0.00	0.00		-	

## 3. Consolidated earnings forecast for fiscal year ending February 2024 (from March 1, 2023 to February 29, 2024)

(% figures show the rate of increase (decrease) compared with the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full fiscal year	6,818	21.3	621	13.7	641	13.1	445	5.1	98.18

### \*Explanatory notes

(1) Changes in significant subsidiaries during fiscal year : No

(Changes in specified subsidiaries resulting in change in scope of consolidation)

Newly included - companies (Company name)

Excluded - companies (Company name)

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

1) Changes in accounting policies due to amendment of accounting standards, etc. : Yes

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : No

4) Restatement : No

(Note) For details, please refer to “(5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 11 of the attachment.

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding (including treasury shares) at end of fiscal year	Fiscal year ended Feb. 2023	4,520,200 shares	Fiscal year ended Feb. 2022	4,446,900 shares
2) Number of treasury shares at end of fiscal year	Fiscal year ended Feb. 2023	142 shares	Fiscal year ended Feb. 2022	132 shares
3) Average number of shares during fiscal year	Fiscal year ended Feb. 2023	4,490,928 shares	Fiscal year ended Feb. 2022	4,385,820 shares

\* This summary of financial results is not subject to audit procedures by a public accountant or audit corporation.

\* Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The financial outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors. For the conditions forming the assumptions on which financial forecasts are based and notes on financial forecasts, etc., please refer to the explanations on the forecast information described in “1. Overview of Operating Results, Etc.; (4) Future Outlook” on page 4.

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## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Fiscal Year Under Review

In the fiscal year ended February 2023, changes were seen in the Japanese government's response to the COVID-19 pandemic, such as the complete lifting of pre-emergency measures in March 2022 and the resumption of actions to accept foreign tourists in October 2022. Efforts to normalize economic activities were implemented against the backdrop of measures to promote their resumption, and the economy remained robust centering on domestic demand. As a result, the financial results of listed companies for the April-December period of 2022 showed a year-on-year increase in revenue and profit, but the outcome differed significantly between manufacturing and non-manufacturing industries. While revenue and profit increased in non-manufacturing industries due to recovery from the pandemic, revenue increased and profit decreased in manufacturing industries as the appreciation of the yen and a surge in resource prices and other factors acted as a brake.

Concerning the world economy, the real GDP growth rate for the October-December quarter of 2022 increased by 2.9% quarter on quarter in the U.S., maintaining positive growth for the second consecutive quarter despite growing concerns over the recession. On the other hand, in China, due to declining consumer confidence and stagnant domestic production activities caused by the prolonged zero-COVID policy, the real GDP growth rate for 2022 stood at 3.0% year on year, indicating a significant slowdown.

As a sense of caution against inflation and geopolitical risks still remain and a sense of uncertainty about the future cannot be eliminated, it is necessary to continue to carefully watch the global situation.

In the information services sector to which the Ricksoft Group belongs, the trend of promoting DX (digital transformation) to improve corporate value and competitiveness is accelerating. Also, demand for IT investment utilizing advanced technologies such as IoT, AI, cloud, 5G, RPA (Robotic Process Automation), FinTech and edge computing has continued to remain strong.

Under these circumstances, the Ricksoft Group has been reshaping and communicating the possibilities of finished goods and services to solve problems and concerns caused by changes in customer needs and corporate awareness. The use of these by customers has been robust.

#### <About Finished Goods and Services>

- Expanded BI connection tool of "Cadre," a tool independently developed by the Company that supports data utilization of Jira Software-Confluence (June 2022)
- Ricksoft, Inc., the Company's subsidiary, launched "Gantt Chart Planner - Roadmap & Timeline - for Confluence" in the Atlassian Marketplace (June 2022)
- Launched guidebook for cloud version of Atlassian products (June 2022)
- Entered Atlassian Marketplace Partner with an aim to promote the use of Atlassian products in Japan (October 2022)
- Developed "Project Success Rate Forecast powered by PROEVER," an application for the agile project management tool "Jira Software Cloud," and released it in the Atlassian Marketplace (October 2022)
- Launched "D-Accel," a platform providing solutions that promote corporate DX, in the Atlassian Marketplace (December 2022)
- Started releasing "TeamSpirit Connector for Jira," a Jira application independently developed by the Company that reduces the man-hour input burden of engineers, in the Atlassian Marketplace (January 2023)

#### <About business partnership>

- Started collaboration with Management Solutions Co., Ltd. to provide next-generation project management solutions (May 2022)

In addition, by promoting DX and implementation of work-style reform also within the company, we have promoted in-house restructuring to adapt to the situations with an aim to further increase productivity, cut costs, etc. Going forward, our officers and employees will continue to make a unified effort to promote DX as well as to cultivate existing customers and increase orders by gaining new customers.

As a result, for the fiscal year under review, the Company recorded net sales of 5,623,325 thousand yen (up 30.5%), operating profit of 546,980 thousand yen (up 25.0%), ordinary profit of 567,395 thousand yen (up 26.0%), and profit attributable to owners of parent of 423,882 thousand yen (up 29.7%), all on a year-on-year basis.

Description of segment information is omitted as the Company has a single business segment of tool solution business.

## (2) Overview of Financial Position for the Fiscal Year Under Review

### (Assets)

Total assets at the end of the fiscal year under review increased by 1,639,262 thousand yen from the end of the previous fiscal year to 4,571,491 thousand yen (up 55.9% year on year). This was mainly attributable to cash and deposits increasing by 981,886 thousand yen, prepaid expenses increasing by 474,026 thousand yen due to the application of the accounting standard for revenue recognition, etc., and deferred tax assets increasing by 40,122 thousand yen.

### (Liabilities)

Liabilities at the end of the fiscal year under review increased by 1,420,113 thousand yen from the end of the previous fiscal year to 2,097,148 thousand yen (up 209.8% year on year). This was mainly attributable to accounts payable - trade increasing by 510,246 thousand yen, contract liabilities increasing by 1,057,723 thousand yen due to the application of the accounting standard for revenue recognition, etc., and advances received decreasing by 168,923 thousand yen.

### (Net assets)

Net assets at the end of the fiscal year under review increased by 219,148 thousand yen from the end of the previous fiscal year to 2,474,342 thousand yen (up 9.7% year on year). This was mainly attributable to retained earnings increasing by 423,882 thousand yen due to the recording of profit attributable to owners of parent, foreign currency translation adjustment increasing by 11,362 thousand yen due to the depreciation of the yen, and capital and capital surplus increasing by 9,166 thousand yen each due to the exercise of stock options, while balance of retained earnings at beginning of period decreasing by 234,403 thousand yen due to application of the accounting standard for revenue recognition, etc.

## (3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year under review increased by 981,886 thousand yen from the end of the previous fiscal year to 3,070,797 thousand yen (up 47.0% year on year). The status of cash flows and their contributing factors are as follows.

### (Cash flows from operating activities)

Cash flows from operating activities in the fiscal year under review amounted to net cash provided by operating activities of 977,857 thousand yen (up 506.8% year on year). This was mainly attributable to an increase in trade receivables of 122,844 thousand yen, an increase in prepaid expenses of 334,112 thousand yen and income taxes paid of 93,751 thousand yen despite profit before income taxes of 567,395 thousand yen, an increase in trade payables of 509,214 thousand yen and an increase in contract liabilities of 430,641 thousand yen.

### (Cash flows from investing activities)

Cash flows from investing activities in the fiscal year under review amounted to net cash used in investing activities of 27,391 thousand yen (down 41.5% year on year). This was mainly due to purchase of property, plant and equipment of 9,818 thousand yen, purchase of intangible assets of 15,509 thousand yen, etc.

### (Cash flows from financing activities)

Cash flows from financing activities in the fiscal year under review amounted to net cash provided by financing activities of 18,104 thousand yen (down 20.4% year on year). This was mainly attributable to proceeds from issuance of shares resulting from exercise of share acquisition rights of 18,122 thousand yen, etc.

#### (4) Future Outlook

As for the Japanese economy in the next fiscal year, the government announced a policy to shift the classification of COVID-19 from the current “Class 2” to “Class 5,” which is the same as seasonal influenza, etc. in May 2023, and further economic normalization and economic recovery are expected in the future. Meanwhile, looking at the global economy, consumption is gradually recovering in the Chinese economy due to the normalization of economic activities resulting from the termination of the zero-COVID-19 policy in early January 2023 and policy management focusing on growth, but a sense of caution against inflation still remains in the U.S. and the eurozone, and there is still a downside risk to the global economy due to a sense of caution against geopolitical risks including the situation in Ukraine and the U.S.-China conflict. Therefore, it is necessary to continue to carefully watch the effects of fluctuations in financial and capital markets and such.

Under these circumstances, the Ricksoft Group will further increase the added value it provides such as thorough support and independent training ranging from development and deployment to operation in response to Atlassian’s policy of migration to the cloud. In addition, due to the scheduled termination of the perpetual license support for server products by Atlassian in February 2024, which has already been announced, Ricksoft will continue to reinforce support services to ensure the smooth migration of Atlassian’s products. Furthermore, as “D-Accel,” released in the Atlassian Marketplace last December, is also an application equipped with functions enabling customers in Japan to use Atlassian cloud products with peace of mind, cloud migration is expected to be carried out at the Company.

Ricksoft will continue to actively engage in valuable M&A deals and investment as necessary.

For the business results for the fiscal year ending February 2024, the Company forecasts net sales of 6,818 million yen (up 21.3%), operating profit of 621 million yen (up 13.7%), ordinary profit of 641 million yen (up 13.1%) and profit attributable to owners of parent of 445 million yen (up 5.1%), all on a year-on-year basis.

## 2. Basic Policy Regarding Selection of Accounting Standards

The Ricksoft Group plans to prepare consolidated financial statements by applying the Japanese GAAP for the time being, taking into consideration the comparability of the period of consolidated financial statements and comparability between companies. Going forward, the Company plans to consider the application of international accounting standards based on the global business development, change in foreign shareholding ratio, trend of application of international accounting standards by other domestic companies and other factors.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheet

(Unit: thousand yen)

	Fiscal year ended Feb. 2022 (as of February 28, 2022)	Fiscal year ended Feb. 2023 (February 28, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	2,088,910	3,070,797
Accounts receivable - trade	563,618	-
Accounts receivable - trade and contract assets	-	691,262
Work in process	26,848	42,385
Prepaid expenses	24,024	498,051
Other	48,553	37,007
<b>Total current assets</b>	<b>2,751,955</b>	<b>4,339,504</b>
Non-current assets		
Property, plant and equipment		
Buildings	85,727	85,727
Tools, furniture and fixtures	49,961	59,082
Accumulated depreciation	(43,829)	(58,964)
<b>Total property, plant and equipment</b>	<b>91,859</b>	<b>85,845</b>
Intangible assets		
Other	10,197	25,621
<b>Total intangible assets</b>	<b>10,197</b>	<b>25,621</b>
Investments and other assets		
Deferred tax assets	24,365	64,487
Leasehold deposits	52,881	52,954
Other	970	3,077
<b>Total investments and other assets</b>	<b>78,216</b>	<b>120,519</b>
<b>Total non-current assets</b>	<b>180,273</b>	<b>231,986</b>
<b>Total assets</b>	<b>2,932,229</b>	<b>4,571,491</b>

(Unit: thousand yen)

	Fiscal year ended Feb. 2022 (as of February 28, 2022)	Fiscal year ended Feb. 2023 (February 28, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	316,919	827,166
Income taxes payable	41,392	31,082
Contract liabilities	-	1,057,723
Advances received	168,923	-
Provision for bonuses	51,728	54,992
Provision for loss on order received	2,594	5,590
Other	64,434	89,455
Total current liabilities	645,993	2,066,010
Non-current liabilities		
Asset retirement obligations	31,041	31,138
Total non-current liabilities	31,041	31,138
Total liabilities	677,034	2,097,148
<b>Net assets</b>		
Shareholders' equity		
Share capital	337,501	346,667
Capital surplus	372,501	381,667
Retained earnings	1,543,096	1,732,575
Treasury shares	(541)	(559)
Total shareholders' equity	2,252,558	2,460,351
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,625	13,987
Total accumulated other comprehensive income	2,625	13,987
Share acquisition rights	10	3
Total net assets	2,255,194	2,474,342
Total liabilities and net assets	2,932,229	4,571,491



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

## Consolidated Statement of Income

(Unit: thousand yen)

	Fiscal year ended Feb. 2022 (from March 1, 2021 to February 28, 2022)	Fiscal year ended Feb. 2023 (from March 1, 2022 to February 28, 2023)
Net sales	4,308,223	5,623,325
Cost of sales	2,779,301	3,759,387
Gross profit	1,528,921	1,863,937
Selling, general and administrative expenses	1,091,436	1,316,957
Operating profit	437,485	546,980
Non-operating income		
Interest income	4	3
Foreign exchange gains	4,261	3,925
Rebate	4,384	13,266
Subsidy income	3,791	2,758
Other	545	1,029
Total non-operating income	12,987	20,984
Non-operating expenses		
Interest expenses	-	361
Share issuance costs	230	207
Total non-operating expenses	230	569
Ordinary profit	450,242	567,395
Profit before income taxes	450,242	567,395
Income taxes - current	116,845	79,670
Income taxes - deferred	6,462	63,842
Total income taxes	123,308	143,512
Profit	326,934	423,882
Profit attributable to owners of parent	326,934	423,882

Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	Fiscal year ended Feb. 2022 (from March 1, 2021 to February 28, 2022)	Fiscal year ended Feb. 2023 (from March 1, 2022 to February 28, 2023)
Profit	326,934	423,882
Other comprehensive income		
Foreign currency translation adjustment	4,342	11,362
Total other comprehensive income	4,342	11,362
Comprehensive income	331,277	435,245
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	331,277	435,245

### (3) Consolidated Statement of Changes in Equity

Fiscal year ended February 2022 (from March 1, 2021 to February 28, 2022)

(Unit: thousand yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	325,946	360,946	1,216,162	(415)	1,902,640	(1,717)	(1,717)	20	1,900,943
Cumulative amount of resulting from changes in accounting policies									
Balance at beginning of period reflecting changes in accounting policies	325,946	360,946	1,216,162	(415)	1,902,640	(1,717)	(1,717)	20	1,900,943
Changes during period									
Issuance of new shares - exercise of share acquisition rights	11,554	11,554			23,109				23,109
Profit attributable to owners of parent			326,934		326,934				326,934
Purchase of treasury shares				(125)	(125)				(125)
Net changes in items other than shareholders' equity						4,342	4,342	(9)	4,332
Total changes during period	11,554	11,554	326,934	(125)	349,917	4,342	4,342	(9)	354,250
Balance at end of period	337,501	372,501	1,543,096	(541)	2,252,558	2,625	2,625	10	2,255,194

Fiscal year ended February 2023 (from March 1, 2022 to February 28, 2023)

(Unit: thousand yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	337,501	372,501	1,543,096	(541)	2,252,558	2,625	2,625	10	2,255,194
Cumulative amount of resulting from changes in accounting policies			(234,403)		(234,403)				(234,403)
Balance at beginning of period reflecting changes in accounting policies	337,501	372,501	1,308,692	(541)	2,018,154	2,625	2,625	10	2,020,790
Changes during period									
Issuance of new shares - exercise of share acquisition rights	9,166	9,166			18,332				18,332
Profit attributable to owners of parent			423,882		423,882				423,882
Purchase of treasury shares				(17)	(17)				(17)
Net changes in items other than shareholders' equity						11,362	11,362	(7)	11,355
Total changes during period	9,166	9,166	423,882	(17)	442,197	11,362	11,362	(7)	453,552
Balance at end of period	346,667	381,667	1,732,575	(559)	2,460,351	13,987	13,987	3	2,474,342

## (4) Consolidated Statement of Cash Flows

(Unit: thousand yen)

	Fiscal year ended Feb. 2022 (from March 1, 2021 to February 28, 2022)	Fiscal year ended Feb. 2023 (from March 1, 2022 to February 28, 2023)
Net cash provided by (used in) operating activities		
Profit before income taxes	450,242	567,395
Depreciation	29,954	19,011
Foreign exchange losses (gains)	(4,537)	(4,528)
Increase (decrease) in provision for bonuses	(10,418)	2,803
Increase (decrease) in provision for loss on order received	2,594	2,995
Interest income	(4)	(3)
Interest expenses	-	361
Subsidy income	(3,791)	(2,758)
Share issuance costs	230	207
Decrease (increase) in trade receivables	410,202	(122,844)
Decrease (increase) in inventories	(6,790)	(15,536)
Decrease (increase) in advance payments - trade	(3,566)	-
Decrease (increase) in prepaid expenses	(242)	(334,112)
Increase (decrease) in trade payables	(409,047)	509,214
Increase (decrease) in contract liabilities	-	430,641
Increase (decrease) in advances received	(3,591)	-
Decrease (increase) in consumption taxes receivable	-	10,626
Increase (decrease) in accrued consumption taxes	(85,576)	(2,429)
Other, net	(6,880)	8,164
Subtotal	358,777	1,069,208
Interest received	4	3
Interest paid	-	(361)
Income taxes paid	(201,431)	(93,751)
Proceeds from subsidy income	3,791	2,758
Net cash provided by (used in) operating activities	161,142	977,857
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(51,131)	(9,818)
Purchase of intangible assets	(9,493)	(15,509)
Payments for asset retirement obligations	(15,530)	-
Payments of leasehold and guarantee deposits	(924)	(2,064)
Proceeds from refund of leasehold and guarantee deposits	30,286	-
Net cash provided by (used in) investing activities	(46,793)	(27,391)
Net cash provided by (used in) financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	22,869	18,122
Purchase of treasury shares	(125)	(17)
Net cash provided by (used in) financing activities	22,743	18,104
Effect of exchange rate change on cash and cash equivalents	7,795	13,316
Net increase (decrease) in cash and cash equivalents	144,888	981,886
Cash and cash equivalents at beginning of period	1,944,022	2,088,910
Cash and cash equivalents at end of period	2,088,910	3,070,797

## (5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, Etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition."), etc. has been applied from the beginning of the fiscal year under review. The Company has thus recognized promised goods or services as revenue at the amount expected to be received upon exchange of said goods or services at the time the control of said goods or services is transferred to the customer.

Therefore, for some transactions, revenue was recognized upon delivery, but for performance obligations that are satisfied over a certain period of time, the method of recognizing revenue has been changed to that of recognizing revenue over a certain period of time .

The application of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition, and the cumulative effect of the retrospective application of the new accounting policy prior to the beginning of the fiscal year under review was added to or subtracted from the retained earnings at the beginning of the fiscal year under review. The new accounting policy was applied starting with balance at beginning of period.

As a result, the balance of retained earnings at beginning of period decreased by 234,403 thousand yen as the cumulative effect of the retrospective application was reflected on net assets at the beginning of the fiscal year under review.

In addition, compared with before the application of the Accounting Standard for Revenue Recognition, etc., net sales decreased by 376,063 thousand yen, cost of sales decreased by 290,292 thousand yen, and operating profit, ordinary profit and profit before income taxes each decreased by 85,770 thousand yen in the fiscal year under review.

Due to the application of the Accounting Standard for Revenue Recognition, etc., the Company decided to include "accounts receivable – trade," listed under "current assets" in the consolidated balance sheet for the previous fiscal year, in "accounts receivable - trade and contract assets" from the fiscal year under review, and to include "advances received," listed under "current liabilities," in "contract liabilities" from the fiscal year under review.

However, in accordance with the transitional treatment stipulated in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, it has not been reclassified regarding the previous consolidated fiscal year using the new presentation method. In addition, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the notes in "Related to Revenue Recognition" for the previous fiscal year are not indicated.

(Application of Accounting Standard for Fair Value Measurement, Etc.)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Accounting Standard for Fair Value Measurement"), etc. has been applied from the beginning of fiscal year under review.. The Company has decided to apply new accounting policies provided for in the Accounting Standard for Fair Value Measurement, etc. in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated financial statements.

(Related to Revenue Recognition)

Information disaggregating revenue from contracts with customers

Fiscal year ended February 2023 (from March 1, 2022 to February 28, 2023)

(Unit: thousand yen)

	Tool solution business			Total
	License Sales, System Integration Services	Fully Managed Service for Enterprises	Own Software Development	
Goods or services transferred at a point in time	3,326,099	—	401,791	3,727,891
Goods or services transferred over a certain period	1,559,925	302,495	33,012	1,895,433
Revenue from contracts with customers	4,886,025	302,495	434,804	5,623,325
Other revenue	—	—	—	—
Sales to outside customers	4,886,025	302,495	434,804	5,623,325

(Note) The name of the service has been changed from the fiscal year ended February 2023. As a result, “Fully Managed Cloud Service for Enterprises” was changed to “Fully Managed Service for Enterprises.” Only the name has been changed, and there is no impact on the content of the service.

(Segment Information, Etc.)

[Segment information]

Description is omitted as the Company has a single business segment of tool solution business.

[Related information]

Fiscal year ended February 2022 (from March 1, 2021 to February 28, 2022)

1. Information by product and service

(Unit: thousand yen)

	License Sales, System Integration Services	Fully Managed Service for Enterprises	Own Software Development	Total
Sales to outside customers	3,685,460	309,110	313,652	4,308,223

2. Information by geographic area

(1) Net sales

Description is omitted as net sales to external customers in Japan exceeds 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Description is omitted as there is no property, plant and equipment located outside Japan.

3. Information by major customer

Not applicable as, of the net sales to external customers, no customer accounts for 10% or more of net sales on the consolidated statement of income.

Fiscal year ended February 2023 (from March 1, 2022 to February 28, 2023)

1. Information by product and service

(Unit: thousand yen)

	License Sales, System Integration Services	Fully Managed Service for Enterprises	Own Software Development	Total
Sales to outside customers	4,886,025	302,495	434,804	5,623,325

(Note) The name of the service has been changed from the fiscal year ended February 2023. As a result, "Fully Managed Cloud Service for Enterprises" was changed to "Fully Managed Service for Enterprises." Only the name has been changed, and there is no impact on the content of the service. Accordingly, the service segment name for the previous fiscal year has been changed to the same as that for the fiscal year under review.

2. Information by geographic area

(1) Net sales

Description is omitted as net sales to external customers in Japan exceeds 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Description is omitted as there is no property, plant and equipment located outside Japan.

3. Information by major customer

Not applicable as, of the net sales to external customers, no customer accounts for 10% or more of net sales on the consolidated statement of income.

[Information about impairment loss on non-current assets by reportable segment]

Fiscal year ended February 2022 (from March 1, 2021 to February 28, 2022)

Not applicable.

Fiscal year ended February 2023 (from March 1, 2022 to February 28, 2023)

Not applicable.

[Information about amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended February 2022 (from March 1, 2021 to February 28, 2022)

Not applicable.

Fiscal year ended February 2023 (from March 1, 2022 to February 28, 2023)

Not applicable.

[Information about gain on bargain purchase by reportable segment]

Fiscal year ended February 2022 (from March 1, 2021 to February 28, 2022)

Not applicable.

Fiscal year ended February 2023 (from March 1, 2022 to February 28, 2023)

Not applicable.

## (Per Share Information)

	Fiscal year ended Feb. 2022 (from March 1, 2021 to February 28, 2022)	Fiscal year ended Feb. 2023 (from March 1, 2022 to February 28, 2023)
Net assets per share	507.15 yen	547.41 yen
Basic earnings per share	74.54 yen	94.39 yen
Diluted earnings per share	72.94 yen	93.74 yen

(Note) The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

Item	Fiscal year ended Feb. 2022 (from March 1, 2021 to February 28, 2022)	Fiscal year ended Feb. 2023 (from March 1, 2022 to February 28, 2023)
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	326,934	423,882
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent for common shares (thousand yen)	326,934	423,882
Average number of common shares during period (shares)	4,385,820	4,490,928
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (thousand yen)	—	—
Increase in number of common shares (shares)	96,215	30,770
(Of which, share acquisition rights (shares))	(96,215)	(30,770)
Description of potentially dilutive shares not included in calculation of diluted earnings per share, because they are antidilutive	—	—

## (Significant Subsequent Events)

Not applicable.