



May 14, 2026

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (FY2025)

[Japanese GAAP]

Company name: ZUKEN Inc. Listing: Tokyo Stock Exchange
 Stock code: 6947 URL: <https://www.zuken.co.jp>
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 Scheduled date of Annual General Shareholders' Meeting: June 26, 2026
 Scheduled date of payment of dividend: June 29, 2026
 Scheduled date of filing of Annual Securities Report: June 19, 2026
 Preparation of supplementary materials for financial results: None
 Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 – March 31, 2026)

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

Fiscal years ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2026	43,101	5.8	5,865	8.8	7,133	20.2	5,400	3.3
Mar. 31, 2025	40,736	5.9	5,392	12.4	5,936	9.1	5,226	35.1

Note: Comprehensive income (Millions of yen) Fiscal year ended Mar. 31, 2026: 6,167 (up 27.6%)

Fiscal year ended Mar. 31, 2025: 4,834 (up 0.4%)

Fiscal years ended	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Mar. 31, 2026	253.15	-	13.3	10.9	13.6
Mar. 31, 2025	236.99	-	13.0	9.3	13.2

Reference: Equity in earnings of associates (Millions of yen) Fiscal year ended Mar. 31, 2026: 900

Fiscal year ended Mar. 31, 2025: 492

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2026	67,625	41,277	61.0	1,958.54
As of Mar. 31, 2025	63,274	39,948	63.1	1,843.79

Reference: Shareholders' equity (Millions of yen) As of Mar. 31, 2026: 41,277 As of Mar. 31, 2025: 39,948

(3) Consolidated cash flows

Fiscal years ended	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
Mar. 31, 2026	6,131	(757)	(5,211)	28,287
Mar. 31, 2025	4,861	1,076	(5,957)	27,224

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2025	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	Yen
	-	50.00	-	50.00	100.00	2,195	42.2	5.5
Fiscal year ended Mar. 31, 2026	-	50.00	-	150.00	200.00	4,229	79.0	10.5
Fiscal year ending Mar. 31, 2027 (forecast)	-	75.00	-	75.00	150.00		55.5	

Note: For the fiscal year ended March 31, 2026, Zuken plans to pay an ordinary dividend of 100 yen and a commemorative dividend of 100 yen, for a total of 200 yen per share.

For the fiscal year ending March 31, 2027, Zuken plans to increase the ordinary dividend by 50 yen, from 100 yen to a total of 150 yen per share.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(Percentages represent year-on-year changes)

Full year	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
	46,000	6.7	6,700	14.2	7,800	9.3	5,700	5.6	270.45

Note: Only the full-year forecast is shown because Zuken manages performance on a fiscal year basis.

* Notes

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

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

(a) Changes in accounting policies due to revisions in accounting standards, others:	None
(b) Changes in accounting policies other than (a) above:	None
(c) Changes in accounting-based estimates:	None
(d) Restatements:	None

(3) Number of outstanding shares (common stock)

(a) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2026:	22,249,804 shares	As of Mar. 31, 2025:	22,249,804 shares
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(b) Number of treasury shares at the end of the period

As of Mar. 31, 2026:	1,174,038 shares	As of Mar. 31, 2025:	583,295 shares
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(c) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2026:	21,332,034 shares	Fiscal year ended Mar. 31, 2025:	22,052,399 shares
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Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

Fiscal years ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2026	13,752	2.8	2,216	6.3	5,208	26.3	4,055	5.0
Mar. 31, 2025	13,384	5.8	2,085	15.0	4,125	10.1	3,863	226.7

Fiscal years ended	Net income per share	Diluted net income per share
	Yen	Yen
Mar. 31, 2026	190.12	-
Mar. 31, 2025	175.21	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2026	38,197	31,544	82.6	1,496.70
As of Mar. 31, 2025	39,709	32,698	82.3	1,509.18

Reference: Shareholders' equity (Millions of yen) As of Mar. 31, 2026: 31,544 As of Mar. 31, 2025: 32,698

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

* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumption judged to be valid and information available to the Company's management at the time this report was prepared, but are not promises by the Company regarding future performance. Actual results may differ substantially from the forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, etc., (4) Outlook" on page 4 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations, etc.

(1) Results of Operations

The economic outlook remained uncertain during the fiscal year due to the effects of U.S. tariffs, concerns about the situation in the Middle East and for other reasons. Despite these uncertainties, the economy recovered slowly, supported by growth in corporate earnings.

The speed of the digital transformation of the manufacturing sector is increasing, and manufacturers in the electronics, automobile and industrial equipment sectors, which are the major customers of the Zuken Group, are continuing to make substantial IT investments for the digital transformation.

The Zuken Group is dedicated to operating as an engineering IT organization capable of providing best-in-class solutions for a broad range of design and manufacturing challenges for manufacturers around the world. During the fiscal year, we focused on increasing sales of core products and upgrading their functions. Major initiatives of the fiscal year were as follows.

(i) Expanding sales of core products

There were many sales activities incorporating proposals for solving customers' problems. Priorities were sales of the CR-8000 Design Force, our core electronic design system for manufacturers in the electronics industry, and E3.series of wire harness design systems for manufacturers of automobiles and industrial machinery.

For the DS series, which is a management system for data of these two design systems, sales activities promoted the use of this series with a solution that dramatically improves design efficiency. The goal was to receive orders for the use of the DS series, which led to its introduction in large-scale design environments.

In the systems engineering category, there were more activities involving proposals for sales of the GENESYS model-based systems engineering (MBSE) modeling tool. The objective is higher efficiency of all design processes due to digitalization of the conceptual design stage. There has been progress toward the full-scale use of this tool due to the provision of thorough support to customers for starting to use GENESYS.

(ii) Developing new products and upgrading functions

Development activities involving the CR-8000 series have the goal of enabling us to create the best possible design proposals to match the characteristics of customers' design assets. To accomplish this, a new function was released that incorporates a more advanced automatic placement and routing using AI. In the next-generation semiconductor project, we are using the excellent processing capability and scalability of the CR-8000 series to provide technical support for semiconductor chip mounting processes. There were also activities to add more functions for further expanding the utilization of this product.

For the E3.series, new products were developed to expand operations beyond manufacturers of industrial equipment. Sales are targeting industrial plants, electric power infrastructure and other new markets by supplying products that precisely match customers' needs. To make GENESYS even easier to use, a new product was developed and launched that can share on the web models created in GENESYS and exchange information efficiently.

Consolidated results

Net sales	43,101 million yen	(up 5.8% year on year)
Ordinary profit	7,133 million yen	(up 20.2% year on year)
Profit attributable to owners of parent	5,400 million yen	(up 3.3% year on year)

Fiscal year sales were higher than one year earlier in all solutions, reaching an all-time high for the fifth consecutive year. Steady growth worldwide in sales of our core CR-8000 series and strong sales of the E3.series of wire harness design systems in Japan, Europe, and U.S. were major contributors to sales growth.

Expenses for development programs increased because of the faster pace of these programs, primarily in MBSE. Despite these higher expenses, operating profit and ordinary profit increased to record highs for the fifth consecutive year because of sales growth. Profit attributable to owners of parent was also an all-time high for the second consecutive year.

Product category sales were as follows.

Product category sales

Printed Circuit Board design solutions	5,269 million yen	(up 6.0% year on year)
Circuit design solutions	8,814 million yen	(up 0.8% year on year)
IT solutions	10,525 million yen	(up 4.7% year on year)
Client services	18,482 million yen	(up 9.1% year on year)

Major products of Printed Circuit Board design solutions	CR-8000 Design Force CR-8000 Board Designer CR-8000 DFM Center CADSTAR eCADSTAR
Major products of Circuit design solutions	CR-8000 Design Gateway CR-8000 System Planner E3.series E3.infinite Cabling Designer Harness Designer
Major products of IT solutions	DS-CR DS-2 Espresso DS-E3 DS-E3.infinite GENESYS PreSight visual BOM

(2) Financial Position

Total assets at the end of the current fiscal year increased 4,351 million yen from the end of the previous fiscal year to 67,625 million yen. The main factors include increases of 1,163 million yen in cash and deposits, 1,069 million yen in prepaid expenses, and 826 million yen in shares of subsidiaries and associates.

Total liabilities increased 3,021 million yen from the end of the previous fiscal year to 26,347 million yen. The main factors include an increase of 3,113 million yen in advances received.

Net assets increased by 1,329 million yen from the end of the previous fiscal year to 41,277 million yen mainly due to repurchase of treasury shares of 3,000 million yen, while there was profit attributable to owners of parent of 5,400 million yen. As a result, the shareholders' equity ratio was 61.0%.

(3) Cash Flows

Cash and cash equivalents (hereafter "cash") at the end of the current fiscal year increased 1,063 million yen over the end of the previous fiscal year to 28,287 million yen.

Cash flows by category were as follows.

Cash flows from operating activities

Net cash provided by operating activities increased 1,269 million yen from the previous fiscal year to 6,131 million yen. The main cash inflows were profit before income taxes of 7,123 million yen (a year-on-year decrease of 306 million yen), an increase in advances received of 2,671 million yen (a year-on-year increase of 2,754 million yen) and depreciation of 844 million yen (a year-on-year increase of 14 million yen). The main cash outflows were income taxes paid of 2,291 million yen (a year-on-year increase of 769 million yen), an increase in prepaid expenses of 1,036 million yen (a year-on-year increase of 1,120 million yen) and share of profit of entities accounted for using equity method of 900 million yen (a year-on-year increase of 408 million yen).

Cash flows from investing activities

Net cash used in investing activities was 757 million yen compared with 1,076 million yen provided in the previous fiscal year. This was mainly due to purchase of non-current assets of 717 million yen (a year-on-year increase of 122 million yen).

Cash flows from financing activities

Net cash used in financing activities decreased 745 million yen from the previous fiscal year to 5,211 million yen. This was mainly due to purchase of treasury shares of 3,000 million yen (a year-on-year increase of 499 million yen) and dividends paid of 2,151 million yen (a year-on-year increase of 371 million yen).

Cash flow indicators were as follows:

Fiscal years ended	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Shareholders' equity ratio	65.4%	63.3%	63.1%	61.0%
Shareholders' equity ratio based on market prices	128.0%	156.9%	162.0%	134.9%
Interest-bearing debt to cash flow ratio	3.9%	2.0%	2.4%	2.0%
Interest coverage ratio	1,232.3	924.4	1,347.4	2,748.2

Calculation formula: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: 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. All indicators are calculated based on consolidated figures.

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

3. Cash flows are calculated using the figures for operating cash flows.

4. Interest-bearing debt includes all liabilities on the consolidated balance sheet that incur interest.

(4) Outlook

The outlook for the economy is expected to remain uncertain because of rising tensions in the Middle East, U.S. tariffs, and other reasons. Meanwhile, the business climate for the manufacturing sector is constantly changing due to more active use of advanced technologies such as generative AI. We believe that these changes will further enlarge the business domains for the products and services of the Zuken Group.

The Zuken Group is continuing to focus on solving customers' problems and quickly providing solutions for making all manufacturing processes more efficient. All group companies are dedicated to using these activities to support manufacturing operations worldwide.

We forecast net sales of 46,000 million yen, ordinary profit of 7,800 million yen, and profit attributable to owners of parent of 5,700 million yen in the fiscal year ending March 31, 2027.

* These forecasts are based on information available at the time this report was prepared. Actual results may differ from these forecasts for a number of reasons.

2. Basic Approach for the Selection of Accounting Standards

The Zuken Group will continue to prepare consolidated financial statements in accordance with generally accepted accounting principles in Japan for the time being 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 by taking into account associated factors in Japan and other countries.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	FY2024	FY2025
	(As of Mar. 31, 2025)	(As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	28,218,445	29,381,644
Notes receivable - trade	274,733	441,028
Accounts receivable - trade	6,960,412	7,721,478
Securities	6,700,000	6,700,000
Merchandise and finished goods	449,028	509,295
Work in process	122,029	273,481
Raw materials and supplies	3,511	1,906
Prepaid expenses	5,420,640	6,490,524
Other	378,421	630,390
Allowance for doubtful accounts	(31,261)	(29,377)
Total current assets	48,495,961	52,120,371
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,261,626	9,362,494
Accumulated depreciation	(6,772,785)	(6,888,373)
Buildings and structures, net	2,488,840	2,474,120
Machinery, equipment and vehicles	174,850	163,217
Accumulated depreciation	(99,453)	(121,096)
Machinery, equipment and vehicles, net	75,396	42,120
Tools, furniture and fixtures	2,580,105	2,753,190
Accumulated depreciation	(2,122,831)	(2,189,039)
Tools, furniture and fixtures, net	457,274	564,151
Land	3,009,821	3,009,821
Leased assets	194,371	193,856
Accumulated depreciation	(83,933)	(76,381)
Leased assets, net	110,437	117,475
Total property, plant and equipment	6,141,770	6,207,689
Intangible assets		
Goodwill	54,821	-
Other	765,712	704,644
Total intangible assets	820,533	704,644
Investments and other assets		
Investment securities	3,410,311	3,326,166
Shares of subsidiaries and associates	2,715,131	3,541,713
Deferred tax assets	1,039,271	977,998
Other	671,770	766,643
Allowance for doubtful accounts	(20,489)	(19,837)
Total investments and other assets	7,815,994	8,592,683
Total non-current assets	14,778,298	15,505,017
Total assets	63,274,260	67,625,389

	(Thousands of yen)	
	FY2024 (As of Mar. 31, 2025)	FY2025 (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	827,019	1,245,136
Income taxes payable	1,544,513	905,881
Advances received	12,772,768	15,885,927
Provision for bonuses	1,233,470	1,330,816
Provision for bonuses for directors (and other officers)	112,300	119,470
Other provisions	5,057	3,084
Other	2,884,319	3,340,126
Total current liabilities	19,379,447	22,830,442
Non-current liabilities		
Retirement benefit liability	3,690,937	3,276,335
Other	255,306	240,813
Total non-current liabilities	3,946,244	3,517,149
Total liabilities	23,325,692	26,347,591
Net assets		
Shareholders' equity		
Share capital	10,117,065	10,117,065
Capital surplus	7,625,112	7,625,112
Retained earnings	22,249,184	25,819,383
Treasury shares	(2,501,631)	(5,502,533)
Total shareholders' equity	37,489,730	38,059,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,766,657	1,663,721
Foreign currency translation adjustment	739,710	1,362,970
Remeasurements of defined benefit plans	(47,530)	192,078
Total accumulated other comprehensive income	2,458,837	3,218,770
Total net assets	39,948,567	41,277,797
Total liabilities and net assets	63,274,260	67,625,389

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

(Thousands of yen)

	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)	FY2025 (Apr. 1, 2025 – Mar. 31, 2026)
Net sales	40,736,294	43,101,750
Cost of sales	12,812,644	13,544,426
Gross profit	27,923,650	29,557,323
Selling, general and administrative expenses	22,531,397	23,692,193
Operating profit	5,392,252	5,865,129
Non-operating income		
Interest income	140,198	105,176
Dividend income	43,241	49,119
Foreign exchange gains	-	67,180
Share of profit of entities accounted for using equity method	492,018	900,300
Subsidy income	55,148	91,440
Other	78,638	63,852
Total non-operating income	809,246	1,277,069
Non-operating expenses		
Interest expenses	3,608	2,230
Foreign exchange losses	97,595	-
Commission for purchase of treasury shares	5,000	5,999
Commission expenses	158,872	-
Other	258	430
Total non-operating expenses	265,335	8,661
Ordinary profit	5,936,163	7,133,538
Extraordinary income		
Gain on sale of non-current assets	5,408	3,988
Gain on sale of investment securities	1,496,499	-
Total extraordinary income	1,501,907	3,988
Extraordinary losses		
Loss on disposal of non-current assets	3,168	14,236
Loss on valuation of investment securities	5,092	-
Total extraordinary losses	8,260	14,236
Profit before income taxes	7,429,810	7,123,289
Income taxes - current	2,232,339	1,661,748
Income taxes - deferred	(50,486)	61,304
Total income taxes	2,181,853	1,723,053
Profit	5,247,956	5,400,236
Profit attributable to non-controlling interests	21,742	-
Profit attributable to owners of parent	5,226,214	5,400,236

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY2024	FY2025
	(Apr. 1, 2024 – Mar. 31, 2025)	(Apr. 1, 2025 – Mar. 31, 2026)
Profit	5,247,956	5,400,236
Other comprehensive income		
Valuation difference on available-for-sale securities	(350,919)	(57,639)
Foreign currency translation adjustment	(71,837)	630,490
Remeasurements of defined benefit plans, net of tax	(27,568)	239,609
Share of other comprehensive income of entities accounted for using equity method	36,995	(44,889)
Total other comprehensive income	(413,329)	767,571
Comprehensive income	4,834,627	6,167,807
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,812,885	6,167,807
Comprehensive income attributable to non-controlling interests	21,742	-

(3) Consolidated Statement of Changes in Equity

FY2024 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117,065	8,662,477	18,802,945	(39)	37,582,447
Changes during period					
Dividends of surplus			(1,779,975)		(1,779,975)
Profit attributable to owners of parent			5,226,214		5,226,214
Purchase of shares of consolidated subsidiaries		(1,037,364)			(1,037,364)
Purchase of treasury shares				(2,501,591)	(2,501,591)
Net changes other than shareholders' equity					
Total changes during period	-	(1,037,364)	3,446,239	(2,501,591)	(92,717)
Balance at end of period	10,117,065	7,625,112	22,249,184	(2,501,631)	37,489,730

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,080,581	811,548	(19,962)	2,872,166	562,488	41,017,102
Changes during period						
Dividends of surplus						(1,779,975)
Profit attributable to owners of parent						5,226,214
Purchase of shares of consolidated subsidiaries						(1,037,364)
Purchase of treasury shares						(2,501,591)
Net changes other than shareholders' equity	(313,924)	(71,837)	(27,568)	(413,329)	(562,488)	(975,817)
Total changes during period	(313,924)	(71,837)	(27,568)	(413,329)	(562,488)	(1,068,534)
Balance at end of period	1,766,657	739,710	(47,530)	2,458,837	-	39,948,567

FY2025 (Apr. 1, 2025 – Mar. 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117,065	7,625,112	22,249,184	(2,501,631)	37,489,730
Changes during period					
Dividends of surplus			(2,151,567)		(2,151,567)
Profit attributable to owners of parent			5,400,236		5,400,236
Purchase of treasury shares				(3,000,901)	(3,000,901)
Change in scope of equity method			321,529		321,529
Net changes other than shareholders' equity					
Total changes during period	-	-	3,570,199	(3,000,901)	569,297
Balance at end of period	10,117,065	7,625,112	25,819,383	(5,502,533)	38,059,027

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,766,657	739,710	(47,530)	2,458,837	39,948,567
Changes during period					
Dividends of surplus					(2,151,567)
Profit attributable to owners of parent					5,400,236
Purchase of treasury shares					(3,000,901)
Change in scope of equity method	(1)	(7,637)		(7,638)	313,891
Net changes other than shareholders' equity	(102,934)	630,896	239,609	767,571	767,571
Total changes during period	(102,936)	623,259	239,609	759,932	1,329,229
Balance at end of period	1,663,721	1,362,970	192,078	3,218,770	41,277,797

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY2024	FY2025
	(Apr. 1, 2024 – Mar. 31, 2025)	(Apr. 1, 2025 – Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	7,429,810	7,123,289
Depreciation	830,150	844,342
Amortization of goodwill	55,386	59,120
Interest and dividend income	(183,440)	(154,295)
Foreign exchange losses (gains)	1,995	(23,961)
Share of loss (profit) of entities accounted for using equity method	(492,018)	(900,300)
Loss (gain) on valuation of investment securities	5,092	-
Loss (gain) on sale of investment securities	(1,496,499)	-
Decrease (increase) in trade receivables	(21,892)	(668,258)
Decrease (increase) in inventories	44,853	(207,740)
Increase (decrease) in trade payables	(4,362)	769,154
Increase (decrease) in advances received	(83,360)	2,671,548
Decrease (increase) in prepaid expenses	83,594	(1,036,555)
Increase (decrease) in retirement benefit liability	(152,332)	(108,906)
Other, net	(44,843)	(438,078)
Subtotal	5,972,133	7,929,359
Interest and dividends received	415,468	495,410
Interest paid	(3,608)	(2,230)
Income taxes paid	(1,522,295)	(2,291,448)
Net cash provided by (used in) operating activities	4,861,697	6,131,089
Cash flows from investing activities		
Decrease (increase) in time deposits	143,686	(27,683)
Purchase of property, plant and equipment	(283,165)	(421,610)
Purchase of intangible assets	(311,833)	(295,902)
Proceeds from sale of investment securities	1,496,499	-
Other, net	30,988	(12,797)
Net cash provided by (used in) investing activities	1,076,175	(757,993)
Cash flows from financing activities		
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,610,349)	-
Purchase of treasury shares	(2,501,591)	(3,000,901)
Dividends paid	(1,779,975)	(2,151,567)
Other, net	(65,921)	(59,442)
Net cash provided by (used in) financing activities	(5,957,838)	(5,211,911)
Effect of exchange rate change on cash and cash equivalents	(51,908)	902,032
Net increase (decrease) in cash and cash equivalents	(71,874)	1,063,216
Cash and cash equivalents at beginning of period	27,295,903	27,224,029
Cash and cash equivalents at end of period	27,224,029	28,287,245

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Basis of Presenting the Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 21

Main consolidated subsidiaries: Zuken USA Inc., Zuken GmbH, Zuken Limited, Zuken Tec Inc., Zuken NetWave Inc.

(2) Number of non-consolidated subsidiaries: 1

This subsidiary is not included in the scope of consolidation since it is a small-scale business whose total assets, net sales, profit (equity in earnings) and retained earnings (equity in earnings) have no significant effect on the overall results of consolidated financial statements.

2. Application of equity method

(1) Number of affiliates accounted for under the equity method: 1 (Business Engineering Corporation)

(2) Number of non-consolidated subsidiaries not accounted for under the equity method: 1

This subsidiary is not included in the scope of application of the equity method since it is a small-scale business whose profit (equity in earnings) and retained earnings (equity in earnings) have no significant effect on the overall results of consolidated financial statements.

(3) For the application of the equity method to Business Engineering Corporation, beginning with the current fiscal year, the earnings of this company's subsidiary are added to the earnings of Business Engineering because retained earnings of the subsidiary after applying the equity method do have a material effect on the consolidated financial statements. The resulting change in retained earnings of this subsidiary at the beginning of the current fiscal year is included directly in consolidated retained earnings. As a result, consolidated retained earnings increased 321,529 thousand yen during the current fiscal year.

3. Fiscal year-ends of consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year-end of Zuken Korea Inc., Zuken Singapore Pte. Ltd. and Zuken Taiwan Inc. is the end of February, and the fiscal year-end of Zuken Shanghai Technical Center Co., Ltd. and Zuken Vitech Inc. is the end of December.

The consolidated financial statements include the financial statements of consolidated subsidiaries as of their fiscal year-ends. However, adjustments to the consolidated financial statements are made as needed for significant transactions at the above five subsidiaries with different fiscal year-ends that occur between their fiscal year-ends and the fiscal year-end for the consolidated financial statements.

4. Accounting standards

(1) Valuation standards and methods for principal assets

(a) Securities

Available-for-sale securities

Other than shares, etc. with no market price: Stated at fair value. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)

Shares, etc. with no market price: Mainly stated at cost determined by the moving-average method.

(b) Inventories

Valued at the cost method (the book value on the balance sheet is written down to reflect the effect of lower profitability).

Merchandise: Primarily stated at cost, determined by the moving-average method.

Finished goods and work in process: Stated at cost, determined by the specific identification method at the Company and its major consolidated subsidiaries, and stated at cost, determined by the periodic average method at some consolidated subsidiaries.

Raw materials: Stated at cost, determined by the moving-average method at the Company, and stated at cost, determined by the specific identification method at major consolidated subsidiaries.

Supplies: Stated at cost, determined by the last purchased price method at the Company and its major consolidated subsidiaries.

(2) Depreciation and amortization of significant depreciable assets

(a) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment at the Company and its domestic consolidated subsidiaries is calculated by the declining-balance method, except for facilities attached to buildings and structures acquired on or after April 1, 2016 and buildings (excluding attached facilities) of which depreciation is calculated by the straight-line method. Overseas consolidated subsidiaries compute depreciation mainly by the straight-line method.

Estimated useful lives of principal assets are as follows:

Buildings and structures:	3 years to 60 years
Tools, furniture and fixtures:	2 years to 20 years

(b) Intangible assets (excluding leased assets)

Software for sale at the Company and its domestic consolidated subsidiaries is amortized using the straight-line method over the period of validity starting when sales begin (not more than three years) and software for internal use at these companies is amortized using the straight-line method over the estimated useful lives (not more than five years).

Amortization of other intangible assets is calculated by the straight-line method.

(c) Leased assets

Depreciation of finance lease transactions where there is no transfer of ownership is calculated based on the straight-line method, assuming the lease period to be the useful lives and a residual value of zero.

(3) Recognition of significant allowances

(a) Allowance for doubtful accounts

To prepare for losses on doubtful accounts such as trade receivables and loans receivable, allowances equal to the estimated amount of uncollectible receivables are booked for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.

(b) Provision for bonuses

To provide for employee bonus obligation, the Company and some consolidated subsidiaries provide an allowance at the amount based on the estimated bonus obligations.

(c) Provision for bonuses for directors (and other officers)

To provide for bonuses for directors (and other officers), the Company and some consolidated subsidiaries provide an allowance at the amount based on the estimated bonus obligations.

(4) Accounting for retirement benefit

(a) Allocation method for the estimated retirement benefit obligations

For the determination of retirement benefit obligations, the benefit formula standard is used as the method for allocating estimated retirement payments over the period ending in the current fiscal year.

(b) Accounting for actuarial gain or loss and past service cost

Past service cost is charged to expenses for the fiscal year when they are incurred.

Actuarial gain or loss is amortized and charged to expenses in the year following the fiscal year in which such gain or loss is recognized by the straight-line method over five years.

(5) Recognition of significant income and expenses

Significant performance obligations in major businesses concerning revenue from contracts with customers of the Company and its consolidated subsidiaries and the normal time when these obligations are satisfied (normal time of revenue recognition) are as follows.

The Zuken Group sells solutions involving processes extending from designs to production, primarily for manufacturers in the electronics, automobile and industrial equipment industries, and provides client services associated with these solutions.

Transactions are calculated by deducting discounts, rebates and other items from the consideration promised in contracts with customers. In addition, the monetary value of transactions is divided among individual performance obligations for the recognition of revenue.

Some contracts consist of more than one type of transaction, such as transactions for software, hardware and maintenance services. For these contracts, the monetary value of transactions is divided among the different transaction categories based on the percentage of sales corresponding to each performance obligation. Consequently, the independent sale price of each good or service required for the contractual performance obligations when the contract begins is calculated and the monetary value of the transaction is allocated by using the ratios of independent sale prices to the total. If prices of goods and services sold individually to customers cannot be observed directly, prices are instead calculated by using an independent sale price estimate obtained primarily by adding a margin to the estimated cost.

For the sale of solutions, the satisfaction of a performance obligation is judged to occur when a product is delivered to a customer because the customer has acquired control of the product at that time. Consequently, revenue is recognized when the product is delivered. In Japan, for some products, revenue is recognized at the time of shipment if the period from the shipment to the transfer of control of the products to the customer is within a normal period of time. For transactions in which the Zuken Group performs the role of an agent for the provision of a good or service to the customer, the net amount obtained by deducting the amount paid to the supplier from the amount received from the customer is recognized as revenue. For the provision of client services, which are primarily product maintenance service contracts for a designated period, revenue is recognized as the associated obligation is satisfied during the contractual maintenance period. Consideration for transactions is received within one year of the satisfaction of the corresponding obligation and there are no significant financial components.

(6) Translation of significant foreign currency-denominated assets and liabilities

Foreign currency receivables and payables are translated into Japanese yen at year-end exchange rates and resulting exchange gains or losses are recognized in current earnings. All assets and liabilities of overseas consolidated subsidiaries and affiliates are translated into Japanese yen at year-end exchange rates, and income and expenses are translated into Japanese yen at the average of the exchange rates in effect during each fiscal period. The resulting exchange gains or losses are included in foreign currency translation adjustment and non-controlling interests in the net assets section.

(7) Goodwill amortization method and amortization period

Goodwill is amortized using the straight-line method within 15 years, with the number of years determined by the origin of the goodwill.

(8) Scope of cash and cash equivalents on the consolidated statement of cash flows

Cash and cash equivalents consist of cash on hand and readily available deposits and short-term investments which can be easily converted to cash and are exposed to little risk of a change in value.

Notes to Consolidated Balance Sheet

Investments and other assets for non-consolidated subsidiaries and affiliates are as follows.

	(Thousands of yen)	
	FY2024 (As of Mar. 31, 2025)	FY2025 (As of Mar. 31, 2026)
Shares of subsidiaries and associates	2,715,131	3,541,713
Other (Investments in capital)	11,500	11,500

Notes to Consolidated Statement of Income

Major items of selling, general and administrative expenses are as follows.

	(Thousands of yen)	
	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)	FY2025 (Apr. 1, 2025 – Mar. 31, 2026)
Salaries and allowances	8,457,667	8,778,775
Depreciation	730,414	694,493
Provision of allowance for doubtful accounts	-	10,437
Provision for bonuses	809,803	854,339
Provision for bonuses for directors (and other officers)	112,300	119,470
Retirement benefit expenses	245,273	295,921
Research and development expenses	5,125,926	5,445,369

Total amount of research and development expenses included in general and administrative expenses

	(Thousands of yen)	
	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)	FY2025 (Apr. 1, 2025 – Mar. 31, 2026)
	5,125,926	5,445,369

Breakdown of gain on sales of non-current assets is as follows.

	(Thousands of yen)	
	FY2024	FY2025
	(Apr. 1, 2024 – Mar. 31, 2025)	(Apr. 1, 2025 – Mar. 31, 2026)
Machinery, equipment and vehicles	5,089	3,548
Tools, furniture and fixtures	318	440
Total	5,408	3,988

Breakdown of loss on disposal of non-current assets is as follows.

	(Thousands of yen)	
	FY2024	FY2025
	(Apr. 1, 2024 – Mar. 31, 2025)	(Apr. 1, 2025 – Mar. 31, 2026)
Tools, furniture and fixtures	3,165	10,803
Buildings and structures	3	2,887
Others	-	546
Total	3,168	14,236

Notes to Consolidated Statement of Comprehensive Income

Re-classification adjustments and income taxes and tax effect with respect to other comprehensive income

	(Thousands of yen)	
	FY2024	FY2025
	(Apr. 1, 2024 – Mar. 31, 2025)	(Apr. 1, 2025 – Mar. 31, 2026)
Valuation difference on available-for-sale securities:		
Amount incurred during the period	1,023,640	(84,145)
Re-classification adjustments	(1,496,499)	-
Before income taxes and tax effect adjustments	(472,858)	(84,145)
Income taxes and tax effect	121,939	26,505
Valuation difference on available-for-sale securities	(350,919)	(57,639)
Foreign currency translation adjustment:		
Amount incurred during the period	(71,837)	630,490
Remeasurements of defined benefit plans, net of tax:		
Amount incurred during the period	(49,661)	332,117
Re-classification adjustments	9,162	16,556
Before income taxes and tax effect adjustments	(40,498)	348,673
Income taxes and tax effect	12,930	(109,064)
Remeasurements of defined benefit plans, net of tax	(27,568)	239,609
Share of other comprehensive income of entities accounted for using equity method:		
Amount incurred during the period	36,995	(95,368)
Re-classification adjustments	-	50,479
Share of other comprehensive income of entities accounted for using equity method	36,995	(44,889)
Total other comprehensive income	(413,329)	767,571

Notes to Consolidated Statement of Changes in Equity

FY2024 (Apr. 1, 2024 – Mar. 31, 2025)

1. Type of share and number of shares of outstanding shares and treasury shares

(Shares)

	Number of shares as of Apr. 1, 2024	Increase	Decrease	Number of shares as of Mar. 31, 2025
Outstanding shares				
Common stock	22,249,804	-	-	22,249,804
Total	22,249,804	-	-	22,249,804
Treasury shares				
Common stock (Note)	10	583,285	-	583,295
Total	10	583,285	-	583,295

Note: The number of treasury shares increased because of the purchase of 582,900 shares in accordance with a resolution approved by the Board of Directors and the acquisition of 385 odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting on Jun. 27, 2024	Common stock	667,493	30	Mar. 31, 2024	Jun. 28, 2024
Board of Directors' meeting on Nov. 11, 2024	Common stock	1,112,481	50	Sep. 30, 2024	Dec. 6, 2024

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

The following matters regarding dividends of surplus are to be resolved at the General Shareholders' Meeting to be held on June 27, 2025.

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting on Jun. 27, 2025	Common stock	1,083,325	Retained earnings	50	Mar. 31, 2025	Jun. 30, 2025

FY2025 (Apr. 1, 2025 – Mar. 31, 2026)

1. Type of share and number of shares of outstanding shares and treasury shares

(Shares)

	Number of shares as of Apr. 1, 2025	Increase	Decrease	Number of shares as of Mar. 31, 2026
Outstanding shares				
Common stock	22,249,804	-	-	22,249,804
Total	22,249,804	-	-	22,249,804
Treasury shares				
Common stock (Note)	583,295	590,743	-	1,174,038
Total	583,295	590,743	-	1,174,038

Note: The number of treasury shares increased because of the purchase of 590,500 shares in accordance with a resolution approved by the Board of Directors and the acquisition of 243 odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting on Jun. 27, 2025	Common stock	1,083,325	50	Mar. 31, 2025	Jun. 30, 2025
Board of Directors' meeting on Nov. 10, 2025	Common stock	1,068,241	50	Sep. 30, 2025	Dec. 2, 2025

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

The following matters regarding dividends of surplus are to be resolved at the General Shareholders' Meeting to be held on June 26, 2026.

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting on Jun. 26, 2026	Common stock	3,161,364	Retained earnings	150	Mar. 31, 2026	Jun. 29, 2026

Notes to Consolidated Statement of Cash Flows

Reconciliation of cash and cash equivalents at end of period and amount of consolidated balance sheet is made as follows.

	(Thousands of yen)	
	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)	FY2025 (Apr. 1, 2025 – Mar. 31, 2026)
Cash and deposits	28,218,445	29,381,644
Time deposit with maturities over three months	(994,416)	(1,094,398)
Cash and cash equivalents	27,224,029	28,287,245

Financial Instruments

1. Conditions of financial instruments

(1) Policy for handling financial instruments

Safety is the highest priority of the Zuken Group when investing funds in financial instruments, while also taking into account credit risk, interest rates and other factors. Funds are invested in financial instruments that are believed to have an extremely small risk of the value falling below face value.

(2) Details of financial instruments, their risks and risk management system

Notes and accounts receivable-trade, which are operating receivables, are vulnerable to credit risk associated with customers. The Company performs rigorous credit management for each customer and supervise payment dates and balances. In addition, there are measures to quickly identify doubtful receivables caused by a decline in a customer's financial soundness or other event and to reduce the amount of these receivables.

Marketable securities and investment securities, and shares of subsidiaries and associates are mainly stock of companies with relationships with the Zuken Group and bond investment trusts. These securities are vulnerable to risk associated with change s in their market prices. The Company periodically checks fair values, the financial condition of issuers and other items in order to quickly identify securities that may need to be written down and reduce the amount of these securities.

Accounts payable-trade, which is operating debt, is mostly due within one year.

(3) Supplemental explanation concerning fair values, etc. of financial instruments

As the calculation of fair value of the financial instruments incorporates varying factors, the amount may vary if different assumptions are used.

2. Items related to fair values of financial instruments

The book value, fair value, and their differences are shown as follows.

FY2024 (As of Mar. 31, 2025)	(Thousands of yen)		
	Book value	Fair value	Difference
Marketable securities and investment securities	9,821,311	9,827,351	6,040
Shares of subsidiaries and associates	2,715,131	9,198,000	6,482,868
Assets total	12,536,442	19,025,351	6,488,908

FY2025 (As of Mar. 31, 2026)	(Thousands of yen)		
	Book value	Fair value	Difference
Marketable securities and investment securities	9,737,166	9,752,926	15,760
Shares of subsidiaries and associates	3,541,713	14,893,200	11,351,486
Assets total	13,278,879	24,646,126	11,367,246

- (*1) Cash and deposits, notes receivable-trade, accounts receivable-trade, and accounts payable-trade are omitted, because they include cash, and fair value of deposits, notes receivable-trade, accounts receivable-trade, and accounts payable-trade are deemed to be equal to their carrying amount as they are settled within a short period of time.
- (*2) Shares with no market price are not included in “marketable securities and investment securities.” Book value of these financial instruments are as follows.

(Thousands of yen)		
Item	FY2024	FY2025
Unlisted stocks	289,000	289,000

Note: Balance of money claims and marketable securities with maturity scheduled to be redeemed in the subsequent fiscal years

FY2024 (As of Mar. 31, 2025)		(Thousands of yen)		
	Due within one year	One to five years	Five to ten years	Over ten years
Cash and deposits	28,218,445	-	-	-
Notes receivable-trade	274,733	-	-	-
Accounts receivable-trade	6,960,412	-	-	-
Total	35,453,591	-	-	-

FY2025 (As of Mar. 31, 2026)		(Thousands of yen)		
	Due within one year	One to five years	Five to ten years	Over ten years
Cash and deposits	29,381,644	-	-	-
Notes receivable-trade	441,028	-	-	-
Accounts receivable-trade	7,721,478	-	-	-
Total	37,544,151	-	-	-

3. Fair values of financial instruments grouped into different levels

The fair values of financial instruments are classified into the following three levels based on the observability and materiality of inputs used to calculate the fair values.

Level 1 fair value: Of the inputs used for calculating observable fair value, fair values calculated using market prices for assets and liabilities subject to the calculation of fair values in an active market.

Level 2 fair value: Of the inputs used for calculating observable fair value, fair values calculated using inputs concerning the calculation of fair value other than the inputs used for level 1 fair value.

Level 3 fair value: Fair value calculated by using inputs concerning the calculation of fair values that cannot be observed.

When more than one input that has a significant effect on the calculation of fair value is used, the resulting fair value is classified as the lowest level for fair value calculation from among the levels of the inputs used.

(1) Financial instruments recorded in the consolidated balance sheet at fair value

FY2024 (As of Mar. 31, 2025)		(Thousands of yen)		
Item	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Available-for-sale securities				
Shares	3,121,311	-	-	3,121,311
Assets total	3,121,311	-	-	3,121,311

FY2025 (As of Mar. 31, 2026)		(Thousands of yen)		
Item	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Available-for-sale securities				
Shares	3,037,166	-	-	3,037,166
Assets total	3,037,166	-	-	3,037,166

(2) Financial instruments other than those recorded in the consolidated balance sheet at fair value

FY2024 (As of Mar. 31, 2025) (Thousands of yen)

Item	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Available-for-sale securities				
Bond investment trusts	-	6,706,040	-	6,706,040
Shares of subsidiaries and associates	9,198,000	-	-	9,198,000
Assets total	9,198,000	6,706,040	-	15,904,040

FY2025 (As of Mar. 31, 2026) (Thousands of yen)

Item	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Available-for-sale securities				
Bond investment trusts	-	6,715,760	-	6,715,760
Shares of subsidiaries and associates	14,893,200	-	-	14,893,200
Assets total	14,893,200	6,715,760	-	21,608,960

Note: Explanation of the evaluation method and inputs used for calculating fair values

Marketable securities and investment securities, and shares of subsidiaries and associates

Listed stock is valued by using market prices. These fair values are classified as level 1 fair value because listed securities are traded in an active market.

Bond investment trusts are valued by using the reference prices announced by financial institutions that trade these bonds. These prices are not recognized as market prices in an active market and, as a result, the fair values are categorized as level 2 fair value.

Marketable Securities

1. Available-for-sale securities

FY2024 (As of Mar. 31, 2025) (Thousands of yen)

Type	Book value	Acquisition cost	Unrealized gains (losses)
Securities with book value that exceeds acquisition cost			
(1) Shares	3,121,311	592,906	2,528,404
(2) Bonds	-	-	-
(3) Others	-	-	-
Sub-total	3,121,311	592,906	2,528,404
Securities with book value not exceeding acquisition cost			
(1) Shares	-	-	-
(2) Bonds	-	-	-
(3) Others	6,700,000	6,700,000	-
Sub-total	6,700,000	6,700,000	-
Total	9,821,311	7,292,906	2,528,404

Note: Unlisted stocks (book value of 289,000 thousand yen) are not included in available-for-sale securities in the above table because these securities are shares with no market price.

FY2025 (As of Mar. 31, 2026)

(Thousands of yen)

Type	Book value	Acquisition cost	Unrealized gains (losses)
Securities with book value that exceeds acquisition cost			
(1) Shares	3,037,166	592,906	2,444,259
(2) Bonds	-	-	-
(3) Others	-	-	-
Sub-total	3,037,166	592,906	2,444,259
Securities with book value not exceeding acquisition cost			
(1) Shares	-	-	-
(2) Bonds	-	-	-
(3) Others	6,700,000	6,700,000	-
Sub-total	6,700,000	6,700,000	-
Total	9,737,166	7,292,906	2,444,259

Note: Unlisted stocks (book value of 289,000 thousand yen) are not included in available-for-sale securities in the above table because these securities are shares with no market price.

2. Available-for-sale securities sold

FY2024 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousands of yen)

Type	Sales amount	Aggregate gains	Aggregate losses
(1) Shares	1,496,499	1,496,499	-
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	1,496,499	1,496,499	-

FY2025 (Apr. 1, 2025 – Mar. 31, 2026)

Not applicable.

3. Marketable securities written down for impairment

FY2024 (Apr. 1, 2024 – Mar. 31, 2025)

Unlisted stocks in available-for-sale securities were written down by 5,092 thousand yen.

When determining the impairment of marketable securities, a security is written down to nothing if the fair value at the end of a fiscal period is significantly below the acquisition cost.

FY2025 (Apr. 1, 2025 – Mar. 31, 2026)

Not applicable.

Segment Information

1. General information about reportable segments

Reportable segments of the Zuken Group are based on the group's components from which financial information can be obtained separately, so that CEO can judge how to distribute management resources and to periodically evaluate its performance.

The Zuken Group is engaged in solutions business including research and development, manufacturing and sales activities involving processes extending from design to production and related client services especially in electronics, automotive and industrial equipment manufacturing sectors. In the domestic market, the Company and its domestic affiliates are in charge and in overseas, each sales subsidiary which is an independent management unit in each country is in charge in Europe (mainly UK, Germany, and France), Americas, and Asia (mainly South Korea, Singapore, and China).

Therefore, the Zuken Group consists of segments based on the sales structure. Reportable segments are divided into following four areas: Japan, Europe, Americas, and Asia. Each reportable segment consists of sales of solutions for processes extending from designs to production and related client services especially in electronics, automotive and industrial equipment manufacturing sectors.

2. Basis of measurement for net sales, profit or loss, segment assets, and other material items for each reportable segment

The accounting treatment methods for reportable segments are the same as those listed in the section "Basis of Presenting the Consolidated Financial Statements."

Profits for reportable segments are operating profit figures in the consolidated statement of income.

Intersegment sales or transfers are based on market price.

3. Information about net sales, profit or loss, segment assets, and other material items for each reportable segment and breakdown of revenue

FY2024 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousands of yen)

	Reportable segment					Adjustment amount (Note 1)	Appropriated amount in the consolidated financial statements (Note 2)
	Japan	Europe	Americas	Asia	Total		
Net sales							
Solutions	16,595,597	4,507,616	1,916,240	768,590	23,788,044	-	23,788,044
Client services	11,702,972	3,023,783	1,034,703	1,186,790	16,948,249	-	16,948,249
Sales to third parties	28,298,569	7,531,400	2,950,943	1,955,380	40,736,294	-	40,736,294
Intersegment sales or transfers	1,608,875	1,381,660	125,185	123,369	3,239,091	(3,239,091)	-
Total	29,907,445	8,913,060	3,076,129	2,078,749	43,975,385	(3,239,091)	40,736,294
Segment profit (loss)	4,708,164	832,820	(785,041)	533,591	5,289,534	102,718	5,392,252
Segment assets	30,328,236	8,907,904	3,030,621	2,556,900	44,823,663	18,450,597	63,274,260
Other items							
Depreciation	720,827	107,599	11,892	39,576	879,895	(49,744)	830,150
Amortization of goodwill	-	55,386	-	-	55,386	-	55,386
Investment in companies accounted for using equity method	2,715,131	-	-	-	2,715,131	-	2,715,131
Increase in property, plant and equipment and intangible assets	583,997	41,057	10,132	3,059	638,247	-	638,247

Notes: 1. Contents of adjustments are as follows.

- (1) Adjustment amount in segment profit (loss) includes amount of 102,718 thousand yen eliminated for intersegment transactions.
 - (2) Adjustment amount in segment assets includes amount of -4,454,964 thousand yen eliminated for intersegment transactions and total company assets of 22,905,561 thousand yen. The total company assets are mainly composed of surplus funds (deposits and marketable securities), and long-term invested assets (investment securities) of the Company.
2. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

FY2025 (Apr. 1, 2025 – Mar. 31, 2026)

(Thousands of yen)

	Reportable segment					Adjustment amount (Note 1)	Appropriated amount in the consolidated financial statements (Note 2)
	Japan	Europe	Americas	Asia	Total		
Net sales							
Solutions	16,647,044	4,921,411	2,143,675	906,706	24,618,838	-	24,618,838
Client services	13,008,353	3,233,305	1,009,109	1,232,143	18,482,912	-	18,482,912
Sales to third parties	29,655,397	8,154,716	3,152,784	2,138,850	43,101,750	-	43,101,750
Intersegment sales or transfers	1,811,512	1,538,258	137,221	125,546	3,612,538	(3,612,538)	-
Total	31,466,909	9,692,975	3,290,006	2,264,397	46,714,288	(3,612,538)	43,101,750
Segment profit (loss)	4,810,696	760,959	(391,558)	624,325	5,804,424	60,705	5,865,129
Segment assets	32,554,392	11,185,177	4,228,249	2,723,570	50,691,390	16,933,999	67,625,389
Other items							
Depreciation	708,912	133,957	12,211	39,005	894,087	(49,744)	844,342
Amortization of goodwill	-	59,120	-	-	59,120	-	59,120
Investment in companies accounted for using equity method	3,541,713	-	-	-	3,541,713	-	3,541,713
Increase in property, plant and equipment and intangible assets	586,968	156,832	15,042	5,504	764,347	-	764,347

Notes: 1. Contents of adjustments are as follows.

- (1) Adjustment amount in segment profit (loss) includes amount of 60,705 thousand yen eliminated for intersegment transactions.
 - (2) Adjustment amount in segment assets includes amount of -4,836,692 thousand yen eliminated for intersegment transactions and total company assets of 21,770,691 thousand yen. The total company assets are mainly composed of surplus funds (deposits and marketable securities), and long-term invested assets (investment securities) of the Company.
2. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

Per-share Information

(Yen)

	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)	FY2025 (Apr. 1, 2025 – Mar. 31, 2026)
Net assets per share	1,843.79	1,958.54
Net income per share	236.99	253.15

Notes: 1. Diluted net income per share is not presented since there is no dilutive share.

2. Basis for calculation of net income per share is as follows.

	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)	FY2025 (Apr. 1, 2025 – Mar. 31, 2026)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	5,226,214	5,400,236
Amount not available to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent applicable to common stock (Thousands of yen)	5,226,214	5,400,236
Average number of shares outstanding during period (Shares)	22,052,399	21,332,034

Subsequent Events

Not applicable.

4. Production, Orders and Sales

(1) Sales and Orders

(a) Sales

(Thousands of yen)

Segment	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)		FY2025 (Apr. 1, 2025 – Mar. 31, 2026)	
	Amount	Composition (%)	Amount	Composition (%)
Japan	28,298,569	69.5	29,655,397	68.8
Europe	7,531,400	18.5	8,154,716	18.9
Americas	2,950,943	7.2	3,152,784	7.3
Asia	1,955,380	4.8	2,138,850	5.0
Total	40,736,294	100.0	43,101,750	100.0

(b) Orders received and order backlog

(Thousands of yen)

Segment	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)		FY2025 (Apr. 1, 2025 – Mar. 31, 2026)	
	Orders received	Order backlog	Orders received	Order backlog
Japan	29,775,722	13,617,925	33,002,557	16,965,085
Europe	7,781,791	4,278,163	8,830,193	5,532,597
Americas	2,848,894	2,262,074	3,596,997	2,882,401
Asia	1,877,713	754,959	2,188,763	844,220
Total	42,284,121	20,913,122	47,618,512	26,224,304

Note: Intersegment transactions have been eliminated.

(Reference) Results by product category are as follows.

(a) Sales

(Thousands of yen)

Product category	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)		FY2025 (Apr. 1, 2025 – Mar. 31, 2026)	
	Amount	Composition (%)	Amount	Composition (%)
Printed Circuit Board design solutions	4,969,908	12.2	5,269,582	12.2
Circuit design solutions	8,741,591	21.5	8,814,461	20.5
IT solutions	10,055,324	24.7	10,525,658	24.4
Client services	16,948,249	41.5	18,482,912	42.9
Others	21,220	0.1	9,135	0.0
Total	40,736,294	100.0	43,101,750	100.0

(b) Orders received and order backlog

(Thousands of yen)

Product category	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)		FY2025 (Apr. 1, 2025 – Mar. 31, 2026)	
	Orders received	Order backlog	Orders received	Order backlog
Printed Circuit Board design solutions	4,689,966	1,364,055	5,592,161	1,780,690
Circuit design solutions	8,947,604	2,418,686	9,582,941	3,381,334
IT solutions	9,984,375	1,650,118	11,080,756	2,278,814
Client services	18,641,385	15,480,157	21,352,501	18,782,345
Others	20,788	104	10,150	1,120
Total	42,284,121	20,913,122	47,618,512	26,224,304

Note: Name of major products by product category are as follows.

Major products of Printed Circuit Board design solutions	CR-8000 Design Force CR-8000 Board Designer CR-8000 DFM Center CADSTAR eCADSTAR
Major products of Circuit design solutions	CR-8000 Design Gateway CR-8000 System Planner E3.series E3.infinite Cabling Designer Harness Designer
Major products of IT solutions	DS-CR DS-2 Espresso DS-E3 DS-E3.infinite GENESYS PreSight visual BOM

5. Others

(1) Change in Representative Director

Not applicable.

(2) Changes in Other Board Members (Scheduled for June 26, 2026)

• Candidate for director

Director: Arihiro Takanohashi (Director of J-TAP Advisory Inc.)

Note: Mr. Arihiro Takanohashi is a candidate for Outside Director. The Company plans to register him as an Independent Director as provided for the rules of the Tokyo Stock Exchange.

• Retiring director

Director: Takashi Sano

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation. In the event of any discrepancy, the Japanese version prevails.