



Consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 to July 31, 2024) [Japanese GAAP]

September 6, 2024

Stock exchange listing: Tokyo
Stock Exchange, Prime Market

Company name: I'll Inc.

Code number: 3854 URL <https://www.ill.co.jp>

Representative: (Title) Representative Director & President (Name) Tetsuo Iwamoto

Contact: (Title) Executive Officer, Head of Accounting Department (Name) Naoko Ogura TEL 06-6292-1170

Scheduled date for annual shareholders' meeting: October 25, 2024
Scheduled date for dividend payment commencement: October 28, 2024

Scheduled date for filing annual securities report: October 25, 2024

Availability of supplementary briefing material on financial results: Yes Financial results briefing session: No

(Amounts less than ¥1 million rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(1) Consolidated Statements of Operations (% indicates change from previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million	%	million	%	million	%	million	%
Fiscal year ended July 31, 2024	17,508	9.9	4,263	20.2	4,285	20.0	2,887	16.8
Fiscal year ended July 31, 2023	15,924	23.0	3,547	68.9	3,571	68.4	2,472	79.4

(Note) Comprehensive income Fiscal year ended July 31, 2024 2,841 million yen (11.4%) Fiscal year ended July 31, 2023 2,550 million yen (84.1%)

	Net profit per share	Diluted net profit per share	Return on equity	Ratio of ordinary profit to total assets	Net sales
	Yen	Yen	%	%	%
Fiscal year ended July 31, 2024	115.36	-	33.2	32.6	24.4
Fiscal year ended July 31, 2023	98.76	-	36.7	32.9	22.3

(Reference) Share of profit or loss of entities accounted for using equity method Fiscal year ended July 31, 2024 -million Fiscal year ended July 31, 2023 -million

(Note) Diluted net profit per share is not shown because there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million	million	%	Yen
Fiscal year ended July 31, 2024	14,153	9,680	68.4	386.75
Fiscal year ended July 31, 2023	12,115	7,740	63.9	309.21

(Reference) Shareholders' equity Fiscal year ended July 31, 2024 9,680 million yen Fiscal year ended July 31, 2023 7,740 million yen

(3) Status of consolidated cash flows

	Cash flows from operating activities	Cash flow from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million	million	million	million
Fiscal year ended July 31, 2024	2,637	(712)	(901)	6,663
Fiscal year ended July 31, 2023	3,073	(547)	(526)	5,639

2. Dividends

	Annual dividends					Dividends (Total)	Dividend payout ratio (Consolidated)	Dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	Total			
	Yen	Yen	Yen	Yen	Yen	million	%	%
Fiscal year ended July 31, 2023	-	11.00	-	20.00	31.00	776	31.4	11.5
Fiscal year ended July 31, 2024	-	16.00	-	25.00	41.00	1,026	35.5	11.8
Fiscal year ending July 31, 2025 (Forecast)	-	20.00	-	27.00	47.00		36.1	

3. Forecasted Consolidated Results for the Fiscal Year Ending July 31, 2025 (August 1, 2024 to July 31, 2025)

(% indicates changes from the previous year for full-year figures and changes from the same period of the previous year for quarterly figures)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	million	%	million	%	million	%	million	%	Yen
First half (YTD)	9,333	8.9	2,356	5.2	2,367	5.2	1,595	7.1	63.72
Full year	19,150	9.4	4,800	12.6	4,826	12.6	3,257	12.8	130.12

*Notes

(1) Significant changes in the scope of consolidation during the period: No

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

1) Changes in accounting policies due to the revision of accounting standards : No

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

3) Changes in accounting estimates: : No

4) Retrospective restatement: : No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)	Fiscal year ended July 31, 2024	25,042,528 shares	Fiscal year ended July 31, 2023	25,042,528 shares
2) Total number of treasury shares at the end of the period	Fiscal year ended July 31, 2024	11,419 shares	Fiscal year ended July 31, 2023	10,019 shares
3) Average number of shares during the fiscal year:	Fiscal year ended July 31, 2024	25,031,547 shares	Fiscal year ended July 31, 2023	25,033,031 shares

(Reference) Non-consolidated financial results summary

Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(1) Non-consolidated Statements of Operations (% indicates change from previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Net profit	
	million	%	million	%	million	%	million	%
Fiscal year ended July 31, 2024	17,106	10.2	4,182	20.5	4,221	20.2	2,826	15.7
Fiscal year ended July 31, 2023	15,517	23.1	3,469	67.3	3,511	66.2	2,443	77.6

	Net profit per share	Diluted net profit per share
	Yen	Yen
Fiscal year ended July 31, 2024	112.92	-
Fiscal year ended July 31, 2023	97.60	-

(Note) Diluted net profit per share is not shown because there are no dilutive shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million	million	%	Yen
Fiscal year ended July 31, 2024	13,863	9,372	67.6	374.43
Fiscal year ended July 31, 2023	11,822	7,447	63.0	297.51

(Reference)
Shareholders' equity

Fiscal year ended July 31, 2024	9,372 million yen	Fiscal year ended July 31, 2023	7,447 million yen
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*This consolidated financial results report is not subject to audit by a certified public accountant or an auditing firm.

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

(Notice regarding future statements)

The financial forecasts stated in this document are based on information available as of the date of this document. These forecasts should not be construed as a promise by the Company to achieve them. These forecasts should not be construed as a promise by the Company. Actual results may differ from these forecasts due to uncertain factors, such as economic trends. For notes about assumptions behind the financial forecasts and how to use these financial forecasts, refer to "1. Overview of Operating Results" on page 5.

○ Contents

1. Overview of Operating Results	5
(1) Overview of Operating Results for the Period	5
(2) Overview of Financial Position for the Period	5
(3) Overview of Cash Flows for the Period	6
(4) Future Outlook	6
(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years	7
(6) Business Risks	7
2. Corporate Group Situation	9
3. Basic Thinking on Selection of Accounting Standards	9
4. Consolidated Financial Statements and Significant Notes Thereto	10
(1) Consolidated Balance Sheets	10
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	12
Consolidated Statements of Income	12
Consolidated Statements of Comprehensive Income	13
(3) Consolidated Statement of Changes in Equity	14
(4) Consolidated Statement of Cash Flows	16
(5) Notes on Consolidated Financial Statements	17
(Notes on the Premise of a Going Concern)	17
(Important Matters as the Basis for Preparing Consolidated Financial Statements)	17
(Change of presentation method)	19
(Segment Information)	19
(Information on Net Profit Per Share)	19
(Significant Subsequent Events)	19
5. Other	20
(1) Director Changes	20
(2) Other	20

1. Overview of Operating Results

(1) Overview of Operating Results for the Period

During the fiscal year under review (August 1, 2023 to July 31, 2024), the Japanese economy was on a gradual trend of recovery as restrictions on socio-economic activities to prevent the spread of COVID-19 were lifted almost entirely. On the other hand, it is necessary to keep close tabs on the impact on the Japanese economy of such matters as a downturn in overseas economies due to monetary tightening, and soaring raw material and energy prices.

Information system investment in Japan is booming, mainly in digital transformation which conducts a business transformation that utilizes digital technologies to address labor shortages. Under these current market conditions, the I'll Group is pursuing its "CROSS-OVER Synergy" strategy in order to strengthen the business of its customers. Through a combination of "real" and "online" products and services, the I'll Group develops and proposes solutions for mid-tier and small/medium-size corporate clients that need to efficiently use IT to solve their management issues. The "CROSS-OVER Synergy" strategy is an initiative to increase the business efficiency and strengthen the sales capabilities of customers, by proposing a combination of real and online products and services through the I'll Group's unique value proposition style. This strategy not only gives the I'll Group a competitive edge during negotiations, but also enhances the satisfaction of its customers. In addition, to promote sustainable growth, I'll has introduced an integrated production-sales system where sales representatives and system engineers are placed in the same organization to enhance mutual collaboration. This has improved the accuracy of projects by determining customer requirements at the time of quotation, strengthened the project management system, and reduced man-hours of customer support after the system operation starts by improving delivery quality, thereby strengthening the profit structure.

As for sales results, I'll has continued on the real world front to broaden the product appeal of its mainstay Aladdin Office software package for each business sector. In sales, it collaborated with partner companies and saw orders remain firm as it proposed ways for optimum system use for each client on the basis of plenty of by-industry installment examples. In terms of revenue, the project turnover improved due to the integrated production-sales system, and the introduction of new packages and the enhancement of functionalities and options have led to an improvement in the gross profit margin. As a result, each stage of profit has surpassed the performance of the previous consolidated fiscal year.

On the online world, the Company continued collaborative development anew in the fiscal year with online store operators on the CROSS MALL cloud service, which integrates the management of multiple online stores. The Company will continue to increase its capability to collaborate with multiple malls and continue up-front investments such as the opening of a service showroom "BACKYARD TOKYO" to increase sales results in the medium to long term. Also, the Company is achieving growth in sales of the CROSS Point cloud service which allows integrated management of reward points and customers of online and physical stores.

In addition, a loss on retirement of non-current assets of ¥230,157,000 was recorded as an extraordinary loss in the consolidated fiscal year under review as a result of the retirement of some software related to cloud service development. This is due to the rapid expansion and evolution of the EC market and related technologies, including the consolidation of EC malls and logistics providers, and in response to subsequent functional obsolescence. In order to respond flexibly to ever-changing customer needs and market environment, the Company aims to realize agile software development and speed up functional expansion by promoting a shift from waterfall development to agile development. The Company will work to enhance R&D activities mainly at the I'll Matsue Laboratory, an R&D base in Matsue, Shimane Prefecture, to focus on these product development initiatives and continue to improve its future market competitiveness.

As a result, the Company posted consolidated net sales of ¥17,508,405,000 in the reporting fiscal year (up 9.9% year on year), operating profit of ¥4,263,812,000 (up 20.2% year on year), ordinary profit of ¥4,285,206,000 (up 20.0% year on year), and profit attributable to owners of parent of ¥2,887,564,000 (up 16.8% year on year).

(2) Overview of Financial Position for the Period

As of the end of the reporting fiscal year, current assets totaled ¥11,567,945,000, an increase of ¥1,892,812,000 from the end of the previous fiscal year. This was mainly attributable to increases of ¥1,023,365,000 in cash and deposits, ¥472,223,000 in accounts receivable - trade, and ¥335,276,000 in contract assets. Non-current assets totaled ¥2,585,996,000, an increase of ¥145,801,000 from the end of the previous fiscal year. This was mainly attributable to increases of ¥164,263,000 in software in progress, ¥99,540,000 in investment securities, and ¥28,569,000 in tools, furniture and fixtures despite a decrease of ¥210,188,000 in software. As a result, total net assets amounted to ¥14,153,941,000, an increase of ¥2,038,614,000 from the end of the previous fiscal year.

Current liabilities totaled ¥2,555,067,000, an increase of ¥8,454,000 from the end of the previous fiscal year. This was mainly attributable to increases of ¥115,909,000 in accounts payable - trade and ¥53,336,000 in accounts payable - other despite a decrease of ¥146,081,000 in accrued consumption taxes included in "other" under current liabilities. Non-current liabilities totaled ¥1,918,192,000, an increase of ¥89,892,000 from the end of the previous fiscal year. This was mainly attributable to an

increase of ¥113,540,000 in retirement benefit liabilities despite a decrease of ¥28,167,000 in provision for retirement benefits for directors. As a result, total liabilities amounted to ¥4,473,259,000, an increase of ¥98,347,000 from the end of the previous fiscal year.

Total net assets amounted to ¥9,680,682,000, an increase of ¥1,940,266,000 from the end of the previous fiscal year. This primarily reflected an increase due mainly to ¥2,887,564,000 in profit attributable to owners of parent despite a decrease due to ¥901,152,000 in dividends of surplus.

(3) Overview of Cash Flows for the Period

As of the end of the reporting fiscal year, cash and cash equivalents (hereafter referred to as “funds”) amounted to ¥6,663,216,000, an increase of ¥1,023,365,000 from the end of the previous fiscal year.

The following is the consolidated cash flow statement and relevant factors for the reporting fiscal year.

(Cash flows from operating activities)

Funds increased due to operating activities amounted to ¥2,637,990,000 (¥3,073,305,000 increased in the previous fiscal year).

This mainly reflects ¥4,055,006,000 in net profit before taxes, ¥402,175,000 in depreciation, and an increase of ¥230,199,000 in loss on retirement of non-current assets despite an increase of ¥805,898,000 in accounts receivable and contract assets and a decrease of ¥1,251,531,000 in income and other taxes paid.

(Cash flows from investing activities)

Funds decreased from investing activities amounted to ¥712,690,000 (¥547,415,000 decreased in the previous fiscal year). This was mainly attributable to ¥489,635,000 paid for intangible asset acquisition and ¥122,576,000 paid for tangible fixed asset acquisition.

(Cash flows from financing activities)

Funds decreased from financing activities amounted to ¥901,934,000 (decreased ¥526,212,000 in the previous fiscal year). This was mainly attributable to ¥900,896,000 in dividends paid.

(Reference) Changes in cash flow indicators

	Fiscal year ended July 31, 2020	Fiscal year ended July 31, 2021	Fiscal year ended July 31, 2022	Fiscal year ended July 31, 2023	Fiscal year ended July 31, 2024
Equity ratio (%)	49.0	54.3	59.7	63.9	68.4
Market value-based equity ratio (%)	467.5	424.1	430.9	536.4	478.2
Debt redemption years (years)	0.1	0.01	0.0	0.0	0.0
Interest coverage ratio (×)	913.2	1,399.3	953.6	4,419.8	4,890.1

Equity ratio: Shareholders' equity/Total assets

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

Debt redemption years: Interest-bearing liabilities/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest expenses

(Note) Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the number of outstanding shares at the fiscal year-end.

(4) Future Outlook

The Japanese economy is on a gradual trend of recovery as restrictions on socio-economic activities to prevent the spread of COVID-19 were lifted almost entirely. However, it is necessary to keep close tabs on the impact on the Japanese economy of such matters as a downturn in overseas economies due to monetary tightening, and soaring raw material and energy prices. With this situation in mind, the I'll Group intends to keep proposing solutions that help mid-tier, midsize and small corporate clients to strengthen their power through efficient use of IT. Besides enhancing industry-wise functions of its mainstay Aladdin Office software package, the Company will broaden the appeal of e-commerce products and services such as the CROSS MALL software, which integrates the management of multiple online stores, and CROSS POINT software, which centrally manages reward points, and will pursue its CROSS-OVER Synergy strategy in order to increase net sales, achieve higher profit margins and improve customer satisfaction.

Taking the above into account and using reasonable information currently available, the Company projects consolidated financial results for the fiscal year ending July 31, 2025. Projected consolidated results are net sales of ¥19,150,000,000, ordinary profit of ¥4,826,000,000 and profit attributable to owners of parent of ¥3,257,000,000.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company regards return of profit to shareholders as a management priority and follows a basic policy of distributing profit by comprehensively considering retained earnings used for maintaining and strengthening competitiveness in its industry, levels of the return on shareholders' equity and payout ratios. The Company will work to repay shareholders' support, making efforts to increase earning power and strengthening its financial standing.

Regarding year-end dividend, the Company intends to propose paying ¥25 per share, up ¥1 from the previously forecast of ¥24, at the 34th annual shareholders' meeting scheduled for October 2024. Including ¥16 paid as interim dividend, the Company's annual dividend will total ¥41.

In view of the continuing unclear future economic situation and the I'll Group's earnings estimates for next fiscal year ending July 31, 2025, the Company projects an annual dividend of ¥47 per share, with an interim dividend of ¥20 per share and year-end dividend of ¥27 per share.

(6) Business Risks

Areas that could have a profound impact on the I'll Group's business results, financial position, and stock prices are shown below. Note that the following items have been identified by the I'll Group as of the end of the reporting fiscal year but that they do not cover all risks related to investment in the Company's shares.

1) I'll Group business scope

Since its foundation, the I'll Group has primarily served mid-tier, small- and medium-size companies, offering total solutions via IT in response to client business challenges by building core systems, providing support and maintenance, building networks, ensuring security, providing content, building EC sites, offering software that integrates the management of multiple online stores and software that integrates the management of reward points and clients, providing website usage support, and giving personnel training.

Therefore, fluctuations in the environment surrounding mid-tier, small and medium-size companies and the economy may adversely affect the I'll Group's business results. Also, if the I'll Group fails to keep offering products and services that meet the needs of mid-tier, small and medium-size companies, it could adversely affect the group's business results and business development.

2) Risks involved in the system solutions business

The I'll Group's mainstay product in the system solutions business is the Company's original Aladdin Office Series core business package software. However, competition for better performance is intensifying due to increasing package software needs in the IT industry. The I'll Group's policy is to keep striving to enhance performance, but advancements in competitors' package software, low-priced commercial package software, or cloud-based software may adversely affect the Company's business results and business development.

3) Risks involved in the online solutions business

In the online solutions business, the I'll Group is contracted to build e-commerce websites. If infringement of third-party patent rights, utility model rights, design rights, trademark rights, copyrights or other intellectual property rights occurs from any cause, resulting in damages to clients and subsequent payment of compensation, the I'll Group's business results and business development could be adversely affected.

4) System troubles

The I'll Group relies on communications networks such as personal computers, computer systems, and cloud services. If computer systems shut down due to a variety of unpredictable factors such as network disruption caused by a natural disaster or accident, temporary server failure due to sudden increased access to the site, or loss of power, the I'll Group's operations and business results could be adversely affected. Additionally, the I'll Group takes appropriate security measures to prevent unauthorized access to its computer systems, however, infection by a computer virus or intrusion by a hacker could result in system failure which could adversely affect the I'll Group's business and financial results.

5) Risk of I'll group service obsolescence due to competitors and technological innovation

In the information service industry, in which the I'll Group is involved, the speed of technological innovation is lightning, so in response to that rapid change, the Group's development department makes efforts to improve existing products and promotes R&D. However, if new technologies and services become prevalent due to faster-than-expected technological innovation, the software and services provided by the I'll Group could become obsolete, adversely affecting the Company's business results and business development. Also, product price cuts forced by intensifying competition with rivals or progress achieved by competitor products in enhancing performance could adversely affect the I'll Group's business results and business development.

6) Securing and training up engineers

In addition to hiring new graduates, the Group continuously employs mid-career engineers and strives to train up engineers. However, increasing demand for engineers has made it increasingly difficult to appropriately secure excellent personnel through mid-career recruiting. Although the I'll Group's corporate culture and systems are highly recognized and the group continues to hire as planned, failure to secure and develop human resources as planned could hinder the group's business development and affect the group's business growth and performance. In mid-career hiring, we will continue our efforts to secure excellent human resources as we keep hiring excellent engineers in regional areas with the assumption of remote work.

7) Management of confidential information

The I'll Group sometimes handles highly confidential information in its business activities such as information on business partners and personal data that are held by clients. To properly manage such confidential information, the Company has obtained ISMS (ISO27001, ISO27017) certification as well as the Privacy Mark (JISQ15001) and works to strengthen its information management system for employees such as by ensuring that employees are aware of information management based on in-house rules including the Information Security Guidelines and Personal Information Protection Standards and giving them continued training. Also, the Company takes steps to prevent any leak of confidential information by requiring each temporary staff member assigned to the I'll Group to sign a Nondisclosure Agreement and implementing other measures. However, unauthorized access from the outside, system flaws or failures, human error in handling confidential information, intentional information leaks, deletion, or fraudulent use by employees could force us to lose trust and face damage compensation, depending on how to respond. Such cases could adversely affect the I'll Group's business results and business development.

2. Corporate Group Situation

As of the end of the fiscal year under review, the group consists of the Company (I'll Inc.) and the consolidated subsidiary (Web Base Co.) and operates in two businesses: system solutions and online solutions.

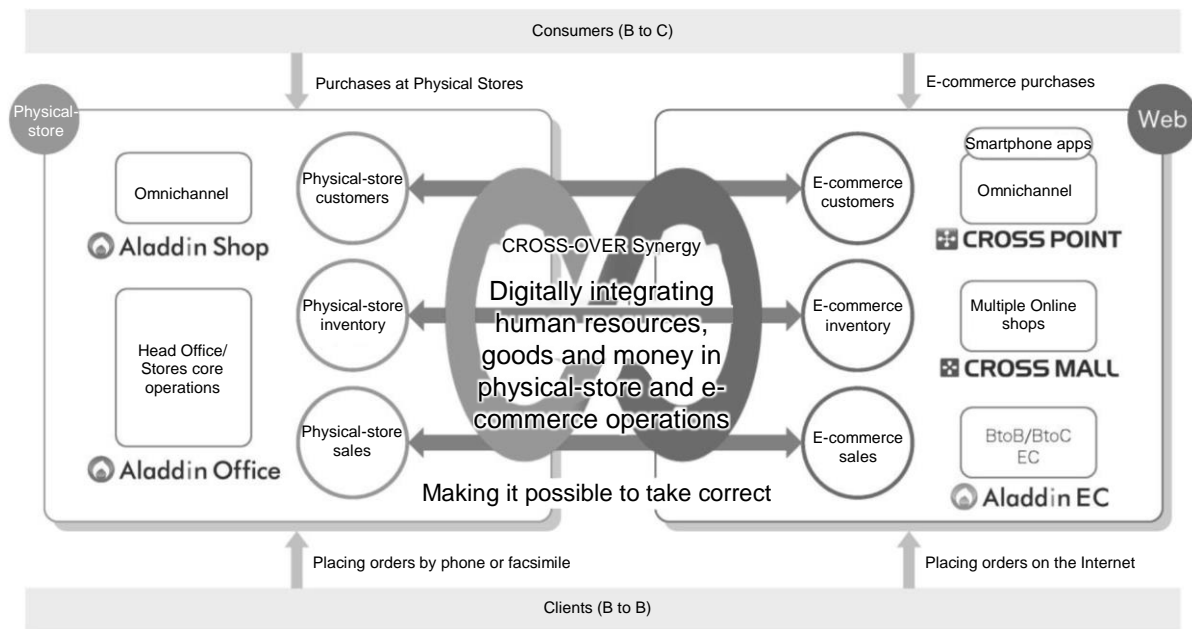
(1) System solutions business

This service concerns general system provision to customers, including building core systems, hardware maintenance, providing system operation support, building networks and maintaining security.

In this business, Web Base, a consolidated subsidiary, develops and provides maintenance for store management systems for the fashion industry.

(2) Online solutions business

This business concerns creation and operational support of clients' websites aimed at sales promotion, providing clients with business analysis and business strategy consultations, giving promotion, building e-commerce websites, providing such software as one for integrating the management of multiple online stores and one for integrating the management of customers and reward points.



3. Basic Thinking on Selection of Accounting Standards

The I'll Group applies the Japan Generally Accepted Accounting Standards in order to maintain comparability between corporations and over time.

4. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Thousands of yen)

	Fiscal 2023 (As of July 31, 2023)	Fiscal 2024 (As of July 31, 2024)
Assets		
Current assets		
Cash and deposits	5,639,851	6,663,216
Notes receivable - trade	51,857	50,255
Accounts receivable - trade	2,099,100	2,571,323
Contract assets	1,469,098	1,804,374
Merchandise	238,459	275,010
Work in process	20,468	17,857
Other	158,506	190,960
Allowance for doubtful accounts	(2,208)	(5,052)
Total current assets	9,675,133	11,567,945
Non-current assets		
Tangible fixed assets		
Buildings and structures	482,629	491,085
Accumulated depreciation	(79,452)	(93,702)
Buildings and structures, net	403,177	397,382
Tools, furniture and fixtures	528,563	618,584
Accumulated depreciation	(371,152)	(432,603)
Tools, furniture and fixtures, net	157,411	185,981
Total tangible fixed assets	560,589	583,364
Intangible assets		
Software	633,543	423,355
Software in progress	202,695	366,958
Other	1,739	1,739
Total intangible assets	837,978	792,053
Investments and other assets		
Investment securities	46,716	146,256
Guarantee deposits	464,541	465,020
Deferred tax assets	449,235	523,645
Other	84,337	78,849
Allowance for doubtful accounts	(3,203)	(3,193)
Total investments and other assets	1,041,627	1,210,578
Total non-current assets	2,440,194	2,585,996
Total assets	12,115,327	14,153,941

(Thousands of yen)

	Fiscal 2023 (As of July 31, 2023)	Fiscal 2024 (As of July 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	530,526	646,435
Accounts payable - other	335,966	389,302
Deposits received	38,519	42,771
Income taxes payable	735,180	708,694
Contract liabilities	94,488	56,965
Provision for bonuses	100,000	111,700
Provision for product warranties	15,599	15,746
Other	696,331	583,450
Total current liabilities	2,546,612	2,555,067
Non-current liabilities		
Retirement benefit liabilities	1,126,616	1,240,157
Provision for retirement benefits for directors	463,707	435,540
Asset retirement obligations	230,894	237,489
Other	7,081	5,005
Total non-current liabilities	1,828,299	1,918,192
Total liabilities	4,374,912	4,473,259
Net assets		
Shareholders' equity		
Share capital	354,673	354,673
Capital surplus	319,673	319,673
Retained earnings	6,975,620	8,962,032
Treasury shares	(10,080)	(10,080)
Total shareholders' equity	7,639,888	9,626,300
Other accumulated comprehensive income		
Accumulated adjustments for retirement benefits	100,527	54,701
Valuation difference on available-for-sale securities	-	(319)
Total other accumulated comprehensive income	100,527	54,381
Total net assets	7,740,415	9,680,682
Total liabilities and net assets	12,115,327	14,153,941

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

(Thousands of yen)

	Fiscal 2023 (From August 1, 2022 to July 31, 2023)	Fiscal 2024 (From August 1, 2023 to July 31, 2024)
Net sales	15,924,604	17,508,405
Cost of sales	7,242,602	7,735,398
Gross profit	8,682,001	9,773,006
Selling and general administrative expenses	5,134,391	5,509,193
Operating profit	3,547,609	4,263,812
Non-operating income		
Commission income	17,897	15,410
Subsidy income	5,637	5,850
Other	916	738
Total non-operating income	24,450	21,998
Non-operating expenses		
Interest expenses	695	539
Foreign exchange losses	56	65
Total non-operating expenses	751	604
Ordinary profit	3,571,309	4,285,206
Extraordinary losses		
Loss on retirement of non-current assets	4,086	230,199
Total extraordinary losses	4,086	230,199
Net profit before taxes	3,567,223	4,055,006
Income taxes - current	1,138,039	1,221,505
Income taxes - deferred	(43,018)	(54,063)
Total income taxes	1,095,020	1,167,441
Net profit	2,472,202	2,887,564
Profit attributable to owners of parent	2,472,202	2,887,564

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal 2023 (From August 1, 2022 to July 31, 2023)	Fiscal 2024 (From August 1, 2023 to July 31, 2024)
Net profit	2,472,202	2,887,564
Other comprehensive income		
Adjustment amount for retirement benefits	78,609	(45,826)
Valuation difference on available-for-sale securities	-	(319)
Total other comprehensive income	78,609	(46,145)
Comprehensive income	2,550,811	2,841,419
(Breakdown)		
Comprehensive income attributable to owners of parent	2,550,811	2,841,419
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity
Fiscal 2023 (From August 1, 2022 to July 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of year	354,673	319,673	5,029,121	(9,997)	5,693,472
Changes during period					
Dividends of surplus			(525,703)		(525,703)
Profit attributable to owners of parent			2,472,202		2,472,202
Purchase of treasury shares				(82)	(82)
Changes in items other than shareholders' equity (net)					
Total changes during period	-	-	1,946,498	(82)	1,946,415
Balance at end of year	354,673	319,673	6,975,620	(10,080)	7,639,888

	Other accumulated comprehensive income		Total net assets
	Accumulated adjustments for retirement benefits	Total other accumulated comprehensive income	
Balance at beginning of year	21,918	21,918	5,715,390
Changes during period			
Dividends of surplus			(525,703)
Profit attributable to owners of parent			2,472,202
Purchase of treasury shares			(82)
Changes in items other than shareholders' equity (net)	78,609	78,609	78,609
Total changes during period	78,609	78,609	2,025,025
Balance at end of year	100,527	100,527	7,740,415

Fiscal 2024 (From August 1, 2023 to July 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of year	354,673	319,673	6,975,620	(10,080)	7,639,888
Changes during period					
Dividends of surplus			(901,152)		(901,152)
Profit attributable to owners of parent			2,887,564		2,887,564
Purchase of treasury shares					-
Changes in items other than shareholders' equity (net)					
Total changes during period	-	-	1,986,412	-	1,986,412
Balance at end of year	354,673	319,673	8,962,032	(10,080)	9,626,300

	Other accumulated comprehensive income			Total net assets
	Accumulated adjustments for retirement benefits	Valuation difference on available-for-sale securities	Total other accumulated comprehensive income	
Balance at beginning of year	100,527	-	100,527	7,740,415
Changes during period				
Dividends of surplus				(901,152)
Profit attributable to owners of parent				2,887,564
Purchase of treasury shares				-
Changes in items other than shareholders' equity (net)	(45,826)	(319)	(46,145)	(46,145)
Total changes during period	(45,826)	(319)	(46,145)	1,940,266
Balance at end of year	54,701	(319)	54,381	9,680,682

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal 2023 (From August 1, 2022 to July 31, 2023)	Fiscal 2024 (From August 1, 2023 to July 31, 2024)
Cash flows from operating activities		
Net profit before taxes	3,567,223	4,055,006
Depreciation	478,961	402,175
Increase (decrease) in provision for bonuses	10,500	11,700
Increase (decrease) in allowance for doubtful accounts	2,458	2,833
Increase (decrease) in provision for product warranties	(8,087)	147
Increase (decrease) in retirement benefit liabilities	91,437	47,508
Increase (decrease) in provision for retirement benefits for directors	59,456	(28,167)
Loss on retirement of non-current assets	4,086	230,199
Expenses for share-based rewards	25,363	24,250
Interest and dividend income	(250)	(137)
Interest expenses	695	539
Decrease (increase) in trade accounts receivables and contract assets	(396,524)	(805,898)
Decrease (increase) in inventories	(14,898)	(33,939)
Increase (decrease) in trade payables	64,172	115,909
Increase (decrease) in contract liabilities	(18,075)	(37,523)
Increase (decrease) in accounts payable - other	65,163	59,283
Increase (decrease) in deposits received	(118,921)	4,251
Increase (decrease) in accrued expenses	(83,562)	33,201
Other	343,957	(191,416)
Subtotal	4,073,153	3,889,923
Interest and dividends received	250	137
Interest paid	(695)	(539)
Income and other taxes paid	(999,402)	(1,251,531)
Cash flows from operating activities	3,073,305	2,637,990
Cash flow from investing activities		
Purchase of tangible fixed assets	(144,960)	(122,576)
Purchase of intangible assets	(402,630)	(489,635)
Purchase of investment securities	-	(100,000)
Payments of guarantee deposits	(106)	(576)
Proceeds from refund of guarantee deposits	282	100
Other	(0)	(2)
Cash flow from investing activities	(547,415)	(712,690)
Cash flows from financing activities		
Purchase of treasury shares	(82)	-
Dividends paid	(526,129)	(900,896)
Other	-	(1,038)
Cash flows from financing activities	(526,212)	(901,934)
Net increase (decrease) in cash and cash equivalents	1,999,677	1,023,365
Cash and cash equivalents at beginning of period	3,640,173	5,639,851
Cash and cash equivalents at end of period	5,639,851	6,663,216

(5) Notes on Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

No applicable matters.

(Important Matters as the Basis for Preparing Consolidated Financial Statements)

1. Matters on scope of consolidation

(1) Number of consolidated subsidiaries: 1

Consolidated subsidiary name: Web Base Co.

(2) Names of primary non-consolidated subsidiaries

No applicable matters.

2. Notes on application of equity method

No applicable matters.

3. Matters on consolidated subsidiary business year

The book closing date for the consolidated subsidiary is March 31. The consolidated financial statements are based on provisional statements prepared equivalently to final statements as of the book closing date.

4. Matters on the accounting policies

(1) Standards and methods for valuation of important assets

1) Securities

Available-for-sale securities

Securities other than shares that do not have a market value

The market value method (with the entire amount of valuation differences included directly into net assets, and the cost of sale calculated using the moving-average method) is adopted.

Shares that do not have a market value

The cost method based on the moving-average method is adopted.

2) Inventories

Merchandise

The cost method based on the specific identification method (the balance sheet book value is written down according to a decline in profitability) is adopted.

Work in process

The cost method based on the specific identification method (the balance sheet book value is written down according to a decline in profitability) is adopted.

(2) Depreciation method for important depreciable assets

1) Tangible fixed assets

The declining balance method is adopted. However, the straight-line method is adopted for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings as well as structures that were acquired on or after April 1, 2016.

The primary useful life is as follows:

Buildings and structures 8 to 50 years

Tools, furniture and fixtures 4 to 20 years

2) Intangible assets

Software used by the Company

The straight-line method is used according to the usable period (5 years) set in-house.

Software for sale on the market

The amount written off according to expected sales is compared with the equal distribution amount according to the expected sales period (3 years), and the larger one is booked.

- (3) Standards for booking important allowances
- 1) Allowance for doubtful accounts
To prepare for losses due to irrecoverable trade and other receivables, the estimated irrecoverable amount is booked, with loan loss rates considered for general accounts receivable and collectability considered individually for doubtful accounts receivable and other specific receivables.
 - 2) Provision for bonuses
To prepare for employee bonus payments, the amount that falls within the fiscal year under review is booked out of the estimated payment amount.
 - 3) Provision for product warranties
To prepare for free product repairs, a future estimated amount is booked according to past results.
 - 4) Provision for retirement benefits for directors
To prepare to pay retirement benefits for directors, the amount to be paid at the end of the period is booked according to the bylaws for retirement benefits for directors.
- (4) Accounting method for retirement benefits
- 1) Method to measure the estimated retirement benefit amount at fiscal year end
In calculating projected benefit obligation, the method to measure the estimated retirement benefit amount at the end of the fiscal year under review is based on the benefit calculation formula criteria.
 - 2) Method to Recognize Actuarial differences as Expenses
Actuarial differences are each recognized as expenses from the fiscal year that follows the year when they arise, under the straight-line method using certain years within the average of remaining service years of employees (3 years).
- (5) Standards for recording important revenue and expenses
- 1) Customization, installation support, etc.
Revenue from such operations as customization, installation support results from design, development and installation support related to core operational systems such as under software contracted development agreements. The Company maintains that such performance obligations will be fulfilled over a certain period of time, estimates progress in the fulfilment and recognizes revenue over a certain period of time according to the estimate. The method of estimating the progress is to calculate the ratio of incurred cost to estimated total cost.
 - 2) Licenses, hardware equipment, etc.
Revenue from the sale of licenses and hardware equipment is recognized according to the amount promised in the contract with each client at the appropriate time, on the assumption that performance obligation is met upon the delivery of the relevant license or hardware equipment to the client.
 - 3) Service use and system maintenance
Revenue generated from service use and system maintenance is from the provision of services such as cloud service operations and maintenance. As these are routine or recurring services, the Company maintains that such performance obligations will be fulfilled over time and recognizes revenue by proportionally dividing the amount promised in the contract with each client according to the contract period.
 - 4) Other
The Company provides sales services for office-related and other products. Of these transactions, the Company recognizes revenue from those classified as agent transactions on a net basis by deducting the amount paid to suppliers and other parties from the gross payment received from the client.

The ordinary due date for all these contracts is generally the end of the month that follows the month in which acceptance inspection is completed or the month in which services are provided, and they do not include any significant financial element.
- (6) Scope of funds in consolidated statement of cash flows
This consists of cash on hand, deposits that can be withdrawn as needed, and easily redeemable short-term investments with minimal risk of value fluctuation and a redemption date due within 3 months of the acquisition date.

(Change of presentation method)

(Consolidated Statements of Income)

Foreign exchange losses, which was included in “other” under non-operating expenses in the previous consolidated fiscal year, is separately stated from the consolidated fiscal year under review because it exceeded 10% of the total amount of non-operating expenses. To reflect this change in the presentation method, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥56,000 presented as “other” under non-operating expenses in the consolidated statements of income for the previous fiscal year has been reclassified as foreign exchange losses of ¥56,000.

(Segment Information)

Because the I'll Group is a single segment entity, this section is omitted.

(Information on Net Profit Per Share)

	Fiscal 2023 (From August 1, 2022 to July 31, 2023)	Fiscal 2024 (From August 1, 2023 to July 31, 2024)
Net assets per share	¥309.21	¥386.75
Net profit per share	¥98.76	¥115.36

(Notes) 1 Diluted net profit per share is not shown because there are no dilutive shares.

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

	Fiscal 2023 (As of July 31, 2023)	Fiscal 2024 (As of July 31, 2024)
Total net assets (Thousands of yen)	7,740,415	9,680,682
Amount deducted from total net assets (Thousands of yen)	-	-
Net assets at end of the fiscal year related to common stock (Thousands of yen)	7,740,415	9,680,682
Number of common shares used in calculating net assets per share (shares)	25,032,509	25,031,109

3 The basis for calculating net profit per share is as follows.

	Fiscal 2023 (From August 1, 2022 to July 31, 2023)	Fiscal 2024 (From August 1, 2023 to July 31, 2024)
Profit attributable to owners of parent (Thousands of yen)	2,472,202	2,887,564
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent related to common stock (Thousands of yen)	2,472,202	2,887,564
Average number of common shares during the period (Shares)	25,033,031	25,031,547

(Significant Subsequent Events)

No applicable matters.

5. Other

(1) Director Changes

See the “Human Resources Notice On Directors and Executive Officers” published today.

(2) Other

No applicable matters.