COMPANY RESEARCH AND ANALYSIS REPORT

JUST PLANNING INC.

4287

Tokyo Stock Exchange Standard Market

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Contents

Summary

Increase in the number of Makasete Net contracted restaurants, with double-digit sales and profit growth forecast for FY1/26

JUST PLANNING INC. <4287> (hereafter, also "the Company") operates its mainstay ASP Businses* centered on Makasete Net, a restaurant management system (sales, ordering/purchasing, and attendance management) for the restaurant industry. It is one of the industry's largest firms with over 6,000 contracted restaurants, mainly from small and medium-sized restaurant chains. It achieves high profitability and stability thanks to having a recurring-income business model based on monthly usage fees. The Company also operates the Logistics Solution Business and Solar Power Generation Business through its subsidiaries.

* Application Service Provider (ASP): a business that provides customers with application software functions used on IT devices as a service via networks. ASP can also refer to this type of service itself.

1. Overview of FY1/25 results

In the FY1/25 consolidated results, net sales increased 6.3% year on year (YoY) to ¥2,202mn and operating profit decreased 0.6% to ¥490mn. Sales were roughly in line with forecasts, particularly in the ASP Business and the Logistics Solution Business, which saw a smooth increase in contract numbers as the restaurant industry remained on a path to recovery. On the other hand, the Company did not meet its target for operating profit (¥550mn) due to factors such as an incident of theft at one of its solar power generation facilities during the period that temporarily disrupted electricity sales, and efforts to upsell to existing customers failing to go as anticipated. Contracted restaurants for mainstay product Makasete Net increased 6.2% from the end of the previous fiscal year to 6,461*, a new record high, while the number of contracted restaurants for the mobile ordering and settlement app iToGo increased a considerable 58.6% to 1,435 after OHSHO FOOD SERVICE Corporation <9936> decided to introduce it at its restaurants.

* This figure includes 866 contracted restaurants for Logi Logi, the logistics management system. The same applies below.

2. FY1/26 forecasts

For its consolidated results in FY1/26, the Company is forecasting double-digit growth in sales and profit, with net sales to increase 14.9% YoY to ¥2,532mn and operating profit to increase 22.8% to ¥602mn. This will represent record high net sales for the first time in nine years. Contracted restaurants for Makasete Net are expected to increase 11.4% from the end of FY1/25 to 7,200 following the enhancement of sales structures, while monthly usage fees are also expected to increase through the promotion of new functions launched in the previous fiscal year, including Makasete Fraud Detection, Makasete HR, and Restaurant Operation Support, which enables the comprehensive management of the coordination between a restaurant chain's corporate departments and restaurants. Additionally, on March 21, 2025, the Company concluded a capital and business alliance with SIFO Co., Ltd., which operates a marine product distribution platform. Going forward, the Company plans to support the digital transformation (DX) of ordering functions and the optimization of logistics systems in the marine products industry by leveraging its expertise. It is considering developing AI-based services in the near future.

3. Growth strategy

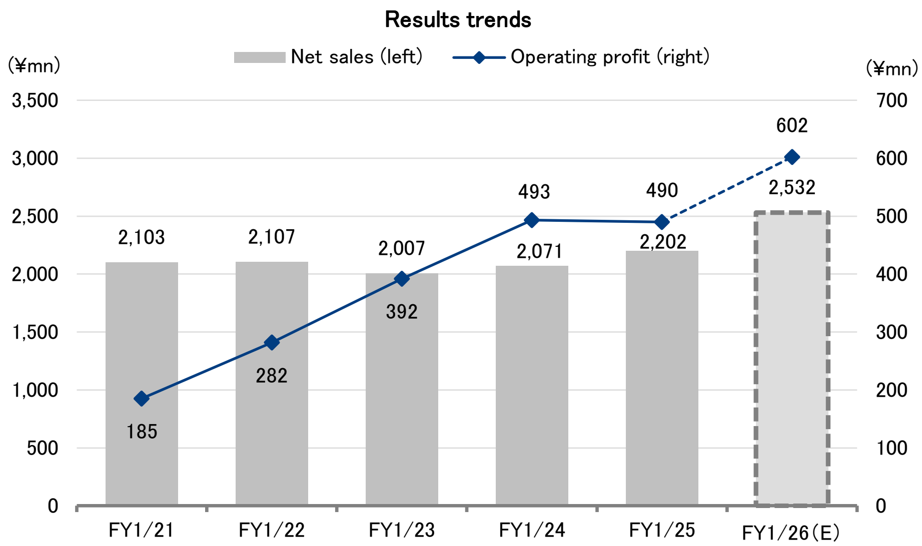
Regarding the Company's growth strategy going forward, it plans to grow monthly usage fees and the number of contracts by expanding new functions that enhance the efficiency of restaurant operations, and it aims to deploy Makasete HR and Restaurant Operation Support in industries other than the restaurant industry. There are many competitor services, so the Company's strategy is to grow sales through differentiation, including offering customizable services, a robust support system, and strong integration with other companies' services. It is also engaged in the joint development of new AI-based services. If these initiatives progress smoothly, then results should return to a growth trajectory.

4. Shareholder return policy

The Company's basic shareholder return policy is to pay dividends stably and continuously, while securing the internal reserves necessary to develop its business in the future and to strengthen its management structure. It appears that the Company is targeting a dividend payout ratio of around 30%. The dividend per share for FY1/25 was ¥10.0 (payout ratio of 33.8%), a YoY increase of ¥2.0. For FY1/26 as well, the Company is planning to raise the dividend by ¥1.0 to ¥11.0 (payout ratio of 32.7%), which will represent a third consecutive fiscal year of dividend increases. The Company has also announced that in the period from January to July 2025, it will carry out share buybacks of up to 600,000 shares for a total of up to ¥200mn. This is expected to result in a total return ratio of just under 80%.

Key Points

- In FY1/26, growth of Makasete Net expected to drive double-digit growth in sales and profit
- For next-generation Makasete Net, each function will be sold on an optional basis and joint development of AI solutions is underway
- Dividend to increase in FY1/26 for a third consecutive fiscal year. Total return ratio is just under 80% after share buybacks



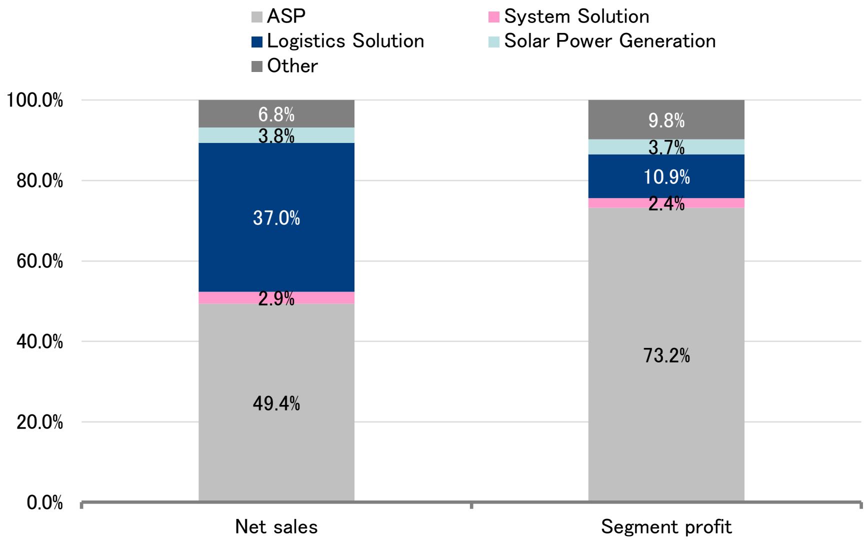
Source: Prepared by FISCO from the Company's financial results

Business overview

Major supplier of restaurant management systems to the restaurant industry; exceeding 6,000 contracted restaurants

The Company's operations are classified into five business segments: ASP Business, System Solution Business, Logistics Solution Business, Solar Power Generation Business, and Other Businesses. In the FY1/25 business segment composition, the ASP Business and Logistics Solution Business accounted for more than 80% of net sales at 49.4% and 37.0%, respectively. However, the ASP Business dominates overall earnings at 73.2% of segment profit (gross profit), making it the Company's primary source of earnings.

Business segment composition (FY1/25)



Note: Net sales indicate sales to external customers.
Source: Prepared by FISCO from the Company's financial results

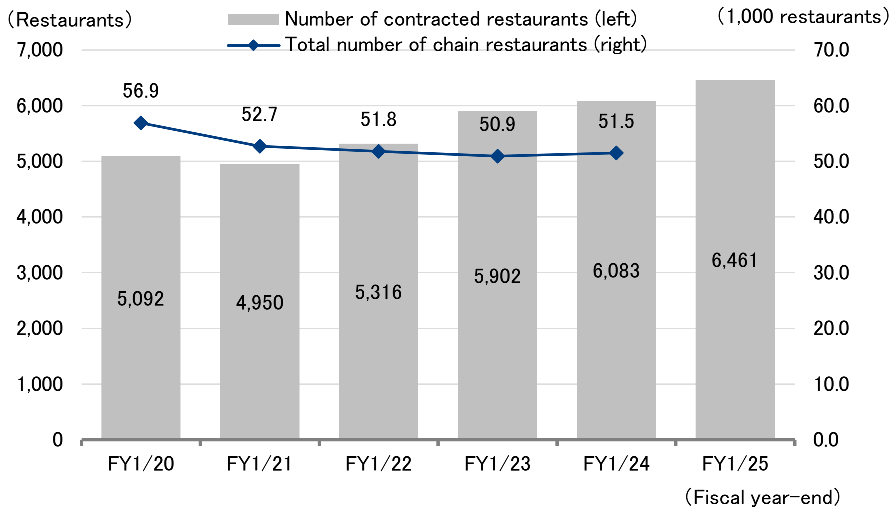
1. ASP Business

In the ASP Business, the Company develops and provides Makasete Net (launched in 1999). This service allows customers to utilize the business software they need to operate various aspects of restaurants, such as sales, ordering/purchasing, and attendance management, via the internet. The main customers for this service are small and medium-sized restaurant chains that operate between 20 to 50 restaurants. Introducing Makasete Net makes it possible for these client companies to gather, manage, and analyze data on operating conditions at their restaurants. It is a recurring-income business model in which the monthly usage fees from the contracted restaurants provide the majority of the net sales. Its profitability is also high and it is the Company's mainstay business.

While the Makasete Net monthly usage fee varies depending on the services used, it averages in the ¥12,000 range per restaurant (full-service costs about ¥30,000). This seems slightly expensive compared to the services from many rivals supplied in the range of ¥10,000 per month. However, the Company has a competitive advantage in offering free customized support that requires additional charges at other companies (though the Company charges extra fees in the case of large-scale changes to specifications).

Contracted restaurants totaled 6,461 at the end of FY1/25 (Number of contracted companies: 248, including contracts of Logi Logi, the logistics management system). Japan has about 51,500 chain restaurants as of March 31, 2024 (according to data from the Japan Franchise Association). While the Company's industry share is around 12%, it is estimated that it holds a slightly higher share of the market for small and medium-sized restaurant chains with less than 50 restaurants, which are its main target.

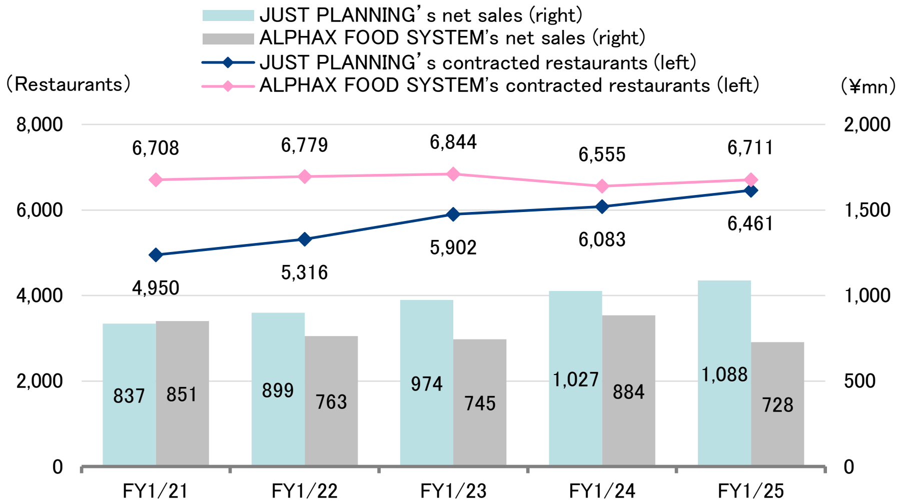
Number of JUST PLANNING's contracted restaurants and the number of chain restaurants in Japan



Note: Figures for the number of chain restaurants are from the Japan Franchise Association's JFA Franchise Chain Statistical Survey Report.
Source: Prepared by FISCO from the Company's results briefing materials and news release

Looking at the Company's competitors, there are five to six rival companies of a similar size, including ALPHAX FOOD SYSTEM CO., LTD. <3814>, Gulfnet Co., Ltd., and ASPIT CO., LTD. Among them, a comparison between JUST PLANNING and ALPHAX FOOD SYSTEM shows that the Company had 6,461 contracted restaurants at the end of FY1/25 while ALPHAX FOOD SYSTEM had 6,711 at the end of FY9/24, both representing YoY increases. While ALPHAX FOOD SYSTEM's number of contracted restaurants is slightly higher, the difference is shrinking each year. On the other hand, while the Company's net sales remained on an upward trend at ¥1,088mn, ALPHAX FOOD SYSTEM's declined YoY to ¥728mn. While the sales of both companies were at a similar level up to fiscal 2020, since then the gap has gradually widened. Over the last few years, ALPHAX FOOD SYSTEM has been focusing on robot waiter solutions, which is thought to have had an impact on the growth of its restaurant management system business. In ASP services for restaurant companies, Infomart Corporation <2492> also provides order receipt and placement services, so some of its services overlap with those of the Company. However, Infomart mainly focuses on providing services to the selling side (food wholesalers), so these two companies have built a good relationship, such as by mutually linking their systems when their customers overlap.

Trends in the number of contracted restaurants and net sales for the two major companies



Note: Net sales are based on the ASP businesses, and ALPHAX FOOD SYSTEM is based on its fiscal periods ending in September.
Source: Prepared by FISCO from the Company's financial results, each company's results briefing materials, and press releases

The Company is also providing value-added services besides Makasete Net, with the aim of vertical expansion within the restaurant industry. Of these services, Makasete Touch (launched in 2012 under the name POSITEV and changed to the current name in 2014) is a service that replaces specialized terminals (handheld terminals) used to accept orders from customers at restaurants with an iPad, iPod Touch, or other general-use devices. Advantages of this service include a reduction in initial deployment costs to about one-third the usual amount through utilizing general-use devices, costs and periods for education and training are minimized as employees learn quicker when using devices they are already familiar with, and reduced maintenance costs. However, recently there has been a growing trend among chain restaurants for orders to be made by the customers themselves using a tablet terminal placed on the table, which is likely to result in a decline in new demand.

Also, the ASP Business includes iToGo, the mobile ordering and settlement app designed for takeout businesses, acquired from its business partner, SUNCORPORATION <6736>, in August 2020. Using the smartphone app, LINE MINI app, or web browser, customers can place and pay for orders in advance (paying at the restaurant is also possible). In addition to this, the app offers sales promotion capabilities such as a feature for delivering coupons exclusively via the app, a push notification function to inform customers about deals, and optional customer relationship management (CRM) functions. The rate structure* combines a fixed monthly fee and usage-based fee, in addition to initial deployment fee. Although the number of contracted restaurants and number of contracted companies at the end of FY1/25 were low at 1,435 and 53 respectively, accounting for only about 11% of the ASP Business sales, the Company aims to increase these numbers while promoting alliance strategies.

* Monthly fees are ¥3,000 per restaurant, and for chain restaurants, the web plan is ¥5,000 and the app plan is ¥8,000. The usage-based fee (sales commission) is a flat 3% of the gross purchase value.

2. System Solution Business

The System Solution Business is mainly comprised of the sales of various terminals, such as POS systems and order entry systems that are deployed by the restaurants of companies contracted to Makasete Net and other services, as well as related system configuration and maintenance services. However, the System Solution Business is only weakly correlated to ASP Business. This is because there is no need for customers to repurchase POS systems or other terminals if they are already installed in their restaurants, even when customers are contracted to Makasete Net or other services for the first time. Additionally, it provides a comparatively low segment profit margin, as these items are purchased from third parties for resale to customers, which in turn places this segment in a complementary position to the ASP Business.

3. Logistics Solution Business

The Logistics Solution Business is mainly being developed by SuccessWay Inc., made a wholly owned subsidiary of the Company in 2005. This business mainly provides services such as logistics and merchandising solutions for restaurant companies, along with corporate business support services. Currently, since labor-intensive logistics business support services account for the bulk of its net sales, the segment profit margin trended at a low level, but the Company is focusing on increasing sales of the new Logi Logi system which was developed in-house and updated in 2022. The number of contracted restaurants and number of contracted companies as of January 31, 2025 were at 866 restaurants and 17 companies respectively.

4. Solar Power Generation Business

The Company operates its Solar Power Generation Business through subsidiary JP Power Inc. (wholly owned). It runs power plants at two sites in Tochigi Prefecture with a total of 1.7MWh (started operating in February 2015) and one location in Miyagi Prefecture with 1.1MWh (February 2016) and sells electricity to power companies. The price of power sales is fixed for 20 years from the start of sales under the FIT system, so for the time being, it is a stable source of earnings that is expected to increase the segment profit margin as the burden of depreciation lessens.

5. Other Businesses

Subsidiary JP Power operates restaurants as locations for employee training to obtain know-how on restaurant operations and test marketing of new systems. As of the end of FY1/25, there were two Japanese-style izakaya pubs and one golf bar in addition to a restaurant for set meals (shogayaki [ginger pork] specialty restaurant), bringing the total number of restaurants to four, unchanged from the end of FY1/24.

Results trends

In FY1/25, sales increased for a second consecutive fiscal year, driven by the ASP Business

1. Overview of FY1/25 results

In the FY1/25 consolidated results, net sales went up 6.3% YoY to ¥2,202mn, operating profit decreased 0.6% to ¥490mn, ordinary profit fell 0.3% to ¥495mn and profit attributable to owners of parent increased 2.7% to ¥364mn. Net sales were roughly in line with forecasts, increasing for a second consecutive fiscal year, but operating and ordinary profit were approximately 10% below the forecasts, as they remained level with FY1/24. The main factors behind this were the theft of electricity cables at one of the Company's solar power generation facilities during the period which temporarily disrupted electricity sales, as well as efforts to upsell to existing customers failing to go as anticipated, even though it met the target for the number of restaurant introductions. On the other hand, advance operation of some services at new client companies began, and all services are scheduled to be deployed in stages. Regarding the damages incurred at the power generation facility, insurance claim income of ¥28mn has been recorded as extraordinary income and ¥11mn in expenses associated with restoring the facility has been recorded as extraordinary loss, which resulted in a slight increase in profit attributable to owners of parent.

The gross margin also shrank from 52.7% in FY1/24 to 51.0%. This was mainly due to an increase in outsourcing costs associated with the development of new functions in the ASP Business. Gross profit increased 2.9% YoY due to increased sales. SG&A expenses increased 5.8%, ¥34mn in monetary terms, mainly due to an increase in R&D expenses. Although the operating margin decreased 1.5 percentage points (pp) to 22.3%, it remained at a high level. The number of employees on a consolidated basis as of the end of FY1/25 remained level from the end of the previous fiscal year at 67.

Consolidated financial results for FY1/25

(¥mn)

	FY1/24		FY1/25				
	Results	% of sales	Company forecast	Results	% of sales	YoY	% of forecast
Net sales	2,071	-	2,200	2,202	-	6.3%	0.1%
Gross profit	1,090	52.7%	-	1,122	51.0%	2.9%	-
SG&A expenses	597	28.8%	-	632	28.7%	5.8%	-
Operating profit	493	23.8%	550	490	22.3%	-0.6%	-10.9%
Ordinary profit	496	24.0%	550	495	22.5%	-0.3%	-10.0%
Extraordinary loss	-	-	-	17	-	-	
Profit attributable to owners of parent	354	17.1%	377	364	16.5%	2.7%	-3.4%

Source: Prepared by FISCO from the Company's financial results

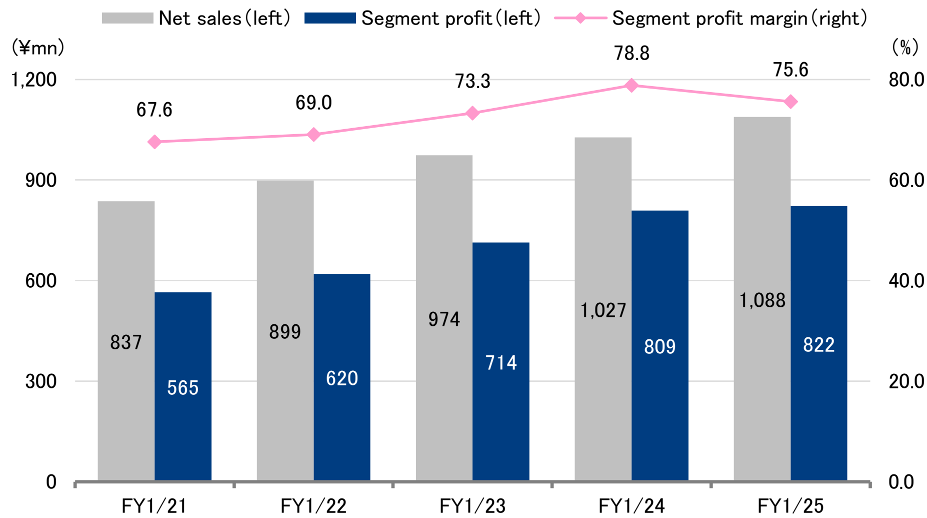
ASP Business sales and profits increased for the fourth consecutive fiscal year due to a record number of contracted restaurants

2. Performance trends by business segment

(1) ASP Business

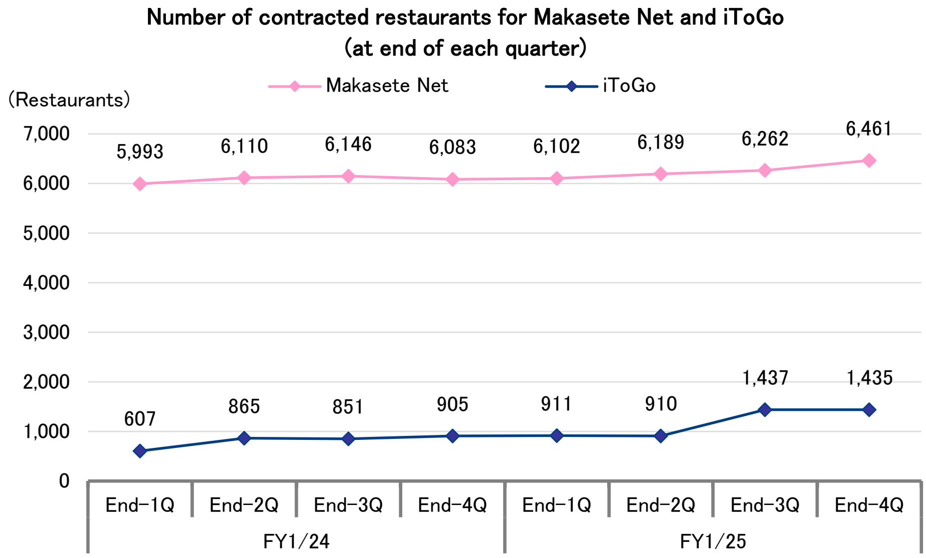
In the ASP Business, sales and profit increased for a fourth consecutive fiscal year, with net sales growing 5.9% YoY to ¥1,088mn, and segment profit rising 1.5% YoY to ¥822mn. As the restaurant industry regained its vitality, including the recovery of demand from inbound tourism, the number of companies resuming investment in restaurants increased, driving an increase in contracts for mainstay product Makasete Net. Other factors contributing to the increase in sales were the large-scale project introduction of iToGo and the successive launches of multiple new functions in the Makasete Net series. On the other hand, the segment profit margin decreased from 78.8% in FY1/24 to 75.6%, mainly due to an increase in outsourcing costs.

Results of the ASP Business



Source: Prepared by FISCO from the Company's financial results

The number of contracted restaurants for Makasete Net at the end of FY1/25 increased 6.2% YoY to 6,461, reaching a new record high (the number of contracted companies remained level at 248). For iToGo, which accounts for around 11% of net sales, the number of contracted restaurants rose rapidly from August 2024, increasing 58.6% to 1,435 due to introductions at OHSHO FOOD SERVICE (the number of contracted companies decreased 3 to 53). While the number of contracted companies has declined slightly since its peak, this was partly due to the suspension of sales activities targeting new customers so resources could be concentrated on introducing and starting operation of the service in the large-scale project. Monthly usage fees as of January 2025 increased 7.3% YoY to ¥79mn due to the increase in contracted restaurants.



Source: Prepared by FISCO from the Company's results briefing materials and news release

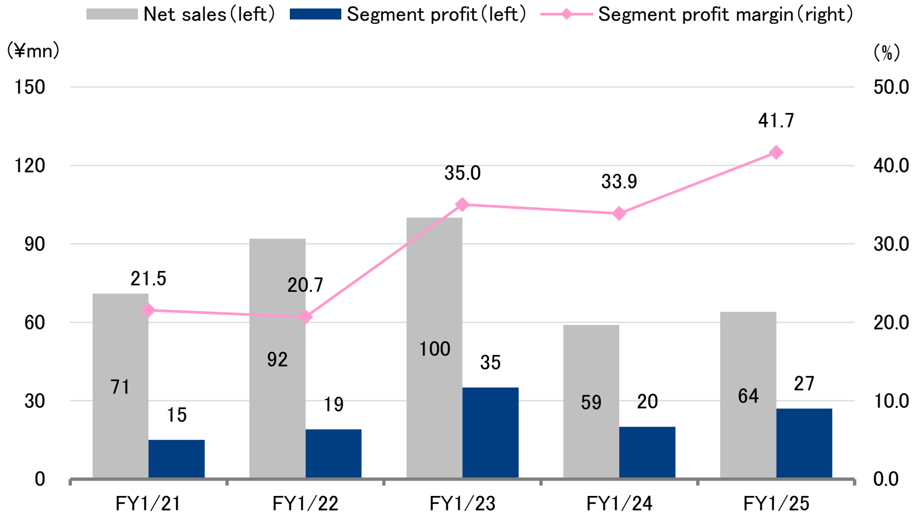
The Company is currently advancing development aimed at transitioning to a next-generation model of Makaesete Net. It is developing and releasing new functions in stages and has started offering them as option-based services. In May 2024, it released Makasete Fraud Detection which systematically detects fraudulent operations in data such as POS transaction activity logs, enabling daily monitoring of the large volume of transactions across all restaurants in a chain. In June it released Makasete HR, a human resource management system that enables the digitalization of various documents, including personal information such as the employment contracts required to hire restaurant staff, as well as the recording of HR management data, including data for foreign staff realized through its multilingual compatibility, and comprehensive attendance management which includes shift management. Furthermore, in September, it released Restaurant Operation Support, which enables the comprehensive management of the coordination between a restaurant chain's corporate departments and restaurants. This service targets companies that operate a large number of restaurants, providing support to improve operational efficiency and maximize revenues by enabling contact and information sharing between the corporate departments and restaurants. Its main functions include a workflow function (visualization and automation of the management of various application and approval processes by restaurant and corporate staff), an announcement and notification function, and a to-do list schedule management function.

These new functions have been developed in response to requests from customers and have been introduced by the customers who had requested them. For now, the Company's strategy will be to monitor how the functions perform at these customers, further improve them, and then launch full-scale sales promotion activities.

(2) System Solution Business

Net sales in the System Solution Business increased 9.1% YoY to ¥64mn and segment profit increased 34.1% to ¥27mn. While business sentiment has been recovering in the restaurant industry, small and medium-sized companies continue to be cautious about investing in hardware systems like POS registers due to rising food ingredient prices and personnel expenses, so sales recovery was limited.

Results of the System Solution Business

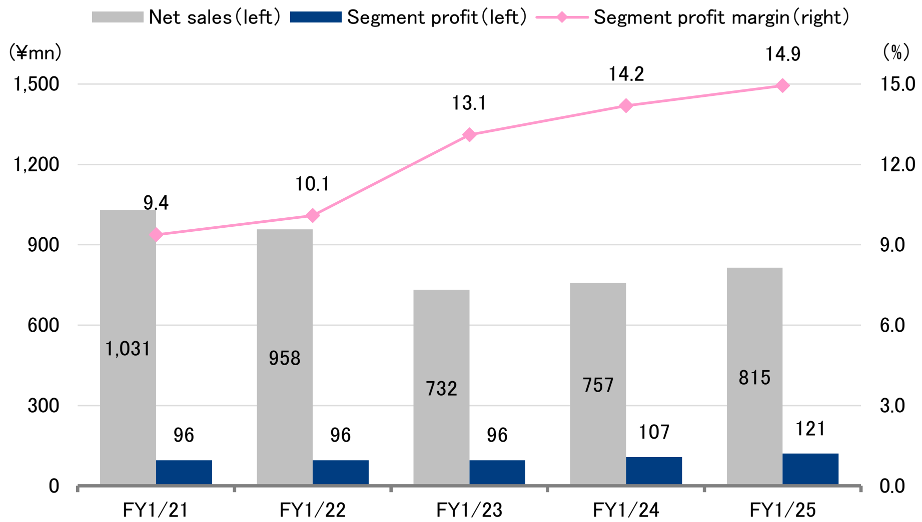


Source: Prepared by FISCO from the Company's financial results

(3) Logistics Solution Business

In the Logistics Solution Business, net sales increased 7.7% YoY to ¥815mn, and segment profit rose 13.5% YoY to ¥121mn. Sales and profits increased due to higher logistics service revenue, driven by the recovery in sales at restaurant companies, the segment's main customers. The rise in the number of contracted restaurants for Logi Logi, a logistics management system, up 26 from the end of the previous fiscal year to 866 restaurants, also contributed to the improved results. The segment profit margin increased from 14.2% the previous fiscal year to 14.9% due to changes in the sales mix.

Results of the Logistics Solution Business

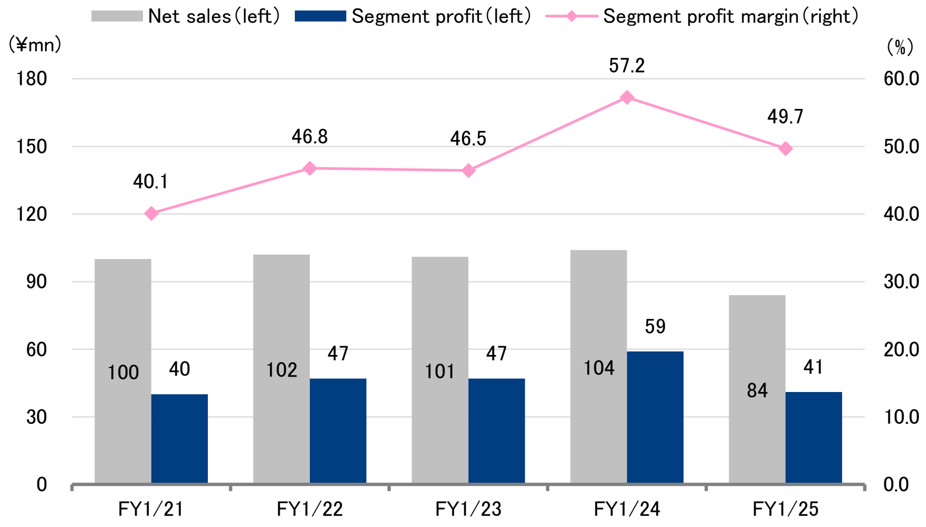


Source: Prepared by FISCO from the Company's financial results

(4) Solar Power Generation Business

In the Solar Power Generation Business, net sales decreased 19.5% YoY to ¥84mn, and segment profit decreased 30.1% to ¥41mn. The main factor behind this decrease in sales and profit was the theft of electricity cables in 2Q FY1/25 which temporarily disrupted electricity sales. However, the damages have been recovered as insurance claim income (recorded as extraordinary income) and the facility is once again operating as normal.

Results of the Solar Power Generation Business

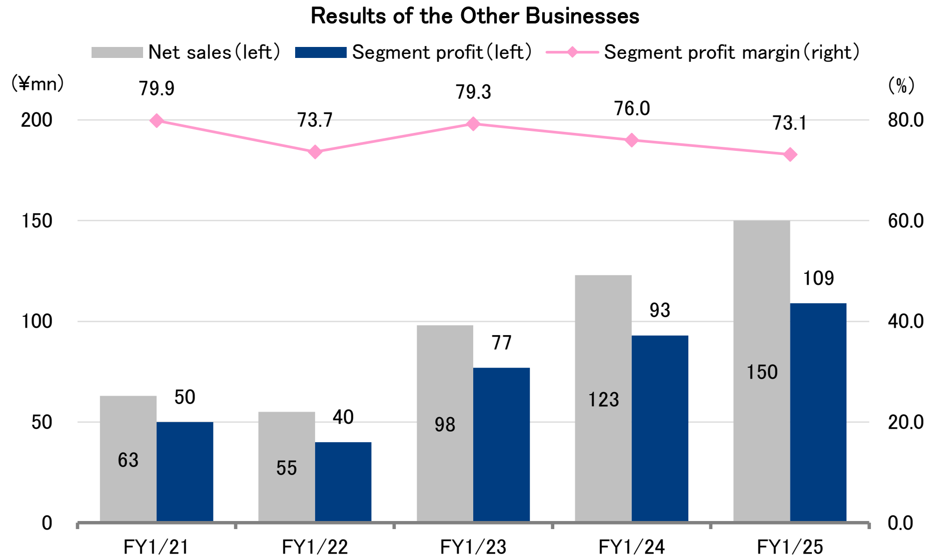


Source: Prepared by FISCO from the Company's financial results

(5) Other Businesses

Net sales from Other Businesses increased 21.8% YoY to ¥150mn, and segment profit increased 17.2% to ¥109mn, for a third consecutive fiscal year of higher sales and profits. Although the segment profit margin declined from 76.0% in the previous fiscal year to 73.1% due to the rising cost of ingredients, this was offset by the increase in sales. The specialty shogayaki (ginger pork) restaurant was featured on terrestrial TV multiple times, which boosted sales, while the other restaurants also performed steadily.

Results trends



Source: Prepared by FISCO from the Company's financial results

Strengthening shareholder return using ample cash on hand generated by a healthy financial position

3. Financial position and management indicators

At the end of FY1/25, total assets were up ¥141mn compared to the end of the previous fiscal year to ¥4,019mn. Looking at the main factors for change, in current assets, cash and deposits decreased ¥83mn, and accounts receivable – trade increased ¥26mn. In non-current assets, property, plant and equipment decreased ¥24mn, and software decreased ¥9mn, while long-term time deposits increased ¥100mn.

Total liabilities increased ¥46mn YoY to ¥342mn. In current liabilities, contractual liabilities increased by ¥13mn, accounts payable – trade increased by ¥19mn, and income taxes payable increased by ¥11mn. Total net assets increased by ¥95mn to ¥3,677mn. The main factor behind this increase was the posting of ¥364 million in profit attributable to owners of parent, which was partly offset by ¥168mn spent on share buybacks and dividend payments of ¥99mn.

Looking at cash flow, cash flow from operating activities declined to ¥308mn from ¥350mn from the previous fiscal year. Cash flow from investing activities was an outflow of ¥23mn, an increase from an outflow of ¥7mn. Cash flow from financing activities included outflows in the form of dividend payments of ¥99mn and share buybacks of ¥168mn. As a result, cash and cash equivalents at the end of the period increased ¥16mn YoY to ¥1,370mn.

Looking at the management indicators, the equity ratio, which indicates management stability, continues to be maintained at the high level of 91.5%. As the Company also operates debt-free, and has amassed record-high cash and deposits of ¥3,070mn (including long-term time deposits of ¥200mn), its financial position can be judged to be sound. In addition to generating stable earnings with a recurring-income business model in the mainstay ASP Business, this is because it does not have significant demand for investment funds. Regarding profitability, ROA was 12.5%, ROE was 10.0%, and the operating margin was 22.3%, all slightly decreasing compared to the previous fiscal year, as high profitability was maintained.

Since FY1/24, the Company has been allocating its ample cash on hand to shareholder returns, such as increasing dividends and share buybacks. Going forward, it intends to allocate funds not only for shareholder returns but also for growth investments, such as R&D expenses associated with the development of new services and capital and business alliances. The Company set record high sales of ¥2,450mn in FY1/17 and in operating profit of ¥711mm in FY1/08, but we at FISCO believe that it is within reach of achieving record-high performance by implementing these growth investments.

Consolidated balance sheet

(¥mn)

	End-FY1/22	End-FY1/23	End-FY1/24	End-FY1/25	Change
Current assets	2,833	3,146	3,250	3,343	93
Cash and deposits	2,585	2,871	2,954	2,870	-83
Non-current assets	731	590	628	676	47
Total assets	3,565	3,736	3,878	4,019	141
Total liabilities	273	350	296	342	46
Interest-bearing debt	-	-	-	-	-
Total net assets	3,291	3,386	3,582	3,677	95

Source: Prepared by FISCO from the Company's financial results

Consolidated cash flow statement

(¥mn)

	FY1/22	FY1/23	FY1/24	FY1/25
Cash flow from operating activities	464	399	350	308
Cash flow from investing activities	-416	-719	-7	-23
Cash flow from financing activities	-93	-94	-158	-268
Cash and cash equivalents at end of period	1,585	1,171	1,354	1,370

Source: Prepared by FISCO from the Company's financial results

Management indictors

	FY1/22	FY1/23	FY1/24	FY1/25	Change
Stability					
Equity ratio	92.2%	90.6%	92.4%	91.5%	-0.9pp
Interest-bearing debt ratio	-	-	-	-	-
Profitability					
Return on assets (ROA)	10.2%	11.0%	13.1%	12.5%	-0.5pp
Return on equity (ROE)	7.7%	6.2%	10.2%	10.0%	-0.1pp
Operating margin	13.4%	19.6%	23.8%	22.3%	-1.6pp

Source: Prepared by FISCO from the Company's financial results

Outlook

In FY1/26, growth of Makasete Net expected to drive double-digit growth in sales and profit

1. FY1/26 forecasts

For its consolidated results in FY1/26, the Company is forecasting double-digit growth in sales and profit with net sales to increase 14.9% YoY to ¥2,532mn, operating profit to rise 22.8% to ¥602mn, ordinary profit to increase 22.0% to ¥604mn, and profit attributable to owners of parent to increase 15.0% to ¥419mn. This will represent record high net sales for the first time in nine years. In the mainstay ASP Business, the cultivation of new customers, growth in the number of contracted restaurants, and a rise in monthly usage fees driven by sales of new functions are expected to contribute to the increase in sales and profit. The recovery of the Solar Power Generation Business from its temporary downturn in FY1/25 will also contribute. In regard to expenses, an increase in R&D expenses is anticipated, as well as an increase in advertising expenses accompanying the strengthening of online marketing. However, the Company will continue efforts to curb other expenses, so the operating margin is expected to rise from 22.3% in FY1/25 to 23.8%.

The Company is also forecasting double-digit growth in sales and profit in 1H, with net sales to increase 17.3% YoY to ¥1,208mn and operating profit to rise 26.0% to ¥287mn. As it typically takes three to four months from contract signing to introduction and start of operation for new projects in the ASP Business, this forecast is fairly certain. We at FISCO think the full-year forecast also seems achievable, unless there is a sudden deterioration in conditions in the restaurant industry.

FY1/26 forecasts

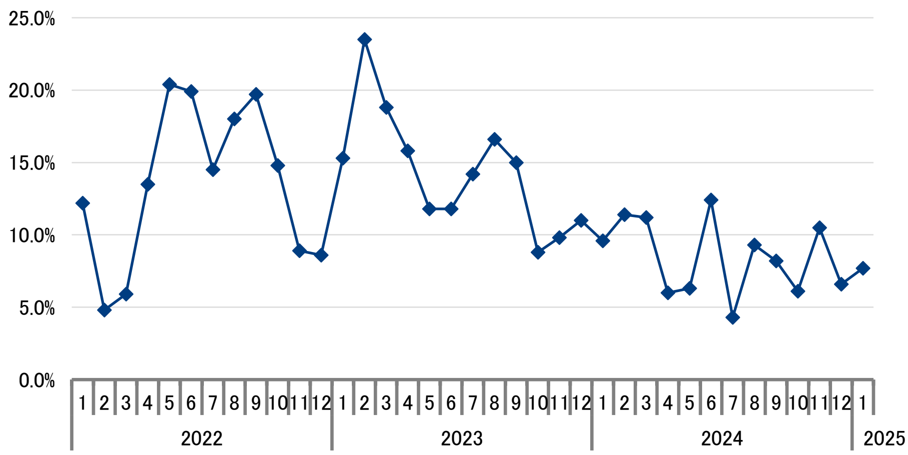
(¥mn)

	FY1/25		FY1/26				
	Full-year results	% of sales	1H forecast	YoY	Full-year forecast	% of sales	YoY
Net sales	2,202	-	1,208	17.3%	2,532	-	14.9%
Operating profit	490	22.3%	287	26.0%	602	23.8%	22.8%
Ordinary profit	495	22.5%	289	25.2%	604	23.9%	22.0%
Profit attributable to owners of parent	364	16.5%	200	26.2%	419	16.5%	15.0%
Earnings per share (EPS) (¥)	29.55		16.06		33.65		

Source: Prepared by FISCO from the Company's financial results

In the market environment surrounding the restaurant industry, while there are concerns about the impact of higher food ingredient prices and personnel expenses, the effects of demand from inbound tourism are expected to continue in 2025, and at FISCO, we think that although the growth rate will slow, the industry will still maintain single-digit growth. In fact, looking at the figures for monthly sales growth by restaurant chains, which are released each month in the Japan Foodservice Association's Restaurant Industry Market Trend Survey, January 2025 was up 7.7% YoY, the 38th consecutive month of increases in all formats, from fast food and restaurants to Japanese-style izakaya pubs and cafés. Additionally, amid worsening labor shortages, investment in DX to achieve labor savings is booming, and as the Company's Makasete Net series provide services that meet this need, it is forecast to realize smooth growth.

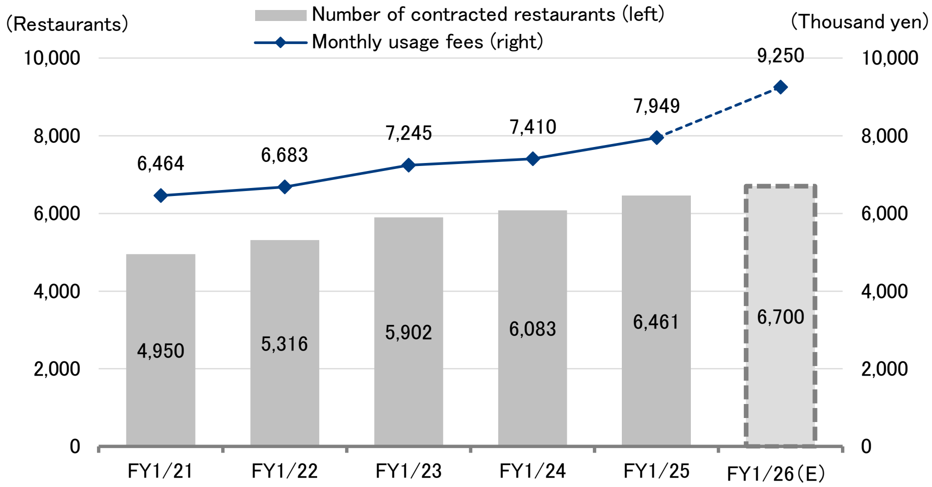
Restaurant net sales
(compared to the same month in the previous fiscal year)



Source: Prepared by FISCO from the monthly data of the Japan Foodservice Association's Restaurant Industry Market Trend Survey

The Company expects the number of contracted restaurants with Makasete Net at the end of FY1/26 to increase 3.7% YoY to 6,700, and monthly usage fees (January 2026) to rise 16.4% to ¥92mn. Per restaurant average monthly usage fees are expected to be about ¥14,000, up 12.23%. The Company is also expecting to engage in a new project relatively large in scale in FY1/26, so it is highly likely to meet its target for the number of contracted restaurants. Performance concerning monthly usage fees and per restaurant average monthly usage fees will depend on whether customers introduce the new functions released in FY1/25. In regard to new customer cultivation, following the reorganization that took place two to three fiscal years ago, the effects seem to be starting to show results. The Company's sales framework was reorganized into two departments, a department for handling existing customers and a department for cultivating new customers (with each department consisting of six members). Additionally, it is also starting to capture potential customers through online marketing efforts started in 2024. Early contracting results have already started to appear, and the Company plans to continue this approach in 2025.

Number of Makasete Net contracted restaurants and monthly usage fees



Note: The number of restaurants shown is as of the end of the fiscal year. Monthly usage fee is the figure for January each year.
Source: Prepared by FISCO from the Company's results briefing materials and news release

On March 21, 2025, the Company concluded a capital and business alliance with SIFO, which operates Blue Forum, a marine product distribution platform that directly connects fisheries across Japan with restaurants and retailers. By acquiring a stake in SIFO (8.2% holding), the Company plans to provide services to mutually owned restaurant and retail businesses, support the development of systems solutions pertaining to Blue Forum's logistics systems, and provide Blue Forum's logistics systems with the Group's solutions. In addition to this, it plans to utilize information on seafood caught across Japan to advance DX of ordering functions in the marine product industry. It is also looking at jointly creating value-added services using AI in the future, including those for strengthening traceability in marine product distribution, predicting demand, and introducing dynamic pricing. While the impact of the alliance on the Company's results is small at present, it is considered a noteworthy initiative that could lead to the creation of new markets.

Launch of next-generation Makasete Net and progress in the development of AI solutions

2. Growth strategy

As for the Company's growth strategy going forward, it will acquire new customers, raise per-customer sales through release of the next-generation Makasete Net, and will develop new markets and cultivate iToGo. If this proceeds smoothly, the Company's growth potential will go up starting in FY1/26, and in several years, the Company is expected to outperform its record high operating profit of ¥711mn in FY1/08.

(1) Launch next-generation Makasete Net by selling each function on an optional basis

For the Makasete Net series, 12 years have passed since the current Makasete Net EX was released in 2012, and the Company is now developing the next-generation version. The current Makasete Net reduces the work burden of restaurant management (sales, ordering/purchasing, attendance management, etc.), but the next-generation Makasete Net advances DX of various legacy operations of corporate departments. While development has yet to be completed on all functions, in 2024 it started selling services that include the new functions on an optional basis and it is working to upsell to existing customers and capture new customers.

Out of the new functions, Makasete HR, and Restaurant Operation Support can also be used by retailers and other industries, so the Company plans to accelerate the annual sales growth rate of the ASP Business into double digits by cultivating markets other than the restaurant industry. Although there are many competitor services, the Company is able to customize services in line with the customer's needs and is also differentiating itself by developing partnerships with other companies that provide peripheral services and enhancing support structures.

(2) Expanding to other sectors through iToGo

For iToGo, the Company is pursuing growth by strengthening functions and increasing convenience through coordination with other companies' systems in order to expand the scope of online ordering in daily life scenarios from restaurants to other business areas, and to develop it for new industries (such as mass retail stores, supermarkets, commercial facilities, etc.). Sales are still at a low level and the contribution to results is marginal, but the Company plans to develop iToGo into a primary source of earnings in around two to three fiscal years. In 2024 it was able to build a track record through the introduction by OHSHO FOOD SERVICE and going forward, it will aim to increase the number of contracted restaurants by strengthening functions and advancing an alliance strategy.

(3) Joint development with OGIS-RI

In June 2020, the Company concluded a capital and business partnership agreement with OGIS-RI Co., Ltd., and OGIS-RI became the Company's second largest shareholder, holding 10% of its shares. OGIS-RI is a subsidiary of Osaka Gas Co., Ltd. <9532> and has strengths in its information solutions business, such as IT services and big data analysis. The two companies are co-developing new services using AI that integrate the Company's expertise, including in systems development for the restaurant industry, with OGIS-RI's solutions capabilities.

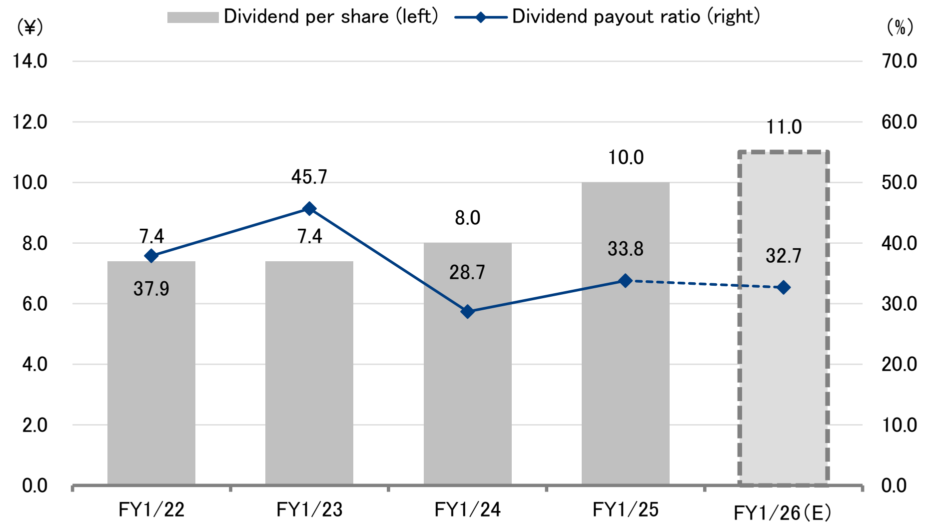
Shareholder return policy

Third consecutive fiscal year of dividend increases and share buybacks to result in a total return ratio of just under 80%

The Company's basic shareholder return policy is to pay dividends stably and continuously, while securing the internal reserves necessary to develop its business in the future and to strengthen its management structure. Based on this policy and the payout ratio level, the dividend per share for FY1/25 rose ¥2.0 YoY to ¥10.0 (payout ratio of 33.8%). In FY1/26 as well, earnings are expected to grow, so the Company plans a third consecutive increase, raising the dividend ¥1.0 to ¥11.0 (payout ratio of 32.7%). The Company appears to be targeting a dividend payout ratio of around 30%, and expectations are for further increases in the dividend rate if profits continue to grow.

Also, in January 2025 the Company announced it will carry out share buybacks with the aim of enhancing capital efficiency and strengthening shareholder return. The acquisition period will be from January 8 to July 31, 2025, with a maximum of 600,000 shares (4.93% of the total number of issued shares (excluding treasury shares)) and a maximum of ¥200mn. Combined with the dividend, this will result in a total return ratio of just under 80%. The Company recently carried out share buybacks between November 2023 and October 2024 (acquiring 560,000 shares for ¥200mn) which have been well received as part of measures to increase corporate value.

Dividend per share and dividend payout ratio



Source: Prepared by FISCO from the Company's financial results

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