

3763 Tokyo Stock Exchange Prime Market

Pro-Ship Incorporated

Financial Results for the Fiscal Year Ended March31, 2025

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Financial Highlights for FY2025

	FY2024/3	FY2025/3	YoY
Net sales	¥6,812m	¥7,564m	+11.0%
Operating profit	¥1,632m	¥2,309m	+41.5%
Ordinary profit	¥1,877m	¥2,431m	+29.5%
Ordinary profit margin	(27.6%)	(32.1%)	-
Profit attributable to owners of the parent	¥1,349m	¥1,930m	+43.0%

Financial Highlights for FY2025

As the first year of the build phase under the medium term business strategy "Be Hybrid 2028," All main performance indicators exceeded forecasts. The impact of the new lease accounting standards is expected to contribute to earnings from the second half of the next consolidated fiscal year onward.

Net sales

¥7,564m

+11.0 % YoY

Record High

Larger project sizes.

Higher project density per employee

Progress in version upgrades for existing customers

Advancement of large-scale projects in the infrastructure sector, positioned as part of our growth strategy

Ordinary profit

¥2,431m

+29.5 % YoY

Record High

Cost of sales reduction

Achieved through company-wide quality control enhancements and productivity improvement initiatives(Cost of sales ratio improved from 48.0% to 44.1%)

Reduction in SG&A expenses

Despite proactive investment in human resource and product development, the "ProPlus+" project progressed efficiently.

Decline in non-operating income

Due to the absence of a one-time increase in dividends received from an affiliated company in the previous fiscal year.

Profit attributable to owners of the parent

¥1,930m

+43.0 % YoY

Record High

Increase in extraordinary gains

Recorded reversal gains on stock acquisition rights due to the expiration of stock options.

Reduction in corporate income taxes

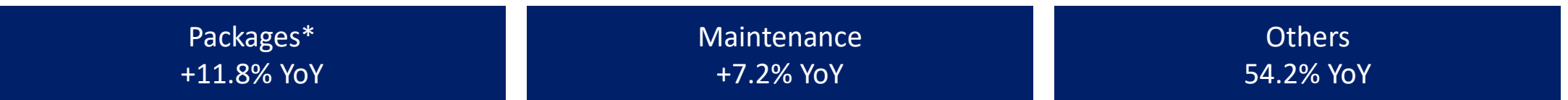
Applied the wage increase promotion tax credit through investments in human capital, including higher employee compensation and headcount growth. Applied the R&D tax credit through proactive investment in product development.

Breakdown of Net Sales

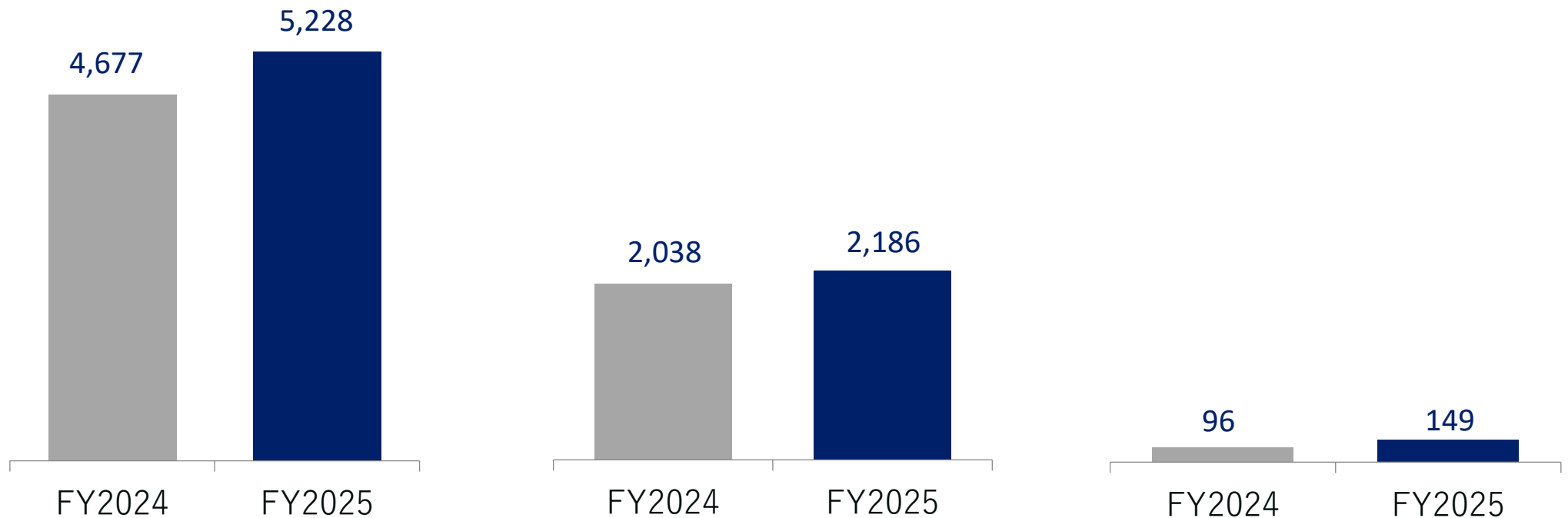
Package: 11.8% increase due to larger project size and higher project density per employee.

Maintenance: 7.2% increase due to the growth in new users and other factors.

(Millions of yen)



*Sales of ProPlus licenses
and implementation services



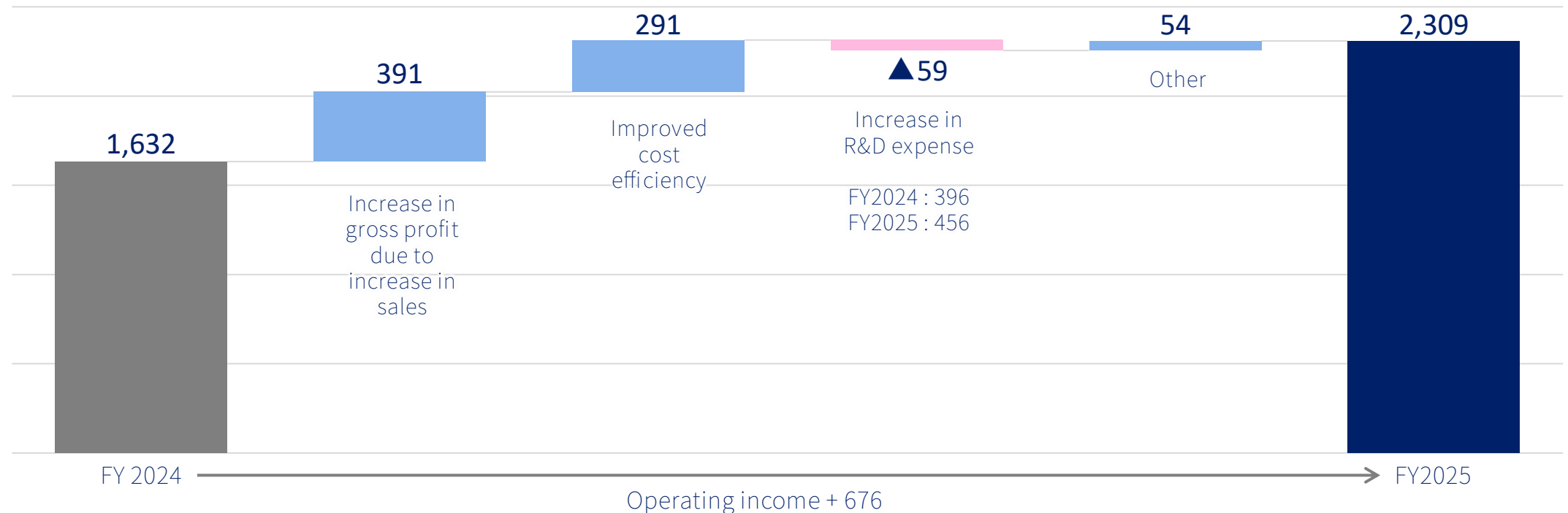
Contributing Factors of Increase in Operating Profit

Operating profit increased by ¥676 million year on year.

The following factors contributed to this result:

- Increase in gross profit due to higher sales (+¥396 million YoY)
- Increase in gross profit due to improved cost to sales ratio (+¥291 million YoY)
- Increase in R&D expenses and SG&A expenses (+¥59 million YoY)

(Millions of yen)



Orders Received and Order Backlog

Package: Orders received and order backlog increased year on year due to larger project size and higher project density per employee.

Maintenance: Orders decreased year on year due to the suspension of long-term contracts* and other factors. Order backlog increased year on year due to an increase in new users.

Considering the current risk of inflation and our low contract cancellation rate, we have suspended multi-year maintenance contracts.

FY2025				
Item	Orders received	YoY	Order backlog	YoY
Package	¥6,037m	+32.0%	¥3,158m	+35.8%
Maintenance	¥2,194m	-11.6%	¥2,728m	+ 0.3%
Other	¥163m	+ 59.0%	¥61m	+ 29.0%
Total amount	¥8,395m	+17.3%	¥5,949m	+16.8%

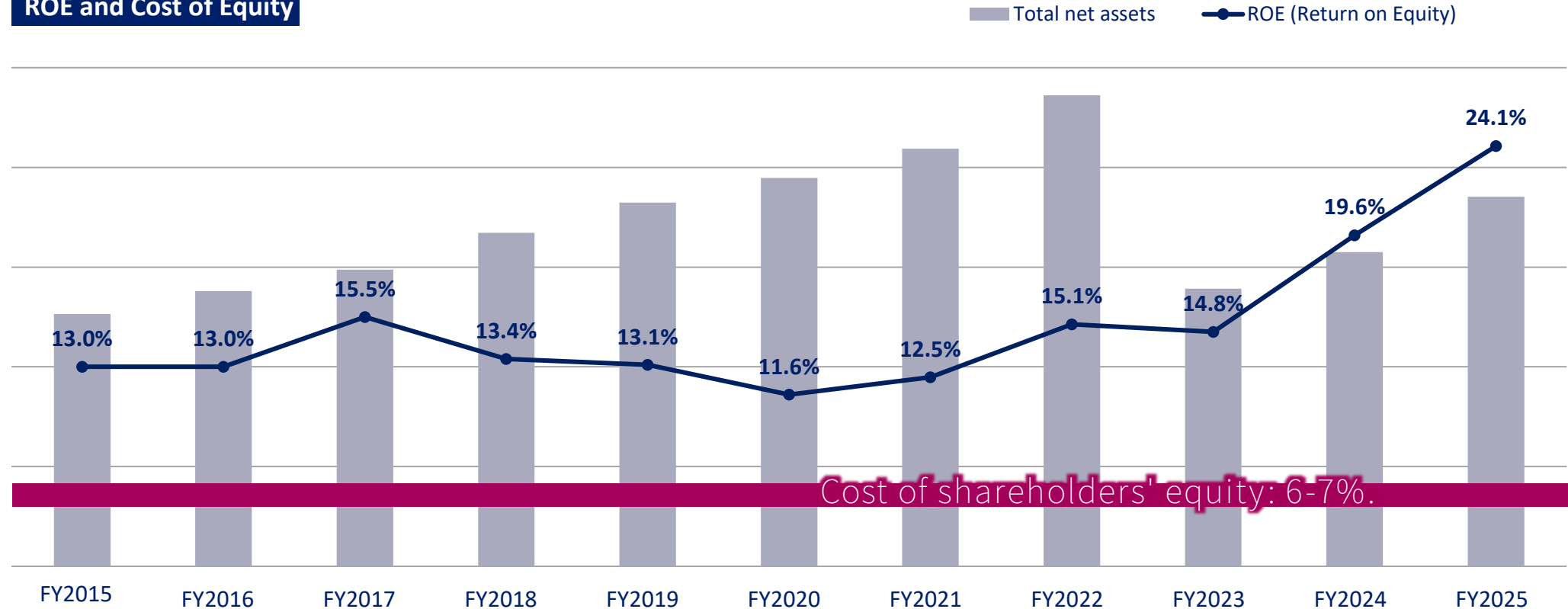
Current Situation of Capital Costs and Return on Capital - ROE

ROE has remained consistently above 10% over the long term.

Following the share buyback in FY2022, ROE further improved and continues to significantly exceed our estimated cost of equity (6–7%).

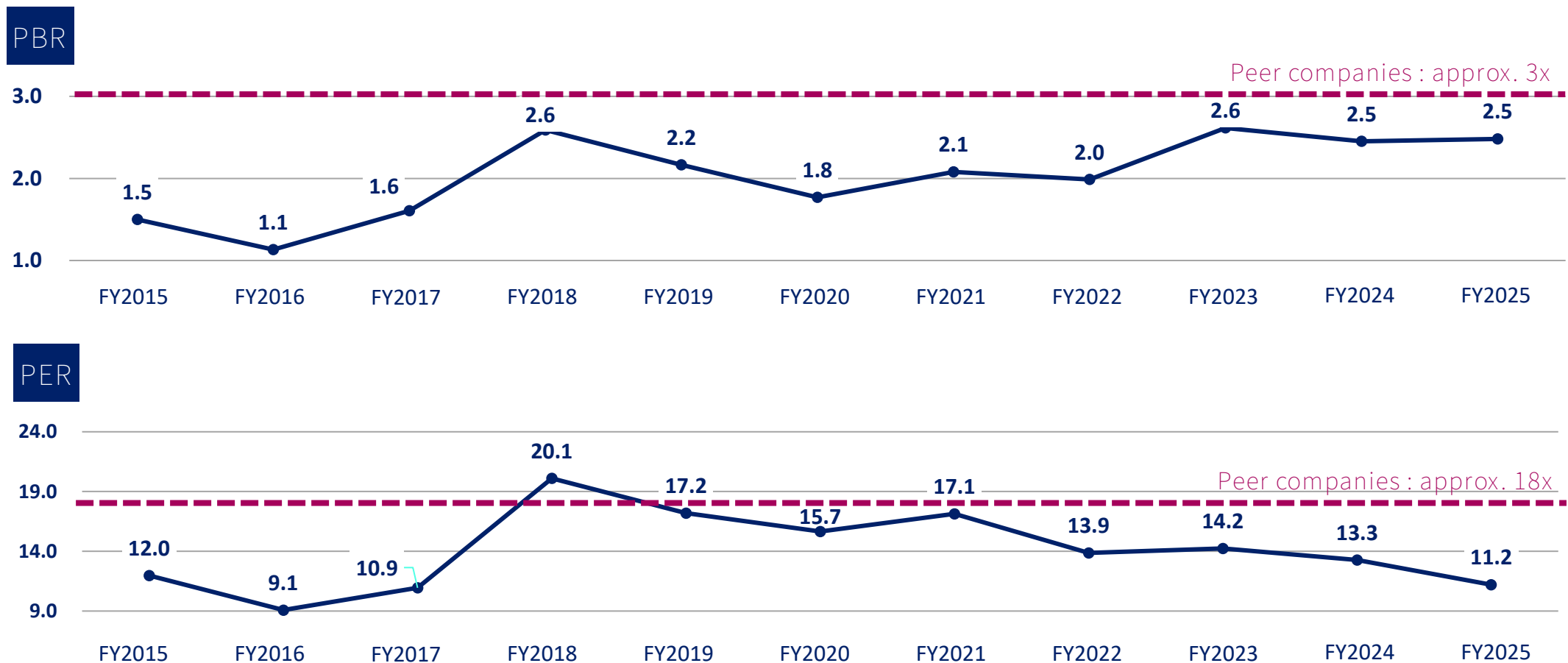
*Cost of equity: Calculated using CAPM (risk-free rate + (β × market risk premium))

ROE and Cost of Equity



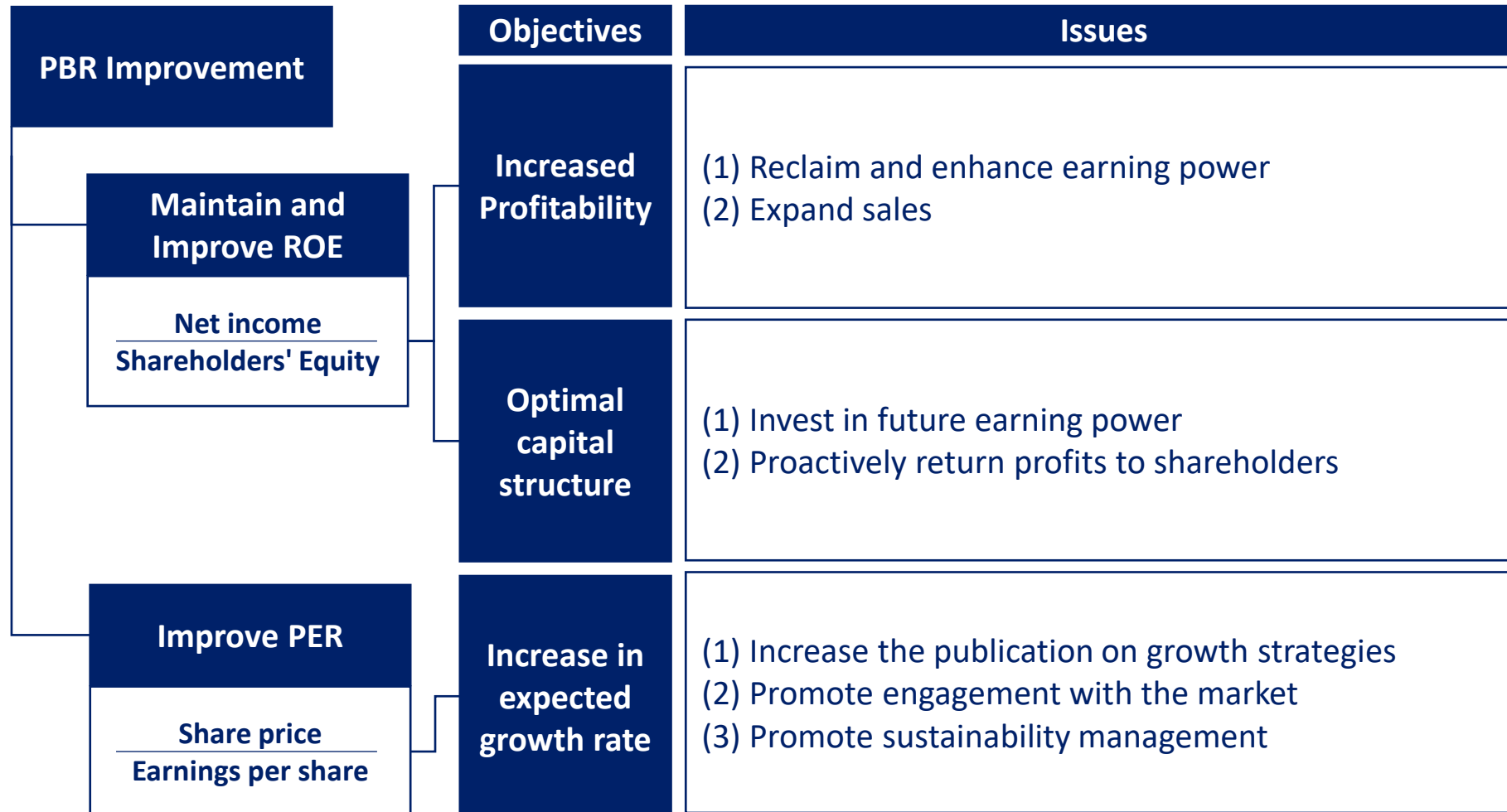
Current Situation of Capital Costs and Return on Capital - PBR / PER

PBR has remained above 1x over the long term, but it has not reached the level of other companies in the same industry.
PER has averaged 14.8x over the last 5 years, which is below the level of other companies in the same industry.
⇒ Market expectations for the Company's growth strategy have not been raised.



Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Decomposition of factors to improve PBR (= ROE x PER)



Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Maintain and improve ROE - Increased profitability

Issues	Specific Goals and Initiatives
(1) Reclaim and enhance earning power	<ul style="list-style-type: none">- Building a Hybrid Model (Conventional one-time purchase license business model + SaaS subscription business model)- Expansion of recurring revenue- Maintaining an ordinary profit margin of over 30%- Ordinary profit per employee of over 10 million yen (FY3/2029)
(2) Expand sales scale	<ul style="list-style-type: none">- Expanding results in growth areas such as social infrastructure industry, new lease accounting standard- Average annual growth rate of sales: over 15% (FY3/2025 - FY3/2029)

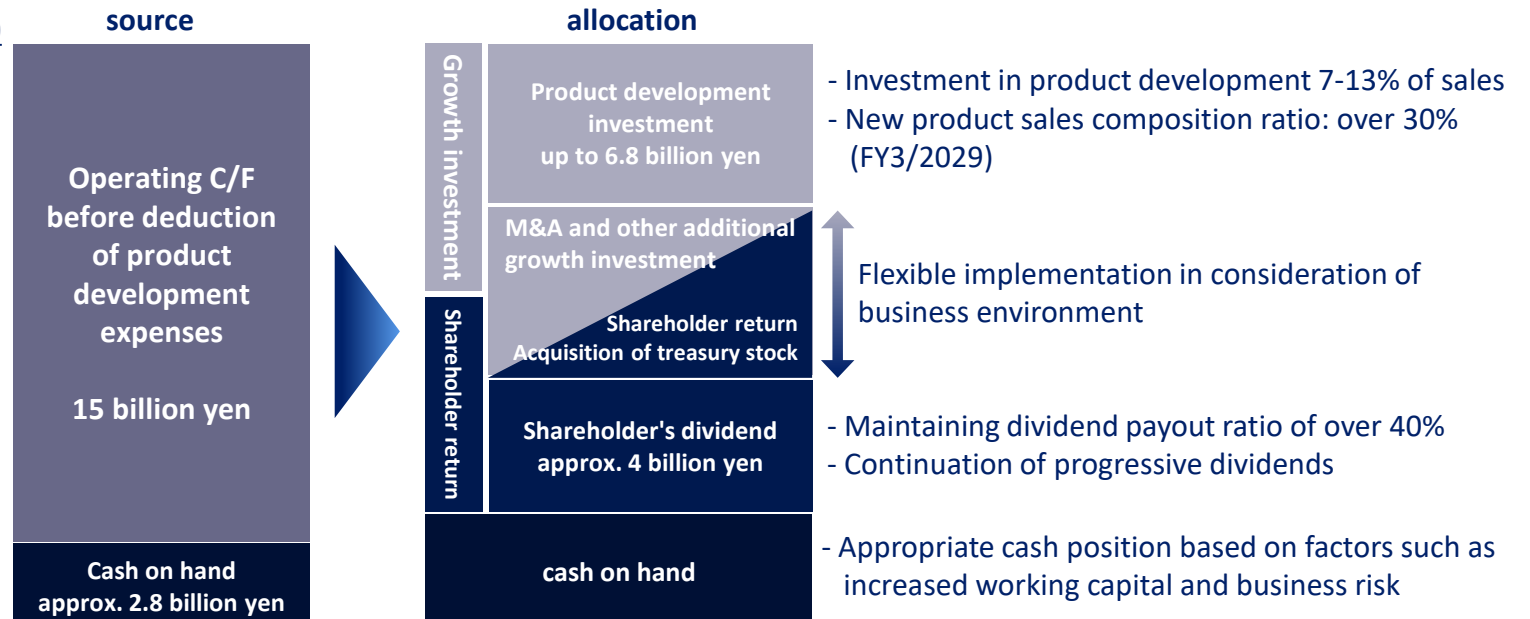
Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Maintain and improve ROE – Optimal capital structure

Issues	Specific Goals and Initiatives
(1) Invest in future earning power	<ul style="list-style-type: none"> - Continuous investment in strengthening products that are the source of revenue - Investment in inorganic growth, such as M&A and business partnerships
(2) Proactively return profits to shareholders	<ul style="list-style-type: none"> - Maintaining a dividend payout ratio of 40% or higher and progressive dividend policy - Flexible share repurchases

Cash Allocation (FY3/2025-FY3/2029)

While investing in human capital, such as by increasing employee compensation levels, we will seek to maximize operating cash flow.



Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Improve PER - Increase in expected growth rate

Issues	Specific Goals and Initiatives
(1) Increase the publication on growth strategies	<ul style="list-style-type: none">- Publication of medium/long-term goals and plans for achieving them- Enhancement of information disclosure
(2) Promote engagement with the market	<ul style="list-style-type: none">- Strengthen communication with shareholders and investors
(3) Promote sustainability management	<ul style="list-style-type: none">- Promotion of human capital management- Environmentally Sustainable Operations- Contribution to the community- Strengthening Corporate Governance

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Forecast of results for FY2026 (ending March 31)

- We expect continued revenue growth, driven by version upgrades for existing customers and new project opportunities, particularly in the infrastructure industry.
- Operating profit and ordinary profit are expected to remain flat, due to proactive investments in product development related to the new lease accounting standards and recruitment efforts to secure top talent.
- Net income attributable to owners of the parent is expected to decline, as the tax reduction effects from the wage increase promotion tax credit and the R&D tax credit are expected to be lower than the previous fiscal year.

	Results FY2025 (ended March 31)	Forecast FY2026 (ending March 31)	YoY
Net sales	¥7,564m	¥8,200m	+ 8.4 %
Operating profit	¥2,309m	¥2,310m	+ 0.0 %
Ordinary profit	¥2,431m	¥2,460m	+ 1.2 %
Ordinary profit margin	(32.1%)	(30.0%)	-
Profit attributable to owners of the parent	¥1,930m	¥1,800m	- 6.8 %

Forecast of results for FY2026 (ending March 31)

As the final year of the build phase under the medium term business strategy "Be Hybrid 2028," we are preparing for the expansion phase, during which demand related to the new lease accounting standards is expected to accelerate.

Net sales

¥8,200m

+8.4 % YoY

Record High

Increase in sales is expected.

We plan to continue version upgrades for existing customers and pursue new project acquisitions, particularly in the infrastructure industry, as we did in the previous fiscal year.

Ordinary profit

¥2,460m

+1.2 % YoY

Record High

Estimation of Cost Efficiency

The cost of sales ratio for FY2025 was 44.1% on a full-year basis. For the FY2026 full-year forecast, we expect it to return to our standard range of 46% to 48%.

Strategic Investment in IT Infrastructure

Temporary cost increases are expected due to investments in digital transformation (DX) and the development of a foundation for our SaaS business, aimed at achieving growth that is not dependent on headcount.

Profit attributable to owners of the parent

¥1,800m

-6.8 % YoY

Increase in corporate income taxes

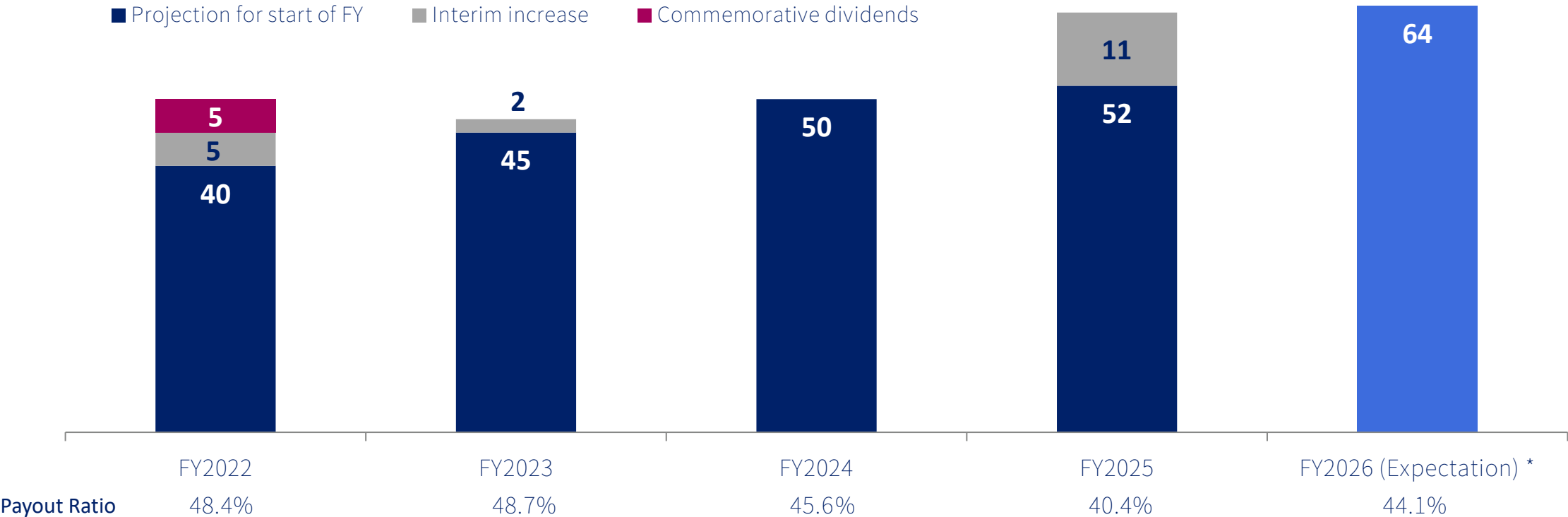
Net income attributable to owners of the parent is expected to decline, as the tax reduction effects from the wage increase promotion tax credit and the R&D tax credit are projected to be lower than in the previous fiscal year.

Forecast dividends per share for FY2026

Dividend Policy

The Company's policy is to actively return profits to shareholders by continuing to pay progressive dividends(*), in addition to maintaining a dividend payout ratio of 40% or higher, while promoting upfront investments for sustainable growth and improving profitability and capital efficiency.

*A dividend policy that, in principle, does not reduce dividends, but maintains or increases dividends.



*The forecasted dividend payout ratio for the FY2026 is calculated based on the number of shares outstanding as of the end of March 2025.

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Speciality for Customer

We develop our strongest specialties as professionals in specific areas of information systems and services in the global market. We contribute to the improvement of the corporate strength and competitiveness of more customers, participate in the spread and development of a global advanced information society, and fulfill our corporate social responsibility. As an organization, we have high levels of transparency, rules, and governance, and our activities are always based on thorough fundamentals, be creative, be self-reliant, be quick, and contribute to the self-realization of participants.

Providing
the world's best fixed asset
management solutions

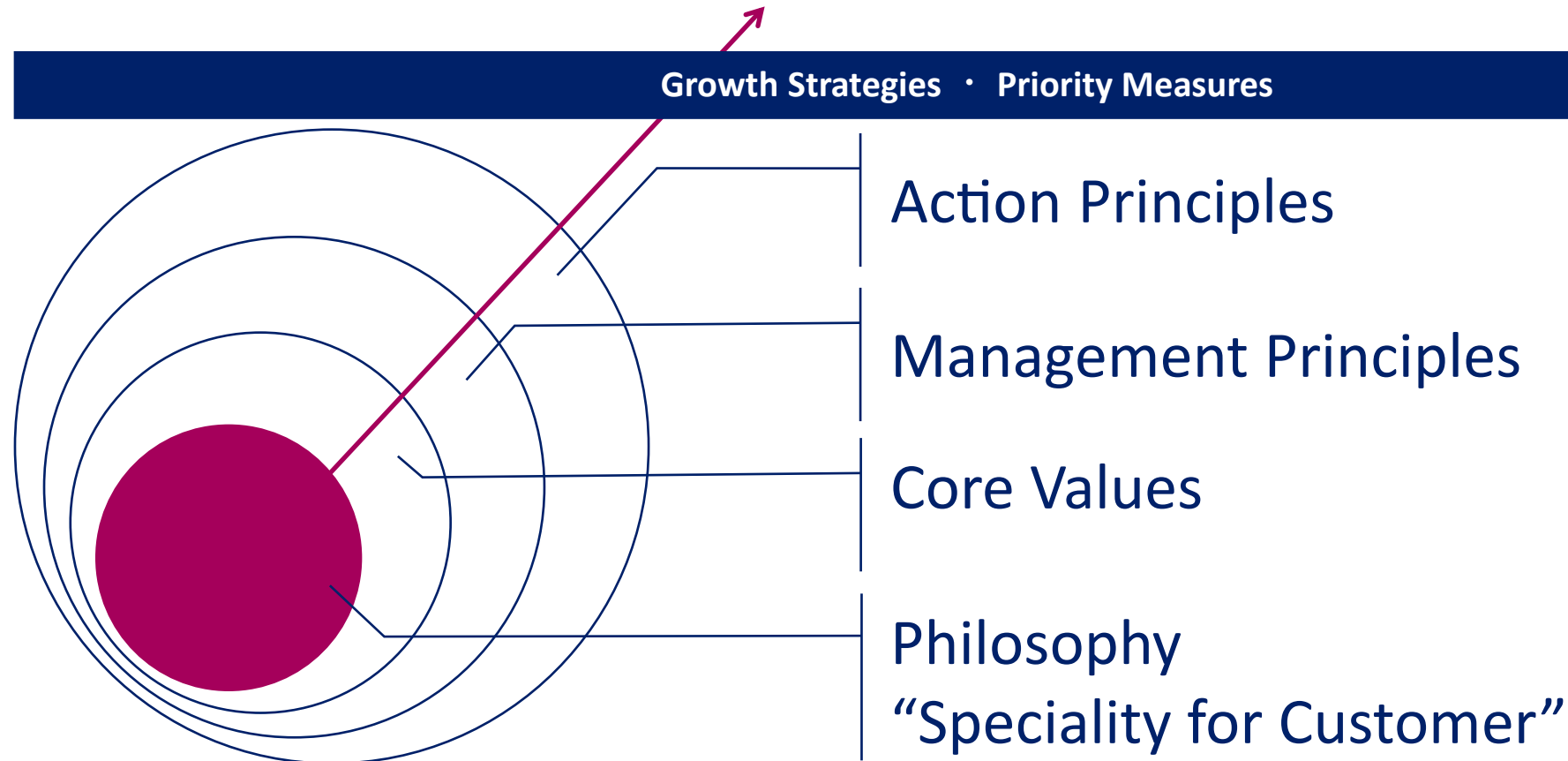
Corporate Culture Model

Vision

Providing the world's best fixed asset management solutions

Mission (~FY2028)

Solving Japan's Lease Accounting Challenges with Pro-Ship's Speciality



Company Profile

Trade name	Pro-Ship Incorporated
Established	April 1969
Capital	¥770m
Representative directors	Motoshi Suzuki, President
Number of employees	286
Address of head office	Sumitomo Fudosan Iidabashi Ekimae Bldg. 3-8-5 Iidabashi, Chiyoda-ku, Tokyo 102-0072
Phone	050-1791-3000
Website	http://www.proship.co.jp
Nature of business	Development, sale, introduction and maintenance services for package solutions
Affiliated companies	Pro-Ship Frontier Proship Information System (Dalian)

(as of April 1, 2025)

History

Apr. 1969	Established (primary business: system consultation)
Jun. 1978	Developed and released ASPAC-I, an accounting system package
Mar. 1980	Developed and released FASPAC-I, a general fixed asset management system package
Jul. 1994	Developed and released ProPlus, a general information system package
Mar. 2005	Listed on JASDAQ Securities Exchange
Feb. 2007	Developed and released Ver. 5 of ProPlus fixed asset system
Aug. 2013	Developed and released SaaS-based spot goods control solution
Oct. 2013	Developed and released Ver. 2 of ProPlus lease management system
Jan. 2015	Total number of companies that have introduced ProPlus reached 4,000
Jun. 2016	Developed and released Ver. 6 of ProPlus fixed asset system
Oct. 2016	Listed in the Second Section of the Tokyo Stock Exchange
Sep. 2017	Listed in the First Section of the Tokyo Stock Exchange
Oct. 2017	Won 2017 Porter Prize
Aug. 2021	Total number of companies that have introduced ProPlus reached 5,000
Apr. 2022	Listed in the Prime Market of the Tokyo Stock Exchange
Apr. 2024	Developed and officially released Solution for Pro-Plus for the electric power industry.
Dec. 2024	Developed and officially released ProPlus+, a SaaS solution compliant with Japan's new lease accounting standards.
Apr. 2025	Opened the SAGA Office

Products in the ProPlus series

■ Fixed Asset Management Solution

The leading fixed asset management solution for enterprises in Japan. We have been specializing these solutions for long time.

■ CIP Accounts Subsystem

Improves the efficiency of complicated work of construction in progress accounts. Links seamlessly with our fixed asset solution.

■ Lease/Rental Contract Management System

Offers efficient lease contract management for retail businesses and other multi-location operations.

■ Construction Settlement Solution : Smart

Uses OCR and AI technology to efficiently process large volumes of invoices generated from construction activities, significantly streamlining accounting data input.

■ Solution for New Lease Accounting Standards

The first solution in the market for the upcoming changes in lease accounting standards of Japan. It calculates the accounting impact of the changes.

■ ProPlus+ (SaaS) Compliant with the New Lease Accounting Standards

Total solution for new lease accounting standards. **ProPlus+**

■ Lease Asset Management Solution

Improves efficiency of lease asset management and covers various aspects from contracts to generating accounting information.

■ Physical Checking Subsystem

Enables total management of physical checking of assets from planning to execution.

■ Land Information Management Subsystem

This subsystem helps managing land information, utilized by industries such as railway companies that manage a significant amount of land.

■ Asset Inventory Management Solution (SaaS)

This provides efficient fixed asset inventory using mobile devices and cloud technology.



■ ProPlus for Electric Power Company

Fixed asset management solution compliant with electricity business accounting regulations for the electricity industry.

Targeting & Market Share

Market share among top-selling companies in each industry

Industry	Companies using ProPlus
Construction	5 of 10 companies
Foods	8 of 10 companies
Textiles & Apparel	6 of 10 companies
Chemicals	4 of 10 companies
Pharmaceutical	3 of 10 companies
Oil & Coal Products	3 of 5 companies
Rubber Products	4 of 10 companies
Glass & Ceramics Products	3 of 10 companies
Iron & Steel	4 of 10 companies
Nonferrous Metals	6 of 10 companies
Metal Products	3 of 10 companies
Machinery	3 of 10 companies
Electric Appliances	5 of 10 companies
Transportation Equipment	6 of 10 companies
Precision Instruments	4 of 10 companies
Retail Trade	6 of 10 companies
Banks	3 of 5 companies
Securities & Commodity Futures	2 of 5 companies
Insurance	3 of 5 companies
Real Estate	7 of 10 companies
Marine Transportation	3 of 5 companies
Warehousing & Harbor Transportation Services	8 of 10 companies
Communications	6 of 10 companies
Electric Power & Gas	3 of 10 companies

Specialist products and services
for enterprises or listed
companies

Corporate groups using the ProPlus series

Over **5,400**

Market share among top-selling companies in
each industry

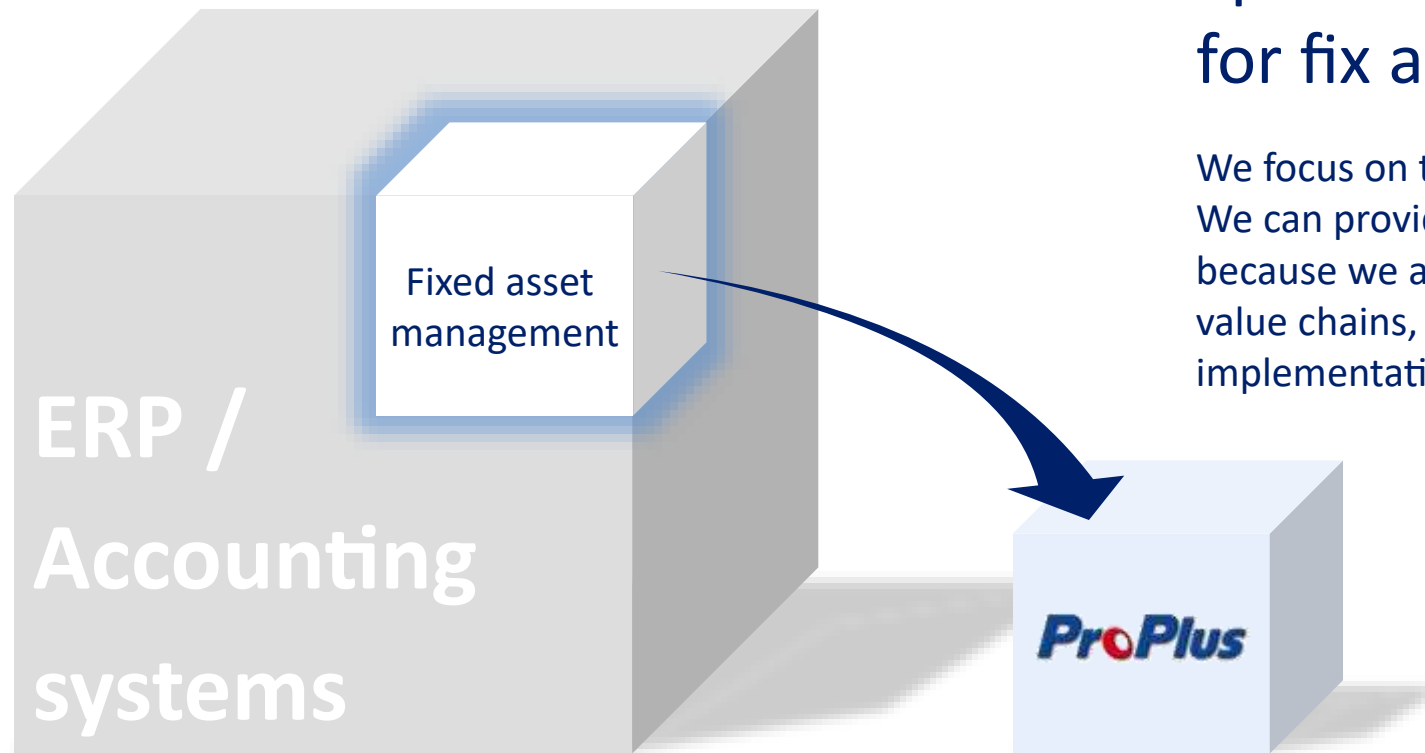
Over **50%**

ProPlus is used in all **33** of the industries
designated by the stock exchange.

Used by leading companies in every industry

Retail/Wholesale	Real Estate/Construction	Steel/Non-metals	Electrical Equipment / Transportation Equipment / Others	Food & Beverage / Pharmaceuticals / Chemicals	Machinery/Textiles
             	         	       	            	          	         

“Best of Breed” : Unique Positioning



Not ERP.

Not an accounting system.

Specialized solutions
for fix asset management.

We focus on the fixed asset management.
We can provide customers with high quality solution
because we are experts and we cover all business
value chains, from software development to system
implementation, or providing support.

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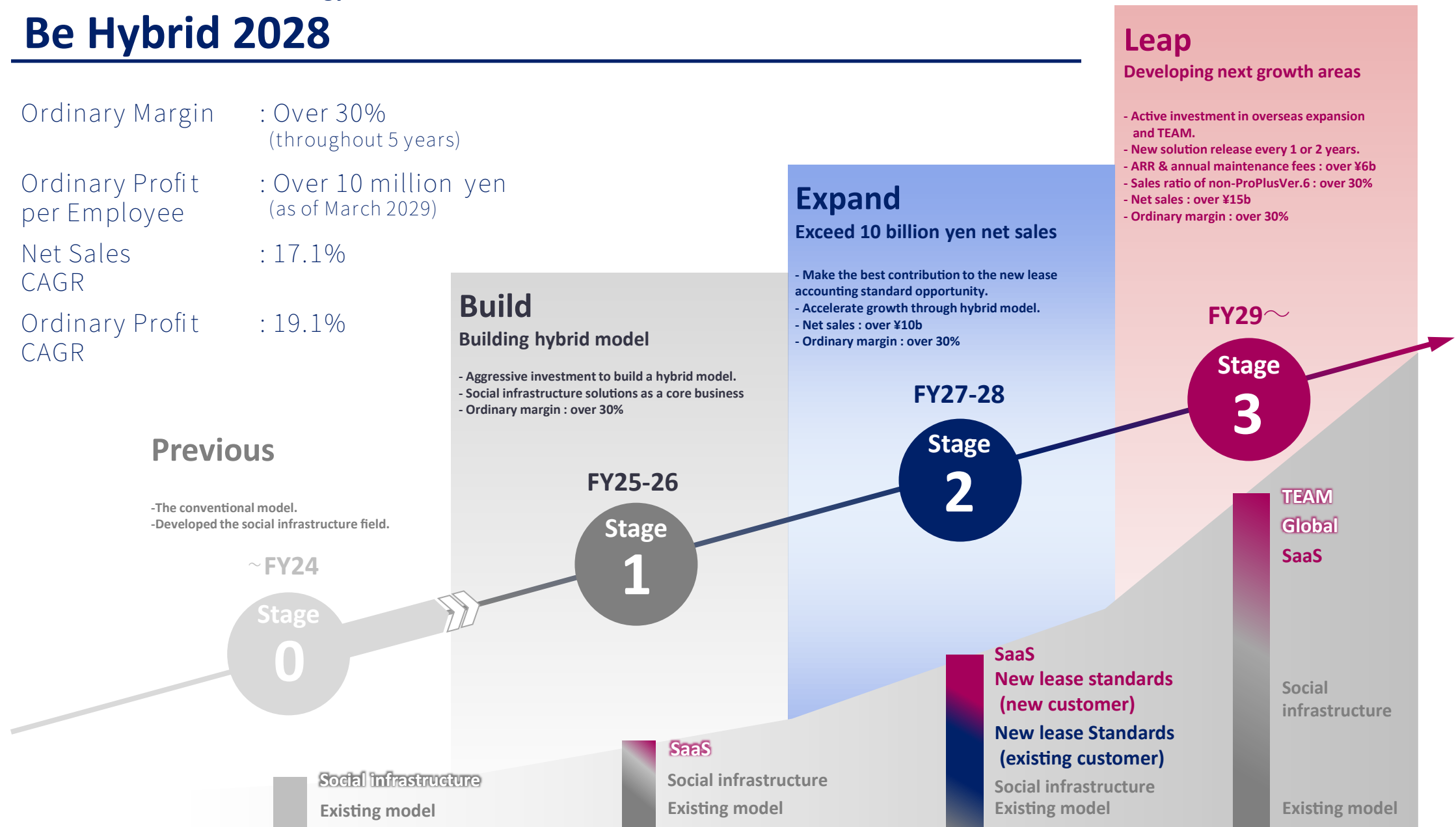
Be Hybrid 2028

Ordinary Margin : Over 30%
(throughout 5 years)

Ordinary Profit per Employee : Over 10 million yen
(as of March 2029)

Net Sales CAGR : 17.1%

Ordinary Profit CAGR : 19.1%



Target Value

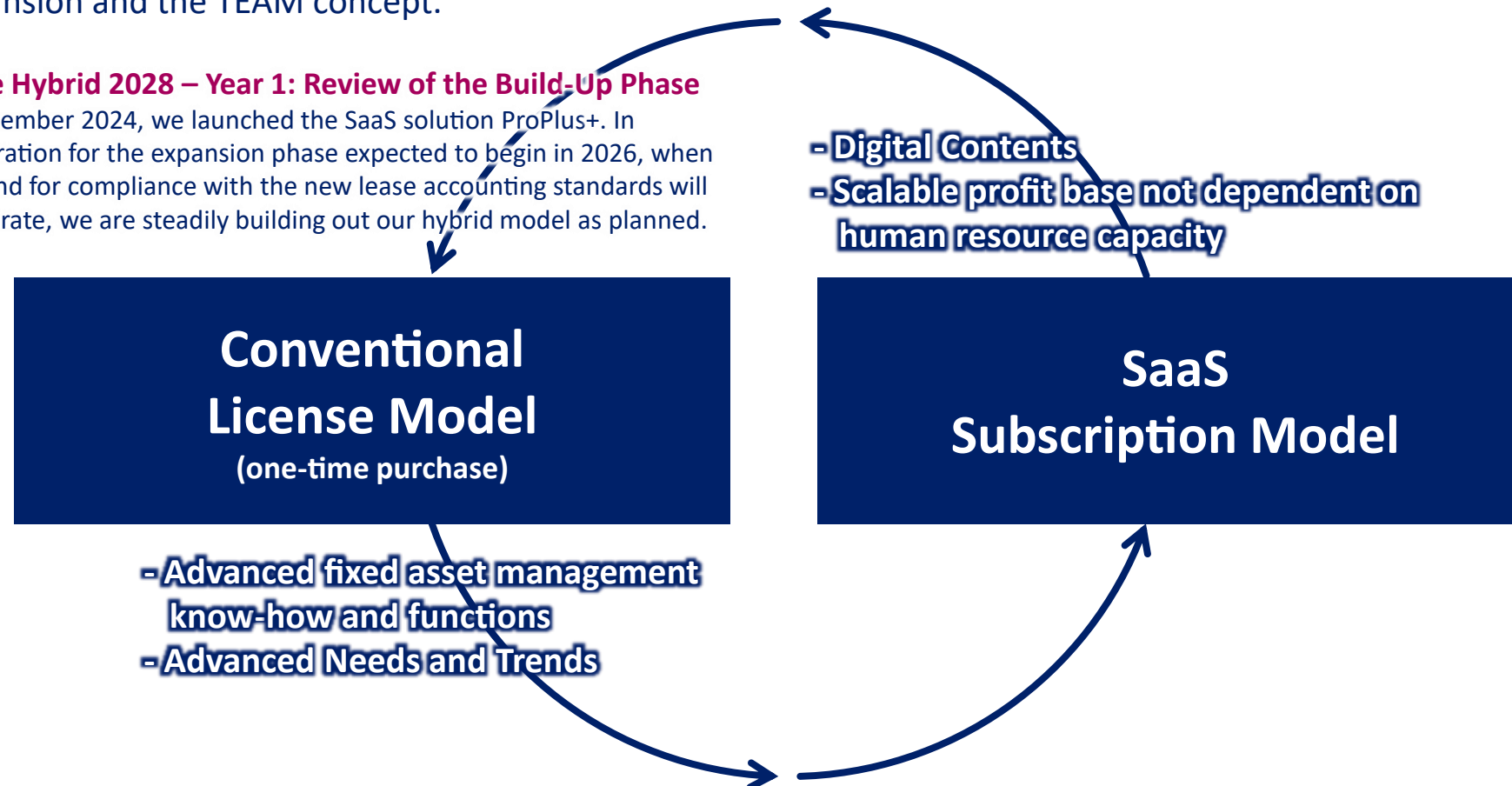
		FY2024	→ FY2029
Profitability	Ordinary Profit Margin	27.8%	<div>Throughout all FY 2025-2029</div> <div>Over 30%</div> <div>After the hybrid model is built, the standard will be pushed to 35-40%.</div>
	Ordinary Profit per Employee	¥7.53m	Over 10.00 million yen
Growth	Net Sales	¥6.8b	<div>Average annual growth rate of net sales 17.1%</div> <div>15.0 billion yen</div>
	Ordinary Profit	¥1.8b	<div>Average annual growth rate of ordinary profit 19.1%</div> <div>4.5 billion yen</div>

Hybrid Model

ProShip's expertise will make the greatest contribution to the new lease accounting standards opportunity. The conventional model will meet the needs of existing customers to comply with the new standards, and the SaaS model will meet the expectations of new customers and the market. The synergistic effect of both models will continue to be the engine for promoting growth strategies such as overseas expansion and the TEAM concept.

■ Be Hybrid 2028 – Year 1: Review of the Build-Up Phase

In December 2024, we launched the SaaS solution ProPlus+. In preparation for the expansion phase expected to begin in 2026, when demand for compliance with the new lease accounting standards will accelerate, we are steadily building out our hybrid model as planned.



Product Development/R&D

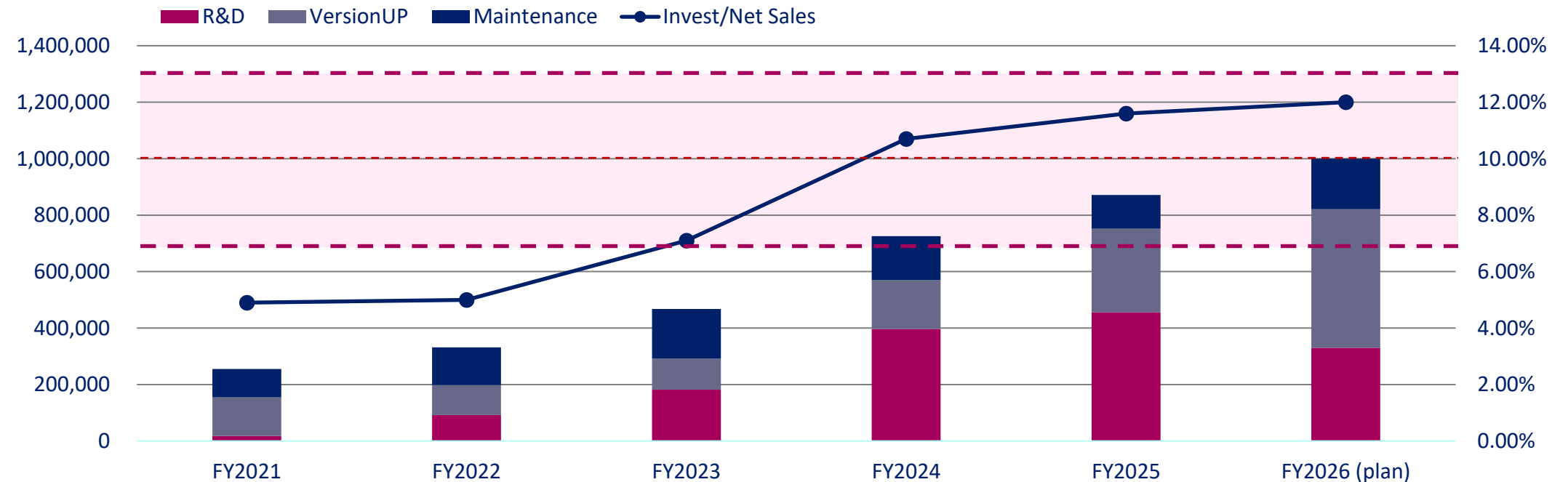
**While investing in future earning power (people and product development),
Increase current earning power (profit)**

Invest in future earning power with discipline Invest 7-13% of sales in product development and R&D.
At least 1/3 of this amount will be invested in R&D.

Through continuous investment, the company will take advantage of new technologies such as AI, maintain and enhance the functional superiority and market competitiveness of its products. By standing out in the market, we take price leadership, which will be reflected in its pricing strategy.

■ Be Hybrid 2028 – Year 1: Review of the Build-Up Phase

In April 2024, we launched ProPlus for Electric Power Company, a fixed asset management solution tailored for the electric power industry.
In December 2024, we launched the SaaS solution. We will continue disciplined investment in product development and R&D to drive future earnings.



Changes in Lease Accounting Standards

New Accounting Standard for Lease Transactions will be enforced from the business year starting April 2027. We are going to meet the market's needs by our specialized solution.

■ Be Hybrid 2028 – Year 1: Review of the Build-Up Phase

In preparation for demand driven by the new lease accounting standards, we have taken several initiatives, including version upgrades for existing users, the release of ProPlus+, a SaaS solution designed for the new standards, and the hosting of seminars attended by over 10,000 participants to date.

Business Opportunities (FY2025-FY2029)

Existing customers

8-10 billion yen

New customers

5-30 billion yen

Pro-Ship products increased share due to the enforcement of IFRS16 in 2019.

Companies implement our products due to IFRS :approx.100*



*1 IFRS-compliant Japanese companies and overseas subsidiaries that introduced our products. *2 Companies purchasing a new version of Pro-Ship products that they have purchased in the past. *3 Companies purchasing a different Pro-Ship product from one that they have purchased in the past. *4 According to our in-house database. *5 According to our in-house database and our own calculations, based on the Japan Company Handbook. *6 According to our in-house database and our own calculations, based on the Japan Company Handbook.

Social Infrastructure

Provide superior QCD by the Speciality of Pro-Ship. Spreading the new norm (de facto standard) of the standard (package) in an industry where add-ons and customization are the norm.

Business Opportunities (FY2025-FY2029)

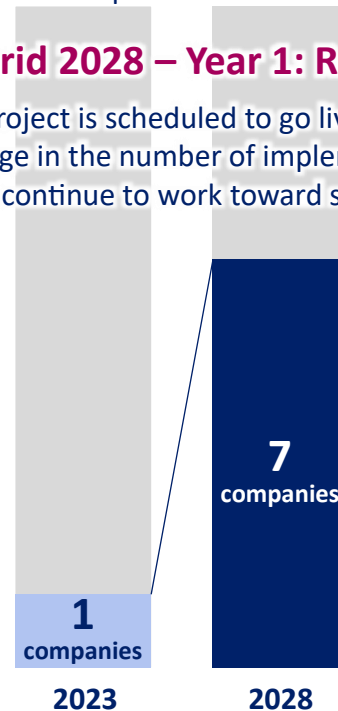
5-12 billion yen

Electric Power

strategic target
12 companies

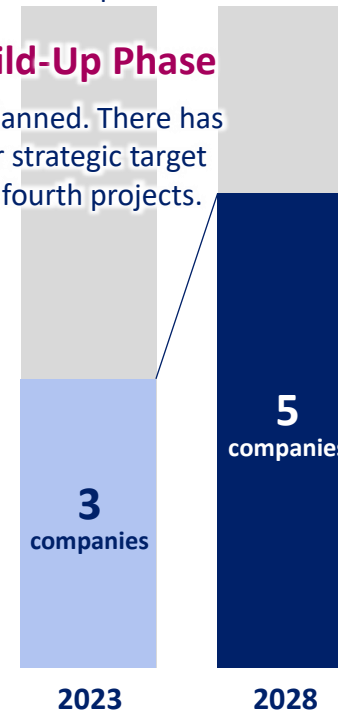
■ Be Hybrid 2028 – Year 1: Review of the Build-Up Phase

The second project is scheduled to go live in spring 2025 as planned. There has been no change in the number of implementations within our strategic target segment. We continue to work toward securing the third and fourth projects.



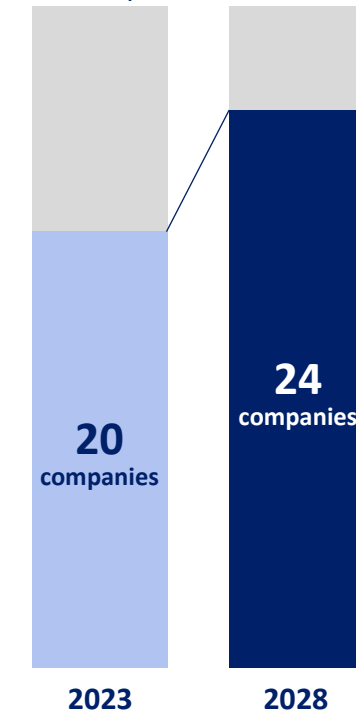
Gas

strategic target
7 companies



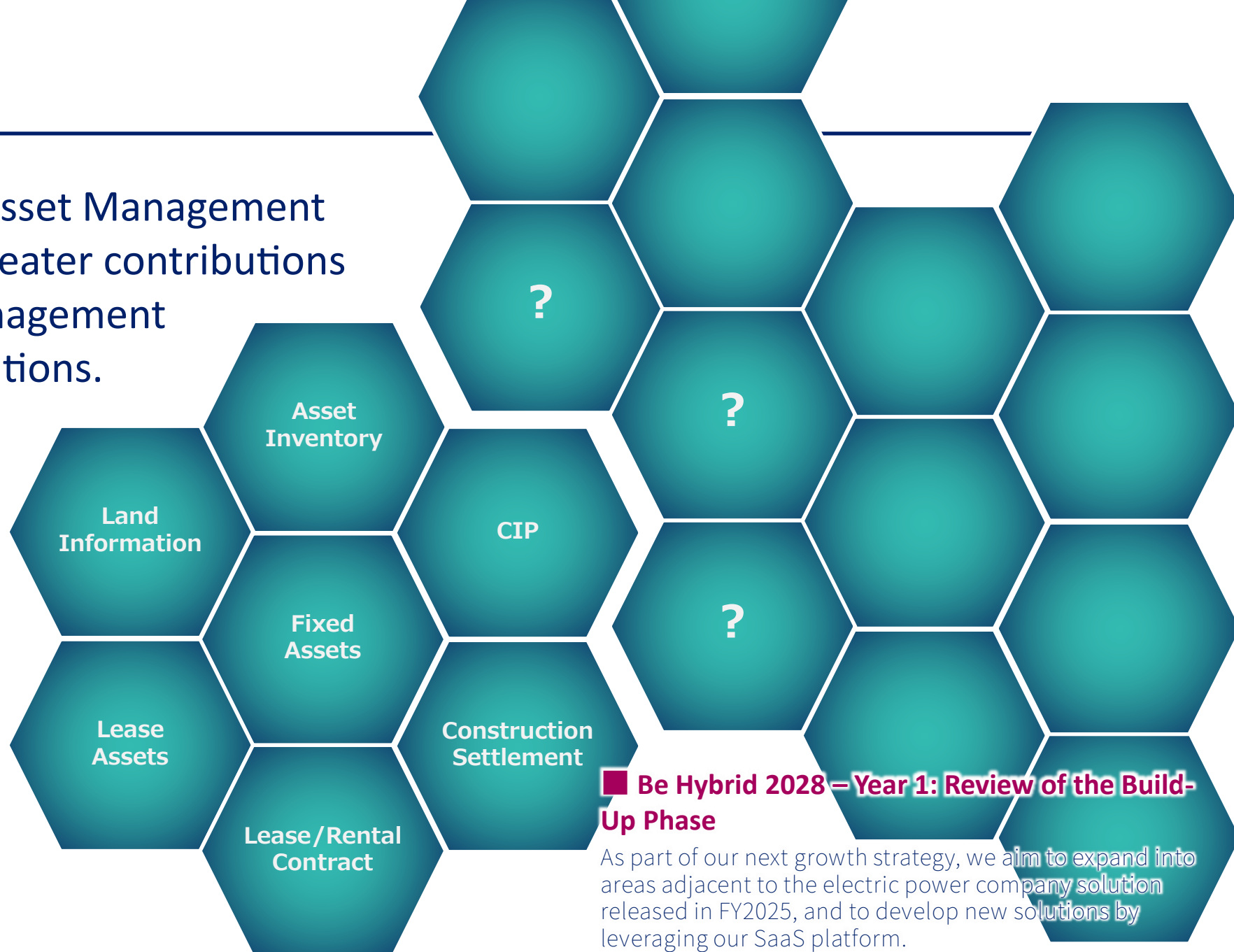
Railroad

strategic target
28 companies

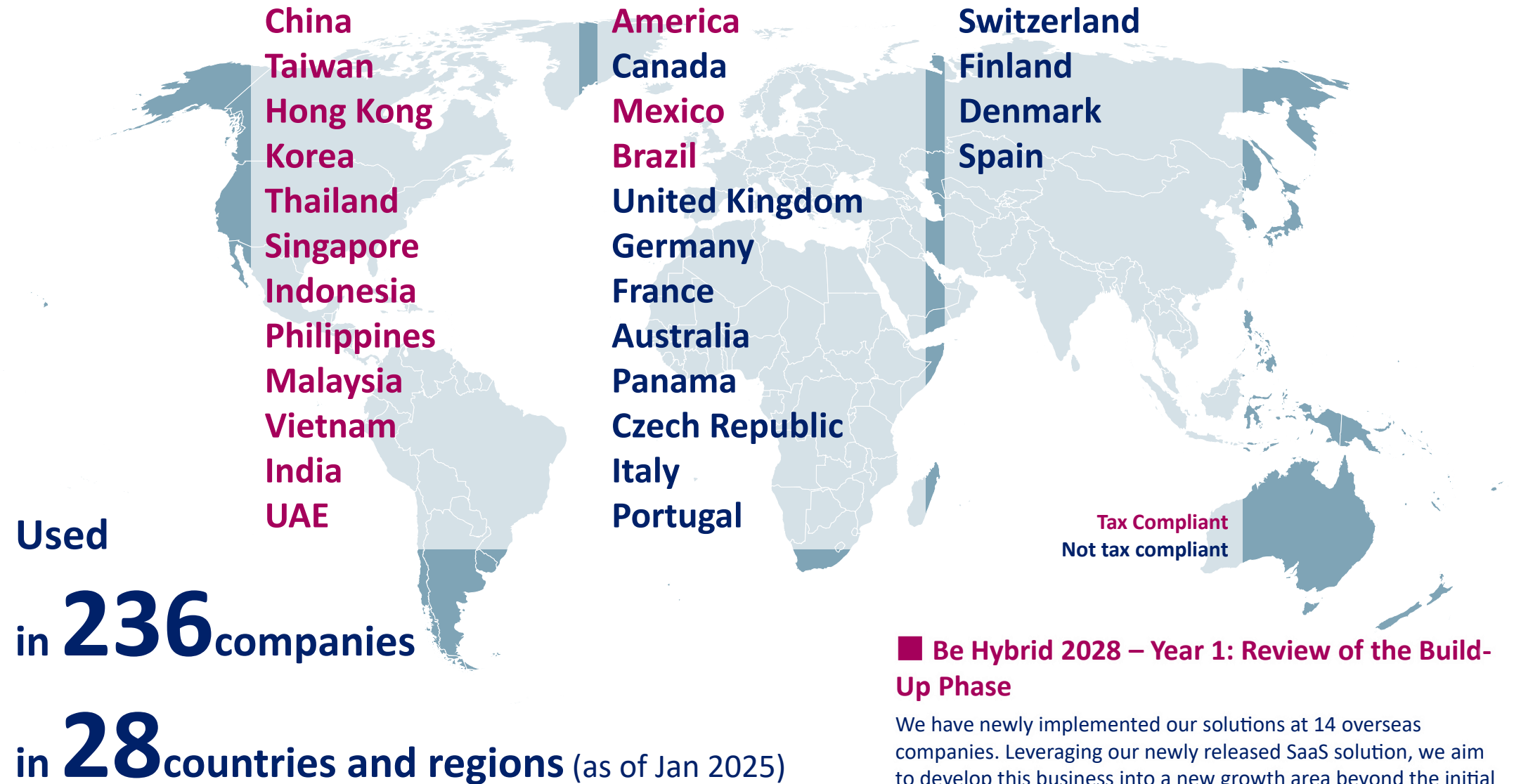


Team

Total Enterprise Asset Management
We are making greater contributions
in fixed asset management
and related operations.

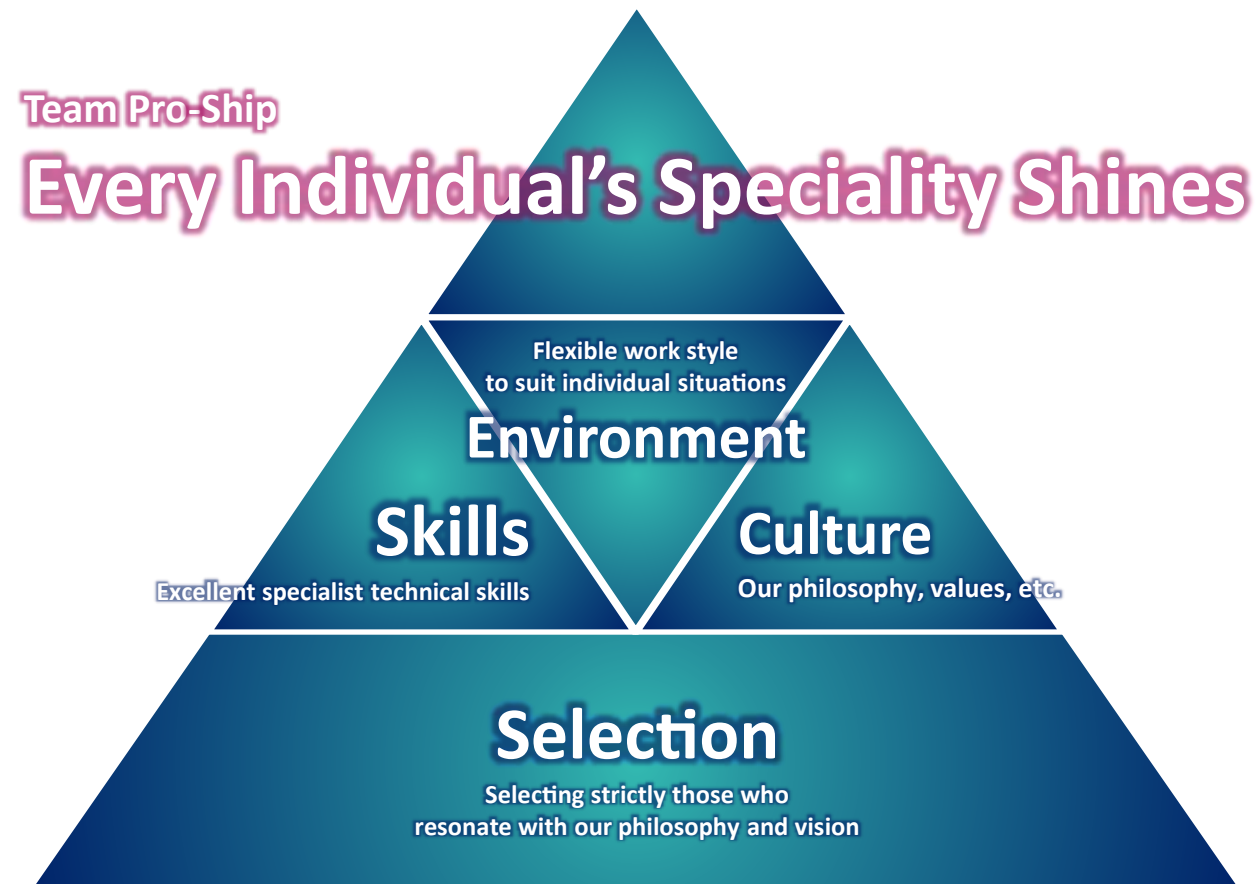


Global Expansion



ProShip's Human Capital Strategy

We have a unique framework to equip our employee who sympathize with our philosophy with the specialist skills, regardless of their knowledge, experience, education, gender or nationality.
It's not about just competing for personnel but about taking the initiative to develop personnel and contributing to the society.

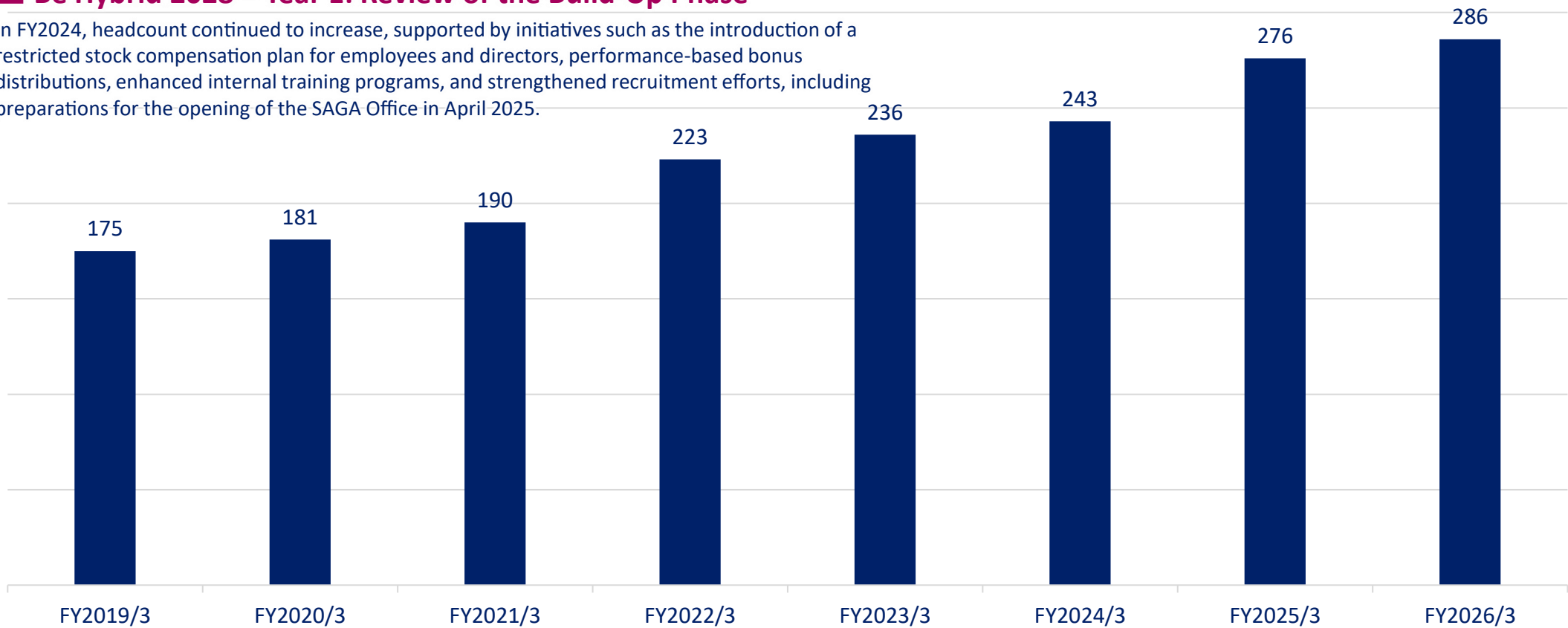


Number of Employees

The number of employees continues to increase through strategic efforts to recruit, train, and retain human capital.

■ **Be Hybrid 2028 – Year 1: Review of the Build-Up Phase**

In FY2024, headcount continued to increase, supported by initiatives such as the introduction of a restricted stock compensation plan for employees and directors, performance-based bonus distributions, enhanced internal training programs, and strengthened recruitment efforts, including preparations for the opening of the SAGA Office in April 2025.



Questions accepted

Please wait a while until we reopen.

Please use the "Q&A function" at the bottom of the screen to ask any questions you may have.

Please include your company name and full name.

The content of the questions will be read by the management on behalf of the participants.

Pro-Ship Incorporated
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Q&A

Please note that we are no longer accepting questions.
We will be happy to answer any questions you may have, but we cannot answer all of them, We ask for your kind understanding.

Prosip Corporation
Financial Results Briefing for the Fiscal
Year Ending March 31, 2025



This document contains information about the future, such as projections and forecasts for future business results. This is based on the information available to us at the time this document was created, and as such, actual business results may differ from these planned figures due to factors such as changes in our business environment. This document is for informational purposes only and is not intended for solicitation of any trades.

May 22, 2025