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May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



Company name: Commerce One Holdings Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4496
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 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (online streaming for analysts and investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	3,693	3.8	638	(0.9)	423	(39.7)	91	(77.9)
March 31, 2024	3,557	11.3	644	11.0	702	15.5	414	(6.0)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥(114) million [-%]
 For the fiscal year ended March 31, 2024: ¥532 million [(13.6)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	12.78	-	3.4	11.5	17.3
March 31, 2024	57.53	-	15.2	19.0	18.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥(250) million
 For the fiscal year ended March 31, 2024: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	3,471	2,523	72.7	354.53
March 31, 2024	3,882	2,844	73.3	395.50

Reference: Equity
 As of March 31, 2025: ¥2,523 million
 As of March 31, 2024: ¥2,844 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	532	(182)	(213)	1,864
March 31, 2024	778	(367)	(307)	1,733

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	27.00	-	11.00	38.00	273	66.1	10.1
Fiscal year ended March 31, 2025	-	10.00	-	10.00	20.00	142	156.5	5.3
Fiscal year ending March 31, 2026 (Forecast)	-	10.00	-	11.00	21.00		30.8	

Note: Dividends at the end of the second quarter of fiscal year ended March 31, 2024:

Ordinary dividend of ¥7.00 and Commemorate dividend of ¥20.00

3. Consolidated financial results forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,387	18.8	665	4.2	673	59.0	485	429.6	68.16

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): Yes

Newly included: 1 (Company name) KIDOKU inc., Excluded: -

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	7,193,400 shares
As of March 31, 2024	7,193,400 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	76,349 shares
As of March 31, 2024	49 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	7,165,631 shares
Fiscal year ended March 31, 2024	7,211,152 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	604	94.5	309	689.9	241	-	42	(22.7)
March 31, 2024	310	(13.4)	39	(63.8)	20	(85.1)	55	(75.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	5.94	-
March 31, 2024	7.64	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,328	1,188	89.5	166.93
March 31, 2024	1,746	1,558	89.3	216.71

Reference: Equity

As of March 31, 2025:

¥1,188 million

As of March 31, 2024:

¥1,558 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

Results forecasts and other forward-looking statements presented in this document are based on information currently available to the Company and certain assumptions that are deemed reasonable. The Company does not intend to guarantee that the said forecasts will be achieved. Actual results may vary significantly due to various factors. For more information on the preconditions on which the forecasts are based and the notes on its use, please see “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the attachments.

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1. Overview of Operating Results, etc.

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

The Group engages in business activities as a corporate group that offers e-commerce platforms that provide business infrastructure for e-commerce operators.

The domestic E-Commerce market, the Group's primary business area, has been continually growing, backed by the diversification of products sold, a rising number of market participants, dramatic reductions in delivery times by logistics operators, increases in the amount of information shared via social media, and other factors. In the domestic E-Commerce market, which grew rapidly due to the impact of the COVID-19 pandemic, as economic activity has normalized from FY2022 onward, the rate of growth has slowed down, but the market is continuing to grow steadily. For consumers, new lifestyles and workstyles appear to have taken firm hold, prompting the need for business developments that align with current trends. To support businesses facing challenges in this rapidly changing market, the Group has been expanding its business domains by enhancing the range of optional and alliance services that increase store sales, entering the e-commerce consulting business, and providing solutions using generative AI that helps improve the efficiency of back-office operations.

As such, the Group has aimed to become "an E-Commerce platform that maximizes the power of people using our technology," while proactively tapping into business domains related to the E-Commerce business.

Under this business environment, during the fiscal year ended March 31, 2025, the Group strove to secure net sales in line with market growth and actively made growth investments in a bid to adapt to the future market environment and expand its business domains.

Future Shop Co., Ltd.

Future Shop Co., Ltd. (hereinafter "Future Shop" or the "subsidiary"), operating the "futureshop" platform, undertook to improve the functionality of Commerce Creator, a solution to assist clients in building EC sites. In addition, it enhanced optional and alliance services to improve the convenience of the "futureshop, as well as offering a practical group consulting option that provides high-quality EC operation expertise, with the aim of providing an environment in which e-commerce operators can continue to grow and increase sales. In this way, Future Shop continued to enhance functions and expand services to support the e-commerce operators.

With such growth investments and due in part to the price revision in June 2024, the subsidiary recorded year-on-year increases in both sales and profits while net sales remained strong.

Softel Inc.

Softel Inc. (hereinafter "Softel" or the "subsidiary"), provider of our Tsuhan-Suruzo software, focused on making proposals tailored to major customer needs. Specifically, Softel launched "AI Creative One," an image creation service using generative AI, through collaboration with KIDOKU inc., which became its consolidated subsidiary during the fiscal year ended March 31, 2025. In addition, the subsidiary offered proposals and expanded services to help streamline back-office operations of e-commerce operators. Meanwhile, delivery delays caused by complicated customization and the increase in costs related to engineers in large projects resulted in decreased sales and profits year-on-year.

Other

SOLAIRO, INC. has been developing new solutions.

As a result of these efforts, the operating results of the Group and the financial results of its main consolidated subsidiaries during the fiscal year ended March 31, 2025 are as indicated in the table below.

[Consolidated financial results]

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	Increase/decrease	Percentage (%)
Net sales	3,557,276	3,693,315	136,039	3.8
EBITDA	794,441	767,611	(26,830)	(3.4)
Operating profit	644,001	638,411	(5,590)	(0.9)
Ordinary profit	702,414	423,446	(278,968)	(39.7)
Profit attributable to owners of parent	414,864	91,594	(323,269)	(77.9)

*EBITDA = Operating profit + Depreciation + Amortization of goodwill

[Financial results of major consolidated subsidiaries]

(Thousands of yen)

		For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	Increase/decrease	Percentage (%)
Future Shop Co., Ltd.	Net sales	2,574,630	2,767,587	192,956	7.5
	Operating profit	819,102	840,673	21,570	2.6
Softel Inc.	Net sales	869,013	851,963	(17,150)	(2.0)
	Operating profit	85,649	55,839	(29,810)	(34.8)

Note: SAMURAI TECHNOLOGY Co., Ltd., a consolidated subsidiary of the Company, was merge through absorption into Softel Inc.. as of January 1, 2025. Therefore, net sales and operating profit of Softel Inc.. are calculated by assuming the merger took place at the beginning of the fiscal year ended March 31, 2024."

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

(Assets)

Current assets at the end of the fiscal year ended March 31, 2025 increased by ¥73,183 thousand from the end of the previous fiscal year to ¥2,379,069 thousand. This was primarily due to an increase of ¥130,281 thousand in cash and deposits due to expansion of its business domains. Non-current assets decreased by ¥484,349 thousand from the end of the previous fiscal year to ¥1,092,453 thousand. This was primarily due to a decrease of ¥559,164 thousand in investment securities due to sale of investment securities and a decline in the market price of investment securities. As a result, total assets decreased by ¥411,165 thousand from the end of the previous fiscal year to ¥3,471,522 thousand.

(Liabilities)

Current liabilities at the end of the fiscal year ended March 31, 2025 decreased by ¥63,007 thousand from the end of the previous fiscal year to ¥852,566 thousand. This was primarily due to a decrease of ¥55,544 thousand in income taxes payable. Non-current liabilities decreased by ¥26,397 thousand from the end of the previous fiscal year to ¥95,740 thousand. This was primarily due to a decrease of ¥50,275 thousand in deferred tax liabilities resulting from sale of investment securities and a decline in the market price of investment securities. As a result, total liabilities decreased by ¥89,405 thousand from the end of the previous fiscal year to ¥948,307 thousand.

(Net assets)

Total net assets at the end of the fiscal year ended March 31, 2025 decreased by ¥321,759 thousand from the end of the previous fiscal year to ¥2,523,215 thousand. This was attributable primarily to a decrease in valuation difference on available-for-sale securities of ¥205,286 thousand due to sale of investment securities and a decline in the market price of investment securities, the purchase of treasury shares of ¥57,206 thousand and dividends of surplus of ¥150,860 thousand, despite the profit attributable to owners of parent of ¥91,594 thousand. As a result, the equity-to-asset ratio was 72.7% (compared to 73.3% at the end of the previous fiscal year).

The Company operates in a single segment, the E-Commerce platform business segment. Therefore, descriptive information about its reportable segments is not stated in this document.

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

During the fiscal year ended March 31, 2025, cash and cash equivalents (hereinafter “net cash”) increased by ¥130,281 thousand from the end of the previous fiscal year to ¥1,864,160 thousand.

The status of cash flows and their contributing factors during the fiscal year ended March 31, 2025 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥532,776 thousand (compared to ¥778,607 thousand provided in the previous fiscal year).

This was primarily due to ¥353,584 thousand in profit before income taxes, ¥128,181 thousand in depreciation, ¥68,283 thousand of impairment losses, ¥250,800 thousand in share of profit of entities accounted for using equity method, ¥32,061 thousand in gain on sale of investment securities, and ¥267,185 thousand of income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities was ¥182,388 thousand (compared to ¥367,764 thousand used in the previous fiscal year).

This was attributable primarily to ¥119,620 thousand in purchase of intangible assets associated with software development by Future Shop Co., Ltd. such as the development of new functions, ¥53,475 thousand in purchase of property, plant and equipment associated with the relocation of the Tokyo office for Future Shop Co., Ltd., and ¥47,649 thousand in proceeds from sale of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was ¥213,372 thousand (compared to ¥307,406 thousand used in the previous fiscal year).

This was primarily due to ¥150,604 thousand in dividends paid, and ¥57,549 thousand in purchase of treasury shares.

(4) Future Outlook

(Outlook for the entire Group)

The adoption rate of E-Commerce in Japan is still at a low level at around 9% compared to the estimated 19.4% in Western countries and China, and Japan's BtoC E-Commerce market is expected to continue to grow significantly. The utilization of E-Commerce in the retail sector is expected to grow further in the coming years. The examples of this tendency include adopting omni-channel strategies enabling seamless integration of physical and e-commerce stores, expansion of cross-border E-Commerce targeting consumers including overseas residents, the advancement of social commerce leveraging social media platforms to enhance customer engagement, and the utilization of AI to improve operational efficiency.

In such an environment, the Group plans to continue growing by leveraging its strength to provide SaaS solutions that encompass the entire process from the interface, the front end of an E-Commerce site, to the back end, including sales orders and inventory management. In addition, the Group has prepared its financial results forecast for the fiscal year ending March 31, 2026, while taking into account the current environment, in anticipation of proactive expansion of its business domain. For the fiscal year ending March 31, 2026, we forecast net sales of ¥4,387 million (up 18.8% year-on-year), operating profit of ¥665 million (up 4.2% year-on-year), ordinary profit of ¥673 million (up 59.0% year-on-year), and profit attributable to owners of parent of ¥485 million

(up 429.6% year-on-year)

(Net sales)

As a holding company, the Company oversees five consolidated business subsidiaries of the Group: Future Shop Co., Ltd., Softel Inc., TradeSafe Inc., SOLAIRO, INC., and KIDOKU inc. The businesses operated by the consolidated subsidiaries are connected from the perspective of supporting E-Commerce website operations, and the Group operates as a single E-Commerce platform business segment that provides services needed by E-Commerce website operators through one-stop Group-wide service. The forecasts for net sales of the major subsidiaries are based on the assumptions below.

(i) Future Shop Co., Ltd.

Future Shop Co., Ltd. provides “futureshop,” a SaaS-based E-Commerce website construction and operation support platform, mainly for SME E-Commerce website operators. Net sales consist mainly of sales from the futureshop service (monthly usage fees and initial setup fees) and sales associated with affiliated services. Sales from the futureshop service are calculated based on the assumption that sales per customer will also increase. Sales associated with affiliated services are calculated by taking into account the result of the previous fiscal year and the increase in total value of transactions made through settlement agencies. As a result, Future Shop Co., Ltd. is expected to achieve net sales of ¥2,815 million (up 1.7% year-on-year).

(ii) Softel Inc.

Softel Inc. provides systems including the Tsuhan-Suruzo software for centralized backyard management of E-Commerce operators with multiple shops on a SaaS basis, partially customized to meet customer needs. Net sales consist mainly of customization sales related to initial setup and modifications of the Tsuhan-Suruzo software and monthly maintenance sales, which are set at a fixed monthly fee. Customization sales are forecasted based primarily on projects to be ordered up to March 2026, taking into account the timings of project acceptance inspections and the development resources secured. As a result, Softel Inc. is expected to achieve net sales of ¥940 million (up 23.0% year-on-year).

(Cost of sales)

Cost of sales consists mainly of human resource costs for system development, server-related expenses, and depreciation. Human resource costs for system development are calculated based on the personnel hiring plan and the result of the previous fiscal year. Server-related expenses are calculated by multiplying sales by a fixed rate. Depreciation mainly consists of the depreciation of developed software, calculated from the capitalized portion of software in progress resulting from the software development plan. As a result, cost of sales is expected to be ¥1,850 million (up 16.2% year-on-year), and gross profit to be ¥2,536 million (up 20.7% year-on-year).

(Selling, general and administrative expenses and operating profit)

Selling, general and administrative expenses are expected to be ¥1,871 million (up 27.9% year-on-year). Selling, general and administrative expenses consist of personnel expenses and other expenses such as fee expenses, with personnel expenses calculated mainly based on the personnel hiring plans for customer support, administrative, and sales sections amid business expansion. In addition, we plan to increase advertising expenses to raise our profile and acquire customers. Other expenses are aggregated by account item based on the most recent results. As a result, operating profit is expected to be ¥665 million (up 4.2% year-on-year).

(Non-operating income (expenses) and ordinary profit)

For non-operating income, dividend income of ¥10 million mainly from shares of Wistron Information Tech & Services Corp. held by the Company is expected. For non-operating expenses, interest paid, etc. of ¥3 million is expected to be incurred. As a result, ordinary profit is expected to be ¥673 million (up 59.0% year-on-year).

(Extraordinary income (losses))

For extraordinary income, a gain on sale of investment securities of ¥150 million (up 367.9% year-on-year) is expected. No extraordinary losses are expected to be incurred.

(Profit attributable to owners of parent)

Tax expenses are estimated at ¥321 million based on the effective tax rate. As a result, profit attributable to owners of parent is expected to be ¥485 million (up 429.6% year-on-year).

[Notes on financial results forecast]

Results forecasts and other forward-looking statements presented in this document are based on information currently available to the Group and certain assumptions that are deemed reasonable. Actual results may vary due to various factors.

2. Basic Approach to Selection of Accounting Standards

The Company currently operates in Japan, so it is the Company's policy to prepare its financial statements in accordance with Japanese GAAP for the time being. Taking into account future business development and domestic and overseas trends, the Company will consider adopting the IFRS Accounting Standards.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	1,733,879	1,864,160
Trade receivables and contract asset	293,050	291,499
Work in process	7,562	6,273
Prepaid expenses	88,808	92,624
Deposits paid	994	18,598
Other	184,825	107,053
Allowance for doubtful accounts	(3,234)	(1,141)
Total current assets	2,305,885	2,379,069
Non-current assets		
Property, plant and equipment		
Buildings, net	62,516	92,282
Vehicles, net	-	3,852
Tools, furniture and fixtures, net	10,224	19,356
Other, net	5,747	14,439
Total property, plant and equipment	78,489	129,931
Intangible assets		
Goodwill	-	12,422
Software	283,155	278,922
Software in progress	45,280	1,338
Other	77	77
Total intangible assets	328,514	292,760
Investments and other assets		
Investment securities	1,002,854	443,689
Distressed receivables	2,562	1,761
Leasehold and guarantee deposits	102,601	120,103
Deferred tax assets	47,463	89,337
Other	16,863	16,615
Allowance for doubtful accounts	(2,546)	(1,744)
Total investments and other assets	1,169,798	669,761
Total non-current assets	1,576,802	1,092,453
Total assets	3,882,688	3,471,522

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	33,676	36,240
Short-term borrowings	47,000	48,956
Advances received	422,847	421,586
Income taxes payable	175,881	120,336
Provision for bonuses	5,107	-
Other	231,062	225,448
Total current liabilities	915,574	852,566
Non-current liabilities		
Long-term borrowings	-	5,482
Deferred tax liabilities	65,428	15,152
Asset retirement obligations	47,629	52,880
Other	9,081	22,225
Total non-current liabilities	122,138	95,740
Total liabilities	1,037,713	948,307
Net assets		
Shareholders' equity		
Share capital	210,400	210,400
Capital surplus	160,400	160,400
Retained earnings	2,095,031	2,035,765
Treasury shares	(36)	(57,243)
Total shareholders' equity	2,465,794	2,349,322
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	379,180	173,893
Total accumulated other comprehensive income	379,180	173,893
Total net assets	2,844,974	2,523,215
Total liabilities and net assets	3,882,688	3,471,522

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	3,557,276	3,693,315
Cost of sales	1,542,088	1,591,957
Gross profit	2,015,187	2,101,358
Selling, general and administrative expenses	1,371,185	1,462,946
Operating profit	644,001	638,411
Non-operating income		
Interest income	26	805
Dividend income	23,068	24,305
Foreign exchange gains	23,087	-
Commission income	-	11,024
Sponsorship money income	7,500	-
Others	5,883	8,169
Total non-operating income	59,566	44,304
Non-operating expenses		
Interest expenses	188	186
Foreign exchange losses	-	7,258
Loss on limited liability partnership	836	-
Share of loss of entities accounted for using equity method	-	250,800
Other	128	1,024
Total non-operating expenses	1,153	259,269
Ordinary profit	702,414	423,446
Extraordinary income		
Gain on sale of investment securities	24,146	32,061
Total extraordinary income	24,146	32,061
Extraordinary losses		
Impairment losses	30,515	68,283
Loss on retirement of non-current assets	-	7,327
Loss on valuation of investment securities	-	26,312
Total extraordinary losses	30,515	101,923
Profit before income taxes	696,045	353,584
Income taxes - current	289,495	267,756
Income taxes - deferred	(8,314)	(4,800)
Total income taxes	281,181	262,956
Profit	414,864	90,628
Loss attributable to non-controlling interests	-	(965)
Profit attributable to owners of parent	414,864	91,594

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	414,864	90,628
Other comprehensive income		
Valuation difference on available-for-sale securities	117,729	(205,286)
Total other comprehensive income	117,729	(205,286)
Comprehensive income	532,593	(114,658)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	532,593	(113,692)
Comprehensive income attributable to non-controlling interests	-	(965)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	210,400	160,400	2,123,373	(139,224)	2,354,948
Changes during period					
Dividends of surplus			(194,220)		(194,220)
Profit attributable to owners of parent			414,864		414,864
Purchase of treasury shares				(109,797)	(109,797)
Cancellation of treasury shares		(248,985)		248,985	-
Transfer from retained earnings to capital surplus		248,985	(248,985)		-
Increase in consolidated subsidiaries - non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(28,341)	139,187	110,846
Balance at end of period	210,400	160,400	2,095,031	(36)	2,465,794

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	261,450	261,450	-	2,616,399
Changes during period				
Dividends of surplus				(194,220)
Profit attributable to owners of parent				414,864
Purchase of treasury shares				(109,797)
Cancellation of treasury shares				-
Transfer from retained earnings to capital surplus				-
Increase in consolidated subsidiaries - non-controlling interests				-
Net changes in items other than shareholders' equity	117,729	117,729	-	117,729
Total changes during period	117,729	117,729	-	228,575
Balance at end of period	379,180	379,180	-	2,844,974

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	210,400	160,400	2,095,031	(36)	2,465,794
Changes during period					
Dividends of surplus			(150,860)		(150,860)
Profit attributable to owners of parent			91,594		91,594
Purchase of treasury shares				(57,206)	(57,206)
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Increase in consolidated subsidiaries - non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(59,266)	(57,206)	(116,472)
Balance at end of period	210,400	160,400	2,035,765	(57,243)	2,349,322

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	379,180	379,180	-	2,844,974
Changes during period				
Dividends of surplus				(150,860)
Profit attributable to owners of parent				91,594
Purchase of treasury shares				(57,206)
Cancellation of treasury shares				-
Transfer from retained earnings to capital surplus				-
Increase in consolidated subsidiaries - non-controlling interests			965	965
Net changes in items other than shareholders' equity	(205,286)	(205,286)	(965)	(206,252)
Total changes during period	(205,286)	(205,286)	-	(321,759)
Balance at end of period	173,893	173,893	-	2,523,215

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	696,045	353,584
Depreciation	119,924	128,181
Amortization of goodwill	30,515	1,129
Impairment losses	30,515	68,283
Increase (decrease) in allowance for doubtful accounts	(1,263)	(2,894)
Increase (decrease) in provision for bonuses	4,525	(5,107)
Interest and dividend income	(23,095)	(25,111)
Interest expenses	188	186
Foreign exchange losses (gains)	(22,206)	6,868
Share of loss (profit) of entities accounted for using equity method	-	250,800
Loss on retirement of non-current assets	-	7,327
Loss (gain) on sale of investment securities	(24,146)	(32,061)
Loss (gain) on valuation of investment securities	-	26,312
Decrease (increase) in trade receivables	(1,577)	6,157
Decrease (increase) in inventories	(1,689)	1,288
Decrease (increase) in prepaid expenses	2,218	(3,473)
Increase (decrease) in trade payables	(3,770)	2,563
Increase (decrease) in advances received	14,211	(1,261)
Decrease (increase) in deposits paid	111,226	(17,603)
Other, net	19,611	9,867
Subtotal	951,234	775,037
Interest and dividends received	23,095	25,111
Interest paid	(188)	(186)
Income taxes paid	(195,533)	(267,185)
Net cash provided by (used in) operating activities	778,607	532,776
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,233)	(53,475)
Purchase of intangible assets	(113,748)	(119,620)
Purchase of investment securities	(278,625)	(26,312)
Proceeds from sale of investment securities	32,739	47,649
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(5,974)
Payments for asset retirement obligations	-	(7,847)
Payments of leasehold and guarantee deposits	(4,511)	(36,314)
Proceeds from refund of leasehold and guarantee deposits	461	19,012
Other, net	(846)	493
Net cash provided by (used in) investing activities	(367,764)	(182,388)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(900)
Repayments of long-term borrowings	-	(714)
Repayments of lease liabilities	(3,612)	(3,604)
Purchase of treasury shares	(109,797)	(57,549)
Dividends paid	(193,995)	(150,604)
Net cash provided by (used in) financing activities	(307,406)	(213,372)
Effect of exchange rate change on cash and cash equivalents	21,718	(6,734)
Net increase (decrease) in cash and cash equivalents	125,154	130,281
Cash and cash equivalents at beginning of period	1,608,724	1,733,879
Cash and cash equivalents at end of period	1,733,879	1,864,160

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from the beginning of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year under review. This change in accounting policies is applied retrospectively, and the consolidated financial statements for the previous year are after retrospective application. Please note that these changes in accounting policies have no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

(Segment information)

Segment information is omitted as the Group's business segment consists of a single segment, the E-Commerce platform business, and the information is insignificant.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥395.50	¥354.53
Basic earnings per share	¥57.53	¥12.78

(Notes) 1. Diluted earnings per share are not presented since there are no dilutive shares.

2. Basic earnings per share are calculated based on the following:

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	414,864	91,594
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent relating to common shares (Thousands of yen)	414,864	91,594

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Average number of common shares outstanding during period	7,211,152	7,165,631

(Significant subsequent events)

(Acquisition of its share repurchase)

Commerce One Holdings Inc. (the “Company”) resolved at its Board of Directors meeting held on April 14, 2025 to repurchase its own shares in accordance with the provision of Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act, and thus, has repurchased its own shares since April 15, 2025, as follows.

1. Reasons for the repurchase of its own shares

In keeping with the financial strategy set out in the medium-term business plan (from FY3/2025 to FY3/2027), the Company will conduct flexible repurchase of its own shares in consideration of a comprehensive array of factors, including strategic investment opportunities, the Company’s financial position, and the price of its common stock.

2. Details of matters on the share repurchase

(i) Class of shares to be repurchased

Common stock

(ii) Total number of shares to be repurchased

Up to 100,000 shares

(iii) Total value of repurchased shares

Up to 85,000,000 yen

(vi) Repurchase period

From April 15, 2025 to September 12, 2025

(v) Repurchase method

Market purchases based on a discretionary trading contract

3. Results of the shares repurchased as of the end of the month preceding the filing date of the financial results

(i) The shares repurchased from April 15, 2025 to April 30, 2025 based on the resolution of the Board of Directors meeting

Total number of shares repurchased

6,900 shares

Total value of repurchased shares

5,500,900 yen

(ii) Value of shares to be repurchased after May 1, 2025

UP to 79,499,100 yen

(Business combination through acquisition)

Commerce One Holdings Inc. (the “Company”) resolved at its Board of Directors meeting held on May 14, 2025 to acquire PINES Co., Ltd.’s shares through the transfer of its shares and underwriting of a third-party allotment of new shares, and to make the company a consolidated subsidiary. Accordingly, the acquisition of shares is scheduled to take place on May 20, 2025.

1. Outline of business combination

(1) Name of acquired company and its business description

Name of acquired company: PINES Co., Ltd.

Business description: Influencer marketing business affiliated with VTubers

(2) Primary reason for business combination

Our group's mission is to be “an E-Commerce platform that maximizes the power of people using our technology” and we will achieve the creation of the infrastructure that supports the sustainable development of society. As part of this mission, we intend to create next-generation value through co-creation synergies that organically link social issues, technology, and capital in new businesses.

PINES Co., Ltd. is engaged in influencer marketing business that connects VTubers with companies and clients, and supports them in advertising (PR), sales of goods, and other activities.

Through this acquisition of shares, the Group and PINES Co., Ltd. intend to further deepen their accumulated know-how, large number of VTubers, and abundant projects, and to expand the support areas as a platform. By realizing further synergies as a unified group, we aim to further enhance our corporate value.

(3) Date of business combination

Scheduled for May 20, 2025

(4) Legal form of business combination

Acquisition of shares for cash consideration

(5) Name of the acquired company after business combination

No change

(6) Acquired percentage of voting rights

40.00

(7) Bases for choosing the acquiring company

The Company acquired 40.00% of the voting rights of PINES Co., Ltd. through the share acquisition for cash consideration, and is deemed to have effective control over the decision-making body of the company.

2. Acquisition cost of the acquired company and breakdown by type of consideration

Payment for the acquisition:	Cash and deposits	¥99,000 thousand
Acquisition cost:		¥99,000 thousand

3. Details of the contingent consideration specified in the business combination contract and future accounting treatment policy

(i) Details of the contingent consideration

The consideration for the acquisition does not include contingent consideration. The contract provides for contingent consideration (earn-out consideration) of up to ¥16,200 thousand, which may be recognized based on the achievement of certain performance targets over a specified period. At this point, the contingent consideration has not been determined.

(ii) Accounting policy

If any changes occur in the consideration for the acquisition, the acquisition cost will be adjusted as if such changes had occurred at the time of acquisition, and the amount of goodwill and the amortization expense of goodwill will be adjusted accordingly.

4. Description and amount of major acquisition-related expense

Not applicable

5. Amount, origin, amortization method, and amortization period of Goodwill resulting from the acquisition

To be determined.

6. Breakdown of assets acquired and liabilities assumed on the acquisition date

To be determined.

(Establishment of a subsidiary)

Commerce One Holdings Inc. (the “Company”) resolved at its Board of Directors meeting held on March 28, 2025 to establish a subsidiary as follows, and established it as of April 1, 2025. The subsidiary’s equity capital will exceed one-tenth of the Company’s total issued capital, making it a specified subsidiary.

1. Purpose of establishing a subsidiary

The Company formulated and disclosed the medium-term business plan on November 14, 2023. As the outline of the plan, we set the goal of realizing a SaaS-based e-commerce platform supporting multi channels by developing Commerce Connect that will enable co-creation synergies (including comprehensive marketing support and consulting) with our group company, Future Shop Co., Ltd. through the use of multi-channel data, in addition to growth of our core business. We have decided to establish a new subsidiary to further develop and organize a management system by consolidating the group's management resources. We have also determined that this will

enable us to make prompt management judgments and decision-making, which will lead to an increase in the corporate value of our group in the future.

2. Outline of the subsidiary

(1) Company name: Commerce Connect Co., Ltd.

(2) Head office: Ichigaya Square Building, 4-2-1 Kudankita, Chiyoda-ku, Tokyo

(3) Business profile: Contracted development and package development of computer software

(4) Date established: April 1, 2025

(5) Capital: ¥50,000 thousand

(6) Shareholder: Commerce One Holdings Inc. (a wholly owned subsidiary of Commerce One Holdings Inc.)