

May 28, 2026

Paycloud Holdings

TSE Growth 4015

Share Price (5/22)

¥470

Summary

- ① In the Cashless Services business, the Company provides services centered on "Dokuji Pay", a proprietary branded payment service integrating cashless payment and marketing functions, and used in a wide range of applications.
- ② In the Digital Signage-related business, the Company provides a one-stop service from planning to distribution management and maintenance. Digital signage adoption is expanding across various locations, with demand growing.
- ③ Targets aggregate ordinary profit of ¥2.5 bn or more for the most recent two fiscal years by FY8/29.

Provides Cashless Services, Digital Signage-related and other businesses

Paycloud Holdings, under its mission "Make the world happier with ideas and technology", operates - through its group companies - the Cashless Services business (growth-investment business), the Digital Signage-related business (growth-investment business), and the Solutions business (stable-revenue business).

Target aggregate ordinary profit of at least ¥2.5bn for the most recent two fiscal years by FY8/29.

The current mid-to long-term target is "to achieve aggregate ordinary profit of ¥2.5 bn or more for the most recent two fiscal years by FY8/29". The Company recognizes room for improvement in ROE and ROIC and aims to improve the ratios of cost of sales and SG&A to sales while continuing to grow its businesses. Specifically, increases in recurring revenue and operating profit per employee are set as targets at each operating company.

FY8/26 plans top- and bottom-line growth, driven by the Cashless Services business and others

FY8/26 full-year (Sept-Aug) company plan calls for sales of ¥11,500 mn (+12.4% YoY), adjusted EBITDA of ¥1,300 mn (+0.8%), and operating profit of ¥800 mn (+9.4%). The Company positions the Cashless Services and Digital Signage-related businesses as growth drivers and intends to continue investing.

In FY8/26 1H (Sept-Feb), sales were ¥4,723 mn (-2.4% YoY), adjusted EBITDA was ¥593 mn (-12.7%), and operating profit was ¥327 mn (-19.1%). Progress was in line with the company plan.

Risk factors

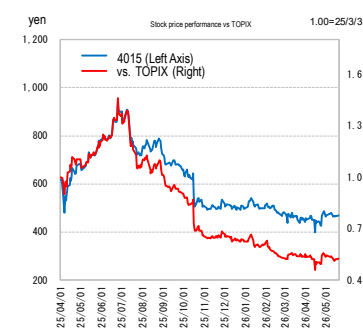
Key risk factors include (1) the internet usage environment, (2) responses to technological innovation, and (3) system trouble. The Company recognizes these risks and intends to avoid their materialization and respond if they materialize.

Listed Market

Share Price (5/22, ¥)	470
TOPIX (5/22)	3,892.46
Market Cap (¥bn)	7.5
Shares Out. (mn)	16.0
FY8/25 actual (%)	
ROE	3.4
Equity Ratio	46.5
Dividend Yield	0.0
P/E (x)	80.0
P/B (x)	2.64

TSE Growth

Share Price Performance



Source: Compiled from QUICK

Research Solution Department

Earnings and share-price valuation

FY	Sales		Operating profit		Ordinary Profit		Net profit		EPS	DPS	P/E	P/B	
	¥mn	YoY%	¥mn	YoY%	¥mn	YoY%	¥mn	YoY%	¥	¥	x	x	
23/8	4,476	284.1	163	-	133	-	114	-	10.7	0.0	76.2	4.50	
24/8	6,853	53.1	337	106.6	320	140.0	74	-35.0	5.4	0.0	115.5	2.35	
25/8	10,234	49.3	731	116.4	714	123.1	143	93.9	9.1	0.0	80.0	2.64	
26/8	CE	11,500	12.4	800	9.4	770	7.8	360	150.4	22.6	0.0	20.8	-

Note: CE = company Estimation; Historical share prices are period-end close. Source: Compiled from company materials

This report has been prepared by Tokai Tokyo Intelligence Laboratory for a fee paid by the subject company.

For further details, please refer to the disclaimers at the end of this report.

Contents

1. Executive summary	3
2. Company information	5
Company profile.....	5
Purpose (reason for existence)	5
History	5
Origin of company name.....	6
3. Business description	7
4. Business model	8
5. Growth strategy	9
6. Profit target through FY8/29	10
7. Cashless Services business	11
Dokuji Pay	11
Market environment.....	12
Growth strategy	12
Key KPIs.....	14
8. Digital Signage-related business	15
Business overview	15
Market environment.....	15
Growth strategy	16
Key KPIs	16
9. Solutions business	17
Business overview	17
10. FY8/25 results	19
11. FY8/26 company plan	21
12. FY8/26 1H results	22
13. Cash allocation	23
14. Major shareholders	24
15. Risk factors	25
16. Financial statements and key metrics	26

1. Executive summary

Paycloud Holdings was listed on the Tokyo Stock Exchange Mothers in 2020 under the name arara. In 2022, it integrated with Valuedesign Inc., and in 2024 it integrated with Cloudpoint Inc, transitioned to a holding-company structure, and changed its name from arara to Paycloud Holdings.

Through its group companies, the Company operates (1) the Cashless Services business (Valuedesign), (2) the Digital Signage-related business (Cloudpoint), and (3) the Solutions business (arara).

Valuedesign's proprietary payment service, Dokuji Pay, is a payment infrastructure used for a wide range of cashless-payment applications. Business expansion is also accelerating overseas.

In the Digital Signage-related business (Cloudpoint), digital signage adoption is expanding across retail-store signage, station-area poster replacement and other venues, with demand expanding. The Company provides panel procurement, installation, maintenance and content control on a one-stop basis.

The Solutions business (arara) is rolling out new AI-related services in addition to steady demand for email distribution.

To accelerate business expansion, the Company is poised to actively pursue new services, new businesses and M&A alongside organic growth.

Also, AI evolution and adoption are an opportunity for the Company. The Company plans a group-wide AI shift: (i) radical streamlining of internal operations and faster development cycles, (ii) embedding AI into existing products/services, and (iii) launching AI-related businesses and services. Through full use of AI, the Company will invest aggressively in growth areas and, within 3-5 years, transform into a corporate group very different from today.

The profit target by FY8/29 is aggregate ordinary profit of ¥2.5 bn or more for the most recent two fiscal years. The Company sees room to improve ROE and ROIC, and aims to improve the cost of sales ratio and the SG&A-to-sales ratio, while continuing business expansion. Specifically, increasing recurring revenue and operating profit per employee are set as targets at each operating company.

For FY8/26, the company plans sales of ¥11,500 mn (+12.4% YoY), adjusted EBITDA of ¥1,300 mn (+0.8%), operating profit of ¥800 mn (+9.4%), and net profit of ¥360 mn (+150.4%). The Company positions the Cashless Services and Digital Signage-related businesses as growth drivers and intends to continue aggressive investment.

In the Cashless Services business (Valuedesign): the Company plans to invest in (1) POS upgrades for new clients, (2) integration of the Dokuji Pay platforms, (3) a Gateway to support various general payment methods, and (4) online recharge support.

In the Digital Signage-related business (Cloudpoint), the Company is leveraging its one-stop strength to expand its client base.

Lastly, the Company sets its mission as “Make the world happier with ideas and technology”. The Company believes business activities aligned with this mission contribute to society and ultimately maximize corporate value.

2. Company information

Company profile

Through its group companies, Paycloud Holdings operates (1) the Cashless Services business, (2) the Digital Signage-related business, and (3) the Solutions business.

Figure 1: Company profile	
Company name	Paycloud Holdings Inc.
Founded	8/1/2006
Headcount	301 (as of end-Aug 2025)
Representative	Chairman Yoshitsugu Miura, President Yosuke Iwai, Director Tetsu Onoue
Capital stock	¥1,054 mn (as of Aug 31, 2025)
Business description	Management of Paycloud Group companies
Subsidiaries	Valuedesign Inc., Cloudpoint Inc., arara Inc., 1 other domestic and 4 overseas subsidiaries

Source: Compiled from company materials

Purpose (reason for existence)

Under its mission “Make the world happier with ideas and technology”, the Company envisions creating happy lives for all and provides services through ideas and technology to solve social issues and realize a society in which all can be happy. The Company believes business activities aligned with this mission contribute to society and ultimately maximize corporate value.

On human-capital strategy - a source of sustainable value creation - the Company aims to actively secure and develop diverse talent, instill the group mission, enhance employee engagement, produce many group management leaders, and pursue sustainable corporate-value improvement.

History

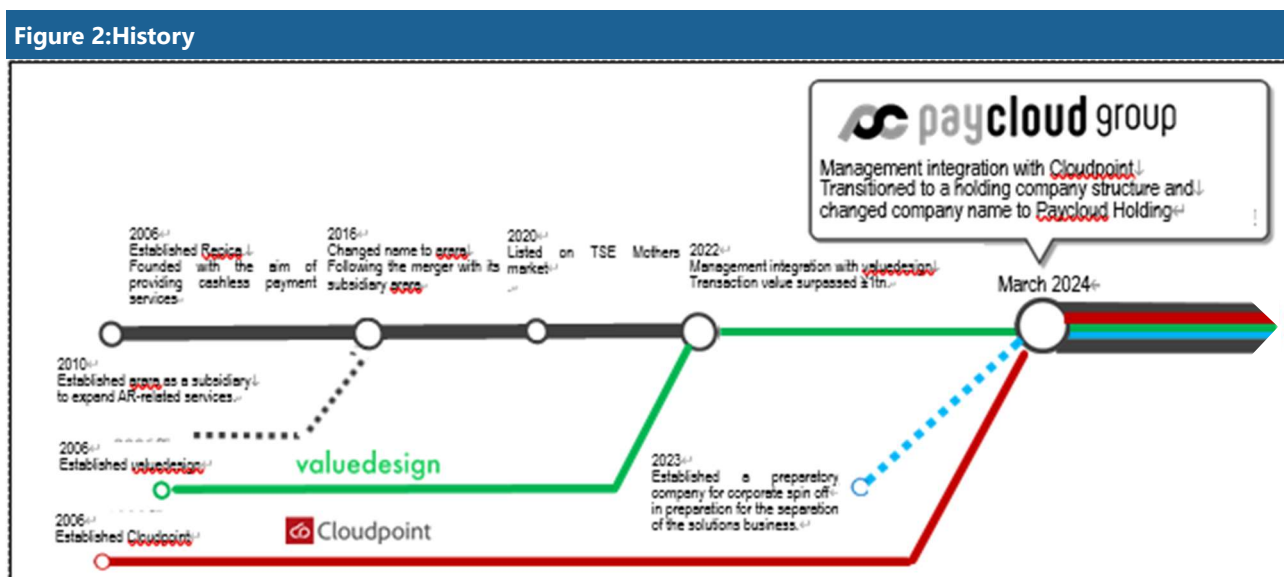
The Company was founded in 2006 as repica Inc. to pursue a cashless-services business. Its main offerings included a server-managed prepaid e-money system with low fee rates, alongside a mass email-distribution service.

In 2016, the Company absorbed its AR* subsidiary arara and changed its name to arara. In 2020, the Company was listed on the Tokyo Stock Exchange Mothers.*Augmented reality

In 2022, the Company integrated with Valuedesign, another cashless-services operator, lifting payment transaction value to ¥1 trillion.

In March 2024, the Company integrated with Cloudpoint (digital-signage related), transitioned to a holding-company structure and changed its name from arara to Paycloud Holdings.

Under Paycloud Holdings are Valuedesign (Cashless Services), Cloudpoint (Digital Signage-related) and arara (Solutions, including email distribution; formerly arara Demerger Preparation Co., Ltd.).



Source: Compiled from company materials

Origin of company name

The name Paycloud Holdings reflects “PAY” - as cashless adoption advances, expanding the possibilities of PAY services through Dokuji Pay and continuing to provide services that create a more convenient and rewarding society.

“CLOUD” reflects, in marketing and corporate DX, applying AI and various cloud technologies to solve social issues, streamline business processes, enhance scalability, and provide outstanding cloud services to customers.

Alongside the name origin, the Company sets its mission as “Make the world happier with ideas and technology”. The vision is to become “a globally active corporate group representing Japan”.

3. Business description

The Company operates the following three businesses, providing a range of B2B services centered on retail marketing.




Valuedesign offers Dokuji Pay-centric services that combine cashless payment and marketing, supporting client growth through services that drive store sales and operational efficiency.

Cloudpoint, one of the leading companies in digital signage, provides a one-stop service from planning, equipment procurement, installation, content proposals, to distribution management and maintenance.

arara provides a high-volume, high-speed messaging service, a data-security service that detects personal-data scattered across PCs and file servers, AR services that create filters used in promotions, and other services.

The Cashless Services and Digital Signage-related businesses are positioned as growth-investment businesses, while the Solutions business is positioned as a stable-revenue business.

Figure 3: Business description

	Cashless Services Business	Digital Signage Business	Solutions Business
Our Business			
Provider	valuedesign	Cloudpoint	arara
Services	Boost Your Marketing! How "Own-Brand" Digital Money Drives Loyal Customer Engagement for Stores and	Solving Labor Shortages! Digital Signage for Instantly Delivering Crucial Information	Streamline Your Operations! A High-Volume E-mail Delivery System for Mass Broadcasting
FY08/25 Segment Net Sales	¥3,768 million Share of Net Sales: 37%	¥5,690 million Share of Net Sales: 56%	¥770 million Share of Net Sales: 7%
FY08/25 Segment Income	¥802 million Share of Segment Income: 42%	¥805 million Share of Segment Income: 42%	¥298 million Share of Segment Income: 16%

Source: Compiled from company materials

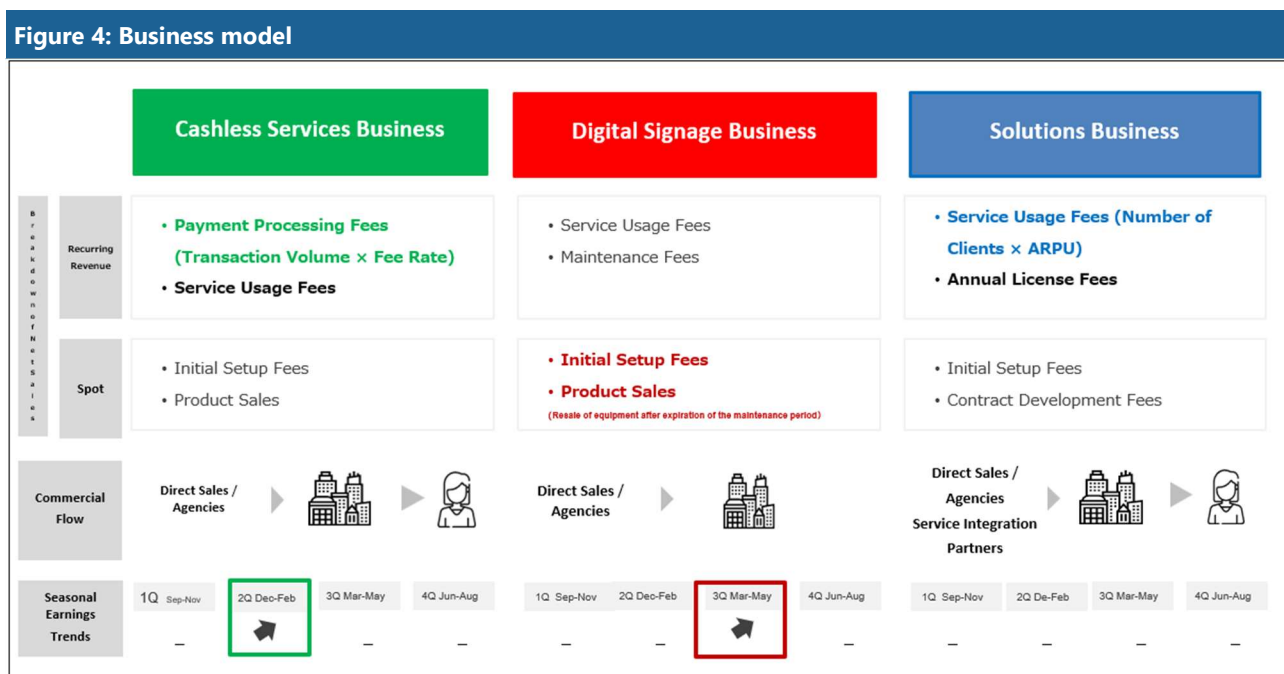
4. Business model

Each business serves customers and stores nationwide primarily through agents and service-integration partners. The Solutions business is also sold in integration with services offered by service-integration partners.

The Cashless Services business is a recurring business centered on payment-fee revenue.

The Digital Signage-related business combines spot business (new installations and periodic replacement orders) and recurring business (maintenance and system-usage fees).

The Solutions business is a recurring business that secures stable revenue through low churn.



Source: Compiled from company materials

5. Growth strategy

The Company positions the Cashless Services and Digital Signage-related businesses as growth-investment businesses.

In the Cashless Services business operated by Valuedesign, securing ongoing recurring revenue through monthly usage fees and similar streams is positioned as the most important strategy.

In the Digital Signage-related business operated by Cloudpoint, the most important strategy is to (1) grow spot revenue from digital-signage equipment sales and installation works at high-quality clients with continuing order flow, and (2) grow recurring revenue from “Cloud Exa**” system deployments and equipment maintenance. *Digital signage distribution management system

Note that the stable-revenue business - the Solutions business - positions the securing of continuing revenue via monthly usage fees or annual license fees (recurring business) as the most important strategy.

Figure 5: Future investment plan

Development project	
①	Development of a Dokuji Pay platform with improved data-processing capacity and diverse features to accommodate larger scale and customer needs.
②	System development for "Furumachi Pay" - a local-payment Furusato Nozei service.
③	Development of systems enabling recharges to Dokuji Pay from bank accounts and other general payment methods.
④	Developing new services for instant-win campaigns digitizing receipt-promotion campaigns in the digital marketing services area.
⑤	Development of set-top boxes with new features for the digital signage business.
⑥	Developing a wide variety of APIs that make linkage with service-integration partners and other-party systems easy, supporting long-term customer service in messaging.

Source: Compiled from company materials

6. Profit target through FY8/29

The current mid-to-long-term target is “to achieve aggregate ordinary profit of ¥2.5 bn or more for the most recent two fiscal years by FY8/29”.

The previous mid-term plan (FY8/23-FY8/25) review by the Company was: “Sales met the plan through the management integration with Cloudpoint, and EBITDA achieved step-change growth”.

Under the previous mid-term plan, the Company aimed for a ¥100 mn reduction in steady-state costs at the pure holding company. Even after absorbing higher audit fees at Cloudpoint post-integration, a ¥120 mn reduction was actually achieved, exceeding expectations. Major drivers were (1) reductions in director compensation through a leaner management structure, (2) office-rent cuts, and (3) recruiting-cost reductions.

However, EBITDA of the Cashless Services business progressed about one year behind the initial plan, mainly due to delays in deploying iD-Dokuji Pay link services and manufacturer promotional services using Dokuji Pay.

Customer count in the Solutions business grew at a 62.3% CAGR, but ARPU fell short of plan and EBITDA missed plan.

The Company sees room to improve ROE and ROIC, and going forward aims to improve cost-of-sales and SG&A ratios while continuing to expand the businesses. Specifically, higher recurring revenue and higher operating profit per employee are set as targets at each operating company.

AI and other technologies will be applied aggressively to pursue further improvement. New business development and active M&A are also planned with an eye to future ROE/ROIC improvement.

On the profit-level target, with an eye to a potential future move to the Prime market, the Company aims for the earnings base required by the Prime market — Aggregate ordinary profit of ¥2.5 bn or more for the most recent two fiscal years by FY8/29.

The Company will continue management oriented toward high growth, as is expected of a Growth-market listed company. Along the way, it is targeting the top 30 market-cap rank in the Growth market.

7. Cashless Services business

Dokuji Pay

Valuedesign primarily serves store-business operators, providing cashless services centered on Dokuji Pay - which offers loyalty benefits and preferential treatment to repeat customers.

Dokuji Pay is a member ID-linked proprietary service. The store issues its own digital membership card and accepts payments via the proprietary payment service (closed-loop prepaid payment service); the service also supports recharging the own-payment service from general-purpose payment services (banks, credit cards, etc.).

Customers such as supermarket and restaurant chains issue their own Dokuji Pay and offer it to end users as a convenient and rewarding cashless service, driving repeat visits. In this model, when consumers recharge, the store receives advance payment, improving cash flow. Digitizing traditional paper gift certificates and similar tools also improves operational efficiency and provides visibility into usage status.

The main revenue source is recurring payment-fee revenue (75.8% of sales). Recurring revenue comprises payment fees (payment transaction value × fee rate) and service-usage fees. Spot revenue comes from initial fees, goods sales, etc.

Figure 6: Features of Dokuji Pay

	Proprietary Mobile Pay	Universal Payments
Objective of Implementation	Increasing transaction frequency	Acquiring new customers
Payment Features	<ul style="list-style-type: none"> Relatively low transaction fees Used at specific stores / dedicated merchants 	<ul style="list-style-type: none"> Relatively high transaction fees Used across a wide range of stores
Marketing Features	<ul style="list-style-type: none"> Generous rewards and perks for loyal customers Easier for merchants to collect and utilize customer data 	<ul style="list-style-type: none"> Uniform rewards and perks for all users Difficult for merchants to collect and utilize customer data
Primary Users	Loyal customers	General shoppers

Source: Compiled from company materials

Market environment

In the cashless market, there is demand for member-targeted services that cannot be delivered by general payment methods, and Dokuji Pay's marketing functions meet this demand.

Also, as cashless payments spread, the fee burden paid by client stores to payment operators has risen. The deployment and promotion of Dokuji Pay is expected to lower this payment-fee burden.

Recently, digitization of paper gift certificates and similar items has accelerated among store operators and local governments alike, driven by operational efficiency and data utilization.







Market size: TAM is the ¥141 trillion cashless market; SAM is the ¥20.1 trillion e-money + code-payment market; SOM is the ¥6.5 trillion e-money market. Dokuji Pay holds a 22.3% share of the e-money market (FY8/25). The 5-year CAGR of the overall cashless market during 2020-24 was 13.2%.

Competition: only 2-3 providers offer comparable services besides Valuedesign. Due to its different role at client stores, Dokuji Pay does not compete with general payment methods. Valuedesign primarily provides Dokuji Pay services to supermarket and retail-chain operators. System provision from competing operators is limited.

Growth strategy

The growth strategy for the Cashless Services business is to deliver top- and bottom-line growth by comprehensively offering a range of cashless services to the client base built through Dokuji Pay. To further accelerate growth, the Company has begun a "Second Founding Phase" - expanding service domains beyond Dokuji Pay onto a new growth trajectory.

Figure7: Cashless Services growth strategy

Services	Target	Objective	Case Studies
Digital Gifts Utilizing Proprietary Pay 	Proprietary Pay Customers	Support for digital gift issuance Expanding sales channels via social media and E-commerce	[Japan] Issued Skylark shareholder benefit vouchers; expanded sales channels via LINE Gifts. [Global / Overseas] India: Expanded sales channels through partnerships with adivaha and Zyro. Thailand: Inbound tourism initiatives; providing support to drive visiting tourists to domestic merchant stores. [Japan] "Choose Your Own Digital Gift," a solution utilized by our company, serves as a prime example of our sales channel expansion. The Skylark Group digitized its shareholder benefit 
	Listed Companies	Expanding sales channels by leveraging shareholder benefits Digitization of shareholder benefit vouchers	
Integrated Solution for Proprietary Pay and iD 	All Companies	Addressing the expansion of corporate meal subsidy programs Explicitly mentioned in METI's FY2026 tax reform requests	[Japan] Proposing the platform's use as a corporate employee benefits service to develop new use cases; currently conducting an in-house PoC (Proof of Concept). 
Integrated Solution for Proprietary Points and Social Media 	Proprietary Point Customers	Building CRM through LINE Mini App integration	[Japan] Formed a strategic partnership with DII, a subsidiary of CARTA HOLDINGS. [Global / Thailand] Thailand: Partnered with Buzzebees to CRM services. 

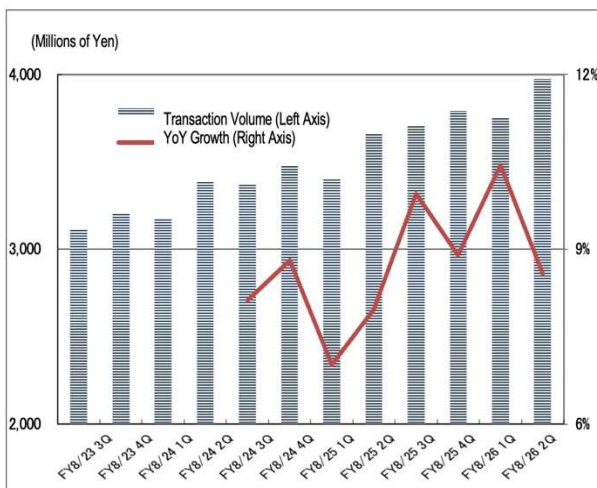
Source: Compiled from company materials

Key KPIs

Cashless Services business FY8/25 full-year (Sept-Aug) annual payment transaction value was ¥1.45 trillion. New-customer wins drove the cumulative store count and cumulative end-user count both higher; at end-FY8/25 the cumulative store count was 130,771 stores and the cumulative end-user count was 226,186 thousand.

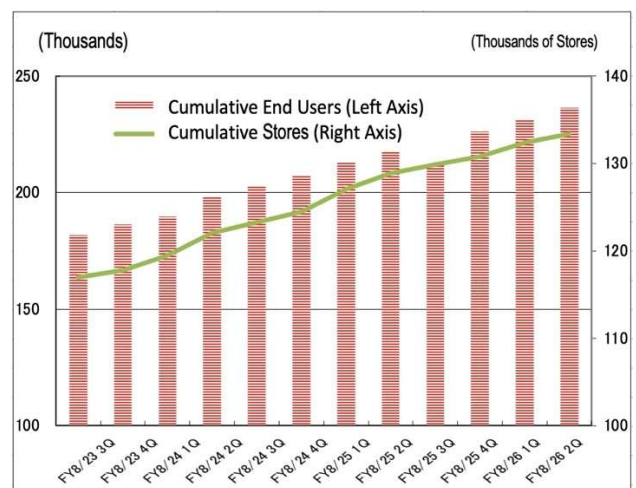
In FY8/26 1H (Sept-Feb), Dokuji Pay payment transaction value rose steadily to ¥772.8 bn. Also, at the end of FY8/26 1H, the cumulative store count was 133,425 stores and the cumulative end-user count was 236,354 thousand.

Figure 8: KPI: payment transaction value



Source: Compiled from company materials

Figure 9: KPI: cumulative end-user count / cumulative store count



Source: Compiled from company materials

8. Digital Signage-related business

Business overview

Digital signage-related business, with its mission “Creating smart living spaces” and leveraging creative capabilities developed in spatial design, combines Cloudpoint-original video devices with consulting, planning/design, system development, installation, content creation, and maintenance on a one-stop basis.

The business model has a two-tier structure: one-off revenue from goods sales at the time of equipment/system installation or replacement, and recurring revenue from operating the distribution system and maintenance fees for equipment/systems.

Revenue mix: 89.8% spot sales (initial fees, goods sales, equipment resale after maintenance period ends, signage-consulting income); recurring sales come from service-usage fees and maintenance fees.

Examples of deployment: KFC and Baskin-Robbins use digital signage on menu boards and POP, broadcasting menu information as well as time-of-day promotional content.

At Ministop stores, digital signage is used as menu boards and as a call display indicating when soft-serve ice cream and other in-store items are ready. Use as advertising space is also progressing.

Market environment

Market needs are favorable. With an ever-growing volume of information requiring constant updates, and labor-shortages as a social issue, demand for digital signage is expanding.

The Company provides a system that centrally manages digital-signage content, addressing labor-shortage and labor-saving needs. The overwhelming communicative power of video supports use in promotion, sales promotion and spatial design.

Market size: the digital-signage-related market is estimated at ¥186 bn*. Given Cloudpoint's annual sales of about ¥5.6 bn, there is room to grow share. Long-term, the Company aims to deploy promotional media advertising at retail and food-service stores; short-term, it is expanding its client base within the digital signage and related markets (system sales + content production + maintenance support).^{*Per company materials}

Strengths: competitors tend to be biased toward specific equipment manufacturers or have service gaps, while Cloudpoint offers its clients one-stop service - from digital-signage deployment planning, system proposal, installation, content production/distribution, to system operation and maintenance - covering both pre- and post-deployment.

Figure10: Digital Signage-related business strengths

		Cloudpoint	Display Hardware Manufacturers	Major Advertising Agencies	System Integrators /Sier	Design /Creative Agencies
p r o c e s s	Planning & Hardware Selection	✓				✓
	System Proposal	✓		✓	✓	
	Hardware Selection & Sales	✓	✓		✓	
	Installation Work	✓				✓
	Content Creation	✓		✓		
	Content Delivery & Operations	✓		✓		
	Hardware Maintenance	✓	✓			

Note: A red arrow points from the 'Delivered as a complete one-stop service' callout to the Cloudpoint column, indicating that Cloudpoint provides a complete one-stop service across all process steps.

Source: Compiled from company materials

Growth strategy

Amid a shrinking workforce and changing values, the Company uses digital to lift productivity in promotion and spatial design and to enhance the experiential value of physical spaces.

In digital signage, the Company leverages its strength as a one-stop platformer covering pre- and post-deployment to deepen connections with target industries (cultivating loyal customers), advance system and service development, and accelerate growth through problem-solving for clients.

Key KPIs

The KPI is the cumulative number of installed signage panels. As of end-FY8/25, the cumulative installed-panel count reached 68,450 nationwide, reflecting the strength of one-stop delivery from deployment planning, equipment selection, system proposal, installation, content production/distribution, to system maintenance and operation.

A supplementary KPI is recurring-revenue growth. The recurring-revenue driver - the cloud-based digital-signage distribution system “CloudExa” - enables uploading of video material, scheduling, and remote distribution/monitoring of playback terminals over the internet. FY8/25 recurring-revenue growth was +43% YoY.

9. Solutions business

Business overview

In the Solutions business operated by arara, the messaging service accounts for more than about 80% of revenue.

The messaging service provides automated, high-volume email distribution for marketing emails (mainly promotion) and transactional emails (information notifications), reducing the risk of distribution delays and non-delivery.

Use cases: (1) marketing emails (driving traffic from existing customers and converting them to loyal customers); (2) transactional emails (automated notifications triggered by customer actions such as product/service bookings and registrations).

Key features: (1) Email-distribution API (automated linkage with external systems such as core systems via API); (2) Email marketing (built-in targeted distribution and post-distribution measurement; HTML email creation is also easy).

The business model is recurring: 93.6% of sales are recurring. Recurring revenue comprises service-usage fees (customer count × ARPU) and annual license fees. Spot revenue comes mainly from initial fees, etc.

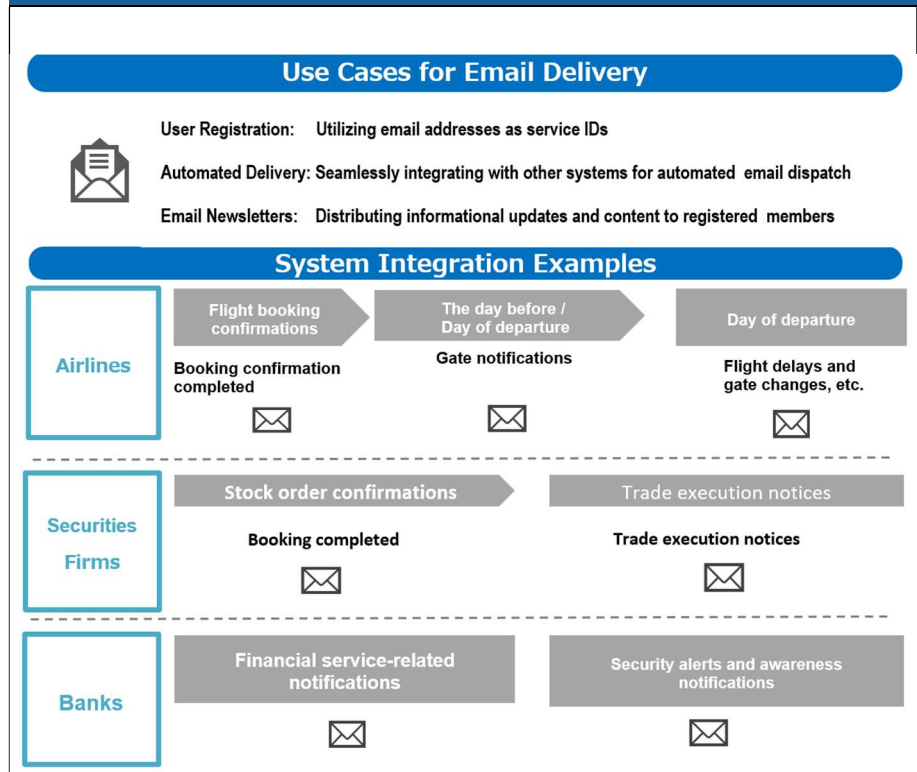
Deployment examples: e-commerce operators and other businesses (both B2B and B2C) with large member bases use email distribution as mailing-list newsletters for promotion and information delivery. The service is also widely used in linkage with core enterprise systems for action-triggered notification emails. As part of an MA* tool stack, the messaging service achieves fast, high-deliverability email distribution. *Marketing automation

“arara message” holds a 3.7% share of the ¥20.8 bn email-distribution market. The CX/digital marketing market - the broader market the email-distribution market belongs to - is estimated at ¥373.8 bn, indicating substantial latent potential.

Competition: the email-distribution market sees demand shifting from marketing emails (e.g. newsletters) to transactional emails (e.g. booking confirmations). Within this trend, the Company is expanding into the growth market of API-linked small-volume distribution.

Strength: high customer convenience. arara’s high-speed email-distribution system is easily linked with clients’ mission-critical core systems, securing an indispensable position. Through reliable, secure and stable APIs, the system supports long-term client use.

Figure11: Examples of email-distribution service



Source: Compiled from company materials

10. FY8/25 results

In FY8/25 full-year, sales were ¥10,234 mn (+49.3% YoY), operating profit was ¥731 mn (+116.4%), and net profit was ¥143 mn (+93.9%). Adjusted EBITDA* - which the Company regards as a key strategic metric - was ¥1,289 mn (+78.7%). *Adjusted EBITDA = operating profit + depreciation (including amortization of intangible fixed assets) + share-based compensation expense

By segment, the Cashless Services business posted sales of ¥3,768 mn (+11.6% YoY) and segment profit of ¥802 mn (+30.0%). The Digital Signage-related business posted sales of ¥5,690 mn (+107.0%) and segment profit of ¥806 mn (+105.3%). The Solutions business posted sales of ¥770 mn (+4.6%) and segment profit of ¥298 mn (+32.3%).

In the Cashless Services business, payment-fee revenue built up further and margins exceeded the initial plan. Customer count reached 1,131 firms, and the cumulative end-user count reached 226,186 thousand. Dokuji Pay payment transaction value rose steadily to about ¥1.45 trillion, but missed the previous mid-term-plan target of ¥2.0 trillion due to timing differences in service deployment.

In addition, the iD-linked service - linking the general-purpose e-money iD with Dokuji Pay - has been released behind the original plan, and the Company recorded a ¥54 mn extraordinary loss from impairment of related software and other assets.

The Company also outsources part of the operations related to the iD-linked service and is obliged, at the time of contract termination, to pay the outstanding amount in full. In connection with the software impairment, the Company recorded ¥298 mn of contract-loss provisions as an extraordinary loss to cover future contractual payment obligations.

In the Digital Signage-related business, Cloudpoint - made a wholly-owned subsidiary via share exchange on March 1, 2024 - was (1) consolidated for 2H only in FY8/24 but for the full year in FY8/25, and (2) saw strong performance from expanded digital-signage adoption at multi-store operators and at commercial facilities and offices. Cumulative installed-panel count rose to 68,450 and cumulative installed-location count rose to 30,810.

In the Solutions business, arara strengthened outbound sales to corporate clients that distribute messages to business operators in its core messaging service. The Company also pursued web-marketing initiatives to win new customers. The business kept growing steadily, with the messaging-service customer count reaching 395 and churn at 0.6%.

Figure 12: Full-year segment results (¥mn)

	FY8/23		FY8/24		FY8/25		FY8/26 CE	
	Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY
Cashless Services	3,792	680.2%	3,376	-11.0%	3,768	11.6%	-	-
Digital Signage-related Solutions	0	-	2,748	-	5,690	107.0%	-	-
Other business	689	1.6%	736	6.8%	770	4.6%	-	-
Adjustments	0	-	1	-	13	-	-	-
Sales	-5	-	-8	-	-8	-	-	-
	4,476	284.2%	6,853	53.1%	10,234	49.3%	11,500	12.4%
Cashless Services	620	12553.1%	617	-0.5%	802	30.0%	-	-
Digital Signage-related Solutions	0	-	393	-	806	105.3%	-	-
Other business	32	-87.0%	225	608.9%	298	32.3%	-	-
Adjustments	0	-	-72	-	-67	-	-	-
Operating profit	23	-	-825	-	-1,108	-	-	-
	163	-	337	106.6%	731	116.4%	800	9.4%

Note: Consolidated financial statements prepared from FY8/22; CE = company Estimate
 Source: Compiled from company materials

11. FY8/26 company plan

For FY8/26 full-year, the company guidance assumes consolidated sales of ¥11,500 mn (+12.4% YoY), adjusted EBITDA of ¥1,300 mn (+0.8%), operating profit of ¥800 mn (+9.4%), and net profit of ¥360 mn (+150.4%).

In FY8/26 as well, the Cashless Services and Digital Signage-related businesses are positioned as growth drivers and aggressive investment continues.

In the Cashless Services business, technological innovation and service delivery continue, and the market is expected to keep expanding.

Valuedesign's strengths are its contribution to client cash-flow improvement and loyalty-customer building. The Company will continue to invest in expanding its business domains, including strengthening payment and marketing services. Specifically, it plans to invest in (1) POS upgrades for new clients, (2) Dokuji Pay platform integration, (3) a Gateway for various general payment methods, and (4) online recharge support.

In the Digital Signage-related business, demand is expected to remain strong, supported by digital signage's ability to deliver dynamic, visually impactful information in real time and meet changing market needs, and by growing expectations of digital signage as an automation tool to offset labor shortages.

Cloudpoint will continue to leverage its one-stop strengths - from digital-signage deployment planning, equipment selection, system proposal, installation, content production/distribution, to system maintenance/operation - to expand its client base. In FY8/26, it will strengthen ongoing sales to loyal customers (about 60% of the segment) and direct resources to grow recurring revenue from the distribution system and equipment maintenance. With an eye to future multi-store and large-store deployments, the Company will invest in recruiting and developing the talent needed to deliver them.

In the Solutions business, arara aims to raise existing-customer ARPU through measures such as expanding the service menu of its core messaging service, with stable business performance expected to continue.

12. FY8/26 1H results

In FY8/26 1H (Sept-Feb), sales were ¥4,723 mn (-2.4% YoY), operating profit was ¥327 mn (-19.1%), and net profit was ¥137 mn (-35.5%). Adjusted EBITDA was ¥593 mn (-12.7% YoY).

1H progress vs. full-year company plan: sales 41.0%, operating profit 40.8%, net profit 38.0%, adjusted EBITDA 45.6%. Progress was in line with the company plan.

Segment results: Cashless Services sales were ¥1,925 mn (+2.1% YoY) and segment profit was ¥463 mn (+11.6%). Valuedesign performed steadily, supported by new-service rollouts and a higher share of Dokuji Pay payments at existing customers. The 1H-end customer count was 1,144 firms and the cumulative end-user count was 236,354 thousand. Dokuji Pay 1H payment transaction value rose steadily to ¥772.8 bn, appearing to exceed the company's 1H expectations.

Digital Signage-related sales were ¥2,413 mn (-6.0% YoY) and segment profit was ¥330 mn (-12.8%). Although demand is strong and order intake is firm, Cloudpoint saw timing differences in deliveries to some clients, putting sales and operating profit progress below company expectations. Cumulative installed-panel count rose to 71,064 and cumulative installed-location count rose to 31,673.

Solutions sales were ¥388 mn (+0.4% YoY) and segment profit was ¥149 mn (-6.4%). The messaging service is winning new customers steadily and the business is performing well. 1H churn was 0.5% and the customer count reached 406.

From April 1, the Company launched "Omairi Pay" - a cashless payment service for temples and shrines, supervised by the Kyoto Buddhist Association. Omairi Pay is expected to become a new fee-revenue business under Dokuji Pay through comprehensive agency operations.

Valuedesign combines Dokuji Pay and general-payment know-how to address temples'/shrines' needs for (1) ensuring religious freedom and (2) efficient temple/shrine administration. It handles payments collectively per temple/shrine, balancing non-disclosure of temple/shrine names with fee revenue. Beyond temples affiliated with the Kyoto Buddhist Association, the Company plans nationwide expansion.

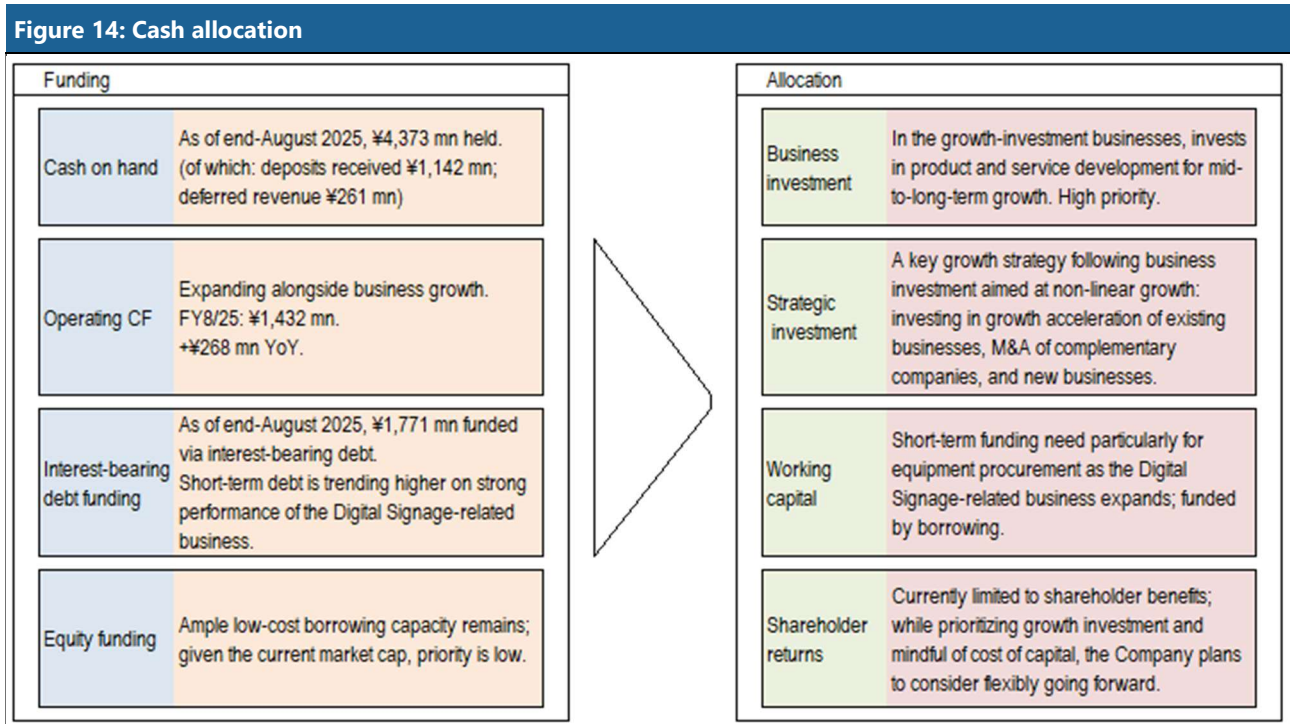
Figure 13: Quarterly results (¥mn)

	FY8/25 1Q		FY8/25 2Q		FY8/25 3Q		FY8/25 4Q		FY8/26 1Q		FY8/26 2Q	
	Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY
Sales	2,342	125.4%	2,495	162.3%	2,807	-0.6%	2,588	27.0%	2,399	2.4%	2,324	-6.9%
Adjusted EBITDA	287	139.2%	392	269.8%	357	-6.8%	253	125.9%	276	-3.8%	317	-19.1%
Operating profit	151	202.0%	253	602.8%	218	-18.4%	109	-	140	-7.3%	187	-26.1%
Net profit	65	-	148	-	121	-20.4%	-191	-	54	-16.9%	83	-43.9%

Source: Compiled from company materials

13. Cash allocation

The Company prioritizes cash allocation to business growth. Allocation to strategic investments such as M&A and new businesses will be actively considered and executed in pursuit of further growth.



Source: Compiled from company materials

14. Major shareholders

As of end-February 2026, the top shareholders were: (1) Takashi Miura 2.4909mn shares, 15.61%; (2) Yosuke Iwai 1.51 mn shares, 9.44%; (3) CARTA HOLDINGS 0.92 mn shares, 5.75%; (4) Toru Onoe 0.57 mn shares, 3.59%; (5) Murf Corporation 0.47 mn shares, 2.91%; (6) Dai Nippon Printing 0.439 mn shares, 2.75%.

15. Risk factors

Major matters that may affect investment decisions: (1) internet usage environment; (2) responses to technological innovation; (3) system trouble; (4) competition; (5) risks from service defects; (6) installation-work accidents; (7) information-management framework; (8) relationships with agents and service-integration partners; (9) overseas expansion.

As shown in Figure 15, the Company recognizes the possibility of these risks materializing and intends to avoid them and, if materialized, respond appropriately.

Figure 15: Risks and mitigation measures

Risk factors	Description	Mitigation
Internet usage environment	Changes in the internet usage environment - including new regulations, technical issues, or other unforeseen factors - may affect the business and results.	Conducting research on internet-related regulatory trends and technologies to adapt business development to the environment.
Response to technological innovation	- The internet industry changes rapidly with constant new technologies and services; delays in adapting to innovation may affect results. - Unplanned system investment required to adapt to new technology may affect results.	- Continuously deploying technologies and services in line with customer needs by reflecting customer feedback into service development. - Year-round IT engineer hiring and qualification-acquisition support.
System trouble	- A sudden surge in access to service-providing computer systems, power outages, or other unforeseen factors that take systems down may affect results. - Sudden access surges, computer viruses or hacker intrusions, or other unforeseen factors causing system failures may affect results. - Program tampering or important data deletion due to employee error may affect results.	- Multi-server load balancing, capacity expansion and regular backups for stable service provision. - Proactive measures such as a customer-facing incident board. - Development toward full migration to public cloud in the future.
Competition	- In the business areas where the Company operates - particularly Cashless Services and Digital Signage-related - the Company perceives relatively high entry barriers; however, intensified competition without sufficient differentiation may affect the business and results.	- Strengthen customer relationships to capture needs and reflect them in services, expanding the business. - Build systems with optimal usability, provide content, ensure security in system use, and enhance customer support.
Service-defect risk	- Fully eliminating defects in advanced software is difficult; if critical defects are found in apps, software or systems developed and provided by the Company and cannot be properly resolved, the business and results may be affected.	- Maintaining and building a highly reliable development structure through hiring of top talent and internal training.
Installation accidents	- The Digital Signage-related business involves installation works; falls or collapses of installed equipment causing personal or property damage may affect the business and results.	- Daily occupational safety and health management, encouragement of skills training, periodic safety conventions, and equivalent measures for outsourced contractors.
Information management	- The Company handles client confidential and personal information; external leakage of important information assets may affect the business and results through loss of social trust and damage claims.	- Established Personal Information Protection Policy and Information Security Basic Policy, and acquired the PrivacyMark to appropriately manage and protect information assets.
Relationship with agents and service-integration partners	We are actively strengthening our sales capabilities for each service to customers by leveraging agencies and system integration partners. Consequently, the business developments of these partners, as well as the termination of contracts with partners who hold significant customer bases, could potentially impact our financial performance.	We manage our business operations and service delivery based on a precise understanding of contract statuses, achieved through close information sharing and collaboration with our partners. We are actively strengthening our sales activities to secure contracts with new strategic partners.
Overseas expansion risk	The Company is expanding overseas - centered on Asia (Singapore, Thailand, India, etc.) - and may face risks such as legal regulations, political instability and business-environment uncertainty in each country that affect the business and results.	We actively gather information on the macro environment surrounding our overseas businesses and closely monitor local conditions in each country to flexibly review and optimize our business deployment strategies as appropriate.

Source: Compiled from company materials

16. Financial statements and key metrics

Figure 16: P&L and key metrics

		FY8/21	FY8/22	FY8/23	FY8/24	FY8/25	FY8/26 CE
Sales	¥mn	1,461	1,165	4,476	6,853	10,234	11,500
Cost of sales	¥mn	434	417	2,179	3,844	6,229	
Gross profit	¥mn	1,026	747	2,296	3,008	4,004	
SG&A expenses	¥mn	721	908	2,133	2,670	3,273	
Operating profit	¥mn	305	-160	163	337	731	800
Non-operating income	¥mn	10	0	13	6	14	
Non-operating expenses	¥mn	35	1,345	43	24	32	
Ordinary profit	¥mn	280	-1,506	133	320	714	770
Extraordinary gains	¥mn	0	9	14	2	39	
Extraordinary losses	¥mn	0	304	12	0	360	
Pretax profit	¥mn	279	-1,801	135	322	393	
Income/Inhabitant taxes	¥mn	34	2	73	256	398	
Tax adjustment	¥mn	15	30	-51	-8	-148	
Minority interest P/L	¥mn	0	0	0	0	0	
Net profit	¥mn	229	-1,834	114	74	143	360
EPS (per share)	¥	37.3	-252.1	10.7	5.4	9.1	22.6
DPS (per share)	¥	0.0	0.0	0.0	0.0	0.0	0.0
BPS (per share)	¥	209.2	138.4	180.1	264.3	275.0	
Total shares outstanding	mn share	6.3	10.2	11.8	15.9	15.5	16.0
% of sales		FY8/21	FY8/22	FY8/23	FY8/24	FY8/25	FY8/26 CE
Sales		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales ratio		29.7%	35.8%	48.7%	56.1%	60.9%	-
Gross margin		70.2%	64.1%	51.3%	43.9%	39.1%	-
SG&A ratio		49.3%	77.9%	47.7%	39.0%	32.0%	-
Operating margin		20.9%	-13.7%	3.6%	4.9%	7.1%	7.0%
Ordinary margin		19.2%	-129.3%	3.0%	4.7%	7.0%	6.7%
Pretax margin		19.1%	-154.6%	3.0%	4.7%	3.8%	-
Tax rate		12.2%	-0.1%	54.1%	79.5%	101.3%	-
Net margin		15.7%	-157.4%	2.5%	1.1%	1.4%	3.1%
YoY growth		FY8/21	FY8/22	FY8/23	FY8/24	FY8/25	FY8/26 CE
Sales growth		21.7%	-	284.1%	53.1%	49.3%	12.4%
OP growth		123.2%	-	-	106.6%	116.4%	9.4%
Ordinary profit growth		97.0%	-	-	140.0%	123.1%	7.8%
Net profit growth		59.2%	-	-	-35.0%	93.9%	150.4%

Note: Consolidated financial statements prepared from FY8/22; CE = company Estimate

Source: Compiled from company materials

Figure 17: Consolidated cash-flow statement

		FY8/21	FY8/22	FY8/23	FY8/24	FY8/25
Operating cash flow	¥mn	46	-218	561	1,164	1,432
Depreciation & amortization	¥mn	32	37	196	169	197
Investing cash flow	¥mn	-2,510	-194	-87	-19	-296
Capex (tangible)	¥mn	-9	-8	-19	-7	-22
Free cash flow	¥mn	-2,464	-412	474	1,145	1,136
Financing cash flow	¥mn	2,324	-96	-80	121	10
Share buybacks	¥mn	0	0	0	0	0
Dividends paid	¥mn	0	0	0	0	0
Cash & equivalents at year-end	¥mn	560	1,094	1,490	3,228	4,373

Note: Consolidated financial statements prepared from FY8/22; CE = company Estimate

Source: Compiled from company materials

Figure 18: Consolidated balance sheet and key metrics

		FY8/21	FY8/22	FY8/23	FY8/24	FY8/25
Current assets	¥mn	707	1,776	2,349	4,834	6,143
Cash & deposits	¥mn	560	1,094	1,490	3,228	4,373
Notes/AR & contract assets	¥mn	134	441	698	1,090	1,127
Inventory	¥mn	0	150	88	375	426
Other	¥mn	13	91	73	141	217
Fixed assets	¥mn	2,679	2,264	2,052	3,428	3,266
Tangible fixed assets	¥mn	25	91	67	62	58
Intangible fixed assets	¥mn	250	2,062	1,897	3,159	2,956
Investments & other assets	¥mn	2,404	110	87	207	250
Total assets	¥mn	3,386	4,041	4,401	8,262	9,409
Current liabilities	¥mn	576	2,161	1,134	2,803	3,873
Accounts payable	¥mn	52	134	349	378	630
Short-term debt	¥mn	100	50	0	316	675
Current portion of long-term deb	¥mn	200	1,580	280	387	331
Accrued expenses	¥mn	30	154	126	293	276
Accrued income taxes	¥mn	40	18	23	203	272
Deferred revenue	¥mn	105	150	187	357	261
Deposits received	¥mn	0	0	12	648	1,142
Other	¥mn	49	75	157	221	286
Non-current liabilities	¥mn	1,500	447	1,103	1,243	1,005
Long-term debt	¥mn	1,500	191	898	1,096	765
Contract loss provision	¥mn	0	0	0	0	236
Other	¥mn	0	256	205	147	4
Total liabilities	¥mn	2,076	2,609	2,238	4,047	4,879
Total net assets	¥mn	1,310	1,431	2,163	4,215	4,530
Total liabilities & net assets	¥mn	3,386	4,041	4,401	8,262	9,409
Equity	¥mn	1,310	1,405	2,133	4,147	4,374
Management/Financial indicators		FY8/21	FY8/22	FY8/23	FY8/24	FY8/25
Solvency indicators						
Current ratio	%	122.7	82.2	207.1	172.5	158.6
Fixed ratio	%	204.5	161.1	96.2	82.7	74.7
Equity ratio	%	38.7	34.8	48.5	50.2	46.5
Debt ratio	%	158.5	185.7	104.9	97.6	111.5
Profitability indicators						
ROE	%	26.5	-130.5	6.4	2.4	3.4
ROA	%	10.3	-49.4	2.7	1.2	1.6
Asset turnover	x	0.7	0.3	1.1	1.1	1.2

Note: Consolidated financial statements prepared from FY8/22; CE = company Estimate

Source: Compiled from company materials

Notice from Tokai Tokyo Intelligence Laboratory

Pursuant to the Financial Instruments and Exchange Act, please note the following matters:

Tokai Tokyo Intelligence Laboratory overview

Trade name : Tokai Tokyo Intelligence Laboratory Co., Ltd. Financial Instruments Business Operator
Director-General of Tokai Local Finance Bureau (Kinsho) No. 187
Member associations : Japan Investment Advisers Association (Asset Management Association)

This report has been prepared by Tokai Tokyo Intelligence Laboratory Co., Ltd. (“the Company”) on a commission basis from the subject company in exchange for compensation.

This report is distributed only via direct delivery from the subject company or the Company. Please use this report only for the recipient. The rights to this report belong to the Company; any unauthorized reproduction or transmission for any purpose is prohibited.

This report has been prepared to provide information on the subject company and is not intended as a solicitation to invest. While this report has been prepared based on information believed to be reliable, the Company makes no representation or warranty as to its accuracy or completeness. Content reflects the situation as of the date of preparation and may change. The final investment decision should be made at your own judgment.