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May 12, 2025

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under IFRS)


Company name: WILL GROUP, INC.
Listing: Tokyo Stock Exchange
Securities code: 6089
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Scheduled date of annual general meeting of shareholders: June 21, 2025
Scheduled date to commence dividend payments: June 23, 2025
Scheduled date to file annual securities report: June 23, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(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.)

| | Revenue | | Operating profit | | Profit before tax | | Profit | |
|---|---|---|---|---|---|---|---|---|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 139,705 | 1.1 | 2,338 | (48.3) | 2,177 | (50.7) | 1,141 | (60.3) |
| March 31, 2024 | 138,227 | (4.0) | 4,525 | (14.9) | 4,417 | (14.2) | 2,878 | (16.8) |

| | Profit attributable to owners of parent | | Total comprehensive income | | Basic earnings per share | Diluted earnings per share |
|---|---|---|---|---|---|---|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Yen | Yen |
| March 31, 2025 | 1,155 | (58.4) | 890 | (76.7) | 50.64 | 50.44 |
| March 31, 2024 | 2,778 | (14.1) | 3,814 | (0.3) | 122.37 | 121.58 |

| | Return on equity attributable to owners of parent | Ratio of profit before tax to total assets | Ratio of operating profit to revenue |
|---|---|---|---|
| Fiscal year ended | % | % | % |
| March 31, 2025 | 6.6 | 4.3 | 1.7 |
| March 31, 2024 | 17.3 | 8.3 | 3.3 |

Reference: Share of profit (loss) of investments accounted for using equity method
For the fiscal year ended March 31, 2025: ¥24 million
For the fiscal year ended March 31, 2024: ¥(24) million

## (2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets | Equity attributable to owners of parent per share |
|---|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 49,923 | 17,359 | 17,392 | 34.8 | 760.08 |
| March 31, 2024 | 51,543 | 17,518 | 17,508 | 34.0 | 768.35 |

## (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 | 1,806 | (695) | (1,233) | 6,936 |
| March 31, 2024 | 3,828 | (575) | (6,232) | 7,106 |

## 2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to equity attributable to owners of parent (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 | – | 0.00 | – | 44.00 | 44.00 | 1,011 | 36.0 | 6.2 |
| Fiscal year ended March 31, 2025 | – | 0.00 | – | 44.00 | 44.00 | 1,015 | 86.9 | 5.8 |
| Fiscal year ending March 31, 2026 (Forecast) | – | 0.00 | – | 44.00 | 44.00 | | 64.3 | |

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

| | Revenue | | Operating profit | | Profit before tax | | Profit | |
|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ending September 30, 2025 | 68,800 | (2.2) | 825 | (18.3) | 765 | (11.8) | 570 | 13.1 |
| Fiscal year ending March 31, 2026 | 134,600 | (3.7) | 2,500 | 6.9 | 2,380 | 9.3 | 1,550 | 35.7 |

| | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|
| | Millions of yen | % | Yen |
| Six months ending September 30, 2025 | 580 | 14.5 | 25.40 |
| Fiscal year ending March 31, 2026 | 1,560 | 35.0 | 68.38 |

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

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

(i) Changes in accounting policies required by IFRS: None

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

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

| | |
|---|---|
| As of March 31, 2025 | 23,095,300 shares |
| As of March 31, 2024 | 22,999,700 shares |

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

| | |
|---|---|
| As of March 31, 2025 | 212,864 shares |
| As of March 31, 2024 | 212,864 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|---|
| Fiscal year ended March 31, 2025 | 22,819,328 shares |
| Fiscal year ended March 31, 2024 | 22,710,366 shares |

Note: The number of treasury shares at the end of the period includes the number of shares owned by executive stock compensation trust.
(207,455 shares as of March 31, 2025 and 207,455 shares as of March 31, 2024)

**[Reference] Overview of non-consolidated financial results**

**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 | 3,325 | (11.3) | 612 | (47.4) | 203 | (68.8) | 36 | (98.9) |
| March 31, 2024 | 3,750 | (13.5) | 1,163 | (30.3) | 653 | (59.4) | 3,299 | 97.1 |

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Fiscal year ended | Yen | Yen |
| March 31, 2025 | 1.59 | 1.59 |
| March 31, 2024 | 145.27 | 144.34 |

**(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 | 22,209 | 14,680 | 66.1 | 641.40 |
| March 31, 2024 | 23,103 | 15,695 | 67.9 | 688.59 |

Reference: Equity
As of March 31, 2025: ¥14,676 million
As of March 31, 2024: ¥15,690 million

< Reasons for the differences between the non-consolidated financial results for the previous fiscal year and those for the fiscal year under review >
Non-consolidated financial results for the fiscal year under review differ from those for the previous fiscal year as a result of decreases in dividends from consolidated subsidiaries and in gain on sale of shares of subsidiaries and associates.

* 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
  The forward-looking statements shown in these materials, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "(5) Future outlook" under "1. Overview of operating results and others" on page 4 of the attached material for the assumptions on which earnings forecasts are based, and cautions concerning the use thereof.

Attached Material Index

# 1. Overview of operating results and others

## (1) Overview of operating results for the fiscal year

During the fiscal year under review, while the global economy continued to grow at a moderate pace against the backdrop of easing inflation rates in various countries, the outlook remains uncertain due to such factors as growing tension in the situation in Russia and Ukraine as well as in the Middle East, and the impacts from U.S. trade policies. Accordingly, it is necessary to continue closely monitoring the impacts of these factors.
While the Japanese economy showed positive trends, such as continued wage increases and propensity toward capital investment by corporations, the recovery was muted due to weakening consumer spending from the impact of rising prices. In addition, the risk of downward pressure on Japan's economy has intensified with the increased uncertainty for the future of the global economy due to concerns surrounding the tariff policies put forward by the U.S. government.

Under these circumstances, the Group worked to expand the construction management engineer domain, permanent employee staffing, foreign talent management service, and other initiatives for the renewed growth of the Domestic Working Business, which is the basic policy in the Medium-Term Management Plan "WILL-being 2026," (hereinafter the Medium-Term Plan) for which the final fiscal year is the fiscal year ending March 31, 2026.

In Japan, business remained steady except for the call center outsourcing domain. In particular, the construction management engineer domain, which is a strategic investment domain, expanded steadily and achieved profitability. In addition, in order to strengthen hiring capabilities in Japan, the Company ran TV commercials as promotion of "WILLOF" brand in 18 prefectures that include the Kanto area, which is the Company's largest market area, and also developed a promotion strategy utilizing the web commercials and social media, etc.

In the overseas segment, the Company has been implementing cost control measures aimed to continuously strengthen its earnings structure due to prolonged reduction in hiring by major clients since the post-COVID-19 surge in permanent placement demand has run its course, with the impact of inflationary pressures compounding the situation, and continues to take measures to secure sustainable revenue even under market conditions where demand for manpower is weak.

As a result of the above, revenue during the fiscal year under review was ¥139,705 million (up 1.1% year on year), operating profit was ¥2,338 million (down 48.3%), profit before tax was ¥2,177 million (down 50.7%), profit was ¥1,141 million (down 60.3%), profit attributable to owners of parent was ¥1,155 million (down 58.4%), and EBITDA (operating profit + depreciation and amortization + impairment losses) was ¥4,896 million (down 28.1%).

Results of operations by segment are as follows:

(i) Domestic Working Business

For the Domestic Working Business, which offers temporary staffing, permanent placement, and business process outsourcing services in Japan, specifically for categories such as the sales outsourcing domain, call center outsourcing domain, factory outsourcing domain, nursing care domain, and construction management engineer domain, while the call center outsourcing domain remained sluggish, all other domains trended firmly. In particular, in the construction management engineer domain, which is the Company's key focus area, the KPI "number of hires/year" was record-breaking at over 1,700 employees, including new graduates, which represents 142% versus the plan. The resulting increase in the number of workers on assignment contributed to an increase in revenue for the Domestic Working Business. In addition, negotiations on the unit price of contracts are progressing steadily, backed by the strong demand for manpower.

In terms of profit, profit decreased due to the absence of gain on sale of shares of subsidiaries included in the previous fiscal year and the impact of exclusion from the scope of consolidation.

As a result of the above, the Domestic Working Business recorded external revenue of ¥83,099 million (up 0.7% year on year), and segment profit of ¥3,251 million (down 35.5%).

(ii) Overseas Working Business

For the Overseas Working Business, which the Company operates mainly in Singapore and Australia, while the trend of major clients reducing hiring has continued, revenue increased mainly due to the yen's depreciation compared to the previous fiscal year.

In terms of profit, while the decline in gross profit was offset by foreign exchange rate fluctuations, receipt of Singapore government grants, and continued cost control measures to prepare for prolonged market deterioration, profits decreased mainly due to lower gross profit and recording impairment losses on goodwill related to a consolidated subsidiary in Australia.

As a result of the above, the Overseas Working Business recorded external revenue of ¥56,448 million (up 1.8% year on year), and segment profit of ¥1,432 million (down 26.4%).

(iii) Others

For the Others segment, due to the business transfer of the "VisaMane" foreign talent management system in the previous fiscal year and the business transfer of the "ENPORT mobile" mobile telecommunications business for foreign nationals in the current fiscal year, as well as sale of real estate, external revenue amounted to ¥157 million (down 40.7% year on year), with a segment loss of ¥223 million (compared with a segment loss of ¥225 million in the previous fiscal year).

**(2) Overview of financial position for the fiscal year**

Assets

Current assets as of March 31, 2025 were ¥26,551 million, an increase of ¥421 million from the end of the previous fiscal year. This was mainly due to an increase in trade and other receivables of ¥623 million, despite a decrease in cash and cash equivalents of ¥169 million.

Non-current assets stood at ¥23,371 million, a decrease of ¥2,042 million from the end of the previous fiscal year. This was mainly due to decreases in right-of-use assets of ¥679 million, in other non-current assets of ¥655 million, in other intangible assets of ¥504 million, in goodwill of ¥571 million following impairment losses, foreign exchange effects, etc., and in investments accounted for using equity method of ¥431 million, despite an increase in other financial assets of ¥1,002 million mainly due to transfers involved in the exclusion of investments accounted for using the equity method, disbursement of loans, and the acquisition of investment securities.

As a result, total assets amounted to ¥49,923 million, a decrease of ¥1,620 million from the end of the previous fiscal year.

Liabilities

Current liabilities as of March 31, 2025 were ¥25,208 million, an increase of ¥674 million from the end of the previous fiscal year. This was mainly due to increases in borrowings of ¥1,513 million, and in trade and other payables of ¥471 million, despite decreases in other financial liabilities of ¥689 million, and in income taxes payable of ¥482 million.

Non-current liabilities stood at ¥7,354 million, a decrease of ¥2,135 million from the end of the previous fiscal year. This was mainly due to decreases in other financial liabilities of ¥1,200 million, and in borrowings of ¥838 million.

As a result, total liabilities amounted to ¥32,563 million, a decrease of ¥1,461 million from the end of the previous fiscal year.

Equity

Total equity as of March 31, 2025 was ¥17,359 million, a decrease of ¥158 million from the end of the previous fiscal year. This was mainly due to decreases in exchange differences on translation of foreign operations of ¥388 million and in non-controlling interests of ¥42 million, despite an increase in retained earnings of ¥143 million as a result of the recording of ¥1,155 million in profit attributable to owners of parent and dividends paid as well as an increase in other equity instruments of ¥132 million.

As a result of the above, the ratio of equity attributable to owners of parent to total assets was 34.8% (34.0% at the end of the previous fiscal year).

**(3) Overview of cash flows for the fiscal year**

Cash and cash equivalents as of March 31, 2025 decreased ¥169 million from the end of the previous fiscal year to ¥6,936 million. Status of cash flows in the fiscal year under review and the main factors driving them are as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥1,806 million (¥3,828 million provided in the previous fiscal year). This was mainly due to a recording of profit before tax of ¥2,177 million, depreciation and amortization of ¥2,084 million, and impairment losses of ¥473 million, despite factors such as income taxes paid of ¥1,800 million, a decrease in trade payables of ¥615 million, and an increase in trade receivables of ¥591 million.

Cash flows from investing activities

Net cash used in investing activities was ¥695 million (¥575 million used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment, and intangible assets of ¥361 million, payments for loans receivable of ¥300 million, and purchase of investment securities of ¥299 million.

Cash flows from financing activities

Net cash used in financing activities was ¥1,233 million (¥6,232 million used in the previous fiscal year). This was mainly due to repayments of long-term borrowings of ¥1,566 million, repayments of lease liabilities of ¥1,324 million, and dividends paid of ¥1,011 million, despite factors such as a net increase in short-term borrowings of ¥1,365 million, and proceeds from long-term borrowings of ¥800 million.

**(4) Basic policy on profit distribution, and dividends for current and next fiscal years**

Returning profit to the Company's shareholders and maintaining sufficient retained earnings to achieve stable future business development are the fundamental principles adopted by the Company. In concrete terms, the Company has adopted a progressive dividend (*1) system, which the amount of dividend is expected to increase in line with the Company's medium-to-long term profit growth, along with a total payout ratio (*2) of 30% or more.

In addition, the policy of the Company is to pay dividends from surplus once a year, but the Company stipulates in its Articles of Incorporation that it may pay an interim dividend provided for in Article 454, paragraph (5) of the Companies Act. The bodies that decide dividends from surplus are the general meeting of shareholders for year-end dividends, and the Board of Directors for interim dividends.

For the fiscal year under review, the Company proposes to pay a year-end dividend per share of ¥44 (ordinary dividend of ¥44) in accordance with the dividend forecast announced on May 13, 2024. In that event, the total payout ratio would be 87.9%.

The dividend forecast for the fiscal year ending March 31, 2026 is ¥44 per share (ordinary dividend of ¥44), with a total payout ratio of 65.1%.

*1 Progressive dividends: Dividends are either maintained or increased, and not reduced.
*2 Total payout ratio: The ratio of the amount of dividends plus purchase of treasury shares to profit attributable to owners of parent

**(5) Future outlook**

Resumption of growth in the stagnant Domestic Working Business is important for the Group to achieve sustainable growth. Therefore, we have set the basic policy for resumption of growth in the Domestic Working Business and we will aggressively make upfront investments for resuming growth to alter our earnings structure during the period of the Medium-Term Plan and establish a foundation that will enable us to realize dramatic growth in the future.

■ Key strategies

The following three strategies (Strategies I and II are for the Domestic Working Business, and Strategy III is for the Overseas Working Business) are the key strategies for achieving the management targets of the Medium-Term Plan.

Strategy I Realizing further growth and monetization in the construction management engineer domain

The construction management engineer domain turned profitable on schedule in the fiscal year ended March 31, 2025, and we will make it one of the pillars of our businesses in the fiscal year ending March 31, 2026.

Strategy II Renewed growth in Domestic Working Business (excluding the construction management engineer domain)

We will work to expand foreign talent management service and permanent employee staffing. For the expansion of foreign talent management service, we will strengthen the acquisition of new orders by increasing the number of sales personnel, and for local hiring, we will strengthen alliances with local corporations, schools, etc. For expansion of permanent employee staffing, we will extend the recruiting know-how cultivated in the construction management engineer domain and sales outsourcing domains to the factory outsourcing domain. In addition, in anticipation of a tougher hiring environment in the future, we will implement brand promotions to strengthen our own brand.

Strategy III Stable growth in Overseas Working Business

The future of the market is uncertain in both Singapore and Australia, with reduced hiring by major clients becoming prolonged after the post-COVID-19 surge in placement demand has run its course. In this situation, the Company will work to expand permanent placement sales once demand recovers while securing talented consultants. In order to reduce downside risk and improve business stability, the Company will also work to increase temporary staffing sales in stable areas such as government while also exercising cost control and strengthening governance.

Full-year forecasts of consolidated financial results for the fiscal year ending March 31, 2026

Looking ahead, while moderate growth is expected in both domestic and overseas economies, the outlook remains uncertain due to global inflation, geopolitical risks concerning the situations in Ukraine and the Middle East, as well as trade policies of various countries among others. In Japan, the hiring environment is becoming increasingly difficult despite the robust demand for human resources backed by strong corporate performance. Furthermore, in Singapore and Australia, the main areas where the Group develops businesses, there are concerns about this trend of reduced hiring by major clients becoming prolonged due to a deterioration in business confidence mainly as a result of inflation and rising interest rates following large-scale economic stimulus measures that were implemented during the COVID-19 pandemic, as well as due to overstaffing caused by companies that rapidly increased hiring following the COVID-19 pandemic.

Under these circumstances, in the Domestic Working Business, we will work to expand the construction management engineer domain, foreign talent management service, and permanent employee staffing, which are the key strategies in the Medium-Term Plan. Expansion in the construction management engineer domain will be achieved by further strengthening recruitment of non-experienced workers, as well as by implementing initiatives to maintain and improve the retention rate and to increase the unit price of contracts. With regard to the expansion of permanent employee staffing, in light of the challenging hiring environment, we will work to maintain and expand the number of workers on assignment by implementing measures to enhance our recruiting capabilities, including continued promotion of the “WILLOF” brand. With respect to the foreign talent management service, we will continue to expand orders from clients and local hiring in the factory outsourcing and nursing care domains.

In the Overseas Working Business, despite the risk of a downturn in the economies of various countries and concerns about the weak market conditions for both temporary staffing and permanent placement becoming prolonged, we will work to secure talented consultants, etc., carry out strategic cost management within a scope that will not harm the value of the business, and prepare for expansion following the recovery in demand for both permanent placement and temporary staffing.

Accordingly, for the fiscal year ending March 31, 2026, we forecast revenue of ¥134,600 million (down 3.7% year on year), operating profit of ¥2,500 million (up 6.9% year on year), profit before tax of ¥2,380 million (up 9.3% year on year), profit of ¥1,550 million (up 35.7% year on year), profit attributable to owners of parent of ¥1,560 million (up 35.0% year on year), and EBITDA of ¥4,561 million (down 6.9% year on year).

(Reference) The exchange rate assumptions underlying these forecasts are ¥104/SGD (actual result for the current fiscal year was ¥114/SGD) and ¥91/AUD (actual result for the current fiscal year was ¥100/AUD).

* The forward-looking statements above, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ significantly from

these forecasts for a number of reasons. We will continue to carefully monitor the impact on the businesses of the Group, and make prompt disclosure in the event that revisions become necessary going forward.

## 2. Basic views on the selection of accounting standards

Based on its intention to further promote the global expansion of its business, and with the objective of helping to improve the international comparability of financial information in the capital markets, the Will Group has voluntarily adopted International Financial Reporting Standards (IFRS), beginning with the consolidated financial statements included in the annual securities report for the fiscal year ended March 31, 2019.

# 3. Consolidated financial statements and significant notes thereto

## (1) Consolidated statement of financial position

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 7,106 | 6,936 |
| Trade and other receivables | 17,512 | 18,136 |
| Other financial assets | 171 | 213 |
| Other current assets | 1,338 | 1,265 |
| Total current assets | 26,129 | 26,551 |
| Non-current assets | | |
| Property, plant and equipment | 1,275 | 1,109 |
| Right-of-use assets | 5,071 | 4,391 |
| Goodwill | 8,737 | 8,166 |
| Other intangible assets | 6,109 | 5,605 |
| Investments accounted for using equity method | 431 | – |
| Other financial assets | 1,158 | 2,160 |
| Deferred tax assets | 1,888 | 1,851 |
| Other non-current assets | 741 | 86 |
| Total non-current assets | 25,413 | 23,371 |
| Total assets | 51,543 | 49,923 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 16,485 | 16,956 |
| Borrowings | 2,490 | 4,003 |
| Other financial liabilities | 2,115 | 1,426 |
| Income taxes payable | 1,005 | 523 |
| Other current liabilities | 2,437 | 2,297 |
| Total current liabilities | 24,533 | 25,208 |
| Non-current liabilities | | |
| Borrowings | 3,440 | 2,602 |
| Other financial liabilities | 4,837 | 3,636 |
| Deferred tax liabilities | 1,006 | 935 |
| Other non-current liabilities | 206 | 181 |
| Total non-current liabilities | 9,490 | 7,354 |
| Total liabilities | 34,024 | 32,563 |
| Equity | | |
| Share capital | 2,198 | 2,217 |
| Capital surplus | (2,045) | (2,068) |
| Treasury shares | (204) | (204) |
| Other components of equity | 2,032 | 1,912 |
| Retained earnings | 15,528 | 15,536 |
| Total equity attributable to owners of parent | 17,508 | 17,392 |
| Non-controlling interests | 10 | (32) |
| Total equity | 17,518 | 17,359 |
| Total liabilities and equity | 51,543 | 49,923 |

## (2) Consolidated statement of profit or loss and consolidated statement of comprehensive income
### Consolidated statement of profit or loss

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Revenue | 138,227 | 139,705 |
| Cost of sales | 107,781 | 110,321 |
| Gross profit | 30,446 | 29,383 |
| Selling, general and administrative expenses | 28,314 | 27,270 |
| Other income | 2,412 | 732 |
| Other expenses | 18 | 506 |
| Operating profit | 4,525 | 2,338 |
| Share of profit (loss) of investments accounted for using equity method | (24) | 24 |
| Finance income | 128 | 53 |
| Finance costs | 211 | 239 |
| Profit before tax | 4,417 | 2,177 |
| Income tax expense | 1,539 | 1,035 |
| Profit | 2,878 | 1,141 |
| Profit attributable to | | |
| Owners of parent | 2,778 | 1,155 |
| Non-controlling interests | 99 | (13) |
| Earnings per share | | |
| Basic earnings per share (Yen) | 122.37 | 50.64 |
| Diluted earnings per share (Yen) | 121.58 | 50.44 |

### Consolidated statement of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Profit | 2,878 | 1,141 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income | (126) | 137 |
| Total of items that will not be reclassified to profit or loss | (126) | 137 |
| Items that may be reclassified to profit or loss | | |
| Cash flow hedges | (101) | – |
| Exchange differences on translation of foreign operations | 1,164 | (388) |
| Total of items that may be reclassified to profit or loss | 1,062 | (388) |
| Other comprehensive income, net of tax | 936 | (251) |
| Comprehensive income | 3,814 | 890 |
| Comprehensive income attributable to | | |
| Owners of parent | 3,734 | 899 |
| Non-controlling interests | 79 | (8) |

### (3) Consolidated statement of changes in equity

(Millions of yen)

| | Share capital | Capital surplus | Treasury shares | Total | Retained earnings | Total equity attributable to owners of parent | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|
| Balance at beginning of April 1, 2023 | 2,187 | (1,923) | (274) | 890 | 13,758 | 14,638 | 1,238 | 15,877 |
| Profit | - | - | - | - | 2,778 | 2,778 | 99 | 2,878 |
| Other comprehensive income | - | - | - | 955 | - | 955 | (19) | 936 |
| Comprehensive income | - | - | - | 955 | 2,778 | 3,734 | 79 | 3,814 |
| Dividends of surplus | - | - | - | - | (1,009) | (1,009) | - | (1,009) |
| Disposal of treasury shares | - | (18) | 69 | - | - | 50 | - | 50 |
| Share-based payment transactions | 11 | 67 | - | - | - | 78 | - | 78 |
| Increase (decrease) by business combination | - | - | - | - | - | - | (177) | (177) |
| Loss of control of subsidiaries | - | (143) | - | 193 | (7) | 42 | (1,240) | (1,197) |
| Changes in ownership interest in subsidiaries | - | (27) | - | - | - | (27) | 109 | 81 |
| Transfer from other components of equity to retained earnings | - | - | - | (7) | 7 | - | - | - |
| Total transactions with owners | 11 | (122) | 69 | 186 | (1,009) | (865) | (1,308) | (2,173) |
| Balance at end of March 31, 2024 | 2,198 | (2,045) | (204) | 2,032 | 15,528 | 17,508 | 10 | 17,518 |
| Profit | - | - | - | - | 1,155 | 1,155 | (13) | 1,141 |
| Other comprehensive income | - | - | - | (256) | - | (256) | 4 | (251) |
| Comprehensive income | - | - | - | (256) | 1,155 | 899 | (8) | 890 |
| Dividends of surplus | - | - | - | - | (1,011) | (1,011) | - | (1,011) |
| Disposal of treasury shares | - | - | - | - | - | - | - | - |
| Share-based payment transactions | 19 | 72 | - | - | - | 91 | - | 91 |
| Increase (decrease) by business combination | - | (22) | - | - | - | (22) | (34) | (56) |
| Loss of control of subsidiaries | - | - | - | - | - | - | - | - |
| Changes in ownership interest in subsidiaries | - | (72) | - | - | - | (72) | 0 | (72) |
| Transfer from other components of equity to retained earnings | - | - | - | 136 | (136) | - | - | - |
| Total transactions with owners | 19 | (22) | - | 136 | (1,147) | (1,015) | (34) | (1,049) |
| Balance at end of March 31, 2025 | 2,217 | (2,068) | (204) | 1,912 | 15,536 | 17,392 | (32) | 17,359 |

## (4) Consolidated statement of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 4,417 | 2,177 |
| Depreciation and amortization | 2,285 | 2,084 |
| Impairment losses (reversal of impairment losses) | – | 473 |
| Share-based payment expenses | 104 | 59 |
| Decrease (increase) in trade receivables | 42 | (591) |
| Increase (decrease) in trade payables | 1,031 | (615) |
| Other | (2,489) | 127 |
| Subtotal | 5,390 | 3,715 |
| Interest and dividends received | 124 | 43 |
| Interest paid | (120) | (152) |
| Income taxes paid | (1,565) | (1,800) |
| Net cash provided by (used in) operating activities | 3,828 | 1,806 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment, and intangible assets | (802) | (361) |
| Purchase of securities | – | (299) |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | 811 | – |
| Payments for loans receivable | – | (300) |
| Other | (584) | 265 |
| Net cash provided by (used in) investing activities | (575) | (695) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (3,245) | 1,365 |
| Proceeds from long-term borrowings | 1,500 | 800 |
| Repayments of long-term borrowings | (2,470) | (1,566) |
| Repayments of lease liabilities | (1,335) | (1,324) |
| Dividends paid | (1,008) | (1,011) |
| Proceeds from government grants | 190 | 539 |
| Other | 137 | (35) |
| Net cash provided by (used in) financing activities | (6,232) | (1,233) |
| Effect of exchange rate changes on cash and cash equivalents | 494 | (46) |
| Net increase (decrease) in cash and cash equivalents | (2,484) | (169) |
| Cash and cash equivalents at beginning of period | 9,590 | 7,106 |
| Cash and cash equivalents at end of period | 7,106 | 6,936 |

## (5) Notes to the consolidated financial statements

### Notes on premise of going concern

Not applicable.

### Consolidated statement of profit or loss

Fiscal year ended March 31, 2025

Impairment losses

In the consolidated statement of financial position for the current fiscal year, goodwill of ¥8,166 million and other intangible assets of ¥5,605 million were recorded. Among them, an impairment test was conducted on the goodwill and other intangible assets allocated to the cash-generating units of the Company’s consolidated subsidiary Ethos BeathChapman Australia Pty Ltd. As a result, the recoverable amount was found to be less than the carrying amount, and an impairment loss of ¥473 million related to said goodwill was recognized. The impairment loss is included within other expenses in the consolidated statement of profit or loss, and recognized in the Overseas Working Business. For other consolidated subsidiaries, impairment losses were not recognized as the recoverable amounts of their cash generating units were deemed to be higher than their carrying amounts.

### Segment information, etc.

(1) Overview of reportable segments

The Group determines reportable segments that are components of the Group for which discrete financial information is available and regularly reviewed by the chief operating decision maker to make decisions about the allocation of management resources and assess the results of operations.

The Group’s reportable segments are comprised of the following two segments.

The details of each reportable segment are as follows:

| Reportable segments | Business activities |
|---|---|
| Domestic Working Business | Engaged primarily in HR support services centered on temporary staffing, permanent placement and business process outsourcing services in Japan specifically for categories such as sales, call center, factory, care support facility and construction management engineer. |
| Overseas Working Business | Engaged primarily in temporary staffing and permanent placement mainly in Singapore and Australia. |

(Note) In addition to the above, services such as digital transformation (DX) support for the private sector and local governments are included in Others.

(2) Information of the reportable segments

The figures for profit for reportable segments are given on an operating profit basis.

The information of each reportable segment is as follows:

Fiscal year ended March 31, 2024

(Millions of yen)

| | Reportable segments | | | Others | Adjustments (Notes 2 to 3) | Amount recorded in the consolidated financial statements |
|---|---|---|---|---|---|---|
| | Domestic Working Business | Overseas Working Business | Total | | | |
| Revenue | | | | | | |
| External revenue | 82,528 | 55,432 | 137,961 | 266 | – | 138,227 |
| Intersegment revenue (Note 1) | 30 | – | 30 | 19 | (49) | – |
| Total | 82,558 | 55,432 | 137,991 | 285 | (49) | 138,227 |
| Segment profit | 5,038 | 1,946 | 6,985 | (225) | (2,235) | 4,525 |
| Other items | | | | | | |
| Depreciation and amortization | 1,093 | 863 | 1,956 | 106 | 221 | 2,285 |

(Note 1) Intersegment revenue is based on general market price.

(Note 2) Adjustments to segment profit of negative ¥2,235 million include intersegment eliminations of ¥0 million and corporate expenses not allocated to each business segment of negative ¥2,235 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.

(Note 3) Adjustments to depreciation and amortization of ¥221 million mainly represent depreciation of corporate assets not attributable to each operating segment.

(Note 4) Segment assets and liabilities have not been shown, as they are not used as the basis for deciding the allocation of management resources or assessing the results of operations.

Fiscal year ended March 31, 2025

(Millions of yen)

| | Reportable segments | | | Others | Adjustments (Notes 2 to 3) | Amount recorded in the consolidated financial statements |
|---|---|---|---|---|---|---|
| | Domestic Working Business | Overseas Working Business | Total | | | |
| Revenue | | | | | | |
| External revenue | 83,099 | 56,448 | 139,547 | 157 | – | 139,705 |
| Intersegment revenue (Note 1) | 15 | 10 | 25 | 7 | (33) | – |
| Total | 83,114 | 56,458 | 139,573 | 165 | (33) | 139,705 |
| Segment profit | 3,251 | 1,432 | 4,683 | (223) | (2,121) | 2,338 |
| Other items | | | | | | |
| Depreciation and amortization | 982 | 880 | 1,862 | 37 | 183 | 2,084 |
| Impairment losses | – | 473 | 473 | – | – | 473 |

(Note 1) Intersegment revenue is based on general market price.

(Note 2) Adjustments to segment profit of negative ¥2,121 million include intersegment eliminations of ¥141 million and corporate expenses not allocated to each business segment of negative ¥2,263 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.

(Note 3) Adjustments to depreciation and amortization of ¥183 million mainly represent depreciation of corporate assets not attributable to each operating segment.

(Note 4) Segment assets and liabilities have not been shown, as they are not used as the basis for deciding the allocation of management resources or assessing the results of operations.

(3) Information by region

(i) External revenue

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Japan | 82,795 | 83,257 |
| Australia | 39,180 | 37,307 |
| Asia | 16,251 | 19,141 |
| Total | 138,227 | 139,705 |

Note: Classifications of revenue are based on countries where customers are located.

(ii) Non-current assets (excluding financial assets and deferred tax assets)

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|---|---|
| Japan | 9,607 | 8,149 |
| Australia | 8,315 | 7,050 |
| Asia | 4,443 | 4,159 |
| Total | 22,367 | 19,359 |

(4) Information about major customers

This information is omitted because no customer accounted for 10% or more of the Group's consolidated revenue for a single classification of external revenue.

**Per share information**

The basis of calculation of basic earnings per share and diluted earnings per share attributable to ordinary shareholders is as follows:

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Basis of calculation of basic earnings per share | | |
| Profit attributable to owners of parent | 2,778 | 1,155 |
| Profit not attributable to ordinary shareholders of parent | – | – |
| Profit used for calculation of the basic earnings per share | 2,778 | 1,155 |
| Weighted average number of ordinary shares (Thousands of shares) | 22,710 | 22,819 |
| Basic earnings per share (Yen) | 122.37 | 50.64 |
| Basis of calculation of diluted earnings per share | | |
| Profit used for calculation of the basic earnings per share | 2,778 | 1,155 |
| Adjustments of profit | – | – |
| Profit used for calculation of the diluted earnings per share | 2,778 | 1,155 |
| Weighted average number of ordinary shares (Thousands of shares) | 22,710 | 22,819 |
| Increase in number of ordinary shares by share acquisition rights (Thousands of shares) | 146 | 86 |
| Weighted average number of ordinary shares after dilution (Thousands of shares) | 22,856 | 22,905 |
| Diluted earnings per share (Yen) | 121.58 | 50.44 |
| Summary of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect | Share acquisition rights issued by resolution of the Board of Directors in February 2018: 4,080 units (Ordinary shares: 408,000 shares) | Share acquisition rights issued by resolution of the Board of Directors in February 2018: 3,760 units (Ordinary shares: 376,000 shares) |

Note: The Company’s own shares that remain in the executive stock compensation trust recorded as treasury shares in shareholders’ equity are included in the treasury shares that are deducted from the average number of shares outstanding during the period when calculating earnings per share. The average number of treasury shares during period deducted in calculating the earnings per share for the previous fiscal year was 234,847, and for the current fiscal year was 207,455.

**Significant subsequent event**

Not applicable.