Consolidated Financial Results for the First Quarter of FY 3/2026 [Japanese GAAP]

August 7, 2025

Company Name NISSO HOLDINGS Co., Ltd. Stock Exchange Listing: Tokyo
Securities Code 9332 ＵＲＬ https://www.nisso-hd.com
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Scheduled date of payment of dividend –
Preparation of supplementary materials for financial results: Yes (Scheduled to be posted on the Company's website on August 7, 2025 (Thu.))
Holding of financial results briefing: No (Video scheduled to be posted on the Company's website on August 8, 2025 (Fri.))

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of FY 3/2026 (April 1, 2025 – June 30, 2025)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
First three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	24,964	(0.8)	429	(51.1)	432	(51.3)	218	(57.2)
June 30, 2024	25,164	—	878	—	887	—	511	—

(Note) Comprehensive income For the first 3 months ended June 30, 2025: 225 Million yen (-57.0%)
For the first 3 months ended June 30, 2024: 523 Million yen (—%)

	Net income per share	Diluted net income per share
First three months ended	Yen	Yen
June 30, 2025	6.57	—
June 30, 2024	15.62	—

(Note) 1. Since the Company was established on October 2, 2023 through a single share transfer, there were no year-on-year changes in the first quarter of fiscal year ending March 2025.
2. Diluted net income per share is not listed because there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2025	35,328	16,846	46.9
March 31, 2025	31,276	16,795	52.8

(Reference) Equity capital As of June 30, 2025: 16,560 Million yen
As of March 31, 2025: 16,500 Million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	22.00	22.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		0.00	—	25.00	25.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for FY 3/2026 (April 1, 2025 – March 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	115,000	13.2	4,000	12.5	4,000	12.2	2,500	29.1	74.07

(Note) Revisions to the most recently announced consolidated earnings forecast: None

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(Note) Although this does not constitute a material change in the scope of consolidation, Man to Man Holdings Co., Ltd. and 5 other companies have been included in the scope of consolidation from the first quarter consolidated accounting period (hereinafter, the "first quarter").

(2) Application of special accounting methods for the presentation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

① Changes in accounting policies due to revisions in accounting standards, etc.: None
② Changes in accounting policies other than ① above: None
③ Changes in accounting estimates: None
④ Restatements: None

(4) Number of outstanding shares (Common stock)

① Number of shares outstanding at the end of the period (including treasury shares)	As of Jun. 30, 2025	34,024,720 Shares	As of Mar. 31, 2025	34,024,720 Shares
② Number of treasury shares at the end of the period	As of Jun. 30, 2025	120,560 Shares	As of Mar. 31, 2025	1,030,271 Shares
③ Average number of shares during the period (Quarterly total)	First three months ended Jun. 30, 2025	33,297,686 Shares	First three months ended Jun. 30, 2024	32,763,974 Shares

※ Review of accompanying quarterly consolidated financial statements by certified public accountants or auditing corporations: None

※ Cautionary statement on the appropriate use of earning forecasts, and other special items

(Notes on forward-looking statements, etc.)

Earnings forecasts regarding future performance and other forward-looking statements in this material are based on certain assumptions judged to be valid and on information that is currently available to the Company, and do not represent promises by the Company that these figures will be achieved. In addition, actual results may differ significantly due to a variety of factors. For prerequisite conditions, precautions for use regarding the earnings forecasts, etc., please refer to "1. Overview of Operating Results, (3) Description of Future Forecast Information such as Consolidated Forecasts, etc." on P.5 of the attachments.

(Supplementary materials for financial results and method of obtaining content for financial results briefing)

The Company plans to post the Financial Results Briefing Materials for the First Quarter of FY 3/2026 on the Company's website on August 7, 2025 (Thursday).

In addition, the video explaining the financial results is scheduled to be posted on the Company's website on August 8, 2025 (Friday).

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1．Overview of Operating Results

(1) Overview of Operating Results for the Quarter

Summary of Financial Results

During the current consolidated cumulative first quarter (hereinafter, the "period under review"), Japan's economy showed signs of caution due to increased downside risks to the economy, including uncertainty due to the effects of U.S. tariffs, and the risk that continued inflation would affect private consumption, thereby putting downward pressure on the economy.

Under these circumstances, the operating results for the period under review were as follows: net sales amounted to 24,964 million yen (down 0.8% year-on-year), operating profit amounted to 429 million yen (down 51.1% year-on-year), ordinary profit amounted to 432 million yen (down 51.3% year-on-year), and profit attributable to owners of parent amounted to 218 million yen (down 57.2% year-on-year).

In the period under review, the number of working days decreased year-on-year due to the calendar, which was within expectations. In addition, training for new employees and recruitment activities for new graduates in the next fiscal year, mainly aimed at expanding the Engineering Human Resources Services, progressed as planned, and business performance generally progressed as planned.

Looking ahead, NISSO HOLDINGS Co., Ltd. (hereinafter, the "Company") expects the consolidated results of the Nisso Group (hereinafter, the "Group") to rise, given that the number of working days will be concentrated in the second half of the fiscal year, and that the results of the "consolidated subsidiaries related to Man to Man Holdings Co., Ltd." and "All Japan Guard Co., Ltd." will be consolidated from the second quarter of FY 3/2026.

Furthermore, since the deemed acquisition date of these consolidated subsidiaries is June 30, 2025, only the balance sheets have been consolidated for the first quarter.

(Net sales)

Net sales revenue for the period under review decreased year-on-year.

In the General Human Resources Services, which account for 96.8% of consolidated net sales, the number of enrolled staff decreased year-on-year due to a wait-and-see approach in the human resources needs of major manufacturers, which are the Company's clients, as a result of the impact of U.S. tariffs, despite an increase in billing unit-costs. On the other hand, net sales of the Engineering Human Resources Services increased significantly due to an increase in the number of enrolled engineers year-on-year, partly due to career changes from the Manufacturing・Production Human Resources Services.

(Profit)

Operating profit revenue for the period under review decreased year-on-year.

Regarding gross profit, there was an increase in training costs for new graduates in the Engineering Human Resources Services. In addition, planned OJT aimed at responding to future production increases at contracted sites mainly engaged in equipment maintenance affected the gross margin, resulting in a 5.1% year-on-year decrease in revenue. As a result, the gross profit margin for the period under review was 16.2%, a decline of 0.8 percentage points year-on-year.

Regarding SG&A expenses, SG&A expenses increased year-on-year, and the SG&A expense ratio declined by 1.0 percentage points, as the hiring of new graduates in spring 2026 progressed smoothly and expenses were used ahead of schedule.

As a result, operating profit for the period under review decreased by 51.1% year-on-year. In addition, the operating profit margin, which is considered an important indicator, was 1.7%, a decline of 1.8 percentage points year-on-year.

Financial Results by Service

General Human Resources Services

Net sales of the General Human Resources Services for the period under review amounted to 24,175 million yen (down 0.9% year-on-year), and gross profit was 3,950 million yen (down 5.5% year-on-year).

(Manufacturing・Production Human Resources Services)

These services are classified into manufacturing dispatching and manufacturing contracting.

Net sales of these services for the period under review amounted to 19,004 million yen (down 3.1% year-on-year), representing a year-on-year decrease in revenue. The main reasons for the decrease in revenue were the decrease in the number of enrolled staff in the Automotive Industry, in addition to the promotion of career changes to engineers.

The number of enrolled manufacturing・production staff at the end of the period was 14,123 (down 794 year-on-year) and the monthly turnover rate was 3.7% (an improvement of 0.1 percentage points year-on-year). In addition, due to an increase in the billing unit-costs of manufacturing staff, the average monthly net sales per capita amounted to 449 thousand yen (up 13 thousand yen year-on-year). As a result, the gross profit margin for this service was 17.0%.

(Engineering Human Resources Services)

These services are classified into equipment technology and production technology in the manufacturing area, IT-related technology, design and development, etc.

Net sales of these services for the period under review amounted to 3,061 million yen (up 17.2% year-on-year), representing a year-on-year increase in revenue.

The number of enrolled engineers at the end of the period was 2,048 (up 363 year-on-year) and the monthly turnover rate was 2.0% (a decline of 0.5 percentage points year-on-year). In addition, the average monthly net sales per capita amounted to 500 thousand yen (down 37 thousand yen year-on-year). As a result, the gross profit margin decreased by 6.0 percentage points year-on-year to 16.4%, partly due to the investment phase of development.

(Administrative Human Resources Services)

These services are classified into general office work dispatching and BPO (Business Process Outsourcing).

Net sales of these services for the period under review amounted to 548 million yen (down 4.4% year-on-year).

The number of enrolled administrative staff was 532 (down 27 year-on-year), and net sales revenue decreased year-on-year.

(Other Human Resources Services)

These services are classified into human resources dispatching for senior employees and light work contracting for employees with disabilities.

Net sales of this service for the period under review amounted to 1,561 million yen (down 2.1% year-on-year).

In order to build a workplace model that enables senior citizens to flourish, the Company is working to develop and secure employment opportunities and to build a structure that supports the active participation of senior citizens. The number of Prime employees (senior employees) during the period under review was 706.

In order to build a workplace model that enables people with disabilities to flourish, the Company strives to coexist with local communities, including school officials, support organizations, and the government, while promoting independent activities that make the most of each individual's characteristics, such as accepting contracts for light work from general companies, rather than just employing people with disabilities. The number of employees with disabilities during the period under review was 250.

Other Services

Nursing Care・Welfare Services (facility nursing care and home-based nursing care) are provided by these services.

Net sales of these services for the period under review amounted to 789 million yen (up 3.1% year-on-year), and gross profit was 99 million yen (up 15.2% year-on-year).

In the facility nursing care services, which is the core of this business, the number of residents of nursing care facilities during the period under review was 380 (down 1 year-on-year). In addition, the occupancy rate at the facilities remained at a high level of 94.5% (a decline of 0.3 percentage points year-on-year).

Industry Strategy

The Group aims to expand its Manufacturing・Production Human Resources Services and Engineering Human

Resources Services by meeting the human resource needs of each industry, centered on Japan's leading Automotive (automobile manufacturing ・EV-related manufacturing industry), Semiconductor (semiconductor manufacturing industry), and Electronics (electronic equipment manufacturing industry) Industries.

In the Automotive Industry, although the impact of U.S. tariffs on domestic production was limited, net sales for the period under review amounted to 9,934 million yen (down 2.7% year-on-year), reflecting a wait-and-see shift in the human resources needs from major manufacturers and a decrease in the number of enrolled staff due to the expiration of contracts despite an increase in billing unit-costs.

In the Semiconductor Industry, net sales for the period under review amounted to 3,658 million yen (up 12.2% year-on-year) due to an increase in the number of enrolled staff, in addition to an increase in billing unit-costs.

In the Electronics Industry, despite an increase in operations, net sales for the period under review amounted to 2,701 million yen (down 1.2% year-on-year) due in part to a decrease in the number of enrolled staff.

Human Resources Development

The total number of people who received training during the period under review was 5,384.

The Group plans to open a new training facility, the "Technical Center Aichi", at the end of October 2025. In addition to training that combines technical education and skills training, the Group will also strive to develop human resources who are capable of utilizing smart technology at the facility. With the aim of passing on knowledge and technology to foster future-ready capabilities and to improve the technical capabilities that can be utilized in the field, the Group is engaging in the practical development of human resources that goes beyond mere knowledge.

（2）Overview of Financial Position for the Quarter

(Assets)

Current assets at the end of the first quarter amounted to 21,370 million yen, which was an increase of 961 million yen from the end of the previous consolidated fiscal year. This is mainly due to an increase of 1,354 million yen in notes and accounts receivable (trade) and accounts receivable (trade) due to M&A and other factors, while cash and deposits decreased by 968 million yen.

Non-current assets at the end of the first quarter amounted to 13,957 million yen, which was an increase of 3,089 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,220 million yen in goodwill due to M&A and other factors, and an increase of 440 million yen in buildings and structures (net).

As a result, total assets amounted to 35,328 million yen, which was an increase of 4,051 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter amounted to 16,056 million yen, which was an increase of 3,822 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 2,400 million yen in short-term loans payable and 1,390 million yen in accrued expenses.

Non-current liabilities at the end of the first quarter amounted to 2,425 million yen, which was an increase of 177 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 241 million yen in net defined benefit liability due to M&A and other factors.

As a result, total liabilities amounted to 18,481 million yen, which was an increase of 4,000 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the first quarter amounted to 16,846 million yen, which was an increase of 50 million yen from the end of the previous consolidated fiscal year. This was mainly due to the 744 million yen in disposal of treasury shares through share exchange, 218 million yen in profit attributable to owners of parent, and 725 million yen in dividends of surplus.

As a result, the equity ratio was at 46.9% (which was at 52.8% at the end of the previous consolidated fiscal year).

(３) Description of Future Forecast Information such as Consolidated Forecasts, etc.

Regarding the consolidated earnings forecast, there are no changes to the Consolidated Forecast for the full year announced in the "Consolidated Financial Results for FY 3/2025" on May 12, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Million yen)

	FY 3/25 (As of Mar. 31, 2025)	1Q of FY 3/26 (Jun. 30, 2025)
Assets		
Current assets		
Cash and deposits	8,186	7,217
Notes and accounts receivable - trade	11,223	12,577
Other	1,004	1,592
Allowance for doubtful accounts	(4)	(16)
Total current assets	20,408	21,370
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,999	2,439
Land	2,771	2,902
Other, net	566	282
Total property, plant and equipment	5,337	5,624
Intangible assets		
Goodwill	893	3,114
Other	521	543
Total intangible assets	1,414	3,657
Investments and other assets		
Other	4,147	4,706
Allowance for doubtful accounts	(31)	(30)
Total investments and other assets	4,115	4,675
Total non-current assets	10,867	13,957
Total assets	31,276	35,328

(Unit: Million yen)

	FY 3/25 (As of Mar. 31, 2025)	1Q of FY 3/26 (Jun. 30, 2025)
Liabilities		
Current liabilities		
Short-term loans payable	–	2,400
Current portion of long-term loans payable	490	490
Accrued expenses	6,174	7,565
Income taxes payable	771	38
Contract liabilities	198	205
Provision for bonuses	1,551	935
Provision for directors' bonuses	–	7
Provision for shareholder benefit program	140	53
Other	2,906	4,359
Total current liabilities	12,233	16,056
Non-current liabilities		
Long-term loans payable	1,038	915
Net defined benefit liability	837	1,079
Other	371	430
Total non-current liabilities	2,247	2,425
Total liabilities	14,481	18,481
Net assets		
Shareholders' equity		
Capital stock	2,016	2,016
Capital surplus	2,374	2,200
Retained earnings	12,851	12,344
Treasury shares	(842)	(98)
Total shareholders' equity	16,399	16,462
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	(0)
Remeasurements of defined benefit plans	100	98
Total accumulated other comprehensive income	100	97
Non-controlling interests	295	285
Total net assets	16,795	16,846
Total liabilities and net assets	31,276	35,328

（2）Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statement of Income)

(Unit: Million yen)

	First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)	First quarter of FY 3/26 (Apr. 1, 2025 - Jun. 30, 2025)
Net sales	25,164	24,964
Cost of sales	20,897	20,914
Gross profit	4,266	4,050
Selling, general and administrative expenses	3,388	3,620
Operating profit	878	429
Non-operating income		
Interest income	0	0
Subsidy income	12	29
House rent income	9	10
Other	6	14
Total non-operating income	28	55
Non-operating expenses		
Interest expenses	1	3
Share of loss of entities accounted for using equity method	2	8
Rent expenses	4	4
Other	10	36
Total non-operating expenses	19	52
Ordinary profit	887	432
Extraordinary losses		
Loss on valuation of investment securities	22	-
Total extraordinary losses	22	-
Profit before income taxes	865	432
Income taxes - current	64	14
Income taxes - deferred	274	189
Total income taxes	338	204
Profit	526	228
Profit attributable to non-controlling interests	15	9
Profit attributable to owners of parent	511	218

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)	First quarter of FY 3/26 (Apr. 1, 2025 - Jun. 30, 2025)
Profit	526	228
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(0)
Remeasurements of defined benefit plans, net of tax	(3)	(2)
Total other comprehensive income	(3)	(3)
Comprehensive income	523	225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	508	215
Comprehensive income attributable to non-controlling interests	15	9

(３) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows have not been prepared for the consolidated cumulative first quarter. Furthermore, depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the consolidated cumulative first quarter are as follows:

	First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)	First quarter of FY 3/26 (Apr. 1, 2025 - Jun. 30, 2025)
Depreciation	69 Million yen	67 Million yen
Amortization of goodwill	35 Million yen	35 Million yen

(Business Combinations, etc.)

(Subsidiary Acquisition through Acquisition of Shares and Simplified Share Exchange)

At the Board of Directors' Meeting held on April 17, 2025, the Company resolved to acquire a portion of the issued shares (outstanding shares) of Man to Man Holdings, Co., Ltd., (hereinafter, "Man to Man Holdings") (hereinafter, the "Share Acquisition"), and subsequently implemented a simplified share exchange (hereinafter, the "Share Exchange") in which the Company became the wholly owning parent company in the share exchange and Man to Man Holdings became the wholly owned subsidiary in the share exchange.

In addition, the Company concluded a share transfer agreement and a share exchange agreement on the same day, and acquired a portion of the issued shares (outstanding shares) on May 30, 2025, followed by a simplified share exchange on June 1, 2025.

１. Overview of Business Combination

(１) Name of acquired company and its description of business

Name of acquired company	Man to Man Holdings Co., Ltd.
Description of business	Paid employment placement business, worker dispatching business, re-employment support business, outsourcing business for production・logistics operations, consulting business, formulation of group-wide management strategies, management of group operating companies, and group-wide public relations, etc.

(２) Main reasons for business combination

The Man to Man Group, which is comprised of Man to Man Holdings and its subsidiaries and affiliated companies, is engaged in a variety of businesses, primarily centered around the manufacturing-related human resources dispatching business, including production entrustment and logistics entrustment, development of production management and equipment maintenance systems for the manufacturing industry, offshore systems development in Vietnam, and the promotion of employment of people with disabilities. In its main trading areas of Aichi Prefecture, Mie Prefecture, western Shizuoka Prefecture, and Gifu Prefecture, the Man to Man Group provides services focusing on automobile manufacturers (including suppliers) and semiconductor device manufacturers, and has a strong business base in the Chubu-Tokai area.

On the other hand, based on the founding philosophy of "*Nurturing and Bringing Out the Best in People*", the Group defines materiality (key issues) as "Creation of a comfortable workplace", "Responding to social changes and changes in industrial structures", and "Strengthening of governance", and is working to realize its mission of "Creating opportunities and hopes for people to work".

The Group's core strategy, the Industry Strategy, aims to expand Manufacturing・Production Human Resources Services and Engineering Human Resources Services by responding to the human resources needs of each industry, particularly in Japan's leading industries such as Automotive (automobile manufacturing・electric vehicle (EV)-related manufacturing industry), Semiconductor (semiconductor manufacturing industry), and electronics (electronic equipment manufacturing industry).

In addition, the Group is developing and promoting its own "Human Resources Development Model". Specifically, the Group is working to develop high value-added human resources through its unique educational programs developed in line with client needs, using its own educational and training facilities located in 9 locations nationwide.

The Chubu-Tokai area, which is the core area of the Man to Man Group, is home to a large number of important clients, particularly in the automobiles industry, and is also an area where the Group is focusing its efforts. In the future, it is expected that manufacturers in this area will become more active in promoting not only batteries for hybrid vehicles, but also for electric vehicles (EVs).

For these reasons, the Group has decided to make Man to Man Holdings a wholly owned subsidiary based on the judgment that it will be possible to establish an overwhelming presence in this area by expanding its market share among key clients and utilizing its expertise in human resources development, which is one of the Group's strengths.

In addition, the Group believes that by combining the resources of the Man to Man Group, such as active utilization of foreign human resources in existing businesses, the development of entrusted software and package software, and the entrusted business of web system development utilizing people with disabilities, with the Group and new business divisions, the Group will be able to further capture even more future business opportunities.

（3）Date of business combination

Date of Share Acquisition	May 30, 2025
Date of Share Exchange	June 1, 2025
Date of Deemed Acquisition	June 30, 2025

（4）Legal form of business combination

Share acquisition	Acquisition of shares for cash consideration
Share exchange	Simplified share exchange with the Company as the wholly owning parent company in the share exchange and Man to Man Holdings as the wholly owned subsidiary in the share exchange

（5）Name of combined company

The name has not been changed.

（6）Percentage of voting rights to be acquired

Percentage of voting rights held immediately before business combination	-%
Percentage of voting rights to be acquired through cash consideration	73%
Percentage of voting rights to be acquired through share exchange	27%
Percentage of voting rights after acquisition	100%

（7）Main reasons for determining acquisition of company

To acquire shares with cash as the main consideration.

2．Period of Performance of the Acquired Company Included in the Quarterly Consolidated Statement of Income for the Quarterly Consolidated Cumulative Period

Since the deemed acquisition date is June 30, 2025, only the balance sheets have been consolidated, and the results of the acquired companies have not been included in the quarterly consolidated statement of income for the period under review.

3．Breakdown by Acquisition Cost and Type of Consideration of Acquired Company

Consideration for acquisition	Cash	1,600 Million yen	
	Common stock of the Company	570 Million yen	(※)
Acquisition cost		2,170 Million yen	

※Calculation is based on the share price of the common stock of the Company as of the date of the business combination.

4．Exchange Ratio by Type of Shares, Calculation Method Thereof, and Number of Shares to be Delivered

（1）Share Exchange ratio

	The Company (Wholly owning parent company in the share exchange)	Man to Man Holdings (Wholly owned subsidiary in the share exchange)
Details of allotments related to Share Exchange	1	1,669
Number of shares to be delivered through share exchange	Common stock of the Company: 909,711 shares	

For each common stock of Man to Man Holdings, 1,669 shares of the common stock of the Company was allotted and delivered.

（2）Calculation method of share exchange ratio

In order to ensure the fairness and appropriateness of the Share Exchange Ratio, the Company selected the Uchimura Certified Public Accountant (CPA) Office as a third-party calculation agent independent of the Company and Man to Man Holdings, and requested them to calculate the share value and the Share Exchange Ratio of both companies.

The Uchimura CPA Office has calculated the value of the Company's shares based on the market share price method, since the Company is listed on the Prime Market of the Tokyo Stock Exchange and a market share price exists for the Company's shares. Specifically, with April 16, 2025 as the calculation reference date, the calculation was made based on the closing price on the calculation reference date and the simple average closing prices for the most recent 1-month, 3-month and 6-month periods including the calculation reference date.

On the other hand, with regard to Man to Man Holdings' shares, since the company is an unlisted company and there is no market share price, the market share price method could not be used. However, in order to reflect the status of future business activities in the valuation of the share value, the discounted cash flow method (hereinafter, the "DCF method") was used to calculate the share value. Under the DCF method, the value of shares is calculated by discounting future cash flows based on Man to Man Holdings' financial projections (including profit plans and other information) to their present value at a certain discount rate.

Based on the calculation results of the share value and share exchange ratio submitted by the Uchimura CPA Office and the results of due diligence conducted on Man to Man Holdings, etc., the Company has determined that the Share Exchange Ratio was appropriate as a result of repeated negotiations and discussions between the parties, taking into consideration the financial situation and future prospects of Man to Man Holdings in a comprehensive manner.

（3）Number of shares to be delivered through Share Exchange

The Company has allotted and delivered 909,711 shares of the common stock of the Company at the time of the Share Exchange. Regarding the shares to be delivered by the Company, the Company has allotted 909,711 shares of treasury shares held by the Company, and the Company has not issued new shares.

5．Breakdown and Amount of Major Acquisition-related Expenses

Remuneration・fees, etc., for advisory services 11 Million yen

6．Amount of Goodwill Generated, Cause of Occurrence, Amortization Method and Amortization Period

（1）Amount of goodwill generated 2,065 Million yen

Since the allocation of acquisition costs has not been completed, the amount of goodwill is provisional.

（2）Cause of occurrence

This was mainly due to a reasonable estimation of future excess profitability expected from future business development.

（3）Amortization method and amortization period

The asset will be amortized regularly using the straight-line method over the effective period. Furthermore, the amortization period is currently being calculated.

(Subsidiary Acquisition through Share Acquisition)

At the Board of Directors' Meeting held on April 17, 2025, the Company resolved to acquire all issued shares (outstanding shares) of All Japan Guard Co., Ltd. (hereinafter, "All Japan Guard") and make it a subsidiary.

In addition, the Company concluded a share transfer agreement on the same day, and acquired all shares as of April 25, 2025.

1．Overview of Business Combination

（1）Name of Acquired Company and its Description of Business

Name of Acquired Company	All Japan Guard Co., Ltd.
Description of Business	Contracting of various types of security services and the guarantees for such services

（2）Main reasons for business combination

All Japan Guard is a company with a 55 year business history that mainly provides facility security and traffic security services for public facilities, and has maintained a stable financial base for many years since its establishment. In addition, it continues to provide services based on the motto of kindness to the community and its people, and is a company that has earned the deep trust of its major customers.

As part of the Group's mission of "Creating opportunities and hopes for people to work", the Company has decided to make All Japan Guard a subsidiary with the aim of providing opportunities for people of a wide range of ages to thrive.

The Group provides services mainly in the area of manufacturing・production human resources, and although the security industry is a new area, it has many similarities with the Group's business, such as providing people-oriented services and providing employee education that places emphasis on hospitality to employees. Therefore, the Company believes that it has a high affinity with All Japan Guard.

In addition, although the security industry is facing a serious labor shortage, the Company has determined that sustainable business operations and expansion are possible by quickly securing the necessary human resources through collaboration with the Group.

（3）Date of business combination

Date of share acquisition	April 25, 2025
Date of deemed acquisition	June 30, 2025

（4）Legal form of business combination

Acquisition of shares for cash consideration

（5）Name of combined company

The name has not been changed.

（6）Percentage of voting rights acquired

100%

（7）Main reasons for determining acquisition of company
To acquire shares for cash consideration.

2．Period of Performance of the Acquired Company Included in the Quarterly Consolidated Statement of Income for the Quarterly Consolidated Cumulative Period

Since the deemed acquisition date is June 30, 2025, only the balance sheets have been consolidated, and the results of the acquired companies have not been included in the quarterly consolidated statement of income for the period under review.

3．Breakdown by Acquisition Cost and Type of Consideration of Acquired Company

Consideration for acquisition	Cash	810 Million yen
Acquisition cost		810 Million yen

4．Breakdown and Amount of Major Acquisition-related Expenses
Remuneration・fees, etc., for advisory services 57 Million yen

5．Amount of Goodwill Generated, Cause of Occurrence, Amortization Method and Amortization Period
（1）Amount of goodwill generated 190 Million yen
Since the allocation of acquisition costs has not been completed, the amount of goodwill is provisional.
（2）Cause of occurrence
This was mainly due to a reasonable estimation of future excess profitability expected from future business development.
（3）Amortization method and amortization period
The asset will be amortized regularly using the straight-line method over the effective period. Furthermore, the amortization period is currently being calculated.

(Notes on Segment Information, etc.)

【Segment Information】

Ⅰ First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)
The Group has omitted segment information because "General Human Resources Services" account for a high proportion of all segments and is not material as a disclosure information.

Ⅱ First quarter of FY 3/26 (Apr. 1, 2025 - Jun. 30, 2025)
The Group has omitted segment information because "General Human Resources Services" account for a high proportion of all segments and is not material as a disclosure information.