Consolidated Financial Results for FY 3/2025 [Japanese GAAP]

May 12, 2025

Company	NISSO HOLDINGS Co., Ltd.			Stock Exchange Listing: Tokyo	
Securities Code	9332	ＵＲＬ https://www.nisso-hd.com			
Representative	(Title)	Representative Director, President & CEO	(Name) Ryuichi Shimizu		
Contact Person	(Title)	Managing Director & CFO	(Name) Naoki Hayakawa	ＴＥＬ +81-45-514-4323	
Scheduled date of Annual General Meeting of Shareholders		June 25, 2025	Scheduled date of payment of dividend	June 26, 2025	
Scheduled date of filing Annual Securities Report		June 26, 2025			

Preparation of supplementary materials for financial results: Yes (Scheduled to be posted on the Company's website on May 12, 2025 (Monday))

Holding of financial results meeting: No (Video scheduled to be posted on the Company's website on May 15, 2025 (Thursday))

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Mar. 31, 2025	101,560	4.9	3,555	16.3	3,563	16.6	1,935	(0.8)
Mar. 31, 2024	96,858	—	3,058	—	3,056	—	1,952	—

(Note) Comprehensive income Fiscal year ended Mar. 31, 2025: 1,956 Million yen (- 6.9%)
Fiscal year ended Mar. 31, 2024: 2,101 Million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit on total assets	Ratio of operating profit on net sales
Fiscal year ended	Yen	Yen	%	%	%
Mar. 31, 2025	58.92	—	12.3	11.4	3.5
Mar. 31, 2024	57.85	—	13.2	9.9	3.2

(Reference) Equity in earnings of affiliates Fiscal year ended Mar. 31, 2025: -57 Million yen
Fiscal year ended Mar. 31, 2024: -98 Million yen

(Note) 1. Since the Company was established on October 2, 2023 through a single share transfer, there are no year-on-year changes for FY 3/2024.
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	Net assets per share
As of	Million yen	Million yen	%	Yen
Mar. 31, 2025	31,276	16,795	52.8	509.04
Mar. 31, 2024	31,354	15,333	48.0	467.99

(Reference) Equity capital As of Mar. 31, 2025: 16,500 Million yen
As of Mar. 31, 2024: 15,057 Million yen

(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	Million yen	Million yen	Million yen	Million yen
Mar. 31, 2025	1,681	(2,076)	(1,060)	8,186
Mar. 31, 2024	3,230	(1,289)	(2,100)	9,641

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Mar. 31, 2024	—	—	—	20.50	20.50	671	35.4	4.5
Mar. 31, 2025	—	0.00	—	22.00	22.00	725	37.3	4.5
Fiscal year ending Mar. 31, 2026 (forecast)	—	0.00	—	25.00	25.00		33.8	

(Note) Since the Company was established on October 2, 2023 through a single share transfer, there are no results up to the second quarter of FY 3/2024.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 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

※ **Notes**

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

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

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

（３）Number of outstanding shares (Common stock)

① Number of shares outstanding at the end of the period (including treasury shares)	As of Mar. 31, 2025	34,024,720 Shares	As of Mar. 31, 2024	34,024,720 Shares
② Number of treasury shares at the end of the period	As of Mar. 31, 2025	1,030,271 Shares	As of Mar. 31, 2024	1,260,745 Shares
③ Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2025	32,852,130 Shares	Fiscal year ended Mar. 31, 2024	33,742,216 Shares

(Note) Since the Company was established through a single share transfer on October 2, 2023, the average number of shares of common stock during FY 3/2024 is calculated using the average number of shares of NISSO CORPORATION during the period from April 1, 2023 to October 1, 2023, prior to the establishment of the Company, and the average number of shares of the Company during the period from October 2, 2023 to March 31, 2024.

※ The current financial statement is not subject to audit procedures by certified public accountants or auditing corporations.

※ Cautionary statement on the appropriate use of earnings 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 and precautions regarding the usage of earnings forecasts, please refer to "1. Overview of Operating Results, (4) Future Prospects" on P. 7 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 explanatory materials for FY 3/2025 on the Company's website on the day of the date of announcement of the financial results (May 12, 2025 (Monday)). In addition, the video explaining the financial results is scheduled to be posted on the Company's website on May 15, 2025 (Thursday).

○Contents of Attachments

1．Overview of Operating Results

（1）Overview of Operating Results for the Current Fiscal Year

During the current consolidated fiscal year (hereinafter, the "consolidated fiscal year under review"), Japan's economy showed signs of gradually overcoming deflation, partly due to improvements in the employment and income situation and the effects of various measures. On the other hand, looking ahead, in addition to the increasing risks of economic downturn due to the effects of U.S. trade policy, the continued rise in prices is beginning to pose risks that could suppress the domestic economy.

Furthermore, although the impact of U.S. tariff measures on the Nisso Group's (hereinafter, the "Group") business and business results in the consolidated fiscal year under review was minimal, the Group's business activities and business results may be affected in FY 3/2026. For details, please refer to "1. Overview of Operating Results (4) Future Prospects".

In such a business environment, based on its mission of "Creating opportunities and hopes for people to work", the Nisso Group (hereinafter, the "Group") is promoting initiatives "To transform into a corporate group with high-growth potential" with the aim of providing services that can respond to social changes and changes in industrial structures, while creating workplaces where workers can feel motivated and grow through Human Resources Solution Services that support the growth of companies and people.

The Group defines materiality (key issues) for the realization of its mission as "Creation of a comfortable workplace", "Responding to social changes and changes in industrial structures", and "Strengthening of governance". The Group aims to enhance corporate value by creating social value through the promotion of digitization (digitalization), in addition to actively investing in human resources, maximizing employee satisfaction and customer/client satisfaction, providing high value-added services, and strengthening its management structures and internal controls.

The results of operations for the consolidated fiscal year under review are as follows: net sales amounted to 101,560 million yen (up 4.9% year-on-year), operating profit amounted to 3,555 million yen (up 16.3% year-on-year), ordinary profit amounted to 3,563 million yen (up 16.6% year-on-year), and profit attributable to owners of parent amounted to 1,935 million yen (down 0.8% year-on-year).

Net sales increased year-on-year due to an increase in billing unit-costs for the Group's mainstay General Human Resources Services, as well as an increase in the number of enrolled staff in the highly profitable Engineering Human Resources Services, and the gross profit margin improved by 0.7 percentage points year-on-year to 17.2%. In addition, although SG&A expenses increased year-on-year due to strengthened investments in employee recruitment expenses and the promotion of the Company's website, as well as the recording of acquisition-related expenses associated with M&A, the increase in revenue outweighed the increase in costs, resulting in an increase in operating profit year-on-year. As a result, the operating profit margin improved by 0.3 percentage points year-on-year to 3.5%.

Furthermore, the Company recorded a loss on valuation of investment securities as an extraordinary loss due to a significant decline in the real value of one unlisted stock (APB Corporation), which is one of the investment securities held by the Company. As a result, profit attributable to owners of parent decreased slightly from the previous fiscal year.

The various initiatives during the consolidated fiscal year under review were as follows:

(General Human Resources Services)

Net sales of the General Human Resources Services during the consolidated fiscal year under review amounted to 98,474 million yen (up 5.0% year-on-year), and gross profit was 17,114 million yen (up 9.1% year-on-year).

① Manufacturing・Production Human Resources Services

Manufacturing・Production Human Resources Services are mainly classified into manufacturing dispatching and manufacturing contracting.

Net sales of the Manufacturing・Production Human Resources Services during the consolidated fiscal year under review amounted to 78,445 million yen (up 2.1% year-on-year).

The number of enrolled manufacturing・production staff at the end of the consolidated fiscal year was 14,218 (down 575 year-on-year) due in particular to a decrease in the number of enrolled staff as a result greater differences in production volume and human resources needs among manufacturers in the Automotive Industry, and also due to the lack of progress in human resources placement due to matching issues (work areas, job types, etc.). On the other hand, due to the continuous improvement of the workplace environment, the monthly turnover rate was 3.8% (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 446 thousand yen (up 13 thousand yen year-on-year). As a result, net sales of the Manufacturing・Production Human Resources Services increased year-on-year, and the gross profit margin was 17.7% (an improvement of 0.8 percentage point year-on-year).

② **Engineering Human Resources Services**

Engineering Human Resources Services are classified into the manufacturing area, IT-related engineer dispatching, and SES (System Engineering Service).

Net sales of the Engineering Human Resources Services during the consolidated fiscal year under review amounted to 11,631 million yen (up 28.1% year-on-year).

The number of enrolled engineers at the end of the consolidated fiscal year increased to 2,054 (up 510 year-on-year) due in part to strong personnel needs at semiconductor manufacturers, which the Company is focusing on. In addition, by providing training based on a unique curriculum prior to assignment, the Company was able to keep the monthly turnover rate at a low level of 1.9% (an improvement of 0.1 percentage points year-on-year). Furthermore, due in part to strong production activities at semiconductor-related clients, the average monthly net sales per engineering employee amounted to 525 thousand yen (up 20 thousand yen year-on-year). As a result, net sales of the Engineering Human Resources Services increased year-on-year, and the gross profit margin was 20.6% (same level as the previous fiscal year), which was at a higher level than that of the Manufacturing・Production Human Resources Services.

③ **Administrative Human Resources Services**

Administrative Human Resources Services are classified into general office work dispatching and BPO (Business Process Outsourcing).

Net sales of the Administrative Human Resources Services during the consolidated fiscal year under review amounted to 2,232 million yen (up 3.3% year-on-year). In this service, the Company was unable to secure a sufficient number of registrants, and the number of enrolled administrative dispatched staff at the end of the consolidated fiscal year was 550 (down 12 year-on-year).

④ **Other Human Resources Services**

Other Human Resources Services are classified into human resources dispatching for senior employees and light work contracting for people with disabilities.

Net sales of the Other Human Resources Services during the consolidated fiscal year under review amounted to 6,165 million yen (up 8.0% year-on-year).

In order to build a workplace model that enables senior employees to flourish, the Company is working to develop and secure employment opportunities and build a structure that supports the active participation of senior employees and allows them to continue working. The number of Prime employees (senior employees) during the consolidated fiscal year under review was 707.

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 simply employing people with disabilities in-house. The number of employees with disabilities during the consolidated fiscal year under review was 237.

Achievements of Industry Strategy for Expansion of General Human Resources Services

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.

Net sales in the Industry Strategy area for the consolidated fiscal year under review totaled 65,996 million yen (up 5.3% year-on-year), accounting for 65.0% of consolidated net sales.

In Automotive, despite strong differences in human resources needs among manufacturers and regions, net sales for the consolidated fiscal year under review amounted to 41,304 million yen (up 2.0% year-on-year) as a result of increases in unit-costs through unit-cost negotiations.

In the Semiconductor Industry, net sales for the consolidated fiscal year under review amounted to 13,460 million yen (up 8.7% year-on-year), partly due to strong production activities at manufacturers where the Group focuses its efforts.

In the Electronics Industry, although there were fluctuations depending on product order recipients, net sales for the consolidated fiscal year under review amounted to 11,231 million yen (up 14.4% year-on-year) due in part to the expansion of the Group's focus manufacturers.

(Nursing Care・Welfare Services)

Nursing Care・Welfare Services are classified into facility nursing care and home-based nursing care.

Net sales of the Nursing Care・Welfare Services during the consolidated fiscal year under review amounted to 3,086 million yen (up 1.3% year-on-year), and gross profit was 326 million yen (down 1.6% year-on-year).

In facility nursing care, which is the core of this service, the number of residents of nursing care facilities during the consolidated fiscal year under review was 381 (same level as the previous consolidated fiscal year) as a result of activities to attract customers with the aim of contributing to society through compassionate nursing care rooted in the local community. In addition, the occupancy rate at the facilities remained at a high level of 94.8% (same level as the previous consolidated fiscal year). On the other hand, gross profit for this service decreased slightly year-on-year due to an increase in costs such as utility costs at nursing care facilities.

(Nisso Group's Human Resources Development Strategy)

In order to meet the human resources needs required by each industry, the Group will further promote the establishment of new education and training facilities and collaboration between industry-government-academia.

The total number of people who received training during the consolidated fiscal year under review was 22,662.

In terms of education for engineering human resources, in order to meet the need of human resources, especially equipment technology engineers who support *MONOZUKURI* (manufacturing), the Group worked to expand training opportunities, and as a result, the total number of people trained was 1,852 (up 482 year-on-year).

In terms of education for manufacturing・production human resources, the Group has established an education and training facility equipped with actual equipment such as semiconductor manufacturing equipment, and provided pre-assignment training to employees using unique education programs developed in accordance with client needs, bringing the total number of people trained to 14,804.

In terms of education for other human resources in the General Human Resources Services, the Group provided regular compliance education, career support training, qualification (enhancement) training, etc., and the total number of people trained reached 3,124.

In terms of education for human resources who provide Nursing Care・Welfare Services, the Group recognizes that education for newly hired nursing care staff is important for improving the quality of services in facility nursing care, and by establishing a system that allows it to conduct not only OJT but also regular Off-JT, the total number of people trained reached 2,882.

In addition, the Group offers the "NISSO HR Development Service", an entrusted education service. In order to address the issues that many of the Group's business partners have raised, such as the shortage of instructors who are responsible for education, a lack of practical skills training due to the inability to conduct OJT using actual production lines and on-site operations as a result of busy schedules, and a shortage of educational programs for inexperienced people, the Group, which has education and training facilities nationwide and a track record of developing many training curriculums, is positioned as a service that can assist in resolving these issues by providing employee training on behalf of the client. During the consolidated fiscal year under review, a total of 534 people were provided with external employee training (entrusted).

(Financial Strategy)

The Company will closely monitor its own capital costs (cost of equity and weighted average cost of capital (WACC)) and strives to pursue earning power and improve capital efficiency based on return on equity (ROE) and return on invested capital (ROIC) as key management indicators. In addition, the Company will strive to enhance corporate value by realizing a structure in which ROIC exceeds the cost of capital (weighted average cost of capital (WACC)) in a stable manner.

During the consolidated fiscal year under review, ROE, which is a key management indicator, was 12.3% and ROIC was 13.1%, as a result of the execution of strategic investments and the maintenance of a sound financial base. As a result, ROIC exceeded WACC.

Furthermore, each indicator is calculated based on the following definitions.

・return on equity (ROE):

Profit attributable to owners of parent ÷ ((equity capital at beginning of period + equity capital at end of period) ÷ 2)

・Return on Invested Capital (ROIC):

After-tax operating profit ÷ invested capital (average interest-bearing liabilities for current period + average net assets for current period)

(Initiatives for Sustainability)

In order to achieve its mission of "*Creating opportunities and hopes for people to work*", the Group recognizes the importance of contributing to society and the environment through investment in "people", which is the driving force behind the Group. Based on the "Sustainability Policy" formulated in October 2021, the Group aims for sustainable business growth and promotes initiatives toward the realization of a sustainable society by establishing policies on human rights, labor, the environment, safety and health, and ethics.

The Group defines "human resources development" and "diversity" as the most important factors in aiming for sustainable growth of its business.

In terms of "humans resources development", the Group recognizes the importance of increasing the ratio of highly skilled human resources. The indicator for the "Human Resources Development Policy" is the "ratio of engineering employees", with a target of 15.0% by April 2025. As of the end of the consolidated fiscal year under review, the "ratio of engineering employees" to the total number of enrolled staff in the Manufacturing・Production and Engineering Human Resources Services was 12.6%.

In terms of "diversity", the Group recognizes the importance of creating a workplace where all employees can pursue their dreams and find fulfillment, and building a place where diverse human resources can flourish. The indicator for the "Internal Environment Improvement Policy" is the "ratio of female managers", with a target of 11.5% by April 2025. As of the end of the consolidated fiscal year under review, the "Nisso Group ratio of female managers" was 9.0%.

The Group has reviewed the indicators and targets based on the "Human Resources Development Policy" and the "Internal Environment Improvement Policy", which expired in April 2025. The indicator in the "Human Resources Development Policy" will continue to be the "ratio of engineering employees", and the target is to achieve 30% by FY 3/2031. In addition, in the "Internal Environment Improvement Policy", the Group updated the implementation issue to the "Promotion of DE&I (Diversity, Equity, and Inclusion)", set a new indicator, the "diversity ratio", and revised the target to achieve a level of 40% by FY 3/2031. Moreover, the target for the "ratio of female managers" is to achieve 15% by FY 3/2031, and the Group continue to promote these activities.

The business environment surrounding the Group is undergoing major changes due to factors such as the decline in the working population and the increase in the ratio of the aging population in Japan. As of the end of this consolidated fiscal year under review, the "diversity ratio" of the Group's employees, including women, seniors, foreign nationals, and people with disabilities, was 31.9%. By increasing this ratio, the Group aims to enhance the resilience and sustainability of the Group as an organization, as well as achieving sustainable business growth.

Furthermore, this content will be posted on the Company's corporate website and in various reports.

(2) Overview of Financial Position for the Current Fiscal Year

(Assets)

Current assets at the end of the consolidated fiscal year under review amounted to 20,408 million yen, which was a decrease of 1,490 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 1,454 million yen in cash and deposits.

Non-current assets at the end of the consolidated fiscal year under review amounted to 10,867 million yen, which was an increase of 1,412 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,075 million yen in investment securities due to the acquisition of shares in TSUNAGU GROUP HOLDINGS.

As a result, total assets amounted to 31,276 million yen, which was a decrease of 77 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the consolidated fiscal year under review amounted to 12,233 million yen, which was a decrease of 1,126 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 379 million yen in accrued expenses and a decrease of 160 million yen in accrued consumption taxes.

Non-current liabilities at the end of the consolidated fiscal year under review amounted to 2,247 million yen, which was a decrease of 412 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 512 million yen in long-term loans payable.

As a result, total liabilities amounted to 14,481 million yen, which was a decrease of 1,539 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the consolidated fiscal year under review amounted to 16,795 million yen, which was an increase of 1,462 million yen from the end of the previous consolidated fiscal year. This was mainly due to the recording of 1,935 million yen in profit attributable to owners of parent, and 671 million yen in dividends of surplus.

As a result, the equity ratio was 52.8% (compared to 48.0% in the previous consolidated fiscal year).

(3) Overview of Cash Flows for the Current Fiscal Year

Cash flows for the consolidated fiscal year under review were as follows: Cash flows from operating activities resulted in proceeds of 1,681 million yen, cash flows from investing activities resulted in expenditures of 2,076 million yen, and cash flows from financing activities resulted in expenditures of 1,060 million yen.

As a result, cash and cash equivalents for the consolidated fiscal year under review decreased by 1,454 million yen to 8,186 million yen compared to the balance at the beginning of the current period.

The status and contributing factors of cash flows from operating, investing and financing activities in the consolidated fiscal year under review are as follows:

(Cash flows from operating activities)

Cash flows from operating activities amounted to proceeds of 1,681 million yen (compared to proceeds of 3,230 million yen in the previous consolidated fiscal year), as a result of proceeds of 3,240 million yen in profit before income taxes, which absorbed expenditures such as an increase in income taxes paid of 1,497 million yen.

(Cash flows from investing activities)

Cash flows from investing activities amounted to expenditures of 2,076 million yen (compared to expenditures of 1,289 million yen in the previous consolidated fiscal year), due expenditures such as 1,468 million yen in purchase of securities, and 453 million yen in the purchase of property, plant and equipment.

(Cash flows from financing activities)

Cash flows from financing activities amounted to expenditures of 1,060 million yen (compared to expenditures of 2,100 million yen in the previous consolidated fiscal year), due to expenditures such as 534 million yen in repayments of long-term loans payable and 671 million yen in cash dividends paid.

（4）Future Prospects

In Japan, the business environment surrounding the Group continues to change at an unprecedented pace, with the advancements of Society 5.0 and Industry 5.0, the evolution of AI, and the decrease in the working population due to the declining birthrate and aging population. On the other hand, the outlook remains uncertain due to many variable factors, such as the impact of U.S. tariff measures.

Despite this unpredictable business environment, the Company expects the full-year consolidated results for FY 3/2026 to reflect increased revenue and profits compared to the previous fiscal year.

In the Automotive Industry (automobile manufacturing and EV-related manufacturing industries) which is the Group's focus industry, the Company expects that there will be no significant change in production volume, although there may be an impact from U.S. tariffs. The Company's focus manufacturers in the Semiconductor Industry (semiconductor manufacturing industry) are expected to remain firm. At the same time, the Company will continue to invest in human resources development in anticipation of human resources needs for the operation of new semiconductor and battery factories in 2026 and 2027. Furthermore, the demand for electronic components in the Electronics Industry (electronic equipment manufacturing industry) is expected to remain mostly level.

In addition, the Group aims to increase the number of enrolled engineers in the Engineering Human Resources Services, which has a higher profit margin compared to other services, to 2,700, and will continue to negotiate unit-costs to improve their treatment (compensation).

Furthermore, the Group is actively promoting collaboration with potential partners without any restrictions, in order to solve the issues faced by its clients. With the aim of establishing a presence in the Chubu-Tokai area by expanding its market share among key clients and leveraging the Group's strength in human resources development expertise, the Company's Board of Directors resolved on April 17, 2025 to make "Man to Man Holdings Co., Ltd." a subsidiary In addition, at the Board of Directors' Meeting held on the same day, a resolution was passed to make "All Japan Guard Co., Ltd.", which has strength in the security industry, a new business area for the Company, a subsidiary. The deemed acquisition date of these two companies is scheduled to be June 30, 2025, and they are expected to contribute to the Group's business performance from the second quarter of FY 3/2026. For details, please refer to "3. Consolidated Financial Statements and Notes, (5) Notes regarding Consolidated Financial Statements (Notes on Significant Subsequent Events).

In terms of profits, the Group will aim to reduce SG&A expenses and increase operating profit by promoting business sharing among group companies and streamlining recruitment.

Based on the above, the Company expects full-year consolidated results for the fiscal year ending March 31, 2026, as follows: net sales of 115,000 million yen (up 13.2% year-on-year), operating profit of 4,000 million yen (up 12.5% year-on-year), ordinary profit of 4,000 million yen (up 12.2% year-on-year), and profit attributable to owners of parent of 2,500 million yen (up 29.1% year-on-year).

※The above forecasts are based on information available as of the date of release of this document, and actual results may differ from forecasts due to various factors in the future.

（5）Basic Policy on Profit Distribution and Dividends for Current and Next Terms

The Company considers the redistribution of profits to shareholders and the enhancement of corporate value as key management issues, taking into consideration the balance between securing funds for growth investments and strengthening the corporate structure that can respond to changes in the business environment. In addition, by setting the consolidated dividend payout ratio of 30% or more as a general standard, the Company's basic policy is to continue to steadily redistribute profits to all of its shareholders.

Furthermore, although the Company considers the year-end dividends as a general principle, the Articles of Incorporation stipulate that it is possible to distribute dividends of surplus twice a year as interim dividends and year-end dividends in order to enhance the redistribution of profits to shareholders. As the decision-making body, the Board of Directors is determined to make it possible to flexibly carry out the payment of interim dividends while taking into consideration performance trends and other factors.

In accordance with the above policy, the dividend for the fiscal year ended March 31, 2025 is scheduled to be a payment of 22.00 yen per share (consolidated dividend payout ratio of 37.3%).

Furthermore, for the fiscal year ending March 31, 2026, the Company expects to pay a dividend of 25.00 yen per share (consolidated dividend payout ratio of 33.8%).

２．Basic Approach to the Selection of Accounting Standards

Since many of the stakeholders are domestic shareholders, creditors, business partners, etc., and due to the lack of funding from overseas, the Group has applied generally accepted accounting principles in Japan.

3．Consolidated Financial Statements and Notes

（1）Consolidated Balance Sheet

(Unit: Million yen)

	FY 3/24 (As of Mar. 31, 2024)	FY 3/25 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	9,641	8,186
Notes and accounts receivable - trade	11,238	11,223
Prepaid expenses	736	724
Other	288	279
Allowance for doubtful accounts	(5)	(4)
Total current assets	21,899	20,408
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,536	5,788
Accumulated depreciation	(3,678)	(3,789)
Buildings and structures, net	1,857	1,999
Land	2,771	2,771
Construction in progress	261	354
Other	688	758
Accumulated depreciation	(507)	(546)
Other, net	180	212
Total property, plant and equipment	5,072	5,337
Intangible assets		
Goodwill	1,033	893
Other	577	521
Total intangible assets	1,611	1,414
Investments and other assets		
Investment securities	561	1,636
Lease and guarantee deposits	678	653
Deferred tax assets	930	1,108
Net defined benefit asset	270	270
Other	349	477
Allowance for doubtful accounts	(18)	(31)
Total investments and other assets	2,771	4,115
Total non-current assets	9,455	10,867
Total assets	31,354	31,276

(Unit: Million yen)

	FY 3/24 (As of Mar. 31, 2024)	FY 3/25 (As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Current portion of long-term loans payable	512	490
Accrued expenses	6,553	6,174
Income taxes payable	795	771
Accrued consumption taxes	1,860	1,699
Contract liabilities	212	198
Provision for bonuses	1,479	1,551
Provision for shareholder benefit program	121	140
Other	1,823	1,206
Total current liabilities	13,360	12,233
Non-current liabilities		
Long-term loans payable	1,550	1,038
Deferred tax liabilities	136	126
Net defined benefit liability	713	837
Other	260	244
Total non-current liabilities	2,660	2,247
Total liabilities	16,021	14,481
Net assets		
Shareholders' equity		
Capital stock	2,016	2,016
Capital surplus	2,367	2,374
Retained earnings	11,587	12,851
Treasury shares	(1,031)	(842)
Total shareholders' equity	14,939	16,399
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	118	100
Total accumulated other comprehensive income	118	100
Non-controlling interests	275	295
Total net assets	15,333	16,795
Total liabilities and net assets	31,354	31,276

(２) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statement of Income)

(Unit: Million yen)

	FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)	FY 3/25 (Apr. 1, 2024 - Mar. 31, 2025)
Net sales	96,858	101,560
Cost of sales	80,843	84,119
Gross profit	16,014	17,441
Selling, general and administrative expenses	12,956	13,886
Operating profit	3,058	3,555
Non-operating income		
Interest income	3	5
Dividend income	0	0
Subsidy income	69	52
House rent income	39	39
Penalty income	23	－
Other	32	25
Total non-operating income	168	122
Non-operating expenses		
Interest expenses	11	9
Share of loss of entities accounted for using equity method	98	57
Rent expenses	20	17
Other	39	29
Total non-operating expenses	169	114
Ordinary profit	3,056	3,563
Extraordinary losses		
Loss on valuation of investment securities	－	322
Total extraordinary losses	－	322
Profit before income taxes	3,056	3,240
Income taxes - current	1,252	1,445
Income taxes - deferred	(183)	(178)
Total income taxes	1,068	1,266
Profit	1,988	1,974
Profit attributable to non-controlling interests	35	38
Profit attributable to owners of parent	1,952	1,935

(Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)	FY 3/25 (Apr. 1, 2024 - Mar. 31, 2025)
Profit	1,988	1,974
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	114	(17)
Share of other comprehensive income of entities accounted for using equity method	(0)	-
Total other comprehensive income	113	(17)
Comprehensive income	2,101	1,956
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,065	1,918
Comprehensive income attributable to non-controlling interests	35	38

（3）Consolidated Statement of Changes in Equity

FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,016	2,367	10,460	(281)	14,563
Changes of items during period					
Dividends of surplus			(544)		(544)
Profit attributable to owners of parent			1,952		1,952
Purchase of treasury shares				(1,062)	(1,062)
Disposal of treasury shares		(0)		30	30
Retirement of treasury shares		(281)		281	-
Transfer to capital surplus from retained earnings		281	(281)		-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	(0)	1,126	(750)	375
Balance at end of current period	2,016	2,367	11,587	(1,031)	14,939

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	0	3	4	239	14,807
Changes of items during period					
Dividends of surplus			-		(544)
Profit attributable to owners of parent			-		1,952
Purchase of treasury shares			-		(1,062)
Disposal of treasury shares			-		30
Retirement of treasury shares			-		-
Transfer to capital surplus from retained earnings			-		-
Net changes of items other than shareholders' equity	(0)	114	113	35	149
Total changes of items during period	(0)	114	113	35	525
Balance at end of current period	-	118	118	275	15,333

FY 3/25 (Apr. 1, 2024 - Mar. 31, 2025)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,016	2,367	11,587	(1,031)	14,939
Changes of items during period					
Dividends of surplus			(671)		(671)
Profit attributable to owners of parent			1,935		1,935
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		7		188	195
Retirement of treasury shares					-
Transfer to capital surplus from retained earnings					-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	7	1,264	188	1,459
Balance at end of current period	2,016	2,374	12,851	(842)	16,399

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	-	118	118	275	15,333
Changes of items during period					
Dividends of surplus			-		(671)
Profit attributable to owners of parent			-		1,935
Purchase of treasury shares			-		(0)
Disposal of treasury shares			-		195
Retirement of treasury shares			-		-
Transfer to capital surplus from retained earnings			-		-
Net changes of items other than shareholders' equity	-	(17)	(17)	19	2
Total changes of items during period	-	(17)	(17)	19	1,462
Balance at end of current period	-	100	100	295	16,795

（4）Consolidated Statement of Cash Flows

(Unit: Million yen)

	FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)	FY 3/25 (Apr. 1, 2024 - Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	3,056	3,240
Depreciation	306	278
Amortization of goodwill	102	140
Increase (decrease) in allowance for doubtful accounts	(8)	11
Increase (decrease) in provision for bonuses	71	72
Decrease (increase) in net defined benefit asset	(18)	(26)
Increase (decrease) in net defined benefit liability	23	124
Increase (decrease) in provision for shareholder benefit program	17	18
Loss on valuation of investment securities	-	322
Interest and dividend income	(3)	(5)
Interest expenses	11	9
Share of (profit) loss of entities accounted for using equity method	98	57
Decrease (increase) in notes and accounts receivable - trade	(75)	15
Decrease (increase) in lease and guarantee deposits	(26)	10
Increase (decrease) in accrued expenses	436	(379)
Increase (decrease) in accrued consumption taxes	(261)	(160)
Other	351	(593)
Subtotal	4,081	3,136
Interest and dividend income received	3	21
Interest expenses paid	(11)	(10)
Income taxes refund	22	30
Income taxes paid	(865)	(1,497)
Cash flows from operating activities	3,230	1,681
Cash flows from investing activities		
Purchase of securities	(300)	(1,468)
Purchase of property, plant and equipment	(650)	(453)
Purchase of intangible assets	(66)	(33)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(247)	-
Other	(24)	(121)
Cash flows from investing activities	(1,289)	(2,076)
Cash flows from financing activities		
Repayments of long-term loans payable	(490)	(534)
Purchase of treasury shares	(1,062)	(0)
Proceeds from disposal of treasury shares	-	166
Cash dividends paid	(544)	(671)
Dividends paid to non-controlling interests	-	(18)
Other	(2)	(1)
Cash flows from financing activities	(2,100)	(1,060)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(159)	(1,454)
Cash and cash equivalents at beginning of period	9,800	9,641
Cash and cash equivalents at end of period	9,641	8,186

(5) Notes regarding Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of "Accounting Standards for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc.")

"Accounting Standards for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc."(Accounting Standards (ASBJ) No. 27 October 28, 2022. Hereinafter referred to as "2022 Revised Accounting Standards") has been applied from the beginning of the consolidated fiscal year under review.

Regarding the revisions of the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment stipulated in the proviso to paragraph 65-2 (2) of the "Guidelines for the Application of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022. Hereinafter referred to as the "2022 Revised Application Guidelines"). Furthermore, the changes in the accounting policies have no impact on the current consolidated financial statements.

In addition, with regard to the revisions related to the review of the treatment in the consolidated financial statements in the case of deferral for tax purposes of gains and losses arising from the sale of shares, etc., of subsidiaries between consolidated companies, the Company has applied the 2022 Revised Application Guidelines from the beginning of the consolidated fiscal year under review. The changes in the accounting policies have been applied retroactively, and the consolidated financial statements for previous consolidated fiscal year have been retroactively applied. Furthermore, the changes in accounting policies have no impact on the consolidated financial statements for the previous consolidated fiscal year.

(Notes on Segment Information, etc.)

【Segment Information】

FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)

The Group omits segment information due to the high proportion of "General Human Resources Services" in all segments and the lack of importance as disclosure information.

FY 3/25 (Apr. 1, 2024 - Mar. 31, 2025)

The Group omits segment information due to the high proportion of "General Human Resources Services" in all segments and the lack of importance as disclosure information.

(Notes on Per Share Information) (Unit: Yen)

	FY 3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY 3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net assets per share	467.99	509.04
Net income per share	57.85	58.92

(Note) 1. Diluted net income per share is not stated because there are no diluted shares.

2. The basis for the calculation of net income per share is as follows:

	FY 3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY 3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net income per share		
Profit attributable to owners of parent (Million yen)	1,952	1,935
Amount not attributable to common shareholders (Million yen)	-	-

	FY 3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY 3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Profit attributable to owners of parent related to common shares (Million yen)	1,952	1,935
Average number of shares of common stock during the period (Shares)	33,742,216	32,852,130

(Notes on Significant Subsequent Events)

(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.

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 (Scheduled)
Date of Share Exchange	June 1, 2025 (Scheduled)
Date of Deemed Acquisition	June 30, 2025 (Scheduled)

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

Consideration for acquisition	Cash	1,600 Million yen
	Common stock of the Company	599 Million yen
Acquisition cost		2,200 Million yen

3. 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 will be 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 plans to allot and deliver 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 plans to allot 909,711 shares of treasury shares held by the Company, and the Company does not plan to issue new shares.

4. Breakdown and Amount of Major Acquisition-related Expenses

Not confirmed at this time.

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

Not confirmed at this time.

6. Amount of Assets Accepted and Liabilities Assumed on Date of Business Combination and Main Breakdown Thereof

Not confirmed at this time.

(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 (Scheduled)

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

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

3．Breakdown and Amount of Major Acquisition-related Expenses

Not confirmed at this time.

4．Amount of Goodwill to be Generated, Cause of Occurrence, Amortization Method and Amortization Period

Not confirmed at this time.

5．Amount of Assets Accepted and Liabilities Assumed on Date of Business Combination and Main Breakdown Thereof

Not confirmed at this time.