



# Financial Results for the Fiscal Year Ended February 28, 2025

## (Japanese GAAP, Consolidated)

April 14, 2025

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Stock exchange listing: Tokyo Stock Exchange  
 Company website: <https://www.dip-net.co.jp/en/>

Scheduled date of filing financial statements: May 22, 2025  
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 Supplementary documents to the financial results: Available  
 Financial results briefing: Scheduled (for institutional investors and analysts)

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

### 1. Consolidated Operating Results for FY'25/2 (the Period of March 1, 2024 to February 28, 2025)

#### (1) Consolidated business performance

(Percentage figures indicate year-on-year change)

	Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY'25/2	56,386	4.8	13,405	5.0	13,257	5.1	8,951	-1.1
FY'24/2	53,782	9.0	12,761	10.6	12,618	8.8	9,050	14.1

(Note) Comprehensive income: FY'25/2 ¥8,686 million (-3.3%) FY'24/2 ¥8,987 million (6.7%)

	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity	Return on Assets	Operating Income to Sales Ratio
	¥	¥	%	%	%
FY'25/2	168.41	168.32	23.8	26.2	23.8
FY'24/2	163.44	163.15	23.5	25.0	23.7

(Reference) Equity in earnings of affiliates: FY'25/2 ¥(0) million FY'24/2 ¥9 million

#### (2) Consolidated financial position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
FY'25/2	50,506	36,235	71.0	684.99
FY'24/2	50,772	39,708	77.3	715.64

(Reference) Equity capital: FY'25/2 ¥35,836 million FY'24/2 ¥39,259 million

#### (3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Balance of Cash and Cash Equivalent at End of Period
	¥ million	¥ million	¥ million	¥ million
FY'25/2	16,453	(5,249)	(12,164)	15,156
FY'24/2	9,526	(7,364)	(8,021)	16,116

### 2. Dividends

	Annual Dividends					Total Dividend Payment	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY'24/2	-	40.00	-	48.00	88.00	5,034	53.8	12.7
FY'25/2	-	47.00	-	48.00	95.00	5,170	56.4	13.6
FY'26/2 (forecast)	-	47.00	-	48.00	95.00		62.1%	

### 3. Consolidated Operating Results Forecast for FY'26/2 (from March 1, 2025 to February 28, 2026)

(Percentage figures indicate year-on-year change)

	Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Basic Earnings per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	60,000	6.4	12,000	-10.5	11,900	-10.2	8,000	-10.6	152.87

No forecasts are made for the first-half period.

#### \* Notes

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

Newly included: None

Excluded: None

(2) Changes in accounting policies, changes in accounting estimates, and restatements during the period under review

1. Changes in accounting policies resulting from revisions to accounting standards: None

2. Changes in accounting policies other than those in 1 above: None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at end of period (including treasury shares)	FY'25/2	60,140,000 shares	FY'24/2	60,140,000 shares
2. Number of treasury shares at end of period	FY'25/2	7,823,092 shares	FY'24/2	5,280,191 shares
3. Average number of shares outstanding during period	FY'25/2	53,152,520 shares	FY'24/2	55,377,903 shares

Treasury shares include the number of Company shares owned by the ESOP trust account (2,100,905 shares at the end of FY'24/2; 2,010,670 shares at the end of FY'25/2) and the number of Company shares owned by the BIP trust account (73,817 shares at the end of FY'24/2; 73,817 shares at the end of FY'25/2).

#### (Reference) Summary of Non-consolidated Operating Results

1. Non-consolidated Operating Results for FY'25/2 (the Period of March 1, 2024 to February 28, 2025)

(1) Non-consolidated business performance

(Percentage figures indicate year-on-year change)

	Sales		Operating Income		Ordinary Income		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY'25/2	56,386	4.8	13,427	4.7	13,313	4.0	8,952	-3.9
FY'24/2	53,782	9.0	12,828	10.5	12,796	21.3	9,317	28.1

	Basic Earnings per Share	Diluted Earnings per Share
	¥	¥
FY'25/2	168.43	168.35
FY'24/2	168.25	167.96

(2) Non-consolidated financial position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
FY'25/2	50,617	36,351	71.1	687.45
FY'24/2	50,880	39,819	77.4	717.96

(Reference) Equity capital: February 28, 2025 ¥35,965 million February 29, 2024 ¥39,386 million

\* The financial results report is not subject to an audit by a certified public accountant or an audit firm.

\* Explanation on the appropriate use of operating results forecasts and other notes

(Note on forward-looking statements)

The forward-looking statements contained herein are based on information currently available to the Company and certain assumptions the Company deems reasonable. Actual results may differ significantly from the forecasts due to various factors. For the assumptions regarding operating results forecasts and cautionary statements regarding the use of the forecasts, see "1. Summary of Operating Results, etc., (5) Outlook" on page 5.

(Delivery of supplementary materials for financial results)

Supplementary materials for the financial results will be posted on the Company's website on Monday, April 14, 2025.

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## 1. Summary of Operating Results, etc.

### (1) Operating Results

Since its establishment in 1997, dip Corporation (hereinafter, the “Company”) has assisted its client companies with the recruiting and deployment of human resources by providing online job information sites, as well as creating an environment where each job seeker can work with enthusiasm and energy, based on its corporate philosophy of ‘Here at dip, we want to tap into dreams, ideas and passion to create a better society’.

Since FY’20/2, under the corporate vision of becoming a ‘Labor force solution company’, the Company has been striving to solve diverse labor-related issues and realize a society in which everyone can experience the joy and happiness of work through the offering of personnel recruiting services and DX (digital transformation) services.

Thanks to the steady expansion of the personnel recruiting services business and the high growth of the DX business, sales for FY’25/2 ended at 56,386 million yen (up 4.8% year on year).

The Company also made investments to strengthen its sales capabilities, including recruiting new graduate employees in 2024 and opening new offices to accommodate a policy of requiring employees to come to the office. As a result, operating income, ordinary income, and net income attributable to owners of parent came to 13,405 million yen (up 5.0% year on year), 13,257 million yen (up 5.1% year on year), and 8,951 million yen (down 1.1% year on year), respectively.

An overview of the results by segment is detailed below.

#### (i) Personnel Recruiting Services Business

The personnel recruiting services business operates the following platforms: Baitoru, a job information site for part-time workers; Spot Baitoru, an information site for spot part-time jobs; Baitoru NEXT, a job information site for regular employees and contract employees; Hatarako.net, a comprehensive job information site; Baitoru PRO, a comprehensive job information site for specialized jobs; Nurse de Hatarako, a job agency service for medical professionals, and Nursing Care de Hatarako, a job agency service for nursing jobs. The Company aims to expand the user and customer bases for these services through the vigorous efforts of its sales force and its service development and promotional capabilities.

During FY’25/2, sales of the personnel recruiting services business saw steady progress. As a result, segment sales and segment profit came to 49,662 million yen (up 3.9% year on year) and 18,379 million yen (up 7.0% year on year).

#### (ii) DX Business

Since September 2019, the DX business has been supporting the digital transformation (DX) of small and medium-sized enterprises (SMEs) through the offering of the KOBOT series. This SaaS DX product series is priced for SMEs, features simple functions, and is easy to introduce as it is designed for SMEs.

During FY’25/2, the business saw an increase in sales of its products, including Interview Scheduling KOBOT, which automatically schedules interviews with job applicants, Temp Agency KOBOT, which supports dispatch companies’ sales activities with automated sales list creation services, Corporate Recruiting Page KOBOT, which creates client recruiting pages featuring Baitoru’s unique functions, such as workplace introduction videos, and MEO KOBOT, which supports client companies’ sales promotion activities by improving the order in which they are displayed in map searches. As a result, segment sales and segment profit ended at 6,723 million yen (up 12.4% year on year) and 3,391 million yen (up 19.5% year on year).

## (2) Financial Position

### (Current assets)

Total current assets recorded at the end of FY'25/2 were 26,264 million yen, a decrease of 1,882 million yen from the end of the previous fiscal year. The major factors were decreases of 960 million yen in cash and deposits and 726 million yen in other current assets.

### (Non-current assets)

Total non-current assets stood at 24,242 million yen, an increase of 1,616 million yen from the end of the previous fiscal year. This mainly reflected an increase of 1,568 million yen in intangible assets.

### (Current liabilities)

Total current liabilities recorded at the end of FY'25/2 were 11,046 million yen, an increase of 1,806 million yen from the end of the previous fiscal year. The major factors were a decrease of 249 million yen in accounts payable – others and increases of 1,882 million yen in income taxes payable and 359 million yen in provision for bonuses.

### (Non-current liabilities)

Total non-current liabilities were 3,223 million yen, an increase of 1,399 million yen from the end of the previous fiscal year. This mainly reflected increases of 361 million yen in provision for share awards and 820 million yen in other non-current liabilities.

### (Net assets)

Total net assets recorded at the end of FY'25/2 were 36,235 million yen, a decrease of 3,472 million yen from the end of the previous fiscal year. The major factors were increases of 3,654 million yen in retained earnings and 6,850 million yen in treasury shares due to market purchases, etc.

### (3) Cash Flows

Cash and cash equivalents (“cash”) stood at 15,156 million yen at the end of the fiscal year under review.

The breakdown of cash flows is as follows:

#### (Cash flows from operating activities)

Net cash provided by operating activities was 16,453 million yen (an increase of 6,926 million yen year on year). This was mainly due to net income before income taxes of 13,048 million yen, depreciation of 3,577 million yen, and a decrease in other assets totaling 1,060 million yen, offsetting income taxes paid totaling 2,928 million yen.

#### (Cash flows from investing activities)

Net cash used in investing activities totaled 5,249 million yen (a decrease of 2,115 million yen year on year). This was mainly due to the purchase of intangible assets totaling 4,994 million yen.

#### (Cash flows from financing activities)

Net cash used in financing activities stood at 12,164 million yen (an increase of 4,142 million yen year on year). This was mainly due to the purchase of treasury shares amounting to 7,049 million yen and dividends paid totaling 5,291 million yen.

(Reference) The trend of cash flow-related indicators is as follows:

	FY'21/2	FY'22/2	FY'23/2	FY'24/2	FY'25/2
Capital adequacy ratio (%)	84.4	76.4	75.0	77.3	71.0
Capital adequacy ratio on a market value basis (%)	447.0	445.3	391.7	283.0	221.2
Ratio of cash flow to interest-bearing debts (annual)	-	-	-	-	-
Interest coverage ratio (times)	-	-	-	-	-

Capital adequacy ratio: Equity capital/Total assets

Capital adequacy ratio on a market value basis: Market capitalization/Total assets

Ratio of cash flow to interest-bearing debts: Interest-bearing debts/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payments

Notes: 1. The ratio of cash flow to interest-bearing debts is not stated, as there were no term-end balances for interest-bearing debt.

2. The interest coverage ratio is not stated since there was no interest payment.

### (4) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and the Upcoming Fiscal Year

The Company considers profit distribution to shareholders to be one of its most important management responsibilities and pays dividends twice a year, at the interim and the year end, while retaining the necessary earnings to invest for future growth of the Company and respond to changes in the business environment. It has been using a dividend payout ratio of 50% as a guide as well as taking into consideration the dividend results of the prior fiscal year in determining dividend payments.

Based on the above profit distribution policy, the Company will pay an ordinary year-end dividend of 48 yen per share for FY'25/2.

For FY'26/2, the Company plans to pay an annual ordinary dividend of 95 yen per share, which is broken down into an interim dividend of 47 yen per share and a year-end dividend of 48 yen per share, after taking into consideration its full-year operating results, financial position and other matters.

## (5) Outlook

Our consolidated earnings forecast for FY'26/2 is based on the assumption that the part-time job advertising market will continue to recover moderately as in the previous fiscal year. We anticipate that sales will continue to grow from the previous year due to Spot Baitoru, dip AI, and the transition to a solutions sales structure. Operating income is expected to decrease from the previous year due to upfront investments in Spot Baitoru.

The details are as follows.

Consolidated operating results forecast for FY'26/2 (from March 2025 to February 2026)

	FY'25/2 (Actual)	FY'26/2 (Forecast)	Change (in amount)	Change (in percentage)
	¥ million	¥ million	¥ million	%
Sales	56,386	60,000	3,614	6.4
Operating Income	13,405	12,000	(1,405)	(10.5)
Ordinary Income	13,257	11,900	(1,357)	(10.2)
Net Income Attributable to Owners of Parent	8,951	8,000	(951)	(10.6)

## 2. Situation of the Corporate Group

The main businesses of the Company are the personnel recruiting services business, which provides human work force, and the DX business, which provides digital labor force.

### (Personnel Recruiting Services Business)

In the personnel recruiting services business, the Company has assisted its client companies with the recruiting and deployment of human resources by providing online job information sites, as well as creating an environment where each job seeker can work with enthusiasm and energy.

The major services provided by the personnel recruiting services business are as follows:

Name of service	Description
Baitoru	A website offering part-time employment information
Spot Baitoru	An information site for spot part-time jobs
Baitoru NEXT	A job information website for those seeking regular or contract employee posts
Hatarako.net	A comprehensive job information website
Baitoru PRO	A comprehensive job information website for specialized jobs
Nurse de Hatarako	A recruitment service for nurses
Nursing Care de Hatarako	A recruitment service for caregivers

### (DX Business)

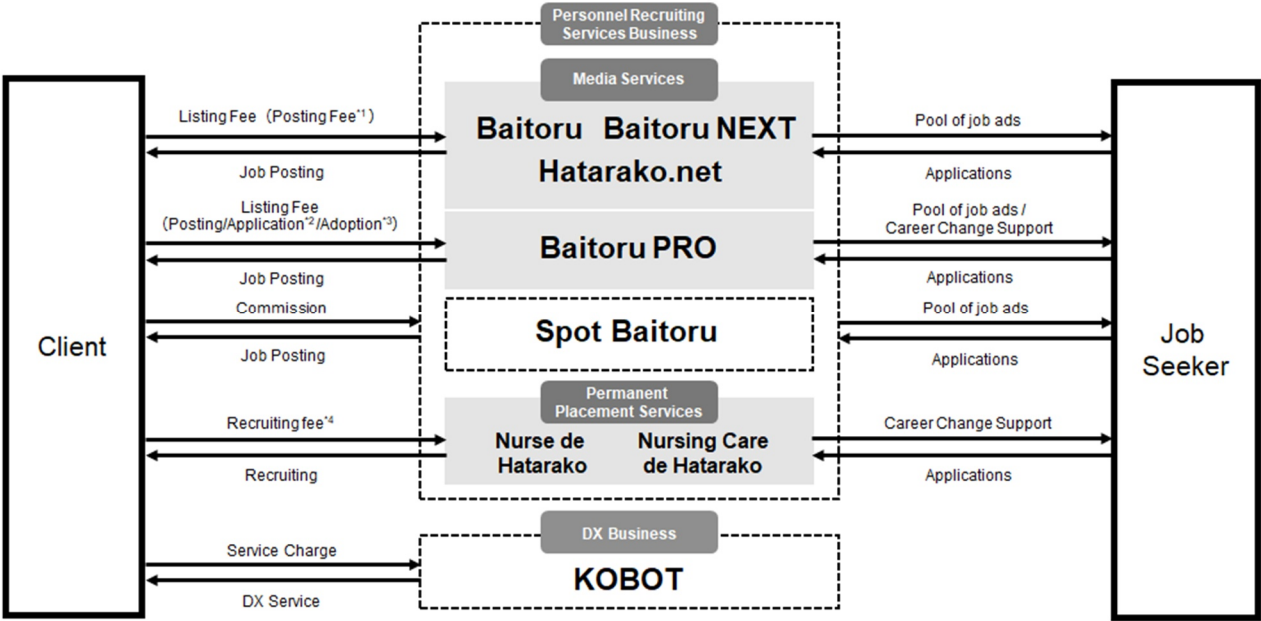
In the DX business, since September 2019, the Company has been supporting the digital transformation (DX) of SMEs through the offering of DX services packaged to facilitate the introduction and continued use of the product. The product is designed specifically for small and medium sized companies and is packaged with a limited number of functions.

The major services provided by the DX business are as follows:

Name of service	Description
Corporate Recruiting Page KOBOT	Creates websites for recruiting activities featuring Baitoru's unique functions such as workplace introduction videos
Interview Scheduling KOBOT	Automatically sets interview dates with applicants
Personnel Administration KOBOT	Part-time worker onboarding and labor management
Temp Agency KOBOT	Supports the sales activities of temp agencies
Patronage KOBOT for LINE	Supports marketing activities by restaurants and retailers
MEO KOBOT	MEO (Map Engine Optimization) services to support customer attraction by displaying higher rankings in map searches
Social Media Booster KOBOT	Reservations can be made from SNS accounts. Reservation ledger function to support customer management for restaurants.



Our business flow chart is as follows:



\*1 Posting Fee : A model in which a job posting fee is paid based on the length of time a position is posted on our website.

\*2 Application Fee : A model in which job postings to our website are free and fees are paid when applications for the position are received.

\*3 Adoption fee : A model in which job postings to our website are free and fees are paid when a candidate is hired.

\*4 Recruiting fee : A model in which a commission is paid at the appropriate time when the employment decision is made through our staffing service.

### 3. Basic Approach towards Selection of Accounting Standards

The Company currently carries out business and fund procurement mainly in Japan and will adopt Japanese standards for the time being. Regarding the application of IFRS (International Financial Reporting Standards), we plan to deal with the matter as appropriate based on future business development and trends of domestic competitors.

#### 4. Consolidated Financial Statements and Notes

##### (1) Consolidated Balance Sheet

(Thousands of yen)

	FY'24/2 As of February 29, 2024	FY'25/2 As of February 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	19,116,841	18,156,176
Notes and accounts receivable - trade	5,785,358	5,562,822
Supplies	19,952	12,003
Other	3,396,408	2,670,010
Allowance for doubtful accounts	(171,620)	(136,874)
Total current assets	28,146,940	26,264,138
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,105,623	2,724,139
Accumulated depreciation	(717,199)	(827,270)
Buildings and structures, net	1,388,423	1,896,869
Tools, furniture and fixtures	871,617	983,302
Accumulated depreciation	(682,738)	(683,010)
Tools, furniture and fixtures, net	188,879	300,291
Land	465,499	465,499
Construction in progress	1,530	4,816
Total property, plant and equipment	2,044,332	2,667,477
Intangible assets		
Software	8,920,895	10,528,317
Other	706,656	667,519
Total intangible assets	9,627,552	11,195,836
Investments and other assets		
Investment securities	※ 1 5,754,663	※ 1 5,110,230
Long-term loans receivable	75,000	-
Deferred tax assets	1,898,003	2,673,806
Other	3,274,663	2,639,622
Allowance for doubtful accounts	(48,690)	(44,499)
Total investments and other assets	10,953,640	10,379,159
Total non-current assets	22,625,525	24,242,474
Total assets	50,772,466	50,506,612

(Thousands of yen)

	FY'24/2 As of February 29, 2024	FY'25/2 As of February 28, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	454,833	427,602
Accounts payable – other	3,864,049	3,614,283
Income taxes payable	1,420,379	3,302,730
Contract liabilities	938,197	895,014
Provision for bonuses	733,008	1,092,240
Allowance for losses on contracts	82,500	-
Asset retirement obligations	57,809	155,793
Other	1,688,986	1,558,983
Total current liabilities	9,239,763	11,046,647
Non-current liabilities		
Provision for share-based remuneration	289,526	651,152
Provision for share-based remuneration for directors	128,523	163,136
Asset retirement obligations	615,135	797,844
Other	791,158	1,611,851
Total non-current liabilities	1,824,344	3,223,985
Total liabilities	11,064,108	14,270,633
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,085,000	1,085,000
Capital surplus	7,440,508	7,479,351
Retained earnings	37,413,468	41,067,774
Treasury shares	(7,117,774)	(13,968,770)
Total shareholders' equity	38,821,202	35,663,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	438,406	173,305
Total accumulated other comprehensive income	438,406	173,305
Share acquisition rights	432,252	385,940
Non-controlling interests	16,496	13,377
Total net assets	39,708,357	36,235,979
Total liabilities and net assets	50,772,466	50,506,612

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income

(Thousands of yen)

	FY'24/2 (March 1, 2023– February 29, 2024)	FY'25/2 (March 1, 2024– February 28, 2025)
Sales	53,782,301	56,386,193
Cost of sales	5,824,996	5,881,908
Gross profit	47,957,304	50,504,284
Selling, general and administrative expenses	※1, ※2 35,195,961	※1, ※2 37,098,537
Operating income	12,761,342	13,405,747
Non-operating income		
Interest income	4,413	11,176
Share of profit of entities accounted for using equity method	9,439	-
Dividend income of insurance	17,181	27,802
Subsidy income	14,270	1,102
Other	33,245	23,024
Total non-operating income	78,550	63,106
Non-operating expenses		
Share of loss of entities accounted for using equity method	-	22
Amortization of restricted stock remuneration	200,904	168,506
Other	20,026	42,709
Total non-operating expenses	220,931	211,238
Ordinary profit	12,618,962	13,257,615
Extraordinary income		
Gain on sale of investment securities	60,982	271,607
Gain on reversal of share acquisition rights	84,512	34,419
Gain on receipt of donated non-current assets	485	72,915
Other	6,108	-
Total extraordinary income	152,088	378,942
Extraordinary losses		
Impairment loss	※3 43,080	※3 333,979
Loss on sale of investment securities	-	47,962
Loss on valuation of investment securities	742,990	205,667
Total extraordinary losses	786,070	587,609
Profit before income taxes	11,984,980	13,048,948
Income taxes – current	3,268,029	4,756,248
Income taxes – deferred	(329,745)	(658,913)
Total income taxes	2,938,283	4,097,335
Net income	9,046,696	8,951,612
Net income attributable to non-controlling interests	(4,001)	353
Net income attributable to owners of parent	9,050,698	8,951,259

# Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY'24/2 (March 1, 2023– February 29, 2024)	FY'25/2 (March 1, 2024– February 28, 2025)
Net income	9,046,696	8,951,612
Other comprehensive income		
Valuation difference on available-for-sale securities	(59,470)	(265,101)
Total other comprehensive income	※ (59,470)	※ (265,101)
Comprehensive income	8,987,226	8,686,511
(Breakdown)		
Comprehensive income attributable to owners of parent	8,991,228	8,686,158
Comprehensive income attributable to non-controlling interests	(4,001)	353

(3) Consolidated Statement of Changes in Equity  
FY'24/2 (From March 1, 2023 to February 29, 2024)

(Thousand Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,085,000	5,142,864	32,840,235	(1,942,745)	37,125,354
Changes during period					
Dividends of surplus			(4,477,465)		(4,477,465)
Net income attributable to owners of parent			9,050,698		9,050,698
Purchase of treasury shares				(6,459,894)	(6,459,894)
Disposal of treasury shares		2,297,644		1,284,865	3,582,509
Changes in items other than shareholders' equity (net)					
Total changes during period	-	2,297,644	4,573,232	(5,175,028)	1,695,847
Balance at end of period	1,085,000	7,440,508	37,413,468	(7,117,774)	38,821,202

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	497,876	497,876	601,507	17,997	38,242,736
Changes during period					
Dividends of surplus					(4,477,465)
Net income attributable to owners of parent					9,050,698
Purchase of treasury shares					(6,459,894)
Disposal of treasury shares					3,582,509
Changes in items other than shareholders' equity (net)	(59,470)	(59,470)	(169,255)	(1,501)	(230,227)
Total changes during period	(59,470)	(59,470)	(169,255)	(1,501)	1,465,620
Balance at end of period	438,406	438,406	432,252	16,496	39,708,357

FY'25/2 (From March 1, 2024 to February 28, 2025)

(Thousand Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,085,000	7,440,508	37,413,468	(7,117,774)	38,821,202
Changes during period					
Dividends of surplus			(5,296,953)		(5,296,953)
Net income attributable to owners of parent			8,961,259		8,961,259
Purchase of treasury shares				(7,049,898)	(7,049,898)
Disposal of treasury shares		38,843		198,902	237,745
Changes in items other than shareholders' equity (net)					
Total changes during period	-	38,843	3,654,306	(6,850,995)	(3,157,845)
Balance at end of period	1,085,000	7,479,351	41,067,774	(13,968,770)	35,663,356

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	438,406	438,406	432,252	16,496	39,708,357
Changes during period					
Dividends of surplus					(5,296,953)
Net income attributable to owners of parent					8,951,259
Purchase of treasury shares					(7,049,898)
Disposal of treasury shares					237,745
Changes in items other than shareholders' equity (net)	(265,101)	(265,101)	(46,312)	(3,118)	(314,532)
Total changes during period	(265,101)	(265,101)	(46,312)	(3,118)	(3,472,378)
Balance at end of period	173,305	173,305	385,940	13,377	36,235,979



(4) Consolidated Statement of Cash Flows

	FY'24/2 (March 1, 2023– February 29, 2024)	FY'25/2 (March 1, 2024– February 28, 2025)
Cash flows from operating activities		
Net income before income taxes	11,984,980	13,048,948
Depreciation	3,066,797	3,577,472
Share-based remuneration expenses	536,698	503,636
Share of loss (profit) of entities accounted for using equity method	(9,439)	22
Interest and dividend income	(4,413)	(11,176)
Commission expenses	10,695	9,007
Loss (gain) on sales of investment securities	(60,982)	(223,645)
Loss (gain) on valuation of securities	742,990	205,667
Loss (gain) on investments in investment partnerships	6,691	11,672
Gain on reversal of share acquisition rights	(84,512)	(34,419)
Gain on receipt of donated non-current assets	(485)	(72,915)
Impairment loss	43,080	333,979
Decrease (increase) in trade receivables	(320,519)	226,727
Increase (decrease) in trade payables	16,521	(27,230)
Increase (decrease) in contract liabilities	263,910	(43,182)
Increase (decrease) in accounts payable - other	119,539	(364,707)
Increase (decrease) in allowance for doubtful accounts	76,228	(38,936)
Increase (decrease) in provision for bonuses	99,716	359,231
Increase (decrease) in allowance for losses on contracts	(82,500)	(82,500)
Loss (gain) on change in equity	(6,108)	-
Decrease (increase) in other assets	(2,562,731)	1,060,829
Increase (decrease) in other liabilities	(393,991)	599,637
Other, net	274,045	326,882
Subtotal	13,716,211	19,365,002
Interest and dividends received	508,960	17,291
Income taxes paid	(4,698,204)	(2,928,396)
Cash flows from operating activities	9,526,968	16,453,896
Cash flows from investing activities		
Purchase of property, plant and equipment	(273,408)	(450,109)
Purchase of intangible assets	(3,849,530)	(4,994,366)
Purchase of investment securities	(348,000)	(191,722)
Proceeds from sales of investment securities	399,020	460,445
Payments into time deposits	(5,000,000)	(6,000,000)
Proceeds from withdrawal of time deposits	2,000,000	6,000,000
Proceeds from collection of long-term loans receivable	75,000	150,000
Payments of leasehold and guarantee deposits	(356,522)	(280,578)
Proceeds from refund of leasehold and guarantee deposits	25,972	88,281
Payments associated with fulfillment of asset retirement obligations	(70,413)	(31,633)
Proceeds from distribution of residual assets	32,966	-
Cash flows from investing activities	(7,364,914)	(5,249,683)
Cash flows from financing activities		
Purchase of treasury shares	(6,459,894)	(7,049,898)
Proceeds from sales of treasury shares	2,683,038	139,344
Proceeds from exercise of employee share options	234,831	49,325
Dividends paid	(4,471,562)	(5,291,669)
Proceeds from share issuance to non-controlling shareholders	2,500	-
Repayments to non-controlling shareholders	-	(2,423)
Other, net	(10,695)	(9,000)
Cash flows from financing activities	(8,021,782)	(12,164,322)
Effect of exchange rate change on cash and cash equivalents	2,175	(555)
Increase (decrease) in cash and cash equivalents	(5,857,553)	(960,664)
Cash and cash equivalents at beginning of period	21,974,394	16,116,841
Cash and cash equivalents at end of period	* 16,116,841	* 15,156,176

## (5) Notes to Consolidated Financial Statements

### (Notes to Going Concern Assumption)

Not applicable

### (Bases of Presenting Consolidated Financial Statements)

#### 1. Scope of consolidation

##### (1) Number of consolidated subsidiaries: 1

Name of consolidated subsidiary: DIP Labor Force Solution Investment Business Limited Partnership

##### (2) Non-consolidated subsidiaries

Name of non-consolidated subsidiary: DIP America, Inc.

Reason for exclusion from scope of consolidation:

The non-consolidated company has been excluded from the scope of consolidation since it is minor in size and its total assets, sales, net income/loss (amount proportional to the equity share) and retained earnings (amount proportional to the equity share), etc., do not have a significant impact on consolidated financial statements.

#### 2. Application of equity method

##### (1) Number of affiliates accounted for using the equity method: 2

Names of affiliates:     xOperation Group, Inc.

TRUNK Co., Ltd.

##### (2) Non-consolidated subsidiaries and affiliates not accounted for using the equity method

Names of non-consolidated subsidiaries and affiliates not accounted for using the equity method: DIP America, Inc.

Reason for not applying the equity method:

The company has been excluded from the application of the equity method since it has a minor impact on consolidated financial statements in terms of net income (amount proportional to the equity share) and retained earnings (amount proportional to the equity share), etc., and has no significance as a whole if it is excluded from the scope of the equity method.

##### (3) Matters deemed necessary to be stated regarding procedures for application of the equity method

The most recent financial statements have been used for companies accounted for using the equity method with a different fiscal year-end date.

The consolidated statements have been adjusted to reflect significant transactions that took place between their fiscal year-end dates and the consolidated fiscal year-end date.

#### 3. Fiscal periods of consolidated subsidiaries

The fiscal year-end date of consolidated subsidiary DIP Labor Force Solution Investment Business Limited Partnership is November 30. The financial statements as of its fiscal year-end date have been used in the preparation of consolidated financial statements. The consolidated statements have been adjusted to reflect significant transactions that took place between its fiscal year-end date and the consolidated fiscal year-end date.

#### 4. Accounting policies

##### (1) Valuation standards and methods for major assets

###### (i) Securities

Available-for-sale securities

Other than securities without market value: Stated at fair value

(All valuation gains or losses are treated as a component of net assets, with the cost of securities sold calculated using the moving-average method.)

Securities without market value:

Mainly stated at cost using the moving-average method

Investments in limited liability partnerships and the like (those deemed to be securities pursuant to Article 2, Paragraph (2) of the Financial Instruments and Exchange Act) are stated at the net value of equities based on the most recent financial statements available prepared according to the financial reporting dates specified in the respective partnership agreements.

###### (ii) Inventories

Supplies:

Stated at cost using the last purchase price method

(Balance sheet amounts are determined by writing down the book value according to the decrease in profitability.)

##### (2) Depreciation methods for major depreciation assets

###### (i) Property, plant and equipment

Depreciation of property, plant and equipment is principally calculated by the declining-balance method, except for buildings, which is depreciated using the straight-line method. However, depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, is based on the straight-line method.

The useful lives of major assets are as follows:

Buildings and structures: 3 to 47 years

Tools, furniture and fixtures: 2 to 20 years

###### (ii) Intangible assets

Depreciation of intangible assets is calculated by the straight-line method. However, software for internal use is amortized over the estimated useful life (5 years).

##### (3) Reporting basis for major allowances

###### (i) Allowance for doubtful accounts

To prepare for bad debt losses from accounts receivable, loans receivable, etc., the Company provides for the estimated uncollectible amount of normal receivables based on historical loss ratios. Specific claims including doubtful receivables, etc. are individually evaluated for the likelihood of recovery and the estimated uncollectible amount is provided.

###### (ii) Provision for bonuses

To provide for payment of bonuses to employees, an estimated amount of bonuses to be paid during the fiscal year is recorded.

###### (iii) Provision for share-based remuneration

To prepare for share-based remuneration for employees pursuant to the Stock Granting Regulations, an estimated amount according to points allotted to employees at the end of the fiscal year is provided.

###### (iv) Provision for share-based remuneration for directors

To provide for share-based remuneration to directors pursuant to the Stock-based Compensation Regulations, an estimated amount according to points allotted to directors in office at the end of the fiscal year is recorded.

###### (v) Allowance for losses on contracts

To prepare for losses that may be incurred during the remaining terms of contracts with outside business partners, an estimated amount of losses expected to be incurred in the future is provided.

(4) Reporting basis for major revenues and expenses

The details of major performance obligations and the usual timing for recognizing revenues of the major businesses of the Group are as follows.

For major transactions, the period between the fulfillment of performance obligations and the receipt of consideration is generally two months or less. The amount of consideration does not include significant financial elements.

(i) Job ad service

The job ad service provides clients who have the need to hire part-time, regular, and temporary employees with ad posting services on job information websites operated by the Group.

The ad posting plans earn posting fees from clients by providing ad posting services on job information websites operated by the Group. Since the performance obligation will be satisfied over a certain period of time during which the job ad is posted, revenue is recognized proportionally over the contract term.

Application and hiring fee plans earn fees from clients based on results when a user applies or is hired through a job information website operated by the Group. Revenues are recognized based on the judgment that the performance obligation is satisfied when a user applies for a job with the client in the case of the application fee plan, and when the client hires a user in the case of the hiring fee plan.

Transaction prices are calculated based on the consideration promised in the contract with the client, less discounts and sales incentives. For transactions where multiple goods or services are included in one contract, performance obligation included in the contract is identified for each goods or service, with the transaction price allocated to each performance obligation based on the ratio of the independent selling price of the goods or service.

(ii) Recruiting service

The permanent placement service earns fees from clients with the need to hire nurses and other professionals by introducing persons who seek new positions. Since this is a performance-based service aimed at placing new position seekers, revenue is recognized based on the judgment that the performance obligation is satisfied when a candidate joins a company.

Transaction prices are calculated based on the consideration promised in the contract with the client, less discounts. For transactions where it is stipulated in the contract that part of the consideration is to be refunded if the person introduced by the Group to the client company resigns within a certain period of time after joining the company, the refund amount is included in the estimated transaction price based on past performance, and refund liabilities are recorded and deducted from revenue.

Revenue from the daily placement service is recognized at an amount equal to the commission calculated by multiplying the user's wages by a certain percentage. The performance obligations are considered fulfilled when the client approves the end of the user's service and the user's wages, etc., are determined.

Transaction prices are calculated based on the consideration promised in the contract with the client, less any discounts.

(iii) DX service

The DX service earns service charges from clients faced with labor shortages and work efficiency issues by providing KOBOT, etc., which automates routine work. Since performance obligation will be satisfied over a certain period of time during which DX services are provided, revenue is recognized proportionally over the contract term.

Transaction prices are calculated based on the consideration promised in the contract with the client, less discounts and sales incentives. For transactions where multiple goods or services are included in one contract, the performance obligation included in the contract is identified for each goods or service, with the transaction price allocated to each performance obligation based on the ratio of the independent selling price of the goods or service.

(5) Significant hedge accounting methods

(i) Hedge accounting method

Deferred hedge accounting, in principle. Designated hedge accounting is applied to forward exchange contracts that meet the requirements of designated hedge accounting.

(ii) Hedging instrument and hedged item

Hedging instrument: Forward exchange contracts

Hedged item: Accounts payable - other

(iii) Hedging policy

In accordance with the internal rules for derivative transactions, the Company hedges the risk of exchange rate fluctuations related to the hedged item within a specified range.

(iv) Method of evaluating hedge effectiveness

The effectiveness of hedging is evaluated by comparing the cumulative changes in cash flows or market fluctuations of the hedged item with the cumulative changes in cash flows or market fluctuations of the hedging instrument and based on the amount of the change. The Company has confirmed that forward exchange contracts related to foreign currency-denominated receivables and payables that are accounted for using the designated hedge accounting method meet the requirements for designated hedge accounting. That judgment is substituted for the evaluation of hedge effectiveness.

(6) Scope of cash in the consolidated statement of cash flows

Cash in the consolidated statement of cash flows comprises cash in hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

(7) Other important matters related to the preparation of the financial statements

Accounting principles and procedures adopted in the absence of clear provisions of related accounting standards, etc.

Restricted Stock Compensation Plan

Compensation paid to the Company's directors (excluding outside directors) and employees under the Company's restricted stock compensation plan is expensed over the applicable service period.

(Changes in Presentation)

(Consolidated Statement of Income)

"Loss on investments in investment partnerships," which was presented separately under "Non-operating expenses" in the previous consolidated fiscal year, is included in "Other" under "Non-operating expenses" in the consolidated fiscal year under review due to its reduced quantitative significance. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, the "Loss on investments in investment partnerships" of 6,691 thousand yen, which was presented under "Non-operating expenses" in the previous consolidated fiscal year, has been reclassified as "Other."

"Gain on receipt of donated non-current assets," which was included in "Other" under "Extraordinary income" in the previous consolidated fiscal year, is presented separately in the consolidated fiscal year under review due to its increased quantitative significance. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, 6,593 thousand yen that was presented in "Other" under "Extraordinary income" in the previous consolidated fiscal year has been reclassified to 485 thousand yen in "Gain on receipt of donated non-current assets" and 6,108 thousand yen in "Other."

(Consolidated Statement of Cash Flows)

"Gain on receipt of donated non-current assets," which was included in "Other" of "Cash flows from operating activities" in the previous consolidated fiscal year, is presented separately in the consolidated fiscal year under review due to its increased quantitative significance. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, 273,560 thousand yen that was presented in "Other" of "Cash flows from operating activities" in the previous consolidated fiscal year has been reclassified to (485) thousand yen in "Gain on receipt of donated non-current assets" and 274,045 thousand yen in "Other."

## (Additional Information)

### (Employee Stock Ownership Plan (ESOP) Trust)

In May 2012, the Company introduced an employee stock ownership plan trust ("ESOP trust") to enhance corporate value in the medium and long term by motivating employees to realize the Company's corporate vision of becoming a 'Labor force solution company'. The Board of Directors passed a resolution to extend the plan at its meeting held on March 10, 2023, and to dispose of treasury shares on August 22, 2023, at its meeting held on August 1.

#### (1) Summary of the plan

By contributing funds to acquire Company shares, the Company established a trust with employees who satisfy certain requirements as the beneficiaries. Over a predetermined acquisition period, the trust acquires from the stock market Company shares in the number expected to be delivered to Company employees in accordance with pre-established Stock Granting Regulations. Subsequently, the trust delivers to employees at no cost on their retirement Company shares and the cash equivalent of the proceeds from the sale of such shares according to the rank and years of service of employees during the trust period in accordance with the Stock Granting Regulations.

#### (2) Company shares remaining in the trust

Company shares held in the ESOP trust account are recorded as treasury shares under net assets at book value to the trust (excluding ancillary expenses). The book value and number of said treasury shares were 2,573,098 thousand yen and 2,100,905 shares, respectively, in FY'24/2, and 2,462,554 thousand yen and 2,010,670 shares, respectively, in FY'25/2.

### (Board Incentive Plan (BIP) Trust)

In August 2016, the Company introduced a Board Incentive Plan (BIP) trust for its directors (excluding outside directors and overseas residents. The same shall apply hereinafter.) to increase their motivation to contribute to improving corporate value in the medium-to-long term and to share a common sense of interest with the shareholders. The Board of Directors resolved to extend the duration of the Plan at its meeting held on June 22, 2021. Furthermore, at our 26th annual shareholders meeting held on May 24, 2023, along with the transition to a company with an audit committee, it was approved to continue this system after re-establishing the remuneration framework for our directors (excluding directors who are part of the audit committee, external directors, and non-residents in Japan. The same shall apply hereafter.).

#### (1) Summary of the plan

By contributing funds to acquire Company shares, the Company established a trust with its directors who satisfy certain requirements as the beneficiaries. The trust acquires, by way of third-party allotment from the Company, Company shares in the number expected to be delivered to Company directors in accordance with pre-established Stock-based Compensation Regulations. Subsequently, the trust delivers to the directors who meet certain beneficiary requirements Company shares in the number determined according to performance indicators, etc., of each fiscal year and the cash equivalent of the proceeds from the sale of such shares in accordance with the Stock-Based Compensation Regulations on the fixed date of the beneficiary right due to retirement, etc.

#### (2) Company shares remaining in trust

Company shares held in the BIP trust account are recorded as treasury shares under net assets at book value to the trust (excluding ancillary expenses). The book value and number of said treasury shares were 228,440 thousand yen and 73,817 shares, respectively, in FY'24/2, and 228,440 thousand yen and 73,817 shares, respectively, in FY'25/2.

#### (Restricted Stock-Based Compensation Plan for Employees)

In August 2020, the Company introduced an incentive plan using restricted shares (with performance conditions, etc.) (the “Plan”) to motivate its employees (the “Eligible Employees”) to maximize the social and economic value of the Company by strengthening their alignment with shareholders and thereby contributing toward the realization of the Company’s corporate vision of becoming a ‘Labor force solution company’. At the Board of Directors meeting held on June 22, 2021, the Company resolved to allot shares to employees who were hired between April 2, 2020, and May 31, 2021, and who were promoted between May 1, 2020, and May 31, 2021, and at the board of directors meeting held on July 13, 2022, to allot shares to employees who were hired or promoted between June 1, 2021, and June 1, 2022. At the Board of Directors meeting held on August 1, 2023, it also resolved to allot shares to employees hired or promoted between June 2, 2022, and June 1, 2023.

In the Plan, the Company had set performance targets five years in advance, the achievement of which was the condition for lifting transfer restrictions. However, due to revisions to its medium-term management plan, the Board of Directors resolved on April 14, 2023, to extend the transfer restriction period by two years and to revise the performance conditions for those allottees who are the Company’s employees belonging to the DX Business Group, which had been sales and operating income of the DX business, to the same conditions as those applied to the Company employees belonging to departments other than the DX Business Group, which are consolidated sales and consolidated operating income (or non-consolidated sales and non-consolidated operating income if non-consolidated).

#### (1) Summary of the plan

The Eligible Employees will pay all monetary claims granted by the Company under the Plan as payment in kind and, in return, be subject to the issuance or disposition of common stock of Company shares. The amount to be paid per common stock that will be issued or disposed of to the Eligible Employees by the Company under the Plan will be determined by the Board of Directors based on the closing price of common stock of Company shares on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors (if there is no closing price on such date, the amount will be based on the closing price on the most recent trading day) to the extent that such amount will not be an amount particularly favorable to the Eligible Employees who subscribe for such common stock.

In addition, when issuing or disposing of the Company’s common stock under the Plan, a restricted share allotment agreement will be executed between the Company and the Eligible Employees. The contents of such agreement will include, among other matters, (i) a provision preventing the Eligible Employees from transferring, creating a security interest, or otherwise disposing of the Company’s common stock that has been allotted to the Eligible Employees under the restricted share allotment agreement for a certain period, and (ii) a provision that, if certain events should arise, the Company will acquire such common stock for no consideration.

#### (2) Conditions to release transfer restriction

The transfer restriction will be released at the expiry of the transfer restriction period (or on the date the summary report on financial results for the year ending February 2027 is released, if such report is released prior to the expiry of the transfer restriction period) for all or part of the allotted shares, subject to the enrollment conditions, which require the Eligible Employees to remain in a position of director, corporate officer (who does not hold a position as director), employee or equivalent throughout the transfer restriction period in question, and based on the position conditions and the performance conditions. The Company will automatically acquire the allotted shares for which the transfer restriction is unreleased for no consideration.

However, if an Eligible Employee retires or resigns from the position of director, corporate officer (who does not hold a position as director), employee, or equivalent prior to the expiry of the transfer restriction period in question for reasons deemed justifiable by the Board of Directors, the number of allotted shares for which the transfer restriction will be released and the timing of releasing the transfer restriction shall be adjusted reasonably as needed.

#### (3) Total number of shares held by Eligible Employees

FY’24/2: 972,245 shares; FY’25/2: 880,563 shares

#### (Restricted Stock-Based Compensation Plan for Directors)

The Company obtained approval for the following at its 24th Annual General Meeting of Shareholders held on May 26, 2021: i) introducing a compensation plan utilizing restricted stock (with performance-based conditions) for directors (the “Plan”) to encourage the Company’s directors (excluding outside directors) to maximize the social and economic value of the Company by strengthening their alignment with our shareholders and thereby contributing toward the realization of our corporate vision of becoming a ‘Labor force solution company’ and ii) setting the upper limit of the total annual amount of monetary claims paid to the Company’s directors (excluding outside directors) as compensation utilizing restricted stock based on the Director Compensation Plan at 900,000 thousand yen. Furthermore, the following was approved at the Company’s 26th Annual General Meeting of Shareholders held on May 24, 2023: i) to make procedural changes following the transition to a company with an Audit & Supervisory Committee; ii) to extend the transfer restriction period by two years; and iii) to decide and revise the remuneration for allotting restricted stock to the Company’s directors (excluding directors who are Audit & Supervisory Committee Members and outside directors; hereinafter, “Eligible Directors”).

The following was also approved: i) the upper limit of the total number of restricted stock to be allotted each fiscal year to the Eligible Directors will be 350,000 shares (the assumption is, as a rule, that shares equivalent to the consideration for the execution of duties over six fiscal years will be allotted in a lump sum; in reality, this is equivalent to allotments of up to 58,333 shares per fiscal year); and ii) the transfer restriction period of the restricted stock will be a period within six years stipulated by the Board of Directors (the “Transfer Restriction Period”).

Of the three directors who were granted restricted stock based on the proposal that was approved at the 24th Annual General Meeting of Shareholders, one retired due to the expiry of his term of office at the 26th Annual General Meeting of Shareholders. This director has continued to hold the restricted stock as a person equivalent to a director (corporate officer) until he was elected director and Audit & Supervisory Committee member at the 27th Annual General Meeting of Shareholders held on May 23, 2024, and as a director since his appointment as a director and Audit & Supervisory Committee member.

#### (1) Summary of the plan

The Eligible Directors will pay all monetary claims granted by the Company as payment in kind in accordance with the resolution of the Company’s Board of Directors and, in return, be subject to the issuance or disposition of common stock of Company shares. The amount to be paid per restricted stock will be determined by the Board of Directors based on the closing price of common stock of Company shares on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors on the issuance or disposal of such restricted stock (if there is no closing price on such date, the amount will be based on the closing price on the most recent trading day) to the extent that such amount will not be an amount particularly favorable to the Eligible Directors who subscribe for such restricted stock.

In addition, when issuing or disposing of the Company’s common stock under the Plan, a restricted share allotment agreement will be executed between the Company and the Eligible Directors. The contents of such agreement will include, among other matters, (i) a provision preventing the Eligible Directors from transferring, creating a security interest, or otherwise disposing of the Company’s common stock that has been allotted to the Eligible Directors under the restricted share allotment agreement for a certain period, and (ii) a provision that, if certain events should arise, the Company will acquire such common stock for no consideration.

#### (2) Conditions to release transfer restriction

The transfer restriction will be released at the expiry of the Transfer Restriction Period (or on the date the summary report on financial results for the year ending February 2027 is released, if such report is released prior to the expiry of the Transfer Restriction Period) for all or part of the allotted shares, subject to the enrollment conditions, which require Eligible Directors to remain in a position of director of the Company, a director of a subsidiary of the Company or equivalent throughout the Transfer Restriction Period, and based on the position conditions and the performance conditions. The Company will automatically acquire the allotted shares for which the transfer restriction is unreleased for no consideration.

However, if an Eligible Director retires or resigns from the position of director of the Company, a director of a subsidiary of the Company or equivalent prior to the expiry of the Transfer Restriction Period for reasons deemed justifiable by the Board of Directors, the number of allotted shares for which the transfer restriction will be released and the timing of releasing the transfer restriction shall be adjusted reasonably as needed.

#### (3) Total number of shares held by Eligible Directors

FY’24/2: 160,000 shares; FY’25/2: 160,000 shares



## (Consolidated Balance Sheet)

\*1 Amounts related to non-consolidated subsidiaries and affiliates are as follows:

	(Thousand yen)	
	FY'24/2 (As of February 29, 2024)	FY'25/2 (As of February 28, 2025)
Investment securities (shares)	38,993	38,970

### \*2 Overdraft agreements and commitment line agreements

To facilitate efficient procurement of operating capital, the Company has entered into overdraft agreements with three banks.

In addition, to ensure flexibility and stability in financing, the Company has entered into commitment line agreements with three financial institutions. The unused balance of loans under these agreements as of the end of the fiscal year under review is as follows.

	(Thousand yen)	
	FY'24/2 (As of February 29, 2024)	FY'25/2 (As of February 28, 2025)
Total of overdraft limits	15,000,000	20,000,000
Total of commitment line	15,000,000	15,000,000
Used loans	-	-
Available	30,000,000	35,000,000

The above commitment line agreements are subject to the following financial covenants. If the Company violates all of the following covenants, a lump sum repayment of the loan will be required at the lender's request.

#### FY'24/2 (As of February 29, 2024)

- (i) The total amount of net assets on the consolidated balance sheet as of the last day of the fiscal year must be maintained at 0 yen or more.
- (ii) The amount of operating income or loss (or net income or loss after income taxes) on the consolidated statement of income as of the last day of the fiscal year must not be in the red for two consecutive years.

#### FY'25/2 (As of February 28, 2025)

- (i) The total amount of net assets on the consolidated balance sheet as of the last day of the fiscal year must be maintained at 0 yen or more.
- (ii) The amount of operating income or loss (or net income or loss after income taxes) on the consolidated statement of income as of the last day of the fiscal year must not be in the red for two consecutive years.

(Consolidated Statement of Income)

\*1 The major items and their amounts included in “selling, general and administrative expenses” are as follows:

	FY'24/2 (From March 1, 2023 To February 29, 2024)	FY'25/2 (From March 1, 2024 To February 28, 2025)
Salaries and allowances	12,413,603	12,173,949
Advertising expenses	9,318,922	10,502,100
Provision of allowance for doubtful accounts	177,578	10,220
Provision for bonuses	647,796	1,011,579
Provision for share-based remuneration	238,832	455,769
Provision for share-based remuneration for directors	28,431	34,613
Retirement benefit expenses	41,890	39,978

\*2 Total research and development expenses included in general and administrative expenses

	FY'24/2 (From March 1, 2023 To February 29, 2024)	FY'25/2 (From March 1, 2024 To February 28, 2025)
	44,780	50,223

\*3 Impairment loss

FY'24/2 (From March 1, 2023 to February 29, 2024)

1. Asset for which impairment loss was recognized

Location	Usage	Type	Impairment loss
Koto-ku, Tokyo	Asset for personnel recruiting services business	Software	43,080

2. Background to recognition of impairment loss

Impairment loss was recognized since the Company considered it unlikely to earn profits as initially projected.

3. Asset grouping method

In applying non-current asset impairment accounting, the Company groups assets at the lowest level for which there are cash flows that are largely independent of those from other assets.

4. Recoverable amount calculation method

The recoverable amount of the asset in question is measured on the basis of value in use. Since the value in use based on future cash flows is negative, the recoverable amount is estimated at zero.

FY'25/2 (From March 1, 2024 to February 28, 2025)

1. Asset for which impairment loss was recognized

(Thousand yen)

Location	Usage	Type	Impairment loss
Minato-ku, Tokyo	Asset for personnel recruiting services business	Software	333,979

2. Background to recognition of impairment loss

Impairment loss was recognized since the Company considered it unlikely to earn profits as initially projected.

3. Asset grouping method

In applying non-current asset impairment accounting, the Company groups assets at the lowest level for which there are cash flows that are largely independent of those from other assets.

4. Recoverable amount calculation method

The recoverable amount of the asset in question is measured on the basis of value in use. Since the value in use based on future cash flows is negative, the recoverable amount is estimated at zero.

(Consolidated Statement of Comprehensive Income)

Amount of reclassification adjustment and tax effect relating to other comprehensive income

(Thousand yen)

	FY'24/2 (From March 1, 2023 To February 29, 2024)	FY'25/2 (From March 1, 2024 To February 28, 2025)
Valuation difference on available-for-sale securities		
Valuation difference arising during the year	(142,977)	(169,490)
Reclassification adjustment	57,285	(212,500)
Before tax-effect adjustment	(85,691)	(381,990)
Tax effect	26,221	116,889
Valuation difference on available-for-sale securities	(59,470)	(265,101)
Amount equivalent to equity share in entities accounted for using equity method		
Amount arising during the year	-	-
Total other comprehensive income	(59,470)	(265,101)

(Consolidated Statement of Changes in Equity)

FY'24/2 (From March 1, 2023 to February 29, 2024)

1. Type and total number of shares outstanding and treasury shares

Type of shares	Number of shares at the beginning of the fiscal year	Number of shares increased during the fiscal year	Number of shares decreased during the fiscal year	Number of shares at the end of the fiscal year
Shares outstanding				
Common stock	60,140,000	-	-	60,140,000
Total	60,140,000	-	-	60,140,000
Treasury shares				
Common stock (Notes 1, 2)	4,313,065	2,027,916	1,060,790	5,280,191
Total	4,313,065	2,027,916	1,060,790	5,280,191

Notes: 1. Summary of reasons for change in treasury shares

The number of shares increased can be broken down as follows.

Increase due to purchase of restricted shares without consideration: 107,316 shares

Increase due to purchase of treasury shares on the market: 1,220,600 shares

Increase due to purchase of treasury shares for trust account following continuation of the ESOP trust: 700,000 shares

The number of shares decreased can be broken down as follows.

Decrease due to exercise of stock options: 86,100 shares

Decrease due to sale or delivery of shares in the ESOP trust account: 76,170 shares

Decrease due to sale or delivery of shares in the BIP trust account: 17,645 shares

Decrease due to delivery of restricted shares: 180,875 shares

Decrease due to disposal of treasury shares following continuation of the ESOP trust: 700,000 shares

2. The number of shares of Company stock held in the ESOP trust account that are included in the number of treasury shares at the beginning and end of the consolidated fiscal year is 1,477,075 shares and 2,100,905 shares, respectively, and the number of shares of Company stock held in the BIP trust account is 91,462 shares and 73,817 shares, respectively.

2. Share acquisition rights

Company name	Breakdown	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights				Balance at the end of the fiscal year (thousand yen)
			At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	
dip Corporation	8th series of stock options based on resolution of the Board of Directors on June 21, 2018	-	-	-	-	-	344,858
	9th series of stock options based on resolution of the Board of Directors on June 21, 2019 (Note)	-	-	-	-	-	87,394
Total			-	-	-	-	432,252

Note: The exercise period for the 9th series of stock options based on the resolution of the Board of Directors on June 21, 2019, has not yet commenced.

### 3. Dividends

#### (1) Dividend payments

Resolution	Type	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Meeting of Board of Directors on April 14, 2023 (Note 1)	Common stock	2,181,027	38	February 28, 2023	May 25, 2023	Retained earnings
Meeting of Board of Directors on October 11, 2023 (Note 2)	Common stock	2,296,437	40	August 31, 2023	November 17, 2023	Retained earnings

Notes: 1. Total dividends based on the resolution of the annual general meeting of shareholders on April 14, 2023, include dividends of 56,128 thousand yen in relation to 1,477,075 shares of Company stock held in the ESOP trust account and dividends of 3,475 thousand yen in relation to 91,462 shares of Company stock held in the BIP trust account.

2. Total dividends based on the resolution of the annual general meeting of shareholders on October 11, 2023, include dividends of 84,938 thousand yen in relation to 2,123,465 shares of Company stock held in the ESOP trust account and dividends of 2,952 thousand yen in relation to 73,817 shares of Company stock held in the BIP trust account.

#### (2) Dividends with a record date in the fiscal year but an effective date in the following fiscal year

Resolution	Type	Total dividends (thousand yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Meeting of Board of Directors on April 12, 2024 (Note)	Common stock	2,737,657	Retained earnings	48	February 29, 2024	May 24, 2024

Note: Total dividends include dividends of 100,843 thousand yen in relation to 2,100,905 shares of Company stock held in the ESOP trust account and dividends of 3,543 thousand yen in relation to 73,817 shares of Company stock held in the BIP trust account.

FY'25/2 (From March 1, 2024 to February 28, 2025)

1. Type and total number of shares outstanding and treasury shares

Type of shares	Number of shares at the beginning of the fiscal year	Number of shares increased during the fiscal year	Number of shares decreased during the fiscal year	Number of shares at the end of the fiscal year
Shares outstanding				
Common stock	60,140,000	-	-	60,140,000
Total	60,140,000	-	-	60,140,000
Treasury shares				
Common stock (Notes 1, 2)	5,280,191	2,678,686	135,785	7,823,092
Total	5,280,191	2,678,686	135,785	7,823,092

Notes: 1. Summary of reasons for change in treasury shares

The number of shares increased can be broken down as follows.

Increase due to purchase of restricted shares without consideration: 133,532 shares

Increase due to purchase of treasury shares on the market: 2,545,000 shares

Increase due to request for purchase of odd-lot shares: 154 shares

The number of shares decreased can be broken down as follows.

Decrease due to exercise of stock options: 24,700 shares

Decrease due to sale or delivery of shares in the ESOP trust account: 90,2350 shares

Decrease due to delivery of restricted shares: 20,850 shares

2. The number of shares of Company stock held in the ESOP trust account that are included in the number of treasury shares at the beginning and end of the consolidated fiscal year is 2,100,905 shares and 2,010,670 shares, respectively, and the number of shares of Company stock held in the BIP trust account is 73,817 shares and 73,817 shares, respectively.

2. Share acquisition rights

Company name	Breakdown	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights				Balance at the end of the fiscal year (thousand yen)
			At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	
dip Corporation	8th series of stock options based on resolution of the Board of Directors on June 21, 2018	-	-	-	-	-	311,502
	9th series of stock options based on resolution of the Board of Directors on June 21, 2019 (Note)	-	-	-	-	-	74,438
	Total		-	-	-	-	385,940

### 3. Dividends

#### (1) Dividend payments

Resolution	Type	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Meeting of Board of Directors on April 12, 2024 (Note 1)	Common stock	2,737,657	48	February 29, 2024	May 24, 2024	Retained earnings
Meeting of Board of Directors on October 15, 2024 (Note 2)	Common stock	2,559,295	47	August 31, 2024	November 18, 2024	Retained earnings

Notes: 1. Total dividends based on the resolution of the annual general meeting of shareholders on April 12, 2024, include dividends of 10,843 thousand yen in relation to 2,100,905 shares of Company stock held in the ESOP trust account and dividends of 3,543 thousand yen in relation to 73,817 shares of Company stock held in the BIP trust account.

2. Total dividends based on the resolution of the annual general meeting of shareholders on October 15, 2024, include dividends of 96,741 thousand yen in relation to 2,058,320 shares of Company stock held in the ESOP trust account and dividends of 3,469 thousand yen in relation to 73,817 shares of Company stock held in the BIP trust account.

#### (2) Dividends with a record date in the fiscal year but an effective date in the following fiscal year

Resolution	Type	Total dividends (thousand yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Meeting of Board of Directors on April, 2025 (Note)	Common stock	2,611,520-	Retained earnings	48	February 28, 2025	May 23, 2025

Note: Total dividends include dividends of 96,512 thousand yen in relation to 2,010,670 shares of Company stock held in the ESOP trust account and dividends of 3,543 thousand yen in relation to 73,817 shares of Company stock held in the BIP trust account.

### (Consolidated Statement of Cash Flows)

\* Reconciliation of cash and cash equivalents as of the end of the fiscal year and the accounts reported in the balance sheet

(Thousand yen)

	FY'24/2 From March 1, 2023 To February 29, 2024	FY'25/2 From March 1, 2024 To February 28, 2025
Cash and deposits account	19,116,841	18,156,176
Time deposits with a maturity of more than three months	(3,000,000)	(3,000,000)
Cash and cash equivalents	16,116,841	15,156,176

(Segment Information etc.)

[Segment information]

1. Overview of reported segments

(1) Method of determining reported segments

The reported segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

(2) Types of products and services included in each reported segment

The Company's reported segments are the personnel recruiting services business, which consists of online job information advertising and the recruitment of nursing staff, and the DX business, which develops and provides services that use DX.

2. Methods for calculating sales, profit or loss, assets, liabilities, and other items by reported segment

The accounting methods used for reported segments are generally the same as those described in "Bases of Presenting Consolidated Financial Statements".

The income figures stated in the reported segments are based on operating income.



## 3. Information on amounts of sales, profit or loss, assets, liabilities, and other items and revenue breakdown by reported segment

FY'24/2 (March 1, 2023 to February 29, 2024)

(Thousand yen)

	Reported segment			Adjustment (Note 1)	Amount recorded in consolidated statement of income (Note 2)
	Personnel Recruiting Services Business	DX Business	Total		
Sales					
Media (job advertising) services	45,748,797	-	45,748,797	-	45,748,797
Permanent Placement services	1,980,500	-	1,980,500	-	1,980,500
DX services	-	5,981,180	5,981,180	-	5,981,180
Other services	71,823	-	71,823	-	71,823
Revenue generated from contracts with customers	47,801,120	5,981,180	53,782,301	-	53,782,301
Other revenue	-	-	-	-	-
Sales — outside customers	47,801,120	5,981,180	53,782,301	-	53,782,301
Sales and transfers — inter-segment	-	-	-	-	-
Total	47,801,120	5,981,180	53,782,301	-	53,782,301
Segment profit	17,175,169	2,837,810	20,012,979	(7,251,636)	12,761,342
Other items					
Depreciation	2,576,352	211,381	2,787,733	279,063	3,066,797

Notes: 1. Adjustment of segment profit of (7,251,636) thousand yen is corporate expenses not allocated to any reported segment.

Corporate expenses are mainly selling, general, and administrative expenses that are not attributable to any reported segment.

2. Segment profit was reconciled with operating income of the consolidated statement of income.

3. Assets, liabilities and other items of the reported segments are not disclosed because, based upon a management decision by the highest decision-making body, such information was not allocated to each segment.

4. Effective FY'24/2 Q1, the presentation of the breakdown information of revenue generated from contracts with customers has been changed from “Baitoru, Baitoru NEXT, Baitoru PRO, Hatarako.net, DX, Other” to “Media (job advertising) services, Permanent Placement services, DX services, Other services” due to a revision of the Company’s sales management categories according to service type.

The breakdown information of revenue generated from contracts with customers for FY'23/2 has been reclassified to reflect this change.

There are no changes to reported segments due to this change.

FY'25/2 (March 1, 2024 to February 28, 2025)

(Thousand yen)

	Reported segment			Adjustment (Note 1)	Amount recorded in consolidated statement of income (Note 2)
	Personnel Recruiting Services Business	DX Business	Total		
Sales					
Media (job advertising) services	47,438,361	-	47,438,361	-	47,438,361
Permanent Placement services	2,120,448	-	2,120,448	-	2,120,448
DX services	-	6,723,335	6,723,335	-	6,723,335
Other services	104,047	-	104,047	-	104,047
Revenue generated from contracts with customers	49,662,857	6,723,335	56,386,193	-	56,386,193
Other revenue	-	-	-	-	-
Sales — outside customers	49,662,857	6,723,335	56,386,193	-	56,386,193
Sales and transfers — inter-segment	-	-	-	-	-
Total	49,662,857	6,723,335	56,386,193	-	56,386,193
Segment profit	18,379,288	3,391,258	21,770,546	(8,364,799)	13,405,747
Other items					
Depreciation	2,917,864	280,640	3,198,505	378,967	3,577,472

Notes: 1. Adjustment of segment profit of (8,364,799) thousand yen is corporate expenses not allocated to any reported segment.

Corporate expenses are mainly selling, general, and administrative expenses that are not attributable to any reported segment.

2. Segment profit was reconciled with operating income of the consolidated statement of income.

3. Assets, liabilities and other items of the reported segments are not disclosed because, based upon a management decision by the highest decision-making body, such information was not allocated to each segment.

[Related information]

FY'24/2 (March 1, 2023 to February 29, 2024)

1. Information by product and service

(Thousand yen)

	Media (job advertising) service	Permanent Placement services	DX services	Other services	Total
Sales to outside customers	45,748,797	1,980,500	5,981,180	71,823	53,782,301

2. Regional information

(1) Sales

Not applicable, since there are no sales to overseas customers.

(2) Property, plant and equipment

(Thousand yen)

Japan	United States of America	Total
1,641,916	402,415	2,044,332

3. Information on each major client

Since no sales to a specific customer exceeded 10% of the sales reported on the income statement, the disclosure of information on major clients is omitted.

FY'25/2 (March 1, 2024 to February 28, 2025)

1. Information by product and service

(Thousand yen)

	Media (job advertising) service	Permanent Placement services	DX services	Other services	Total
Sales to outside customers	47,438,361	2,120,448	6,723,335	104,047	56,386,193

2. Regional information

(1) Sales

Not applicable, since there are no sales to overseas customers.

(2) Property, plant and equipment

(Thousand yen)

Japan	United States of America	Total
2,287,416	380,061	2,667,477

3. Information on each major client

Since no sales to a specific customer exceeded 10% of the sales reported on the income statement, the disclosure of information on major clients is omitted.

[Impairment loss on non-current assets by reported segment]

FY'24/2 (March 1, 2023 to February 29, 2024)

(Thousand yen)

	Personnel recruiting services business	DX business	Total
Impairment loss	43,080	-	43,080

Note: An impairment loss of 43,080 thousand yen was recorded for the personnel recruiting services business since the Company considered it unlikely to earn profits as initially projected.

FY'25/2 (March 1, 2024 to February 28, 2025)

(Thousand yen)

	Personnel recruiting services business	DX business	Total
Impairment loss	333,979	-	333,979

Note: An impairment loss of 333,979 thousand yen was recorded for the personnel recruiting services business since the Company considered it unlikely to earn profits as initially projected.

[Goodwill amortization and unamortized balance by reported segment]

Not applicable.

[Information on gain from negative goodwill by reported segment]

Not applicable.

## (Revenue Recognition)

### 1. Breakdown of revenues from contracts with customers

The breakdown of revenue from contracts with customers is as described in “Notes, (Segment Information, etc.)”.

### 2. Information fundamental to understanding revenues from contracts with customers

Information fundamental to understanding revenues from contracts with customers is as described in “Notes, (“Bases of Presenting Consolidated Financial Statements), 4. Accounting policies, (4) Reporting basis for major revenues and expenses”.

### 3. Information for understanding the amount of revenues of the fiscal year under review and upcoming fiscal years

#### (1) Balance of claims arising from contracts with customers and contract liabilities

	FY'24/2 (Thousand yen)	
	Balance at beginning of period	Balance at end of period
Claims arising from contracts with customers	5,499,254	5,785,358
Contract liabilities	674,286	938,197

Note: Contract liabilities are related to unearned revenue received from customers before the provision of services and are reversed upon recognition of revenue. Of the revenue recognized in FY'24/2, the amount included in the balance of contract liabilities as of the beginning of the period was 673,930 thousand yen.

	FY'25/2 (Thousand yen)	
	Balance at beginning of period	Balance at end of period
Claims arising from contracts with customers	5,785,358	5,562,822
Contract liabilities	938,197	895,014

Note: Contract liabilities are related to unearned revenue received from customers before the provision of services and are reversed upon recognition of revenue. Of the revenue recognized in FY'25/2, the amount included in the balance of contract liabilities as of the beginning of the period was 938,123 thousand yen.

#### (2) Transaction price allocated to remaining performance obligations

The Group applies practical convenience for the note on the transaction price allocated to remaining performance obligations and does not include the following contracts in the targets of the note: a) contracts with an initial anticipated term of one year or less; and b) contracts that recognize revenue at the amount that the Company has the right to charge according to the service performed. The Group has no significant transaction where the initial anticipated term is more than one year.

(Per Share Information)

	FY'24/2 From March 1, 2023 To February 29, 2024	FY'25/2 From March 1, 2024 To February 28, 2025
Net assets per share	¥715.64	¥684.99
Net income per share	¥163.44	¥168.41
Diluted net income per share	¥163.15	¥168.32

Notes: 1. The basis for calculation of net income per share and diluted net income per share is as follows.

	FY'24/2 From March 1, 2023 To February 29, 2024	FY'25/2 From March 1, 2024 To February 28, 2025
Net income per share		
Net income attributable to owners of parent (thousand yen)	9,050,698	8,951,259
Amount not attributable to common stock shareholders (thousand yen)	-	-
Net income attributable to owners of common stock of parent (thousand yen)	9,050,698	8,951,259
Average number of shares of common stock outstanding during the fiscal year (shares)	55,377,903	53,152,520
Diluted net income per share		
Adjustment for net income attributable to owners of parent (thousand yen)	-	-
Increase in number of shares of common stock (shares)	96,937	26,538
Of which, share acquisition rights (shares)	96,937	26,538
Description of potentially dilutive shares not included in the computation of diluted net income per share because of their anti-dilutive effect	-	No. of 8th series of share acquisition rights: 2,316 No. of shares to be issued up on exercise of the 8th series of share acquisition rights: 231,600 shares of common stock

2. The number of Company shares held in the ESOP trust account (2,100,905 shares at the end of FY'24/2 and 1,788,772 shares for the average of FY'24/2) and the number of Company shares held in the BIP trust account (73,817 shares at the end of FY'24/2 and 82,639 shares for the average of FY'24/2) are excluded from the average number of shares of common stock outstanding during the fiscal year that was used in the calculation of per share information for FY'24/2.
3. The number of Company shares held in the ESOP trust account (2,010,670 shares at the end of FY'25/2 and 2,065,370 shares for the average of FY'25/2) and the number of Company shares held in the BIP trust account (73,817 shares at the end of FY'25/2 and 73,817 shares for the average of FY'25/2) are excluded from the average number of shares of common stock outstanding during the fiscal year that was used in the calculation of per share information for FY'25/2.

(Significant Subsequent Events)

Not applicable.

(Note) English documents are prepared as a courtesy to our stakeholders. In the event of any inconsistency between English-language documents and Japanese-language documents, the Japanese-language documents will prevail.