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May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 9644
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 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	14,543	14.2	1,500	48.6	1,589	56.9	1,016	58.6
March 31, 2024	12,739	8.3	1,009	(12.3)	1,012	(12.9)	641	(11.5)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥1,052 million [26.0%]
 For the fiscal year ended March 31, 2024: ¥835 million [17.4%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2025	30.80	30.76	9.4	11.2	10.3
March 31, 2024	19.07	19.04	5.8	7.1	7.9

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

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. “Basic earnings per share” and “diluted earnings per share” have been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	14,328	11,141	74.3	326.05
March 31, 2024	14,139	11,304	77.1	326.65

Reference: Equity

As of March 31, 2025: ¥10,650 million

As of March 31, 2024: ¥10,903 million

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. "Net assets per share" has been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	1,454	1,896	(1,325)	7,665
March 31, 2024	632	(439)	(1,228)	5,638

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2024	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
	–	18.00	–	26.00	44.00	735	115.4	6.7
Fiscal year ended March 31, 2025	–	20.00	–	28.00	48.00	786	77.9	7.4
Fiscal year ending March 31, 2026 (Forecast)	–	12.00	–	14.00	26.00		79.4	

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. The amounts for the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025 are on a pre-split basis, and the amounts for the fiscal year ending March 31, 2026 (forecast) are on a post-split basis. The forecast for the annual dividend per share for the fiscal year ending March 31, 2026, without taking into account the stock split, would have been ¥52.00.

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	7,100	6.5	800	0.4	800	(7.5)	475	(6.3)	14.54
Fiscal year ending March 31, 2026	15,500	6.6	1,800	20.0	1,800	13.3	1,070	5.2	32.76

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. Basic earnings per share shown above are on a post-split basis. Without taking into account the stock split, the basic earnings per share would have been ¥65.52.

*** Notes**

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

Newly included: – companies

Excluded: – companies

Note: Although not a significant change in the scope of consolidation, Surpass Co., Ltd. is included in the scope of consolidation from the fiscal year ended March 31, 2025 due to the acquisition of its shares.

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “3. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Notes on changes in accounting policies)” on page 18 of the Attachments.

(3) Number of issued shares (common stock)

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

As of March 31, 2025	34,000,000 shares
As of March 31, 2024	35,016,800 shares

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

As of March 31, 2025	1,335,816 shares
As of March 31, 2024	1,635,696 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	33,005,326 shares
Fiscal year ended March 31, 2024	33,616,978 shares

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. “Total number of issued shares at the end of the period (including treasury shares),” “number of treasury shares at the end of the period” and “average number of shares outstanding during the period” are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	2,511	91.4	1,307	767.3	1,310	737.9	1,223	–
March 31, 2024	1,311	(74.0)	150	(73.1)	156	(72.3)	105	(72.8)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	37.08	37.03
March 31, 2024	3.13	3.13

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. “Basic earnings per share” and “diluted earnings per share” have been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	10,514	9,983	94.9	305.36
March 31, 2024	10,390	9,984	96.0	298.77

Reference: Equity

As of March 31, 2025: ¥9,974 million

As of March 31, 2024: ¥9,973 million

Note: The Company conducted a stock split with a ratio of two-for-one on April 1, 2025. “Net assets per share” has been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Cautions on forward-looking statements, etc.

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to “1. Overview of operating results and others (4) Future outlook” on page 8 of the Attachments for the assumptions used in providing earnings forecasts and precautions regarding the use of earnings forecasts.

Means of access to supplementary material on financial results and contents of financial results briefing

The Company plans to hold a briefing for institutional investors and analysts on the following date:
June 6, 2025, Online format

A replay of the briefing and the content of the presentation (audio) will be posted on the Company’s website promptly after the meeting, together with the financial results presentation materials used at the meeting.

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1. Overview of operating results and others

(1) Overview of operating results and for the fiscal year ended March 31, 2025

In the fiscal year ended March 31, 2025, the Company achieved its highest ever net sales since its incorporation in 1957 amounting to ¥14,543 million (up 14.2% year on year), operating profit of ¥1,500 million (up 48.6% year on year), ordinary profit of ¥1,589 million (up 56.9% year on year), profit attributable to owners of parent of ¥1,016 million (up 58.6% year on year) and return on equity (ROE) of 9.5%.

Tanabe Consulting Group (TCG) provides team consulting that supports the top management (executives) of companies ranging from large enterprises (sales of typically ¥100-300 billion) to small and medium-sized companies (sales of typically ¥3-5 billion), focusing mainly on upper mid-sized enterprises (sales of typically ¥10-30 billion), with comprehensive support from upstream to downstream of corporate management, from the formulation of management strategies to the implementation and execution of management operations through professional DX services. The Group will continue to strengthen and expand the specialized areas of team consulting, aiming to realize its mid-term vision, “One & Only, Globally Unrivaled New Management Consulting Group.”

In this context, the Group welcomed Surpass Co., Ltd. as a new Group company on August 30, 2024. With over 100 professional women playing a central role, this company’s strengths are mainly in organizational and talent development consulting, customer creation support, which boasts a repeat rate of approximately 90% for large enterprises, and disseminating information based on comprehensive research on promoting women’s empowerment. With the addition of this company, the Group’s capabilities in the HR (DE&I) and Digital/DX consulting fields have been strengthened, and TCG itself has become an organization promoting DE&I with seven Group companies (the Company and its six consolidated subsidiaries), with approximately 800 employees and a 50:50 gender ratio. In preparing the consolidated financial statements, that company’s financial results for September 2024 through March 2025 (seven months) were consolidated.

During the fiscal year ended March 31, 2025, the domestic economy continued to show signs of gradual recovery as the nation’s employment and income environment improved. However, due to the risk of global geopolitical conflicts, rising commodity prices, drastic fluctuations in exchange rates and the impact of U.S. policies on the market, the business environment for upper mid-sized enterprises and large enterprises as well as small and medium-sized companies, TCG’s main customers, remained uncertain. In this environment, the Group has contributed to solving issues facing companies and society by providing management consulting services that can solve from all perspectives the management issues that the top management always faces, which are Strategy & Domain, Digital/DX, HR, Finance/M&A and Brand & PR.

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Increase/decrease year on year	Percent change year on year
Net sales	12,739,254	14,543,581	+1,804,326	+14.2%
Gross profit	5,465,219	6,612,080	+1,146,860	+21.0%
<i>Gross profit ratio</i>	<i>42.9%</i>	<i>45.5%</i>	<i>+2.6pt</i>	–
Selling, general and administrative expenses	4,455,315	5,111,771	+656,455	+14.7%
Operating profit	1,009,904	1,500,308	+490,404	+48.6%
<i>Operating profit ratio</i>	<i>7.9%</i>	<i>10.3%</i>	<i>+2.4pt</i>	–
Ordinary profit	1,012,996	1,589,047	+576,051	+56.9%
Profit before income taxes	1,040,639	1,586,840	+546,201	+52.5%
Profit	687,088	1,100,390	+413,302	+60.2%
Profit attributable to owners of parent	641,026	1,016,728	+375,701	+58.6%

Net sales analysis by management consulting field

The following is a summary of net sales by management consulting field. This information is categorized by management consulting field because the Group operates in a single segment of management consulting business.

(Thousands of yen)

Management consulting field	Description of business	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Increase/decrease year on year	Percent change year on year
Strategy & Domain	Providing support from purpose management to business model reforms by industry, growth strategies and new businesses, and the formulation and execution of a vision and medium-term management plan that implements sustainability	2,281,940	2,476,327	+194,386	+8.5%
Digital/DX	Formulating a DX vision and providing support up to concrete implementation and execution of four DX areas (business model, marketing, HR and management) and system implementation	2,741,395	3,255,069	+513,673	+18.7%
HR	Providing support from the formulation of an HR vision to the definition of a human resource portfolio (optimal allocation of human capital, judging criteria for organizational development, etc.) and establishment of a strategic HR system consisting of recruitment, training, success and retention	2,418,953	2,979,077	+560,124	+23.2%
Finance/M&A	Providing one-stop M&A services up to FA, due diligence and PMI, including business succession, group management and cross-border, in order to enhance corporate value	1,932,685	2,172,653	+239,967	+12.4%
Brand & PR	Providing one-stop support from the development of a brand communication strategy to its execution, creative, PR and public relations in Japan and overseas, based on the purpose and management strategy	2,649,062	2,939,208	+290,146	+11.0%
Others	The Blue Diary (notebook) and promotional products	715,216	721,244	+6,028	+0.8%
Total	—	12,739,254	14,543,581	+1,804,326	+14.2%

Strategy & Domain

Consolidated net sales in this field for the fiscal year ended March 31, 2025 were ¥2,476 million (up ¥194 million or 8.5% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing (food), trading, construction, logistics, systems integration, healthcare and tourism industries), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) In a business environment where price hikes have become the norm, consulting services for growth were in high demand, and services under such themes as “formulation and promotion of long-term vision and medium-term management plans” and “proposal of business portfolio strategies” performed well.
- (iii) Due to the ongoing depreciation of the yen and the limited potential for growth in existing businesses alone because of shrinking domestic demand, themes such as “new business

development,” “formulation and promotion of global strategies,” “business model reform” and “business due diligence (M&A consulting)” also increased. Government/public sector projects also increased.

- (iv) Information on sales leads through our proprietary websites dedicated to “formulation of long-term vision and medium-term management plans,” “global business,” “entry to the Japanese market” and “government, public and service” also contributed to the generation of consulting projects.

Digital/DX

Consolidated net sales in this field for the fiscal year ended March 31, 2025 were ¥3,255 million (up ¥513 million or 18.7% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing (chemical), infrastructure, transportation, real estate, system development, food wholesale and tourism industries), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) Investment in DX for the purpose of creating added value through productivity improvement and data utilization was strong, and consulting services under the themes such as “conception of shift to IT and formulation of DX vision,” “implementation of ERP systems,” “marketing DX (digital marketing, sales process transformation and so on)” and “branding DX (websites and social media platforms)” also performed well.
- (iii) More companies are promoting DX and the use of generative AI throughout their organizations, and themes such as “DX training (human resource development and reskilling),” “obtaining DX certification” and “data management” increased.
- (iv) Services in the field of Digital/DX provided by Surpass Co., Ltd., which joined the Group, also contributed to revenue growth (for seven months from September 2024 to March 2025).
- (v) With the expansion of alliances with various IT technology companies, there was an increase in the development of professional DX services and joint proposals. In addition, we promoted the “TECH WOMAN®” program in partnership with local governments, which helps women living in local communities to become part of the digitally literate workforce, helping them to acquire skills and create job opportunities.
- (vi) Information on sales leads through our proprietary “digital/DX strategy and implementation” website also contributed to the generation of consulting projects.

HR

Consolidated net sales in this field for the fiscal year ended March 31, 2025 were ¥2,979 million (up ¥560 or 23.2% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing (consumer goods), construction, logistics, financial services, restaurants, system development and health care industries), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) In response to changes in the business environment where price increases have become the norm and human capital management has become more prevalent, consulting services under the themes such as “restructuring of human resource treatment systems,” “establishment of academies (in-house corporate universities),” “junior board (nurturing next-generation management team),” “succession plan” and “organizational design for promoting women’s empowerment and DE&I” also performed well.
- (iii) Caused by the shortage of workers, the trend toward higher wages and the diversification of attitudes toward work, there was a high need for human resource management reform that

leads to higher human resource productivity, and themes such as “formulation and promotion of organization and HR strategies,” “HRBP,” “human resource development,” “talent management” and “HR KARTE (human resource assessment/HR tech)” also increased.

- (iv) Services in the field of HR provided by Surpass Co., Ltd., which joined the Group, also contributed to revenue growth (for seven months from September 2024 to March 2025).
- (v) Information on sales leads through our proprietary websites dedicated to “HR for executives and HR departments” and “human resource development and training to enhance corporate value” also contributed to the generation of consulting projects.

Finance/M&A

Consolidated net sales in this field for the fiscal year ended March 31, 2025 amounted to ¥2,172 million (up ¥239 million or 12.4% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as information and communications, logistics, energy, trading, systems integration, construction and temporary staffing industries), including listed companies, industry leaders and prominent companies in local communities.
- (ii) Against the backdrop of a shortage of successors, there were constant needs related to business succession including potential succession to third parties, and consulting services under the themes such as “transition to holdings / group management,” “cross-border and other M&A total consulting (comprehensive support from strategy formulation to financial advisory, due diligence and post-merger integration)” and “business succession” performed well.
- (iii) Themes such as “corporate value vision (including IR),” “adapting to the Corporate Governance Code” and “capital policy” also increased, as listed companies sought to realize management with an awareness of cost of capital and share price and to address the situation where P/B ratio is below 1.0.
- (iv) Information on sales leads through our proprietary websites dedicated to “finance/M&A” and “growth M&A/succession M&A” and spontaneous referrals to potential customers provided by financial institutions and other alliance partners also contributed to the generation of consulting projects.

Brand & PR

Consolidated net sales in this field for the fiscal year ended March 31, 2025 were ¥2,939 million (up ¥290 million or 11.0% year on year). The overview of the business performance is as follows:

Overview

- (i) Key customers include large to upper mid-sized enterprises (such as manufacturing (transportation equipment), beauty/cosmetics products, retail, trading, apparel, financial services and media industries), including listed companies, industry leaders and prominent companies in local communities, as well as the government/public sector.
- (ii) B-to-B companies and companies nearing their anniversaries and business succession tend to consider establishing their purpose or brand and group branding, and consulting services under

the themes such as “formulation of brand vision,” “creative and design” and “strategic branding and PR” performed well.

- (iii) Needs for real-world events, exhibitions, and in-store attractions were also strong, and themes such as “media PR (Global PR Wire (international press release distribution service)),” “content marketing” and “hybrid promotion of real × digital” also increased.
- (iv) Information on sales leads through our proprietary “branding and strategic PR” website also contributed to the generation of consulting projects.

Others

Consolidated net sales in this field for the fiscal year ended March 31, 2025 were ¥721 million (up 6 million or 0.8% year on year).

Other management activities

Promotion of alliance strategies

TANABE CONSULTING CO., LTD., one of our major operating companies, is expanding its alliances with various IT technology companies and strengthening its capabilities in the digital/DX consulting field, through such activities as joining the NetSuite Solution Provider Program (NetSuite implementation support partner) offered by Oracle Corporation and beginning to work with Ricoh Company, Ltd. to provide DX support to upper mid-sized enterprises as well as small and medium-sized companies nationwide.

* NetSuite is a cloud ERP system provided by Oracle Corporation that enables centralized management of various information necessary for corporate management, such as customer management, accounting data management and inventory management.

Promotion of research and development

The Strategic Laboratory of TANABE CONSULTING CO., LTD., one of our major operating companies, is strengthening the development of methods and content for each management consulting field and the development of professional DX services by industry in the implementation and execution of management operations, while also promoting knowledge management in our Group.

Corporate

(i) Capital policy

In order to ensure the achievement of a 10% return on equity (ROE) by the fiscal year ending March 31, 2026, the final year of our medium-term management plan (2021 - 2025) "TCG Future Vision 2030," we are actively carrying out shareholder returns, and have also conducted the purchase of treasury shares through market purchases on the Tokyo Stock Exchange in a swift and flexible manner.

(ii) M&A investment for growth

We are actively investing in M&A for growth under the strategy of diversification in the management consulting field under our medium-term business strategy. Compared with the net sales target of ¥15.5 billion for the fiscal year ending March 31, 2026, we will achieve ¥13.5 billion in net sales through organic growth and an additional ¥2 billion through M&A investments for growth utilizing more than ¥1 billion in cash on hand and deposits.

(iii) Investment in human capital

In addition to strengthening the recruitment of talents with work experience in various industries, we are also strengthening the development of professional talents through the TCG Academy (in-house university), a digital educational content for all employees within our Group, consisting of the Leadership Faculty, Strategy & Domain Faculty, Digital Faculty, HR Faculty, Financial Faculty, M&A Faculty, Marketing Faculty and more. We, as a company certified under the 2025 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category), are also promoting efforts to realize DE&I.

(iv) Corporate communications

We are disseminating our purposes and values both internally and externally through such measures as the production of movies featuring our purposes, as well as promoting corporate branding activities and strategic PR activities for products, services, consultants and more, in order to realize "One & Only, Globally Unrivaled New Management Consulting Group."

(2) Overview of financial position for the fiscal year ended March 31, 2025

Assets

Total assets as of March 31, 2025 were ¥14,328 million, up ¥189 million from March 31, 2024.

Current assets totaled ¥9,091 million, down ¥255 million from March 31, 2024. The main factor was a decrease in securities despite an increase in cash and deposits.

Non-current assets totaled ¥5,235 million, up ¥445 million from March 31, 2024. The main factor was an increase in goodwill.

Liabilities

Total liabilities as of March 31, 2025 were ¥3,187 million, up ¥352 million from March 31, 2024.

Current liabilities totaled ¥2,536 million, up ¥327 million from March 31, 2024. The main factor was an increase in income taxes payable.

Non-current liabilities totaled ¥650 million, up ¥24 million from March 31, 2024. The main factor was an increase in long-term borrowings, while lease liabilities decreased.

Net assets

Total net assets as of March 31, 2025 were ¥11,141 million, down ¥163 million from March 31, 2024. The main factors were the payment of dividends of surplus and the purchase of treasury shares, while profit attributable to owners of parent was recorded.

(3) Overview of cash flows for the fiscal year ended March 31, 2025

Cash and cash equivalents as of March 31, 2025 totaled ¥7,665 million, up ¥2,026 million from March 31, 2024.

Cash flow positions and the factors affecting them during the fiscal year ended March 31, 2025 are as follows:

Cash flows from operating activities

Net cash provided by operating activities during the fiscal year ended March 31, 2025 was ¥1,454 million (¥632 million provided in the fiscal year ended March 31, 2024).

This was due to positive factors such as profit before income taxes of ¥1,586 million.

Cash flows from investing activities

Net cash provided by investing activities during the fiscal year ended March 31, 2025 was ¥1,896 million (¥439 million used in the fiscal year ended March 31, 2024).

This was due to positive factors such as proceeds from sale and redemption of securities of ¥3.0 billion.

Cash flows from financing activities

Net cash used in financing activities during the fiscal year ended March 31, 2025 was ¥1,325 million (¥1,228 million used in the fiscal year ended March 31, 2024).

This was due to negative factors such as dividends paid of ¥761 million and the purchase of treasury shares of ¥474 million.

(4) Future outlook

For the fiscal year ending March 31, 2026, we forecast net sales of ¥15,500 million, operating profit of ¥1,800 million, ordinary profit of ¥1,800 million and profit attributable to owners of parent of ¥1,070 million.

The business environment for the fiscal year ending March 31, 2026 is expected to remain uncertain due to such factors as the risk of global geopolitical conflicts, rising commodity prices and the impact of U.S. policies on the market.

In the meantime, the Japanese government has formulated a national strategy, “Growth Vision for Leading Medium Enterprises,” and plans to provide a wide range of support for growth-oriented upper

mid-sized enterprises, from the development of the business environment to financial and human resources support, leading to our belief that more upper mid-sized enterprises in Japan will be revitalized. We at TCG, whose main customers are these companies, expect that this will continue to act as a tailwind for us.

Under these circumstances, we are committed to refining our expertise in each management consulting field to provide holistic solutions to the management issues of the top management (executives and leaders), which are becoming more specialized and sophisticated. We will also further enhance our comprehensive capabilities in team consulting we provide by integrating these various fields. We will also further strengthen our management consulting models, which provide one-stop support from upstream to downstream of corporate management.

Key action items in each management consulting field

Strategy & Domain

We will strengthen “global strategies,” “new business development,” “actions for ESG/sustainability” and “government/public sector consulting” with a focus on “formulation and promotion of long-term vision and medium-term management plans (business model/growth strategies).”

Digital/DX

Under the banner of data utilization, we will promote the “conception of shift to IT and formulation of DX vision” and expand our network of alliance to expand and strengthen our industry-specific professional DX services in the implementation and execution of management operations, such as implementation of ERP and digital marketing.

HR

We will promote the reform of human resource management systems to achieve an increase in the value of human capital through “restructuring of human resource treatment systems,” “establishment of academies (in-house corporate universities),” “HRBP,” “HR KARTE (human resource assessment/HR tech),” and “DE&I,” and also strengthen the development of next-generation executives and management personnel.

Finance/M&A

In order to increase corporate value, we will promote “corporate value vision,” “listing support,” “MIRAI succession” (support for business succession through M&A, MEBO, transition to holdings / group management, establishment of post-succession frameworks, etc.) and “strategy × growth M&A” (comprehensive support for M&A to realize vision and strategy).

Brand & PR

In addition to focusing on promoting “strategic branding and PR,” “media PR,” “Global PR Wire” (international distribution of press release) and “creative and design,” we will design specialized team structures for each industry.

(5) Basic policy on profit distribution and information on dividends for the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2026

The Company sets the return of profit to its shareholders as one of the management issues of the highest priority. Our primary management objective is to generate stable profits while maintaining a solid financial foundation to prepare for strategic investments and sudden changes in the operating environment, and to achieve 10% return on equity (ROE) and further increase corporate value as stated in our medium-term management plan.

To this end, we will seek to increase growth, profitability and efficiency not only through aggressive M&A investments, but also by promoting the following aggressive shareholder return policy throughout the fiscal year ending March 31, 2026.

- (i) Pay stable dividends (interim and year-end) with a target consolidated total return ratio of 100%.
- (ii) Dividend on equity (DOE) shall be 6% or more.
- (iii) Carry out the purchase of treasury shares in a swift and flexible manner.

Based on these policies, the Company plans to pay a year-end dividend of ¥28 per share (annual dividend of ¥48 per share) for the fiscal year ended March 31, 2025.

On April 1, 2025, the Company conducted a 2-for-1 share split of its common shares. On a post-split basis, the interim dividend for the fiscal year ended March 31, 2025 is ¥10 per share and the year-end dividend is ¥14 per share (annual dividend of ¥24 per share).

For the fiscal year ending March 31, 2026, the Company plans to pay an interim dividend of ¥12 per share and a year-end dividend of ¥14 per share (annual dividend of ¥26 per share).

Dividend per share

	Interim	Year-end	Annual
Fiscal year ended March 31, 2025	¥20	¥28	¥48
Payout ratio	—	—	77.9%
Year ended March 31, 2025 (post-split basis)	¥10	¥14	¥24
Payout ratio	—	—	77.9%
Year ending March 31, 2026 (forecast)	¥12	¥14	¥26
Payout ratio (forecast)	—	—	79.4%
Increase/Decrease	Up ¥2	¥0	Up ¥2

2. Basic policy regarding selection of accounting standards

Considering the workload for developing a system for preparing consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and other factors, the Group prepares its consolidated financial statements in accordance with the Japanese GAAP.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,538,954	7,665,407
Notes and accounts receivable - trade, and contract assets	1,024,633	1,083,245
Securities	2,299,531	–
Merchandise	33,337	38,859
Work in process	21,768	30,492
Raw materials	2,250	1,901
Other	428,747	272,438
Allowance for doubtful accounts	(1,544)	(590)
Total current assets	9,347,679	9,091,754
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,214,013	1,225,065
Accumulated depreciation	(617,642)	(656,057)
Buildings and structures, net	596,370	569,007
Land	1,527,477	1,527,477
Other	408,293	406,760
Accumulated depreciation	(311,796)	(313,137)
Other, net	96,496	93,622
Total property, plant and equipment	2,220,344	2,190,107
Intangible assets		
Goodwill	666,167	1,010,259
Other	121,881	164,778
Total intangible assets	788,049	1,175,038
Investments and other assets		
Investment securities	28,526	17,746
Retirement benefit asset	1,058,513	1,085,071
Deferred tax assets	47,852	88,785
Long-term time deposits	212,803	214,003
Other	433,834	465,073
Total investments and other assets	1,781,529	1,870,680
Total non-current assets	4,789,923	5,235,825
Deferred assets	1,628	1,091
Total assets	14,139,231	14,328,671

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	321,299	405,794
Income taxes payable	191,749	404,548
Advances received	709,753	679,040
Provision for bonuses	96,135	161,199
Other	890,262	886,396
Total current liabilities	2,209,199	2,536,979
Non-current liabilities		
Long-term borrowings	210,564	256,965
Deferred tax liabilities	262,094	257,068
Provision for retirement benefits for directors (and other officers)	124,737	124,737
Other	28,317	11,916
Total non-current liabilities	625,713	650,688
Total liabilities	2,834,913	3,187,668
Net assets		
Shareholders' equity		
Share capital	1,772,000	1,772,000
Capital surplus	2,410,871	2,402,800
Retained earnings	7,232,485	7,012,784
Treasury shares	(654,005)	(632,585)
Total shareholders' equity	10,761,351	10,554,998
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,249	3,165
Remeasurements of defined benefit plans	139,239	91,978
Total accumulated other comprehensive income	142,488	95,143
Share acquisition rights	11,049	9,048
Non-controlling interests	389,428	481,812
Total net assets	11,304,318	11,141,003
Total liabilities and net assets	14,139,231	14,328,671

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	12,739,254	14,543,581
Cost of sales	7,274,034	7,931,500
Gross profit	5,465,219	6,612,080
Selling, general and administrative expenses	4,455,315	5,111,771
Operating profit	1,009,904	1,500,308
Non-operating income		
Interest income	3,531	4,625
Dividend income	123	0
Gain on sale of investment securities	–	81,038
Dividend income of life insurance	1,733	1,883
Other	3,377	9,696
Total non-operating income	8,766	97,244
Non-operating expenses		
Interest expenses	2,513	5,562
Amortization of organization expenses	536	536
Loss on investments in investment partnerships	2,438	2,225
Other	184	180
Total non-operating expenses	5,673	8,505
Ordinary profit	1,012,996	1,589,047
Extraordinary income		
Gain on sale of investment securities	2,964	–
Reversal of allowance for doubtful accounts	19,000	–
Reversal of provision for loss on guarantees	12,028	–
Gain on reversal of share acquisition rights	259	355
Total extraordinary income	34,252	355
Extraordinary losses		
Loss on sale and retirement of non-current assets	6,608	2,562
Total extraordinary losses	6,608	2,562
Profit before income taxes	1,040,639	1,586,840
Income taxes - current	321,999	508,128
Income taxes - deferred	31,552	(21,678)
Total income taxes	353,551	486,450
Profit	687,088	1,100,390
Profit attributable to non-controlling interests	46,061	83,662
Profit attributable to owners of parent	641,026	1,016,728

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	687,088	1,100,390
Other comprehensive income		
Valuation difference on available-for-sale securities	1,389	(458)
Remeasurements of defined benefit plans, net of tax	147,243	(47,261)
Total other comprehensive income	148,633	(47,719)
Comprehensive income	835,721	1,052,671
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	790,771	969,382
Comprehensive income attributable to non-controlling interests	44,950	83,288

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,772,000	2,409,621	7,455,466	(277,334)	11,359,753
Changes during period					
Dividends of surplus			(864,007)		(864,007)
Profit attributable to owners of parent			641,026		641,026
Purchase of treasury shares				(400,100)	(400,100)
Disposal of treasury shares (exercise of share acquisition rights)		1,249		23,429	24,679
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity					
Total changes during period	-	1,249	(222,981)	(376,670)	(598,402)
Balance at end of period	1,772,000	2,410,871	7,232,485	(654,005)	10,761,351

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	748	(8,003)	(7,255)	13,898	344,478	11,710,874
Changes during period						
Dividends of surplus						(864,007)
Profit attributable to owners of parent						641,026
Purchase of treasury shares						(400,100)
Disposal of treasury shares (exercise of share acquisition rights)						24,679
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	2,501	147,243	149,744	(2,849)	44,950	191,845
Total changes during period	2,501	147,243	149,744	(2,849)	44,950	(406,556)
Balance at end of period	3,249	139,239	142,488	11,049	389,428	11,304,318

Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,772,000	2,410,871	7,232,485	(654,005)	10,761,351
Changes during period					
Dividends of surplus			(763,158)		(763,158)
Profit attributable to owners of parent			1,016,728		1,016,728
Purchase of treasury shares				(474,158)	(474,158)
Disposal of treasury shares (exercise of share acquisition rights)		170		14,065	14,235
Cancellation of treasury shares		(481,513)		481,513	-
Transfer from retained earnings to capital surplus		473,271	(473,271)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(8,071)	(219,701)	21,419	(206,353)
Balance at end of period	1,772,000	2,402,800	7,012,784	(632,585)	10,554,998

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,249	139,239	142,488	11,049	389,428	11,304,318
Changes during period						
Dividends of surplus						(763,158)
Profit attributable to owners of parent						1,016,728
Purchase of treasury shares						(474,158)
Disposal of treasury shares (exercise of share acquisition rights)						14,235
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	(84)	(47,261)	(47,345)	(2,000)	92,384	43,038
Total changes during period	(84)	(47,261)	(47,345)	(2,000)	92,384	(163,314)
Balance at end of period	3,165	91,978	95,143	9,048	481,812	11,141,003

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,040,639	1,586,840
Depreciation	110,710	126,954
Amortization of goodwill	69,369	94,982
Loss (gain) on sale and retirement of non-current assets	6,608	2,562
Loss (gain) on sale of investment securities	(2,964)	(81,038)
Increase (decrease) in provision for bonuses	(12,765)	45,029
Increase (decrease) in allowance for doubtful accounts	(19,923)	(953)
Decrease (increase) in retirement benefit asset	(79,791)	(92,917)
Increase (decrease) in provision for loss on guarantees	(12,028)	–
Interest and dividend income	(3,654)	(4,625)
Interest expenses	2,513	5,562
Loss (gain) on investments in investment partnerships	2,438	2,225
Decrease (increase) in trade receivables	(159,606)	26,560
Decrease (increase) in inventories	4,170	(13,897)
Increase (decrease) in trade payables	(39,553)	74,872
Increase (decrease) in advances received	42,919	(30,794)
Decrease (increase) in other assets	(1,171)	(2,599)
Increase (decrease) in other liabilities	14,172	(19,485)
Other, net	90,755	13,095
Subtotal	1,052,839	1,732,371
Interest and dividends received	3,818	5,419
Interest paid	(2,299)	(5,420)
Income taxes refund (paid)	(422,126)	(277,694)
Net cash provided by (used in) operating activities	632,233	1,454,676
Cash flows from investing activities		
Payments into time deposits	(2,400)	(2,400)
Proceeds from withdrawal of time deposits	1,200	1,200
Purchase of securities	(7,700,000)	(800,000)
Proceeds from sale and redemption of securities	7,400,000	3,000,000
Proceeds from sale and redemption of investment securities	3,289	90,973
Payments for investments in capital	(15,000)	(25,000)
Purchase of property, plant and equipment and intangible assets	(160,802)	(95,961)
Payments of guarantee deposits	(5,760)	(3,636)
Proceeds from refund of guarantee deposits	30,304	4,062
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(277,952)
Other, net	10,044	5,544
Net cash provided by (used in) investing activities	(439,123)	1,896,829
Cash flows from financing activities		
Proceeds from sale of treasury shares resulting from exercise of share acquisition rights	22,089	11,591
Purchase of treasury shares	(400,100)	(474,158)
Dividends paid	(862,101)	(761,919)
Other, net	12,027	(100,518)
Net cash provided by (used in) financing activities	(1,228,085)	(1,325,005)
Net increase (decrease) in cash and cash equivalents	(1,034,975)	2,026,501
Cash and cash equivalents at beginning of period	6,673,882	5,638,906
Cash and cash equivalents at end of period	5,638,906	7,665,407

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes,” Etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policy has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year ended March 31, 2025. This change in accounting policy has been applied retrospectively, and is reflected in the consolidated financial statements for the fiscal year ended March 31, 2024. This change in accounting policy has no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

Segment information, etc.

Segment information

This information is omitted because the Group operates in a single segment of management consulting business.

Per share information

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	¥326.65	¥326.05
Basic earnings per share	¥19.07	¥30.80
Diluted earnings per share	¥19.04	¥30.76

(Notes) 1. On April 1, 2025, the Company conducted a 2-for-1 share split of its common shares. Net assets per share, basic earnings per share and diluted earnings per share are calculated as if the share split had been conducted as of April 1, 2023.

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	641,026	1,016,728
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to common shares (Thousands of yen)	641,026	1,016,728
Average number of common shares outstanding during the period (Shares)	33,616,978	33,005,326
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Thousands of yen)	—	—
Increase in the number of common shares (Shares)	41,613	50,789
(Share acquisition rights included in the above (Shares))	[41,613]	[50,789]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	Share acquisition rights pursuant to the resolution at the Annual General Meeting of Shareholders and the Board of Directors' Meeting on June 26, 2018 Number of share acquisition rights: 2,061 (Common shares: 82,440 shares)	—

(Note) On April 1, 2025, the Company conducted a 2-for-1 share split of its common shares. Average number of common shares outstanding during the period, increase in the number of common shares, and number of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect, are calculated as if the share split had been conducted as of April 1, 2023.

Notes on significant events after reporting period*Share split and partial amendment to the articles of incorporation following the share split*

Pursuant to the resolution at the Board of Directors' Meeting held on February 13, 2025, the Company conducted a share split and partially amended its articles of incorporation with the effective date of April 1, 2025.

1. Purpose of the share split

The purpose of the share split is to increase the liquidity of the Company's shares and expand the investor base by reducing the amount per investment unit of the Company's shares.

2. Outline of the share split

(1) Method of the split

With March 31, 2025 as the record date, one common share held by the shareholders listed or recorded in the shareholders' register as of the end of that date was split into two shares.

(2) Number of shares increased by the split

(i)	Total number of shares outstanding before the share split	17,000,000
(ii)	Number of shares increased by the share split	17,000,000
(iii)	Total number of shares issued and outstanding after the share split	34,000,000
(iv)	Total number of authorized shares after the share split	136,000,000

(3) Schedule for the split

(i)	Date of the public notice notifying the record date	March 14, 2025
(ii)	Record date	March 31, 2025
(iii)	Effective date	April 1, 2025

(4) Others

- (i) There are no changes in the amount of capital due to the share split.
- (ii) Adjustment to the exercise price of share acquisition rights

In connection with the share split, the exercise price per share for the share acquisition rights to be exercised on or after April 1, 2025 was adjusted as follows:

Name of share acquisition rights	Exercise price before change	Exercise price after change
First series of share acquisition rights	¥708	¥354
Second series of share acquisition rights	¥1,038	¥519

3. Effect on per share information

For the effect on per share information, please refer to "3. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Per share information)."

4. Partial amendment to the articles of incorporation following the share split

(1) Reason for the amendment

In connection with the share split, the total number of authorized shares as stipulated in Article 5 of the Company's articles of incorporation was amended as of April 1, 2025 by the resolution of the Board of Directors pursuant to Article 184, paragraph 2 of the Companies Act.

(2) Details of the amendment

The details of the amendment are as follows

(The underlined indicates the amendments.)

Before the amendment	After the amendment
Article 5 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>70,000,000</u> .	Article 5 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>136,000,000</u> .

(3) Schedule of making the amendment to the articles of incorporation

Effective date April 1, 2025