Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2027
(Japanese GAAP, Consolidated)

July 10, 2026

Name of company: dip Corporation
Stock exchange listing: Tokyo Stock Exchange
Stock code: 2379
Company website: https://www.dip-net.co.jp/en/
Representative: Hideki Tomita, Representative Director, President and CEO
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Scheduled start date of dividend payment: -
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 Earnings for the Three Months Ended May 31, 2026

(1) Consolidated operating results (Percentage figures indicate year-on-year change)

	Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
Three months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
May 31, 2026	13,719	-13.1	817	-75.8	825	-75.2	623	-72.8
May 31, 2025	15,786	3.3	3,377	-16.1	3,329	-16.7	2,294	-18.2

(Note) Comprehensive income
Three months ended May 31, 2026: ¥573 million (-74.6%) Three months ended May 31, 2025: ¥2,258 million (-17.6%)

	Basic Earnings per Share	Diluted Earnings per Share
Three months ended	¥	¥
May 31, 2026	11.91	―
May 31, 2025	43.86	43.86

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	¥ million	¥ million	%
As of May 31, 2026	47,912	35,190	72.7
As of February 28, 2026	49,954	37,193	73.7

(Reference) Equity: As of May 31, 2026 ¥34,830 million As of February 28, 2026 ¥36,826 million

2. Dividends

	Annual Dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	¥	¥	¥	¥	¥
FY’26/2	-	47.00	-	48.00	95.00
FY’27/2	-				
FY’27/2 (forecast)		48.00	-	49.00	97.00

(Note) Revisions to the latest dividend forecast: None

3. Consolidated Earnings Forecast for FY’27/2 (the period from March 1, 2026 to February 28, 2027)

(Percentage figures indicate year-on-year change)

	Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full-year	53,500– 57,600	-2.5– 5.0	5,000– 10,000	-45.1– 9.7	4,900– 9,900	-45.5– 10.1	2,900– 6,400	-51.3– 7.5	55.4– 122.3

(Note) Revisions to the latest operating results forecast: None
No earnings forecasts are provided for first-half periods.

* Notes

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

Newly included: None

Excluded: None

(2) Adoption of special accounting methods for the preparation of consolidated financial statements: None

(3) 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

(4) Number of outstanding shares (Common stock)

1. Number of shares issued at end of period (including treasury shares)	FY’27/2 Q1	60,140,000 shares	FY’26/2	60,140,000 shares
2. Number of treasury shares at end of period	FY’27/2 Q1	7,859,273 shares	FY’26/2	7,776,545 shares
3. Average number of shares outstanding during period	Three months ended May 31, 2026	52,359,683 shares	Three months ended May 31, 2025	52,312,935 shares

Treasury shares include the number of Company shares owned by the ESOP trust account (1,891,565 shares at the end of FY’26/2; 1,859,515 shares at the end of FY’27/2 Q1) and the number of Company shares owned by the BIP trust account (73,817 shares at the end of FY’26/2; 73,817 shares at the end of FY’27/2 Q1).

* Review of the attached consolidated financial statements by a certified public accountant or an audit firm: None

* Explanation on the appropriate use of earnings forecasts and other special notes

(Notes 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. They do not guarantee future performance. Actual results may differ significantly from the forecasts due to various factors. For the assumptions regarding earnings forecasts and cautionary statements regarding the use of the forecasts, see “1. Qualitative Information (3) Earnings Forecast” on page 6.

(Supplementary materials for financial results)

Supplementary materials for the financial results will be posted on the Company’s website on Friday, July 10, 2026.

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1. Qualitative Information

(1) Operating Results

Since its establishment in 1997, dip Corporation (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 through the provision of personnel recruiting services and DX (digital transformation) services, with the goal of creating a society in which everyone can experience the joy and happiness of work.

Due to the impact of the transition to a solutions-based organization implemented in the previous fiscal year, sales for the three months ended May 31, 2026, came to ¥13,719 million (down 13.1% year on year).

In addition to upfront investments in Spot Baitoru, the Company made investments to strengthen its sales capabilities, such as recruiting new graduates in 2026 and expanding the office.

As a result, operating income, ordinary income, and net income attributable to owners of parent came to ¥817 million (down 75.8% year on year), ¥825 million (down 75.2% year on year), and ¥623 million (down 72.8% 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 the three months ended May 31, 2026, sales of the personnel recruiting services business remained sluggish due to a slowdown in securing contracts with new clients and clients with whom we have had business in the past as a result of the transition to a solutions-based organization implemented in the previous fiscal year.

Consequently, segment sales and segment profit came to ¥12,064 million (down 13.8% year on year) and ¥3,083 million (down 38.2% year on year), respectively.

(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 the three months ended May 31, 2026, MEO KOBOT, which supports client companies' sales promotion activities by improving the order in which they are displayed in map searches, saw steady growth in sales. However, sales decreased for 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, and Corporate Recruiting Page KOBOT, which creates client recruiting pages featuring Baitoru's unique functions, such as workplace introduction video, due to a decrease in the number of subscriber companies of media services.

As a result, segment sales and segment profit ended at ¥1,655 million (down 7.6% year on year) and ¥844 million (down 21.7% year on year), respectively.

(2) Financial Position

(i) Analysis of Financial Position

Total assets recorded at the end of the first quarter of FY’27/2 were ¥47,912 million, a decrease of ¥2,041 million from the end of the previous fiscal year. The major factors were decreases of ¥1,741 million in cash and deposits, ¥330 million in notes and accounts receivable – trade, and ¥158 million in intangible assets, and an increase of ¥280 million in investments and other assets.

Total liabilities stood at ¥12,722 million, a decrease of ¥38 million from the end of the previous fiscal year. This mainly reflected a decrease of ¥753 million in income taxes payable and increases of ¥353 million in other current liabilities and ¥419 million in other non-current liabilities.

Net assets were ¥35,190 million, a decrease of ¥2,003 million from the end of the previous fiscal year. The main factor was a decrease of ¥1,984 million in retained earnings.

(ii) Status of Cash Flows

Cash and cash equivalents (“cash”) recorded during the three months ended May 31, 2026 were ¥15,047 million.

The breakdown of cash flows is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥1,656 million (a decrease of ¥967 million year on year). This was mainly due to net income before income taxes of ¥1,021 million, depreciation of ¥1,113 million, and an increase of ¥1,208 million in other liabilities, offsetting a decrease of ¥1,023 million in accounts payable and income taxes paid totaling ¥1,157 million.

(Cash flows from investing activities)

Net cash provided by investing activities totaled ¥6,405 million (an increase of ¥8,820 million year on year). This was mainly due to the purchase of intangible assets totaling ¥991 million offsetting proceeds from the withdrawal of time deposits of ¥8,000 million.

(Cash flows from financing activities)

Net cash used in financing activities stood at ¥2,053 million (a decrease of ¥485 million year on year). This was mainly due to dividends paid totaling ¥2,568 million.

(3) Earnings Forecast

Starting in FY’27/2, we will adopt a hybrid strategy combining our existing listing-based model with a new cost-per-click (CPC) model, with the aim of improving sales productivity. Taking into account the impact of introducing the hybrid model, transitioning to a solutions-based organization, and continuing initial investments in Spot and others, we forecast consolidated sales for FY’27/2 to range between -2.5% and +5% year on year, with operating income of ¥5–10 billion.

While the introduction of the CPC model may temporarily lower sales, we will leverage our direct sales strength to increase listings and quickly resume sales growth.

The details are as follows.

Consolidated operating results forecast for FY’27/2 (from March 2026 to February 2027)

	FY’26/2 (Actual)	FY’27/2 (Forecast)	Change (in amount)	Change (in percentage)
	¥ million	¥ million	¥ million	%
Sales	54,852	53,500－57,600	-1,352－2,748	-2.5－5.0
Operating Income	9,112	5,000－10,000	-4,112－888	-45.1－9.7
Ordinary Income	8,990	4,900－9,900	-4,090－910	-45.5－10.1
Net Income Attributable to Owners of Parent	5,956	2,900－6,400	-3,056－444	-51.3－7.5

2. Quarterly Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY'26/2 As of February 28, 2026	FY'27/2 Q1 As of May 31, 2026
Assets		
Current assets		
Cash and deposits	17,739,062	15,997,132
Notes and accounts receivable - trade	5,201,252	4,870,264
Supplies	18,736	23,984
Other	3,078,120	2,913,265
Allowance for doubtful accounts	(167,964)	(165,589)
Total current assets	25,869,207	23,639,058
Non-current assets		
Property, plant and equipment	2,880,657	2,946,643
Intangible assets		
Software	11,899,098	11,603,473
Other	261,333	398,761
Total intangible assets	12,160,432	12,002,234
Investments and other assets		
Investment securities	4,846,369	4,791,904
Other	4,241,825	4,576,024
Allowance for doubtful accounts	(43,906)	(42,949)
Total investments and other assets	9,044,288	9,324,979
Total non-current assets	24,085,378	24,273,857
Total assets	49,954,586	47,912,915
Liabilities		
Current liabilities		
Accounts payable - trade	374,033	456,128
Income taxes payable	1,284,088	530,783
Provision for bonuses	761,149	544,029
Asset retirement obligations	34,766	19,597
Other	6,896,568	7,249,868
Total current liabilities	9,350,607	8,800,407
Non-current liabilities		
Provision for share-based remuneration	995,054	1,077,079
Provision for share-based remuneration for directors	190,634	197,591
Asset retirement obligations	905,503	908,788
Other	1,319,002	1,738,394
Total non-current liabilities	3,410,194	3,921,853
Total liabilities	12,760,802	12,722,261
Net assets		
Shareholders' equity		
Share capital	1,085,000	1,085,000
Capital surplus	7,485,571	7,485,571
Retained earnings	41,857,551	39,873,413
Treasury shares	(13,796,291)	(13,757,028)
Total shareholders' equity	36,631,830	34,686,956
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194,245	143,123
Total accumulated other comprehensive income	194,245	143,123
Share acquisition rights	356,531	348,491
Non-controlling interests	11,177	12,082
Total net assets	37,193,783	35,190,654
Total liabilities and net assets	49,954,586	47,912,915

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Sales	15,786,735	13,719,657
Cost of sales	1,668,703	1,726,070
Gross profit	14,118,031	11,993,586
Selling, general and administrative expenses	10,741,011	11,175,716
Operating income	3,377,020	817,870
Non-operating income		
Interest income	5,270	11,310
Share of profit of entities accounted for using equity method	—	195
Foreign exchange gains	—	8,278
Penalty income	3,606	925
Gain on forfeit dividends received	3,896	—
Other	1,266	2,896
Total non-operating income	14,039	23,605
Non-operating expenses		
Share of loss of entities accounted for using equity method	3,847	—
Foreign exchange losses	14,175	—
Commission expenses	2,595	5,177
Amortization of restricted stock remuneration	40,631	10,201
Other	—	311
Total non-operating expenses	61,250	15,690
Ordinary income	3,329,810	825,785
Extraordinary income		
Gain on reversal of share acquisition rights	12,886	8,039
Gain on sale of investment securities	65,167	74,434
Gain on sale of shares of subsidiaries and associates	—	113,440
Total extraordinary income	78,054	195,913
Extraordinary losses		
Loss on valuation of investment securities	101,049	—
Total extraordinary losses	101,049	—
Profit before income taxes	3,306,814	1,021,699
Income taxes – current	1,168,734	475,471
Income taxes – deferred	(155,768)	(78,324)
Total income taxes	1,012,965	397,146
Net income	2,293,849	624,552
Net (loss) income attributable to non-controlling interests	(715)	905
Net income attributable to owners of parent	2,294,565	623,646

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Net income	2,293,849	624,552
Other comprehensive income		
Valuation difference on available-for-sale securities	(34,988)	(51,122)
Total other comprehensive income	(34,988)	(51,122)
Comprehensive income	2,258,860	573,430
(Breakdown)		
Comprehensive income attributable to owners of parent	2,259,576	572,524
Comprehensive income attributable to non-controlling interests	(715)	905

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Cash flows from operating activities		
Net income before income taxes	3,306,814	1,021,699
Depreciation	1,047,745	1,113,959
Share-based remuneration expenses	114,862	96,910
Interest and dividend income	(5,270)	(11,310)
Interest expenses	—	289
Commission expenses	2,595	5,177
Share of loss (profit) of entities accounted for using equity method	3,847	(195)
Loss (gain) on sale of investment securities	(65,167)	(74,434)
Loss (gain) on valuation of investment securities	101,049	—
Gain on reversal of share acquisition rights	(12,886)	(8,039)
Decrease (increase) in trade receivables	(3,674)	331,944
Increase (decrease) in trade payables	(3,905)	82,094
Increase (decrease) in accounts payable - other	145,311	(1,023,960)
Increase (decrease) in contract liabilities	13,439	111,015
Increase (decrease) in allowance for doubtful accounts	31,403	(3,332)
Increase (decrease) in provision for bonuses	(581,469)	(217,120)
Loss (gain) on sale of shares of subsidiaries and associates	—	(113,440)
Decrease (increase) in other assets	80,532	140,619
Increase (decrease) in other liabilities	1,440,980	1,208,944
Other, net	105,508	121,964
Subtotal	5,721,717	2,782,786
Interest and dividends received	9,468	31,310
Interest paid	—	(289)
Income taxes paid	(3,107,369)	(1,157,486)
Net cash provided by (used in) operating activities	2,623,816	1,656,321
Cash flows from investing activities		
Payments into time deposits	(4,000,000)	(250,000)
Proceeds from withdrawal of time deposits	3,000,000	8,000,000
Short-term loan advances	—	(60,000)
Proceeds from collection of long-term loans receivable	75,000	—
Purchase of property, plant and equipment	(150,543)	(173,210)
Purchase of intangible assets	(1,072,176)	(991,343)
Payments of leasehold and guarantee deposits	(345,609)	(319,606)
Proceeds from refund of leasehold and guarantee deposits	3,598	44,817
Payments associated with fulfillment of asset retirement obligations	(5,619)	(16,562)
Purchase of investment securities	—	(38,422)
Proceeds from sale of investment securities	80,000	94,147
Proceeds from sale of shares of subsidiaries and associates	—	115,588
Net cash provided by (used in) investing activities	(2,415,350)	6,405,409
Cash flows from financing activities		
Proceeds from long-term borrowings	—	500,000
Repayments of long-term borrowings	—	(13,900)
Proceeds from sale of treasury shares	41,543	31,554
Dividends paid	(2,576,185)	(2,568,510)
Repayments to non-controlling shareholders	(1,047)	—
Other payments	(3,230)	(3,048)
Net cash provided by (used in) financing activities	(2,538,920)	(2,053,904)
Effect of exchange rate change on cash and cash equivalents	(14,175)	244
Increase (decrease) in cash and cash equivalents	(2,344,630)	6,008,070
Cash and cash equivalents at beginning of period	15,156,176	9,039,062
Cash and cash equivalents at end of period	12,811,546	15,047,132

(4) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable

(Additional Information)

Stock Ownership Plan for Company Directors

(Board Incentive Plan (BIP) Trust Scheme)

Pursuant to a resolution adopted at the board meeting on April 13, 2016, the Company introduced a Board Incentive Plan (BIP) trust scheme ("BIP Trust Scheme") for its directors (excluding outside directors and overseas residents. The same shall apply hereinafter.) in August 2016 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. At the board meeting held on the same day, a resolution was adopted to submit a proposal for introducing the BIP Trust Scheme to the 19th annual shareholders meeting held on May 28, 2016. The proposal was approved at the shareholders meeting. Following the introduction of the BIP Trust Scheme, new stock acquisition rights will no longer be granted to directors in the future for stock options.

The Board of Directors resolved at its meeting on June 22, 2021, to extend the BIP Trust Scheme until August 2026.

Furthermore, at the 26th annual shareholders meeting held on May 24, 2023, it was approved to extend the BIP Trust Scheme upon abolishing the previous compensation framework related to the BIP Trust Scheme for directors, in accordance with the transition to a company with an Audit & Supervisory Committee, and re-establishing a performance-linked stock-based compensation framework for directors (excluding directors who are Audit & Supervisory Committee members and outside directors; the "Eligible Directors").

(1) Summary of the scheme

A BIP trust is an incentive plan for directors based on performance shares and restricted stock schemes of the United States. Company shares acquired by the BIP Trust and cash equivalent to the value of the Company shares are distributed to the Eligible Directors according to the degree of achievement of performance targets.

By contributing funds to acquire Company shares, the Company has established a trust (BIP trust account) with Eligible Directors who meet certain requirements as the beneficiaries. The trust acquires the number of Company shares expected to be provided to the Company's Eligible Directors in accordance with pre-established stock-based compensation regulations through third-party allotment from the Company. Pursuant to the stock-based compensation regulations, the trust distributes Company shares and the cash equivalent of the proceeds from the sale of such shares on the date of determination of beneficiary right due to retirement, etc. to Eligible Directors who meet certain beneficiary requirements. The number of Company shares delivered is determined by the degree to which performance targets are achieved each fiscal year.

(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 and 73,817 shares in FY'26/2, and ¥228,440 thousand and 73,817 shares in FY'27/2 Q1.

(Restricted Stock-Based Compensation Plan for Directors)

Pursuant to a resolution adopted at the board meeting on April 7, 2021, the Company introduced a directors compensation plan utilizing restricted stock (with performance-based conditions) (“Director RS Compensation Plan”) to encourage the Company’s directors (excluding outside directors) to further promote value sharing with shareholders and maximize social and economic values, thereby contributing toward the realization of the Company’s corporate vision of becoming a ‘Labor force solution company’. At the board meeting held on the same day, a resolution was adopted to submit a proposal for introducing the Director RS Compensation Plan to the 24th annual shareholders meeting held on May 26, 2021. The proposal was approved at the shareholders meeting.

Pursuant to a resolution adopted at the board meeting on April 14, 2023, the Company passed a resolution to submit the following proposal to the 26th annual shareholders meeting held on May 24, 2023: (i) To implement changes following the transition to a company with an Audit & Supervisory Committee and (ii) to extend the transfer restriction period by two years. The proposal was approved at the shareholders meeting.

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 Company’s directors (excluding directors who are Audit & Supervisory Committee members and outside directors; 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 share of 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 Director RS Compensation Plan, a restricted share allotment agreement (the “Allotment Agreement”) will be executed between the Company and the Eligible Directors. The agreement shall 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 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) Provisions of Allotment Agreement

The restricted share allotment agreement to be executed between the Company and the Eligible Directors pursuant to the Company’s board resolution upon allotment of restricted stock shall include the following provisions.

(3) Provisions of transfer restrictions

The Eligible Directors may not transfer, create a pledge, create a transfer security interest, make an inter vivos gift, make a bequest, or otherwise dispose in any way (the “Transfer Restrictions”) of the Restricted Shares allotted to the relevant directors (the “Allotted Shares”) to a third party for a period of up to six years as determined by the Company’s Board of Directors (the “Transfer Restriction Period”). The Transfer Restriction Period is scheduled from August 27, 2021, through April 15, 2027.

(4) Acquisition of restricted stock without consideration

In the event that an Eligible Director retires or resigns from any position as a director of the Company, a director of a subsidiary of the Company, or any other equivalent position before the expiry of the Transfer Restriction Period, the Company will automatically acquire the Allotted Shares without consideration, unless there is a reason that the Board of Directors of the Company deems justifiable. In addition, if there are any of the Allotted Shares for which Transfer Restrictions have not been lifted in accordance with the provisions of the reasons for the lifting of Transfer Restrictions below upon the expiry of the Transfer Restriction Period above, the Company will automatically acquire such Allotted Shares without consideration.

(5) Conditions for releasing Transfer Restrictions based on performance conditions, etc.

The Transfer Restrictions 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 Transfer Restrictions are 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 Transfer Restrictions will be released and the timing of releasing the Transfer Restrictions shall be adjusted reasonably as needed.

(6) Total number of shares held by Eligible Directors
FY’26/2: 160,000 shares; FY’27/2 Q1: 60,000 shares

Stock Ownership Plan for Company Employees

(Employee Stock Ownership Plan (ESOP) Trust Scheme)

Pursuant to a resolution adopted at the board meeting on April 12, 2012, the Company introduced an Employee Stock Ownership Plan (ESOP) trust scheme (“ESOP Trust Scheme”) for its employees in May 2012 to improve the Company’s corporate value in the medium-to-long term. A resolution was adopted at a board meeting held on March 10, 2023, to extend the ESOP Trust Scheme, and a resolution was passed at a board meeting held on August 1, 2023, to dispose of treasury shares on August 22.

(1) Summary of the scheme

An ESOP trust is a trust-type incentive plan for employees based on the employee stock ownership plan (ESOP) of the United States. It has a purpose of enhancing the compensation system for employees by utilizing Company shares.

By contributing funds to acquire Company shares, the Company establishes a trust (ESOP trust account) with employees who meet 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 distributed to Company employees in accordance with pre-established stock granting regulations. Pursuant to the stock granting regulations, the trust distributes Company shares and cash equivalent to the proceeds from the sale of such shares according to the rank and years of service of the employee during the trust period to employees at no cost on their retirement. As the Company contributes all funds for acquiring Company shares to be acquired by the trust, there will be no financial burden on the employees.

(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 ¥2,316,642 thousand and 1,891,565 shares in FY’26/2, and ¥2,277,378 thousand and 1,859,515 shares in FY’27/2 Q1.

(Restricted Stock-Based Compensation Plan for Employees)

Pursuant to a resolution adopted at the board meeting on May 27, 2020, the Company introduced an incentive plan for employees in August 2020 utilizing restricted stock ("Employee RS Compensation Plan") to enhance employee motivation and encourage each employee to further promote value sharing with shareholders and maximize the social and economic value of the Company, thereby contributing toward the realization of the Company's corporate vision of becoming a 'Labor force solution company'. In addition, at the board 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 Employee RS Compensation Plan, the Company had set performance targets five years in advance, the achievement of which was the condition for releasing transfer restrictions. However, due to revisions to the medium-term management plan, the Board of Directors adopted a resolution to extend the transfer restriction period by two years and to revise the performance conditions for those allottees who are Company 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 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), based on a resolution adopted at the board meeting on April 14, 2023.

(1) Summary of the plan

The eligible employees will pay all monetary claims granted by the Company under the Employee RS Compensation 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 Employee RS Compensation 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 eligible employees, a restricted stock allotment agreement (the "Allotment Agreement") will be executed between the Company and the eligible employees. The agreement shall 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 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) Summary of the Allotment Agreement

A. Transfer restriction period

From August 27, 2020, through April 15, 2027

B. Conditions for releasing transfer restrictions based on performance conditions, etc.

The transfer restrictions 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, and the position conditions, which require the transfer restrictions to be released for the number of the allotted shares determined according to the employee's rank immediate prior to the expiry of the transfer restriction period, and based on the performance conditions. The Company will automatically acquire the allotted shares for which the transfer restrictions are 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'26/2: 806,142 shares; FY'27/2 Q1: 786,564 shares

(Notes to Material Changes in Shareholders' Equity)

Not applicable

(Segment Information etc.)

[Segment information]

I. Three months ended May 31, 2025

1. Information on amounts of sales and profit or loss by reported segment and breakdown information of revenue

(Thousands of 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	13,204,416	—	13,204,416	—	13,204,416
Permanent Placement Services	731,507	—	731,507	—	731,507
DX Services	—	1,791,667	1,791,667	—	1,791,667
Other services	59,143	—	59,143	—	59,143
Revenue generated from contracts with customers	13,995,068	1,791,667	15,786,735	—	15,786,735
Other revenue	—	—	—	—	—
Sales — outside customers	13,995,068	1,791,667	15,786,735	—	15,786,735
Sales and transfers — inter-segment	—	—	—	—	—
Total	13,995,068	1,791,667	15,786,735	—	15,786,735
Segment profit	4,991,706	1,078,066	6,069,773	(2,692,753)	3,377,020

(Notes) 1. Adjustment of segment profit of ¥(2,692,753) thousand is corporate expenses not allocated to any reported segment. Corporate expenses are mainly selling, general, and administrative expenses that are not attributable to a reported segment.

2. Segment profit has been reconciled with operating income on the consolidated statement of income.

2. Information on impairment loss of non-current assets and goodwill, etc., by reported segment

Not applicable

II. Three months ended May 31, 2026

1. Information on amounts of sales and profit or loss by reported segment and breakdown information of revenue

(Thousands of 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	11,415,591	—	11,415,591	—	11,415,591
Permanent Placement Services	520,559	—	520,559	—	520,559
DX Services	—	1,655,599	1,655,599	—	1,655,599
Other services	127,906	—	127,906	—	127,906
Revenue generated from contracts with customers	12,064,057	1,655,599	13,719,657	—	13,719,657
Other revenue	—	—	—	—	—
Sales — outside customers	12,064,057	1,655,599	13,719,657	—	13,719,657
Sales and transfers — inter-segment	—	—	—	—	—
Total	12,064,057	1,655,599	13,719,657	—	13,719,657
Segment profit	3,083,497	844,398	3,927,896	(3,110,025)	817,870

(Notes) 1. Adjustment of segment profit of ¥(3,110,025) thousand is corporate expenses not allocated to any reported segment. Corporate expenses are mainly selling, general, and administrative expenses that are not attributable to a reported segment.

2. Segment profit has been reconciled with operating income on the consolidated statement of income.

2. Information on impairment loss of non-current assets and goodwill, etc., by reported segment

Not applicable

(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.