



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

October 13, 2026

Name of company: dip Corporation Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2379 Company website: <https://www.dip-net.co.jp/en/>
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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 Earnings for the Six Months Ended August 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	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six months ended August 31, 2026	25,550	-11.4	56	-99.0	3	-99.9	(578)	—
August 31, 2025	28,850	1.5	5,441	-27.6	5,397	-27.3	3,715	-26.4

(Note) Comprehensive income

Six months ended August 31, 2026: ¥(661) million (—%) Six months ended August 31, 2025: ¥3,705 million (-24.3%)

	Basic Earnings per Share	Diluted Earnings per Share
	¥	¥
Six months ended August 31, 2026	(11.06)	—
August 31, 2025	71.01	71.00

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	¥ million	¥ million	%
As of August 31, 2026	45,379	33,776	74.3
As of February 28, 2026	49,954	37,193	73.7

(Reference) Equity: As of August 31, 2026 ¥33,701 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	—	48.00			
FY'27/2 (forecast)			—	49.00	97.00

(Note) Revisions to the latest dividend forecast: No

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		Basic Earnings per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	49,000–53,000	-10.7–-3.4	(2,500)–2,500	-127.4–-72.6	(2,500)–2,500	-127.8–-72.2	(2,700)–700	-145.3–-88.2	(51.6)–13.4

(Note) Revisions to the latest earnings forecast: Yes

* Notes

(1) Significant changes in the scope of consolidation during the first half: No

Newly included: None

Excluded: None

(2) Application of special accounting methods for preparing interim consolidated financial statements: No

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

- | | |
|---|-----|
| 1. Changes in accounting policies resulting from revisions to accounting standards: | No |
| 2. Changes in accounting policies other than those in 1 above: | No |
| 3. Changes in accounting estimates: | Yes |
| 4. Restatements: | No |

(4) Number of outstanding shares (Common stock)

1. Number of shares outstanding at end of period (including treasury shares)	FY'27/2 H1	60,140,000 shares	FY'26/2	60,140,000 shares
2. Number of treasury shares at end of period	FY'27/2 H1	7,827,025 shares	FY'26/2	7,776,545 shares
3. Average number of shares during the period	FY'27/2 H1	52,320,952 shares	FY'26/2 H1	52,316,139 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; 1,822,470 shares at the end of FY'27/2 H1) and the number of Company shares owned by the BIP trust account (73,817 shares at the end of FY'26/2; 220,925 shares at the end of FY'27/2 H1).

* Second-quarter (first-half) financial results reports are not subject to review by certified public accountants or audit firms.

* Notes on the appropriate use of earnings forecasts and other special items

(Caution regarding 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 assumptions regarding earnings forecasts and important notes regarding the use of the forecasts, see the section "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 Tuesday, October 13, 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 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.

Due primarily to the impact of intensified competition in the personnel recruiting services business, sales for the six months ended August 31, 2026, came to ¥25,550 million (down 11.4% year on year).

In addition to increased advertising investments in existing services, the Company invested in strengthening its sales capabilities, including recruiting new graduate employees who graduated in 2026 and expanding its offices.

As a result, operating income for the six months ended August 31, 2026, came to ¥56 million (down 99.0% year on year), while ordinary income stood at ¥3 million (down 99.9% year on year) and net loss attributable to owners of parent came to ¥578 million (compared to net income attributable to owners of parent of ¥3,715 million in the same period of the previous year).

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 six months ended August 31, 2026, sales of the personnel recruiting services business remained sluggish due to a slowdown in sales in the agency business, in addition to the intensified competitive environment.

As a result, segment sales and segment profit came to ¥22,268 million (down 12.5% year on year) and ¥3,330 million (down 60.7% 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 six months ended August 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 ¥3,281 million (down 3.8% year on year) and ¥1,632 million (down 17.2% year on year), respectively.

(2) Financial Position

(i) Analysis of Financial Position

Total assets recorded at the end of the first half of FY'27/2 were ¥45,379 million, a decrease of ¥4,575 million from the end of the previous fiscal year. The main factors were decreases of ¥3,878 million in cash and deposits, ¥840 million in notes and accounts receivable – trade, and ¥934 million in other current assets, as well as an increase of ¥1,049 million in investments and other assets.

Total liabilities stood at ¥11,602 million, a decrease of ¥1,158 million from the end of the previous fiscal year. This mainly reflected a decrease of ¥1,037 million in income taxes payable, an increase of ¥289 million in provision for bonuses, a decrease of ¥1,638 million in other current liabilities, and an increase of ¥597 million in long-term borrowings.

Net assets were ¥33,776 million, a decrease of ¥3,417 million from the end of the previous fiscal year. The main factor was a decrease of ¥3,186 million in retained earnings.

(ii) Status of Cash Flows

Cash and cash equivalents (“cash”) recorded during the six months ended August 31, 2026, were ¥12,800 million.

The breakdown of cash flows is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥1,870 million (a decrease of ¥2,938 million year on year). This was mainly due to depreciation of ¥2,252 million, a decrease of ¥842 million in trade receivables, a decrease of ¥1,185 million in accounts payable, and income taxes paid totaling ¥1,164 million.

(Cash flows from investing activities)

Net cash provided by investing activities totaled ¥3,809 million (an increase of ¥7,583 million year on year). This was mainly due to proceeds from the withdrawal of time deposits totaling ¥8,300 million, the purchase of intangible assets amounting to ¥1,881 million, and the purchase of investment securities totaling ¥917 million.

(Cash flows from financing activities)

Net cash used in financing activities stood at ¥1,917 million (a decrease of ¥613 million year on year). This was mainly due to proceeds from long-term borrowings totaling ¥1,000 million and dividends paid totaling ¥2,605 million.

(3) Earnings Forecast

Amid intensified competition with rivals for users, we have increased advertising investments since May 2026. These investments have led to an increase in the number of applications and a switch to positive growth in the number of contracted companies, indicating signs of improvement. However, the pace of sales recovery has been slower than forecasted at the beginning of the fiscal year due to a decline in unit contract prices and a slowdown in sales in the agency business. As we continue to invest aggressively in advertising to strengthen our competitive advantage, we are revising our full-year earnings forecasts to sales ranging from ¥49,000 million to ¥53,000 million and operating income ranging from ¥(2,500) million to ¥2,500 million.

By increasing our market share through strategic investments this year, we will put next year's sales and income back on a growth path.

Consolidated operating results forecast for FY'27/2 (the period 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	49,000–53,000	(5,852)–(1,852)	-10.7 – -3.4
Operating Income	9,112	(2,500)–2,500	(11,612)–(6,612)	-127.4 – -72.6
Ordinary Income	8,990	(2,500)–2,500	(11,490)–(6,490)	-127.8 – -72.2
Net Income Attributable to Owners of Parent	5,956	(2,700)–700	(8,656)–(5,256)	-145.3 – -88.2

2. Interim Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY'26/2 As of February 28, 2026	FY'27/2 H1 As of August 31, 2026
Assets		
Current assets		
Cash and deposits	17,739,062	13,860,640
Notes and accounts receivable - trade	5,201,252	4,360,846
Supplies	18,736	17,910
Other	3,078,120	2,143,737
Allowance for doubtful accounts	(167,964)	(190,558)
Total current assets	25,869,207	20,192,575
Non-current assets		
Property, plant and equipment	2,880,657	3,263,487
Intangible assets		
Software	11,899,098	11,690,693
Other	261,333	138,433
Total intangible assets	12,160,432	11,829,126
Investments and other assets		
Investment securities	4,846,369	5,572,997
Other	4,241,825	4,563,127
Allowance for doubtful accounts	(43,906)	(42,308)
Total investments and other assets	9,044,288	10,093,816
Total non-current assets	24,085,378	25,186,430
Total assets	49,954,586	45,379,005
Liabilities		
Current liabilities		
Accounts payable - trade	374,033	360,881
Current portion of long-term borrowings	—	333,456
Income taxes payable	1,284,088	246,400
Provision for bonuses	761,149	1,050,635
Asset retirement obligations	34,766	7,180
Other	6,896,568	5,257,635
Total current liabilities	9,350,607	7,256,189
Non-current liabilities		
Long-term borrowings	—	597,056
Provision for share-based remuneration	995,054	1,156,898
Provision for share-based remuneration for directors	190,634	136,631
Asset retirement obligations	905,503	1,074,055
Other	1,319,002	1,381,744
Total non-current liabilities	3,410,194	4,346,385
Total liabilities	12,760,802	11,602,575
Net assets		
Shareholders' equity		
Share capital	1,085,000	1,085,000
Capital surplus	7,485,571	7,481,464
Retained earnings	41,857,551	38,671,171
Treasury shares	(13,796,291)	(13,649,531)
Total shareholders' equity	36,631,830	33,588,104
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194,245	113,215
Total accumulated other comprehensive income	194,245	113,215
Share acquisition rights	356,531	65,521
Non-controlling interests	11,177	9,588
Total net assets	37,193,783	33,776,430
Total liabilities and net assets	49,954,586	45,379,005

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

(Thousands of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Sales	28,850,537	25,550,349
Cost of sales	3,270,266	3,519,609
Gross profit	25,580,271	22,030,740
Selling, general and administrative expenses	20,139,113	21,974,360
Operating income	5,441,157	56,380
Non-operating income		
Interest income	21,629	34,569
Share of profit of entities accounted for using equity method	—	195
Other	14,069	16,199
Total non-operating income	35,698	50,963
Non-operating expenses		
Interest expenses	—	2,504
Share of loss of entities accounted for using equity method	5,658	—
Amortization of restricted stock remuneration	62,314	92,906
Other	11,598	8,027
Total non-operating expenses	79,571	103,438
Ordinary income	5,397,284	3,904
Extraordinary income		
Gain on reversal of share acquisition rights	20,166	291,009
Gain on sale of investment securities	65,167	100,678
Gain on sale of shares of subsidiaries and associates	—	113,440
Total extraordinary income	85,334	505,127
Extraordinary losses		
Loss on valuation of investment securities	101,049	245,216
Total extraordinary losses	101,049	245,216
Profit before income taxes	5,381,569	263,816
Income taxes – current	1,655,380	161,464
Income taxes – deferred	11,930	682,534
Total income taxes	1,667,310	843,999
Net income (loss)	3,714,258	(580,183)
Net loss attributable to non-controlling interests	(775)	(1,588)
Net income (loss) attributable to owners of parent	3,715,033	(578,595)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Net income (loss)	3,714,258	(580,183)
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,023)	(81,030)
Total other comprehensive income	(9,023)	(81,030)
Comprehensive income	3,705,234	(661,213)
(Breakdown)		
Comprehensive income attributable to owners of parent	3,706,009	(659,625)
Comprehensive income attributable to non-controlling interests	(775)	(1,588)

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Cash flows from operating activities		
Net income before income taxes	5,381,569	263,816
Depreciation	2,104,297	2,252,079
Share-based remuneration expenses	226,803	164,270
Interest and dividend income	(21,629)	(34,569)
Interest expenses	—	2,504
Commission expenses	4,724	7,778
Share of loss (profit) of entities accounted for using equity method	5,658	(195)
Loss (gain) on sale of investment securities	(65,167)	(100,678)
Loss (gain) on valuation of investment securities	101,049	245,216
Loss (gain) on sale of shares of subsidiaries and associates	—	(113,440)
Gain on reversal of share acquisition rights	(20,166)	(291,009)
Decrease (increase) in trade receivables	522,727	842,004
Increase (decrease) in trade payables	(62,667)	(13,151)
Increase (decrease) in accounts payable - other	(580,750)	(1,185,548)
Increase (decrease) in contract liabilities	(118,786)	43,876
Increase (decrease) in allowance for doubtful accounts	28,566	20,996
Increase (decrease) in provision for bonuses	(84,614)	289,485
Decrease (increase) in other assets	279,254	536,519
Increase (decrease) in other liabilities	(73,136)	(506,273)
Other, net	272,307	560,394
Subtotal	7,900,041	2,984,077
Interest and dividends received	17,161	52,668
Interest paid	—	(2,504)
Income taxes paid	(3,108,550)	(1,164,718)
Income taxes refund	—	580
Net cash provided by (used in) operating activities	4,808,652	1,870,103
Cash flows from investing activities		
Short-term loan advances	—	(60,000)
Payments into time deposits	(4,000,000)	(660,000)
Proceeds from withdrawal of time deposits	3,000,000	8,300,000
Proceeds from collection of long-term loans receivable	75,000	—
Purchase of property, plant and equipment	(295,016)	(308,014)
Purchase of intangible assets	(2,302,941)	(1,881,885)
Payments of leasehold and guarantee deposits	(360,304)	(322,060)
Proceeds from refund of leasehold and guarantee deposits	81,995	49,573
Payments associated with fulfillment of asset retirement obligations	(52,657)	(21,062)
Purchase of investment securities	—	(917,613)
Proceeds from sale of investment securities	80,000	137,111
Purchase of shares of subsidiaries and associates	(0)	(45,891)
Proceeds from sale of shares of subsidiaries and associates	—	115,588
Purchase of insurance funds	—	(575,768)
Net cash provided by (used in) investing activities	(3,773,923)	3,809,976
Cash flows from financing activities		
Proceeds from long-term borrowings	—	1,000,000
Repayments of long-term borrowings	—	(69,488)
Purchase of treasury shares	(85)	(315,862)
Proceeds from sale of treasury shares	83,089	86,759
Proceeds from exercise of employee share options	3,394	—
Dividends paid	(2,608,204)	(2,605,789)
Repayments to non-controlling shareholders	(1,047)	—
Other payments	(8,975)	(13,515)
Net cash provided by (used in) financing activities	(2,531,827)	(1,917,895)
Effect of exchange rate change on cash and cash equivalents	(6,854)	(606)
Increase (decrease) in cash and cash equivalents	(1,503,953)	3,761,578
Cash and cash equivalents at beginning of period	15,156,176	9,039,062
Cash and cash equivalents at end of period	13,652,223	12,800,640

(4) Notes to Consolidated Financial Statements
(Notes to Going Concern Assumption)

Not applicable

(Changes in Accounting Estimates)

During the six months ended August 31, 2026, we revised the estimates for asset retirement obligations that were previously recognized as restoration obligations under real estate lease contracts for each office, based on new information regarding restoration costs. As a result of this change in accounting estimates, the value of asset retirement obligations increased by ¥93,017 thousand.

The impact of this change on the profit or loss for the six months ended August 31, 2026, is immaterial.

(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. Subsequently, 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”).

Furthermore, the Board of Directors resolved at its meeting on June 23, 2026, to extend the BIP Trust Scheme until August 2031.

(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 ¥486,291 thousand and 220,925 shares in FY’27/2 H1.

(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 the 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.

A. 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.

B. 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.

C. 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.

(3) Total number of shares held by Eligible Directors

FY'26/2: 160,000 shares; FY'27/2 H1: 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 ¥2,231,996 thousand and 1,822,470 shares in FY’27/2 H1.

(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.

The Board of Directors resolved at its meeting on August 25, 2026, to extend the transfer restriction period by three years.

(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, 2030

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 2030 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 H1: 764,676 shares

(Notes to Material Changes in Shareholders' Equity)

In accordance with a resolution adopted at a board meeting on July 10, 2026, the Company disposed of 169,000 treasury shares following the continuation of the Board Incentive Plan (BIP) trust. Accordingly, the value of treasury shares decreased by ¥319,967 thousand, while capital surplus decreased due to the recording of ¥4,106 thousand in loss on disposal of treasury shares. Note that the 169,000 shares of Company stock, valued at ¥315,861 thousand, acquired by the trust have been recorded as treasury shares.

Primarily due to this impact, the capital surplus, retained earnings, and treasury shares stood at ¥7,481,464 thousand, ¥38,671,171 thousand, and ¥13,649,531 thousand, respectively, for the six months ended August 31, 2026.

(Segment Information etc.)

[Segment information]

I. Six months ended August 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)	24,173,717	—	24,173,717	—	24,173,717
Services Permanent Placement Services	1,143,482	—	1,143,482	—	1,143,482
DX Services	—	3,410,050	3,410,050	—	3,410,050
Other services	123,287	—	123,287	—	123,287
Revenue generated from contracts with customers	25,440,487	3,410,050	28,850,537	—	28,850,537
Other revenue	—	—	—	—	—
Sales — outside customers	25,440,487	3,410,050	28,850,537	—	28,850,537
Sales and transfers — inter-segment	—	—	—	—	—
Total	25,440,487	3,410,050	28,850,537	—	28,850,537
Segment profit	8,480,603	1,972,647	10,453,250	(5,012,093)	5,441,157

(Notes) 1. Adjustment of segment profit of ¥(5,012,093) 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 on non-current assets and goodwill, etc., by reported segment

Not applicable

II. Six months ended August 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)	21,141,814	—	21,141,814	—	21,141,814
Services Permanent Placement Services	866,308	—	866,308	—	866,308
DX Services	—	3,281,756	3,281,756	—	3,281,756
Other services	260,469	—	260,469	—	260,469
Revenue generated from contracts with customers	22,268,592	3,281,756	25,550,349	—	25,550,349
Other revenue	—	—	—	—	—
Sales — outside customers	22,268,592	3,281,756	25,550,349	—	25,550,349
Sales and transfers — inter-segment	—	—	—	—	—
Total	22,268,592	3,281,756	25,550,349	—	25,550,349
Segment profit	3,330,867	1,632,487	4,963,354	(4,906,974)	56,380

(Notes) 1. Adjustment of segment profit of ¥(4,906,974) 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.