FY2027.3 Q2 Financial Results Presentation

CELM Inc. | TSE Standard:7367

November 13, 2026

Activate Your Potential

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Consolidated Financial Results for FY2027.3 Q2

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FY27.3 First Half Financial Results Summary

- Although net sales were flat and EBITDA declined year on year, first-half progress against the full-year plan exceeded the past three-year average — which reflects our underlying seasonality — by approximately 2pt for both net sales and EBITDA, a steady performance. While front-loading growth investment to a greater extent than in prior years, we have raised the year-end dividend in light of the increasing likelihood of achieving the full-year plan and the profit level expected after the transition to IFRS.

Progress of Net Sales & EBITDA

- First-half net sales of JPY 4,991 million and EBITDA of JPY 811 million. Last fiscal year saw an exceptional concentration of deliveries in Q2, which differs from our underlying seasonality in which sales and profit accumulate most rapidly in Q3. Assessing first-half progress against the past three-year average is therefore more consistent with how the plan is actually structured.
- First-half progress against the full-year plan stood at 48.1% for net sales and 51.3% for EBITDA, exceeding the past three-year average by +2.2pt and +1.9pt respectively — steady progress.
- Human capital and DX-related investment has been front-loaded from the first half; the quarterly EBITDA margin has remained in the 16% range.

Status of Main Businesses

- [Talent & Organizational Development] Segment sales +0.4%. The Competency area grew a solid +18.9%. Growth investment, including the revision of the salary table and AI investment, is being front-loaded.
- [Stakeholder Relations] Segment sales −4.6%. Anticipating the impact of generative AI, we are reallocating management resources from translation to interpretation. The segment is in an investment phase centered on hiring front-line personnel.
- Key KPIs are progressing steadily toward full-year targets; in First Career, achieving the full-year plan of 33 clients — and potentially exceeding it — is coming into view.

Revision of Dividend Forecast (Increase) / Full-year Plan

- Year-end dividend forecast revised from JPY 8.00 to JPY 9.50 per share, bringing the annual dividend to JPY 17.00 (+JPY 2.00 versus the prior-year actual).
- Full-year earnings forecast unchanged.
- For the second half, we assume our underlying seasonality, in which the build-up of sales and profit in our core areas — centered on the Executive/Middle area — begins in earnest in Q3. Having controlled the scale of investment in the first half while monitoring progress, the plan calls for profit to accumulate in the second half.

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Seasonality of CELM（Business/Slow）

- “Executive/Middle” : Management team policy will be fixed at the general shareholders' meeting, and numerous organizational and human resource development projects are in full swing, starting around October, the season for middle managers to be promoted
- “First Career”:　Projects related to the entry of new graduates are concentrated in April and May.
- ”Multilingual Support”: KYT's client portfolio includes many foreign companies. Important decisions associated with global headquarters tend to be concentrated in Q3, just before the fiscal year ends at the end of December

Category	Area	Q1 (Apr-June)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Talent & Organizational Development	Executive/ Middle	Slow	Ordinary	Busiest	Ordinary
	First Career	Busiest	Slow	Ordinary	Slow
Stakeholder Relations	Multilingual Support	Ordinary	Ordinary	Busiest	Slow

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Progress of Net Sales and EBITDA against the FY27.3 Full-year Plan

- Net sales were flat and EBITDA declined year on year. This is attributable to the prior fiscal year (FY26.3), in which deliveries — mainly in the Talent & Organizational Development business — were exceptionally concentrated in Q2, lifting first-half EBITDA progress to 57.7%, well above the typical range of 44–46%.
- Our underlying seasonality is structured such that sales and profit accumulate most rapidly from Q3, when deliveries concentrate around the middle-management promotion season at our large-corporate clients. Comparison with the past three-year average (FY24.3–FY26.3) is therefore the more appropriate basis for assessing progress, and both first-half net sales (+2.2pt) and first-half EBITDA (+1.9pt) exceeded the average — steady progress.
- Human capital and DX-related investment has been front-loaded from Q1/Q2, with progress consistent with the profit plan for Q3 onward.

Progress of Net Sales (Unit: million yen)

	Net Sales (H1)	Net Sales (Full Year)	H1 Progress
27.3	4,991	10,373	48.1%
26.3	5,031	10,308	48.8%
25.3	3,542	8,184	43.3%
24.3	3,430	7,504	45.7%
24.3-26.3 Average			45.9%

+2.2pt

Progress of EBITDA (Unit: million yen)

	EBITDA (H1)	EBITDA (Full Year)	H1 Progress
27.3	811	1,581	51.3%
26.3	960	1,664	57.7%
25.3	635	1,426	44.5%
24.3	604	1,317	45.9%
24.3-26.3 Average			49.4%

+1.9pt

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Quarterly Net Sales and SG&A

- Growth investment in human capital and DX — including higher personnel expenses from the revision of the salary table at CELM (non-consolidated), the core of the Talent & Organizational Development business, and group-wide AI investment — is being front-loaded to a greater extent than in prior years. The quarterly EBITDA margin has remained in the 16% range, and investment is being executed as planned while balancing against the profit build-up from Q3 onward.

(Unit: million yen)	26.3				27.3	
	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	2,269	2,761	2,951	2,325	**2,332**	**2,659**
EBITDA	380	579	559	144	**383**	**427**
EBITDA margin (%)	*16.8%*	*21.0%*	*19.0%*	*6.2%*	***16.5%***	***16.1%***
SG&A	905	911	1,033	1,128	**919**	**999**
Sales ratio (%)	*39.9%*	*33.0%*	*35.0%*	*48.5%*	***39.4%***	***37.6%***

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Cumulative Sales & Profit by Business Segment

- [Talent & Organizational Development] As noted in previous section, segment sales were flat against the prior fiscal year, when deliveries were exceptionally concentrated in Q2. Meanwhile, the Competency area, which joined the Group in 2024, grew a solid +18.9%, capturing demand for advisory services on organization-building amid an uncertain business environment. Growth investment, including the salary table revision and AI investment, is being front-loaded.
- [Stakeholder Relations] In “Translation Services,” which account for less than 10% of segment sales, we have anticipated market changes from the spread of generative AI since KYT joined the Group, and are being selective in taking on orders under a policy of concentrating management resources on “Interpretation Services,” where the value of human involvement — the combination of domain expertise and language — is high. Segment sales were −4.6%. The segment is clearly in an investment phase, with investment front-loaded primarily in hiring front-line personnel.

(Unit: million yen)		27.3Q2	YoY
Talent & Organizational Development	Segment Sales	3,815	+0.4%
	(Executives/Middle)	2,879	+0.1%
	(First Career)	815	-0.7%
	(Competency Assessment)	120	+18.9%
	Segment Profit	764	-9.0%
Stakeholder Relations	Segment Sales (Multilingual Support)	1,176	-4.6%
	Segment Profit (Multilingual Support)	65	-31.9%

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Key KPI's

		25.3 (Actual)	26.3 (Actual)	27.3 (Plan)	(Unit)	27.3Q2 Progress
1	"TOD/Executive & Middle Area" # of Client groups with annual sales over 100mil(1)	16	13	17	Clients	Progressing steadily toward the full-year target. The plan will be re-examined in Q3 (Oct–Dec), the peak season.
2	"TOD/Executive & First Career Area" # of Clients with annual sales over 10mil	33	32	33	Clients	Quantitative expansion of deepened client relationships is progressing steadily. Although deliveries are still ahead, achieving the full-year plan of 33 clients — and exceeding it by several clients — is beginning to come into view.
3	EBITDA per employee	5.7	6.8	5.8 - 6.2	Million yen	Progressing steadily toward the full-year target. The plan will be re-examined in Q3 (Oct–Dec), the peak season.

Note: (1) CELM non-consolidated sales

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Year-end Dividend (Increase)

- The year-end dividend forecast for the fiscal year ending March 31, 2027 has been raised by JPY 1.50, from JPY 8.00 to JPY 9.50 per share, revising the annual dividend forecast to JPY 17.00 (+JPY 1.50 versus the previous forecast; +JPY 2.00 versus the prior-year actual).

Consistency with the initial shareholder return plan	✓ The share buyback resolved on May 14, 2026 (upper limit: 550,000 shares / JPY 200 million) was completed on July 14, 2026, with 478,500 shares acquired for JPY 159,629,600. ✓ While this has enhanced shareholder value, the difference from the upper limit (approx. JPY 40 million) remains as headroom within distributable amounts and is being allocated as the source of this dividend increase.
Consistency with the profit level anticipated after the IFRS transition in FY28.3	✓ Following the voluntary adoption of IFRS planned during the fiscal year ending March 31, 2028, amortization of goodwill will no longer be recorded, and the accounting profit level is expected to step up structurally. Looking ahead to the sustainable profit level after the transition, we are adjusting the balance between growth investment and shareholder returns ahead of schedule.
Current progress and visibility of earnings	✓ In the first half of FY27.3, progress against the full-year plan exceeded the past three-year average for both net sales and EBITDA; even while front-loading growth investment, the likelihood of achieving the full-year forecast is increasing.

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Planned Schedule for the Transition to IFRS (FY28.3)

FY27.3 Full-year Results (scheduled mid-May 2027)

- ✓ Financial results summary (Tanshin), consolidated financial statements under the Companies Act, and the Annual Securities Report to be disclosed under Japanese GAAP
- ✓ FY28.3 full-year earnings forecast to be disclosed under Japanese GAAP

During FY28.3 (exact timing to be determined)

- ✓ The FY28.3 full-year earnings forecast announced in May 2027 to be re-announced, replacing the Japanese GAAP basis with a forecast reflecting the voluntary adoption of IFRS

FY28.3 Full-year Results (scheduled mid-May 2028)

- ✓ Financial results summary (Tanshin), consolidated financial statements under the Companies Act, and the Annual Securities Report to be disclosed under voluntarily adopted IFRS

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FY27.3 Full-year Forecast and Image of 2ndHalf Performance

- We assume our underlying seasonality, in which the build-up of sales and profit in our core areas — centered on the Executive/Middle area — begins in earnest in Q3. Having controlled the scale of investment in the first half while monitoring progress, the plan calls for profit to accumulate in the second half.
- Our full-year investment plan is unchanged from the initial assumption. To achieve our mid-to-long-term operating profit target, our policy is to prioritize strengthening the business foundation above all, even accepting a temporary suppression of EBITDA and operating profit. We will press ahead with growth investment with strong resolve, up to the level at which FY26.3 and FY27.3 ordinary profit remain broadly flat.

(Unit: million yen)	26.3	27.3	
	Actual	Forecast	YoY
Net Sales	10,308	10,373	+0.6%
EBITDA(1)	1,664	1,581	-5.0%
Operating Profit	1,162	1,100	-5.3%
Ordinary Profit	1,032	1,050	+1.7%
Profit	581	600	+3.2%

Note：(1)EBITDA = Operating profit + Depreciation + Amortization of goodwill + Share-based payment expenses

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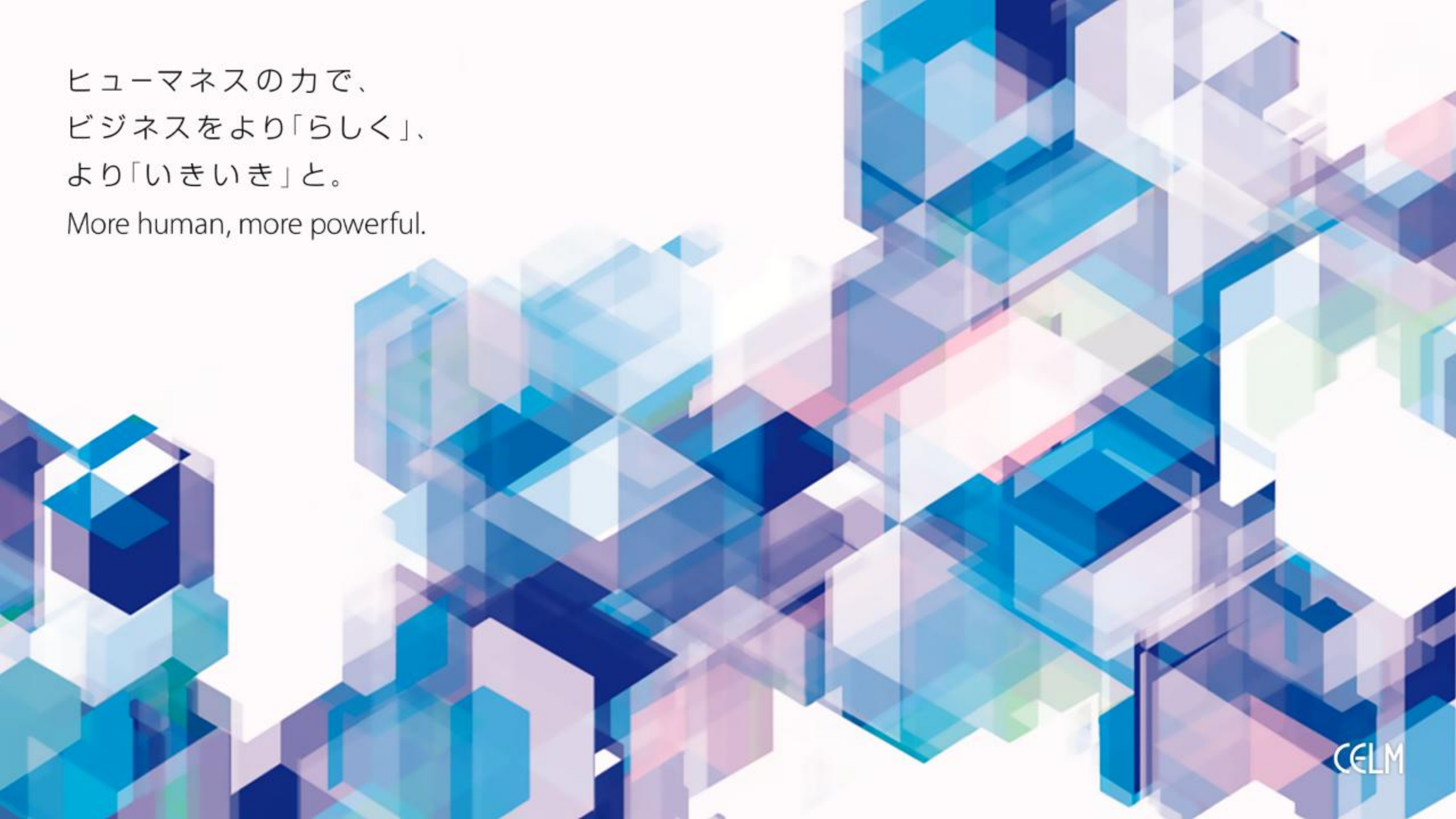
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Appendix

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ヒューマネスの力で、
ビジネスをより「らしく」、
より「いきいき」と。

More human, more powerful.



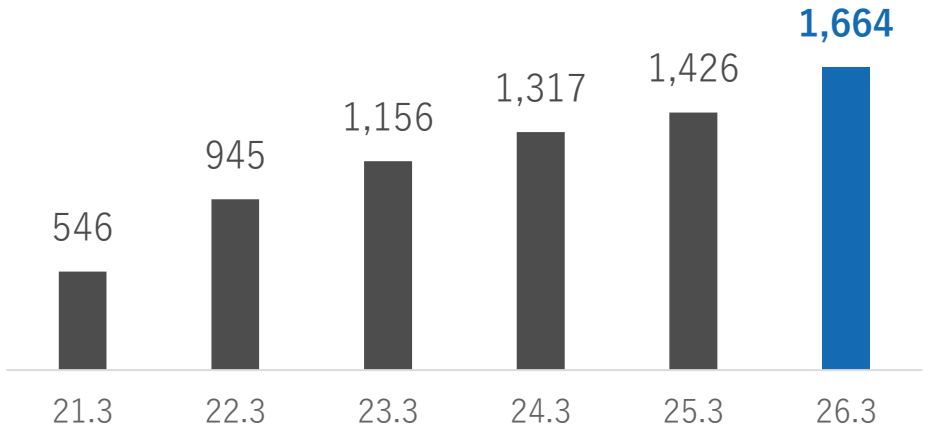
Company Outline

Outline

- **Name** CELM Inc.
- **Business** Comprehensive support for HR & Organizational Development tailored to business and management strategies
- **Establishment** November 01, 2016 (Founded on November 22/1995)
- **Head Office** Ebisu, Shibuya-ku, Tokyo

EBITDA(1) grew at a pace of approximately 25% CAGR since listing

Unit: million yen



Note：(1)EBITDA = Operating profit + Depreciation + Amortization of goodwill + Share-based payment expenses

Establishment — 1995

December
Founded in Chuo-ku, Tokyo (Founders: Y. Matsukawa & T. Isono)

MBO — 2016

November
CELM Group and Partners, Inc. served as a wholly owing company to merge CELM Group Holdings, Inc. and CELM, Inc., and then renamed as CELM, Inc. (President and CEO: T.Kashima)

IPO — 2021

April
Listed on JASDAQ of Tokyo Stock Exchange (securities code: 7367)

Market changes — 2022

April
Transition to the Standard Market of the Tokyo Stock Exchange

M&A No.1 — 2024

January Human Strategies Japan

Turned Human Strategies Japan, a company that provides solutions related to human resource evaluation and training, into a wholly owned subsidiary

M&A No.2 — 2024

December KYT

Turned KYT, a multilingual support assistant company for leading global companies, into a wholly-owned subsidiary

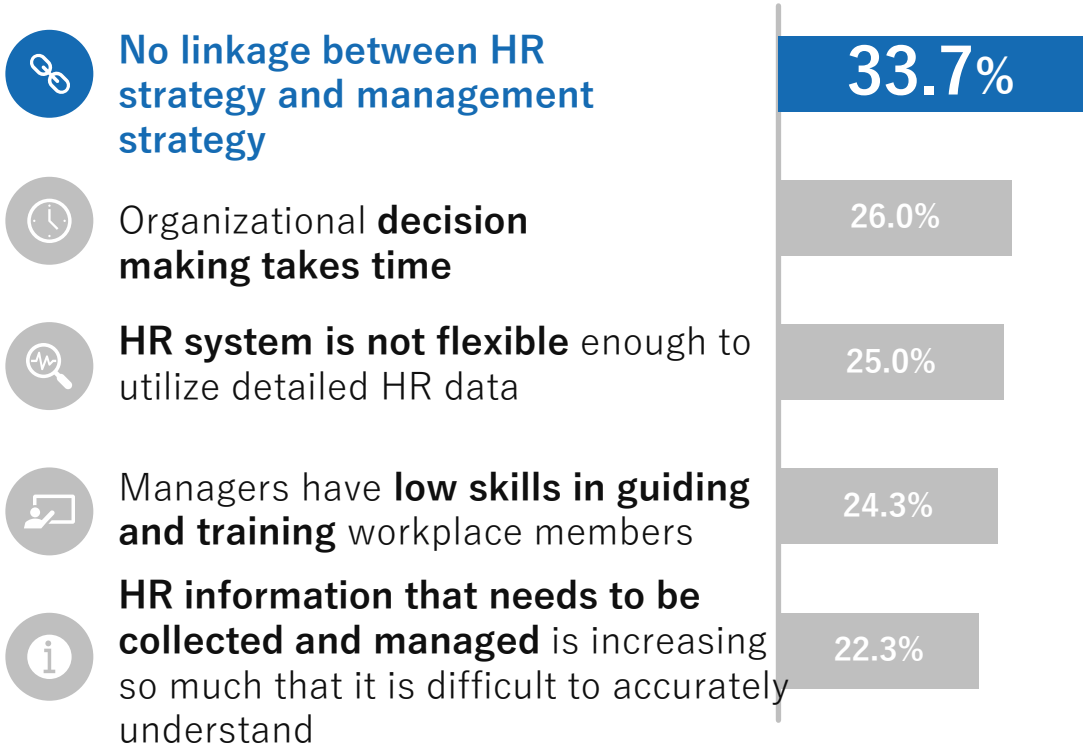
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Our Clients' Issues: Linking Management Issues with HR and Organizational Strategies

"Management issues" and "strategies related to HR and organizations" are inherently related, and many companies recognize the **difficulty of linking the two.**

Difficulty linking with real business strategy

Many companies have problems incorporating business issues into HR strategies (1)



Various challenges

Many challenges to overcome before incorporating them into HR and organizational strategies

Solving such issues requires clear definitions

There are many company-specific factors that cannot be generalized. It is especially difficult to identify the problems of large companies due to their complex business structures

Identifying the complex business issues of each specific company

Even if issues were identified, it is still difficult to decide on appropriate policies to address them

Implementing specific and effective solutions

It takes time to find specific solutions that match the company's situation and problems

Updating continuously in response to trends and the environment

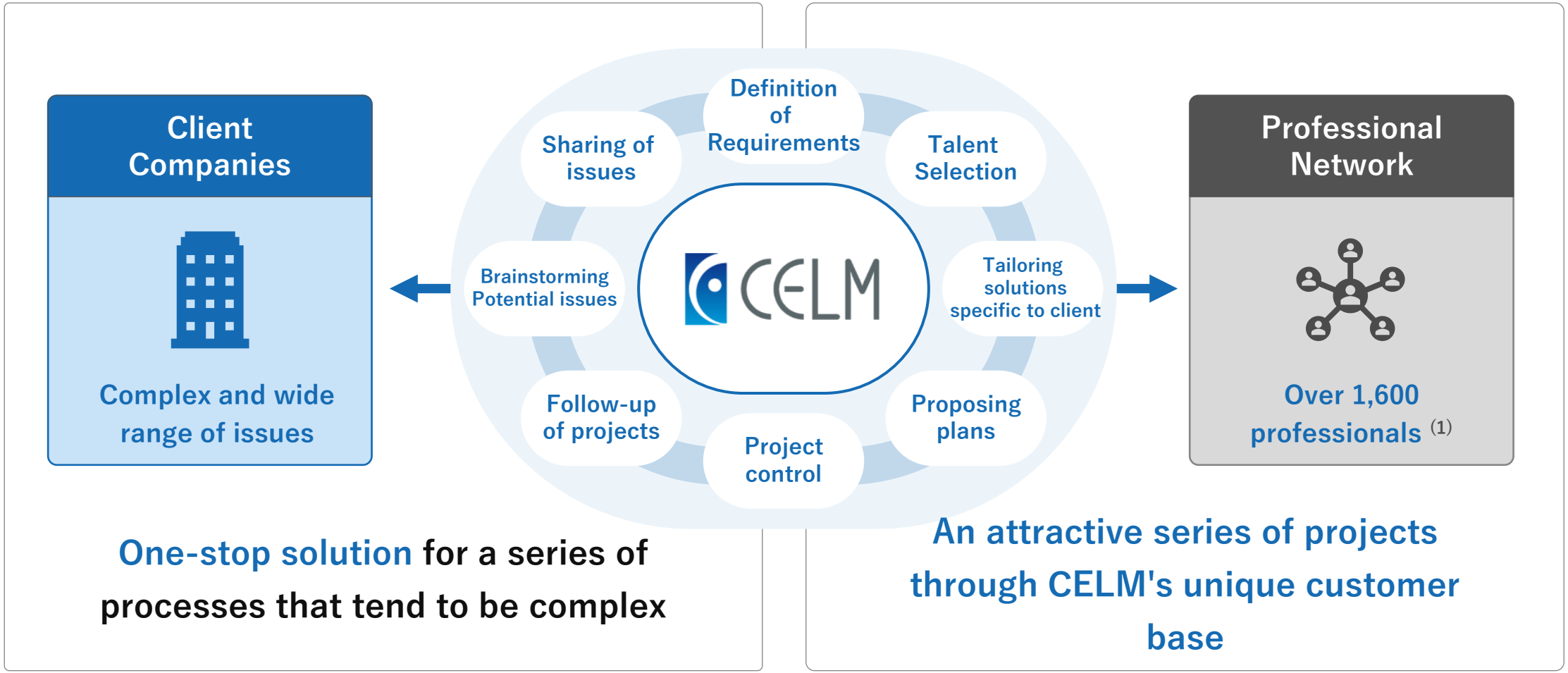
In response to the constantly changing environment, updates must be made at regular intervals

Note: (1) PERSOL RESEARCH AND CONSULTING CO., LTD. "Survey on talent management" (HITO REPORT October 2019)

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Talent and Organizational Development Business Model

CELM is dedicated to accurately handling customer issues and project executions. By utilizing an external network of experts, CELM is able to provide optimal programs tailored to each client's specific situation. The business model can adapt and develop in a continuously changing environment.



Note: 1) As of March 2026.

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Strong Partnership with External Professional Talent

An external talent network with over 1,700 professionals(1) enables CELM to offer a wide range of solutions while operating with a leaner cost structure, delivering truly client-centric solutions.

Platformization of over 1,700 professionals(1)



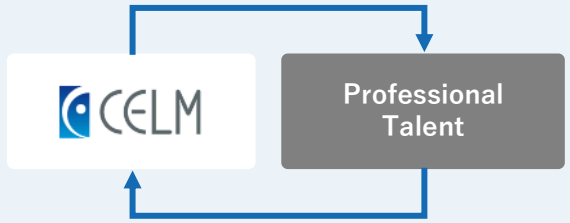
Attractive network of personnel that adjusts to unique challenges and issues

Responding to a wide range of management issues that are constantly changing

- Corporate Governance
- DX
- ESG
- Next Business Leaders
- Careers of Junior and Senior Workers
- Diversity

CELM is constantly developing themes that meet the cutting-edge needs of recent trends and is able to respond to a wide range of issues

Truly customer-oriented system with variable features



Payments to external professionals only occur when projects are running (1) .
CELM's purpose is not just to run projects for external talents but to provide client-orientated solutions

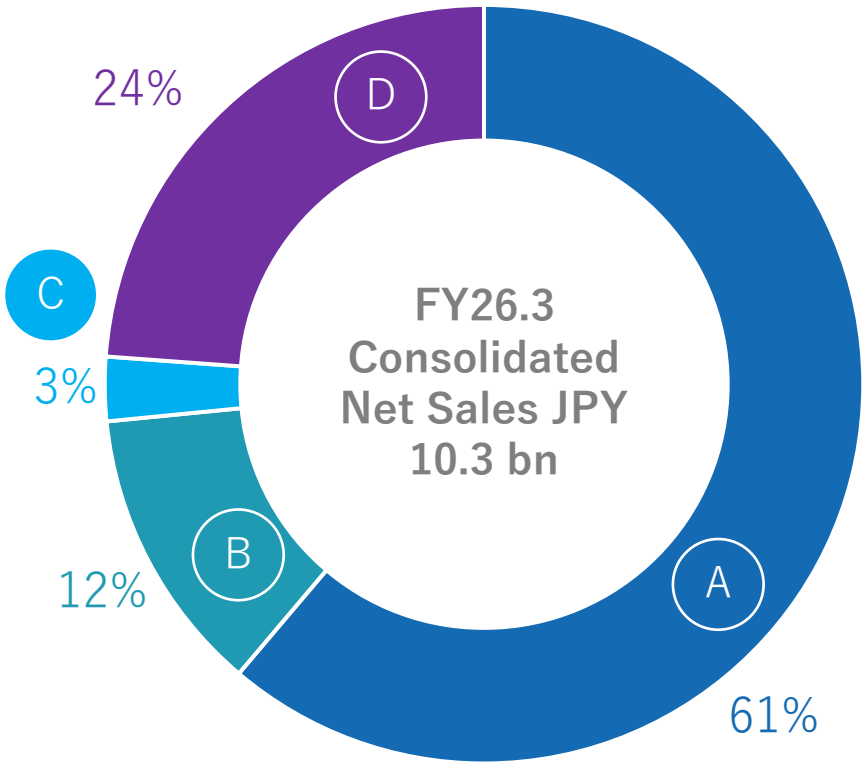
Provide a wide range of solutions × **Variable cost management**

Note: (1) As of March 2026, roughly 650 of all the professional talent are running projects

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Business Domain

Covering wide range from management executives to entry-level employees.
CELM has a competitive advantage in addressing company-specific issues that are becoming increasingly important for the executives and middle management of large companies.



	Area	Service Description
Talent & Organizational Development		
A	Executives / Middle Management	Tailor-made solutions for organizational and human-resource-development challenges specific to each client, delivered in collaboration with external professional talent who bring extensive experience in corporate management and consulting firms — combining diverse external expertise into a single integrated offering.
B	First Career	Organizational development and talent-development support targeting young professionals in their First Career phase — from pre-hire offer through their fifth year as new graduates.
C	Competency Assessment	Support for organizational strategy across a wide range of situations — including hiring, placement, and the identification and development of high-potential talent — grounded in visualized aptitude data.
Stakeholder Relations		
D	Multilingual Support	Multilingual support for various high-stakes conferences and events hosted by foreign-affiliated clients and global Japanese companies.

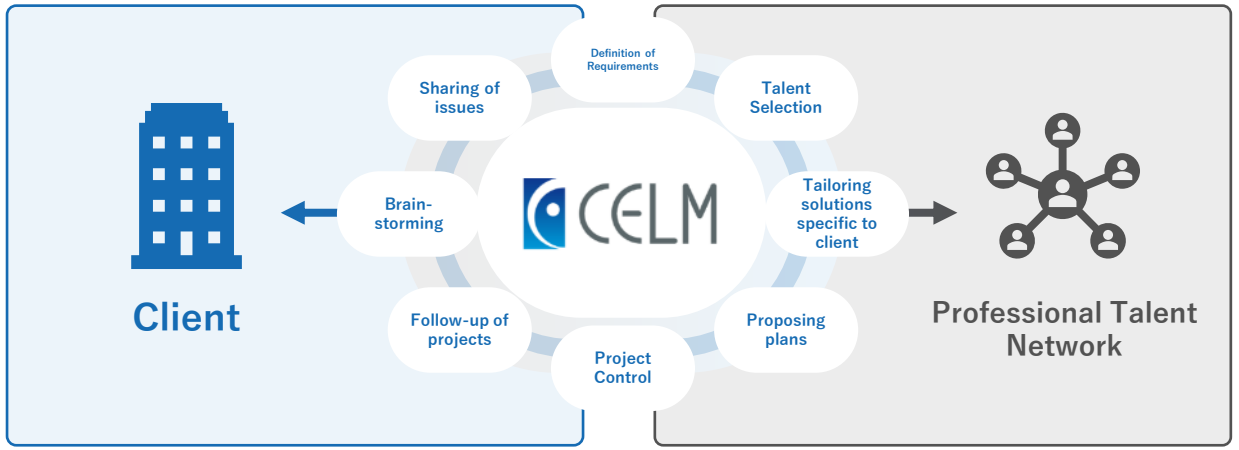
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CELM's Strengths (1/3): High Recurring Business Structure

Since human capital investment is never-ending theme, we foster trusting relationships with clients, resulting in a high-recurring business structure. As a result, sales from clients with long relationship (3 years or more) account for more than 50% of sales(1).

CELM

Since we have built long-term business relationships, clients of three or more years account for over 50% of sales (1)



Front office covering top management & several departments

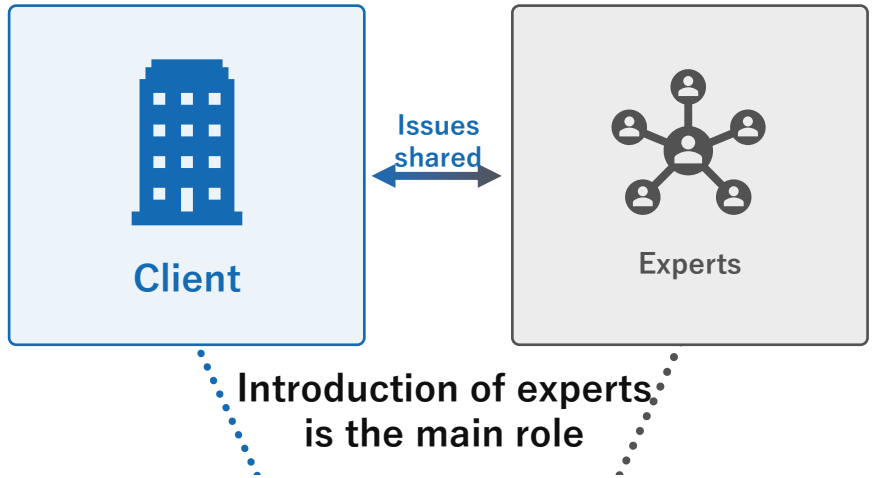
Planning, implementation, follow-ups are conducted by **same account manager who commit from very start till the end of project management, building a trust relationship**

Using external professionals

Various talents are assigned on project basis and even replaced to create competitive environment, **which helps both CELM and experts earn high reputation**

Typical expert matching service

Primary service is introducing external experts, so solving issues is left to experts and the client companies



Expert Matching Service

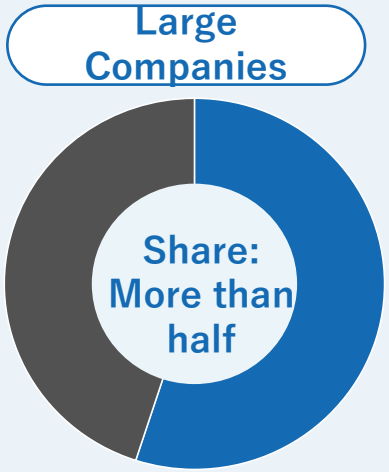
Note : (1)26.3 non-consolidated figure

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CELM's Strengths (2/3): Strong Customer Base Centered on Major Companies

CELM is highly regarded for offering “tailor-made support” that addresses the specific challenges of large Japanese companies, which require swift responses in every situation.

CELM's tailor-made support has earned a high reputation among large companies facing complex issues



CELM has transaction with more than half (1) of the TOP 100 TSE Prime companies (by market cap)

Representative Clients of CELM

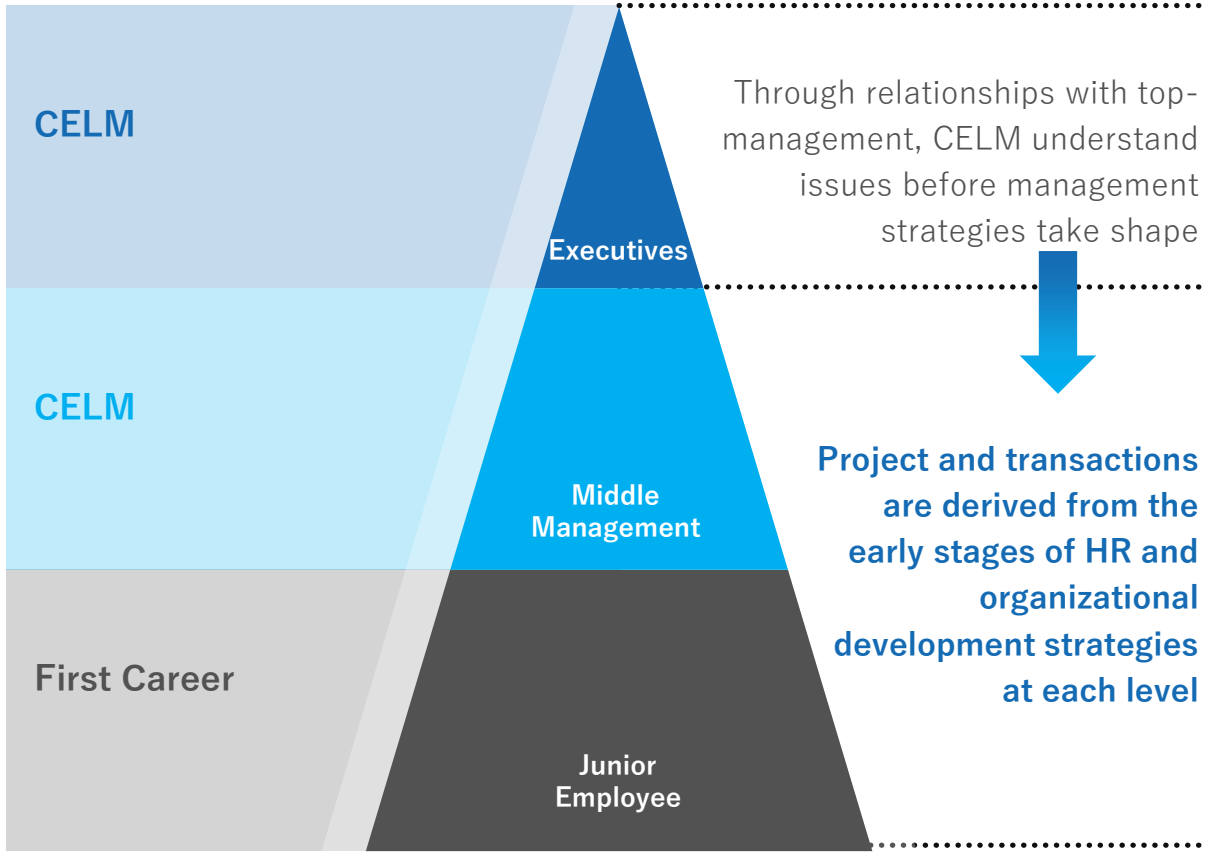
Kubota Corporation	KDDI
Sumitomo Rubber Industries	Sojitz
Sony Group	SOMPO Holdings
Daikin Industries	TANAKA Kikinzoku Kogyo
Honda Motor	Murata Manufacturin
Yamato Holdings	and others

Note: (1) non-consolidated figure

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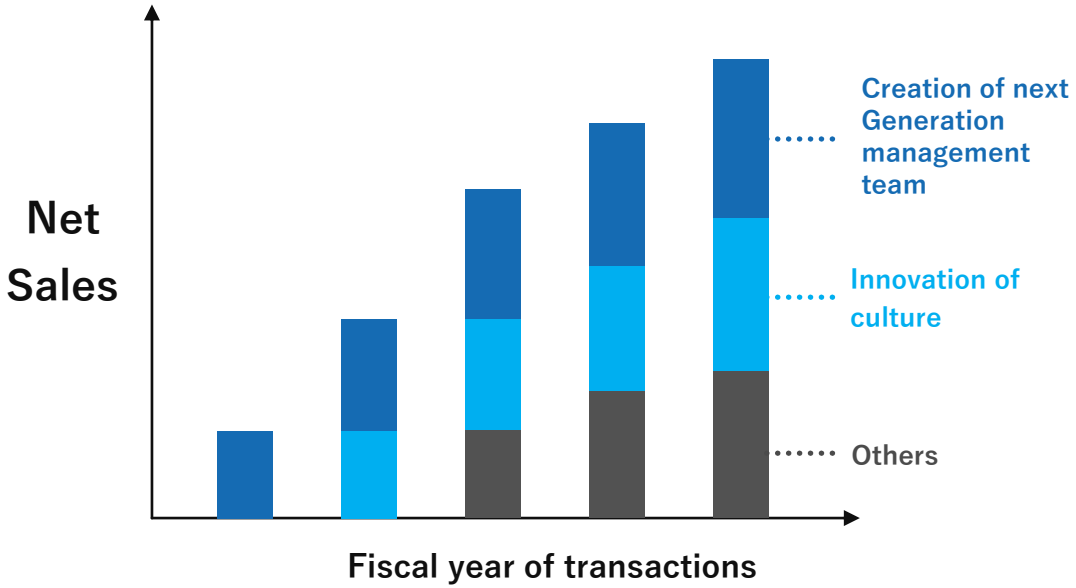
CELM's Strengths (3/3): Ability to Develop Projects through Contacts with Key Client Executives and Next-Generation Executive Candidates

Contact with key client executives and next-generation executive candidates allows CELM to develop projects from the earliest stage of a client's potential strategy development. We expand support areas and increase transaction scale based on the trust we have built and our understanding of the client's strategies.



Vision of increasing transaction

Expanding scale of transactions while branching out into various initiatives



Average sales of TOP 150 client company groups is 39 million(1)

Note：(1) FY2026.3 non-consolidated figure

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Increased Awareness Following Corporate Governance Code Revisions

The 2026 revision of the CG code emphasizes creating succession plans not only for the CEO but also for other management members, highlighting the growing awareness of HR issues related to management leaders.

Management and organizational issues emerging with the revision of CG Code

All HR-related issues are handled by the HR department and business side, while **the top management team remains unaware of the details regarding each management leader candidate**

No consensus among directors on the **evaluation criteria for management leader suitability or the ideal image of a leader for the company**

Narrowing down candidates from the talent pool is challenging without bias, as **in-house top management teams lack developed skills for evaluating leaders**

Recent trend



Management leaders have growing awareness of HR issues for next leader candidates

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CELM's Earnings Structure and KPIs

Main KPIs

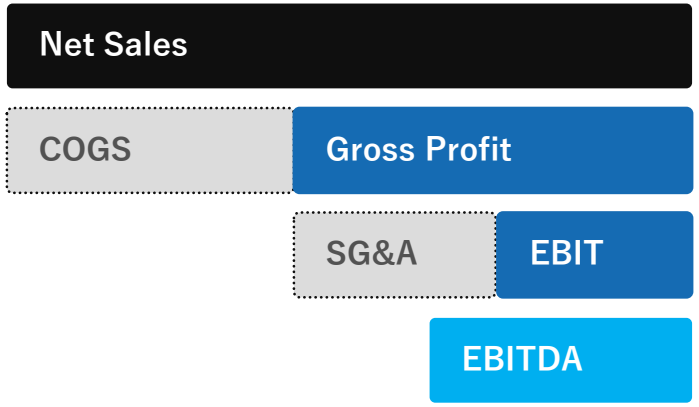
1. Executive & Middle Business
   # of clients over 0.1bn annual sales(1)
2. First Career Business
   # of clients over annual sales of 10mil

… **KPI to improve "unit price per client"**

3. EBITDA per employee

… **Focus on the level of in-year investment in strengthening human capital and the organizational foundation, funded by per-employee EBITDA generation.**

Cost Structure



… **COGS: variable cost**. Mainly consisted of payment to external professional talent, printing costs of training materials, venue fee, etc.

… Increasing the number of front offices is important to keep up with top-line growth

… Quality of earning before depreciation and amortization is important management factor

Note: (1) CELM's sale as non-consolidated figure

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Review of Client Demand Shifts and CELM's Strategic Response

	Keyword	Issues/Status
1	Increasing Sophistication of Clients' Management Agenda	✓ The pace of external change is accelerating, and the requirements for executive talent are being redefined on an annual basis. ✓ For most client companies, external hiring alone can no longer keep up with these shifting requirements. Persistent demand for building an internal foundation to develop talent over the mid-to-long term (CELM's Executive/Middle area) will continue going forward.
2	Shift from "Labor Shortage" to "In-House Talent Shortage"	✓ The fundamental challenge in the labor market has shifted from quantitative shortages to a qualitative mismatch — the right people not being in the right place. ✓ Demand is rising for data-driven talent development and organizational reinforcement, anchored in team formation and assignment decisions that account for the aptitudes of supervisors, peers, and subordinates alike. ✓ This represents a clear tailwind for the "Caliper Profile" offered by our Competency Assessment area, and we are building the capacity to capture this business opportunity.
3	Shift in Clients' New-Graduate Hiring Stance	✓ Driven by the structural shift in views on human capital amid the rise of AI, the absolute number of new humanities graduates hired — particularly at large corporations — is on a downward trend versus prior years. Some companies are also reviewing the headcount allocated to new-graduate-hiring HR functions, creating a near-term headwind for our First Career area. ✓ In FY27.3, we are designing a business expansion of our First Career area into the onboarding domain for newly joined personnel including mid-career hires — and FY27.3 is positioned as the transition period for this shift.
4	Deepening the Business Portfolio	✓ Through the two newly consolidated businesses, we have expanded our service domains and added multiple layers to the value we provide to existing clients. ✓ New customer development will expand from our historically large-enterprise-centric client base toward start-ups and mid-sized SMEs, with M&A (inorganic growth) increasingly addressing this expansion going forward. ✓ Our future M&A strategy is anchored on a strategic axis that integrally addresses both "②responding to clients' more sophisticated management agenda" and "③responding to structural changes in the First Career area."

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Our Long-term Vision (FY29.3 and Beyond)

- **We have set a clear long-term vision — post-IFRS-adoption Operating Profit of JPY 2.0 billion (FY29.3 target) and ROE of 30% or higher (mid-to-long term) — and are executing our strategy toward this destination.**

Mid-to-Long-term Operating Profit Target

FY29.3 Target

2.0 bn

Mid-to-Long-term ROE Target

Pursuit of Capital Efficiency

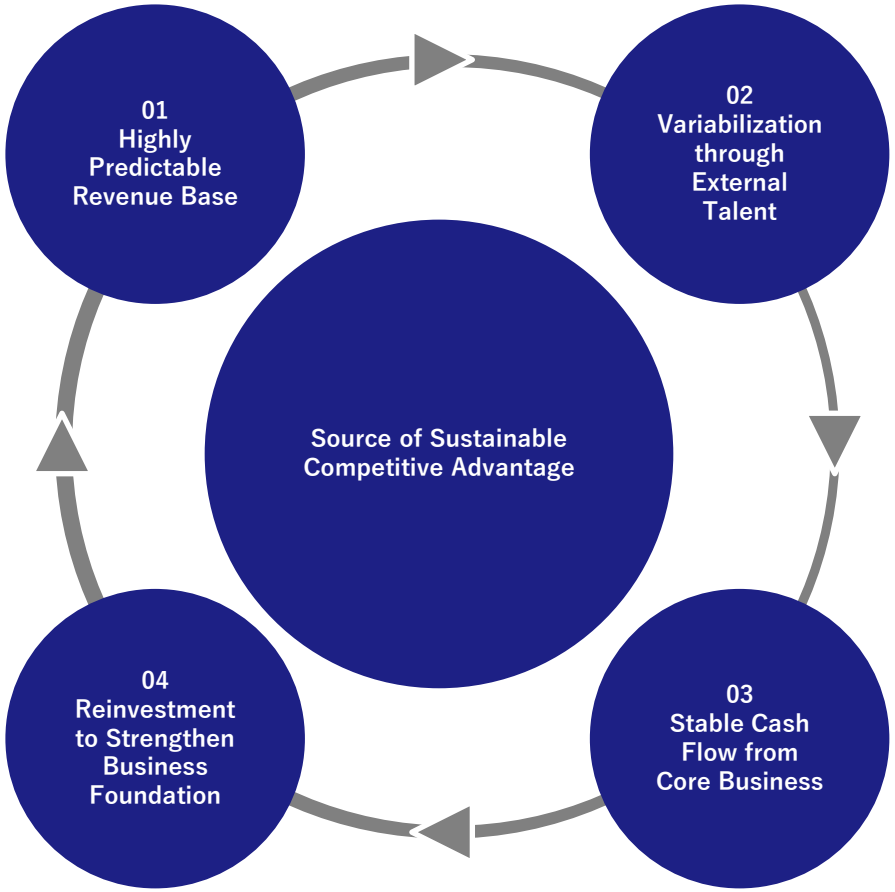
30% or higher

Pursuing sustainable corporate value enhancement through
fundamental investment for business foundation strengthening × rigorous capital efficiency.

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A Four-Step Flywheel Underpinning CELM's Sustained Earnings Power

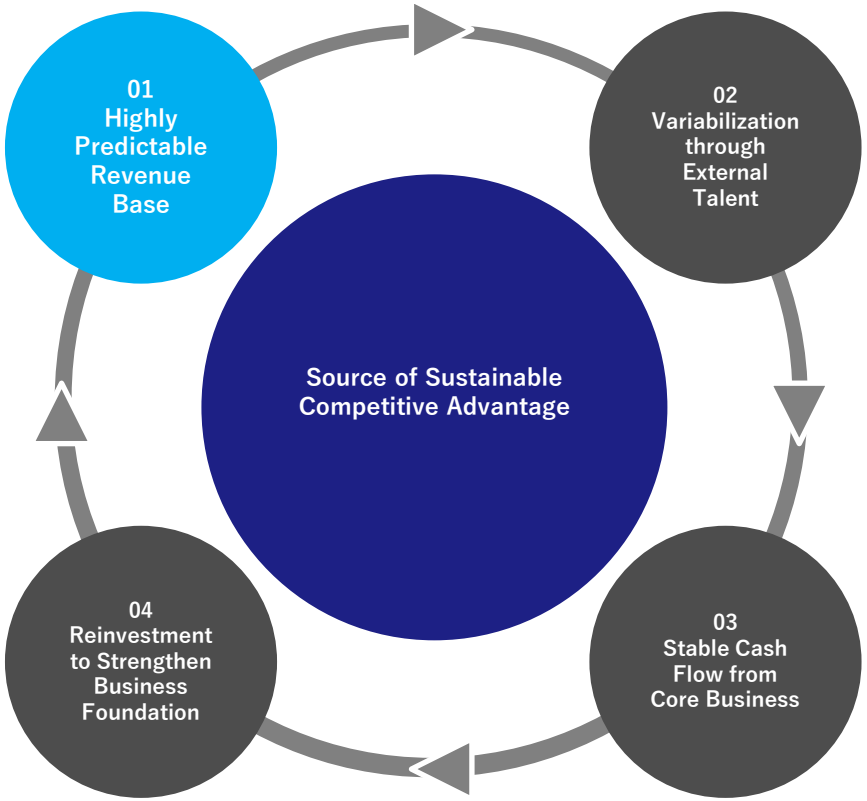
- CELM's sustained earnings power is generated by a flywheel in which four structural elements mutually reinforce one another, building a business foundation where competitive advantage compounds with each cycle. (Each element is explained on the following pages.)
- In our mid-to-long-term growth strategy from FY27.3 onward, this structure is positioned at the core of our management. Under the new management framework, we will fundamentally expand reinvestment at Step 04 to a more aggressive level, targeting the achievement of our mid-to-long-term Operating Profit goal of JPY 2.0 billion.



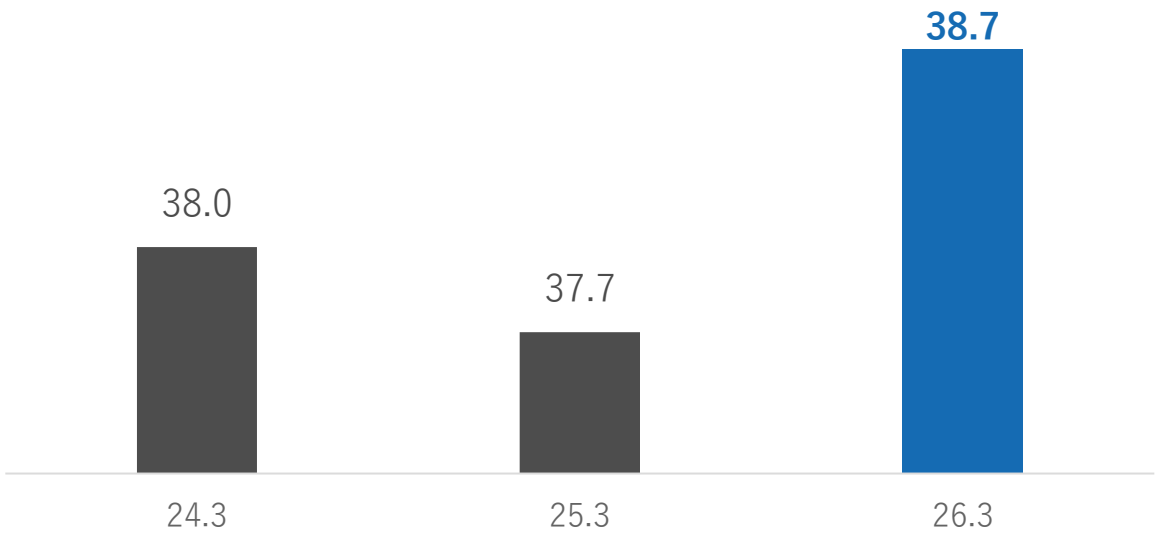
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Step01：Highly Predictable Revenue Base

- Our key clients in the Executive/Middle area are Japanese large corporations with sound financial fundamentals, and by addressing structural management themes that are less affected by economic cycles, we secure stable, ongoing client relationships.
- The average annual transaction value among our top 150 client groups reached JPY 38.7 million (1), a record high.
- A structure in which revenue from continuing clients (2) in the Executive/Middle area accounts for the majority — establishing a highly predictable revenue base.



Trend in Average Annual Transaction Value, Top 150 Client Groups(1) (Unit: million yen)

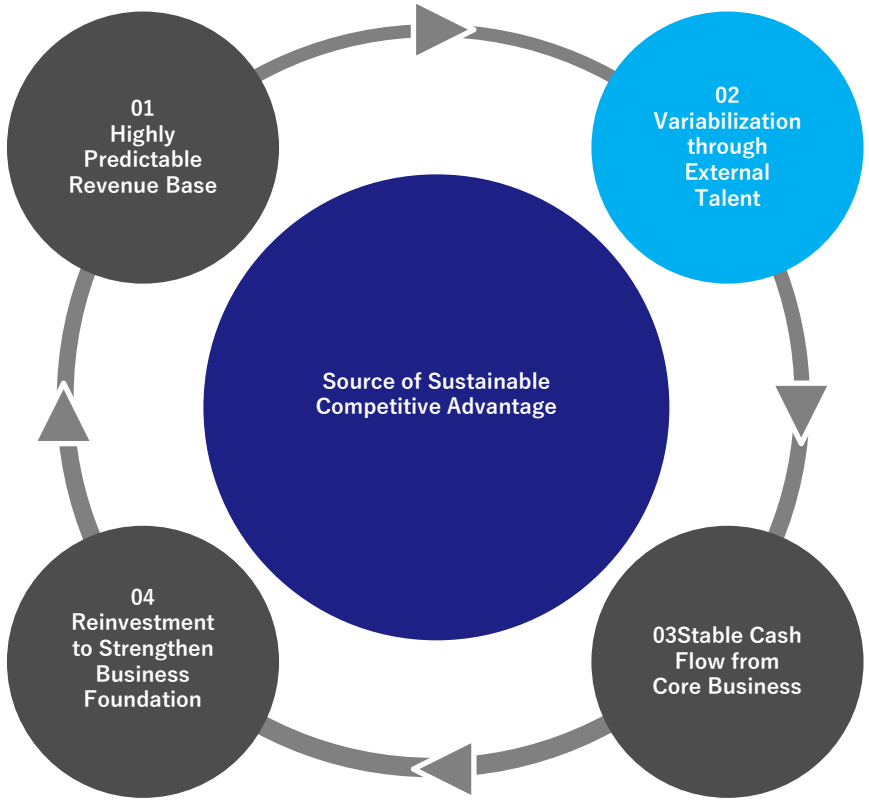


(1) CELM non-consolidated sales (2) CELM non-consolidated FY26.3 sales actual

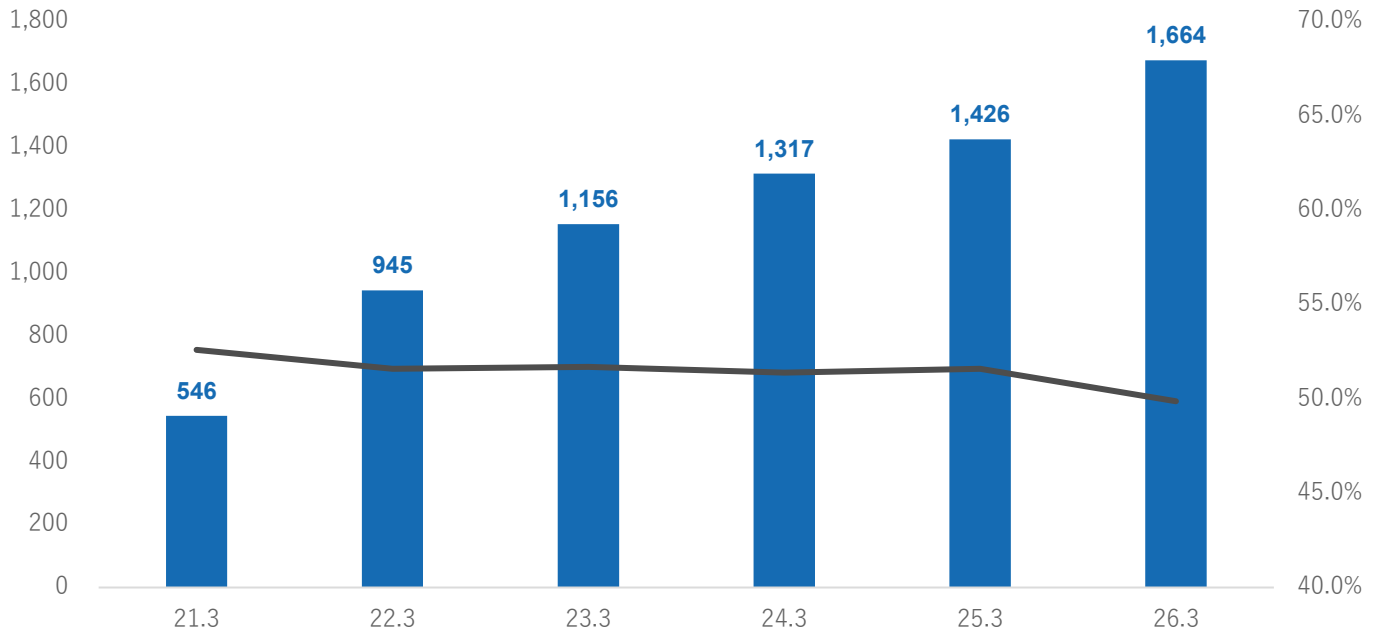
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Step02 : Variabilization through External Talent

- Building on this highly predictable revenue base, CELM operates an asset-light operating model leveraging a network of external professional talent.
- By avoiding the accumulation of fixed-cost-prone in-house talent infrastructure and positioning the core mission of our employees as "dedicated partnership alongside our clients," we have built a business structure that maintains a stable gross profit margin of around 50% and is well positioned to capture operating leverage. EBITDA has expanded at a CAGR of 25% since listing.



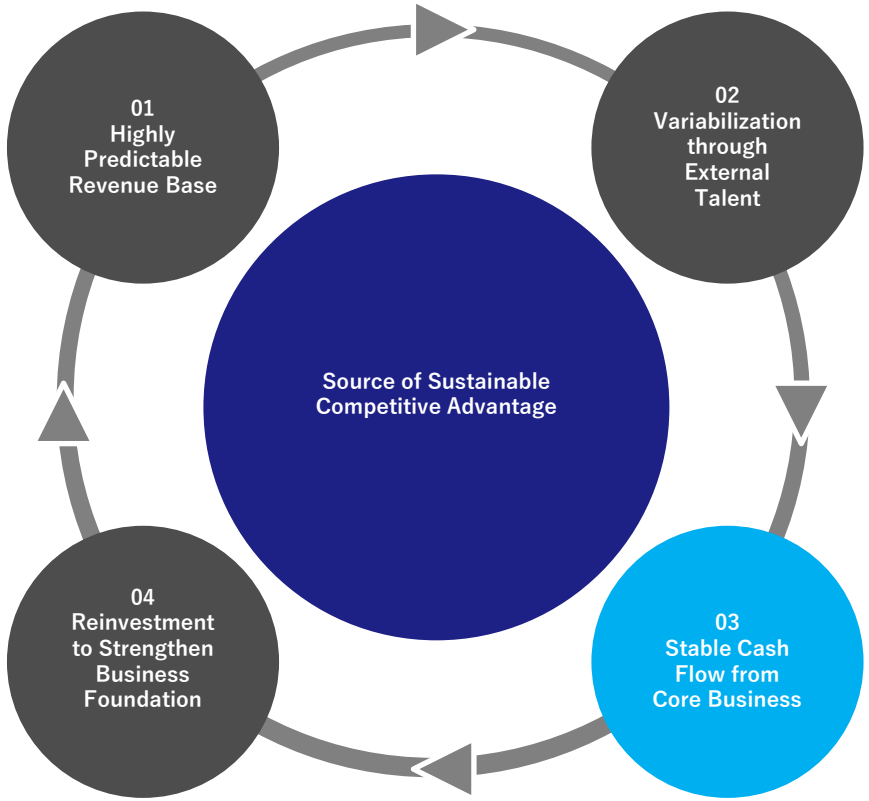
Trend in Consolidated Gross Profit Margin and EBITDA (Unit: million yen)



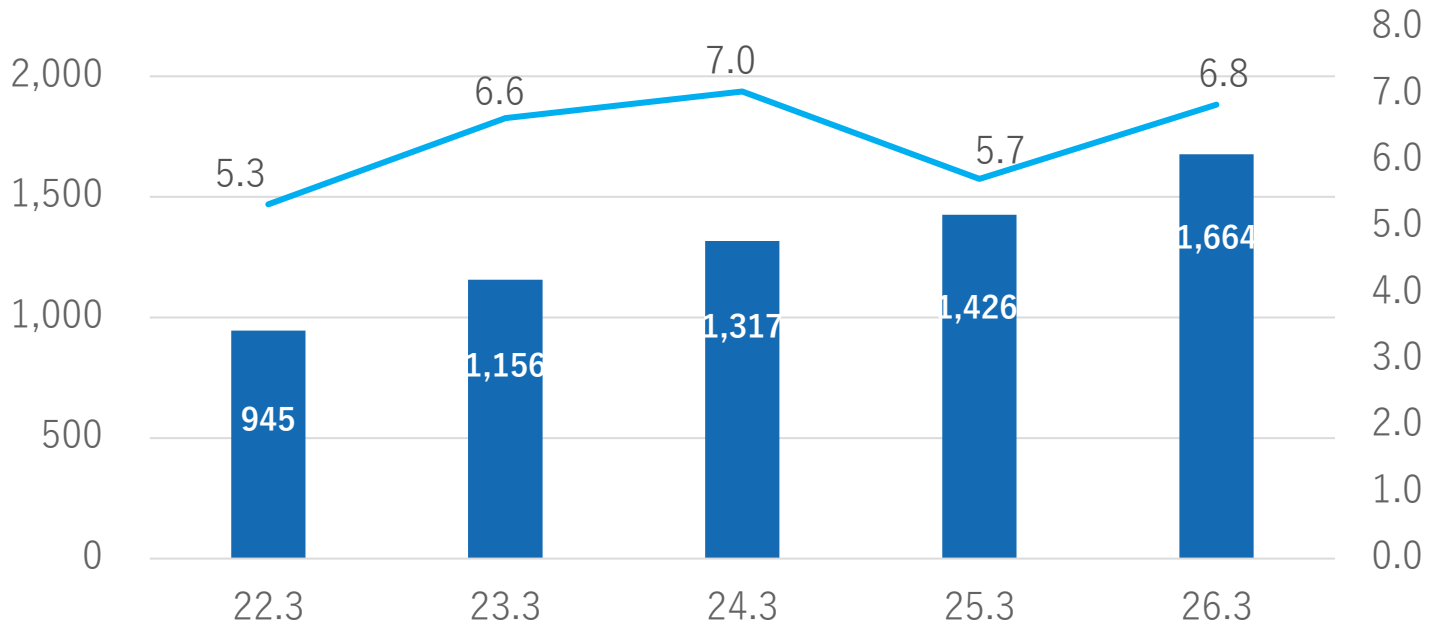
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Step03 : Stable Cash Flow from the Core Business

- The high cash generation capability that emerges from a business model with thoroughly variabilized costs and strong operating leverage — productivity of JPY 5–7 million in EBITDA per employee — can be deployed as funding for the next phase of growth investment.



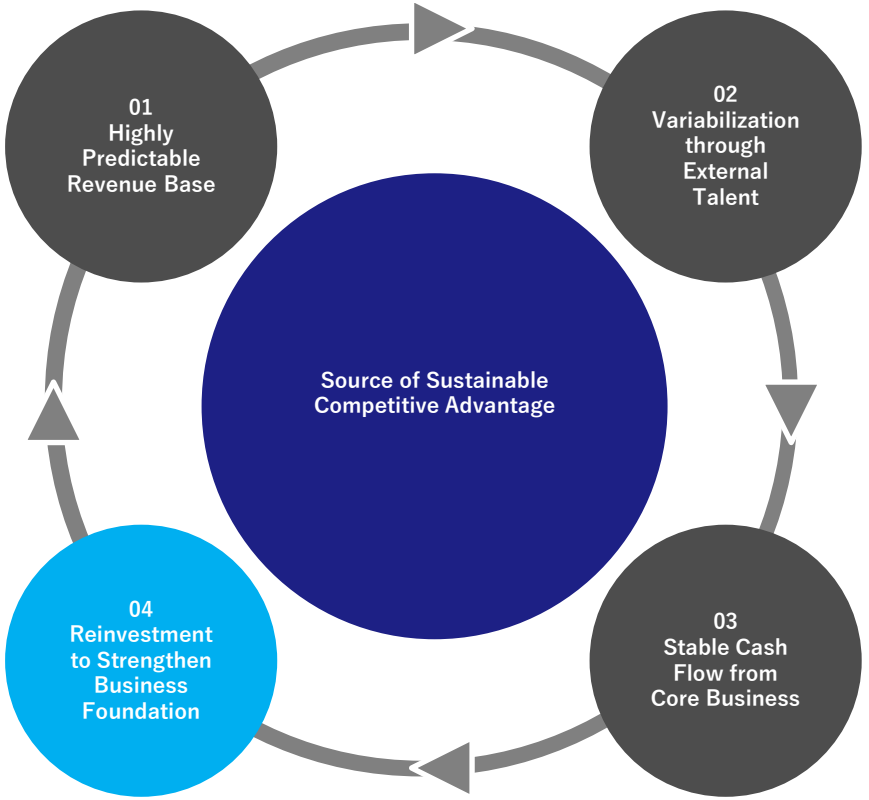
Trend in Consolidated EBITDA and EBITDA per Employee (Unit: million yen)



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Step04：Reinvestment to Strengthen the Business Foundation

- By redeploying this investment capacity into strengthening our human capital and organizational foundation, and expanding our business portfolio, we build a self-reinforcing flywheel that generates the next round of major business opportunities through deeper relationships with key clients.
- These elements are not standalone strengths but a mutually reinforcing cyclical structure — high-quality client assets generate stable earnings, stable earnings generate reinvestment capacity, and reinvestment further deepens client assets. With each cycle, CELM's competitive advantage compounds, realizing a structurally hard-to-replicate engine of sustainable earnings power.



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FY27.3 Organic Growth Investment Policy: Renewing and Upgrading Our Operational Foundation through DX Including AI

No.1

Organic Growth Investment Policy

- ✓ Through rigorous adoption of project management methodologies and field-level productivity improvements, we will renew, upgrade, and bring our operational foundation into the next generation through DX including AI utilization. We are launching a strengthening of our business foundation that eliminates dependence on individual expertise and delivers reproducible high productivity.

No.2

Execution Structure

- ✓ We are establishing an execution structure with Takuya Inoue —Group CEO and Representative Director, President and Group CEO — as Project Owner. By advancing strengthened executive leadership and fundamental investment as a single integrated effort, we will further raise the probability of achieving our mid-term targets.

No.3

Why Now?

- ✓ For the achievement of FY29.3 Operating Profit of JPY 2.0 billion and the sustainable enhancement of corporate value beyond, we are advancing this initiative with the strong conviction that conducting fundamental investment at this point in time is the rational management decision. We will pursue this fundamental effort to a level at which FY26.3 and FY27.3 Ordinary Profit remain broadly flat.

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Disciplined Capital Allocation and Shareholder Return Policy

Item	Our Policy
Investment (Growth Investment)	✓ Position M&A and strategic investment utilizing financial leverage as the top priority in capital allocation, thereby strengthening our business foundation and enhancing corporate value. ✓ Upper-limit guideline for M&A investment: Net Debt / EBITDA of 2.5x
Capital Efficiency (ROE)	✓ 30% or higher over the mid-to-long term (raised from the previous 25% or higher)
Shareholder Return	✓ Adopt progressive dividends as a principle, with the prior fiscal year's dividend as the floor (changed from the previous 40–50% payout ratio approach)
Utilization of Surplus Capital	✓ After executing growth investment and stable dividends, flexibly return any remaining surplus funds through share buybacks and cancellations. ✓ Resolved today to cancel 400 thousand shares

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M&A-Driven Strategy for Strengthening the Business Portfolio

No.1

Expansion of Customer Segments

✓ Accelerate inorganic growth by expanding our historically large-enterprise-centric client base into new customer segments including start-ups and mid-sized SMEs.

No.2

Multi-Layered Value Delivery to Existing Clients

✓ Through the expansion of solutions adjacent and related to our Talent & Organizational Development business, broaden the service domains we deliver to existing large-enterprise clients and feed back into deeper relationships.

No.3

Financial Discipline

✓ We continue to set Net Debt / EBITDA of 2.5x as the upper-limit guideline for M&A investment, funding deals from the stable cash flow generated by our core business and advancing them flexibly while continuously verifying investment performance.

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