



Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name:	WDB Holdings Co., Ltd.	Listing:	Tokyo Stock Exchange
Securities code:	2475	URL:	https://www.wdbhd.co.jp/eng/
Representative:	Toshimitsu Nakano, President and CEO	Inquiries:	Miki Otsuka, Senior Managing Director
Telephone:	079-287-0111		
Scheduled date of annual general meeting of shareholders:		June 26, 2025	
Scheduled date to commence dividend payments:		June 27, 2025	
Scheduled date to file annual securities report:		June 24, 2025	
Preparation of supplementary material on financial results:		Yes	
Holding of financial results briefing:		None	

[Translation for Reference Purposes Only]

This document is a translation of the Japanese original for reference purpose only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income Attributable to Owners of the Parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	51,136	3.7	5,068	-7.3	5,095	-7.5	3,051	-14.0
March 31, 2024	49,297	3.6	5,468	-0.7	5,505	-1.9	3,548	0.2

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥3,474 million [-10.8%]

For the fiscal year ended March 31, 2024: ¥3,895 million [-1.3%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	155.36	-	9.9	12.5	9.9
March 31, 2024	180.67	-	12.3	14.5	11.1

(2) Consolidated Financial Position

	Total assets	Net assets	Equity Ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	41,753	33,241	76.4	1,624.01
March 31, 2024	39,827	31,150	75.4	1,529.85

Reference: Shareholders' equity As of March 31, 2025: ¥31,893 million

As of March 31, 2024: ¥30,044 million

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	4,367	-3,334	-1,419	20,574
March 31, 2024	4,494	-713	-1,240	20,942

2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	29.00	-	43.50	72.50	1,423	40.1	4.9
Fiscal year ended March 31, 2025	-	24.00	-	38.50	62.50	1,227	40.2	4.0
Fiscal year ending March 31, 2026 (Forecast)	-	25.00	-	37.50	62.50		50.9	

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income Attributable to Owners of the Parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	51,140	0.0	4,230	-16.5	4,330	-15.0	2,410	-21.0	122.72

※The above forecasts are based on information available as of the date of publication of this document. Actual results may differ materially from the forecasts due to various factors going forward.

※ Notes

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

New: - (Company name :-), Excluded: - (Company name :-)

(2) Changes in accounting policies and changes or restatement of accounting estimates

1. Changes in accounting policies due to revision of accounting standards: Yes
2. Changes in accounting policies other than the above: None
3. Changes in accounting estimates: Yes
4. Restatement of revisions: None

(3) Number of shares outstanding (common shares)

1. Number of shares outstanding at the end of the period
(including treasury stock)
2. Number of treasury stock at the end of the period
3. Average number of shares during the period

As of March 31, 2025	20,060,000Shares	As of March 31, 2024	20,060,000Shares
As of March 31, 2025	421,034Shares	As of March 31, 2024	420,949Shares
Fiscal Year ended March 31, 2025	19,639,040Shares	Fiscal Year ended March 31, 2024	19,639,051Shares

(Reference) Summary of Non-consolidated Financial Results

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

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net Income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	4,482	-4.2	3,266	-6.7	3,314	-7.8	3,134	-11.6
March 31, 2024	4,677	61.0	3,502	90.5	3,595	89.0	3,545	112.4

	Net income per share		Diluted net income per share	
Fiscal year ended	Yen		Yen	
March 31, 2025	159.61		-	
March 31, 2024	180.55		-	

(2) Non-Consolidated Financial Position

	Total assets		Net assets		Equity Ratio		Net assets per share	
As of	Millions of yen		Millions of yen		%		Yen	
March 31, 2025	17,957		16,844		93.8		857.72	
March 31, 2024	15,966		15,038		94.2		765.73	

Reference: Shareholders' equity As of March 31, 2025: ¥16,844 million

As of March 31, 2024: ¥15,038 million

2. Non-consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary income		Net Income		Net income per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	3,473	-22.5	1,710	-48.4	1,640	-47.7	83.51	

※ The financial results are outside the scope of audits by a certified public accountant or an auditing firm.

※ Proper use of earnings forecasts, and other special matters

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "Overview of Operating Results" of the attached material for the assumptions upon which the forecasts are based and the cautionary statements regarding the use of the forecasts.

1. Overview of Operating Results

(1) Business Results

WDB group is a corporate group engaged in the human resources services business centered on staffing in the field of science (chemistry and biotechnology) and CRO (Contract Drug Development) business.

Regarding the business environment and the status of the human resources services business during the consolidated cumulative period under review (April 2024 to March 2025), the average of the ratio of job offers to applicants (seasonally adjusted) was 1.25 times (down of 0.04 points year-on-year) and the average of the unemployment rate (seasonally adjusted) was 2.5% (down of 0.1 points year-on-year). While demand for the temporary staffing services we provide remains solid, due to the severe labor shortage, securing an adequate supply of job candidates to meet this demand poses a significant challenge.

To address this issue, our group has continued to take measures to improve the treatment of temporary staff since April 2022. During the consolidated cumulative period under review, we increased the remuneration of temporary staff by an average of 5.6% in April 2024. In addition, through the digitalization of sales activities utilizing the temporary staffing service platform “doconico”, consolidation of operations into the support desks located in Tokyo and Kobe, and leveraging ChatGPT to enhance productivity, we have achieved cost reductions, which have been allocated to improving the treatment of temporary staff. We also negotiated increases in temporary staffing fees rates to further improve the treatment of temporary staff in the future.

In CRO business, we further promoted standardization and automation of our operations to accurately and promptly process outsourced operations from pharmaceutical and medical-device manufacturers, thereby contributing to the resolution of our customers' challenges. Furthermore, in our overseas operations, we reallocated management resources to high-margin businesses by divesting certain unprofitable segments of Medfiles in Finland and terminating our operations for DZS in the United States.

As a result of the aforementioned activities, net sales for the consolidated cumulative period under review were ¥51,136 million (up of 3.7% year on year). Operating was ¥5,068 million (down of 7.3% year on year), ordinary income was ¥5,095 million (down of 7.5% year on year), and profit attributable to owners of parent was ¥3,051 million (down of 14.0% year on year).

In addition, the ratio of the operating income to net sales, an indicator we emphasize, was 9.9% (11.1% in the previous fiscal year) and the ratio of ordinary income to net sales was 10.0% (11.2% in the previous fiscal year) and ROE was 9.9% (12.3% in the previous fiscal year).

Operating results by segment are as follows.

Segment income is before elimination of inter-segment transactions.

1. Human Resources Services Business

Segment sales were ¥42,985 million (up of 2.1% year on year), segment income was ¥4,041 million (down of 9.5% year on year). The factors behind the decrease in profits were an increase in costs associated with the improvement in the treatment of temporary staff and an increase in SG&A expenses associated with the improvement in the treatment of employees.

2. CRO Business

Segment sales were ¥8,150 million (up of 13.5% year on year), segment income was ¥1,512 million (down of 0.2% year on year). While sales increased due to steady order growth both domestically and internationally, income remained flat as a result of rising personnel costs and expenses related to the divestiture of Medfiles' business.

(2) Financial Condition

1. Assets

The balance of current assets at the end of the fiscal year under review was ¥27,406 million, a decrease of ¥1,240 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥367 million in cash and deposits and a decrease of ¥767 million in income taxes receivable.

The balance of non-current assets at the end of the fiscal year under review was ¥14,347 million, an increase of ¥3,166 million from the end of the previous fiscal year. This was mainly due to an increase of ¥3,074 million in construction in progress.

As a result, total assets at the end of the fiscal year under review were ¥41,753 million, an increase of ¥1,925 million from the end of the previous fiscal year.

2. Liabilities

The balance of current liabilities at the end of the fiscal year under review was ¥6,936 million, a decrease of ¥206 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥587 million in accounts payable-other.

The balance of non-current liabilities at the end of the fiscal year under review was ¥1,575 million, an increase of ¥42 million from the end of the previous fiscal year.

As a result, total liabilities at the end of the fiscal year under review were ¥8,512 million, a decrease of ¥164 million from the end of the previous fiscal year.

3. Net assets

Total net assets at the end of the fiscal year under review were ¥33,241 million, an increase of ¥2,090 million from the end of the previous fiscal year. This was mainly due to an increase of ¥1,725 million in retained earnings.

Net assets per share were ¥1,624.01, an increase of ¥94.16 from the end of the previous fiscal year.

(3) Cash Flow

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review decreased ¥367 million from the end of the previous fiscal year to ¥20,574 million. The status of each cash flow and its contributing factors are as follows.

1. Net cash provided operating activities

Net cash provided by operating activities amounted to ¥4,367 million, compared with net cash provided by operating activities of ¥4,494 million in the previous fiscal year. This was mainly due to income taxes paid of ¥875 million, which outweighed income before income taxes and minority interests of ¥5,063 million.

2. Cash flows from investing activities

Net cash used in investing activities totaled ¥3,334 million, compared with net cash used of ¥713 million in the previous fiscal year. This was mainly due to the purchase of property, plant and equipment of ¥3,132 million.

3. Cash flows from financing activities

Net cash used in financing activities was 1,419 million, compared with 1,240 million in the previous fiscal year. This was mainly due to cash dividends paid of 1,325 million.

(4) Future Outlook

The management plan for the fiscal year ending March 31, 2026 is as follows.

Net sales: ¥51,140 million (up 0.0% year-on-year)

Operating income: ¥4,230 million (down 16.5% year-on-year)

Ordinary income: ¥4,330 million (down 15.0% year-on-year)

Net income Attributable to Owners of the Parent: ¥2,410 million (down 21.0% year-on-year)

Based on our medium-to-long term management plan (announced on May 13, 2022, revised on May 14, 2024), we have been working to reduce SG&A expenses by providing services through our platform and to increase the compensation of temporary staff by investing the saving, aiming to strengthen the competitiveness of our core business of science-related temporary staffing and to fully enter the administrative clerical staffing business. As a result of these three years of efforts, the use of our platform-based services has expanded, and we have been able to increase the compensation of temporary staff by an average of 13%.

However, due to the decline in the working population across Japanese society and the resulting intensification of competition for talent, wage levels continue to rise and job seekers have more options than ever before. In addition to the ongoing need to raise wages to secure temporary staff, recruitment costs also continue to rise, placing significant pressure on the profit margins of temporary staffing companies. If this trend accelerates, coupled with a future labor shortage, we believe that the Japanese-style temporary staffing model may no longer be viable. We believe that the move by other companies in the industry to seek new avenues in businesses other than temporary staffing, such as recruitment placement, outsourcing, and job advertising, is a sign of this.

In response to this situation, we will develop our business in two directions over the long term. The first is to "maximize our value as a staffing agency." Because we specialize in staffing science engineers and researchers, we maintain a relatively high profit margin compared to staffing agencies that handle general occupations. Taking advantage of this situation, in the medium term we will continue to increase compensation for temporary workers, as well as provide a full-time temporary employment system that does not involve relocation and strengthen our sales structure to provide a wider range of work that meets the needs of job seekers, thereby providing a service that is popular with job seekers. Moreover, in order to acquire new orders for staffing from new customers who have not previously done business with us, we released a staffing service platform "DOCO1" in May 2025 that allows customers to place orders for staffing services with multiple staffing companies at the same time and enables centralized management such as attendance and billing after contracts across multiple staffing vendors. We will also pursue a new approach to customer acquisition by starting relationships through the use of "DOCO1" and building trust that leads to receiving staffing orders.

In the long term, we will maximize the two values of a staffing company: "intermediation between job seekers and employment" and "support during employment." We already have strengths in both of these areas that other companies do not have, but by further evolving our platform, we will further automate the process, reduce intermediation costs, and continue to increase the compensation of staffing staff. In addition, by further refining our careful follow-up during employment, even if the market environment becomes even more severe and other companies are forced to switch to new businesses, we will continue our business as a staffing company by being supported by customers and staffing staff. If that happens, we believe that the current fierce competition will be resolved and it will be possible to build a new business model that ensures high profit margins. The second is to transform into a "platform operating company." Since 2016, we have been working to provide services through platforms in order to digitize staffing and CRO services. As a result, we currently operate three platforms: "doconico" and "DOCO1" in the staffing field, and "CoCoPos" in the CRO field. We will utilize the know-how we have accumulated through these developments and operations to launch further platform services.

In the fiscal year ending March 31, 2026, we expect sales to decrease in the CRO segment due to the partial cancellation of outsourced work by a major client, who has internalized some operations previously handled by our group, as well as the divestiture of part of Medfiles' business in Finland. Although the human resources segment is expected to see an increase in sales, overall consolidated sales are expected to remain flat compared to the fiscal year ended March 31, 2025. Furthermore, due to the increase in costs from investments for the future growth as mentioned above, SG&A expenses will increase, resulting in a decline in profits at all levels below operating income.

For details, please refer to the "Medium-to-Long Term Management Policy 2025" below. Please note that as it is becoming difficult to reasonably forecast medium-to-long term performance, specific numerical targets are not disclosed in the "Medium-to-Long Term Management Policy 2025".

<https://www.wdbhd.co.jp/assets/pdf/eng/ir/about/management-policy250514.pdf>

(5) Significant Events Related to the Going Concern Assumption

Not applicable.

2. Basic Approach to Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements between periods and between companies, our policy for the time being is to prepare consolidated financial statements in accordance with Japanese GAAP.

With regard to the application of IFRS, we intend to respond appropriately, taking into account various domestic and overseas circumstances.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	20,942,362	20,574,579
Accounts receivable and contract assets	6,469,017	6,446,076
Inventories	50,895	64,791
Others	1,184,281	320,654
Total current assets	28,646,557	27,406,101
Fixed assets		
Property, plant and equipment		
Buildings and structures	2,720,380	2,705,282
Accumulated depreciation	-1,413,502	-1,486,305
Buildings and structures, net	1,306,878	1,218,977
Machinery and equipment	449,375	491,720
Accumulated depreciation	-270,863	-326,260
Machinery, equipment and vehicles, net	178,512	165,459
Tools, furniture and fixtures	560,911	566,599
Accumulated depreciation	-466,749	-488,221
Tools, furniture, and fixtures, net	94,162	78,377
Land	6,739,821	6,739,821
Leased assets	87,282	104,827
Accumulated depreciation	-25,669	-25,082
Lease assets, net	61,612	79,745
Construction in progress	711,767	3,786,092
Total property, plant and equipment	9,092,755	12,068,474
Intangible assets		
Others	149,960	149,085
Total intangible assets	149,960	149,085
Investments and other assets		
Investment securities	130,139	127,731
Lease deposits	703,096	797,393
Deferred tax assets	824,797	893,008
Others	280,294	311,430
Total investments and other assets	1,938,328	2,129,564
Total noncurrent assets	11,181,043	14,347,124
Total assets	39,827,601	41,753,226

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable	2,231,964	2,337,858
Accounts payable-other	933,415	345,729
Income taxes payable	893,203	1,029,138
Consumption tax payable	921,211	949,795
Provision for bonuses	760,510	839,991
Others	1,402,929	1,433,748
Total current liabilities	7,143,233	6,936,261
Long-term liabilities		
Provision for directors' retirement benefits	530,159	555,825
Obligations for retirement pay	485,629	394,648
Asset retirement obligations	232,105	277,395
Others	285,493	348,047
Total noncurrent liabilities	1,533,388	1,575,916
Total liabilities	8,676,622	8,512,177
Net assets		
Shareholders' equity		
Common stock	1,000,000	1,000,000
Capital surplus	710,328	709,077
Retained earnings	29,419,084	31,144,590
Treasury stock	-1,277,189	-1,277,349
Total shareholders' equity	29,852,222	31,576,318
Other accumulated comprehensive income		
Valuation difference on securities	42,625	40,428
Foreign currency translation adjustments	157,073	206,733
Remeasurements of defined benefit plans	-7,205	70,448
Total other accumulated comprehensive income	192,493	317,611
Non-controlling shareholders' equity	1,106,262	1,347,118
Total net assets	31,150,978	33,241,048
Total liabilities and net assets	39,827,601	41,753,226

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

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	49,297,952	51,136,663
Cost of sales	37,408,896	39,394,363
Gross profit	11,889,055	11,742,299
Selling, general and administrative expenses	6,420,782	6,673,959
Operating income	5,468,273	5,068,340
Non-operating income		
Interest and dividend income	8,090	13,465
Subsidy income	19,390	7,424
Gain on consumption and other tax exemption	1,590	-
Income from insurance claim	4,148	418
Others	11,472	15,664
Total non-operating income	44,692	36,973
Non-operating expenses		
Foreign exchange losses	3,399	3,175
Others	3,654	6,759
Total non-operating expenses	7,053	9,935
Ordinary income	5,505,911	5,095,377
Extraordinary income		
Gain on sales of noncurrent assets	54	81
Total extraordinary income	54	81
Extraordinary losses		
Loss on retirement of noncurrent assets	11,694	19,460
Loss on sales of noncurrent assets	34,072	170
Loss on reversal of foreign currency translation adjustments	-	12,722
Total extraordinary loss	45,766	32,352
Income before income taxes	5,460,199	5,063,106
Income taxes	1,698,741	1,779,184
Income taxes-deferred	-67,616	-66,418
Total income taxes	1,631,125	1,712,766
Net Income	3,829,074	3,350,340
Net income attributable to non-controlling interests	280,962	299,197
Profit attributable to owners of parent	3,548,111	3,051,142

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net Income	3,829,074	3,350,340
Other comprehensive income		
Valuation difference on securities	14,647	-2,196
Foreign currency translation adjustments	64,301	49,660
Adjustments for retirement benefits	-12,374	76,502
Total other comprehensive income	66,574	123,966
Comprehensive income	3,895,649	3,474,306
(Comprehensive income attributable to)		
Comprehensive profit attributable to owners of parent	3,616,133	3,176,260
Comprehensive income attributable to noncontrolling interests	279,516	298,046

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	1,000,000	710,799	27,049,315	-1,277,189	27,482,924
Change during the year					
Dividend of surplus			-1,178,343		-1,178,343
Profit attributable to owners of parent			3,548,111		3,548,111
Increase (decrease) in equity due to capital increase of consolidated subsidiaries		-470			-470
Net change in items other than shareholders' equity					
Total changes in current term	-	-470	2,369,768	-	2,369,298
Closing balance	1,000,000	710,328	29,419,084	-1,277,189	29,852,222

	Other accumulated comprehensive income				Non-controlling shareholders' equity	Total net assets
	Valuation difference on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Opening balance	27,977	92,771	3,722	124,472	856,566	28,463,963
Change during the year						
Dividend of surplus						-1,178,343
Profit attributable to owners of parent						3,548,111
Increase (decrease) in equity due to capital increase of consolidated subsidiaries						-470
Net change in items other than shareholders' equity	14,647	64,301	-10,928	68,021	249,695	317,716
Total changes in current term	14,647	64,301	-10,928	68,021	249,695	2,687,014
Closing balance	42,625	157,073	-7,205	192,493	1,106,262	31,150,978

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	1,000,000	710,328	29,419,084	-1,277,189	29,852,222
Change during the year					
Dividend of surplus			-1,325,636		-1,325,636
Profit attributable to owners of parent			3,051,142		3,051,142
Purchase of treasury shares of consolidated subsidiaries		-1,251			-1,251
Purchase of treasury stock				-159	-159
Net change in items other than shareholders' equity					
Total changes in current term	-	-1,251	1,725,506	-159	1,724,095
Closing balance	1,000,000	709,077	31,144,590	-1,277,349	31,576,318

	Other accumulated comprehensive income				Non-controlling shareholders' equity	Total net assets
	Valuation difference on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Opening balance	42,625	157,073	-7,205	192,493	1,106,262	31,150,978
Change during the year						
Dividend of surplus						-1,325,636
Profit attributable to owners of parent						3,051,142
Purchase of treasury shares of consolidated subsidiaries						-1,251
Purchase of treasury stock						-159
Net change in items other than shareholders' equity	-2,196	49,660	77,654	125,117	240,856	365,973
Total changes in current term	-2,196	49,660	77,654	125,117	240,856	2,090,069
Closing balance	40,428	206,733	70,448	317,611	1,347,118	33,241,048

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net cash provided by operating activities		
Income before income taxes	5,460,199	5,063,106
Depreciation and amortization	240,398	285,891
Increase (decrease) in allowance for doubtful accounts (decrease in -)	-84,702	-
Increase (decrease) in accrued bonuses	57,375	79,481
Increase (decrease) in provision for directors' and corporate auditors' retirement benefits (decrease in -)	19,026	25,666
(Decrease) increase in liability for retirement benefits	47,246	20,569
Interest and dividend income	-8,090	-13,465
Interest expenses	211	209
Surrender value of insurance	-	-5,375
Loss on reversal of foreign currency translation adjustments	-	12,722
Loss (gain) on sales of property, plant and equipment (gain on -)	34,017	88
Loss on retirement of property, plant and equipment	11,694	19,460
Decrease (increase) in notes and accounts receivable-trade (increase in -)	-56,267	75,845
Decrease (increase) in inventories (increase in -)	-5,669	-11,422
Decrease (increase) in other current assets (increase in -)	-28,554	79,574
Increase (decrease) in notes and accounts payable-trade (decrease in -)	-97,457	99,766
Increase (decrease) in accounts payable-other (decrease in -)	610,449	-581,475
Increase (decrease) in accrued consumption taxes (decrease in -)	47,417	15,218
Increase (decrease) in other current liabilities (decrease in -)	95,334	55,069
Others	14,231	8,566
Subtotal	6,356,861	5,229,495
Interest and dividends income received	8,090	13,465
Interest expenses paid	-211	-209
Income taxes paid	-1,870,348	-875,358
Net cash provided by operating activities	4,494,392	4,367,392
Cash flow from investing activities		
Purchase of property, plant and equipment	-687,001	-3,132,597
Proceeds from sales of property, plant and equipment	15,730	3,219
Purchase of intangible assets	-87,591	-50,509
Payments for asset retirement obligations	-13,883	-35,152
Payments for lease deposits	-19,847	-127,537
Proceeds from collection of lease deposits	71,384	33,841
Proceeds from refund of insurance funds	13,172	9,401
Others	-5,432	-35,156
Cash flow from investing activities	-713,469	-3,334,491

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flow from financing activities		
Repayments of lease obligations	-30,960	-32,947
Cash dividends paid	-1,178,707	-1,325,208
Dividends paid to non-controlling interests	-31,847	-58,325
Proceeds from share issuance to non-controlling interests due to capital increase of consolidated subsidiaries	1,470	-
Purchase of treasury stock	-	-159
Others	-447	-3,015
Cash flow from financing activities	-1,240,493	-1,419,656
Effect of exchange rate change on cash and cash equivalents	31,097	18,972
Net increase (decrease) in cash and cash equivalents	2,571,527	-367,783
Cash and cash equivalents at beginning of term	18,370,835	20,942,362
Cash and cash equivalents at end of term	20,942,362	20,574,579

(5) Notes for Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of "Accounting Standard for Current Income Taxes, etc.")

"Accounting Standard for Income Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the current consolidated fiscal year.

Revisions to the classification of income taxes (taxation of other comprehensive income) were made in accordance with the transitional treatment stipulated in the proviso of Article 20-3 of the Revised Accounting Standard, 2022 and the transitional treatment stipulated in the proviso of Article 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "Revised Guidance, 2022"). This change in accounting policy had no impact on the consolidated financial statements.

In addition, the revised guidance, 2022 was applied from the beginning of the current fiscal year to revise the treatment of deferral of gains and losses on sales of shares of subsidiaries arising from sales of subsidiaries among the Companies for tax purposes in the consolidated financial statements. This change in accounting policy was applied retrospectively, and the consolidated financial statements for the previous consolidated fiscal year have been retrospectively applied. This change in accounting policy had no impact on the consolidated financial statements for the previous consolidated fiscal year.

(Notes on Changes in Accounting Estimates)

In relation to asset retirement obligations previously recorded as restoration obligations under real estate lease agreements, the Company has revised its estimate of restoration costs required upon vacating leased property, based on newly available information. As a result of this change in estimate, the balance of asset retirement obligations has increased by 37,683 thousand yen. Consequently, operating income, ordinary income, and income before income taxes for the current consolidated fiscal year have each decreased by 28,448 thousand yen.

(Notes on Segment Information)

[Segment Information]

1. The outline of any Reporting Segment

(1) Method of determining reportable segments

The reportable segments of the Group are the constituent units of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating business performance.

As a corporate group specializing in the field of researchers, our group mainly operates in the human resources services business and CRO business. In view of the similarities in the nature of services and the way services are provided, our reportable segments are the human resources services business and CRO business.

(2) Types of products and services belonging to each reportable segment

1. Human resources services business (temporary staffing, placement and recruiting, etc.)

Temporary staffing is a service in which we dispatch our hired employees to customers to support their operations. Temporary employees perform their duties in accordance with the direction of the customer. This project is subject to the Law for Securing the Proper Operation of Worker Dispatching Undertakings and the Protection of Dispatched Workers (hereinafter referred to as the "Worker Dispatching Law").

Temporary staffing includes "Registered Temporary Staffing" and "Permanent Temporary Staffing." "Registered Temporary Staffing" dispatches job seekers registered with us after fixed-term employment, and "Full-time Temporary Staffing" dispatches employees employed by us as permanent employees.

Placement/Recruiting is a service that supports customer recruiting activities by introducing job seekers registered with us to customers. This project is subject to the Employment Security Law.

Our group's human resources services business handles the following 3 major fields.

(Scientific Researchers)

The Company provides temporary staffing and recruitment services with specialized skills and experience in the fields of biotechnology (including genetic, micro-organism, enzymes, immunology, cells, pharmaceuticals, and animal experiments) and chemical (including organic synthesis, materials and raw materials, experimental analysis and evaluation). Our main customers are the research and development and quality control departments in the pharmaceutical, food, chemical, and other manufacturing industries, as well as the laboratories of public institutions and universities.

(Engineering Engineers)

Temporary staffing and staffing services are provided with specialized capabilities and experience in the fields of die design, component design,

2-and 3-dimensional CAD, hydrodynamics, thermodynamics, power generation, software design and development, and civil engineering and construction. The main customers are the machinery design division, electrical and electronic equipment design division, software development division, and inspection division in the manufacturing industry, including electrical, electronics, and precision machinery.

(General Clerical Staff)

We dispatch and recruit personnel to companies in a variety of industries with experienced personnel such as office equipment manipulation, interpretation, secretary, filing, accounting, preparation of transaction documents, reception of guidance, OA instructors, and telemarketing.

2. CRO business

This segment mainly targets pharmaceutical manufacturers and medical device manufacturers, and provides agency services and support for the development of pharmaceuticals, quasi-drugs, cosmetics, and medical devices. Domestically, our business is centered on the field of safety information management, and overseas, we handle overall development operations.

2. Calculation method for net sales, income or loss, assets and other items by reportable segment

The accounting methods for reportable business segments are generally the same as those described in "Basis of Presenting Consolidated Financial Statements." Segment income is based on operating income. Intersegment income and transfers are based on prevailing market prices.

3. Information on net sales, income (loss), assets and other items by reportable segment

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Reportable Segments			Total
	Human resources services business	CRO business	Total	
Net sales				
Sales to customers	42,117,315	7,180,636	49,297,952	49,297,952
Intersegment sales	41,362	-	41,362	41,362
Total	42,158,677	7,180,636	49,339,314	49,339,314
Segment profit	4,467,535	1,514,968	5,982,504	5,982,504
Segment assets	21,301,943	5,884,421	27,186,365	27,186,365
Other items				
Depreciation and amortization	107,101	93,028	200,130	200,130
Increase in property, plant and equipment, and intangible assets	33,934	176,219	210,154	210,154

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Reportable Segments			Total
	Human resources services business	CRO business	Total	
Net sales				
Sales to customers	42,985,663	8,150,999	51,136,663	51,136,663
Intersegment sales	31,721	-	31,721	31,721
Total	43,017,384	8,150,999	51,168,384	51,168,384
Segment profit	4,041,517	1,512,215	5,553,732	5,553,732
Segment assets	20,321,628	7,048,133	27,369,762	27,369,762
Other items				
Depreciation and amortization	123,864	121,460	245,325	245,325
Increase in property, plant and equipment, and intangible assets	61,899	89,738	151,638	151,638

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements, and main details of said difference (matters related to difference reconciliation)

(Thousands of yen)

Profit	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Reportable segments total	5,982,504	5,553,732
Corporate expenses (Note)	-514,231	-485,392
Operating income in the consolidated financial statements	5,468,273	5,068,340

(NOTE) Corporate expenses are mainly expenses related to the holding company that are not attributable to reportable segments.

(Thousands of yen)

Assets	As of March 31, 2024	As of March 31, 2025
Reportable segments total	27,186,365	27,369,762
Elimination of inter-segment transactions	-13,488	-13,027
Corporate assets (Note)	12,654,723	14,396,491
Total assets in the consolidated financial statements	39,827,601	41,753,226

(NOTE) Corporate assets mainly consist of surplus operating funds related to the holding company that are not attributable to reportable segments, headquarters buildings, etc.

(Thousands of yen)

Other items	Reportable segments total		Adjustments (Note)		Carrying value	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation and amortization	200,130	245,325	40,267	40,566	240,398	285,891
Increase in property, plant and equipment, and intangible assets	210,154	151,638	544,272	3,078,909	754,427	3,230,547

(NOTE) Adjustments to depreciation and amortization are depreciation and amortization related to corporate assets.

Adjustments to increase in property, plant and equipment and intangible assets represent the purchase of property, plant and equipment and intangible assets at the holding company that are not attributable to reportable segments.

5. Information that breaks down the revenue generated by contracts with customers

For the fiscal year ended March 31, 2024

(Thousands of yen)

			Revenue generated from contracts with customers	Total
Reportable Segments	Human resources services business	Temporary staffing	41,489,741	42,117,315
		Placement/Recruiting	627,573	
	CRO business	Domestic companies	4,976,759	7,180,636
		Overseas companies	2,203,877	
Reportable segments total				49,297,952
Total				49,297,952

For the fiscal year ended March 31, 2025

(Thousands of yen)

			Revenue generated from contracts with customers	Total
Reportable Segments	Human resources services business	Temporary staffing	42,398,345	42,985,663
		Placement/Recruiting	587,317	
	CRO business	Domestic companies	5,665,691	8,150,999
		Overseas companies	2,485,308	
Reportable segments total				51,136,663
Total				51,136,663

[Related Information]

For the fiscal year ended March 31, 2024

1. Information for each product and service

This information is omitted because the same information is disclosed in Segment Information.

2. Information for each region

(1) Net sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information for each major customer

This information is omitted because there are no external customers that account for 10% or more of net sales in the consolidated statements of income.

For the fiscal year ended March 31, 2025

1. Information for each product and service

This information is omitted because the same information is disclosed in Segment Information.

2. Information for each region

(1) Net sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information for each major customer

This information is omitted because there are no external customers that account for 10% or more of net sales in the consolidated statements of income.

[Information on impairment loss on non-current assets by reportable segment]

For the fiscal year ended March 31, 2024

Not applicable.

For the fiscal year ended March 31, 2025

Not applicable.

[Information on amortization of goodwill and unamortized balance by reportable segment]

For the fiscal year ended March 31, 2024

Not applicable.

For the fiscal year ended March 31, 2025

Not applicable.

[Information on gain on negative goodwill by reportable segment]

For the fiscal year ended March 31, 2024

Not applicable.

For the fiscal year ended March 31, 2025

Not applicable.

(Per Share Information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥1,529.85	¥1,624.01
Net income per share	¥180.67	¥155.36

(NOTE) 1. Diluted net income per share is not presented because there are no dilutive shares.

2. The basis for calculating net income per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net income per share		
Profit attributable to owners of parent (thousand yen)	3,548,111	3,051,142
Amount not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common stock (thousand yen)	3,548,111	3,051,142
Average number of shares of common stock outstanding during the period (shares)	19,639,051	19,639,040

3. The basis for calculating net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (thousand yen)	31,150,978	33,241,048
Amount deducted from total net assets (thousand yen)	1,106,262	1,347,118
(Of which, non-controlling interests (thousand yen))	(1,106,262)	(1,347,118)
Net assets related to common stock at the end of the fiscal year (thousand yen)	30,044,716	31,893,929
Number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share (shares)	19,639,051	19,638,966

(Significant Subsequent Events)

Not applicable.