

Translation

Notice: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

Summary of Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 2025 (Based on Japanese GAAP)

February 10, 2025

Company name: Interworks Confidence Inc.

Listing exchange: Tokyo Stock Exchange

Securities code: 7374

URL: <https://ciw.jp/>

Representative: Nobuyuki Takushi, President

Inquiries: Koji Nagai, Director in charge of Administration Division

Phone: +81-3-5312-7700

Scheduled date for commencing dividend payments: –

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: No

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Consolidated Financial Results for the First Three Quarters (April 1, 2024 to December 31, 2024) of the Fiscal Year Ending March 31, 2025

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent year-on-year changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three quarters ended December 31, 2024	6,380	18.7	1,009	12.7	1,017	20.7	855	56.3
First three quarters ended December 31, 2023	5,377	39.3	895	20.7	843	13.7	547	8.7

(Note) Comprehensive income

First three quarters ended December 31, 2024: 852 million yen [55.7%]

First three quarters ended December 31, 2023: 547 million yen [8.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three quarters ended December 31, 2024	137.80	136.40
First three quarters ended December 31, 2023	95.59	93.92

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	6,438	5,602	86.4
As of March 31, 2024	7,184	5,970	82.7

(Reference) Total shareholders' equity

As of December 31, 2024: 5,565 million yen

As of March 31, 2024: 5,939 million yen

2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	25.00	–	30.00	55.00
Fiscal year ending March 31, 2025	–	30.00	–		
Fiscal year ending March 31, 2025 (Forecast)				35.00	65.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentage figures indicate year-on-year changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,000	20.2	1,400	17.1	1,401	22.6	1,082	49.2	172.00

(Note) Revisions to the most recently announced earnings forecast: No

* Notes

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

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

1) Changes in accounting policies due to revisions to accounting standards and other regulations: No

2) Changes in accounting policies other than those in 1) above: No

3) Change in accounting estimate: No

4) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2024	6,664,777 shares	As of March 31, 2024	6,655,177 shares
-------------------------	------------------	----------------------	------------------

2) Number of treasury shares at the end of the period

As of December 31, 2024	538,032 shares	As of March 31, 2024	6,300 shares
-------------------------	----------------	----------------------	--------------

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First three quarters ended December 31, 2024	6,207,430 shares	First three quarters ended December 31, 2023	5,726,771 shares
--	------------------	--	------------------

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by a public accountant or audit corporation: No

* Explanation regarding appropriate use of earnings forecasts, and other notes

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors.

Contents of Attachment

1. Quarterly Consolidated Financial Statements and Major Notes 2

 (1) Quarterly Consolidated Balance Sheets 2

 (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income..... 4

 Quarterly Consolidated Statements of Income 4

 (Cumulative) 4

 Quarterly Consolidated Statements of Comprehensive Income 4

 (Cumulative) 4

 (3) Notes to Quarterly Consolidated Financial Statements 5

 (Notes on Going Concern Assumption) 5

 (Notes in Case of Significant Changes in the Amounts of Shareholder’s Equity) 5

 (Notes to Quarterly Consolidated Statements of Cash Flows) 5

 (Notes to Segment Information, Etc.) 5

1. Quarterly Consolidated Financial Statements and Major Notes
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (As of March 31, 2024)	Third quarter of current fiscal year (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	4,089,380	3,628,869
Accounts receivable - trade	818,642	717,655
Accounts receivable - other	5,462	62,549
Other	100,161	202,555
Allowance for doubtful accounts	(5,212)	(465)
Total current assets	5,008,434	4,611,164
Non-current assets		
Property, plant and equipment		
Buildings	123,452	68,140
Accumulated depreciation	(55,943)	(12,191)
Buildings, net	67,508	55,948
Tools, furniture and fixtures	97,268	78,117
Accumulated depreciation	(69,604)	(41,848)
Tools, furniture and fixtures, net	27,663	36,269
Total property, plant and equipment	95,172	92,217
Intangible assets		
Software	146,091	103,183
Goodwill	1,539,817	1,416,082
Total intangible assets	1,685,908	1,519,265
Investments and other assets		
Investment securities	15,000	15,000
Deferred tax assets	151,604	83,668
Guarantee deposits	224,133	110,434
Other	4,331	12,050
Allowance for doubtful accounts	(22)	(5,232)
Total investments and other assets	395,046	215,921
Total non-current assets	2,176,127	1,827,404
Total assets	7,184,561	6,438,568

(Thousands of yen)

	Previous fiscal year (As of March 31, 2024)	Third quarter of current fiscal year (As of December 31, 2024)
Liabilities		
Current liabilities		
Current portion of long-term borrowings	3,159	2,249
Accounts payable - trade	83,755	56,532
Accounts payable - other	225,063	197,165
Accrued expenses	326,041	320,967
Income taxes payable	231,617	17,390
Accrued consumption taxes	154,827	113,498
Deposits received	29,776	63,233
Contract liabilities	1,245	2,101
Refund liabilities	7,818	6,042
Provision for bonuses	142,088	52,044
Other	–	1,000
Total current liabilities	1,205,394	832,225
Non-current liabilities		
Long-term borrowings	8,529	4,072
Total non-current liabilities	8,529	4,072
Total liabilities	1,213,923	836,297
Net assets		
Shareholders' equity		
Share capital	520,784	523,590
Capital surplus	3,893,706	3,896,178
Retained earnings	1,535,227	2,007,450
Treasury shares	(10,143)	(861,220)
Total shareholders' equity	5,939,574	5,565,997
Share acquisition rights	27,403	36,155
Non-controlling interests	3,660	117
Total net assets	5,970,638	5,602,271
Total liabilities and net assets	7,184,561	6,438,568

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive IncomeQuarterly Consolidated Statements of Income
(Cumulative)

(Thousands of yen)

	First three quarters of previous fiscal year (April 1, 2023 - December 31, 2023)	First three quarters of current fiscal year (April 1, 2024- December 31, 2024)
Revenue	5,377,382	6,380,954
Cost of sales	2,954,414	3,181,106
Gross profit	2,422,968	3,199,847
Selling, general and administrative expenses	1,527,218	2,190,086
Operating profit	895,750	1,009,761
Non-operating income		
Interest and dividend income	42	410
Rental income from buildings	1,205	1,836
Subsidy income	279	6,520
Other	262	283
Total non-operating income	1,789	9,050
Non-operating expenses		
Interest expenses	37	70
Commission expenses	53,501	943
Other	678	121
Total non-operating expenses	54,217	1,135
Ordinary profit	843,322	1,017,676
Extraordinary income		
Gain on sale of golf club membership	–	181
Total extraordinary income	–	181
Extraordinary losses		
Loss on retirement of non-current assets	–	1,942
Office relocation expenses	4,507	14,428
Loss on sale of shares of subsidiaries and affiliates	–	8,509
Total extraordinary losses	4,507	24,880
Profit before income taxes	838,814	992,977
Income taxes - current	219,179	72,989
Income taxes - deferred	72,232	67,935
Total income taxes	291,411	140,925
Profit	547,402	852,052
Profit attributable to non-controlling interests	–	(3,322)
Profit attributable to owners of parent	547,402	855,375

Quarterly Consolidated Statements of Comprehensive Income
(Cumulative)

(Thousands of yen)

	First three quarters of previous fiscal year (April 1, 2023 - December 31, 2023)	First three quarters of current fiscal year (April 1, 2024- December 31, 2024)
Profit	547,402	852,052
Other comprehensive income		
Total other comprehensive income	–	–
Comprehensive income	547,402	852,052
(Breakdown)		
Comprehensive income attributable to owners of parent	547,402	855,375
Comprehensive income attributable to non-controlling interests	–	(3,322)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in the Amounts of Shareholder's Equity)

The Company acquired 530,000 treasury shares in accordance with the resolution made at the Board of Directors' meeting held on May 10, 2024. As a result, during the first three quarters of the current fiscal year, treasury shares increased by 851,077 thousand yen including the purchase of shares less than one unit, amounting to 861,220 thousand yen as of the end of the third quarter of the current consolidated fiscal year.

(Notes to Quarterly Consolidated Statements of Cash Flows)

The Company has not prepared quarterly consolidated statements of cash flows for the first three quarters of the current fiscal year. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first three quarters of the current fiscal year are as follows.

	First three quarters of previous fiscal year (April 1, 2023 - December 31, 2023)	First three quarters of current fiscal year (April 1, 2024- December 31, 2024)
Depreciation	41,886 thousand yen	78,063 thousand yen
Amortization of goodwill	68,741 thousand yen	123,735 thousand yen

(Notes to Segment Information, Etc.)

[Segment information]

I. First three quarters of the previous fiscal year (April 1, 2023 – December 31, 2023)

1. Information on revenue and profit or loss and revenue breakdown by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in quarterly statements of income (Note 2)
	HR Solution business - Staffing/ Outsourcing	HR Solution business - Recruitment	Media & Solutions business	Total		
Revenue						
Staffing	4,017,162	–	–	4,017,162	–	4,017,162
Recruitment	–	623,249	–	623,249	–	623,249
Job advertisement	–	–	431,508	431,508	–	431,508
Outsourcing and other	149,044	–	156,417	305,461	–	305,461
Revenue from contracts with customers	4,166,207	623,249	587,925	5,377,382	–	5,377,382
Sales to outside customers	4,166,207	623,249	587,925	5,377,382	–	5,377,382
Inter-segment sales or transfers	–	–	–	–	–	–
Total	4,166,207	623,249	587,925	5,377,382	–	5,377,382
Segment profit	1,078,512	184,781	154,997	1,418,291	(522,541)	895,750

(Note) 1. Adjustments of segment profit of -522,541 thousand yen include amortization of goodwill of 27,496 thousand yen and corporate expenses of 495,044 thousand yen that are not allocated to each reportable segment.

2. Segment profit has been adjusted with the operating profit in the Quarterly Consolidated Statements of Income.

II. First three quarters of the current fiscal year (April 1, 2024 – December 31, 2024)

1. Information on revenue and profit or loss and revenue breakdown by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in quarterly statements of income (Note 2)
	HR Solution business - Staffing/ Outsourcing	HR Solution business - Recruitment	Media & Solutions business	Total		
Revenue						
Staffing	3,909,519	–	–	3,909,519	–	3,909,519
Recruitment	7,321	1,133,175	588	1,141,085	–	1,141,085
Job advertisement	–	–	839,169	839,169	–	839,169
Outsourcing and other	175,116	–	316,063	491,180	–	491,180
Revenue from contracts with customers	4,091,958	1,133,175	1,155,820	6,380,954	–	6,380,954
Sales to outside customers	4,091,958	1,133,175	1,155,820	6,380,954	–	6,380,954
Inter-segment sales or transfers	–	–	–	–	–	–
Total	4,091,958	1,133,175	1,155,820	6,380,954	–	6,380,954
Segment profit	955,415	405,658	395,337	1,756,410	(746,649)	1,009,761

(Note) 1. Adjustments of segment profit of -746,649 thousand yen include amortization of goodwill of 49,494 thousand yen and corporate expenses of 697,154 thousand yen that are not allocated to each reportable segment.

2. Segment profit has been adjusted with the operating profit in the Quarterly Consolidated Statements of Income.