



1st Quarter of the Fiscal Year Ending March 2025 (FY2025)

Financial Results Briefing Material

**“Kabushiki Kaisha Confidence Interworks”
(English name: “Interworks Confidence Inc.”)**

Securities code : 7374

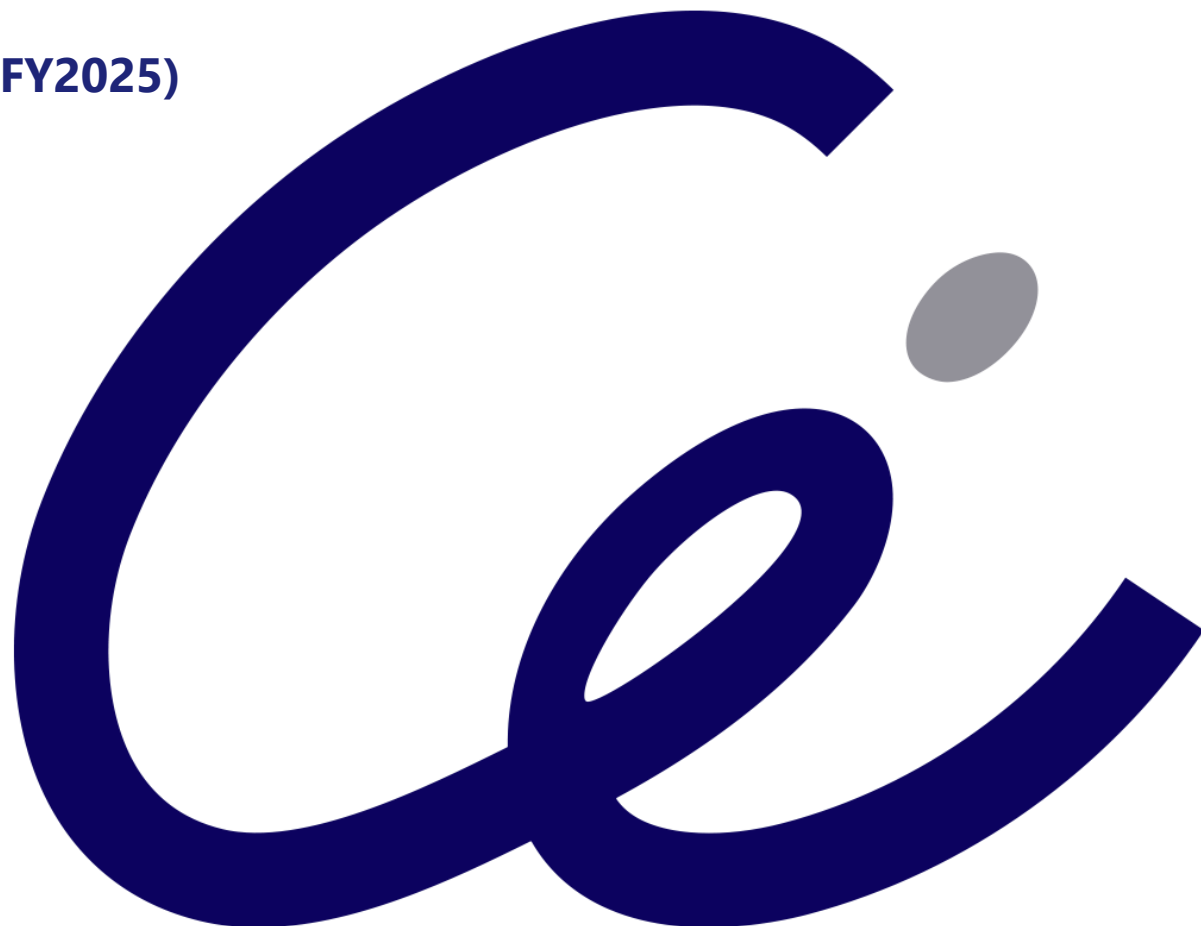


Table of Contents

01	Executive Summary	P.3
02	Company Overview Consolidated Financial Results and Segment Results	P.6
03	Dividend Distribution	P.19
04	Business Topics	P.21

01

Executive Summary



Financial Highlights of Q1 FY2025 (Cumulative)

**FY2025
(Q1 Actual results)**

Achieved significant year-on-year growth for both revenue and profit

The merger with Interworks in Q2 of the previous fiscal year expanded the business size. Achieved the best quarterly results ever.

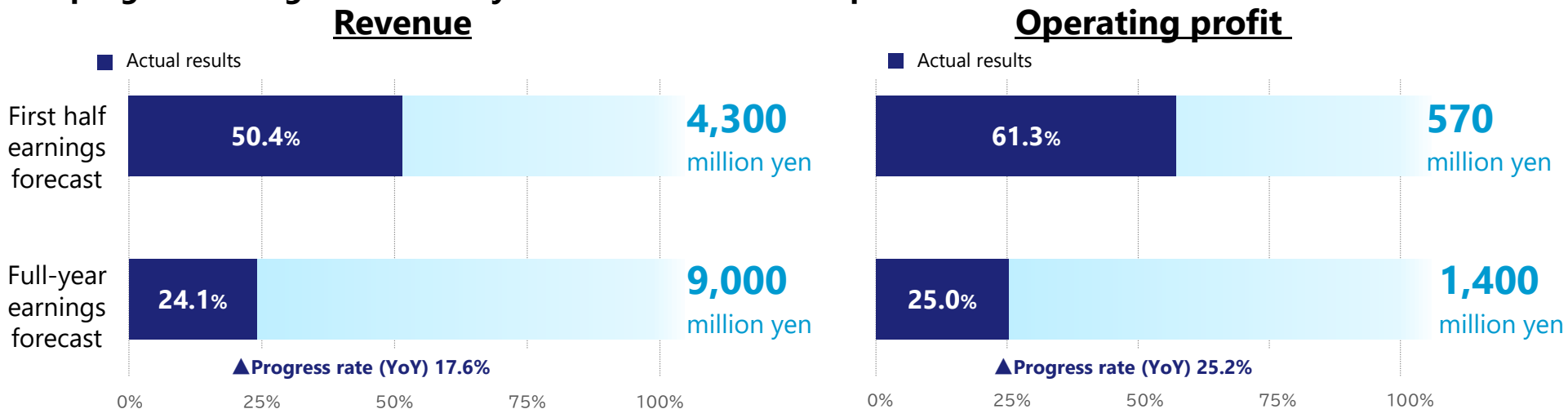
* Due to the merger in August 2023, the year-on-year comparison (Q1 FY2024) is based solely on the results of the former Confidence Inc.

- Revenue : **2,170** million yen (+**54.0%** YoY)
- Gross profit : **1,087** million yen (+**110.2%** YoY) | Gross profit margin: **50.1%** (+**13.4** pts YoY)
- Operating profit : **349** million yen (+**23.8%** YoY) | Operating profit margin: **16.1%** (-**4.0** pts YoY)

**FY2025
(Q1 progress rate)**

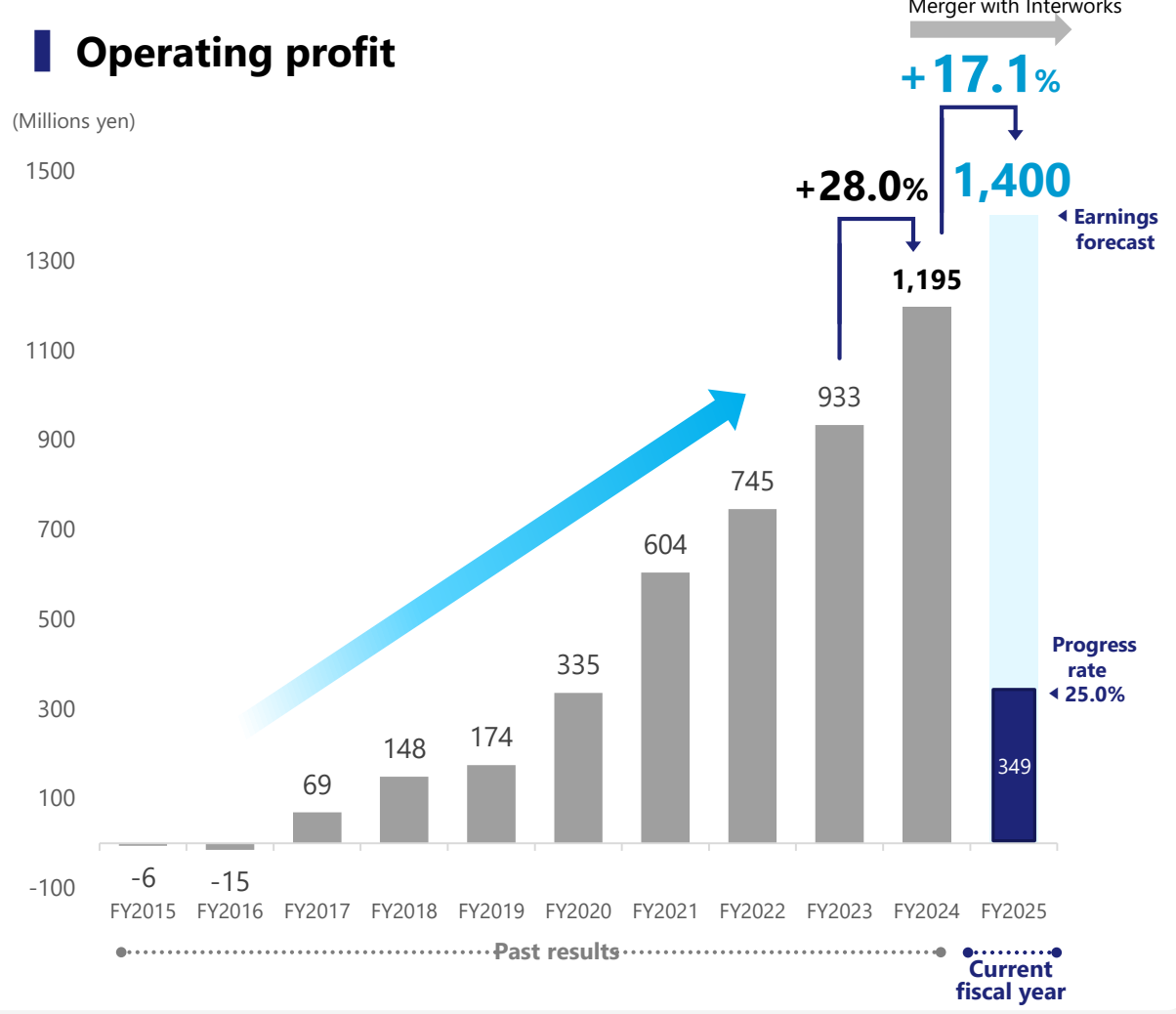
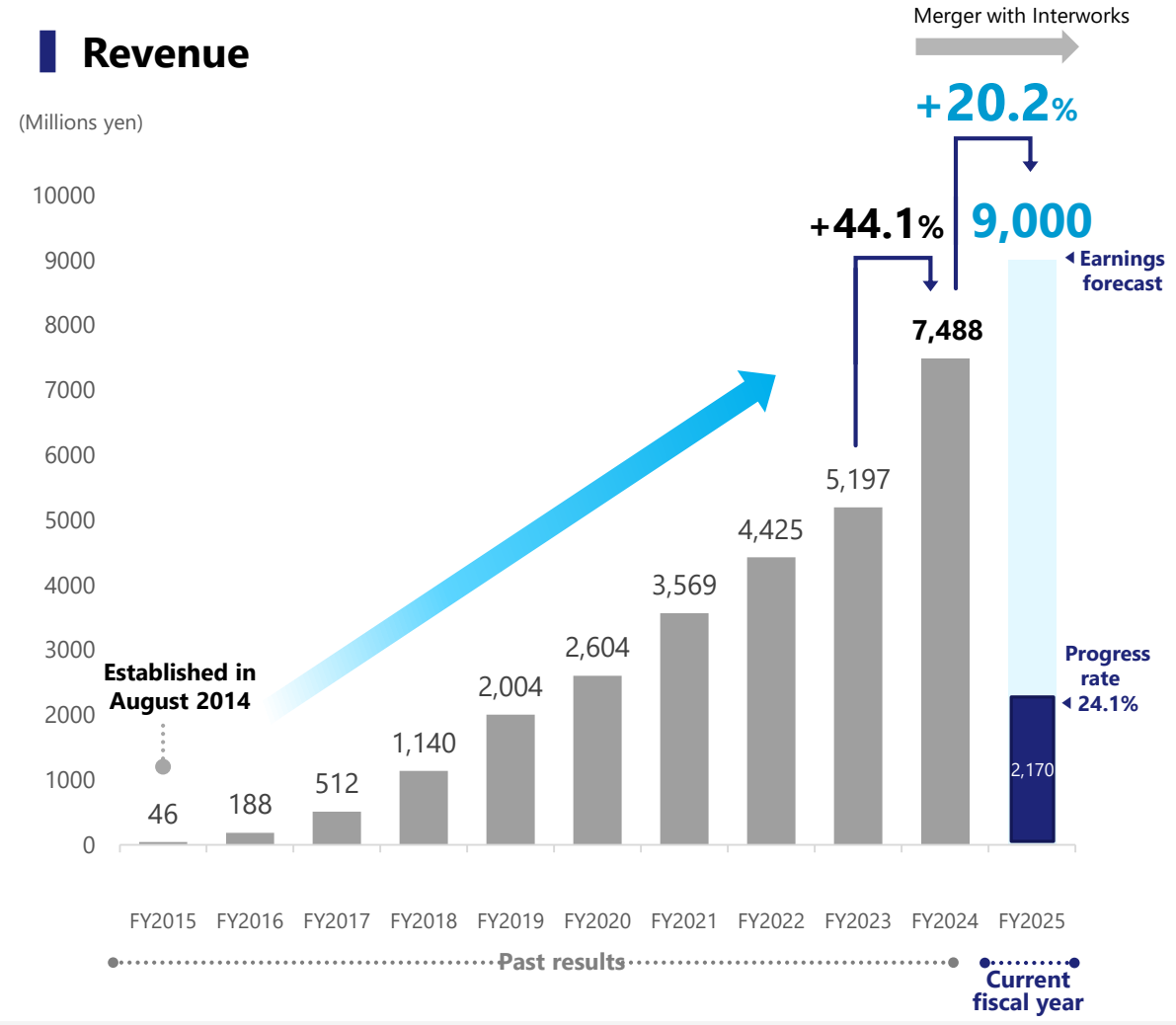
In comparison with the forecast for the first half, revenue grew as expected while profit levels exceeded the forecast

The progress rate against the full year forecast was also as planned.



Trends in Revenue / Operating Profit Over the Years

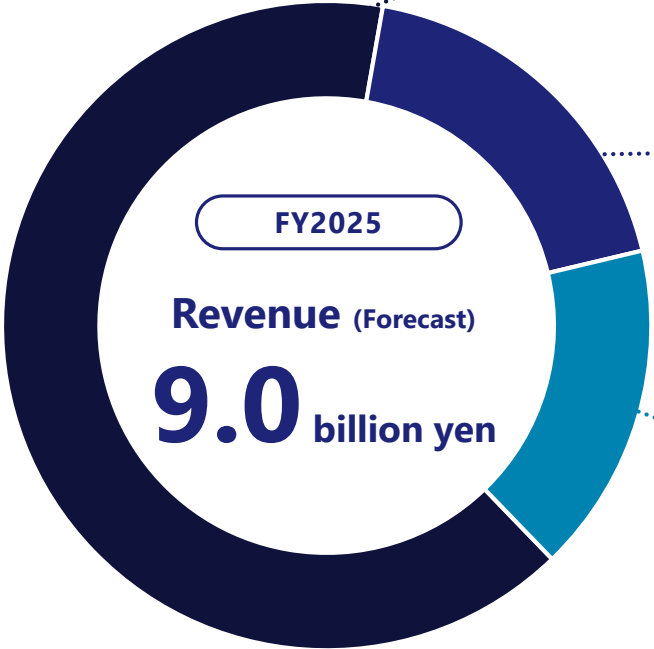
- Trends in revenue and operating profit over time, including forecasts for FY2025, are shown below.
- The progress rate against the full-year forecast announced at the time of the announcement of the full-year financial results for FY2024 was **24.1% for revenue** and **25.0% for operating profit**, as planned.



02

Company Overview | Consolidated Financial
Results and Segment Results

Composition of revenue



HR Solution business (Staffing and Outsourcing)

65.0%

- Specializing in the gaming and entertainment industries
- Staffing and outsourcing services that meet the needs of each phase and department

Staffing Outsourcing Freelancers

In April 2023, freelancer matching started. ▶



HR Solution business (Recruitment)

18.5%

- Cross-industry career-change support services centered on middle- and high-class human resources.

Recruitment



In February 2024, Protagonist Inc. as a subsidiary ▶



Media & Solutions Business

16.5%

- Specializing in manufacturing and factories throughout Japan
- Operation of job change recruitment media "Kojo Works"

Media Ad sales

Media operations ▶



- Boasting more than 30 years of experience, we are developing a recruitment outsourcing business

Recruitment support

[Consolidated] Financial Highlights of Q1 FY2025 (Cumulative)

- Due to the merger with Interworks in Q2 of the previous fiscal year, there was a significant increase year on year (* YoY comparison is based solely on the figures from the former Confidence Inc.).
- Revenue and operating profit are progressing largely as planned against the full-year forecast. [Operating profit grows steadily even after amortizing goodwill.](#)

Q1 Actual results

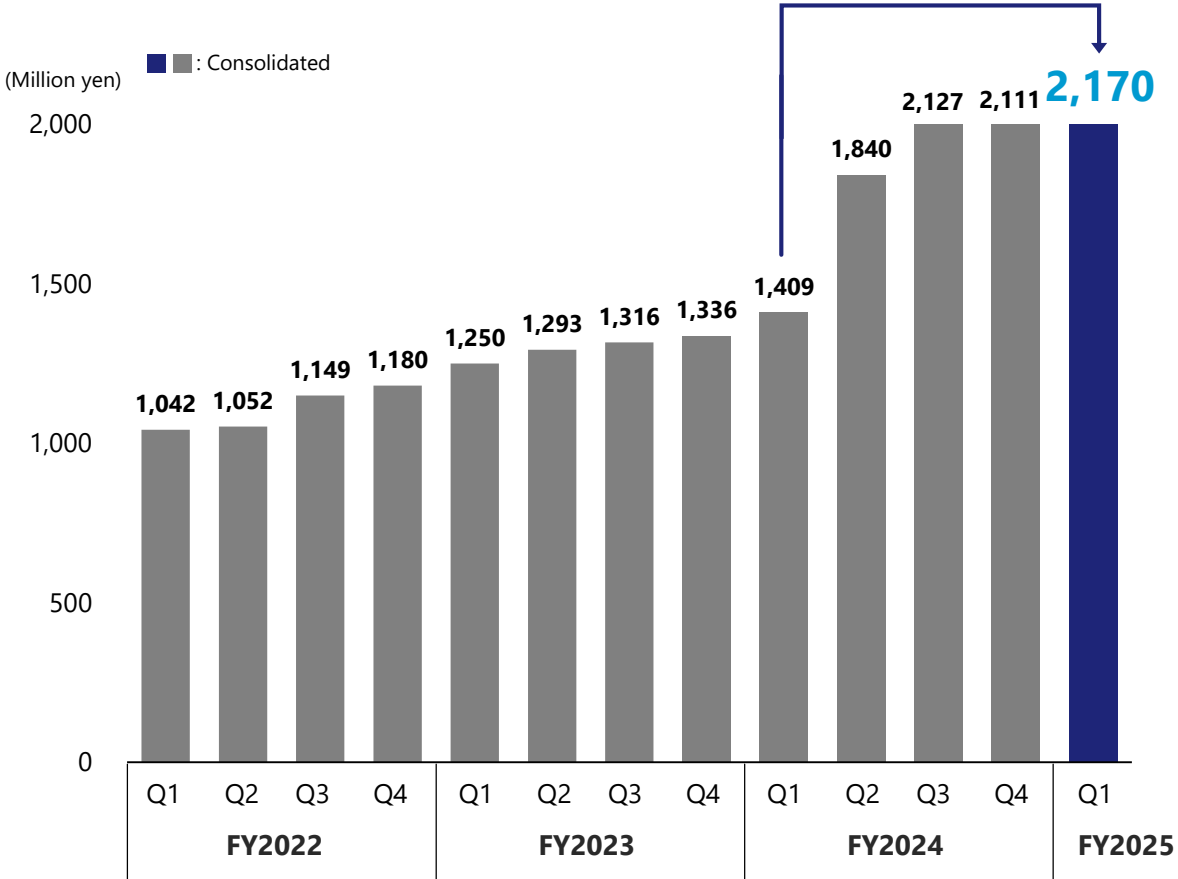
▼YoY comparison is based solely on the former Confidence Inc.

(Million yen)	FY2024 (Q1)	FY2025 (Q1)	YoY	Forecast (Announced on May 10, 2024)	Progress rate
Revenue	1,409	2,170	+54.0%	9,000	24.1%
HR Solution Business -Staffing and Outsourcing	1,385	1,406	<u>+1.6%</u>	5,853	24.0%
HR Solution Business -Recruitment	16	384	<u>+2162.5%</u>	1,666	23.1%
Media & Solutions Business	6	379	<u>+5518.3%</u>	1,480	25.6%
Gross profit	517	1,087	+110.2%	4,476	24.3%
Gross profit margin	36.7%	50.1%	+13.4 pts	49.7%	-
Operating profit	282	349	+23.8%	1,400	25.0%
Operating profit margin	20.1%	16.1%	-4.0 pts	15.6%	-
Ordinary profit	245	350	+42.6%	1,401	25.0%
Profit attributable to owners of parent	167	223	+33.7%	882	25.3%

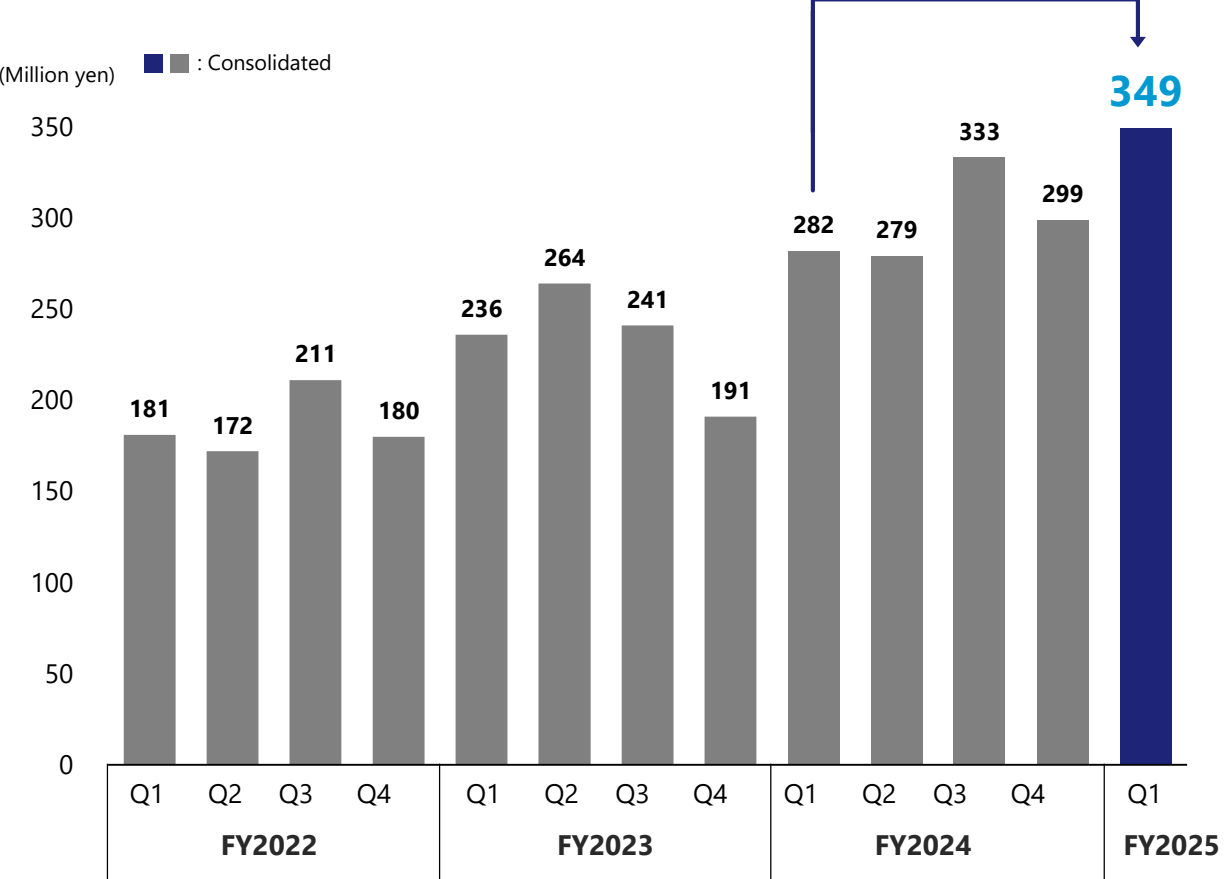
[Consolidated] Quarterly Results Trends

- Revenue and operating profit increased by **54.0%** and **23.8% year on year**, respectively, and both achieved record-high quarterly results.
- Since the results for the same period of the previous fiscal year were based solely on the former Confidence Inc., we strive for further earnings expansion based on the post-merger business foundation.

Revenue (quarterly trends)



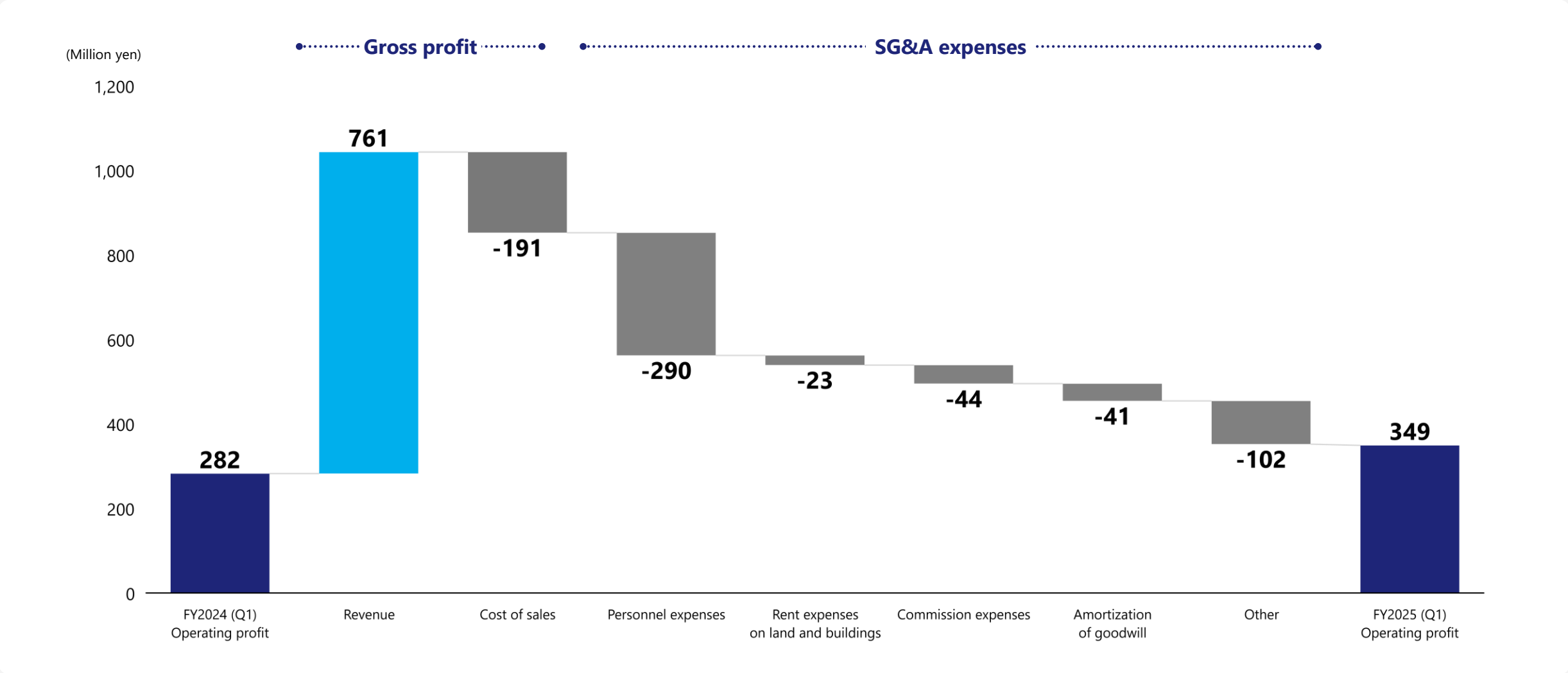
Operating profit (quarterly trends)



* Figures after eliminating internal sales within the consolidated companies are indicated.

[Consolidated] Factor Analysis of Increase/Decrease in Q1 Operating Profit (YoY)

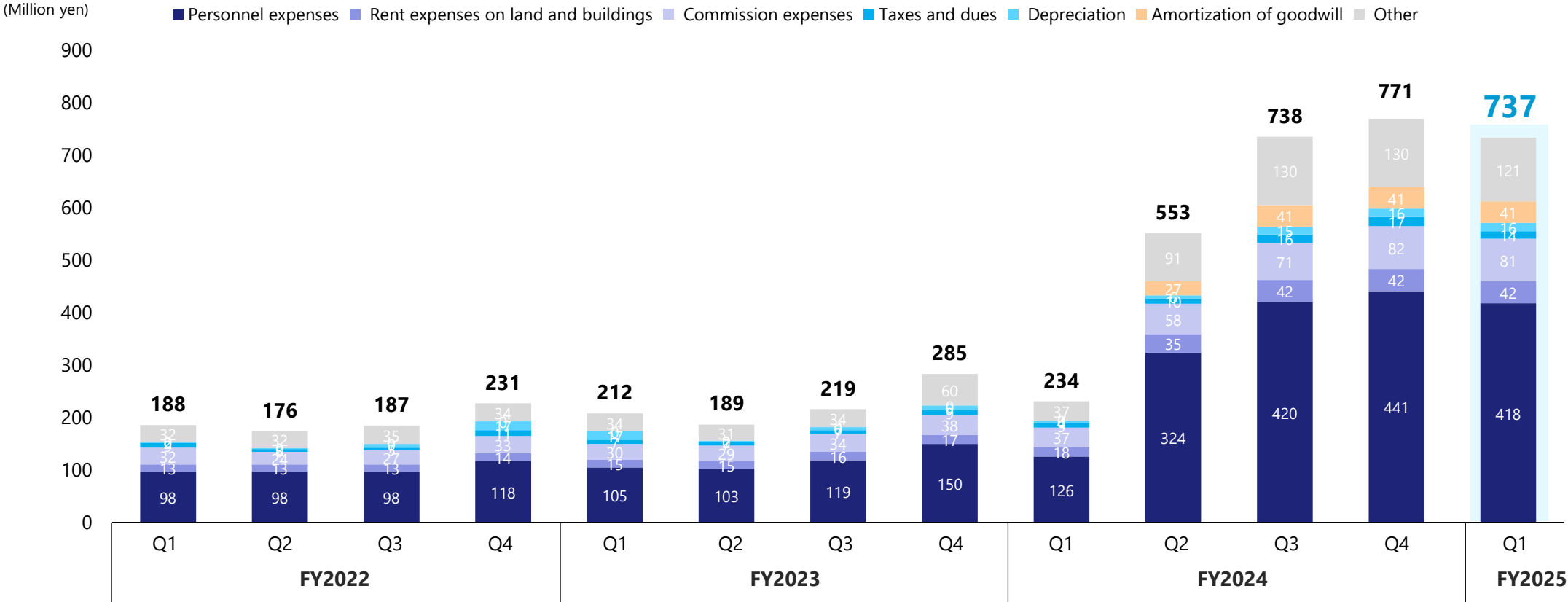
- Due to the merger with Interworks in Q2 of the previous fiscal year, there is an increasing trend in all items when comparing with Q1.
- Despite amortization of goodwill incurring since Q2 of the previous fiscal year, increased profit was secured by optimizing back-office expenses and other factors to offset increased costs.



[Consolidated] Quarterly SG&A Expenses Trends

- Despite the merger with Interworks significantly changing the size and composition ratio of SG&A expenses, we maintained the organizational structure to generate steady operating profit through thorough cost control.

Quarterly trends



* Due to the merger in the previous fiscal year, some changes were made to the breakdown of account items from the second quarter of the previous fiscal year and changes have been made retroactively from previous years.
 * This graph is compiled based on management accounting classification.

[HR Solution Business - Staffing and Outsourcing] Financial Highlights of Q1 FY2025

- The majority of this segment is dominated by the HR Solution business of the former Confidence Inc. Although the mainstay staffing business for the gaming industry experienced stagnant increase in the number of utilized persons, due mainly to the sluggish mobile gaming market, the freelancer matching business launched in Q1 of the previous fiscal year began to contribute to profits, aiding the increase in the number of utilized persons and revenue growth.

Q1 Actual results

▼ Figures after reclassifying to new segments

(Million yen)	FY2024 (Q1)	FY2025 (Q1)	YoY	Forecast (Announced on May 10, 2024)	Progress rate
Revenue* ¹	1,385	1,406	+1.6%	5,853	24.0%
Job opening advertisement* ²	1,331	1,344	+1.0%	-	-
Outsourcing and others	54	62	+15.8%	-	-
Gross profit	497	486	-2.2%	-	-
Gross profit margin	35.9%	34.6%	-1.3 pts	-	-
Segment profit	378	354	-6.2%	-	-
Segment profit margin	27.3%	25.2%	-2.1 pts	-	-

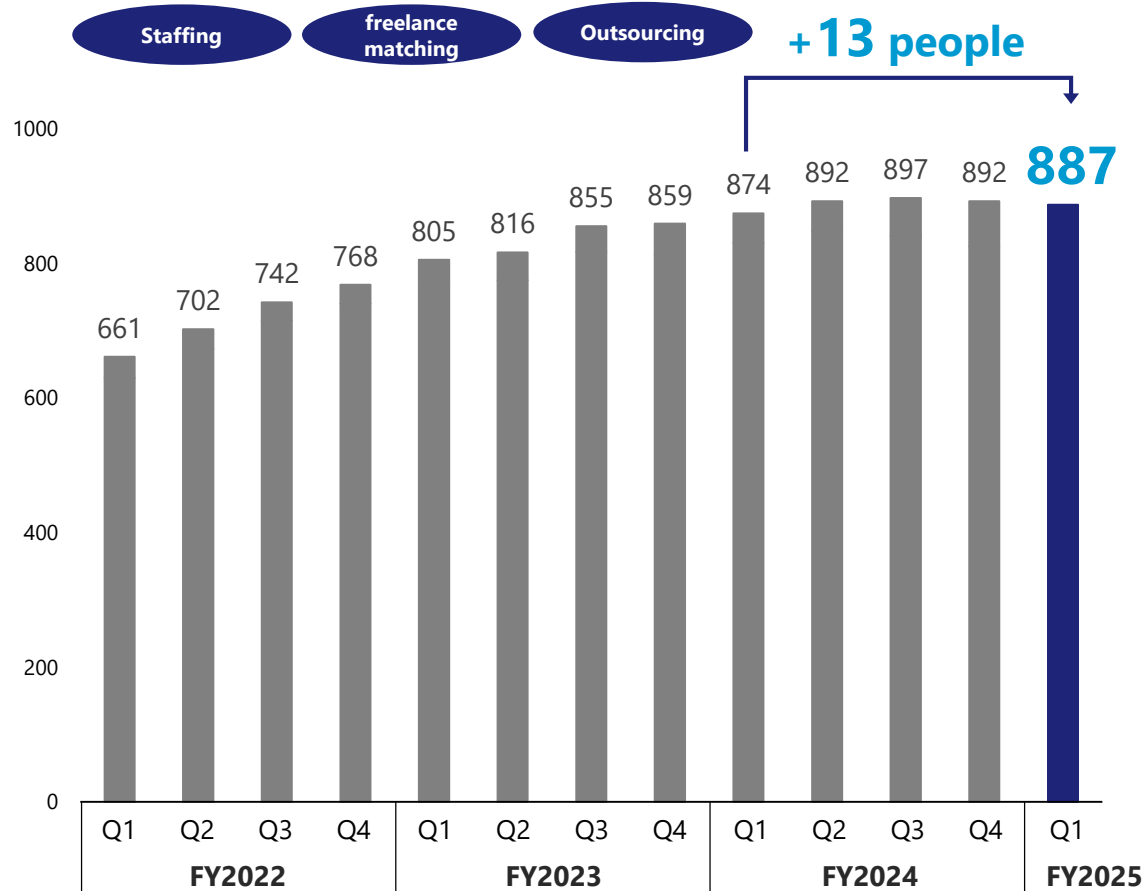
*1 Figures after eliminating internal sales within the consolidated companies are indicated

*2 The freelancer matching business operated by Confidence Pro Co., Ltd. established on April 3, 2023, is included in this category and disclosed.

[HR Solution Business - Staffing and Outsourcing] Trends in Major KPIs

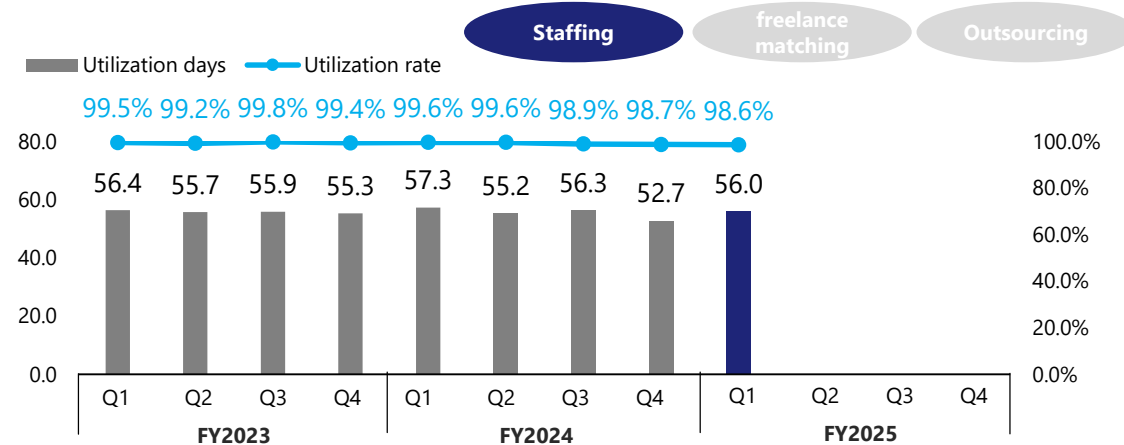
- The number of utilized persons, which forms the basis of the Company's recurring income model, increased by **13 people** from the same period of the previous fiscal year.
- While the human resource needs in the home-use game console market remain solid, slowdown in the mobile gaming market is a factor. We aim to increase the total number of matches by expanding into adjacent areas.

Number of utilized persons



* Starting with financial results for Q1 FY 2025, to ensure more accurate alignment with the PL of Segment ① HR Solution - Staffing and Outsourcing Business, we have retroactively adjusted to include the number of utilized persons in the outsourcing and subcontracting businesses, in addition to those in the staffing business.

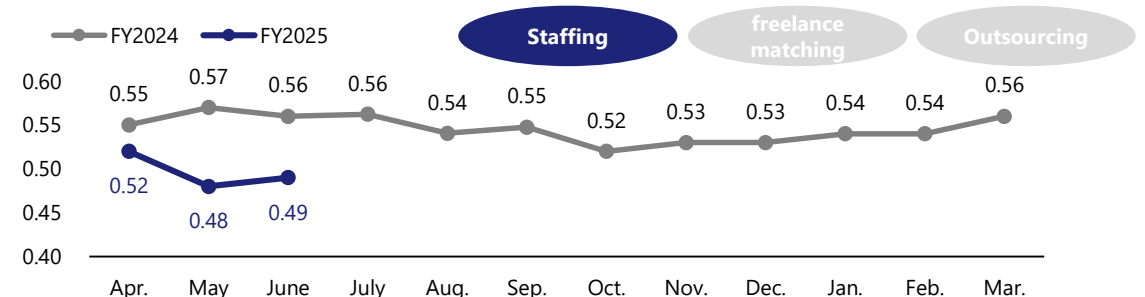
Utilization days*1 / Utilization rate*2



*1 Quarterly total of the number of days arrived at by dividing the total number of days worked by each person on a monthly basis by the number of utilized persons at the end of the month

*2 The ratio obtained by dividing the total number of utilized staff at month end by the total number of staff that can be utilized at month end

Trends in average daily overtime hours*



* Daily average obtained by dividing the average total monthly overtime hours by the average number of actual utilization days.

[HR Solution Business - Recruitment] Financial Highlights of Q1 FY2025

- The segment achieved [a significant year-on-year increase in revenue and profit](#), as the recruitment business of the former Interworks accounts for a large portion of the segment.
- [The range of revenue generation expanded](#) as the recruitment business was significantly strengthened, centered on middle- and high-class human resources across the industry.

Q1 results

▼ Figures after reclassifying to new segments

(Million yen)	FY2024 (Q1)	FY2025 (Q1)	YoY	Earnings forecast (announced on May 10, 2024)	Progress rate
Revenue*	16	384	+2162.5%	1,666	23.1%
Recruitment	16	384	+2162.5%	-	-
Gross profit	14	306	+2079.1%	-	-
Gross profit margin	82.8%	79.8%	-3.0 pts	-	-
Segment profit	7	133	+1784.6%	-	-
Segment profit ratio	41.8%	34.8%	-7.0 pts	-	-

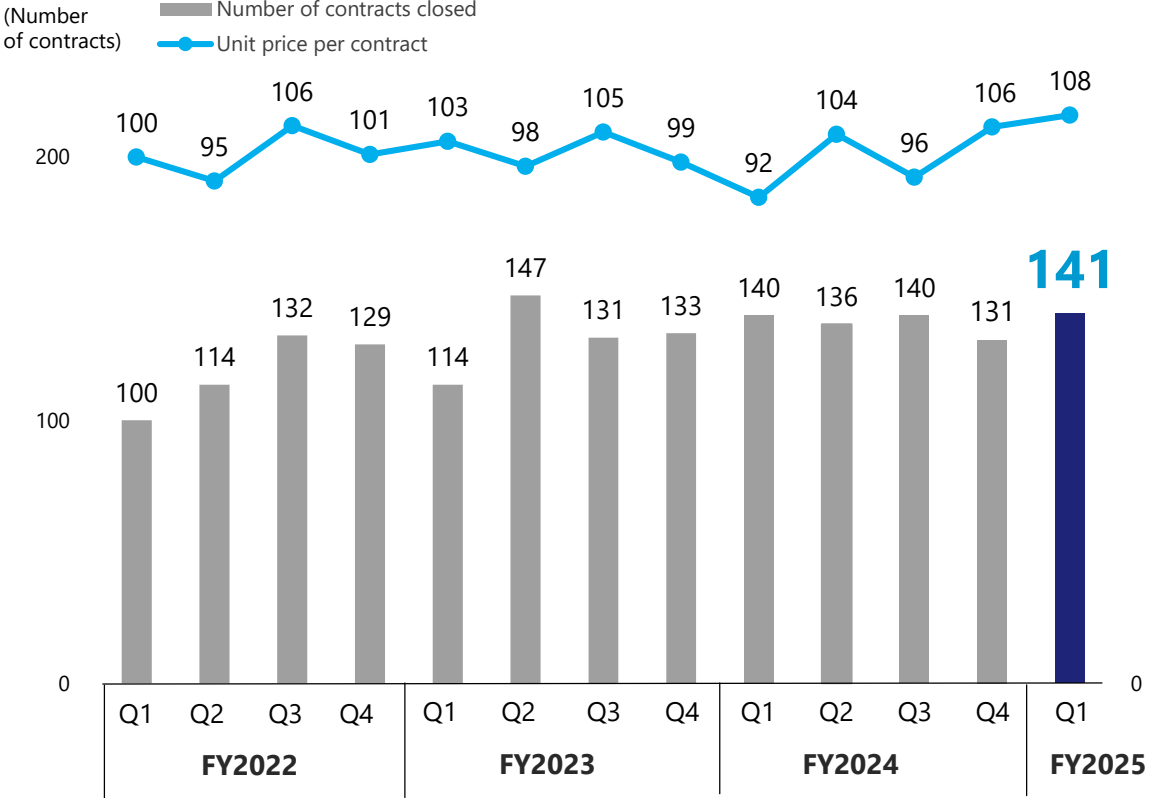
* Figures after eliminating internal sales within the consolidated companies are indicated.

[HR Solution Business - Recruitment] Trends in Major KPIs

- In a situation where productivity improvement is emphasized due to the increase in the number of consultants in the previous fiscal year, we are seeing an upward trend in the number of contracts while maintaining the number of consultants at the same average level as the previous fiscal year, resulting in a smooth start for Q1.

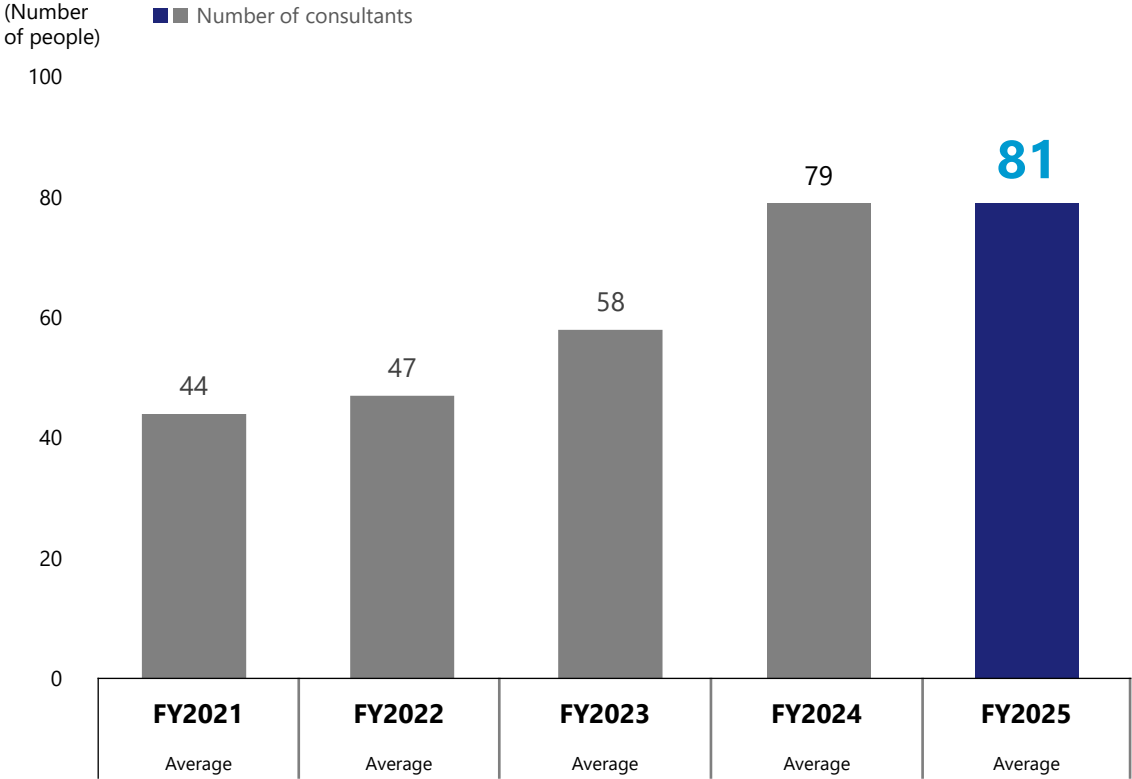
Number of contracts closed and unit price per contract

* Number of contracts closed and unit price per contract
: Index based on the FY2022 (Q1) at 100



Number of consultants (average)

* Calculated based on the average number of consultants at the end of each month



[Media & Solutions Business] Financial Highlights of Q1 FY2025

- The segment achieved **a significant year-on-year increase in revenue and profit**, as the Media & Solutions business of the former Interworks accounts for a large portion of the segment.
- In the previous fiscal year, efforts were focused on lowering the break-even point through the reduction of fixed costs, resulting in an improvement in segment profit margin in Q1 of the current fiscal year.

Q1 results

▼ Figures after reclassifying to new segments

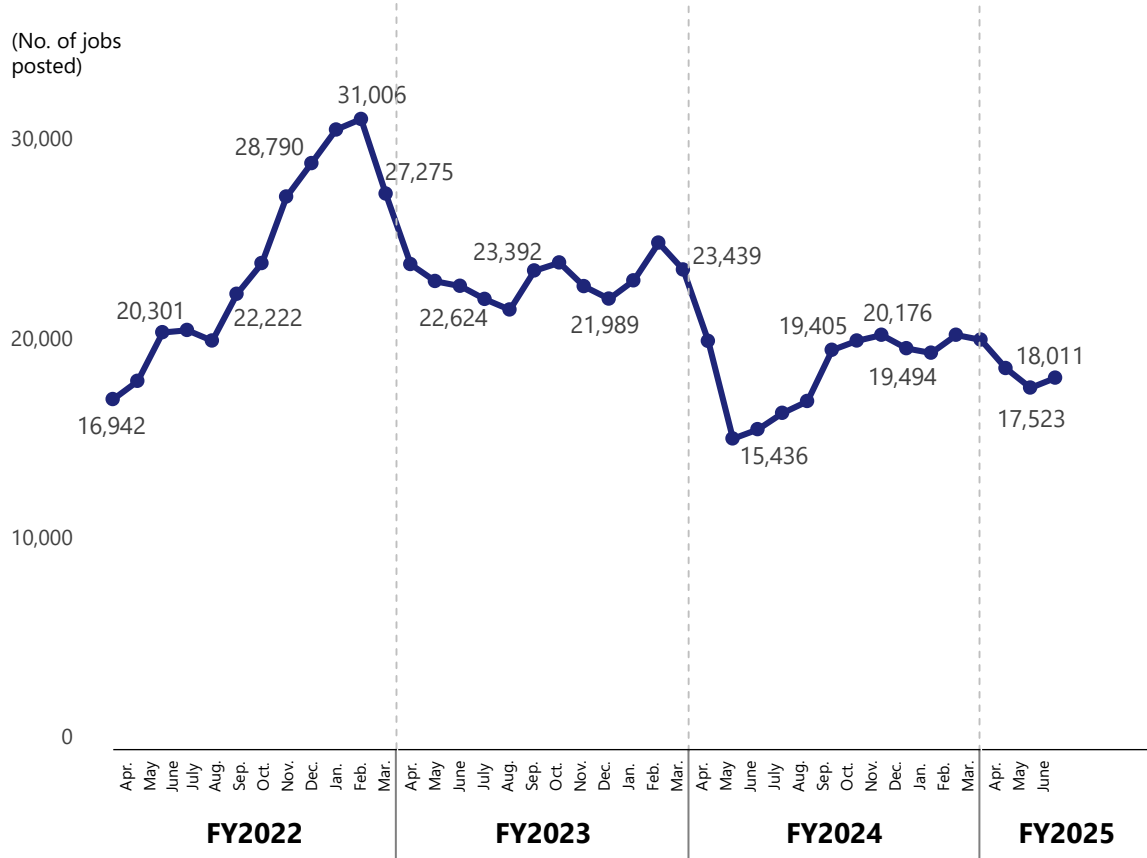
(Million yen)	FY2024 (Q1)	FY2025 (Q1)	YoY	Forecast (announced on May 10, 2024)	Progress rate
Revenue*	6	379	+5518.3%	1,480	25.6%
Job opening advertisement	-	259	-	-	-
Outsourcing and others	6	119	+1676.8%	-	-
Gross profit	5	293	+5388.0%	-	-
Gross profit margin	79.3%	77.5%	-1.8 pts	-	-
Segment profit	3	124	+3129.4%	-	-
Segment profit margin	57.3%	32.9%	-24.4 pts	-	-

* Figures after eliminating internal sales within the consolidated companies are indicated.

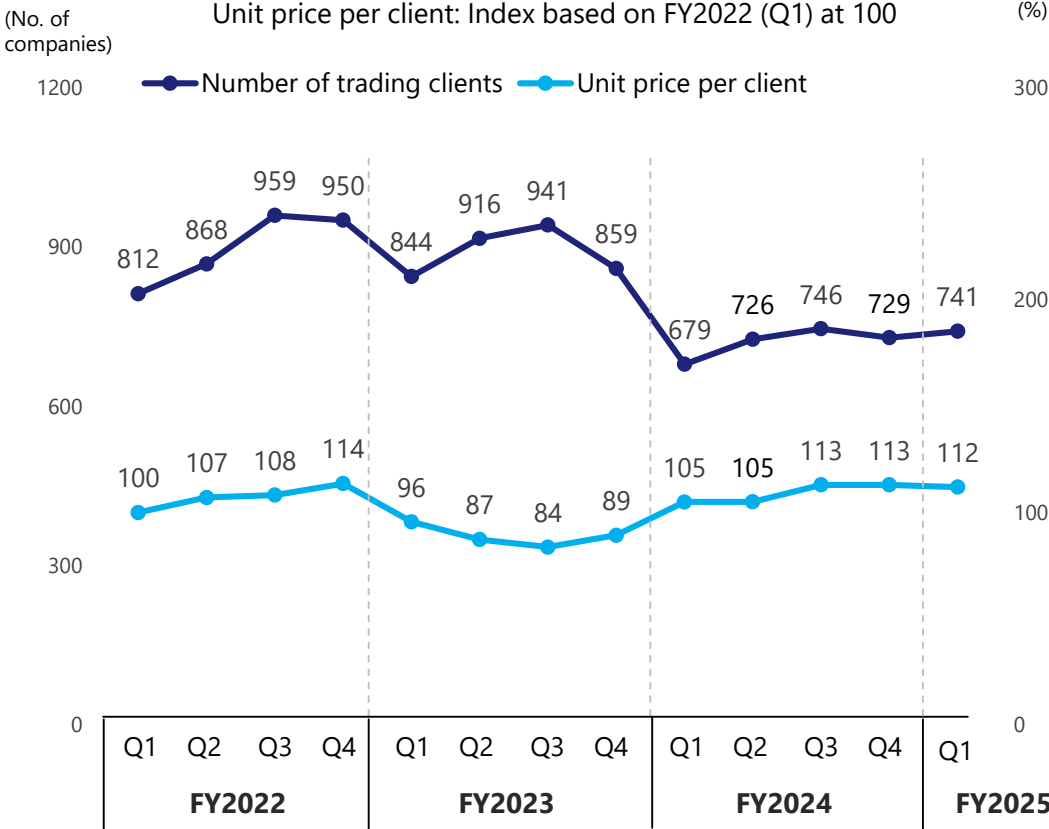
[Media & Solution Business - Job Advertisements] Trends in Major KPIs

- Number of job postings, number of trading clients, and unit price per client all remained flat.
- Continue aiming to increase media power by improving original content and UI to counter the decline in customer attraction ability resulting from the decentralization of media platforms.

Number of job postings on Kojo Works



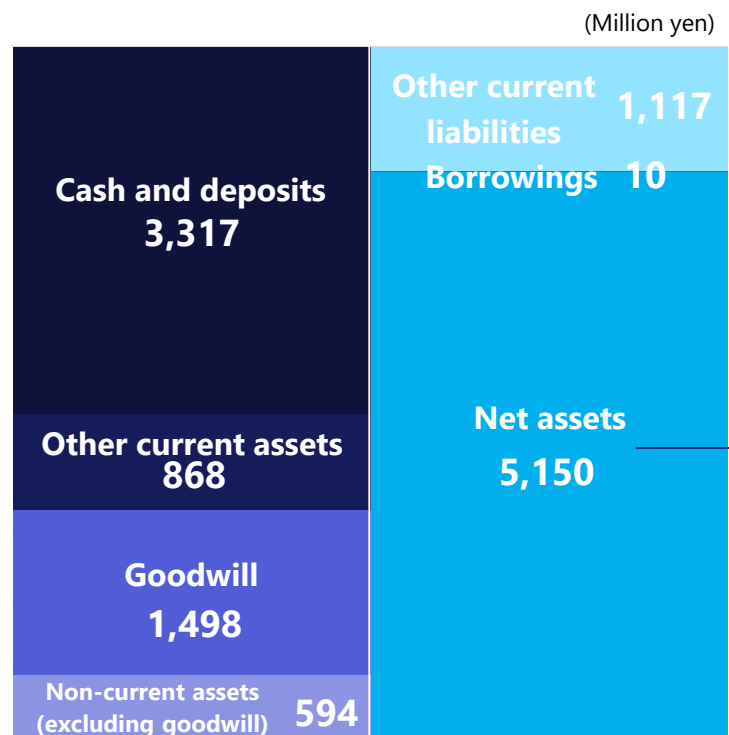
Kojo Works' number of trading clients and unit price per client



[Consolidated] Balance Sheets/Statements of Cash Flows

- In May 2024, Completion of Treasury Share Acquisition Through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3). | Number of shares acquired: **530,000 shares**; Total acquisition amount: **848 million yen**; **Approximately 8%** of the total number of issued shares.
- Continued to secure high financial stability, with net cash amounting to **3.30 billion yen** and the equity ratio standing at **81.5%**.

Balance Sheets at end of Q1 FY2025



Share capital	521 million yen
Capital surplus	3,894 million yen
Retained earnings	1,559 million yen
Treasury shares	-860 million yen
Share acquisition rights	32 million yen
Non-controlling interests	2 million yen

Q1 FY2025 C/F

(Million yen)

Balance of cash and deposits as of March 31, 2024	4,089
Cash flows from operating activities	+283
Cash flows from investing activities	-5
Cash flows from financing activities*	-1,050
Increase/decrease in cash and deposits	-772
Balance of cash and deposits as of June 30, 2024	3,317

* Dividends paid: -200 million yen, treasury share acquisition: -850 million yen; other, net: +0 million yen

Financial Indicators

Net cash	3.30 billion yen
Equity ratio	81.5%
ROE (Reference)*	16.0%

* Profit, which is the basis for calculating ROE, is estimated based on the full-year figures announced for FY2025

03

Dividend Distribution

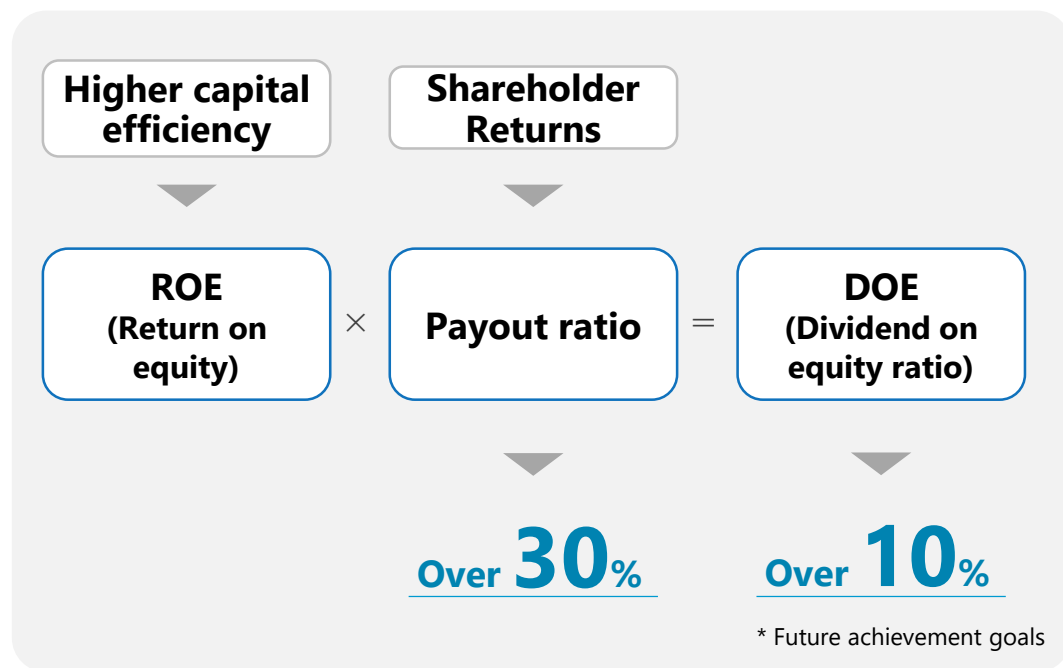


Shareholder Return Policy | Dividend Results/Forecast

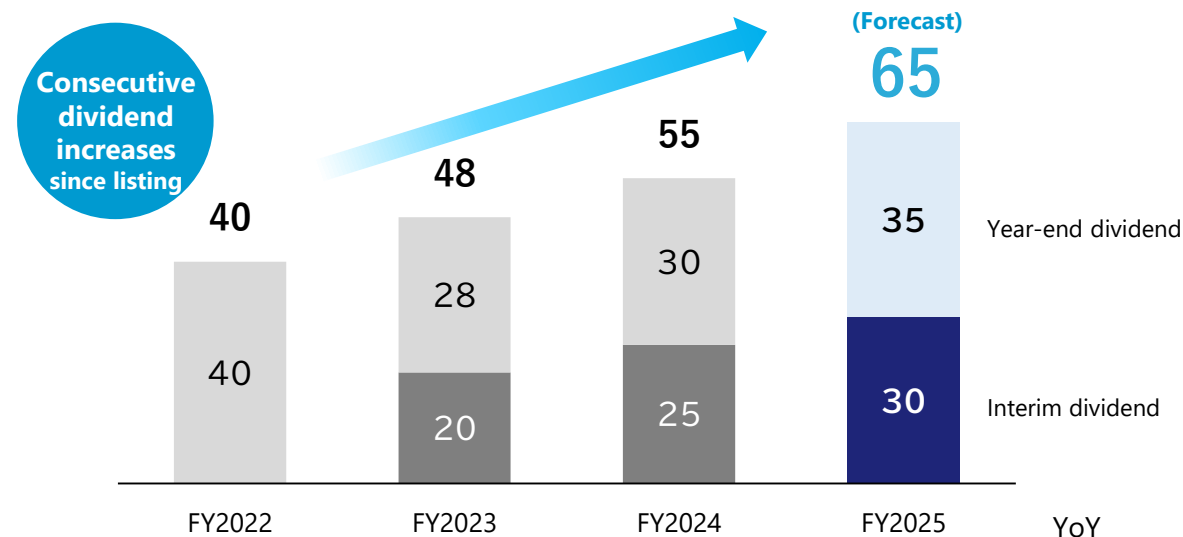
- Regarding shareholder returns, the Company's basic policy is to provide continuous and stable dividends, with the goal of achieving a DOE of **10%** over the medium term
- Unchanged from expectations, for FY2025, we expect to **increase the annual dividend by another 10 yen to 65 yen**

Basic Policy on Shareholder Returns/Target Indicators

The Company regards the return of profits to shareholders as an important management issue and makes it a basic policy to pay **continuous** and **stable** dividends while retaining the necessary internal reserves for future business expansion and bolstering of the Company's financial position



Dividend Results/Forecast



	FY2022	FY2023	FY2024	FY2025	YoY
Payout ratio	33.8%	35.6%	45.1%	46.4%	+1.3 pts
ROE	46.5%	33.8%	18.2%	15.3%	-2.9 pts
DOE	15.7%	12.1%	8.2%	7.1%	-1.1 pts
Dividend yield ^{*1}	1.9%	2.6%	3.3%	3.7% ^{*2}	+0.4 pts

*1 Calculated based on the share price at the end of the fiscal year

*2 Assumed stock price of 1,778 yen (closing price on July 31, 2024) for dividend yield calculation

04

Business Topics



Progress in Growth Strategies/Business Topics

Summary of Business Topics [From April 2023 onwards]



Established Confidence Pro Inc., a consolidated subsidiary specializing in freelance matching

Apr 3, 2023



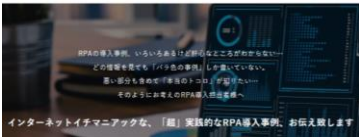
Invested in Indigames (engaged in offshore game development, 3D CG outsourcing services, etc.)

Sep 7, 2023



Held "Game DX Forum" in collaboration with GREE Advertising

Oct 24, 2023



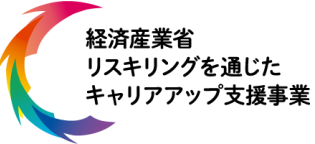
Launched "RPA Tips," a practical information website on robotic process automation (RPA)

Jan 9, 2024



Launched operation of "Plus Startup," a human resource agent service specializing in cutting-edge technology fields

Mar 1, 2024



Selected for the Ministry of Economy, Trade and Industry's "Career Advancement Support Project through Reskilling"

Aug 5, 2024

Aug 1, 2023

Started the operation of "Interworks Confidence Inc." as a new integrated company



Oct 17, 2023

Developed a game planner training course in collaboration with Precious Analytics



Nov 29, 2023

Started collaboration with Penetrator Inc. to develop training services for human resources with RPA skills

Penetrator Inc.

Jan 19, 2024

Affiliated Protagonist Inc., which works on Web 3.0 x HR Tech, as a subsidiary

PROTAGONIST

July 18, 2024

In DX, advertising, and media fields, services related to the staffing business and outsourcing business have been launched

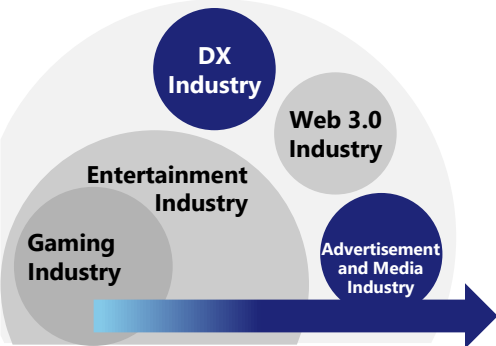
Business Topics | Expand into New Business Areas

- With the expansion of the market and increasing demand for human resources in [DX, advertising, and media fields](#), services related to the [staffing business and outsourcing business](#) have been launched.
- In the HR Solution Staffing and Outsourcing Segment, the goal is to [diversify revenue sources](#) in areas other than the staffing business for the gaming industry.



Expand into new business areas

- ✓ In the gaming and entertainment industries, we assess the diverse specialized skills of job seekers and accumulate matching expertise to the needs of both parties.
- ✓ Through horizontal expansion into the DX, advertising, and Media fields, aiming to diversify revenue sources.



Utilizing the business foundation established in the gaming and entertainment industries, aiming to apply the same methods in other industries to become unmatched in those categories.

Strengthening human resources through cross-selling staffing and outsourcing

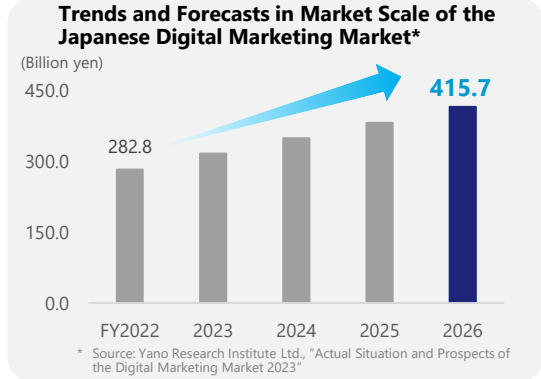
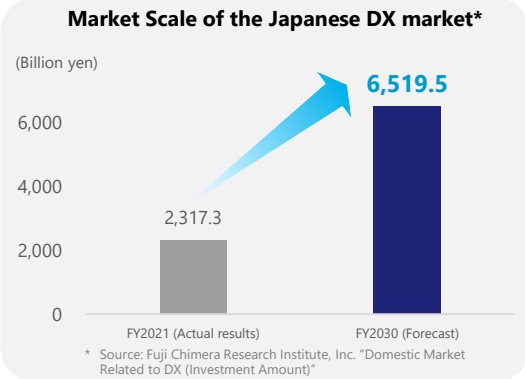
- ✓ Using the staffing business as an entry point, we are advancing client development while building a system to understand corporate needs and secure outsourcing projects.
- ✓ Strengthen internal human resource development through the establishment of educational courses and on-the-job training (OJT) in outsourcing projects.



Make inroads comprehensively in major companies in new fields at an early stage, leveraging a virtuous cycle of human resource development

Market scale

- ✓ The target market is expected to expand, but there is a tendency for a shortage of corresponding human resources.
- ✓ New expertise and flexible operations tailored to situations are required, and the demand for matching companies with human resources is expected to continue increasing.



- [Selected as a subsidized operators under the Ministry of Economy, Trade and Industry's "Career Advancement Support Project through Reskilling" \(fourth offering\).](#)
- By providing a wide variety of opportunities to creators, we promote career development and contribute to [the development of the entertainment industry, which requires creativity.](#)

Ministry of Economy, Trade and Industry's Career Advancement Support Project through Reskilling



The Ministry of Economy, Trade and Industry is implementing this initiative to establish a system that integrates career "consultation support," allowing employees to consult with private experts about their careers, "reskilling," enabling them to take reskilling courses based on the consultation, and "career transition support," facilitating reskilling and job changes based on these efforts.

Consult about career plans



Reskill through program participation



Career consultation and recruitment



Achieve career advancement



Integrated support for career consultation, reskilling, and job transition

Our Prospects



<Example Seminar>

- ✓ Basic Course for Learning Marketing Automation Tool HubSpot
- ✓ RPA Engineer Training Course

● A proven and practical learning curriculum

We offer a learning curriculum based on successful experiences and hands-on practice.

This type of learning not only teaches theoretical knowledge but also the skills needed to address challenges encountered in the field.

● Comprehensive support until course completion

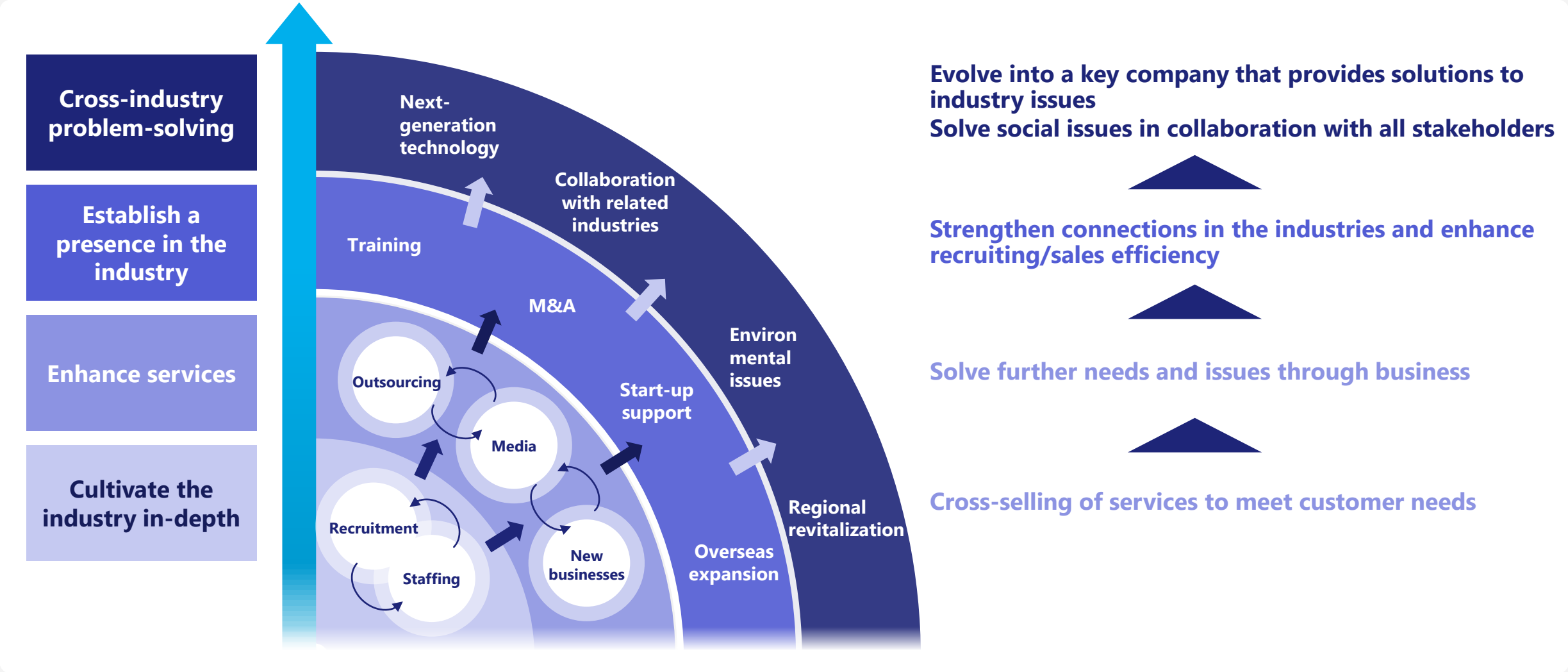
Each participant is assigned a mentor to support their learning. Through regular meetings to set goals and provide tailored support as learning progresses, efficient learning is made possible.

● Comprehensive career advancement support after learning

Based on extensive business dealings with companies through the HR Solution business and proven track records in career support for job seekers, we provide career advancement support after learning.

Future We Want to Realize/View of the World We Aim For

- Using staffing and recruitment services as a starting point, we will establish a presence in the industry by comprehensively penetrating major companies in specialized industries and expanding services through cross-selling media, outsourcing, etc. while promoting in-depth cultivation of the industry. Evolve into a key company that works with all stakeholders to solve industry issues



Appendix.

The background features abstract, flowing lines in shades of purple and blue. These lines are composed of many thin, parallel curves that create a sense of movement and depth, primarily concentrated in the lower right and upper right areas of the page.

Vision

Empowering Professionals to Create the Future Together

Our goal is to help many professionals achieve their dreams in a society that values diversity, and to make a positive impact on their companies, industries and society, creating a society with endless opportunities.



Company Overview

Company Profile

Company name Kabushiki Kaisha Confidence Interworks (English name: Interworks Confidence Inc.)

Representative Nobuyuki Takushi, President

Established August 2014

Head office BYGS Shinjuku Bldg. 10F2-19-1 Shinjuku, Shinjuku-ku, Tokyo

Local Office Nagoya | Osaka | Fukuoka

Consolidated subsidiary Dolphin Inc. | Confidence Pro Inc. | Protagonist Inc.

Officers	President	Nobuyuki Takushi	Senior Managing Director	Takuro Yoshikawa
	Managing Director	Masatsugu Kudo	Director	Koji Nagai
	Outside Director	Reona Amemiya	Outside Director	Midori Mizutani
	Outside Director	Hirofumi Miki	Outside Director	Hiroshi Kawano
	Outside Auditor	Takashi Yachi	Outside Auditor	Tadahiko Yasukuni
	Outside Auditor	Kenya Fujimori	Outside Auditor	Yoshitaka Maruta

Paid-in capital 521 million yen (as of June 30, 2024)

Line of business HR solution business (staffing, outsourcing, recruitment), Media & solutions business

No. of employees 1,159 (as of June 30, 2024) [consolidated]

Corporate History

Aug. 2014

Establishment of Confidence Inc. Involved in HR solution business specializing in the gaming industry since its inception

May 2018

Made Dolphin Corporation, a company engaged in web promotion business, a subsidiary

Apr. 2020

Set up Shinjuku-Gyoen Studio as an outsourcing base

Jun. 2021

Listed on the Tokyo Stock Exchange Mothers Market (currently Growth Market)

May 2022

Relocated head office to Shinjuku-ku, Tokyo (current office)

Apr. 2023

Established Confidence Pro Inc. to provide freelance matching services

Aug. 2023

Merger by absorption of Interworks, Inc. Changed company name to "Kabushiki Kaisha Confidence Interworks" (English name: "Interworks Confidence Inc.")

Feb. 2024

Made Protagonist Inc., a Web 3.0 x HR Tech business, a consolidated subsidiary

Management Policy | Industry-specific Vertical HR Solution Services

- Created a system capable of providing a full range of major human resource services.
- Strategy to expand services **widely** to other industries with reproducibility, starting from the business base cultivated in the gaming and entertainment industries, while engaging in specialized industries **narrowly** and providing services to customers **deeply**.

Industry-specific Vertical HR Solution Services

Focus

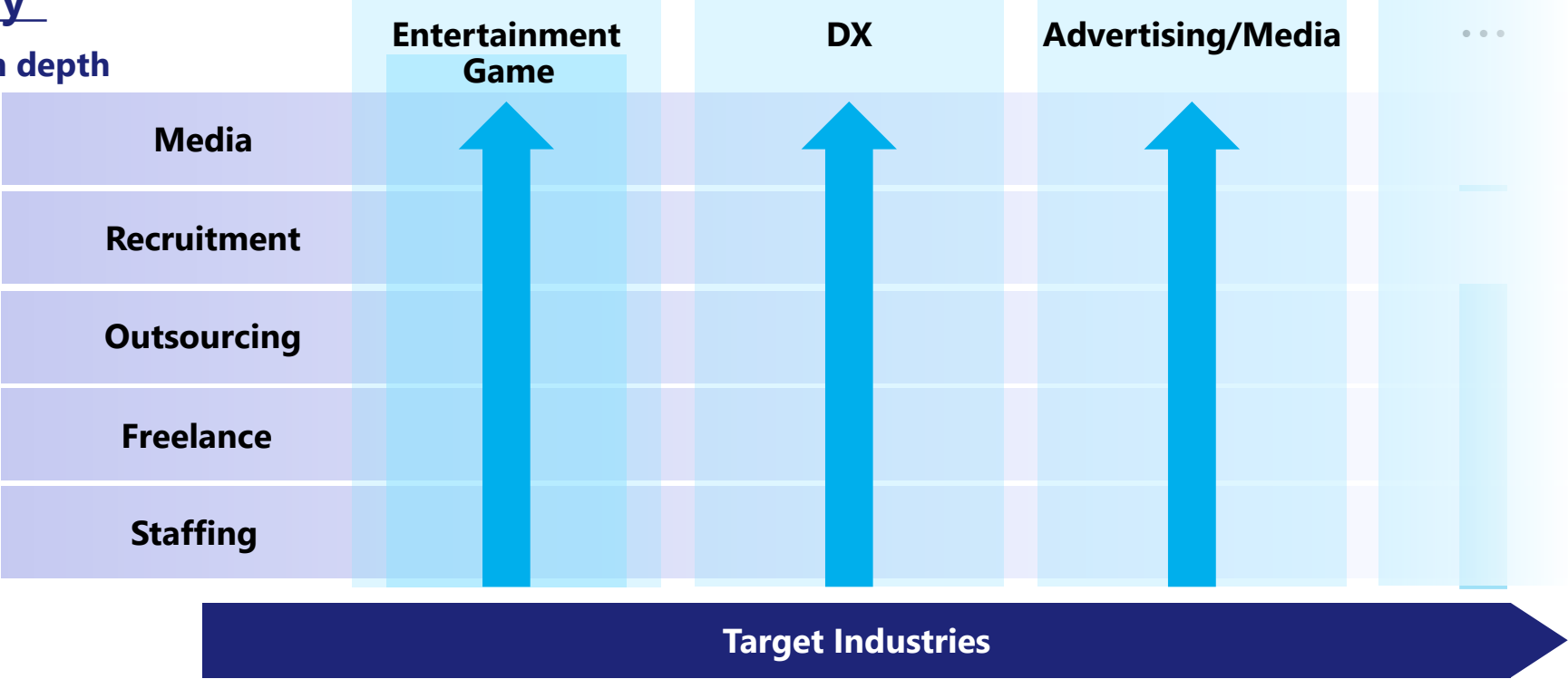
“Narrowly”

Deep

“Deeply”

Cultivate services in depth

HR
Solution
Services
Offered



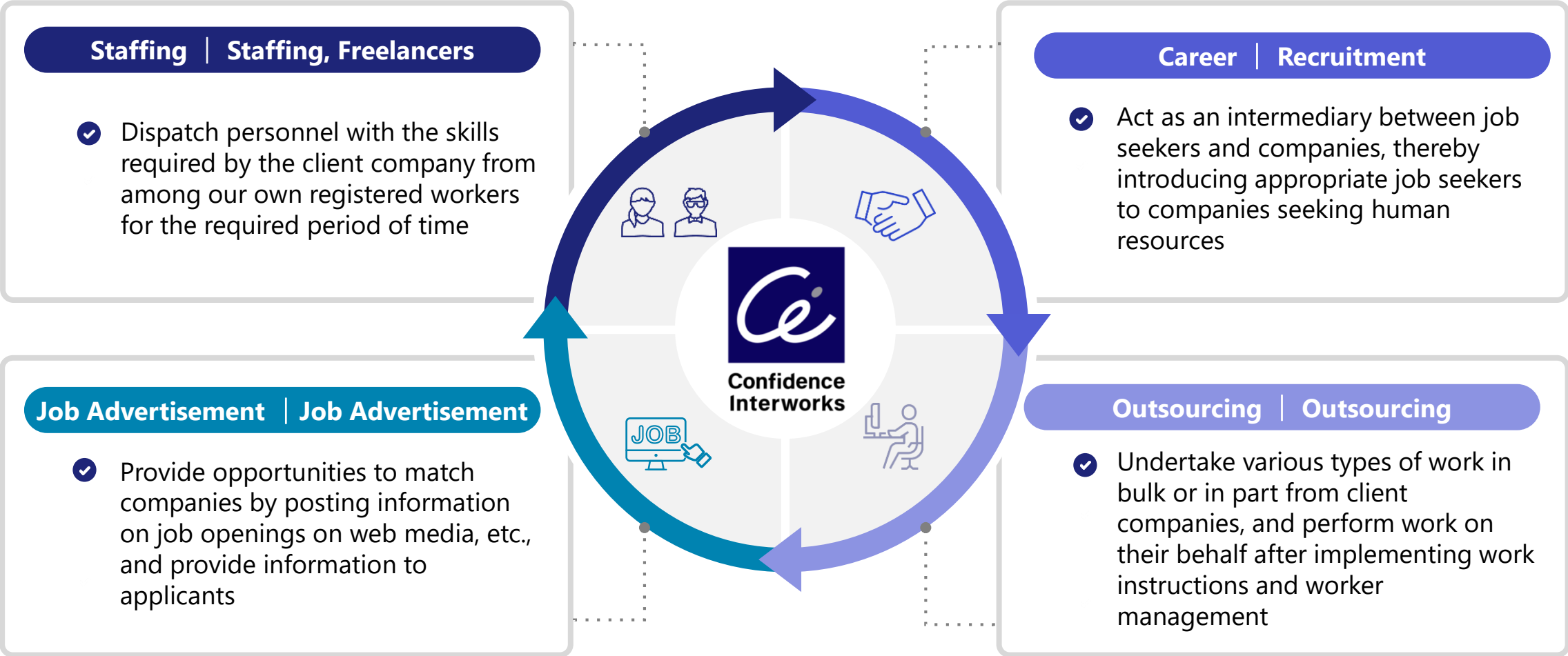
Target Industries

Wide

Covers the industry **“widely”**

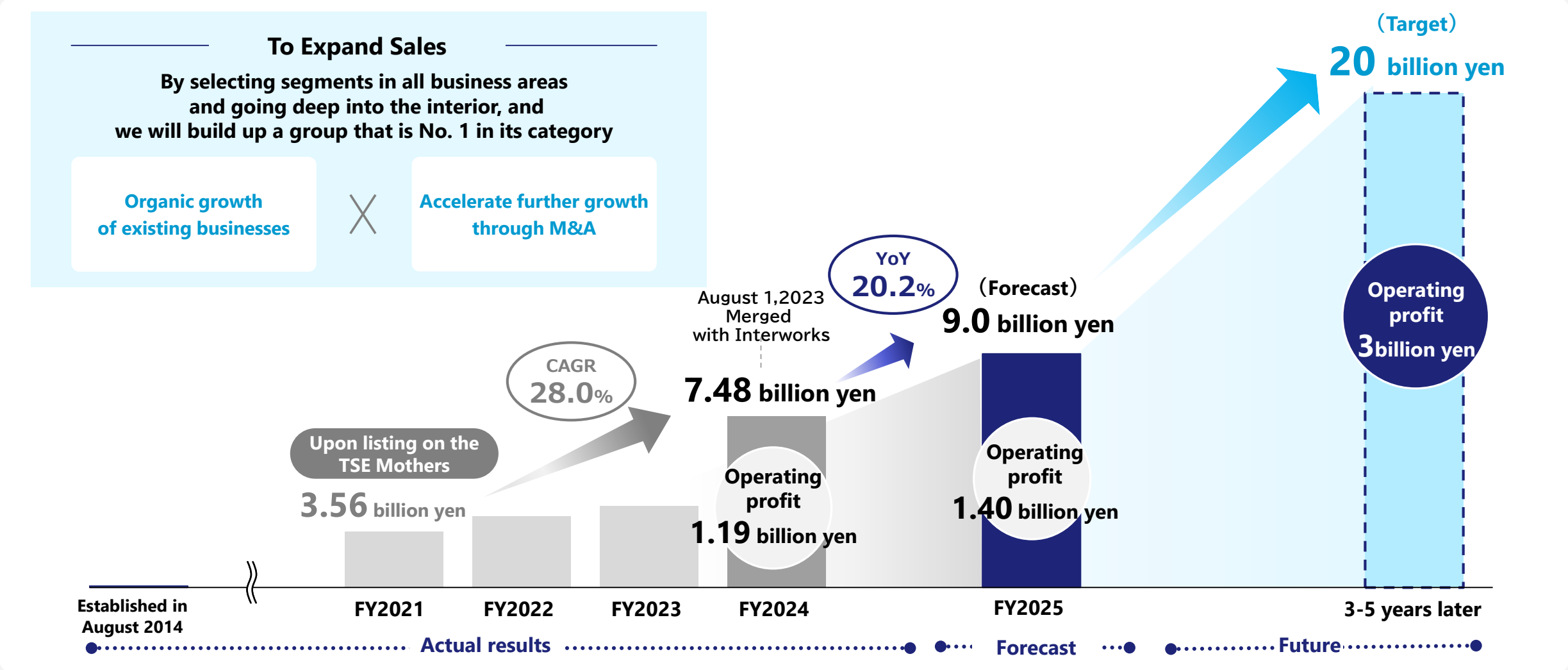
Business Structure | Services

- Created an operating structure that can respond to client needs [in a comprehensive manner](#).



Growth Strategy | Future Growth Indicators: Quantitative objective

- In addition to the steady growth achieved by Confidence alone since its listing, the merger has increased the bases that drive revenue
- For all businesses, select segments and aim to become the No. 1 group, by specialization target areas.



Growth Strategy | Toward a Transition to the Prime Market

- Aim to achieve revenue of 20 billion yen and operating profit of 3 billion yen (operating profit margin of 15%) and meet the criteria of total market capitalization of tradable shares and market capitalization for a transition to the Prime Market at an early stage

Transition to the Prime Market: Quantitative Criteria

			End of Mar. 2023	End of Mar. 2024	End of Mar. 2025
Liquidity	Number of shareholders	No less than 800	○	○	○ (Estimate)
	Number of shares in circulation	No less than 20,000 units	×	○	○ (Estimate)
	Total market capitalization of tradable shares	No less than 10 billion yen	×	×	Aim for early achievement
	Market capitalization	No less than 25 billion yen	×	×	Aim for early achievement
Governance	Ratio of tradable shares	No less than 35%	○	○	○ (Estimate)
Operating Results and Financial Condition	Revenue base	Total profit for the last two years is no less than 2.5 billion yen	×	×	○ (Estimate)
	Financial Condition	Net assets of no less than 5 billion yen	×	○	○ (Estimate)

[Consolidated] Assumptions Underlying the Preparation of Earnings Forecast and Dividend Forecast for FY2025

Assumptions underlying the preparation of earnings forecast

Aim for growth through "[industry-specific vertical HR solution services](#)" based on the premise of achieving both growth and profitability, as has been the management policy to date.

Also, set EPS growth as a target indicator

Target indicators



Assumptions underlying the preparation of dividend forecast

Formulate a dividend policy based on the basic policy of continuous and stable dividends, with a medium-term target of achieving "[DOE 10%](#)," which was set in the medium-term growth strategy after listing, and also with capital efficiency in mind.

Target indicators

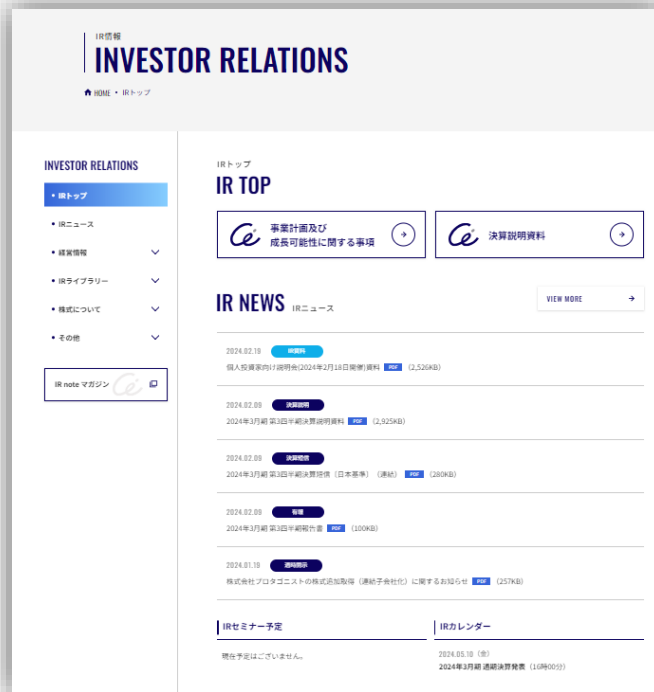


* Future achievement goals

IR Information

- In order to provide timely and easy-to-understand corporate information to our shareholders and investors, we have revamped the IR page on our website
- Interworks Confidence Inc. will continue to disseminate information to raise awareness of and build trust in our IR activities

Renewal of IR site



<https://ciw.jp/ir-en/>

Participation in IR note magazine



https://note.com/ciw_ir



@ciw_ir



Enhancement of explanations for individual investors

<FY2024>

- Wealth advisor
Online IR fair for individual investors
- Kabu Berry Lab
- STOCKVOICE Asset Building Festa 2024
- Seminar for individual investors hosted by Nihon Securities Journal Inc.

<FY2025>

- Shonan Investment Study Group
- NIKKEI Investor Relations Fair (scheduled)
- To Be Updated



**Confidence
Interworks**

Empowering Professionals to Create the Future Together

Inquiries about this material: IR staff, FP&A Division (ir@ciw.jp)

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