

**Translation**

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

August 9, 2024

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 Quarter (April 1, 2024 to June 30, 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 quarter ended June 30, 2024	2,170	54.0	349	23.8	350	42.6	223	33.7
First quarter ended June 30, 2023	1,409	12.7	282	19.6	245	4.0	167	7.3

(Note) Comprehensive income

First quarter ended June 30, 2024: 222 million yen [33.1%]

First quarter ended June 30, 2023: 167 million yen [7.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended June 30, 2024	35.08	34.71
First quarter ended June 30, 2023	36.18	35.36

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First quarter ended June 30, 2024	6,278	5,150	81.5
Fiscal year ended March 31, 2024	7,184	5,970	82.7

(Reference) Total shareholders' equity

As of first quarter ended June 30, 2024: 5,114 million yen

As of fiscal year ended 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	-				
Fiscal year ending March 31, 2025 (Forecast)		30.00	-	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
First two quarters (cumulative)	4,306	32.5	570	1.6	571	11.8	358	6.3	57.00
Full year	9,000	20.2	1,400	17.1	1,401	22.6	882	21.6	140.00

(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) Changes in accounting estimates: 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)

First quarter ended June 30, 2024	6,657,377 shares	Fiscal year ended March 31, 2024	6,655,177 shares
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2) Number of treasury shares at the end of the period

First quarter ended June 30, 2024	537,526 shares	Fiscal year ended March 31, 2024	6,300 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First quarter ended June 30, 2024	6,376,379 shares	First quarter ended June 30, 2023	4,625,046 shares
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\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by a public accountants 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.

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

(Thousands of yen)

	Previous fiscal year (As of March 31, 2024)	First quarter of current fiscal year (As of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	4,089,380	3,317,225
Accounts receivable - trade	818,642	789,079
Accounts receivable - other	5,462	5,376
Other	100,161	74,665
Allowance for doubtful accounts	(5,212)	(525)
Total current assets	5,008,434	4,185,821
Non-current assets		
Property, plant and equipment		
Buildings	123,452	123,732
Accumulated depreciation	(55,943)	(67,178)
Buildings, net	67,508	56,553
Tools, furniture and fixtures	97,268	99,900
Accumulated depreciation	(69,604)	(71,680)
Tools, furniture and fixtures, net	27,663	28,219
Total property, plant and equipment	95,172	84,772
Intangible assets		
Software	146,091	131,474
Goodwill	1,539,817	1,498,572
Total intangible assets	1,685,908	1,630,046
Investments and other assets		
Investment securities	15,000	15,000
Deferred tax assets	151,604	138,797
Guarantee deposits	224,133	223,600
Other	4,331	5,471
Allowance for doubtful accounts	(22)	(4,686)
Total investments and other assets	395,046	378,183
Total non-current assets	2,176,127	2,093,002
Total assets	7,184,561	6,278,823

(Thousands of yen)

	Previous fiscal year (As of March 31, 2024)	First quarter of current fiscal year (As of June 30, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long-term borrowings	3,159	3,159
Accounts payable - trade	83,755	83,076
Accounts payable - other	225,063	196,950
Accrued expenses	326,041	349,303
Income taxes payable	231,617	120,935
Accrued consumption taxes	154,827	172,664
Deposits received	29,776	46,287
Contract liabilities	1,245	1,737
Refund liabilities	7,818	7,118
Provision for bonuses	142,088	139,473
<b>Total current liabilities</b>	<b>1,205,394</b>	<b>1,120,707</b>
<b>Non-current liabilities</b>		
Long-term borrowings	8,529	7,800
<b>Total non-current liabilities</b>	<b>8,529</b>	<b>7,800</b>
<b>Total liabilities</b>	<b>1,213,923</b>	<b>1,128,507</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	520,784	521,334
Capital surplus	3,893,706	3,894,256
Retained earnings	1,535,227	1,559,446
Treasury shares	(10,143)	(860,309)
<b>Total shareholders' equity</b>	<b>5,939,574</b>	<b>5,114,727</b>
Share acquisition right	27,403	32,856
Non-controlling interests	3,660	2,732
<b>Total net assets</b>	<b>5,970,638</b>	<b>5,150,315</b>
<b>Total liabilities and net assets</b>	<b>7,184,561</b>	<b>6,278,823</b>

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

(Thousands of yen)

	First quarter of previous fiscal year (April 1, 2023 - June 30, 2023)	First quarter of current fiscal year (April 1, 2024 - June 30, 2024)
Revenue	1,409,111	2,170,502
Cost of sales	891,999	1,083,460
Gross profit	517,111	1,087,042
Selling, general and administrative expenses	234,535	737,249
Operating profit	282,576	349,792
Non-operating income		
Interest and dividend income	-	16
Rental income from buildings	92	612
Other	-	226
Total non-operating income	92	854
Non-operating expenses		
Interest expenses	37	27
Commission expenses	36,778	308
Other	265	-
Total non-operating expenses	37,081	336
Ordinary profit	245,586	350,311
Extraordinary losses		
Office relocation expenses	-	4,325
Total extraordinary losses	-	4,325
Profit before income taxes	245,586	345,986
Income taxes - current	73,848	110,422
Income taxes - deferred	4,409	12,807
Total income taxes	78,257	123,229
Profit	167,329	222,757
Profit attributable to non-controlling interests	-	(928)
Profit attributable to owners of parent	167,329	223,685

Quarterly Consolidated Statements of Comprehensive Income  
(Cumulative)

(Thousands of yen)

	First quarter of previous fiscal year (April 1, 2023 - June 30, 2023)	First quarter of current fiscal year (April 1, 2024 - June 30, 2024)
Profit	167,329	222,757
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	167,329	222,757
Comprehensive income (Breakdown)		
Comprehensive income attributable to owners of parent	167,329	223,685
Comprehensive income attributable to non- controlling interests	-	(928)

### (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 quarter of the current fiscal year, treasury shares increased by 850,166 thousand yen including the purchase of shares less than one unit, amounting to 860,309 thousand yen at the end of the quarter.

(Notes to Quarterly Consolidated Statements of Cash Flows)

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

	First quarter of previous fiscal year (April 1, 2023 - June 30, 2023)	First quarter of current fiscal year (April 1, 2024 - June 30, 2024)
Depreciation	3,758 thousand yen	27,928 thousand yen
Amortization of goodwill	-	41,245 thousand yen



(Notes to Segment Information, Etc.)

I. First quarter of the previous fiscal year (April 1, 2023 to June 30, 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	1,331,198	-	-	1,331,198	-	1,331,198
Recruitment	-	16,993	-	16,993	-	16,993
Job advertisement	-	-	-	-	-	-
Outsourcing and other	54,173	-	6,746	60,919	-	60,919
Revenue from contracts with customers	1,385,371	16,993	6,746	1,409,111	-	1,409,111
Sales to outside customers	1,385,371	16,993	6,746	1,409,111	-	1,409,111
Inter-segment sales or transfers	-	-	-	-	-	-
Total	1,385,371	16,993	6,746	1,409,111	-	1,409,111
Segment profit	378,091	7,105	3,864	389,060	(106,483)	282,576

(Note) 1. Adjustments of segment profit of -106,483 thousand yen include corporate expenses of 106,483 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 quarter of the current fiscal year (April 1, 2024 to June 30, 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	1,344,239	-	-	1,334,239	-	1,344,239
Recruitment	-	384,473	-	384,473	-	384,473
Job advertisement	-	-	259,164	259,164	-	259,164
Outsourcing and other	62,757	-	119,867	182,624	-	182,624
Revenue from contracts with customers	1,406,996	384,473	379,031	2,170,502	-	2,170,502
Sales to outside customers	1,406,996	384,473	379,031	2,170,502	-	2,170,502
Inter-segment sales or transfers	-	-	-	-	-	-
Total	1,406,996	384,473	379,031	2,170,502	-	2,170,502
Segment profit	354,738	133,902	124,802	613,443	(263,650)	349,792

(Note) 1. Adjustments of segment profit of -263,650 thousand yen include amortization of goodwill of 16,498 thousand yen and corporate expenses of 247,152 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.

2. Information on changes in reportable segments, etc.

As of August 1, 2023, during the second quarter of the previous fiscal year, the Company merged with Interworks, Inc., the absorbed and dissolving company, and changed its name to Interworks Confidence Inc. As a result, the Group's business domain expanded significantly, and the reportable segment classification has been changed to "HR Solution business - Staffing/Outsourcing," "HR Solution business - Recruitment," and "Media & Solutions business" since the second quarter of the previous consolidated fiscal year.

The segment information for the first quarter of the previous fiscal year has been reclassified based on the new reportable segment classification.