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## Consolidated Financial Results for the Fiscal Year Ended July 31, 2024 [Japanese GAAP]



September 12, 2024

Company name: Visional, Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 4194  
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 Scheduled date of Annual General Meeting of Shareholders: October 30, 2024  
 Scheduled date of commencing dividend payments: –  
 Scheduled date of filing annual securities report: October 30, 2024  
 Availability of supplementary explanatory materials on financial results: Available  
 Schedule of financial results briefing session: Scheduled (for institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 – July 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended July 31, 2024	66,146	17.5	17,837	34.9	18,476	28.5	12,990	30.8
July 31, 2023	56,273	28.0	13,225	59.7	14,373	65.0	9,928	69.6

(Note) Comprehensive income: Fiscal year ended July 31, 2024: ¥12,883 million [28.7%]  
 Fiscal year ended July 31, 2023: ¥10,012 million [71.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
July 31, 2024	330.71	313.74	28.5	27.5	27.0
July 31, 2023	256.78	239.09	29.3	27.7	23.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended July 31, 2024: ¥319 million  
 Fiscal year ended July 31, 2023: ¥319 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of July 31, 2024	76,314	52,388	68.3	1,315.68
As of July 31, 2023	57,873	39,129	67.4	997.15

(Reference) Equity: As of July 31, 2024: ¥52,158 million  
 As of July 31, 2023: ¥38,990 million

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
As of July 31, 2024	18,369	(1,712)	279	58,107
As of July 31, 2023	11,024	(870)	(346)	41,170

### 2. Dividends

	Annual Dividend					Total dividends	Dividend payment ratio (consolidated)	Dividend / Net assets (consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	millions of yen	%	%
Fiscal year ended July 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended July 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending July 31, 2025 (Forecast)	—	0.00	—	0.00	0.00		—	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2025 (August 1, 2024 - July 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	76,400	15.5	19,150	7.4	19,600	6.1	13,470	3.7	339.79

(Note) For details, please refer to “1. Overview of Operating Results (4) Future Outlook” on page 4 of the Attachments.

#### \* Notes:

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

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

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

July 31, 2024: 39,642,100 shares

July 31, 2023: 39,096,200 shares

2) Total number of treasury shares at the end of the period:

July 31, 2024: 236 shares

July 31, 2023: 213 shares

3) Average number of shares during the period:

Fiscal year ended July 31, 2024: 39,279,772 shares

Fiscal year ended July 31, 2023: 38,667,830 shares

**Reference: Summary of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 - July 31, 2024)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
July 31, 2024	15,439	59.7	10,102	92.7	10,061	92.6	10,873	96.5
July 31, 2023	9,670	38.1	5,243	84.7	5,223	85.5	5,533	86.7

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
July 31, 2024	276.82	262.61
July 31, 2023	143.10	133.24

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of July 31, 2024	72,228	41,644	57.4	1,046.14
As of July 31, 2023	54,839	30,560	55.5	777.99

(Reference) Equity: As of July 31, 2024: ¥41,473 million  
As of July 31, 2023: ¥30,421 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The statements regarding the forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Fiscal Year under Review

Statements in this document about the future reflect the Group's judgments as of the end of the fiscal year under review.

In the fiscal year under review, the Japanese economy recovered gradually despite signs of a slowdown in the recovery of private consumption and other variables. However, the impact of continued high interest rate levels caused by global monetary tightening, concerns about the outlook of the Chinese economy, the situation in the Middle East, and a downturn in the global economy stemming from continued upward pressure on prices are all posing downside risks to the economy and making the outlook uncertain. Amid these circumstances, the Group's core BizReach business continued to boost performance of the entire Group for the fiscal year under review, backed by a continued willingness of companies to recruit human resources.

As a result, in the fiscal year ended July 31, 2024, the Group recorded net sales of ¥66,146 million (up 17.5% year on year), operating profit of ¥17,837 million (up 34.9% year on year), ordinary profit of ¥18,476 million (up 28.5% year on year), and profit attributable to owners of parent of ¥12,990 million (up 30.8% year on year).

Performance by segment was as follows.

#### (i) HR Tech

The HR Tech segment consists of BizReach, HRMOS, and other HR Tech services.

The BizReach business achieved growth in comparison to the end of the previous fiscal year in all of its growth indices, as a result of the continued strength of human resources demand in the professional human resources domain and aggressive advertising. As of the end of the fiscal year under review, the cumulative number of registered direct employers (Note 1) increased to more than 31,700 (compared to more than 26,200 as of the end of the previous fiscal year), the number of active direct employers (Note 2) increased to more than 16,000 (compared to more than 13,400 as of the end of the previous fiscal year), the number of active headhunters (Note 3) rose to more than 7,800 (compared to more than 6,600 as of the end of the previous fiscal year), and the number of scoutable job seekers (Note 4) increased to more than 2.58 million (compared to more than 2.14 million as of the end of the previous fiscal year). The business recorded net sales of ¥57,776 million (up 17.5% year on year), and adjusted operating profit before corporate expense allocation (Note 5) of ¥23,331 million (up 15.9% year on year).

In the HRMOS business, we are conducting marketing activities to expand the number of customers while continuing product development such as the development of new functionality. In July 2024, we started offering a new service within the HRMOS series, HRMOS Payroll, which is a workforce management and payroll system. HRMOS Payroll is a cloud system that provides functions for efficiently processing workforce management and payroll-related tasks. In seamless coordination with each HRMOS series function and service, HRMOS Payroll improves the efficiency of various workforce management and payroll-related tasks and prevents human errors.

As for the combined KPI of HRMOS ATS service and HRMOS Talent Management service, ARR (Note 6) rose 29.8% to ¥2,777 million, the number of unique paying customers (Note 7) increased 25.9% to 1,947, and ARPU (Note 8) rose 3.1% to ¥118,878 from the end of the previous fiscal year. The churn rate (Note 9), which is a 12 month average, was 0.60%.

The HRMOS business recorded net sales of ¥3,844 million (up 76.0% year on year), and an adjusted operating loss before corporate expense allocation (Note 5) of ¥1,021 million (loss of ¥1,740 million for the previous fiscal year).

As a result, in the fiscal year ended July 31, 2024, the HR Tech segment recorded net sales of ¥63,791 million (up 18.8% year on year) and segment profit of ¥20,062 million (up 27.8% year on year).

- (Notes)
1. The total number of direct employers that have subscribed to BizReach, excluding headhunters
  2. The number of direct employers that have subscribed to BizReach for at least 1 day during the fiscal year
  3. The number of headhunters that have been screened by BizReach, Inc.
  4. The number of registered BizReach users who have configured their employment history to be disclosed to direct employers or who have configured their employment history to be disclosed to headhunters
  5. This is the operating profit or loss of the business before bearing the personnel expenses and ancillary outsourcing and other general administrative expenses associated with accounting, legal, human resources, and other business administration, and also personnel costs and ancillary outsourcing and other costs of the information systems and design divisions that cannot be charged directly to specific products and services
  6. Annual Recurring Revenue. This is calculated by multiplying the MRR (Monthly Recurring Revenue) in the final month of the quarter by 12. The MRR is the total monthly revenue from customers subject to recurring billing as of the end of the target period (excluding one-time revenue)
  7. The number of unique paying users of HRMOS ATS and HRMOS Talent Management services
  8. Average Revenue per User.  $MRR \text{ as of the end of the month} \div \text{number of unique paying customers}$
  9. Reduction in MRR due to the cancellation in the current month divided by MRR at the end of the previous month is defined as the single-month churn rate, and the churn rate is the average of the last 12 months

(ii) Incubation

The Incubation segment includes Trabox, M&A Succeed, BizHint, yamory, and Assured, etc. As the Company transferred all shares of BizHint, Inc., the Company's consolidated subsidiary, on December 1, 2023, the BizHint business has been excluded from the scope of consolidation.

Each business in the Incubation segment conducted activities within the limits of profits generated from the HR Tech segment, including human resource investment, new-product development and advertising activities. In the fiscal year ended July 31, 2024, the segment recorded net sales of ¥2,219 million (down 9.8% year on year) and segment loss of ¥1,020 million (loss of ¥1,401 million for the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

As of the end of the fiscal year under review, total assets amounted to ¥76,314 million, an ¥18,440 million increase since the end of the previous fiscal year. This was primarily due to a ¥16,936 million increase in cash and deposits to ¥58,107 million, a ¥602 million increase in accounts receivable – trade to ¥5,753 million due to the growth in net sales, and a ¥523 million increase in buildings to ¥895 million.

As of the end of the fiscal year under review, total liabilities amounted to ¥23,926 million, a ¥5,181 million increase since the end of the previous fiscal year. This was primarily due to a ¥1,756 million increase in unearned contract liabilities to ¥8,615 million due to an increase in the number of direct employers using the BizReach business, a ¥2,311 million increase in accounts payable – other to ¥6,246 million, and a ¥1,250 million increase in income tax payable to ¥4,310 million.

As of the end of the fiscal year under review, net assets amounted to ¥52,388 million, a ¥13,259 million increase since the end of the previous fiscal year. This was mainly due to a ¥12,990 million increase in retained earnings due to the recording of profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥58,107 million.

The status of cash flows in the fiscal year under review and the factors responsible for those results are as follows:

Cash flows from operating activities resulted in a net inflow of ¥18,369 million primarily due to the recording of profit before income taxes of ¥18,928 million, a ¥1,756 million increase in contract liabilities, a ¥1,543 million increase in accounts payable – other, and income taxes paid of ¥3,761 million.

Cash flows from investing activities resulted in a net outflow of ¥1,712 million primarily due to purchase of property, plant and equipment of ¥930 million and payments of leasehold deposits of ¥666 million.

Cash flows from financing activities resulted in a net inflow of ¥279 million primarily due to proceeds from issuance of shares resulting from exercise of share acquisition rights of ¥286 million and repayments of long-term borrowings of ¥8 million.

#### (4) Future Outlook

For the fiscal year ending July 31, 2025, the Group expects net sales of ¥76,400 million (up 15.5% year on year).

The Group expects net sales of ¥66,400 million (up 15.0% year on year) for the BizReach business based on the premise that companies' recruiting demand for professional human resources will continue to increase although market sentiment remains uncertain.

The Group expects net sales of ¥5,000 million (up 30.1% year on year) for the HRMOS business, growing each service as well as to introduce the integrated HRMOS series.

As a result of the foregoing, the Group expects consolidated net sales of ¥76,400 million (up 15.5% year on year) and operating profit of ¥19,150 million (up 7.4% year on year) for the fiscal year ending July 31, 2025.

The Group expects ordinary profit of ¥19,600 million (up 6.1% year on year) primarily due to the recording of share of profit of entities accounted for using the equity method. The Group does not expect any extraordinary income or losses, and expects profit attributable to owners of parent of ¥13,470 million (up 3.7% year on year) based on the calculation of income taxes, etc. in accordance with its profit plan.

## 2. Basic Policy on Selecting Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, taking into account the comparability of the consolidated financial statements with other periods.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(in millions of yen)

	As of July 31, 2023	As of July 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	41,170	58,107
Accounts receivable - trade	5,151	5,753
Other	2,645	1,846
Allowance for doubtful accounts	(64)	(55)
<b>Total current assets</b>	<b>48,902</b>	<b>65,652</b>
Non-current assets		
Property, plant and equipment		
Buildings	896	1,589
Accumulated depreciation	(524)	(693)
Buildings, net	371	895
Leased assets	3	—
Accumulated depreciation	(3)	—
Leased assets, net	—	—
Construction in progress	105	61
Other	1,048	1,799
Accumulated depreciation	(679)	(876)
Other, net	368	923
<b>Total property, plant and equipment</b>	<b>845</b>	<b>1,880</b>
Intangible assets		
Software	298	210
Goodwill	2,799	2,523
Customer relationship	1,356	1,117
Other	1	1
<b>Total intangible assets</b>	<b>4,455</b>	<b>3,852</b>
Investments and other assets		
Investment securities	451	687
Leasehold deposits	871	2,133
Deferred tax assets	1,685	2,080
Other	671	30
Allowance for doubtful accounts	(9)	(3)
<b>Total investments and other assets</b>	<b>3,669</b>	<b>4,929</b>
<b>Total non-current assets</b>	<b>8,971</b>	<b>10,662</b>
<b>Total assets</b>	<b>57,873</b>	<b>76,314</b>



(in millions of yen)

	As of July 31, 2023	As of July 31, 2024
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term borrowings	7	9
Accounts payable – other	3,934	6,246
Income tax payable	3,059	4,310
Contract liabilities	6,858	8,615
Provision for bonuses	1,034	1,084
Other	1,433	1,602
Total current liabilities	16,328	21,869
Non-current liabilities		
Liabilities from application of equity method	2,133	1,813
Deferred tax liabilities	249	206
Long-term borrowings	32	37
Total non-current liabilities	2,415	2,056
<b>Total liabilities</b>	<b>18,744</b>	<b>23,926</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,356	6,503
Deposits for subscriptions of shares	5	2
Capital surplus	10,321	10,467
Retained earnings	22,223	35,213
Treasury shares	(1)	(1)
Total shareholders' equity	38,905	52,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	84	(26)
Total accumulated other comprehensive income	84	(26)
Share acquisition rights	139	170
Non-controlling interests	—	58
<b>Total net assets</b>	<b>39,129</b>	<b>52,388</b>
<b>Total liabilities and net assets</b>	<b>57,873</b>	<b>76,314</b>

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

(in millions of yen)

	For the fiscal year ended July 31, 2023	For the fiscal year ended July 31, 2024
Net sales	56,273	66,146
Cost of sales	5,815	5,718
Gross profit	50,457	60,428
Selling, general and administrative expenses	37,231	42,591
Operating profit	13,225	17,837
Non-operating income		
Interest income	0	0
Share of profit of entities accounted for using equity method	319	319
Penalty income	779	275
Other	58	62
Total non-operating income	1,157	657
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	2	5
Provision of allowance for doubtful accounts	1	3
Commitment fees	4	5
Other	0	2
Total non-operating expenses	9	18
Ordinary profit	14,373	18,476
Extraordinary income		
Gain on sale of shares of subsidiaries	—	462
Gain on sale of non-current assets	2	—
Gain on reversal of share acquisition rights	4	0
Other	—	24
Total extraordinary income	6	486
Extraordinary losses		
Loss on valuation of investment securities	3	34
Total extraordinary losses	3	34
Profit before income taxes	14,377	18,928
Income taxes - current	4,640	6,343
Income taxes - deferred	(192)	(409)
Total income taxes	4,448	5,933
Profit	9,928	12,994
Profit attributable to non-controlling interests	—	4
Profit attributable to owners of parent	9,928	12,990

## Consolidated Statement of Comprehensive Income

(in millions of yen)

	For the fiscal year ended July 31, 2023	For the fiscal year ended July 31, 2024
Profit	9,928	12,994
Other comprehensive income		
Valuation difference on available-for-sale securities	83	(111)
Total other comprehensive income	83	(111)
Comprehensive income	10,012	12,883
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,012	12,878
Comprehensive income attributable to non-controlling interests	—	4

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended July 31, 2023 (From August 1, 2022 to July 31, 2023)

(in millions of yen)

	Shareholders' equity					
	Share capital	Deposits for subscriptions of shares	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,226	6	10,190	12,294	(1)	28,716
Changes during period						
Issuance of new shares - exercise of share acquisition rights	130	(0)	130			260
Profit attributable to owners of parent				9,928		9,928
Purchase of treasury shares					(0)	(0)
Forfeiture of share acquisition rights						
Net changes in items other than shareholders' equity						
Total changes during period	130	(0)	130	9,928	(0)	10,189
Balance at end of period	6,356	5	10,321	22,223	(1)	38,905

	Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities		
Balance at beginning of period	0	56	28,772
Changes during period			
Issuance of new shares - exercise of share acquisition rights			260
Profit attributable to owners of parent			9,928
Purchase of treasury shares			(0)
Forfeiture of share acquisition rights		(4)	(4)
Net changes in items other than shareholders' equity	83	87	171
Total changes during period	83	82	10,356
Balance at end of period	84	139	39,129

For the fiscal year ended July 31, 2024 (From August 1, 2023 to July 31, 2024)

(in millions of yen)

	Shareholders' equity					
	Share capital	Deposits for subscriptions of shares	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,356	5	10,321	22,223	(1)	38,905
Changes during period						
Issuance of new shares - exercise of share acquisition rights	146	(2)	146			289
Profit attributable to owners of parent				12,990		12,990
Purchase of treasury shares					(0)	(0)
Forfeiture of share acquisition rights						
Net changes in items other than shareholders' equity						
Total changes during period	146	(2)	146	12,990	(0)	13,279
Balance at end of period	6,503	2	10,467	35,213	(1)	52,185

	Accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities			
Balance at beginning of period	84	139	–	39,129
Changes during period				
Issuance of new shares - exercise of share acquisition rights				289
Profit attributable to owners of parent				12,990
Purchase of treasury shares				(0)
Forfeiture of share acquisition rights		(0)		(0)
Net changes in items other than shareholders' equity	(111)	32	58	(19)
Total changes during period	(111)	31	58	13,259
Balance at end of period	(26)	170	58	52,388

## (4) Consolidated Statements of Cash Flows

(in millions of yen)

	For the fiscal year ended July 31, 2023	For the fiscal year ended July 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	14,377	18,928
Depreciation	729	708
Amortization of goodwill	501	515
Share-based payment expenses	87	32
Penalty income	(779)	(275)
Loss (gain) on sale of shares of subsidiaries	—	(462)
Share of loss (profit) of entities accounted for using equity method	(319)	(319)
Loss (gain) on sales of property plant and equipment	(2)	—
Decrease (increase) in trade receivables	(795)	(678)
Increase (decrease) in provision for bonuses	(127)	57
Increase (decrease) in contract liabilities	1,917	1,756
Increase (decrease) in accounts payable - other	(105)	1,543
Increase (decrease) in accrued consumption taxes	(69)	68
Other, net	40	(38)
Subtotal	15,453	21,837
Interest and dividends received	0	0
Interest paid	(0)	(0)
Penalty received	761	294
Income taxes paid	(5,189)	(3,761)
Net cash provided by (used in) operating activities	11,024	18,369
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(584)	(930)
Proceeds from sale of property, plant and equipment	5	—
Purchase of investment securities	(236)	(420)
Payments of leasehold deposits	(185)	(666)
Proceeds from refund of leasehold and guarantee deposits	128	14
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(175)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	465
Other, net	2	—
Net cash provided by (used in) investing activities	(870)	(1,712)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	260	286
Repayments of long-term borrowings	(606)	(8)
Repayments of lease obligations	(0)	—
Other, net	(0)	1
Net cash provided by (used in) financing activities	(346)	279
Net increase (decrease) in cash and cash equivalents	9,808	16,936
Cash and cash equivalents at beginning of period	31,362	41,170
Cash and cash equivalents at end of period	41,170	58,107

## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

(Segment information)

### 1. Overview of reportable segments

#### (1) Method of determining reportable segments

The reportable segments are components of the Group for which separate financial information is available, and whose operating results are reviewed periodically by the Board of Directors to determine allocation of operating resources and evaluate their performance.

The Group consists of segments organized by business based on companies, and classifies its businesses into two reportable segments, namely, “HR Tech” and “Incubation.”

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

“HR Tech” segment provides services including “BizReach,” a job matching platform for professionals, “HRMOS,” an HCM (Human Capital Management) platform, and “BizReach Campus,” a network service for alumni visits, etc.

“Incubation” segment provides services including “Trabox,” a logistics DX (digital transformation) platform, “M&A Succeed,” an M&A matching site for screened corporations, “BizHint,” a B to B lead generation platform, “yamory,” a vulnerability management cloud and “Assured”, a security evaluation platform, etc.

As the Company transferred all shares of BizHint, Inc., the Company’s consolidated subsidiary, on December 1, 2023, the BizHint business has been excluded from the scope of consolidation.

### 2. Method of calculating net sales, profit (loss), assets, liabilities and other items by reportable segment

Reportable segment profit figures are based on operating profit. Intersegment sales and transfers are based on market prices.

The Group does not allocate assets to business segments for internal management purposes, but allocates depreciation and amortization of goodwill.

### 3. Information on sales, profit (loss) and other items by reportable segment

For the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 2023)

Information on net sales and profit (loss) by reportable segment

(in millions of yen)

	Reportable segment			Reconciliations (Note 1)	Amounts in the consolidated financial statements (Note 2)
	HR Tech	Incubation	Total		
Net sales					
Net sales to external customers	53,685	2,460	56,146	126	56,273
Intersegment sales or transfers	63	99	163	(163)	—
Total	53,749	2,560	56,309	(36)	56,273
Segment profit (loss)	15,701	(1,401)	14,300	(1,074)	13,225
Other items					
Depreciation	266	126	393	336	729
Amortization of goodwill	360	141	501	—	501

(Notes) 1. Reconciliations of segment profit (loss) and depreciation are all general and administrative expenses that are not allocable to the reportable segments.

2. Segment profit (loss) is adjusted based on operating profit.

For the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)

Information on net sales and profit (loss) by reportable segment

(in millions of yen)

	Reportable segment			Reconciliations (Note 1)	Amounts in the consolidated financial statements (Note 2)
	HR Tech	Incubation	Total		
Net sales					
Net sales to external customers	63,791	2,219	66,010	135	66,146
Intersegment sales or transfers	45	42	87	(87)	—
Total	63,837	2,261	66,098	48	66,146
Segment profit (loss)	20,062	(1,020)	19,041	(1,204)	17,837
Other items					
Depreciation	211	126	338	370	708
Amortization of goodwill	374	141	515	—	515

(Notes) 1. Reconciliations of segment profit (loss) and depreciation are all general and administrative expenses that are not allocable to the reportable segments.

2. Segment profit (loss) is adjusted based on operating profit.

#### [Related information]

For the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 2023)

##### 1. Information by product and service

This information is omitted as similar information is disclosed in segment information.

##### 2. Information by geographical area

###### (1) Net sales



This information is omitted as net sales to external customers in Japan account for over 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by major customers

This information is omitted as there are no external customers for whom net sales account for 10% or more of net sales in the consolidated statement of income.

For the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)

1. Information by product and service

This information is omitted as similar information is disclosed in segment information.

2. Information by geographical area

(1) Net sales

This information is omitted as net sales to external customers in Japan account for over 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by major customers

This information is omitted as there are no external customers for whom net sales account for 10% or more of net sales in the consolidated statement of income.

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

For the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 2023)

Not applicable.

For the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)

Not applicable.

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

For the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 2023)

(in millions of yen)

	Reportable segment			Reconciliations	Amounts in the consolidated financial statements
	HR Tech	Incubation	Total		
Balance at end of period	1,917	882	2,799	—	2,799

(Note) Information on amortization of goodwill is omitted as similar information is disclosed in segment information.

For the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)

(in millions of yen)

	Reportable segment			Reconciliations	Amounts in the consolidated financial statements
	HR Tech	Incubation	Total		
Balance at end of period	1,782	741	2,523	—	2,523

(Note) Information on amortization of goodwill is omitted as similar information is disclosed in segment information.

[Information regarding gain on bargain purchase by reportable segment]

Not applicable.

(Per share information)

	For the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 2023)	For the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)
Net assets per share	997.15 yen	1,315.68 yen
Basic earnings per share	256.78 yen	330.71 yen
Diluted earnings per share	239.09 yen	313.74 yen

(Note) The bases for calculating basic earnings per share and diluted earnings per share are as follows:

Item	For the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 2023)	For the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (in millions of yen)	9,928	12,990
Amount not attributable to common shareholders (in millions of yen)	—	—
Profit attributable to owners of parent related to common stock (in millions of yen)	9,928	12,990
Average number of shares of common stock during the period (shares)	38,667,830	39,279,772
Diluted earnings per share		
Increase in common stock (shares)	2,859,516	2,124,444
(Of which, share acquisition rights (shares))	(2,859,516)	(2,124,444)
Overview of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	—	27th series of stock acquisition rights: 42,000 common shares 30th series of stock acquisition rights: 26,400 common shares

2. The bases for calculating net assets per share are as follows:

Item	As of July 31, 2023	As of July 31, 2024
Total net assets (in millions of yen)	39,129	52,388
Amount deducted from total net assets (in millions of yen)	144	232
(Of which, deposits for subscriptions of shares (in millions of yen))	(5)	(2)
(Of which, share acquisition rights (in millions of yen))	(139)	(170)
(Of which, non-controlling interests (in millions of yen))	(—)	(58)
Net assets at the end of the period related to common stock (in millions of yen)	38,984	52,155
Number of shares of common stock at the end of the period used to calculate net assets per share (shares)	39,095,987	39,641,864

(Significant subsequent events)

Not applicable.