

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



Apr 28, 2023

## Non-consolidated Financial Results(Excerpt) for the Six Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: SHL-JAPAN Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4327  
 URL: <http://www.shl.co.jp/>  
 Representative: Manabu Nara, Managing Director  
 Inquiries: Naohiro Nakamura, Director  
 Telephone: +81-3-5385-8781  
 Scheduled date to file quarterly securities report: May 15, 2023  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None  
 The original disclosure in Japanese was released on April 28, 2023 at 15:15 (GMT+9)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Non-consolidated financial results for the six months ended March 31, 2023 (from October 1, 2022 to March 31, 2023)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
Mar 31, 2023	1,837	6.9	837	△0.3	836	△0.3	497	△14.1
Mar 31, 2022	1,718	—	839	—	839	—	579	—

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
Mar 31, 2023	83.06	—
Mar 31, 2022	96.67	—

As the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc., have been applied since the beginning of the fiscal year ended September 30, 2022, the figures provided for the fiscal year ended September 30, 2022, are figures to which said accounting standards have been applied. The rates of increase or decrease compared with the same period of the previous fiscal year are not provided.

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Mar 31, 2023	7,631	5,933	77.7
Sep 30, 2022	7,028	5,808	82.7

Reference: Equity

As of Mar 31, 2023: ¥5,933 million  
 As of Sep 30, 2022: ¥5,808 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep 30, 2022	—	43.00	—	62.00	105.00
Fiscal year ended Sep 30, 2023	—	0.00			
Fiscal year ending Sep 30, 2023 (Forecast)			—	0.00	0.00

(Note) Revisions to recent dividends forecast: None

The year-end dividend for the fiscal year ended September 2022 includes a special dividend of ¥15.00.

## 3. Non-Consolidated Forecast for the Year Ending September 30, 2023 (October 1, 2022 to September 30, 2023)

As announced in the “Notice Concerning the Results of the Tender Offer for Shares of the Company by Blossom Bidco Ltd. and Changes in the Parent Company, the Largest Shareholder among the Major Shareholders, and the Major Shareholders” dated April 14, 2023, the Company received a report on the results of the tender offer (the “Tender Offer”) for the Company’s common shares (the “Company Shares”) by Blossom Bidco Ltd. (the “Offeror”) indicating that 3,778,979 Company Shares were tendered and the Offeror will acquire all of such tendered shares.

As a result, as of April 20, 2023 (the commencement date of settlement for the Tender Offer), the ratio of the number of voting rights held by the Offeror to the number of voting rights held by all shareholders of the Company exceeded 50%, reaching 63.09%; accordingly, the Offeror newly became the parent company and the largest shareholder among the major shareholders of the Company.

The Tender Offer and a series of subsequent procedures to be implemented by the Offeror will satisfy the delisting criteria of the Tokyo Stock Exchange, and the Company Shares will be delisted through the prescribed procedures. Therefore, the financial results forecasts for the year ending September 2023 are not disclosed.

### \* Notes

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: Yes
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of Mar 31, 2023	6,141,158 shares
As of Sep 30, 2022	6,141,158 shares

- (ii) Number of treasury shares at the end of the period

As of Mar 31, 2023	151,612 shares
As of Sep 30, 2022	151,162 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended Mar 31, 2023	5,989,956 shares
Six months ended Mar 31, 2022	5,990,109 shares

\* Implementation status of quarterly review procedures

This financial results summary is not subject to annual review procedures.

\* Explanations and other special notes concerning the appropriate use of financial results forecasts

1. The forward-looking statements regarding financial results forecasts, etc., appearing in this financial results summary have been prepared based on information currently available to the Company and certain assumptions that the Company believes to be reasonable. The Company makes no guarantee as to their realization. Actual financial results may differ substantially from the forecasts due to various factors.
2. As the Company's services are often used for the screening of new graduates to be employed by corporate customers, our sales inevitably involve seasonal fluctuations. Accordingly, the Company's performance management is conducted on an annual basis.

## Qualitative information regarding the quarterly settlement of accounts

### (1) Overview of operating results

During the first six months of the year ending September 30, 2023 (from October 1, 2022 to March 31, 2023), net sales of SHL-JAPAN Ltd. (the “Company”) were ¥1,837 million (up 6.9% year on year), a year-on-year increase of ¥119 million. By business segment, “Product sales” were ¥1,277 million (up 12.7% year on year), “Consultancy sales” were ¥488 million (down 6.3% year on year), and “Training sales” were ¥71 million (up 14.3% year on year).

“Product sales” increased by ¥143 million year on year primarily due to the strong sales of the Web tests of general abilities “C-GAB plus” (on-site test/ Web test with online monitoring) and “Training sales” increased by ¥9 million year on year mainly due to an increase in orders for in-house seminars. Meanwhile, “Consultancy sales” decreased by ¥33 million year on year. This is primarily due to the sluggish sales of all items including customized versions of Web tests, the testing system “TAMATEBAKO” using the internet, and various agency services for assessment.

Operating profit for the six-month period under review was ¥837 million (down 0.3% year on year). Cost of goods sold was ¥262 million (up 22.5% year on year), a year-on-year increase of ¥48 million, while selling, general and administrative expenses were ¥737 million (up 11.1% year on year), a year-on-year increase of ¥73 million, and operating profit decreased by ¥2 million year on year despite an increase in net sales. An increase in cost of goods sold was primarily attributable to an increase in labor costs due to organizational restructuring and an increase in outsourcing expenses due to an increase in orders received, and an increase in selling, general and administrative expenses was primarily attributable to increases in royalty payments and support costs for customers, etc. The increase in royalty payments was mainly attributable to a decline in the sales of products subject to royalty payments and resulting lower royalty payments in the previous fiscal year (from October 1, 2021 to September 30, 2022) due to the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the previous fiscal year.

Ordinary profit for the six-month period under review was ¥836 million (down 0.3% year on year). This is almost equal to operating profit because both non-operating income and non-operating expenses were small as in the same period of the previous fiscal year, leading to a year-on-year decrease of ¥2 million.

Profit before income taxes for the six-month period under review was ¥720 million (down 14.2% year on year), a year-on-year decrease of ¥119 million as we recorded extraordinary losses of ¥116 million associated with the Tender Offer.

As a result of deducting income taxes from the above figure, profit for the six-month period under review was ¥497 million (down 14.1% year on year), a year-on-year decrease of ¥81 million.

<Reference 1: Sales by business segment>

	Six months ended Mar 31, 2022		Six months ended Mar 31, 2023		Rate of increase (decrease)
	Millions of Yen	Component ratio	Millions of Yen	Component ratio	
Product	1,133	66.0	1,277	69.5	12.7
Consultancy	521	30.4	488	26.6	△6.3
Training	62	3.6	71	3.9	14.3
Total	1,718	100.0	1,837	100.0	6.9

<Reference 2: Sales by quarterly basis>

	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal 2023	655	1,182	—	—	—
Fiscal 2022	597	1,120	1,063	681	3,463
Fiscal 2021	472	1,375	969	482	3,300

\*Note 1:As the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc., since the beginning of the fiscal year ended September 30, 2022, the figures provided for the fiscal year ending September 30, 2023 and the fiscal year ended September 30, 2022 are figures to which said accounting standards have been applied. The figures provided for the fiscal year ended September 30, 2021 are actual figures to which these accounting standards are not applied.

2:As the Company's services are often used for the screening of new graduates to be employed by corporate customers, our sales inevitably involve seasonal fluctuations. In recent years, sales have tended to concentrate in the second and third quarters of the fiscal year.

(2) Projected performance

As stated in “3. Non-Consolidated Forecast for the Year Ending September 30, 2023 (October 1, 2022 to September 30, 2023)” in the summary information, the Offeror newly became the parent company and the largest shareholder among the major shareholders of the Company as of April 20, 2023. Following the Tender Offer and a series of subsequent procedures to be implemented by the Offeror, the Company Shares will be delisted through the prescribed procedures. Therefore, the financial results forecasts for the year ending September 2023 are not disclosed.

(3) Others (Important contractor for business management)

The Company provides human resources assessment services mainly to domestic companies by being licensed by SHL Group Limited. The current licensing agreement, which is the evidence of the licensing, is due to expire on September 30, 2023. On April 14, 2023, the Company agreed with SHL Group Limited to extend the term of the current licensing agreement to 50 years. The royalty rate (rate of royalty to the sales of products subject to licensing) under the licensing agreement is 9.0%.