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プロ人材に、なれる。成長社会に、なれる。

Fiscal Year Ending October 2025 Management Strategy Business Plan and Growth Potential

Dec. 13, 2024 ■■■ Nareru Group Inc. | TSE Growth | 9163 |

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1 FY2025.10 Management Strategy (Page 1～Page 19)

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Review of FY2024.10

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- In the construction solutions business, “engineers numbers" and "contract unit price" exceeded plans, but issues remain with "utilization ratio" and "turnover rate.“

Progress Evaluation against Initial Plan

Construction Solution （World Corporation）

Total Engineers ○

3,239 （Compared to Plan +0.1%、YoY +20.1%）
- Aggressively investing in recruitment costs
- Hiring of inexperienced people exceeded plan

Utilization Ratio ×

94.2% （Compared to Plan -1.8pt、YoY-2.0pt）
- Fell short of plan due to increase in people on waiting list
- By strengthening sales activities, the situation has improved recently

Turnover Rate △

29.1% （Compared to Plan -1.6pt、YoY +1.1pt）
- Support measures such as qualification acquisition projects launched
- Although the plan was not achieved, each measure showed some progress

Contract Unit Price ○

510 thousand yen (Compared to Plan +0.7 thousand yen) (YoY ＋23 thousand yen)
- Price table will be revised in FY23/10
- Exceeding initial plan for FY24/10

IT Solution （ATJC）

Total Engineers ○

404 （Compared to Plan +3.1%、YoY +11.0%）
- Reduced the number of employees hired in response to the current order situation
- Plans exceeded due to lower turnover

Utilization Ratio △

93.9% （Compared to Plan -0.7pt、YoY +1.0pt）
- At the end of the project, there were people on the waiting list
- Although there was an improvement from the previous fiscal year, the plan was not achieved

Turnover Rate ○

22.3% （Compared to Plan +1.6pt、YoY +1.6pt）
- Limit hiring of inexperienced workers who have a high turnover rate
- As a result, figures fell short of the plan

Contract Unit Price ○

514 thousand yen (Compared to Plan +15 thousand yen) (YoY＋15 thousand yen)
- Exceeded plan by reducing the hiring of inexperienced workers

* Evaluation criteria: ○: Items that achieved the plan △: Items that did not achieve the plan, but were able to improve from the previous term and were below the previous term's level ×: Items that did not achieve the plan

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Construction Solution Segment
（World Corporation）

Sales

Result: Various initiatives have been successful, resulting in an increase in contract unit prices.

Issue: Unable to secure stable placements for experienced engineers and female engineers, resulting in a decline in utilization ratios.

Recruitment

Result: Aggressive hiring spending and a review of the hiring process contributed to an increase in the number of inexperienced hires.

Issue: Reduce recruitment costs. Update recruitment strategy to increase hiring numbers.

Career Design

Result: Measures to support career development and qualification training for engineers as well as a follow-up system for new employees has been launched.

Issue: Further strengthening the system for early detection and support of engineers at risk of leaving the company.

IT Solution Segment
（ATJC）

Sales/ Recruitment

Result: Winning large-scale contracted projects in system development, enhancing training content, and improving turnover rates.

Issue: The sales ratio of upstream projects ended below the target.

Decreasing utilization ratio due to an increase in standby engineers.

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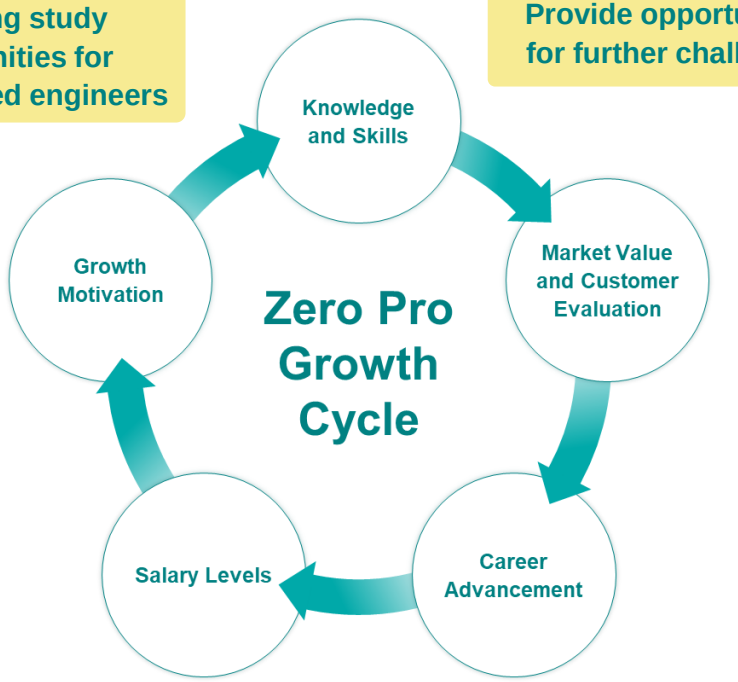
Initiatives for FY2024.10 (1)　Supporting Career Design for Engineers

- To build a system where engineers can continue to grow, we have established a career design support system called the "Zero Pro Growth Cycle" .
- As part of the program, the qualification allowance will be revised (from November 2024) and new exam preparation courses will be established (from July 2024).

"Zero Pro Growth Cycle"
（World Corporation）

Providing study opportunities for inexperienced engineers

Provide opportunities for further challenges



Advice and support for career advancement

Objectively evaluate the efforts of engineers

Establishment of Exam Preparation Courses

Providing study opportunities for dispatched technical staff aiming to obtain qualifications

- We are now offering our own original qualification exam preparation courses, including face-to-face exam preparation classes and e-learning.
- The instructor is a construction management engineer with over 30 years of experience.

The number of successful applicants for construction management engineers (assistant engineers) since the start of the system has far exceeded the initial plan.

(Approximately 90 people passed the exam, compared to the target of 50)

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Initiatives for FY2024.10 (2) Expanding Dispatch to the Plant Field, Recruitment Services, etc.

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- Although challenges remain for each initiative, sales have grown steadily compared to the previous fiscal year.

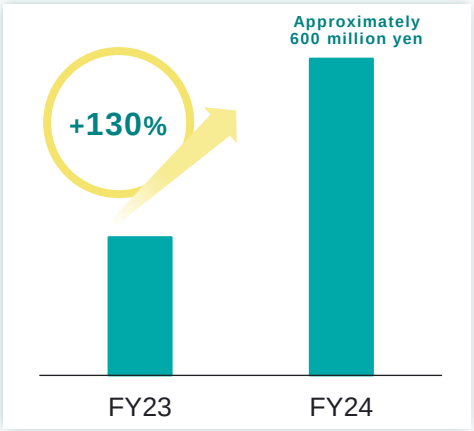
Expanding dispatch to the plant field
(World Corporation)

- Sales are significantly higher than the previous fiscal year due to an increase in the number of active engineers
- On the other hand, the number of people on waiting lists has also increased, leaving the utilization ratio as an issue

- **Future Initiatives**

Continue to develop new customers. We will assign a dedicated recruiter to ensure that engineers are assigned to the company as soon as possible

Plant business sales *1



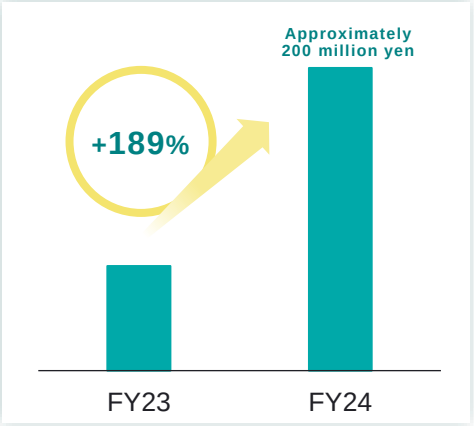
Construction DX Support
(World Corporation)

- Dispatch of construction DX talent teams to the construction and facility sector
- Enhancement of DX training

- **Future Initiatives**

To strengthen the response capabilities of engineers, we will provide a variety of DX training programs while also cultivating new customers and promoting awareness of construction DX support work

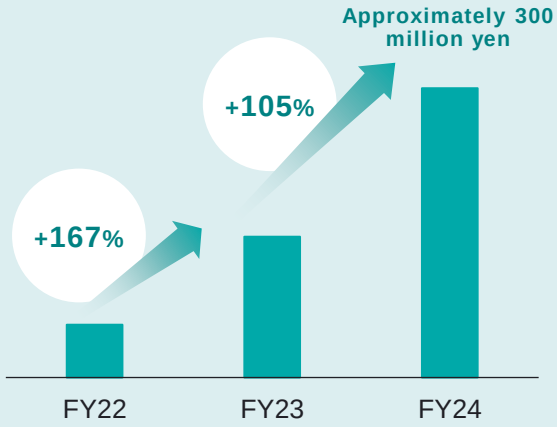
Construction DX Promotion Business sales *1



Expanding into recruitment services
(Contraft, ZENKEN)

The number of craftsmen introduced has increased by approximately 8 times in three years.

Contraft Sales *1



News

The number of member companies of ZENKEN*1(the National Construction Personnel Association) exceeds 1,000.
(As of November 1, 2024)

(*1) ZENKEN (The National Construction Personnel Association), a general incorporated association, is licensed as a fee-charging construction job placement business and operates a job placement business for craftsmen (non-consolidated).

*1 Sales figures for each business are based on internal management data. Kontraft's sales also include internal sales.

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FY2025.10
Business Plan & Earnings Forecasts

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- **Revenue is expected to increase by 18.7% year on year, due to expected growth in enrolled engineers, active engineers, and contract unit price.**
- **Operating profit is expected to increase 6.4% year on year due to investments in growth, such as strengthening our in-house recruitment media, supporting the training of engineers, and strengthening our sales and recruitment departments.**
- **Annual dividend is planned to be increased by 5 yen to 115 yen/share (interim dividend 55 yen, year-end dividend 60 yen)**

FY25.10 Full-year earnings forecast and dividend forecast

Revenue	Operating Profit	Profit Attributable to Owners of Parent	Annual Dividend
25.65 billion yen	3.31 billion yen	2.33 billion yen	115 yen
(YoY+18.7%)	(YoY +6.4%)	(YoY +6.5%)	(YoY +5 yen)

FY25 Planning KPIs : World Corporation

Total Engineers *1	Active Engineers*2	Utilization Ratio *3	New Hires	Turnover Rate*4
3,823	3,349	95.1%	1,977	27.5%
(YoY +18.0%)	(YoY +18.9%)	(YoY +0.9pt)	(YoY +9.5%)	(YoY +1.6pt)

(*1) Total Engineers : Expected number of total engineers as of October 2025 (prediction) (*2) Active Engineers: Expected number of active engineers in FY2025, calculated as the average for the period.
(*3) Utilization Ratio : The ratio of the number of engineers (excluding employees undergoing training) to the expected total number of engineers, calculated as the average during the period. (prediction)
(*4) Turnover Rate : Job leavers during past 12 months /(Total engineers at the end of the month 12 months prior + New hires during past 12 months) (prediction)

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Management Strategy for FY25.10

While promoting efforts to support the development of engineers and reduce turnover rates, the company is also investing in its own recruitment media and support for construction DX in order to achieve further growth. At the same time, we will formulate a medium-term management plan to overcome management challenges.

Priority Initiatives for FY25.10

1. Enhancement of the functions of each process: "Sales," "Recruitment" and "Career Design"
2. Strengthening development of our in-house recruitment media (Sekokan NEXT)
3. Accelerating the rollout of new services such as construction DX support
4. Formulation of medium-term management plan

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1 Enhancement of the functions of each process: "Sales," "Recruitment" and "Career Design"

Aiming to "improve utilization ratio" and "reduce turnover rate" through strengthening the functionality of each process

Construction Solution segment
（World Corporation）

Sales

- Strengthening sales to ensure stable dispatching of career engineers, female and inexperienced personnel.
- Establish a sales structure to expand sales in regional areas (Chubu, Kansai, etc.).
- Deepening the BIM[*1] domain and expanding the plant domain.

Recruitment

- Increase hiring numbers and reduce hiring expenses per hire through in-house recruitment media and strengthening DR[*2].
- Increase the number of hires through improvements to the hiring process. (2026 new graduates, inexperienced mid-career workers and experienced workers)
- Establishing an internal system to realize various measures and strengthening cooperation with the sales department.

＊DR：

Career Design

- Establishing a collaborative system for sales, career design, and recruitment to reduce turnover rates.
- Expanding programs and advisors to support engineers in designing their careers.
- Promote the creation of an environment where inexperienced engineers can get advice on work-related issues and careers.

IT Solution segment
（ATJC）

Sales Recruitment

- Acquire upstream process projects by strengthening sales
- Strengthening recruitment capabilities through various measures and reducing hiring expenses

(*1)BIM (Building Information Modeling): A tool that enables the construction process from design to construction to maintenance management using 3D digital models created on computers in the architectural field
(*2)DR: Direct Recruiting

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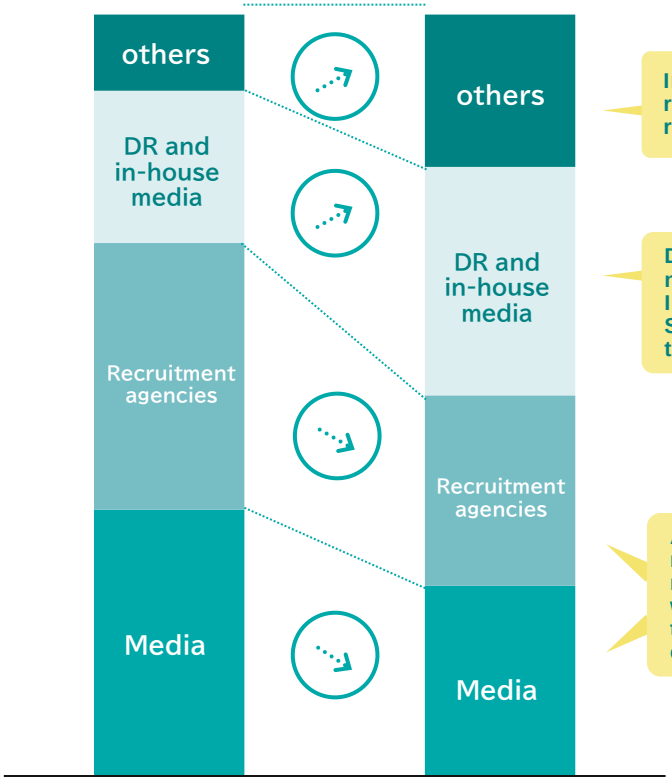
2 Strengthening development of our in-house recruitment media

Aiming to hire 2,000 people through aggressive investment to strengthen the development of our in-house recruitment media (Sekokan NEXT) and the use of DR*1, etc.

Image of recruitment channel composition

(Image of the ratio of recruitment through each recruitment media)

- **Fluent changes to recruitment structure and customer acquisition methods in response to external circumstances**
- **Increased adoption rate of DR* and in-house recruitment media**



Implementing referral recruitment and new recruitment measures

DR: Expanding distribution numbers and areas
In-house media: Strengthening development through active investment

Although there are plans to reduce the weight of recruitment in the future, it will continue to be used as the main recruitment channel.

In-house Recruitment Media (Sekokan NEXT)

セコカンNEXT

Focusing on **Experienced and inexperienced workers**

Enabling **Low Cost** hiring by in-house media

Dispatching experienced workers at a **High unit Price**





(HP)

(*1)DR: Direct Recruiting

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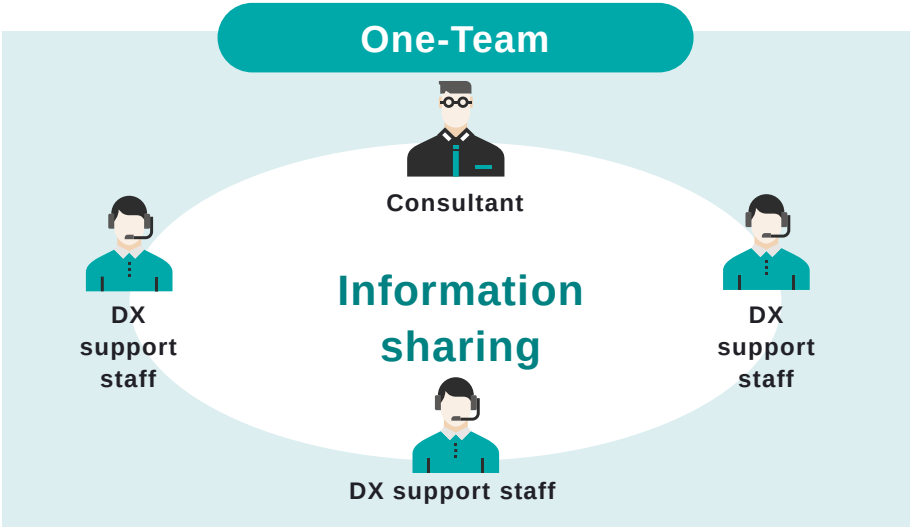
3 Accelerating the rollout of new services such as DX support

Building on the initiatives undertaken in FY24.10, we will accelerate the rollout of construction digital transformation support services. We train consultants and support staff who will provide consulting on the introduction of construction ICT tools, and provide teams of multiple people to be dispatched.

Construction DX Consulting Team

Our construction DX specialists help improve site efficiency.



DX status assessment	Planning and proposal	Service deployment/ dispatching	After-sales support
• Conduct a company-wide survey among companies and work sites we do business with	• Consult • Review solution services • Assign personnel	• Release service • Assign personnel	• Provide support after assigning personnel

FY24.10 Results

- **Dispatch of DX support teams to the construction and facility sector**

Construction company “A”:

Dispatch DX talent as a team to improve business efficiency and productivity

Equipment company B:

Establish an inspection team for in-process inspection of facility construction (inserts, duct piping, etc.)

- **Hosting online seminars based on the track record of dispatching digital transformation support teams to promote initiatives**



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4

Formulation of medium-term management plan

Based on the Nareru Group's vision and environmental analysis, we will discuss strengthening our management base, business, human capital, finance/investment, and formulate a medium-term management plan.
(Planned to be disclosed in FY25.10)

Discussion themes for formulating the medium-term management plan (draft)

Business

- Strengthening Markets Developing Markets
- New services New business
- Business Reform

Human capital

- Retention and growth support for engineers
- In-house employee engagement
- Organizational Development

Finance/Investment

- Capital allocation, including shareholder returns
- M&A Business Investment
- Business Portfolio

Strengthening the management base

- Corporate Governance
- Sustainability

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FY25.10 Full-year Earnings Forecast

- Prioritize growth investments in the current fiscal year, such as strengthening **our in-house recruitment media, supporting the development of engineers, and strengthening our sales and recruitment departments.**
- In the 1st half, due to investments being made upfront, **profits below operating profit are expected to decline.**
- Full-year revenue is expected to increase **18.7%** YoY due to an increase in total engineers and efforts to improve utilization ratio.
- As profit improvements will contribute from the second half onwards, full-year operating profit is planned to increase **6.4%** YoY.

Millions of Yen	First Half				Full Year			
	FY24.10 Actual	FY25.10 Forecast	YoY		FY24.10 Actual	FY25.10 Forecast	YoY	
Revenue	**10,202**	**11,980**	+1,777	+17.4%	**21,608**	**25,650**	+4,041	+18.7%
Gross Profit	**2,713**	**2,990**	+276	+10.2%	**5,940**	**6,860**	+919	+15.5%
Gross Profit Margin	26.6%	25.0%	-1.6pt		27.5%	26.7%	-0.8pt	
Operating Profit	**1,333**	**1,230**	-103	-7.8%	**3,110**	**3,310**	+199	+6.4%
Operating Profit Margin	13.1%	10.3%	-2.8pt		14.4%	12.9%	-1.5pt	
Profit before Tax	**1,310**	**1,200**	-110	-8.4%	**3,059**	**3,220**	+160	+5.2%
Profit Attributable to Owners of Parent	**923**	**870**	-53	-5.8%	**2,187**	**2,330**	+142	+6.5%
Basic Earnings per Share (yen)	**108.68**	**99.75**	-8.93	-8.2%	**255.16**	**267.15**	+11.99	+4.7%

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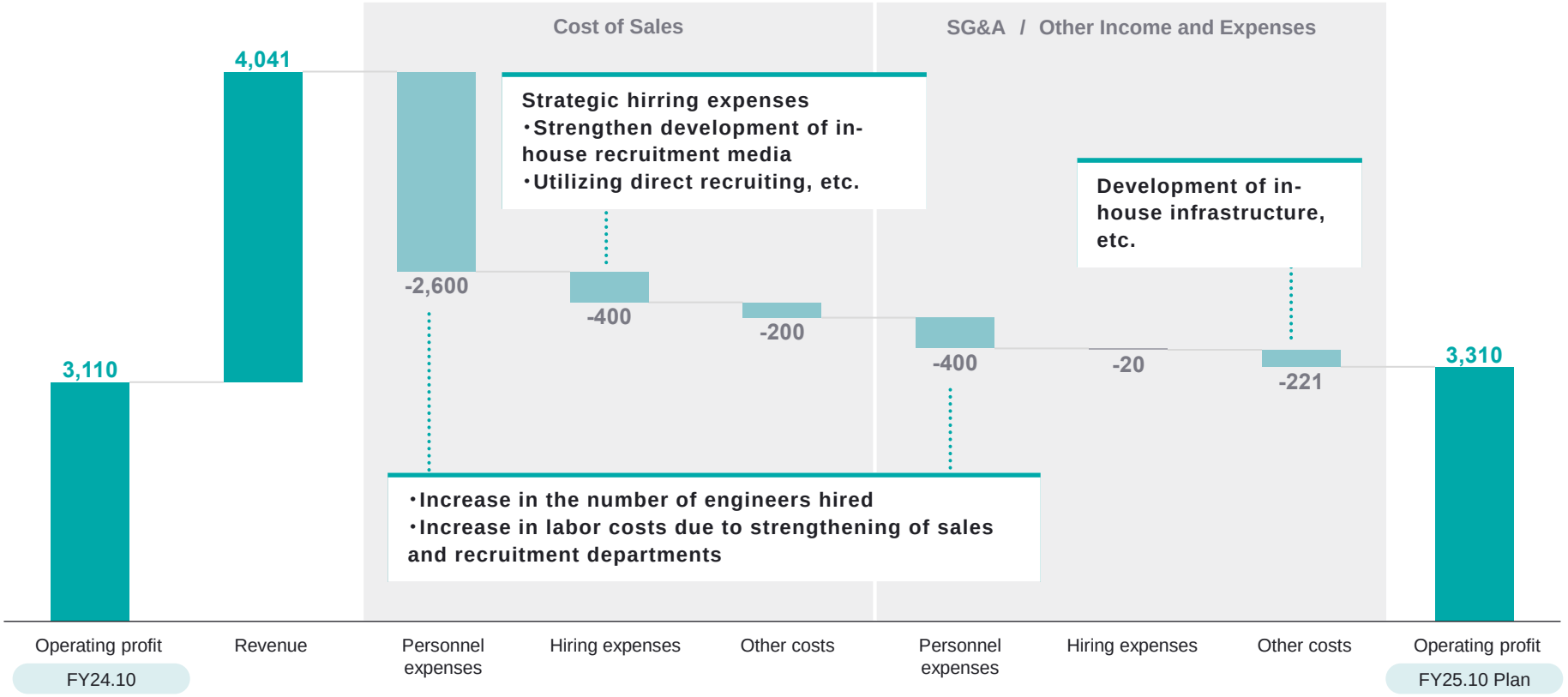
Operating Profit Plan for FY2025.10

- Revenue is expected to increase by **4,041 million yen** due to expected growth in number of engineers and contract unit prices.
- **Implemented growth investments such as strengthening in-house recruitment media, supporting the training of engineers, and strengthening sales and recruitment departments.**
- As a result, operating profit is expected to increase by **200 million yen** to **3,310 million yen.**

Comparison of Operating Profit

Millions of Yen



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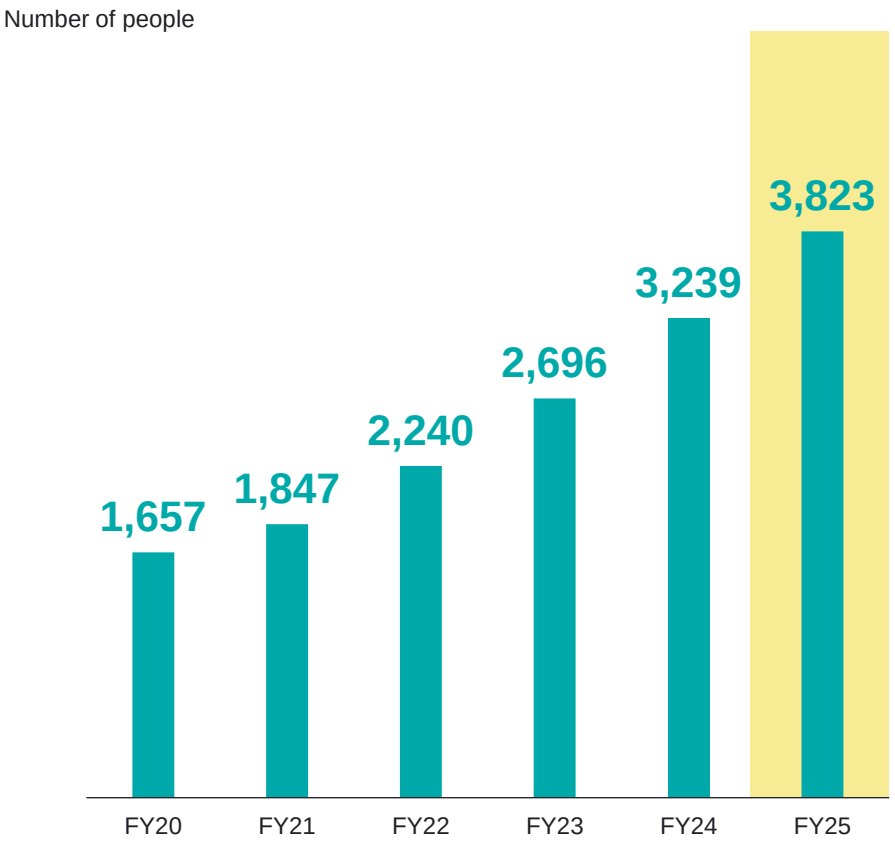
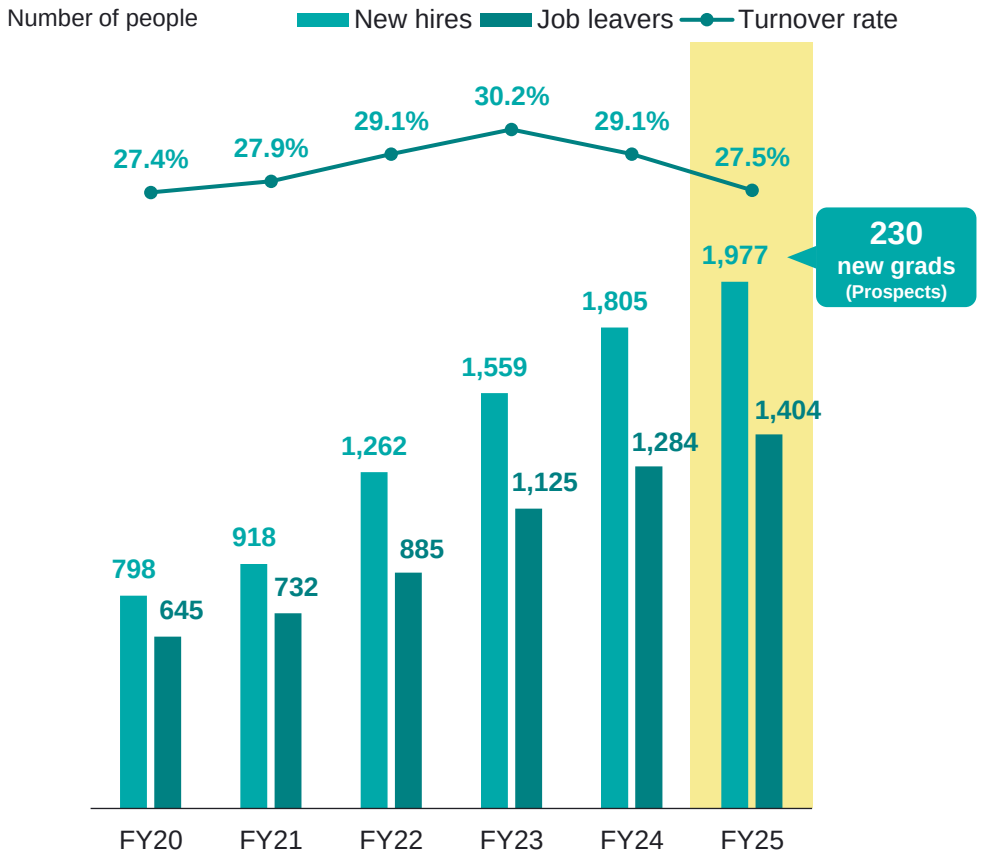
Planned of KPIs : World Corporation (Construction Solutions segment)

- To meet customer demand, we will work to steadily secure technical personnel and reduce turnover rates through various measures.
- The company aims to hire approximately **2,000 new engineers** and to achieve a turnover rate of **27.5%.**

Plans for total engineers



Plans for new hires, job leavers and turnover rate



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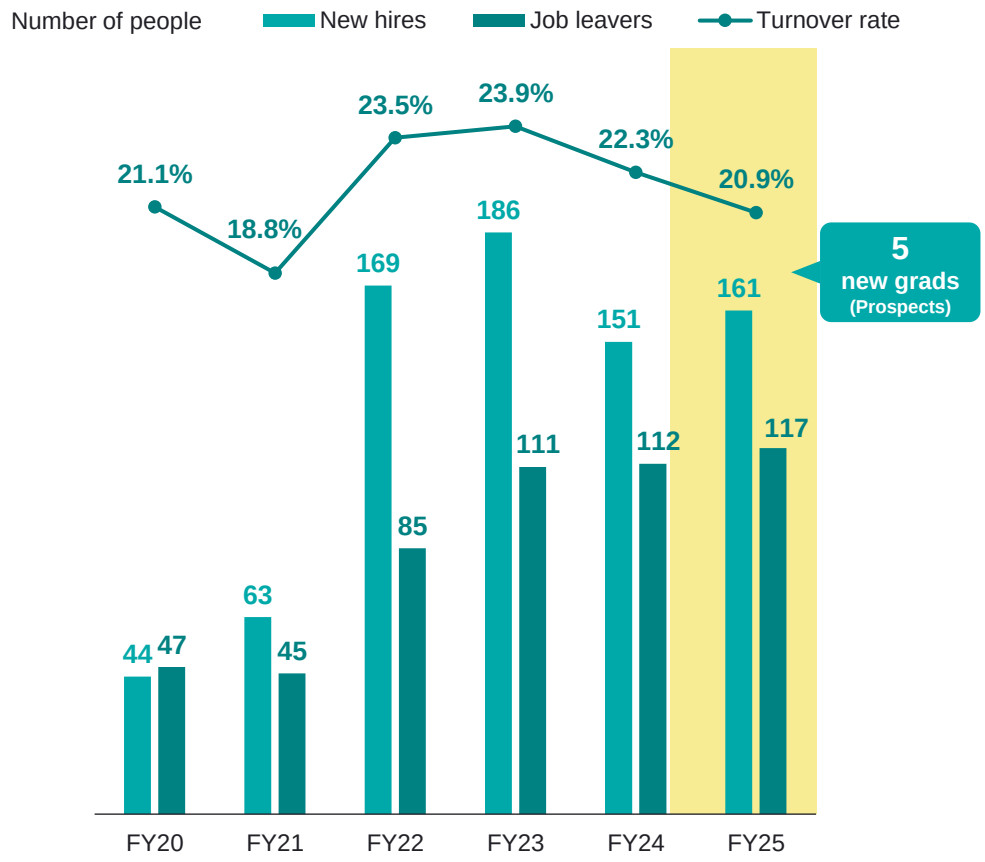
Planned KPIs : ATJC (IT Solutions segment)

- Continue to improve training content and strengthen sales to win orders for upstream system development projects.
- Plans call for approximately **160 new hires** and a turnover rate of **20.9%**

Plans for total engineers



Plans for new hires, job leavers and turnover rate



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FY2025.10

Shareholder Returns (Dividend Forecast)

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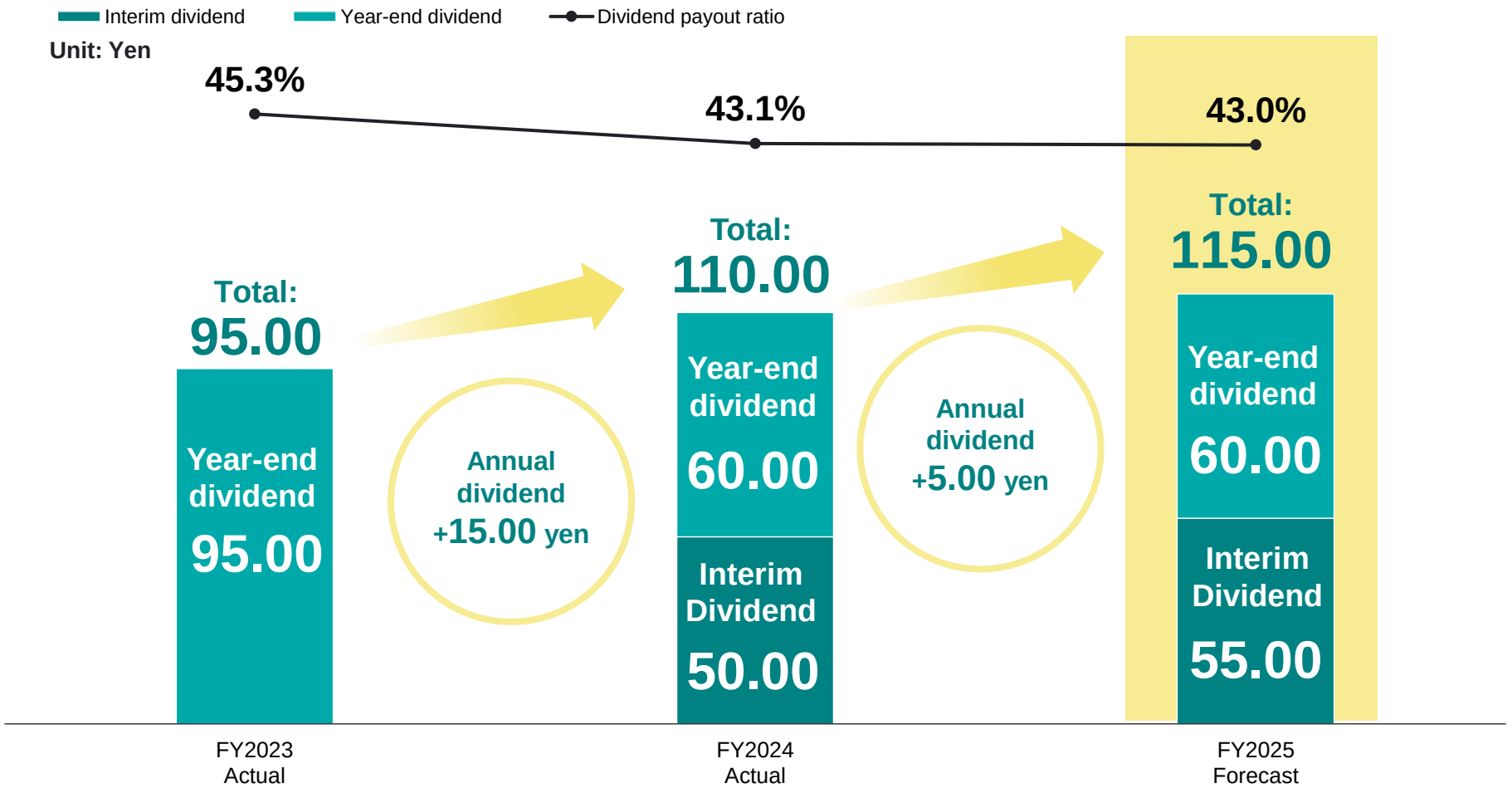
- The annual dividend for FY25.10 is planned to be **115 yen per share** in total, consisting of an interim dividend of **55 yen** and Year-end dividend of **60 yen** (an increase of **5 yen** from the previous fiscal year).
- Dividend payout ratio based on basic earnings per share (based on performance plan) is **43.0%.**



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2 Business Plan and Growth Potential (Page 20～Page 69)

Updated Dec 13, 2024

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Company Name	Nareru Group Inc.
Head Office Address	3rd Floor, Kojimachi Mitsuba Building, 3-5 Nibancho, Chiyoda, Tokyo
Representative	Ryo Kobayashi
Number of Employees As of the end of October 2024	3,812 (Consolidated)

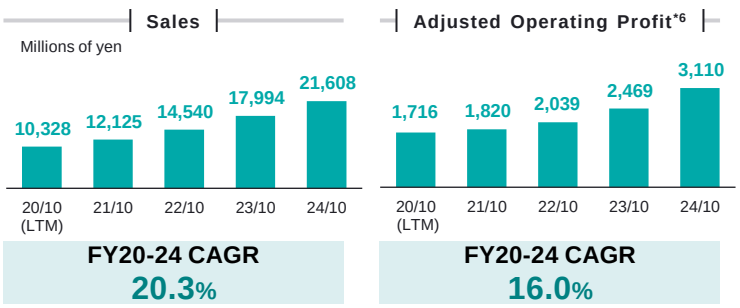
History

- **Nov 2008** : Established World Corporation (For engineer dispatch business of construction industry)
- **May 2019** : Advantage Partners established AP64 (now Nareru Group) (For pure investment purposes)
- **Nov 2019** : Made World Corporation a subsidiary
- **Dec 2020** : Made ATJC a subsidiary (For entering dispatch business of the IT industry)
- **Apr 2021** : Acquired craftworker recruitment business
- **Apr 2021** : Made the Japan Construction Contractors Association a subsidiary
- **May 2021** : AP64 changes name to Nareru Group
- **Oct 2021** : Established CONTRAFT ((Established to operate a human resources platform for the construction industry)
- **Jul 2023** : Listed on the Tokyo Stock Exchange Growth Market
- **Sep 2024** : Zenken changes its name to the National Construction Personnel Association
- **Nov 2024** : World Corporation's career development office relocated and expanded

Group Overview

Nareru Group	Established in May 2019	• Holding company
World Corporation	Established in Nov. 2008 Number of engineers: 3,239 (as of the end of Oct. 2024)	• Dispatch of construction engineers*1 • Dispatch of CAD operators *2 • Preparation of construction drawings
ATJC	Established in Dec. 2007 Number of engineers: 404 (as of the end of Oct. 2024)	• Dispatch of IT engineers/SES*3
CONTRAFT	Established in Oct. 2021	• Operation of a human resources platform for employment placement of craftsman
一般社団法人 全国建設人材協会 Zenken (Non-consolidated)	Established in Jul. 2013	• Employment placement services for craftsman

Performance *4*5



(*1) Perform process control, safety control, quality control, and cost control at construction sites.
(*2) Create, modify, and adjust drawings using CAD (Computer Aided Design) according to instructions from designers and drafters.
(*3) Abbreviation for system engineering service. A form of consignment contract regarding the development, maintenance, and operation of software systems
(*4) Calculated based on financial figures prepared under J-GAAP for the fiscal year ended October 2020 (LTM) and under IFRS for the fiscal years ended October 2021 to October 2024.
(*5) After our company was established on May 27, 2019, we changed the fiscal year-end from the end of April to the end of October. As a result, the fiscal year ended October 2020 of our company is the six-month period from May 1, 2020 to October 31, 2020. "Fiscal Year Ended October 2020 (LTM)" is an unaudited figure calculated assuming the 12-month period from November 1, 2019 to October 31, 2020 as one consolidated fiscal year. Results differ from those for the six-month period ended October 2020.
(*6) For the fiscal year ended October 31, 2020 (LTM), adjusted operating income is calculated by adding back goodwill amortization and temporary expenses to operating income for the same period. For the fiscal year ended October 2021, adjusted operating income is calculated by adding back temporary expenses to operating income for the same period. For the fiscal years ended October 2022 and October 2024, operating income for the same period (without adjustment for temporary expenses, etc.). See page 55 for details on adjusted operating income.

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Mission

To solve the increasingly severe shortage of skilled professionals[*1] and make Japan an **“advanced problem-solving nation”**

Vision

By combining the two technologies of IT and human resource development, we will provide and realize **“business transformation to increase productivity”** and **“development and stable supply of professional human resources”** to compensate for the decline in professional human resources

Challenges Facing the Construction Industry

Chronic shortage of engineers



- Market is growing
- Number of workers is decreasing

Aging of engineers



- Number of young job seekers is decreasing
- Issues regarding the succession of skills and techniques

Delay in IT and DX adoption



- Handwritten, manual input
- Lack of knowledge on how to use ICT tools

Supply human resources

Business efficiency support

Nareru’s Raison D’etre

Provide engineering personnel



Train young engineers



Improving operational efficiency through support for construction DX



(*1) We define skilled professionals as “human resources who have skills in a specific industrial field and are engaged in specialized work.”

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Group Overview

Holding Company

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Construction Solution Business | Revenue: 19,347 million yen

Job Seekers

Hire → **World Corporation** | Revenue: 19,120 million yen | World Corporation → Engineer dispatch

Recruit → **Contraft** | Revenue: 299 million yen | CONTRAFT → **Zenken**[*1] 一般社団法人 全国建設請負業協会 → Employment Placement

Provision of information for craft worker job seekers

Clients

IT Solution Business | Revenue: 2,261 million yen[*3]

Hire → **ATJC** | Revenue: 2,249 million yen | ATJC → Engineer dispatch/SES

(*1) Although World Corporation is the only member of Zenken and it owns 100% of the voting rights of the corporation, it is considered an unconsolidated subsidiary because it is financially immaterial.
(*2) Revenues for each business and subsidiary are FY2024 figures.
(*3) The revenue of each businesses is external sales after eliminating internal transactions.

- Dispatch of construction managers, also known as site supervisors, to various areas of the construction industry
- Play an important role as a link between the construction company that made the request and the craftsmen who worked on-site.

Business Model

Orderer
(National, local government, developer, etc.)

order

Construction company
(General contractors, engineering firms, etc.)

- Drawing order
- Dispatch request
- Drawing delivery
- Dispatching engineers

Site manager
- Chief of construction site
- In general, a full-time employee in a major general contractor in charge of this position

Construction manager (World Corporation)
- **Construction site process management, safety management and quality management**
- **In general, a dispatched construction engineer in charge of this position**

Craftworker (scaffold worker, plasterer, etc.)
- Field work
- In general, a subcontractor workers in charge of this position

Job Description of Construction Manager



Main Target



Architecture
Projects such as office buildings, high-rise condominiums, commercial facilities, SCs, factories, medical and welfare facilities, earthquake-resistant construction, etc.



Civil engineering
construction, river construction, sewerage construction, bridges, dams, tunnels, railway construction, etc.



Air conditioning hygiene
Air conditioning and hygiene in high-rise buildings, condominiums, factories, etc.



Electrical equipment
Electrical installation work for high-rise condominiums, commercial facilities, shopping centers, factories, medical and welfare facilities, etc.

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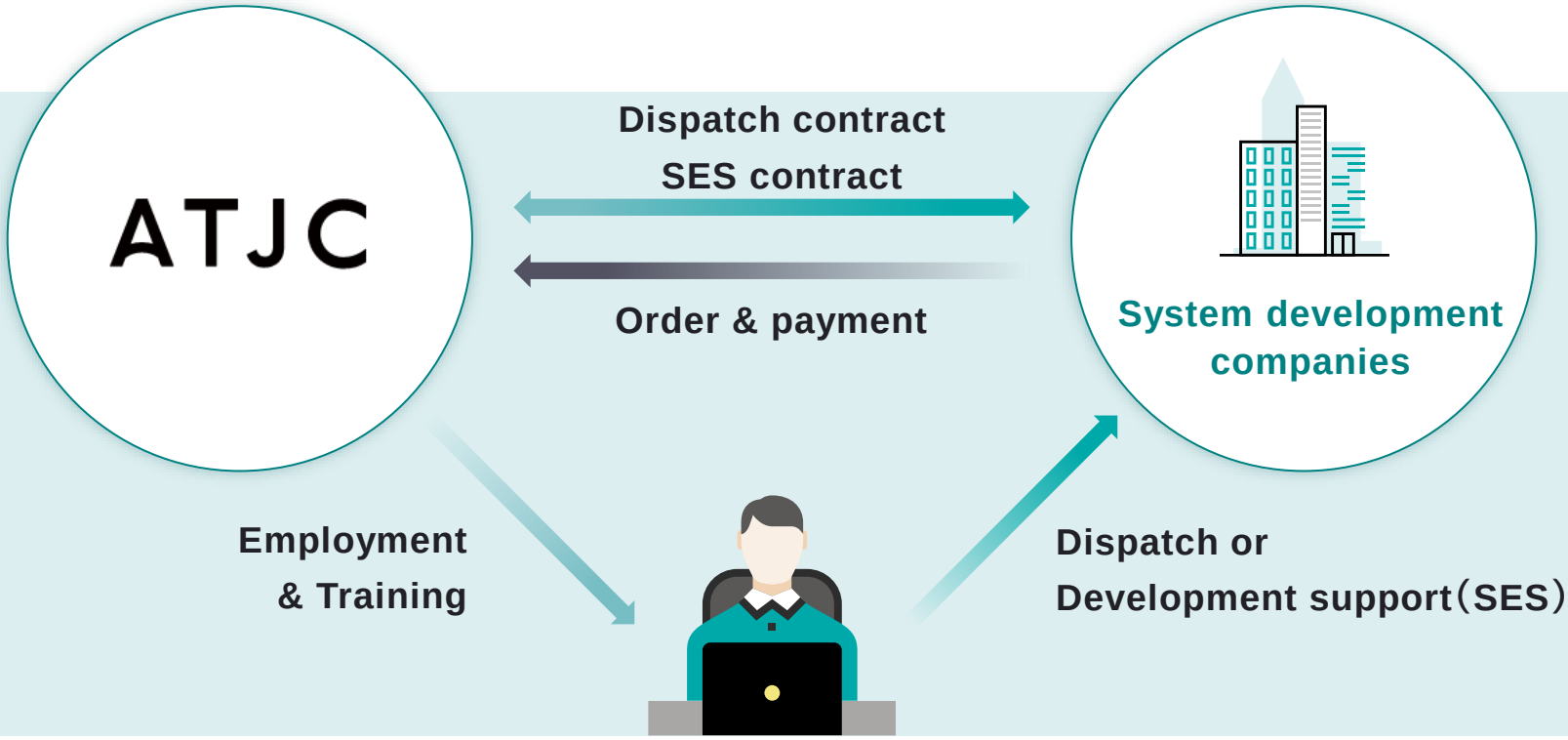
- ATJC hires and trains IT engineers and provides “Dispatch services” and “System Engineering Services (SES)” to system development companies.

Business Model



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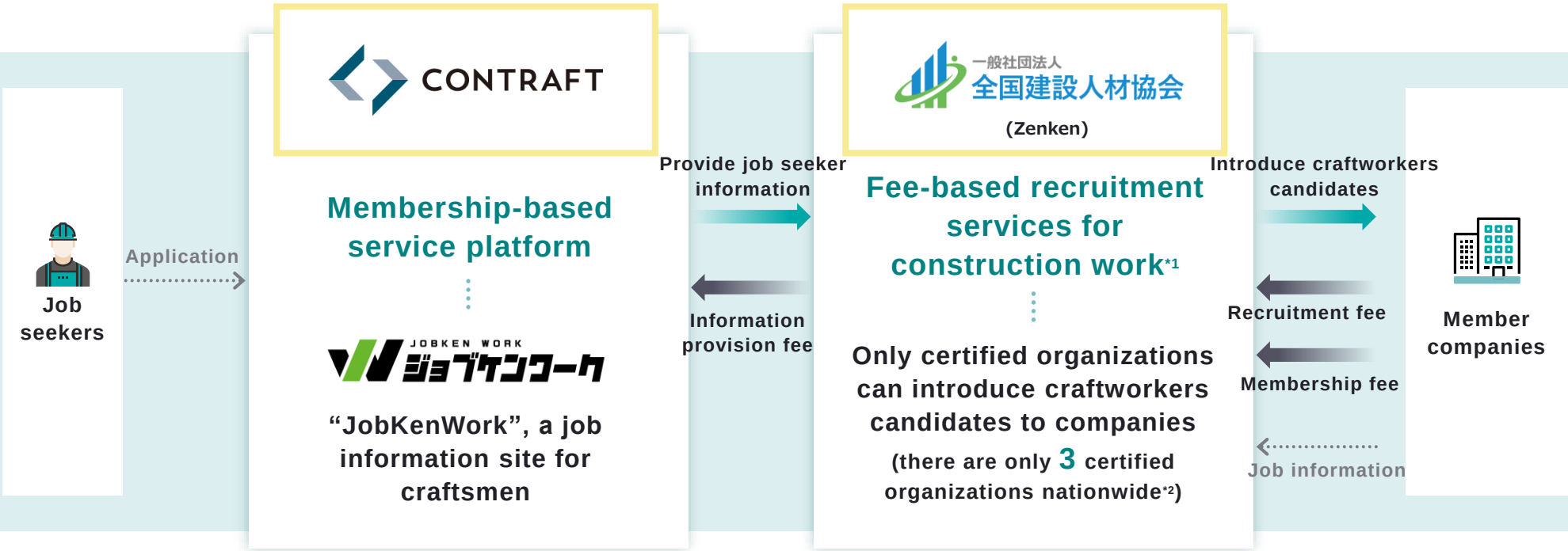
- Developed a recruitment business for craftsmen through Contraft and the National Construction Personnel Association(ZENKEN).
- Contraft operates the job information site "Jobkenwork" and provides job seeker information to ZENKEN.

Nareru's Craftworkers Recruitment Business Model

Flow of services　Flow of money



(*1) "Fee-based recruitment service for construction work" means fee-based and intermediate service in which an organization acts as an intermediary to match job offers with respect to the construction business from its members (employers) with job applications from other members or persons regularly employed by such members (job seekers).

(*2) As of May 2024, researched by Nareru Group (general incorporated foundation Miyagi Construction Center, general incorporated association Okinawa Prefecture Construction Industry Association, the National Construction Personnel Association(ZENKEN).

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1

High growth potential of the market for dispatching construction engineers due to labor shortage

Ratio of job openings to job seekers in the construction industry[*1]

*Architectural, civil, and surveying engineers (part-time and regular positions) in 2023

5.57 times

demand for dispatching construction engineers[*2]

*2023

Approx. 66,000 people shortage

2

Industry's top class[*3] growth rates and profitability backed by our inexperienced worker recruitment strategy

Sales growth rate

CAGR for FY2021 through FY2024

21.2%

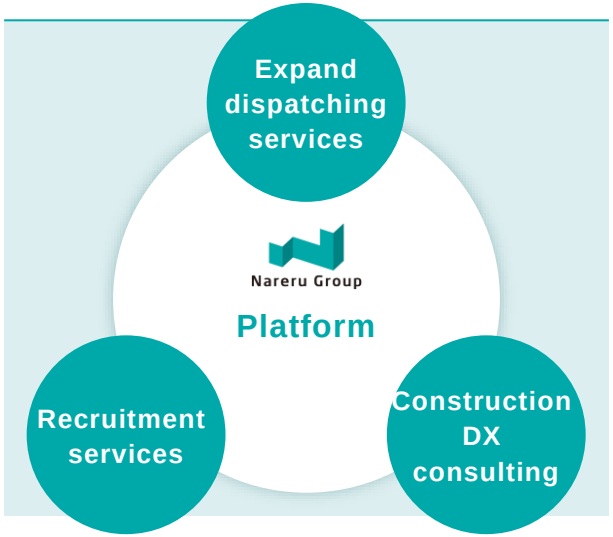
Operating margin

FY2024

14.4%

3

High growth potential as a construction human resources platform company



(*1) Ministry of Health, Labor and Welfare "General Employment Placement Status (Employment Security Services Statistics)"

(*2) Created by Nareru Group based on Human Touch Research Institute "2030 forecast for construction engineers," 2023

(*3) A comparison of the sales growth rate and operating profit margin of companies that fulfill certain conditions (i.e. listed companies, ii. sales of 10 billion yen or more, iii. engineer dispatch business accounts for more than half of sales) among the 17 engineer dispatch companies listed in the "Industry Trends Search: Engineer Dispatch Industry Sales Ranking"

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1

High growth potential of the market for dispatching construction engineers due to labor shortage

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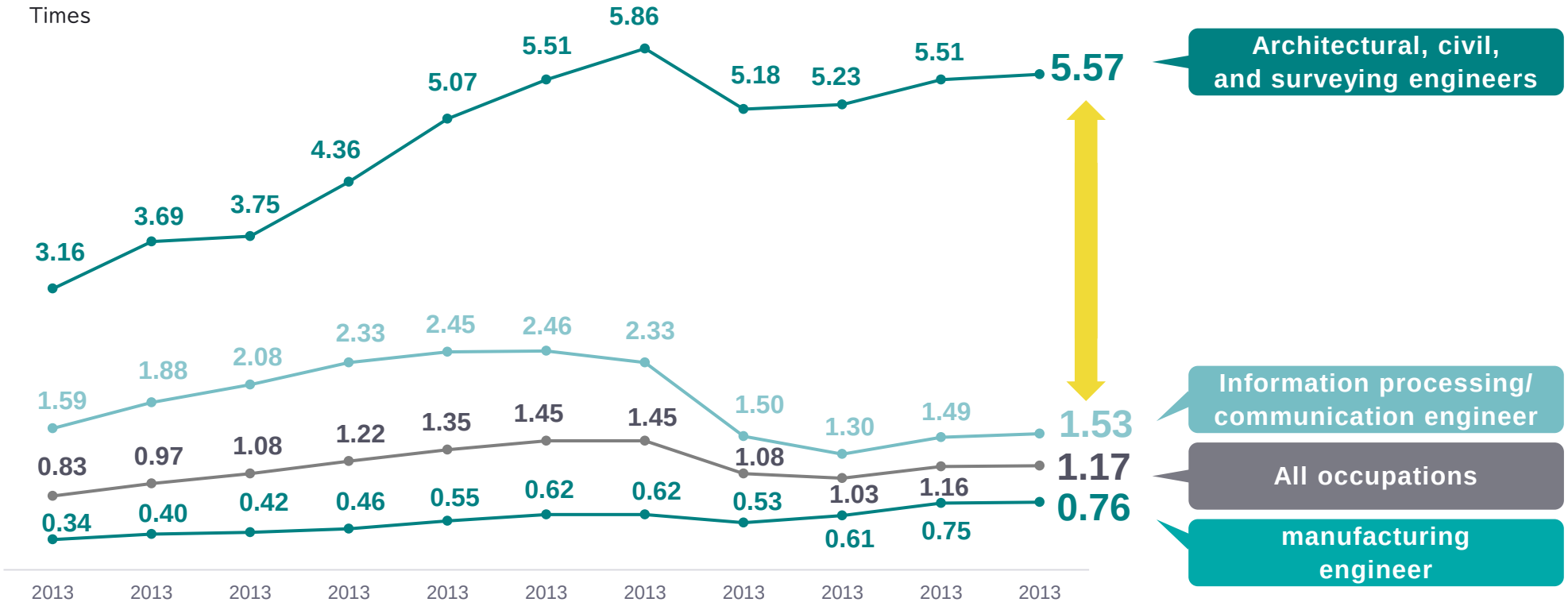
- The labor shortage in the construction industry is becoming more serious than in other industries, and the job opening to seeker ratio for construction engineers is over 5 times.

Ratio of Job Openings to Job Seekers in the Construction Industry



Source: Created by Nareru Group based on Ministry of Health, Labour and Welfare "General Employment Placement Status (Employment Security Service Statistics)"
Part-time and regular positions

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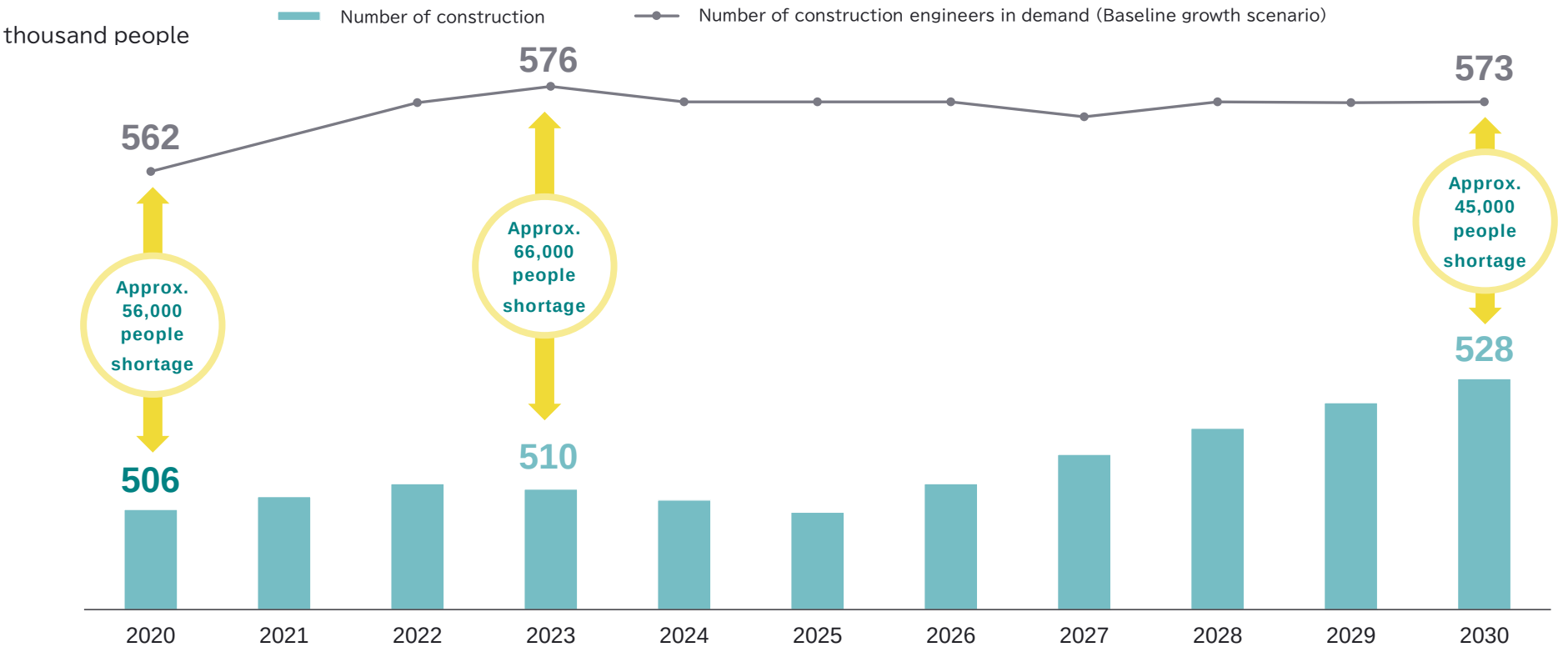
Rising Demand for Dispatching Construction Engineers Due to Labor Shortage

- The labor shortage in the construction industry is becoming more serious, and the demand for engineers remains high.

Estimated Number of Construction Engineers in Employment and Supply/Demand



Source: Created by Nareru Group based on Human Touch Research Institute "2030 forecast for construction engineers," 2023
Baseline growth scenario: Growth at the current potential growth rate

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2

Industry’s top class growth rates and profitability backed by our inexperienced worker recruitment strategy

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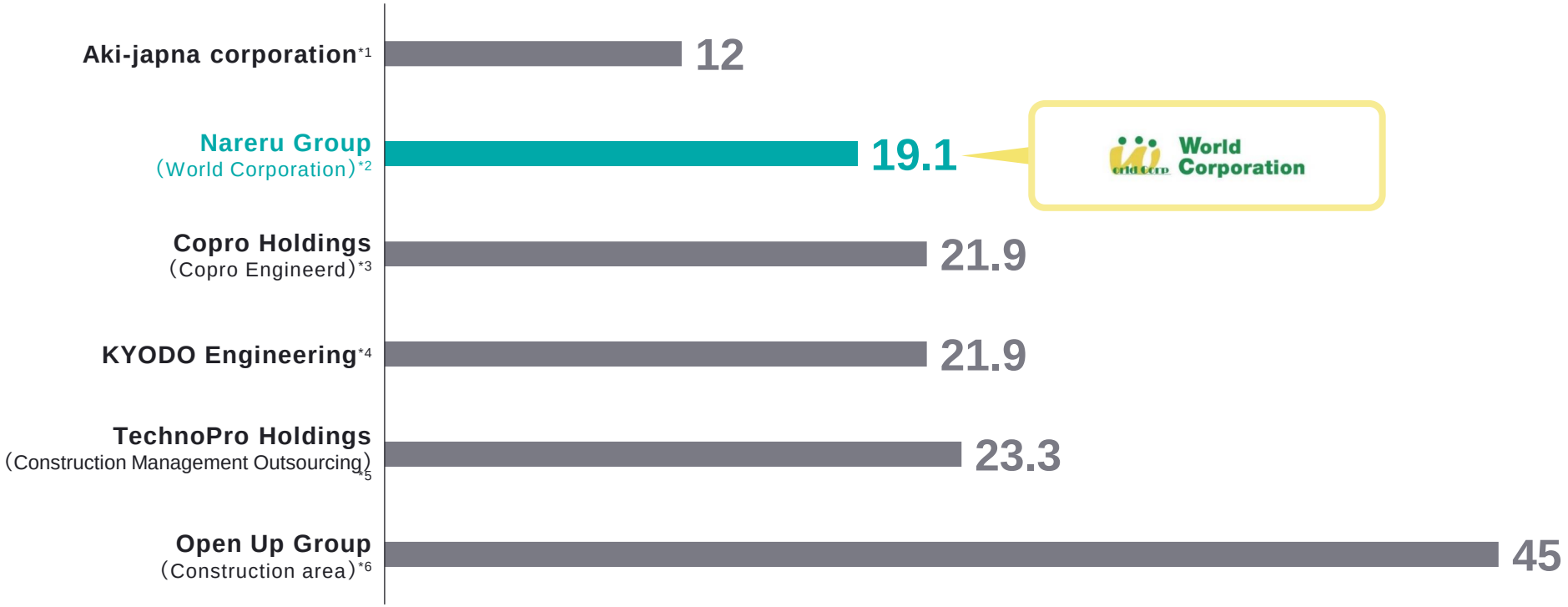
- The Nareru Group (World Corporation) is the fifth largest company in the field of engineer dispatch for the construction industry.

Sales of Engineer Dispatching for Construction

Unit: Billion yen
(If the segment or company name is shown in parentheses, the sales of the segment or subsidiary)



(*1) Page used by Aki-Japan Corporation (FY2023) posted on “Mynavi 2025” by Mynavi Corporation
(*2) FY2024
(*3) “Fact Book” for FY2024
(*4) Page used by Kyodo Engineering Corporation (FY2023) posted on “Mynavi 2025” by Mynavi Corporation
(*5) Securities Report for the FY2024
(*6) Securities Report for the FY2024

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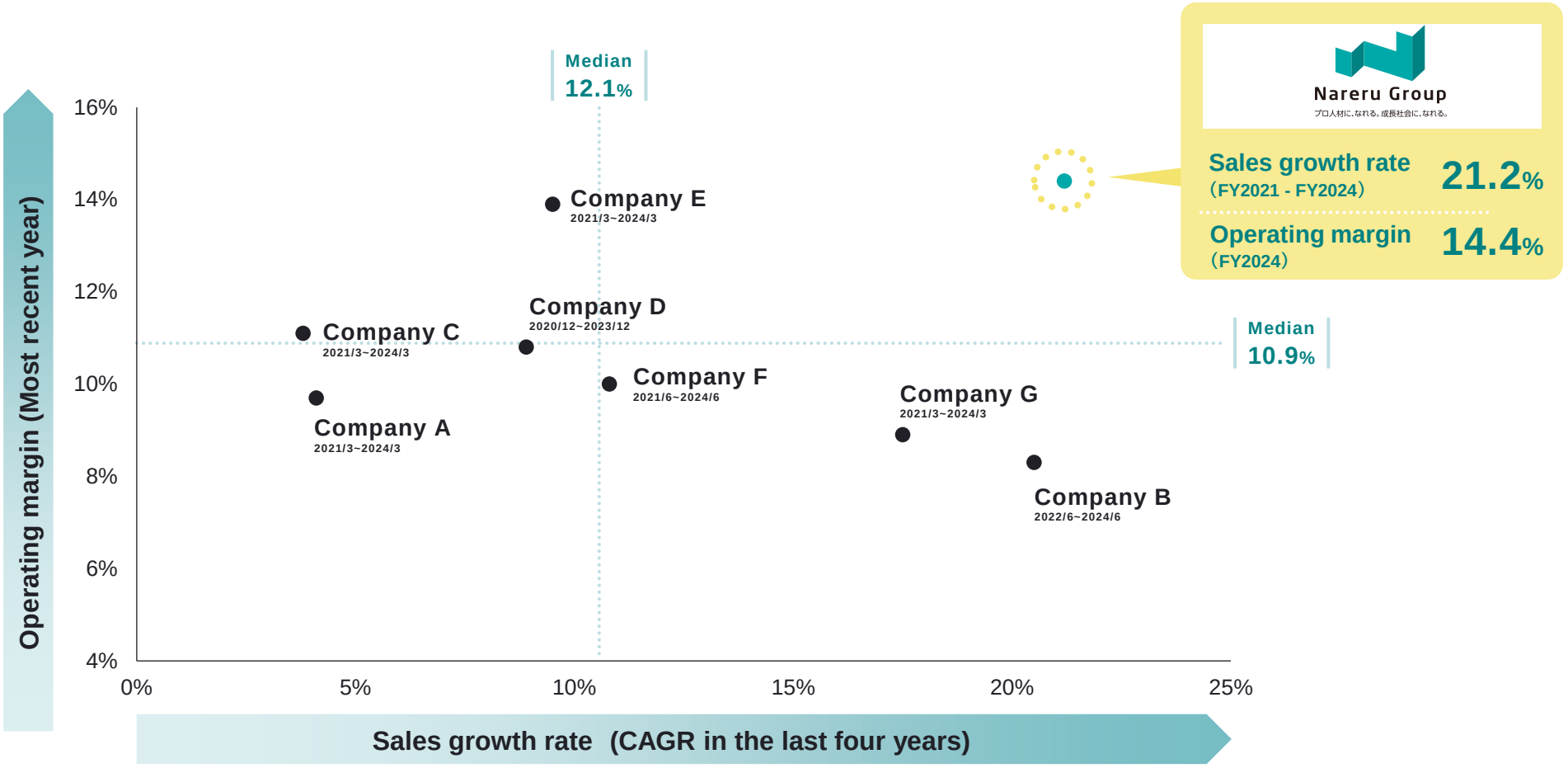
- Nareru Group boasts high growth potential and profitability as an engineer dispatch company*1.

Sales Growth Rate and Operating Profit Margin of Engineer Dispatch Companies



(Source) Created by Nareru Group based on the securities reports of each company

(*1) Compared with sales growth rates and operation margins of the "Engineer Dispatch Companies." "Engineer Dispatch Companies" mean, amongst 17 companies listed on "the Sales Ranking of engineer Dispatching Industry" by gyokai-search.com, the following companies that meet the conditions of (i) a listed company, (ii) the annual sales of 10 billion yen or more and (iii) sales from the engineers dispatching business account for the majority of its total sales

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1

Recruitment

Promoting a recruitment strategy focusing on inexperienced people

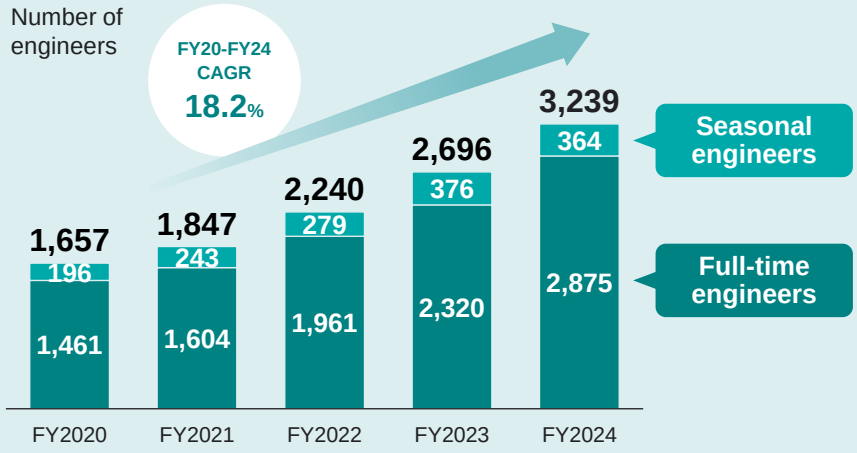
×

2

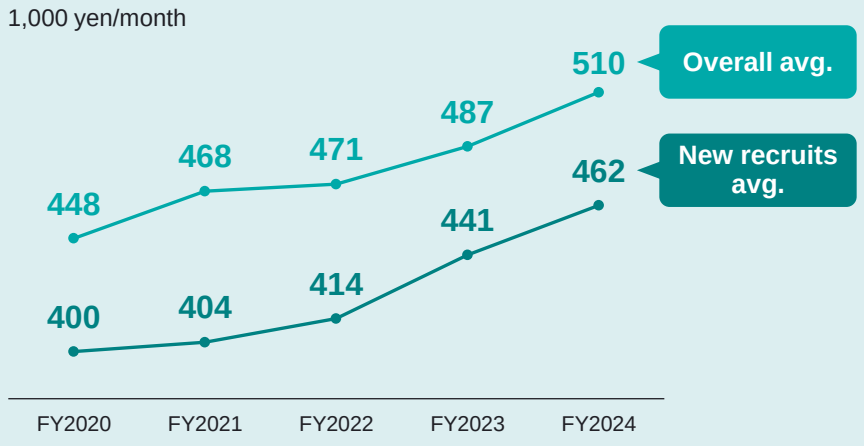
Room for improvement in unit price

By focusing on young engineers and developing methods for young talent, it is easy to raise contract prices

Number of Engineers *1



Contract Unit Price per Person *2



(*1) Figures are non-consolidated figures for World Corporation
Number of engineers who were enrolled for one day or more from the beginning of the month to the end of the month

(*2) Figures are non-consolidated figures for World Corporation
The contract unit price per person is the average value of each contract unit price (excluding overtime pay) for all dispatched employees, including experienced and inexperienced employees.

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1 Nareru's Inexperienced Worker Recruitment Strategy

- Specializing in recruiting inexperienced workers contributes to high growth and profitability.

		Nareru Group プロ人材に、なれる。成長社会に、なれる。 / World Corporation Hiring Inexperienced Worker Model	Hiring Experienced Worker Model
Recruitment	Growth Supply Capacity	**Extremely high** ● Number of active job seekers in all industries: **1.89** million[*1]	**Lower than hiring inexperienced worker model** ● Number of active job seekers in the construction industry: **11** thousand[*1]
Recruitment	Moat Recruitment know-how	**Difficult** ● Due to the "3K" image of the construction industry, the hurdles from application to joining are high, so recruitment know-how is needed ● Compared to experienced people, recruitment costs can be reduced	**Easy** ● Projects are recruited for each site. **The process from application to joining the company is easy** ● Recruitment costs are very high due to a shortage of talent across the industry
Education	Growth Unit Price	**Extremely high** ● There is a lot of room for technological growth, **and the contract unit price tends to increase** ● Young employees have low base salaries	**Limited** ● High contract unit price, but **limited future growth** potential ● The aging of the population is accelerating, and basic salaries are high
Education	Moat Training System	**Difficult** ● About 100 people are hired every month ● **Requires time and cost to develop recruitment and education systems**	**Easy** ● **No technical training required as they already have the technical skills**

(*) An image diagram showing Nareru Group's analysis of the generally assumed trends for each category when the hiring policy for dispatched workers is broadly divided into the inexperienced type and the experienced type

(*1) Number of active job seekers: Ministry of Health, Labor and Welfare "General Employment Placement Status (Employment Security Service Statistics)" figures are the number of part-time and regular positions in 2023. As to the construction industry, architectural, civil, and surveying engineer positions

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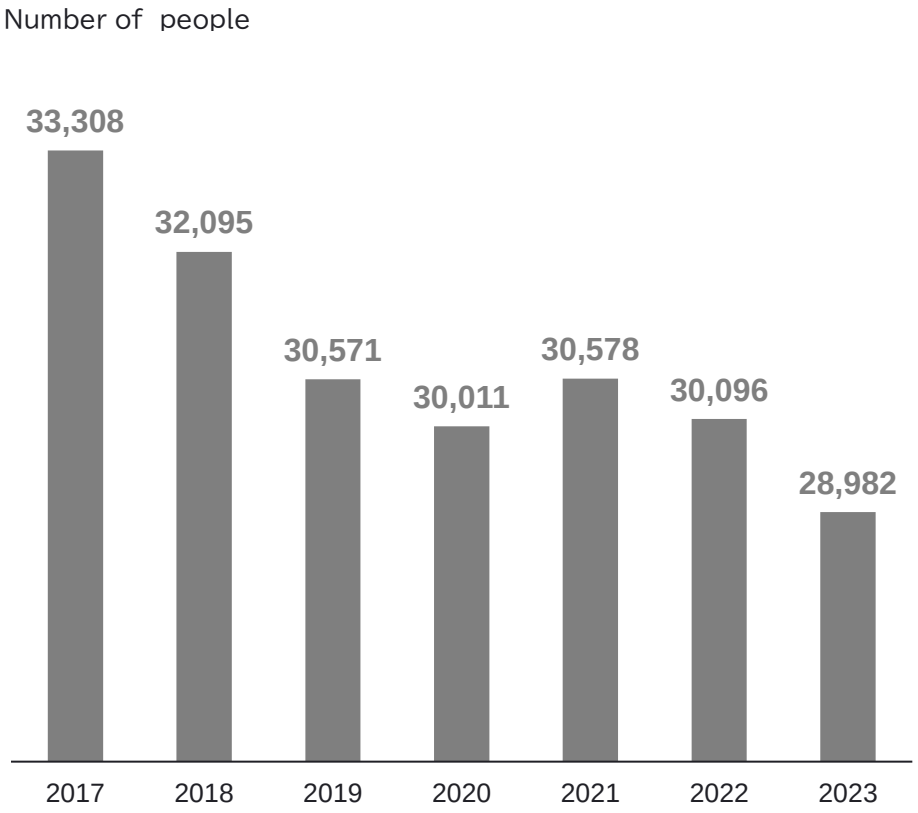
- In addition to utilizing traditional recruitment media, we will secure technical personnel by diversifying into our own recruitment media (Sekokan NEXT), utilizing recruitment agencies, and introducing people through acquaintances.

Number of Job Seekers Looking for Architectural, Civil, and Surveying Engineer

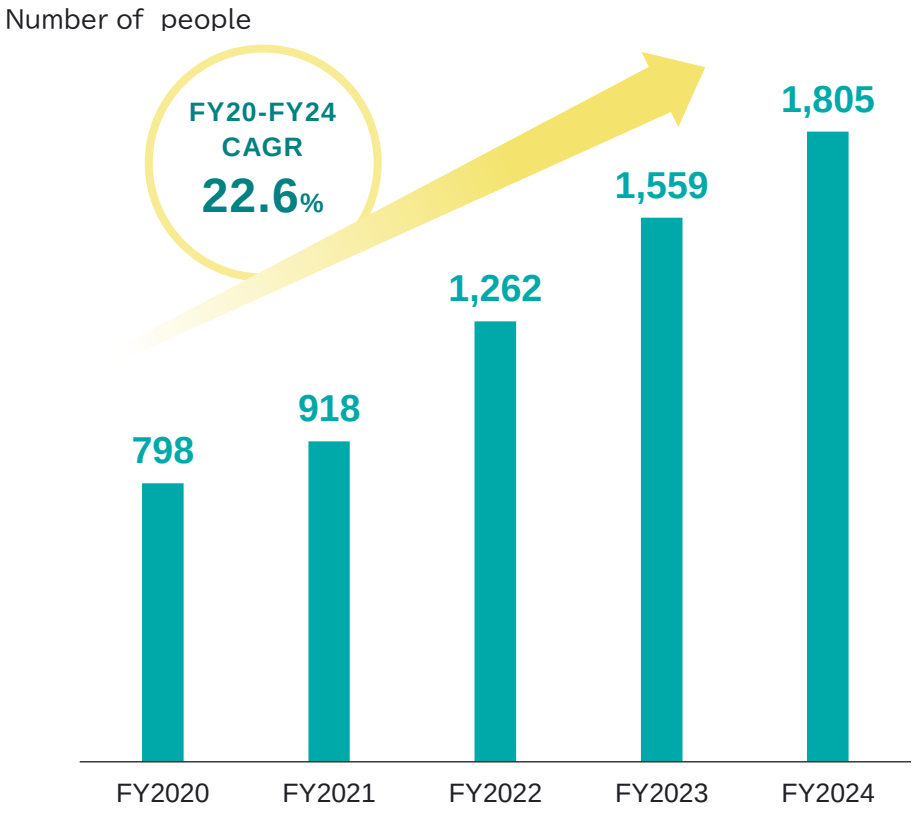
The number of new job seekers for construction engineers is on a downward trend



Source: Number of new job seekers: Ministry of Health, Labour and Welfare "General Employment Placement Status (Employment Security Service Statistics)"
Annual total of job seekers looking for part-time or regular positions

Number of Recruits by World Corporation*1

Increasing trend due to efficient recruitment system



(*1) Figures are non-consolidated figures for World Corporation

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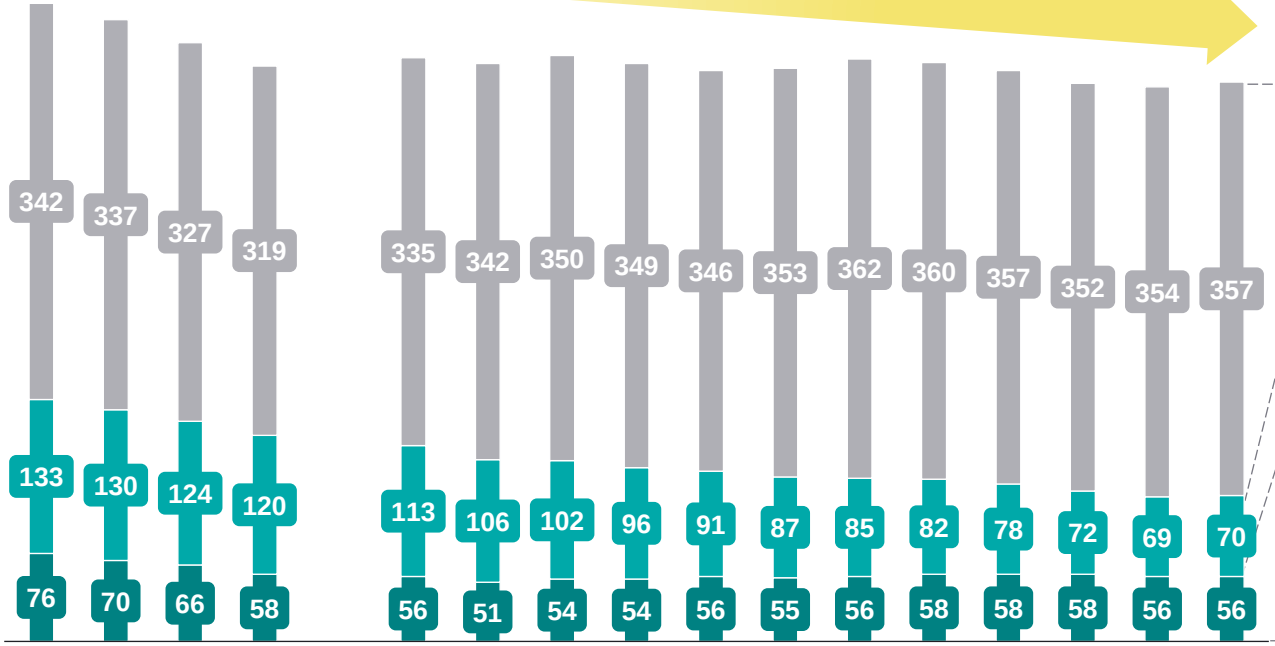
- Since we mainly hire inexperienced people, we can provide a stable supply of young human resources, which are particularly in short supply in the construction industry.

Number of Construction Workers by Age Group

Ten thousand people

Accelerating aging of workers in the construction industry

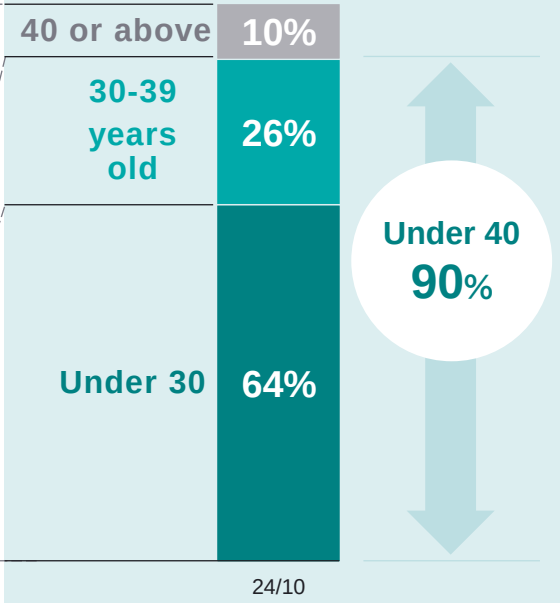
Under 40 CAGR (3.1%)



(Source) Created by Nareru Group based on Ministry of Internal Affairs and Communications "Labor Force Survey"
(2011 was not published due to the impact of the Great East Japan Earthquake)

Age composition of World Corporation*1

The solution provider that puts the brakes on the decline in the number of young construction workers



(*1) Figures are non-consolidated figures for World Corporation, as of the end of Oct. 2024, and engineers under dispatch contract

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- Developing a business model based on dispatching young engineers and developing young talent
- Based on the above efforts, negotiate with the client company and determine the contract price.

Training according to years of experience

The number of employees with a year or more on the job is also increasing.

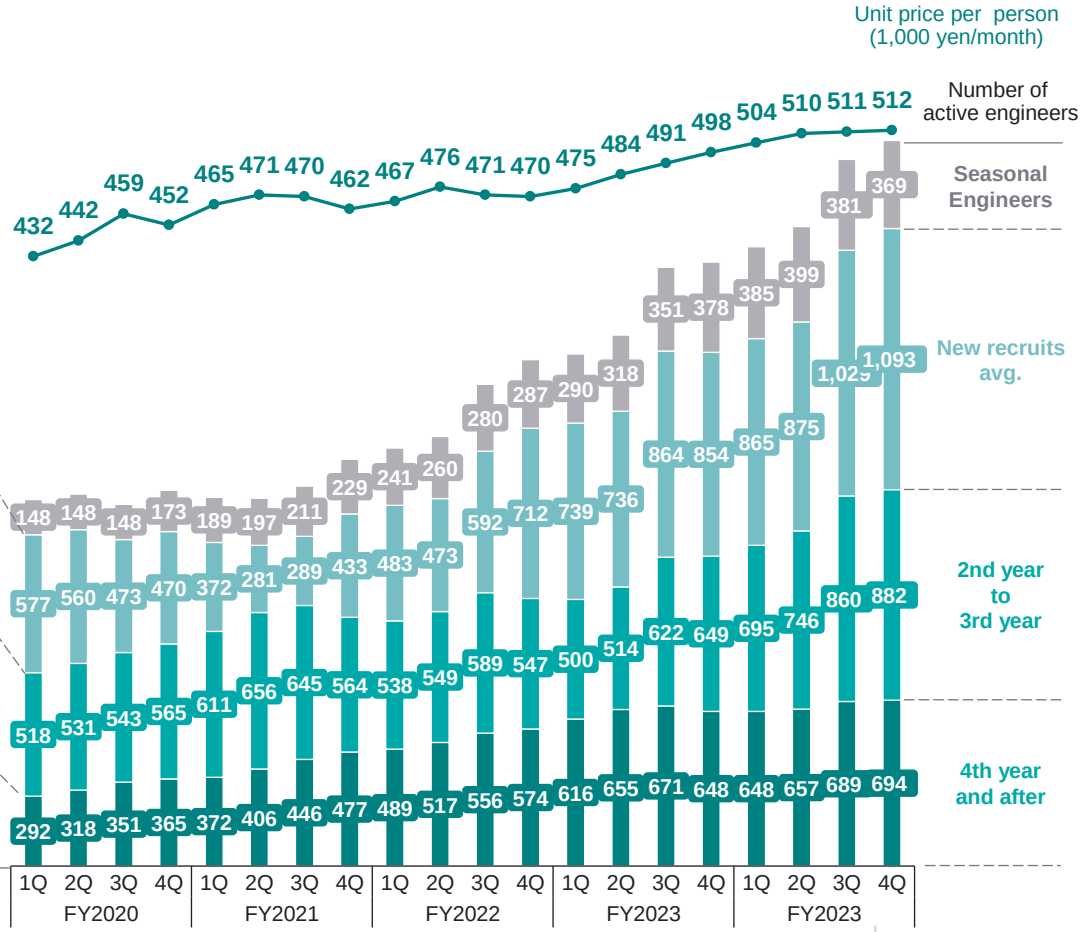


Higher unit prices per person



Skill phases	Unit prices
Basic skills training (Inexperienced workers)	
Training for those with no experience, covering basic construction industry knowledge and technical terms as well as basic skills for working people	
Basic specialized skills training (2nd to 3rd years)	
Gain basic knowledge about the next project based on the experience of working on the first project	
Practical specialized skills training (4th year and later)	
Aim at acquiring qualifications such as first-class architect and operation and management engineer	

Unit prices per person & Active engineers by length of service*1



(*1) Figures are non-consolidated figures for World Corporation
unit price per person is the quarterly average contract unit price (excluding overtime pay) for all dispatched engineers, active engineers are quarterly average

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2 [Reference] Skill and career improvement measures (World Corporation)

- In order to build a system where engineers can continue to grow, we have established a career design support system called the "Zero Pro Growth Cycle" *1.
- As part of the program, the qualification allowance will be revised (from November 2024) and new exam preparation courses will be established (from July 2024).

"Zero Pro Growth Cycle"
(World Corporation)



Revise Qualification Allowance to the Highest Level* 1 in the Industry
(Implemented in November 2024)

● Construction Management Engineer ● Architect

	Before revision * Monthly amount	After revision * Monthly amount
Class 1 Construction Management Engineer	10,000 yen	50,000 yen
Class 2 Construction Management Engineer	4,000 yen	35,000 yen
Class 1 Assistant Construction Management Engineer	Not subject to payment	20,000 yen
Class 2 Assistant Construction Management Expert	Not subject to payment	15,000 yen

	Before revision * Monthly amount	After revision * Monthly amount
Class 1 Registered Architect	10,000 yen	50,000 yen
Class 2 Registered Architect	4,000 yen	30,000 yen

* If engineers have an architect and a construction management engineer, a maximum of 100,000 yen per month will be paid.

Establishment of Exam Preparation Courses
(Implemented in July 2024)

Provide study opportunities for engineers who are aiming to acquire qualifications

- New original qualification exam preparation courses, such as face-to-face exam preparation courses and e-learning.
- The instructors have at least 30 years of experience as a certified construction management engineer at schools for qualifying examinations.

(*1) According to World Corporation research

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High growth potential as a construction human resources platform company

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1 Expansion of dispatching business

Short term

- **Promoting the hiring of experienced people in addition to inexperienced people**
  Strengthening recruitment activities through our own recruitment media (Sekokan NEXT) セコカンNEXT
- **Expansion of dispatching business**
  Strengthening dispatch of engineers to the plant, BIM *1, IT, etc. fields

World Corporation

ATJC

2 Expanding into recruitment services

Short term

- **Entry into craftworkers recruitment business**
  Currently implementing measures to increase the number of job seekers through Jobken work

JOBKEN WORK ジョブケンワーク

CONTRAFT

一般社団法人 全国建設人材協会

3 Expanding into construction DX consulting

Medium term

- **Consulting support for the use of ICT tools at construction sites**
  An in-house training system has been established, and DX personnel will be developed through training in the future.

World Corporation

ATJC

(*1)BIM (Building Information Modeling): A tool that enables the construction process from design to construction to maintenance management using 3D digital models created on computers in the architectural field

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Expand Dispatching Services

- Promoting the hiring of experienced people in addition to inexperienced people
- We aim to expand our business by strengthening our dispatch of engineers to new fields such as plants, BIM, and IT.

	Target Market	Plan	Expected Results
 Inexperienced people	Construction Plant / BIM IT	Transfer of recruitment and training know-how World Corporation ATJC	Expansion into new dispatching market
 Experienced people	Construction Plant / BIM	Recruitment activities were previously ineffective Utilizing in-house media reduces recruitment costs セコカンNEXT	Expansion of construction dispatching service

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Strengthening recruitment to expand temporary staffing business

- Since FY25.10, we have been actively investing in developing our own recruitment media (Sekokan NEXT).

Strengths of SEKOKAN Next

セコカンNEXT

Focus on Experienced and inexperienced workers

Low Cost hiring by in-house media

Dispatching experienced workers at a High unit Price

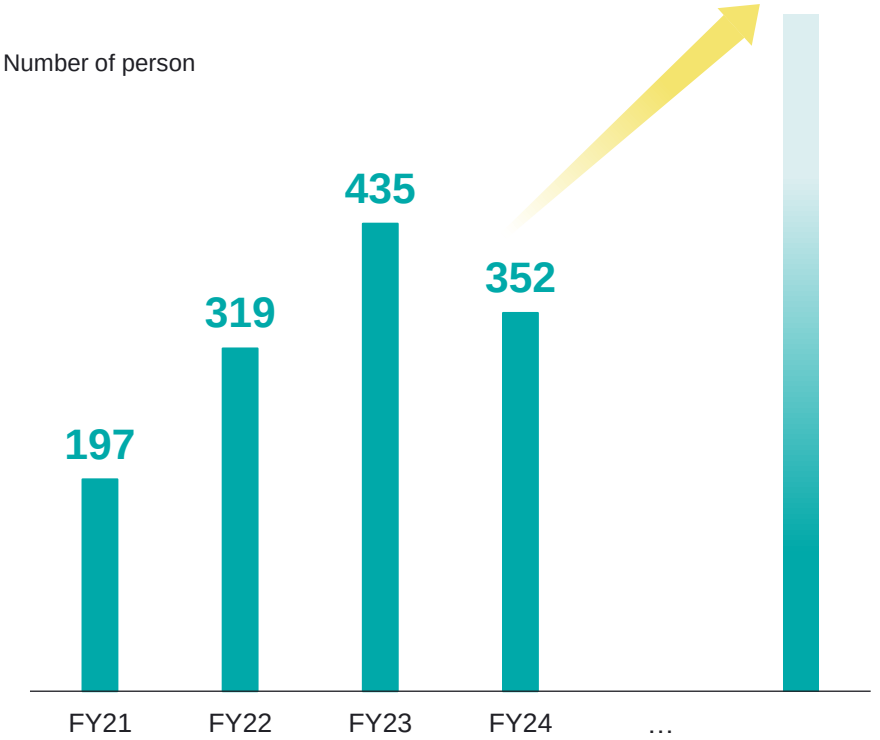




（Sample webpages）

Number of SEKOKAN Next registrants

The number of registrants is growing steadily, In-house media is expected to strengthen the ability to recruit experienced engineers



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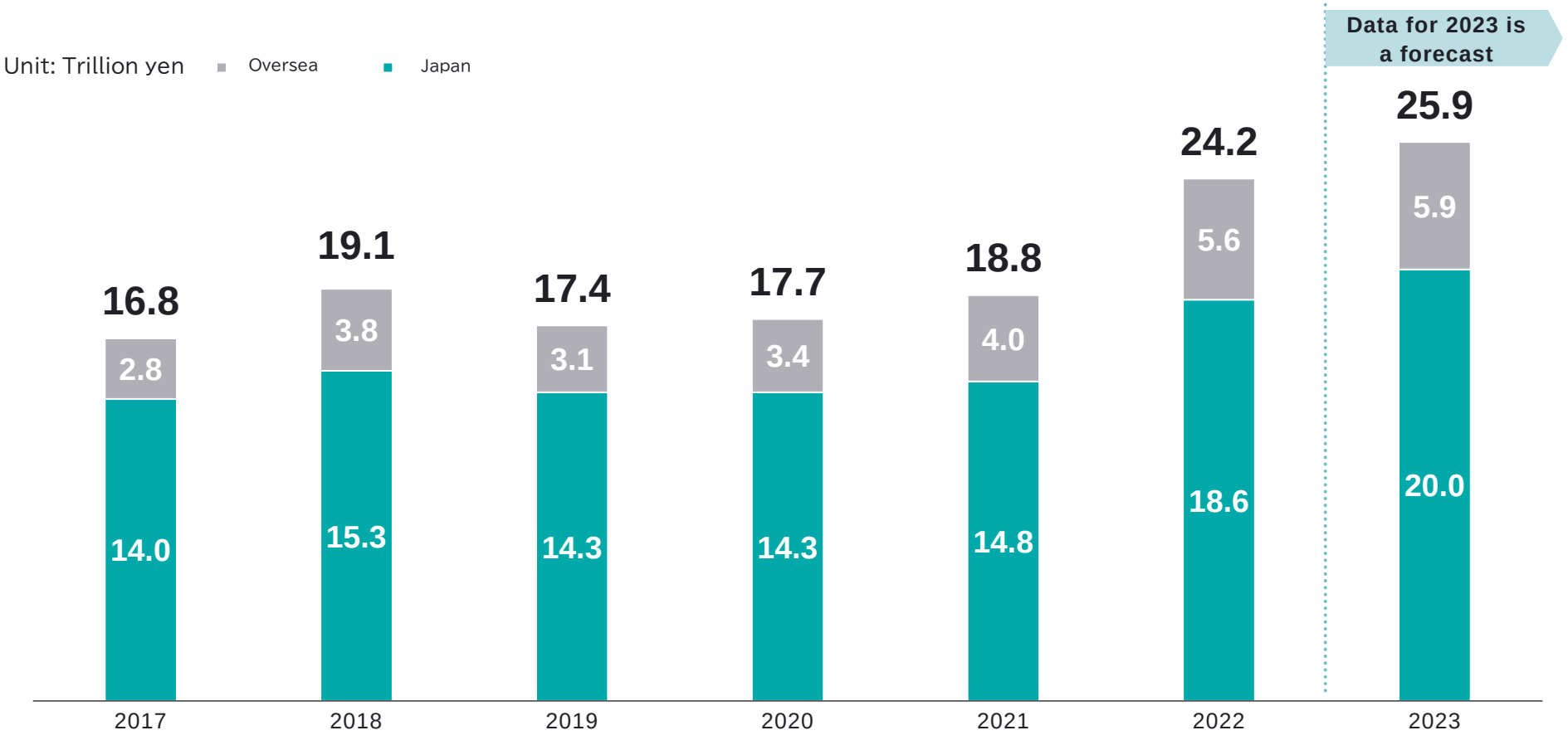
- The plant sector has high growth potential due to increased investment in facilities and the environment due to aging.

Orders Received in the Plant Engineering Industry

The plant market is a huge and growing market of about 20 trillion yen



Source: Engineering Advancement Association of Japan “Status and trends of the engineering industry in FY2023”
Order forecasts from 58 companies

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Expansion of dispatching business “Plant area”

- Responding to the needs of engineering companies responsible for plant design, procurement, and construction, as well as the needs of maintenance companies responsible for daily maintenance and regular repairs.

Human Resources Strategy

Recruitment

- **Follow the recruitment strategy developed by World Corporation in recruiting inexperienced workers**
- **Utilize owned media “SEKOKAN Next” to strengthen recruitment of experienced workers**

Training

- **Provide OJT at plant sites in cooperation with a maintenance company**

Value Chain-Specific Sales Strategies

Design, procurement, and construction (plant engineering companies)	Operation and control (plant operating companies)	Maintenance (maintenance companies)
● Responding to dispatching needs from the design stage (e.g. CAD operators) ● **Leveraging our large pool of technical experts to respond to all kinds of needs**	● **Companies which our competitors have not yet reached** ● Conducting sales activities targeting these companies due to low risk of being replaced	● **Since daily maintenance and periodic repairs are required, we can get a steady stream of orders** ● Number of engineers to meet large dispatching needs in a short period of time

While strengthening our engineering, procurement and construction areas, we will also expand our sales into the areas of operation management and maintenance.

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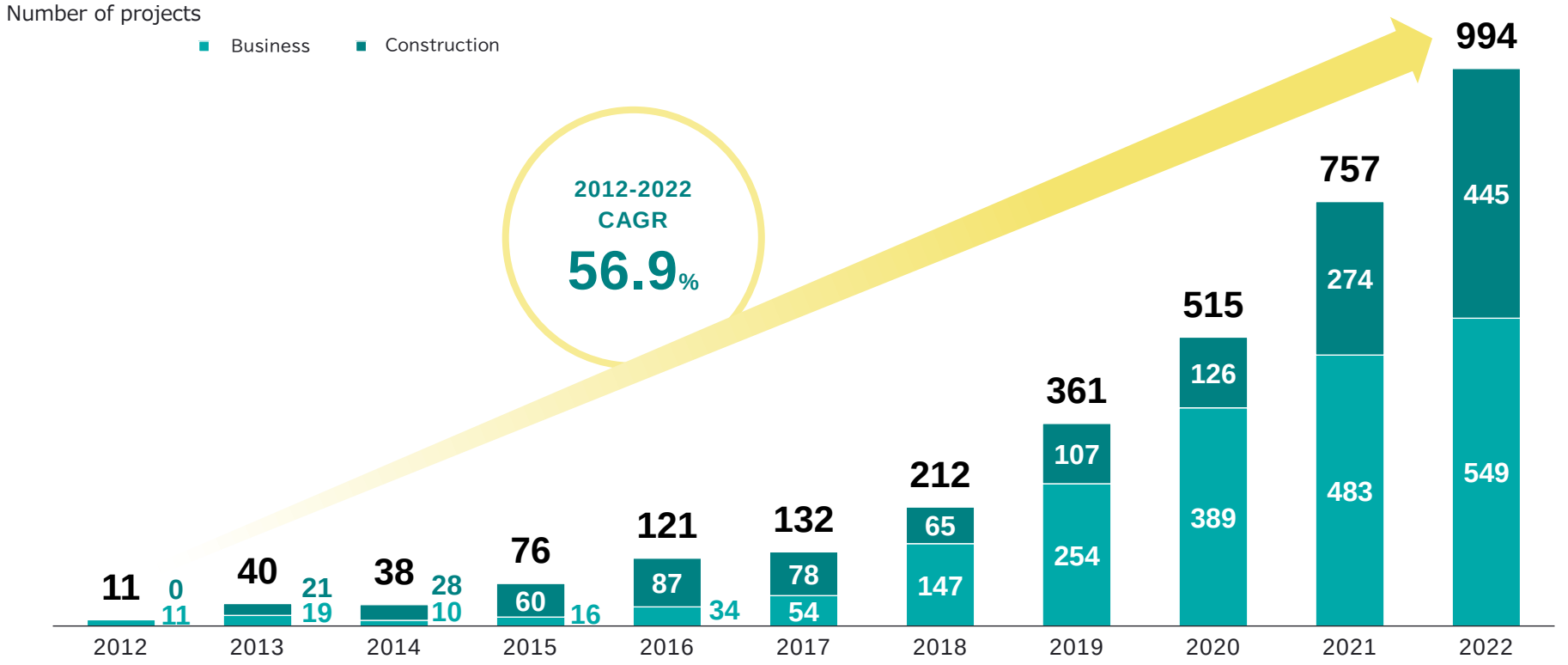
- Demand for BIM specialists is expected to increase as the MLIT promotes BIM/CIM*1.

Number of Business and Construction Projects Using BIM/CIM

Number of projects using BIM/CIM is dramatically increasing, demand for BIM specialists is expected to further increase as the use of BIM/CIM becomes a general requirement in public works projects in 2023*2.



(Source) Created by Nareru Group based on the 8th BIM/CIM Promotion Committee of the MLIT(Ministry of Land, Infrastructure, Transport and Tourism) (August 30, 2022)
(*1) BIM/CIM: A tool that enables everything from design to construction and maintenance in the construction process using 3D digital models created on a computer
BIM (Building Information Modeling) is in the field of architecture, and CIM (Construction Information Modeling) is in the field of civil engineering
(*2) Use of BIM/CIM becomes a general requirement in public works projects in 2023: In April 2020, the Ministry of Land, Infrastructure, Transport and Tourism decided to “apply BIM/CIM in principle to all public projects except for small-scale projects by 2023”

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- Focusing on BIM specialist training with an established training system.

Nareru’s BIM Specialist Training Process

Site supervisors



Conventional construction Drawing specialists



Inexperienced workers



Training capability



- 3-month training
- OJT by senior employees

Train to be BIM specialists



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Expansion of dispatching business “ATJC”

- ATJC, an IT engineer dispatch company with major IT companies as clients, was added to the group in December 2020.
- ATJC provides IT engineer dispatch and SES services for development projects and infrastructure management work such as SIer.

IT Solution Business: ATJC

ATJC

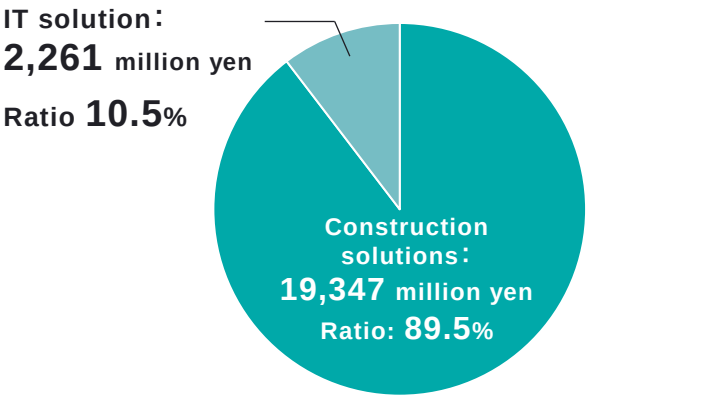
Developing engineer outsourcing business for various system development projects such as financial, public, and communication

Background of participation in the group

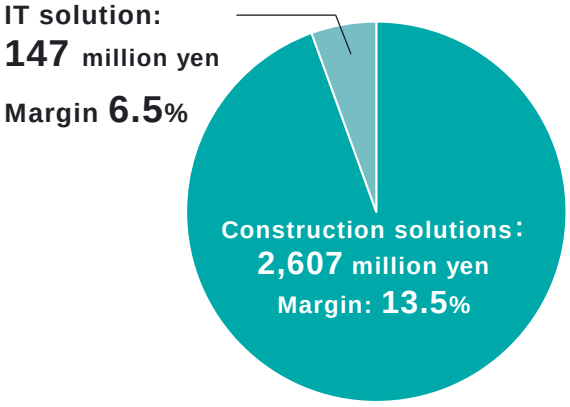
2007 **Established**
Growth slows down due to difficulties in recruiting IT engineers

2020 **Joined the Nareru Group in anticipation of synergies with our group, which has expertise in recruiting personnel.**

Company-wide sales ratio*1



Segment profit*1



(*1) FY2024

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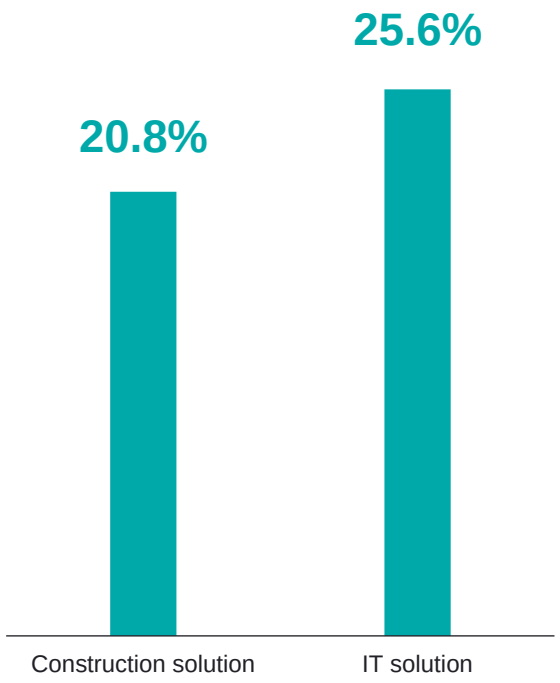
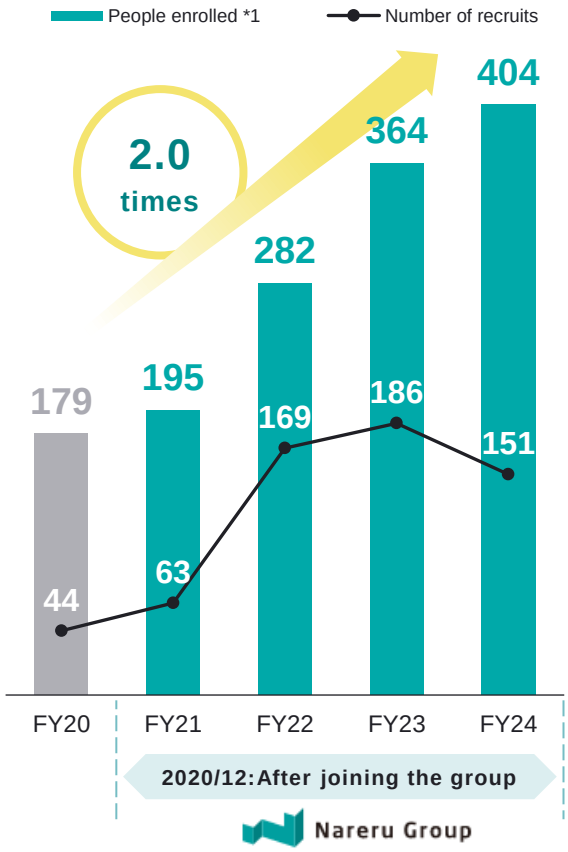
Expansion of dispatching business “ATJC”

- Aim to realize synergies in recruitment and human resource development, and to hire engineers at low cost and increase contract prices
- In the future, we will strengthen our sales and technical capabilities in order to win orders for upstream processes and directly accept projects.

Sales Growth Rate (FY21.10–FY24.10)



ATJC: The Number of Recruits and People Enrolled



(*1) Number of engineers who have been enrolled for at least 1 day in October each year

Transfer know-how to ATJC

Utilizing the Nareru Group's recruitment know-how and human resource development methods, we aim to reduce recruitment costs and improve unit prices.

ATJC

Progress management program	Aptitude Test & Proficiency Test	Optimal placement of human resources

Nareru Group

Hiring inexperienced people

- Utilize RPM
- manual

Human resource development method

- New employee training
- Post-assignment training
- Follow up training

ATJC has cultivated
In addition to the human resource development program,
Transferring the Nareru Group's know-how

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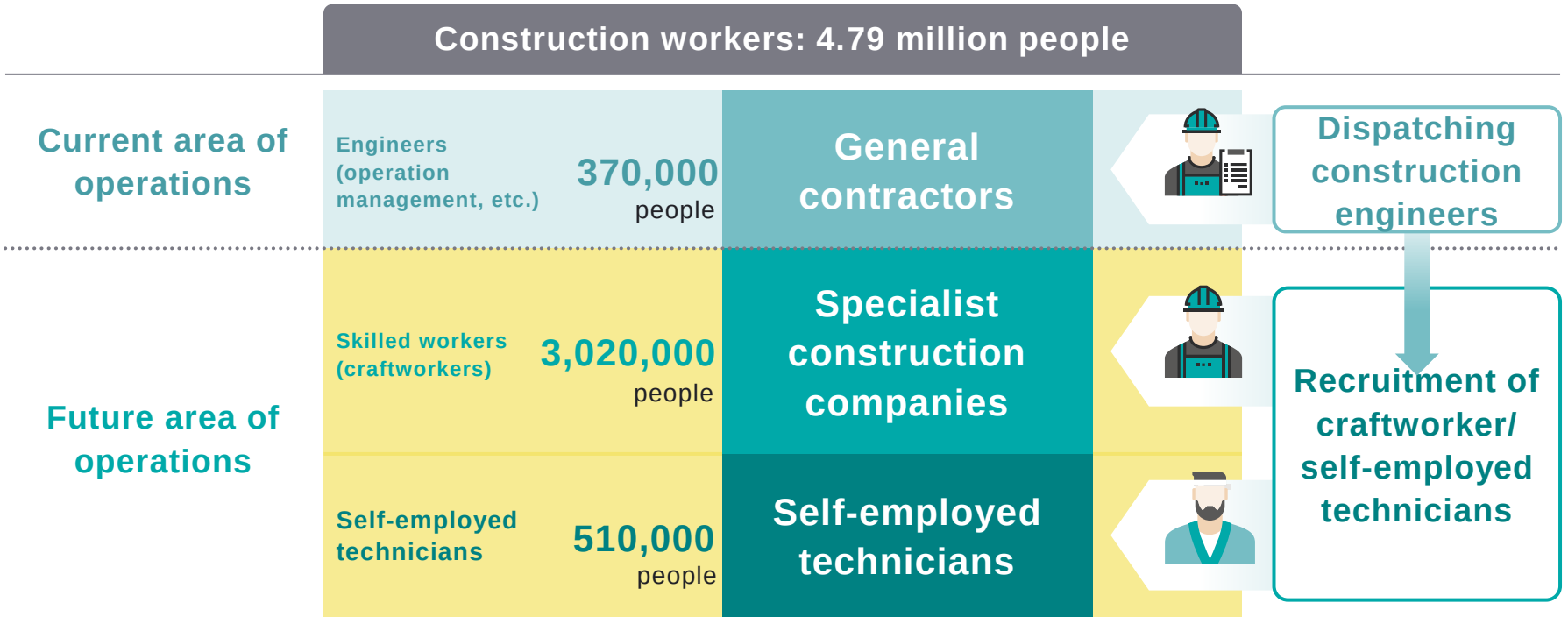
Expanding into Recruitment Services

- In addition to dispatching engineers (construction management, etc.), we are focusing on developing a business that introduces skilled craftsmen.

Size of Construction Job Market

By expanding into the recruitment business, we aim to become the only company that can provide services to all companies suffering from labor shortages in the construction industry.



Source: Created by Nareru Group based on Ministry of Land, Infrastructure, Transport and Tourism, “Recent Situation of the Construction Industry” (April 18 15, 2023) and Ministry of Land, Infrastructure, Transport and Tourism, “The First Study Group on the Problem of One Master Masters in the Construction Industry” (April 18, 2023). Engineers, skilled workers: Calculated by the Ministry of Land, Infrastructure, Transport and Tourism based on the Ministry of Internal Affairs and Communications “Labor Force Survey” (2022 average).
Self-employed technicians: Estimated number of people in the Ministry of Land, Infrastructure, Transport and Tourism based on the Ministry of Internal Affairs and Communications labor force survey (2019 average, June 25, 2020)

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Expanding into Recruitment Services

- Contraft operates Jobkenwork, a job information site for skilled workers.
- ZENKEN (The National Construction Personnel Association, a general incorporated association) with a license for fee-paying construction job placement services, will provide job placement services.
- Going forward, we will build a business foundation by acquiring job seekers and companies looking to hire, and establish an advantageous position as a pioneer.

Short-term (about next 2 years)

Phase 1 Build a foundation for the craftworkers recruitment business and expand the number of member companies

Attract Job Seekers

- World Corporation strengthening the shift from candidates for employment / retirees
- Increase the number of information provided by developing new recruitment agencies and strengthening relationships with them
- Increase the number of job openings on Job Ken Work
- Strengthen the introduction of specified skilled foreign human resources through business alliances
- Expand sales areas especially in regional areas

Attract Recruit Companies (Member Companies)

- Implement job placement for positions other than craftworkers
- Strengthen sales to cooperative associations of general contractors
- Increase lead through business alliances with regional banks, credit unions, etc.

Publicity of Craftworkers Recruitment Service

- Top sales to industry associations and general contractors
- Issue press releases and strengthen connections with the media
- Tie-ups with local governments and public administration

Medium-term (after 3 years)

Phase 2 Improve convenience for members by providing new services and Further increase profitability

Start “Project to Secure Employment Opportunities for Construction Workers”*1

- Establish a system for short-term labor interchange among member companies

Develop New Revenue Model Utilizing Human Resource Platform

- Direct scouting service of craftworker
- Provide matching services among job seekers, companies and self-employed technicians

(*1) The Worker Dispatching Act does not permit the dispatch of workers for construction work (World Corporation dispatches construction operation management engineers, CAD operators, etc., who are not applicable to construction work). However, the Project to Secure Employment Opportunities for Construction Workers is defined as “a project in which a member of an employer organization that has received approval for an implementation plan temporarily dispatches construction workers it regularly employs to engage in construction work for that employer under the instruction of another member of the employer while maintaining the employment relationship” based on the Act on the Improvement of Employment of Construction Workers. Only authorized organizations that have obtained permission from the Minister of Health, Labour and Welfare are allowed to conduct projects to secure employment opportunities for construction workers.

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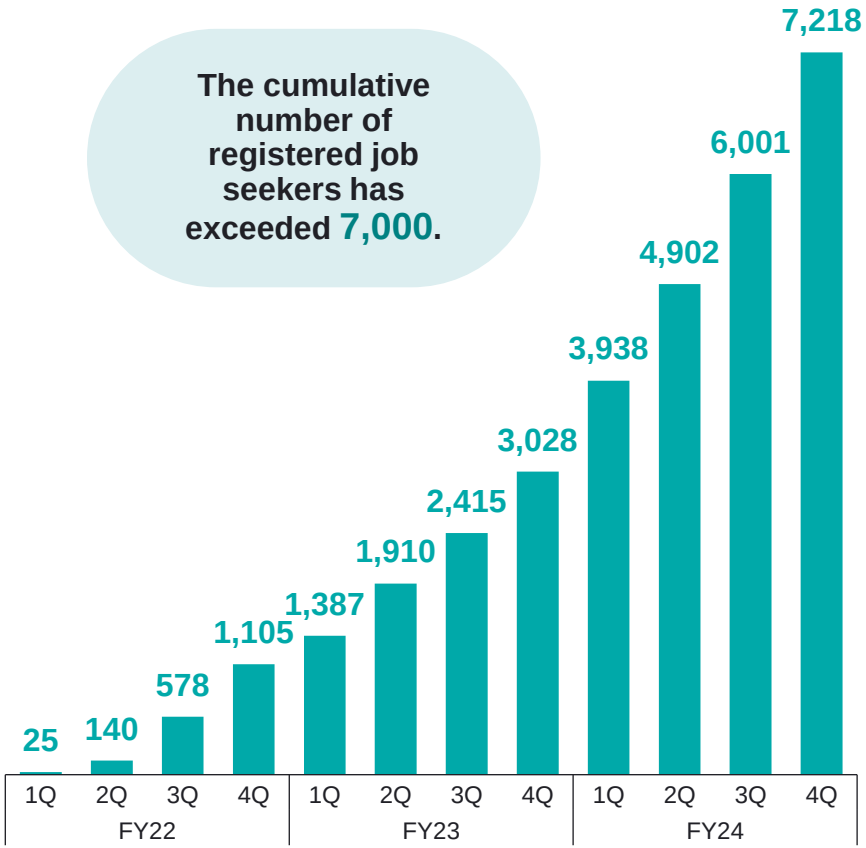
Expanding into Recruitment Services

- The number of registered job seekers through the job information site "JobKenWork" and the number of registered members of the Japan Construction Personnel Association are steadily increasing.

Monthly Cumulative Number of Job Seekers on Platform

Number of people

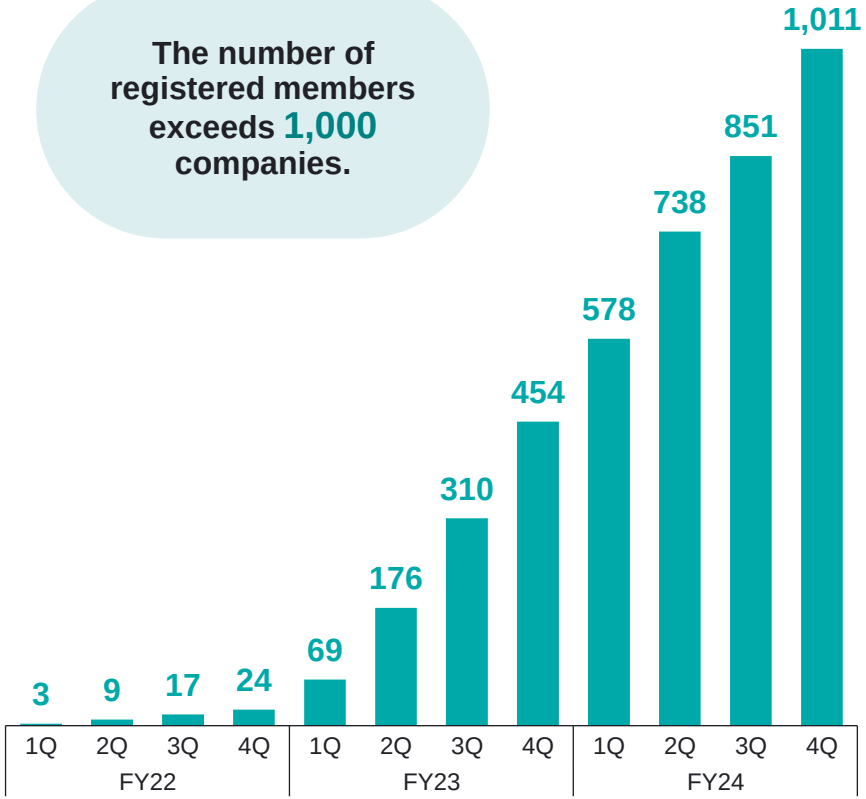
The cumulative number of registered job seekers has exceeded 7,000.



Monthly Cumulative Number of Registered Member Companies

Number of membership (companies)

The number of registered members exceeds 1,000 companies.



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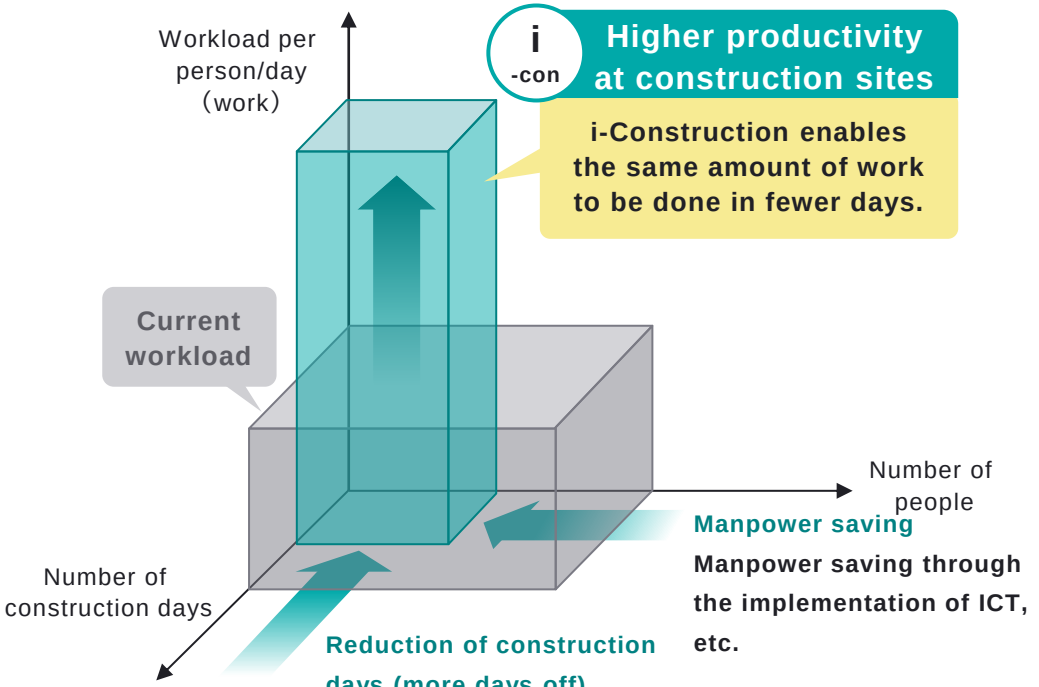
Expanding into construction DX consulting

- There is a high demand for digital transformation support in the construction industry to improve productivity at construction sites.

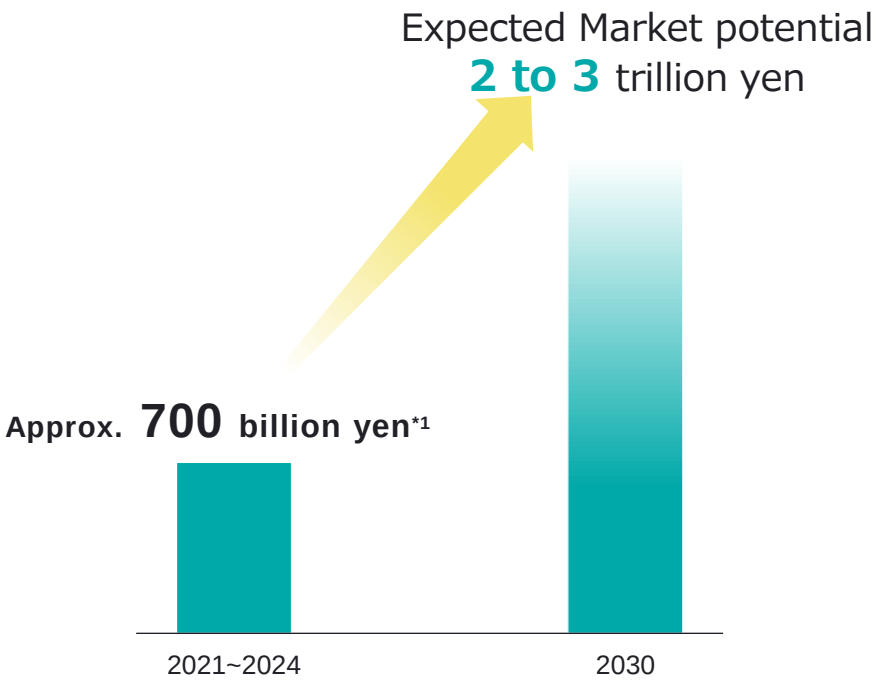
Overview of i-Construction

Implementing construction ICT is required to improve productivity at construction sites.



Considerations on the Size of the Construction Tech Market

Further expansion of DX and ICT investment is expected, and the market size is expected to reach 2-3 trillion yen by around 2030.



(Source) Created by Nareru Group based on Yano Research Institute, Ltd. "2022 Edition Construction Tech Market (Construction Sites Edition) – Current Status and Prospects of Automation and Labor Saving Technologies at Construction Sites"

(*1) Total value of 28 companies confirmed by extracting DX and ICT-related investment from the medium-term management plans of listed general contractors

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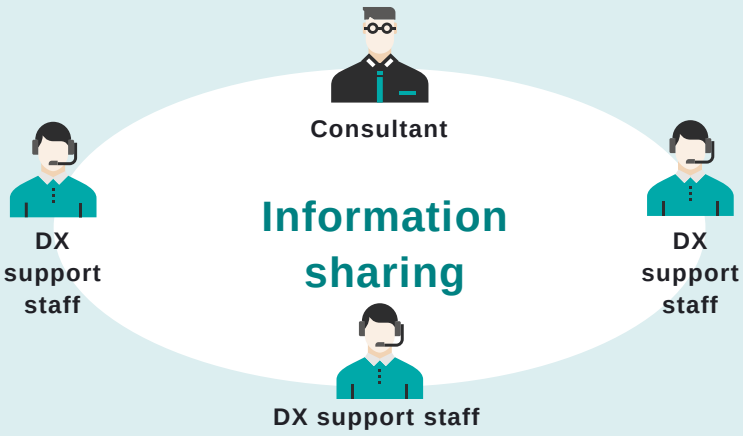
Expanding into construction DX consulting

- Establish new human resources services through construction DX and support the IT/DX transformation of the construction industry.

Construction DX Consulting Team

Our construction DX specialists help improve site efficiency.

One-Team



DX status assessment	Planning and proposal	Service deployment/ dispatching	After-sales support
• Conduct a company-wide survey among companies and work sites we do business with	• Consult • Review solution services • Assign personnel	• Release service • Assign personnel	• Provide support after assigning personnel

Construction ICT Business Model

We provide know-how for implementing construction ICT tools*1 and ICT construction solutions.

DX promotion services



- **Selection of digital tools**
- **Support for implementing ICT tools**

Examples of tools

- SPIDERPLUS
- DEKISPART
- direct

Solution services



- **Point cloud measurements & 3D modeling *2**
- **Remote presence support *3**

Examples of tools

- mixpace
- LiveOn
- Infipoints

(*1) Construction ICT tools: Systems, applications or devices that use information and communication technology to support various construction work tasks
(*2) Point cloud measurement and 3D modeling: The process of mathematically representing buildings, exteriors, and interiors in three dimensions.
(*3) Remote presence: Using video and audio captured by wearable cameras, etc., to conduct "stage confirmation," "material confirmation," and "attendance" from a remote location via a web conferencing system, etc.

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Profit and Loss Statement

Nareru Group

Unit: million yen	J-GAAP FY20.10(LTM)*1	IFRS FY21.10	IFRS FY22.10	IFRS FY23.10	IFRS FY24.10
Revenue	**10,328**	**12,125**	**14,540**	**17,994**	**21,608**
Growth rate	-	+17.4%	+19.9%	+23.8%	+20.1%
Cost of goods sold	7,213	8,800	10,310	12,825	15,668
Gross profit	**3,115**	**3,324**	**4,229**	**5,169**	**5,940**
Margin	30.2%	27.4%	29.1%	28.7%	27.5%
SG&A	3,175	1,910	2,225	2,710	2,845
Other operating income/expense	-	343	35	10	16
Operating profit	**△ 60**	**1,758**	**2,039**	**2,469**	**3,110**
Growth rate	-	-	+16.0%	+20.8%	+26.0%
Margin	-	14.5%	14.0%	13.7%	14.4%
Net income	**△ 561**	**1,043**	**1,242**	**1,741**	**2,187**
EBITDA (Operating profit + Depreciation and amortization)	**1,307**	**1,987**	**2,277**	**2,713**	**3,111**
EBITDA margin	12.7%	16.4%	15.7%	15.1%	14.4%
Depreciation and Amortization	534	229	237	244	261
Amortization of goodwill	833	-	-	-	-
Adjustment cost*2	**943**	**62**	**-**	**-**	**-**
Compensation fee	453	49	-	-	-
Amortization of intangible assets	490	13	-	-	-
Adjusted operating profit*3 (Operating profit + Adj. cost + Goodwill)	**1,716**	**1,820**	**2,039**	**2,469**	**3,110**
Growth rate	-	+6.1%	+12.0%	+20.8%	26.0%
Margin	16.6%	15.0%	14.0%	13.7%	14.4%
Adjusted EBITDAs (Operating profit + Depreciation and amortization + Compensation fee)	**1,760**	**2,036**	**2,277**	**2,713**	**3,111**
Growth rate	-	+15.7%	+11.8%	+19.2%	+14.7%
Margin	17.0%	16.8%	15.7%	15.1%	14.4%

(*1) After our company was established on May 27, 2019, we changed the fiscal year-end from the end of April to the end of October. As a result, the fiscal year ended October 2020 of our company is the six-month period from May 1, 2020 to October 31, 2020. “Fiscal Year Ended October 2020 (LTM)” is an unaudited figure calculated assuming the 12-month period from November 1, 2019 to October 31, 2020 as one consolidated fiscal year. Results differ from those for the six-month period ended October 2020.

(*2) For the fiscal years ended October 2020(LTM), the FA fee, DD cost, and legal cost related to the acquisition of World Corporation shares by Nareru Group (former AP64) are adjusted as temporary expenses.
For the fiscal years ended October 2021, the FA fees, DD expenses, and legal costs related to the acquisition of shares of ATJC by the Nareru Group, the transfer of business related to job placement for craftworkers, and the acquisition of Office Arcs shares are adjusted as temporary expenses.
For the fiscal years ended October 2022 and October 2023, No adjustment due to non-existence of temporary expenses.

(*3) Adjusted operating income for the fiscal year ended October 2020 (LTM) is the addition of goodwill amortization and adjustment expenses to operating income. Adjusted operating income for FY10/21 and FY10/22 is calculated by adding back adjustment expenses to operating income.

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Balance Sheet

Unit: million yen	IFRS FY21.10	IFRS FY22.10	IFRS FY23.10	IFRS 24.10
Current Assets	**4,191**	**4,877**	**7,060**	**7,926**
Cash and Cash Equivalents	2,155	2,283	4,083	4,516
Trade Receivables	1,878	2,297	2,766	3,204
Other Current Assets, etc.	157	295	210	205
Non-current Assets	**15,055**	**15,278**	**15,444**	**15,690**
Property, Plant and Equipment	125	165	170	178
Right-of-use Assets	278	309	357	597
Goodwill	14,100	14,074	14,074	14,074
Deferred Tax Assets	272	384	492	508
Other Non-current Assets, etc.	278	343	348	332
Total Assets	**19,246**	**20,155**	**22,505**	**23,617**

Unit: million yen	IFRS FY21.10	IFRS FY22.10	IFRS FY23.10	IFRS FY24.10
Current Liabilities	**2,901**	**5,533**	**6,287**	**6,516**
Borrowings	560	2,714	2,714	2,714
Lease Liabilities	156	153	201	227
Other Current Liabilities, etc.	2,185	2,665	3,371	3,574
Non-current Liabilities	**7,711**	**4,689**	**4,040**	**3,659**
Borrowings	7,450	4,285	3,571	2,857
Lease Liabilities	95	124	125	348
Other Non-current Liabilities, etc.	165	279	343	453
Total Liabilities	**10,612**	**10,222**	**10,327**	**10,176**
Total Capital	**8,633**	**9,933**	**12,177**	**13,440**
Total Liabilities and Capital	**19,246**	**20,155**	**22,505**	**23,617**

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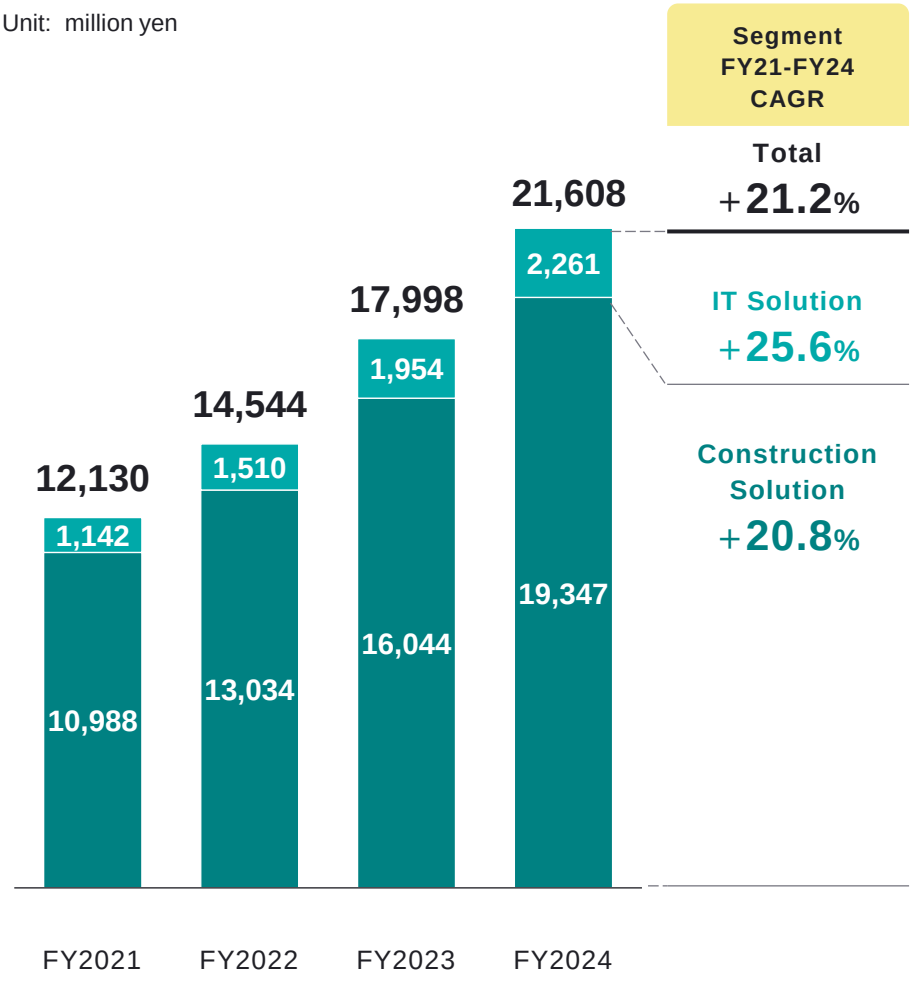
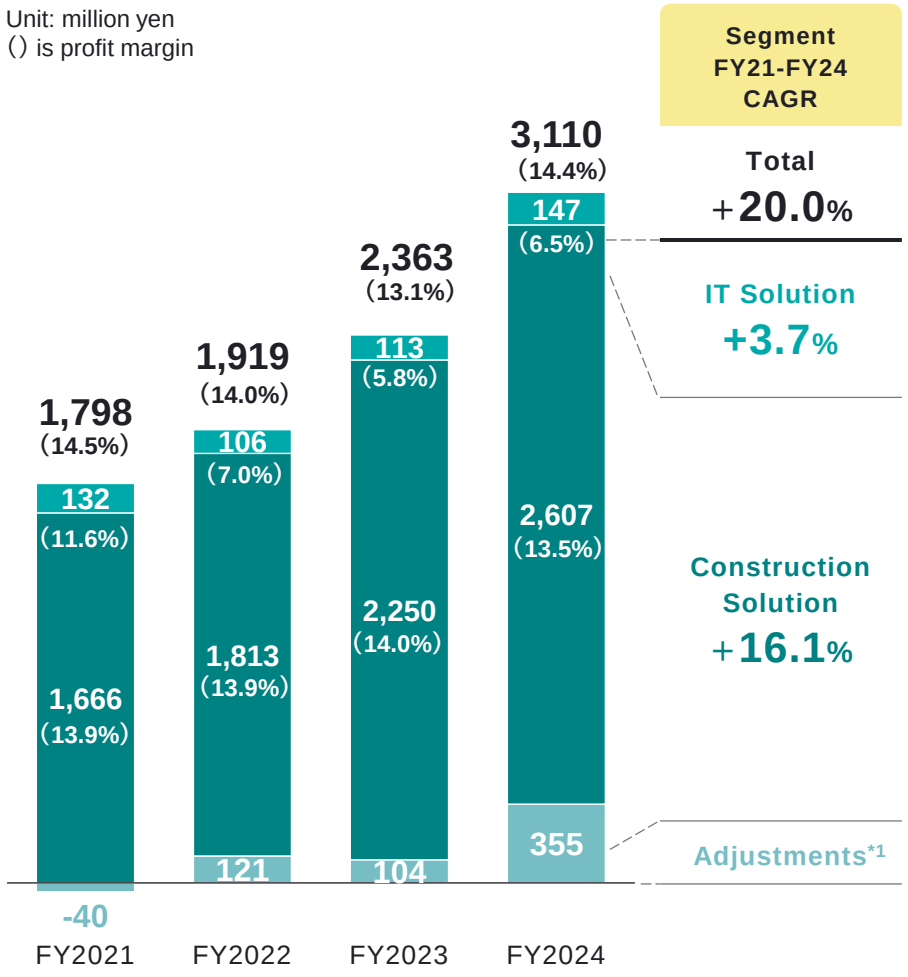
Sales Revenue by Segment

Unit: million yen



Segment Profit*2

Unit: million yen
() is profit margin



(*1) Adjustments are due to the elimination of inter-segment transactions and partial addition back to the segments of the amount of the management fees, etc. paid by the consolidated subsidiaries to Nareru Group

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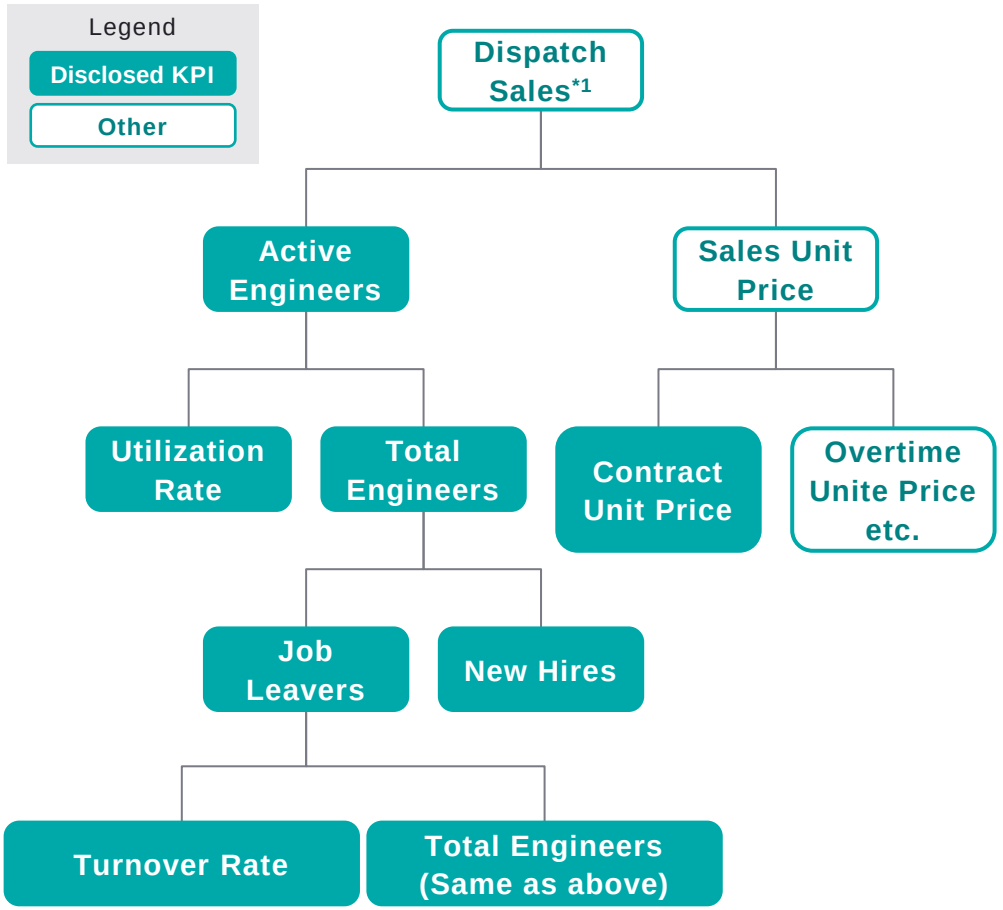
- The Group discloses the following major KPIs related to dispatch sales.

KPI Structure



*1 At ATJC, sales based on the SES contract is included.

Definition of KPI

Active Engineers	Engineers who were dispatched for at least one day during the month
Total Engineers	Engineers who were employed for at least one day during the month (Engineers at the beginning of the month + Engineers hired in the month)
Utilization Rate	Active Engineers / Total Engineers
New Hires	Engineers who joined the company during the period
Job Leavers	Engineers who left the company during the target period
Turnover Rate	Job leavers during past 12 months / (Total engineers at the end of the month 12 months prior + New hires during past 12 months)
Sales Unit Price	Sales per active engineer
Contract Unit Price	Average of contract unit prices (excluding overtime charges) for all engineers
Overtime Unite Price etc.	Amount per active engineers of total of (i) Additional amount such as overtime charges and (ii) unavailability reduction

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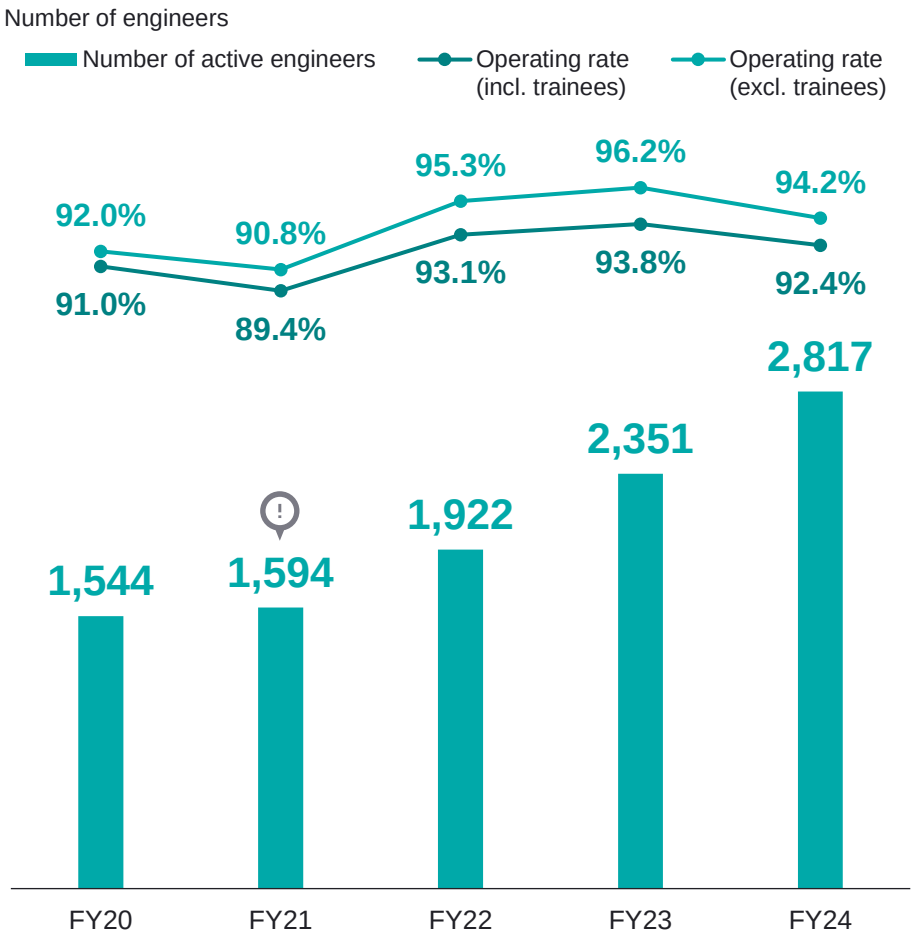
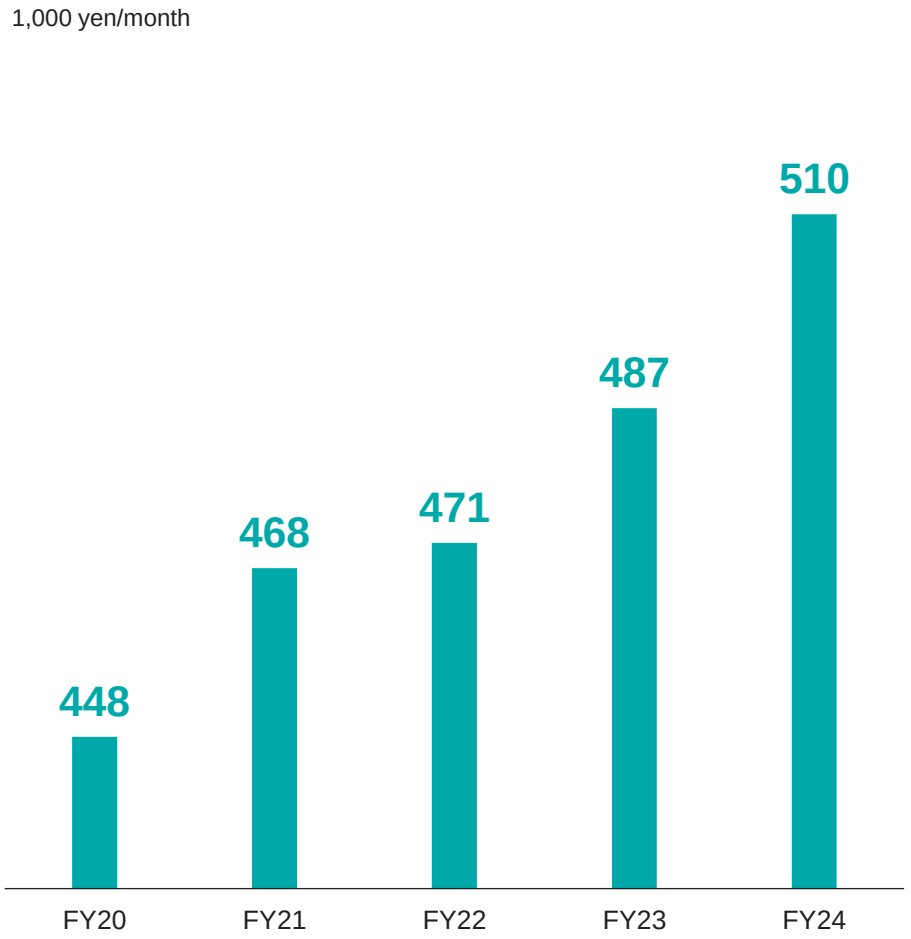
Number of Active Engineers and Operating Rate*1



Contract Unit Price per Person*2



❶ **Reason for the temporary low performance: the sales activity had been sluggish due to the coronavirus**

(*1) Figures are non-consolidated figures for World Corporation
Number of active engineers: Number of employees under dispatch contracts, average during the period
Operating rate (incl. trainees): Percentage of occupied persons to the number of engineers (including trainees), average during the period
Operating rate (excl. trainees): Percentage of occupied persons to the number of engineers (excluding trainees), average during the period

(*2) Figures are non-consolidated figures for World Corporation
The contract unit price per person is the average value of each contract unit price (excluding overtime pay) for all dispatched employees, including experienced and inexperienced employees

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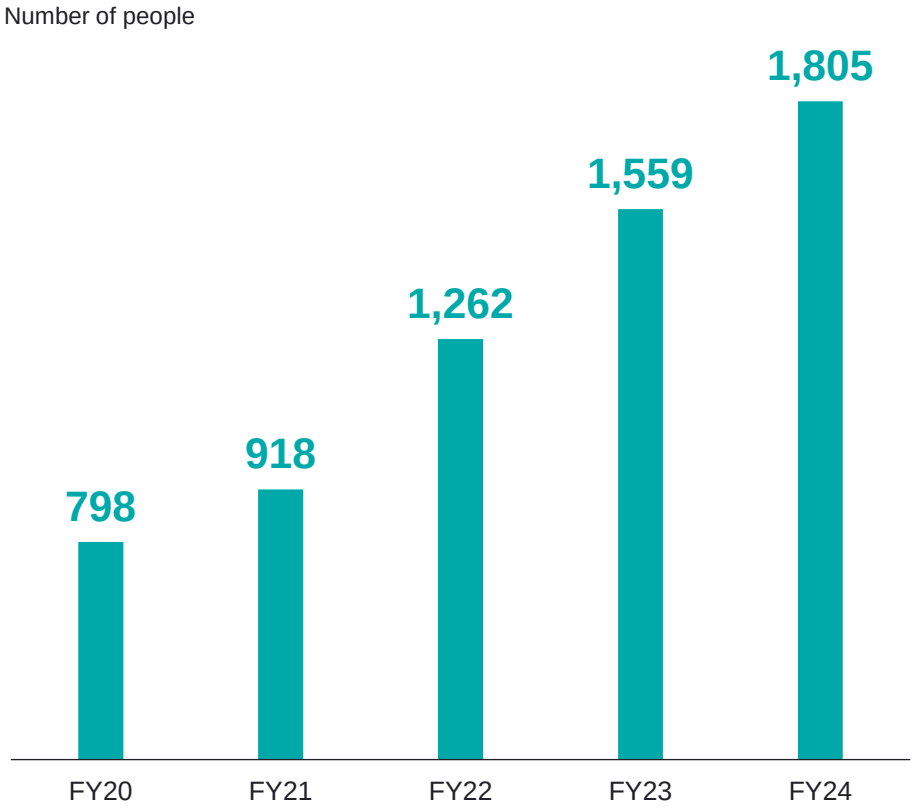
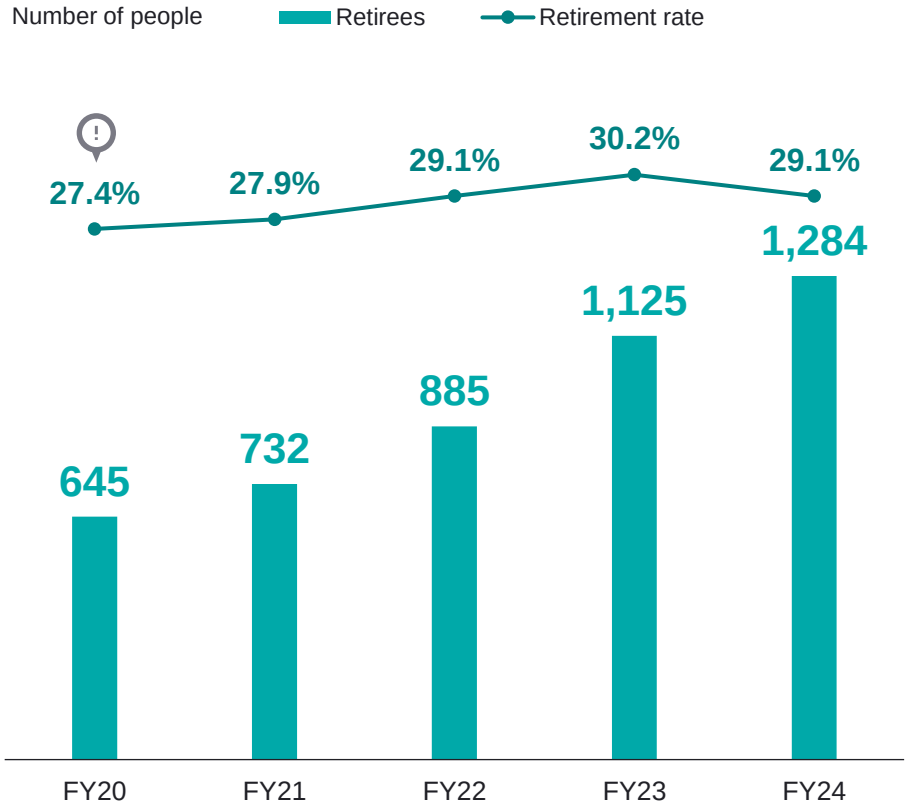
Number of New Recruits*1



Number of Retirees / Retirement Rate*2



Reason for the temporary low performance: the sales activity had been sluggish due to the coronavirus

(*1) Figures are non-consolidated figures for World Corporation(Cumulative period)

(*2) Figures are non-consolidated figures for World Corporation
(The number of retirees is the cumulative total during the period)

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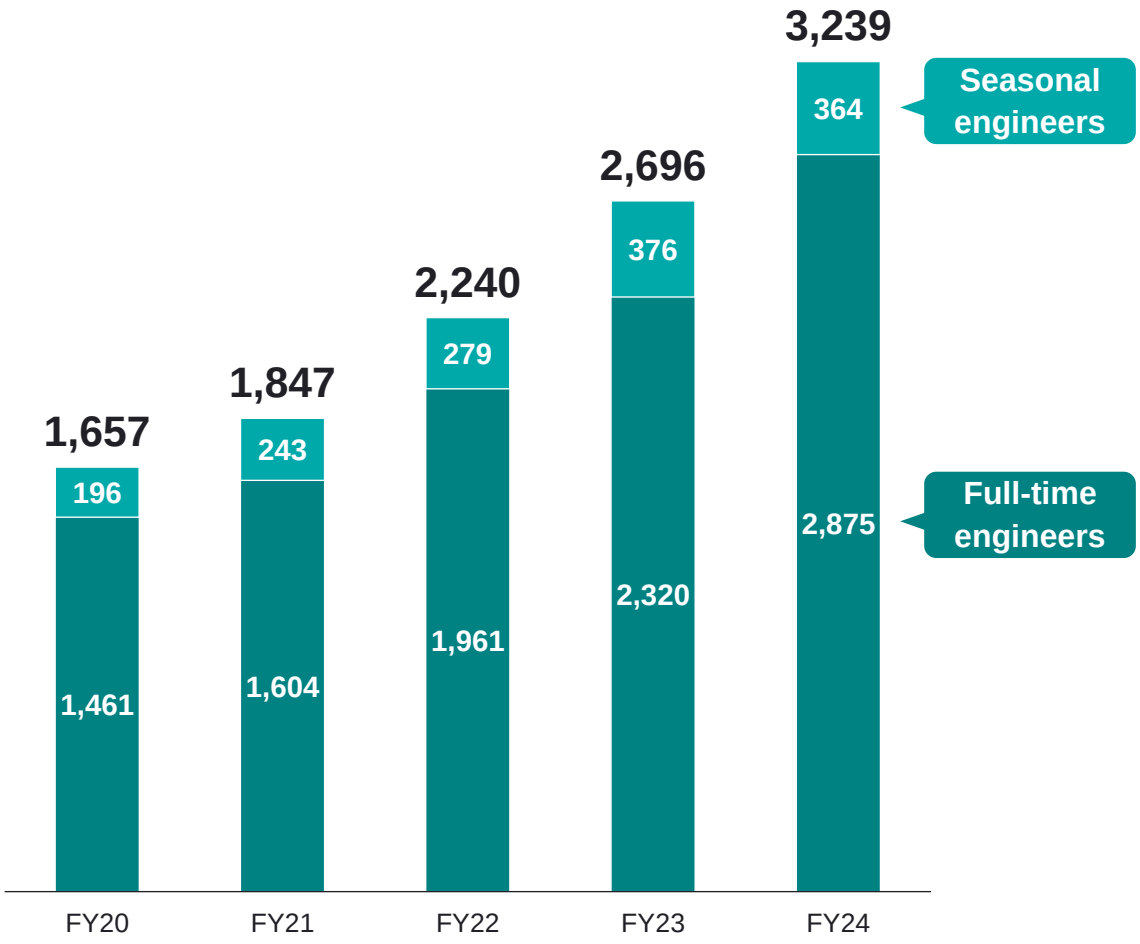
Number of Engineers*1

Number of people



(*1) Figures are non-consolidated figures for World Corporation
Number of engineers who have been enrolled for at least 1 day in October each year(for FY2023 2Q, number of engineers who have been enrolled for at least 1 day in April 2023)

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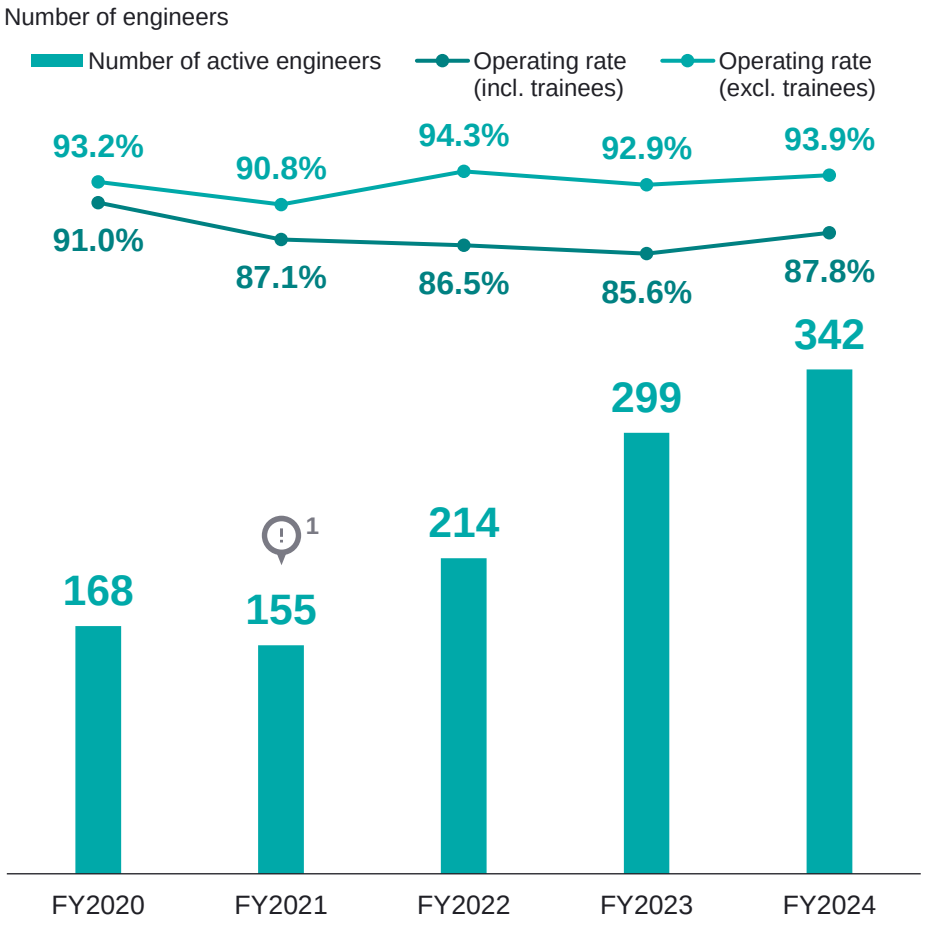
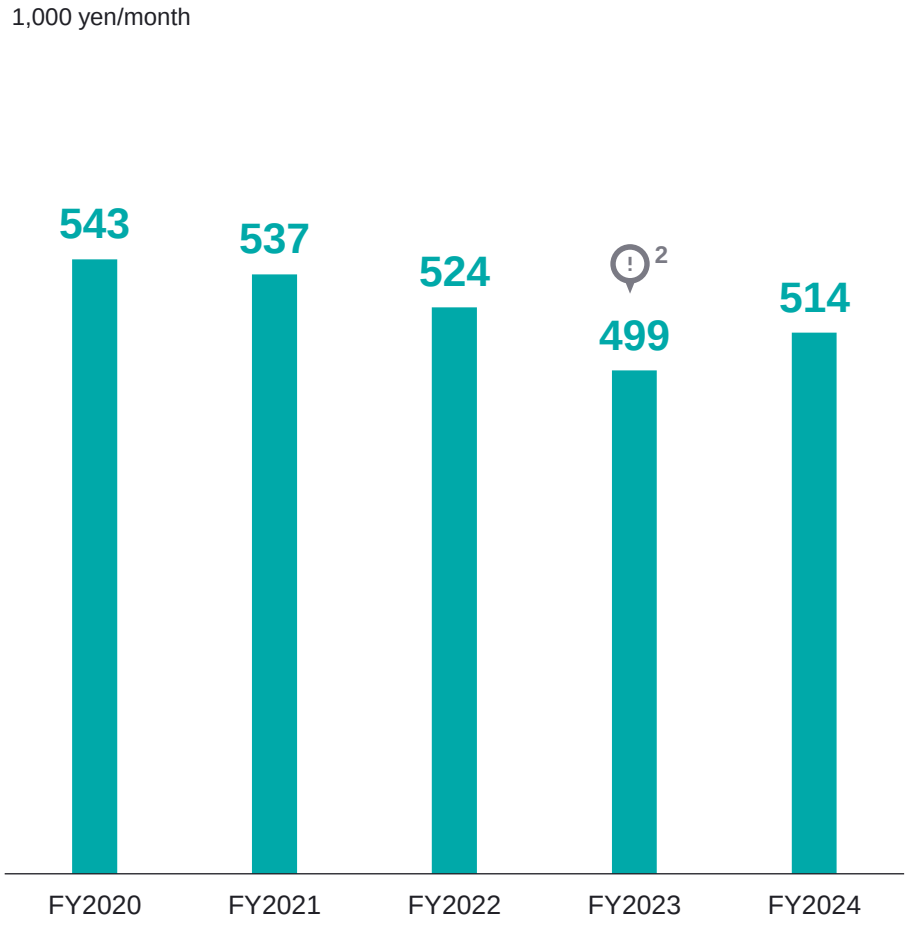
Number of Active Engineers and Operating Rate*1



Contract Unit Price per Person*2



Reason for the temporary slump: 1. Sales activities were sluggish due to the impact of the COVID-19 pandemic
: 2. Started full-scale hiring of inexperienced workers, and increased the hiring ratio of inexperienced workers with low contract unit prices

(*1) Figures are non-consolidated figures for ATJC
Number of active engineers: number of employees dispatched or under contract, average during the period
Operating rate (incl. trainees): Percentage of occupied persons to the number of operable persons (including trainees), average during the period
Operating rate (excl. trainees): Percentage of occupied persons to the number of operable persons (excluding trainees), average during the period

(*2) Figures are non-consolidated figures for ATJC
The contract unit price per person is the average value of each contract unit price (excluding overtime pay) for all dispatched employees, including experienced and inexperienced employees

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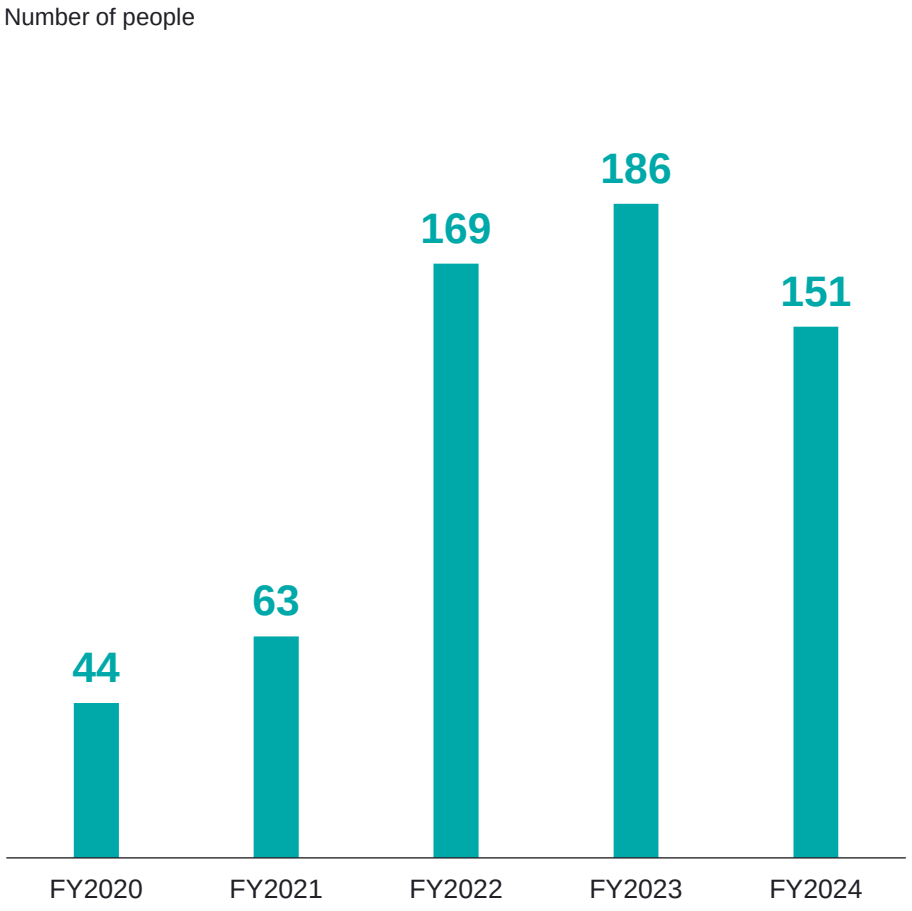
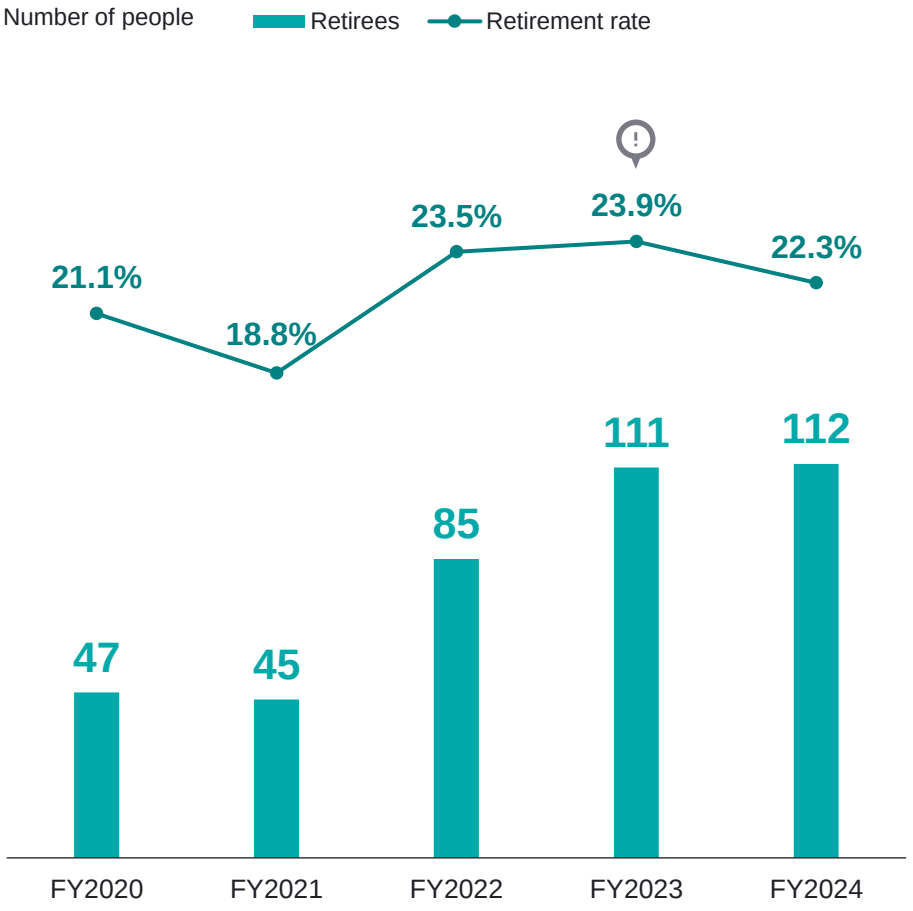
Number of New Recruits*1



Number of Retirees / Retirement Rate*2



Reason for temporary slump: The ratio of inexperienced people with a high resignation rate increased due to an increase in the hiring of inexperienced people.

(*1) Figures are non-consolidated figures for ATJC (Cumulative period)

(*2) Figures are non-consolidated figures for ATJC
(The number of retirees is the cumulative total during the period)

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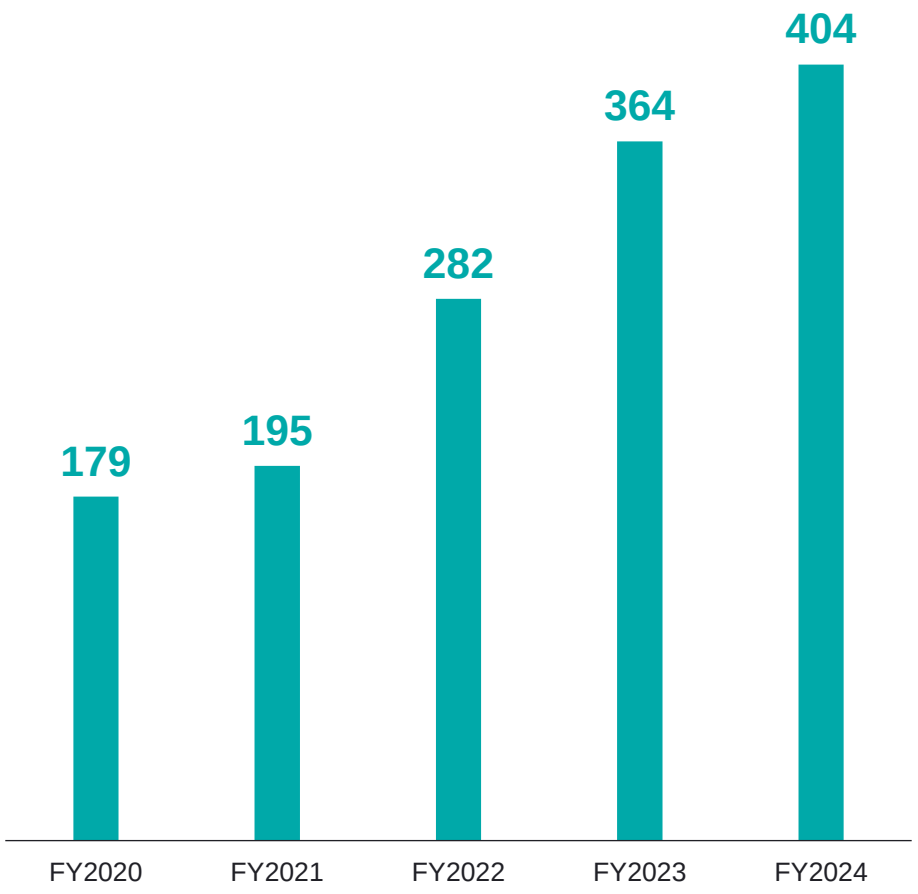
Number of Engineers*1

Number of people



(*1) Figures are non-consolidated figures for World Corporation
Number of engineers who have been enrolled for at least 1 day in October each year

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Unit：million yen	FY21.10 Results	FY22.10 Results	FY23.10 Results	FY24.10 (Forecast)	FY24.10 Results	FY25.10 (Forecast)
Revenue	12,125	14,540	17,994	21,830	21,608	25,650
Gross profit	3,324	4,229	5,169	5,920	5,940	6,860
Operating profit	1,758	2,039	2,469	2,770	3,110	3,310
Profit before Tax	1,594	1,852	2,475	2,730	3,059	3,220
Profit Attributable to Owners of Parent	1,043	1,242	1,741	1,920	2,187	2,330

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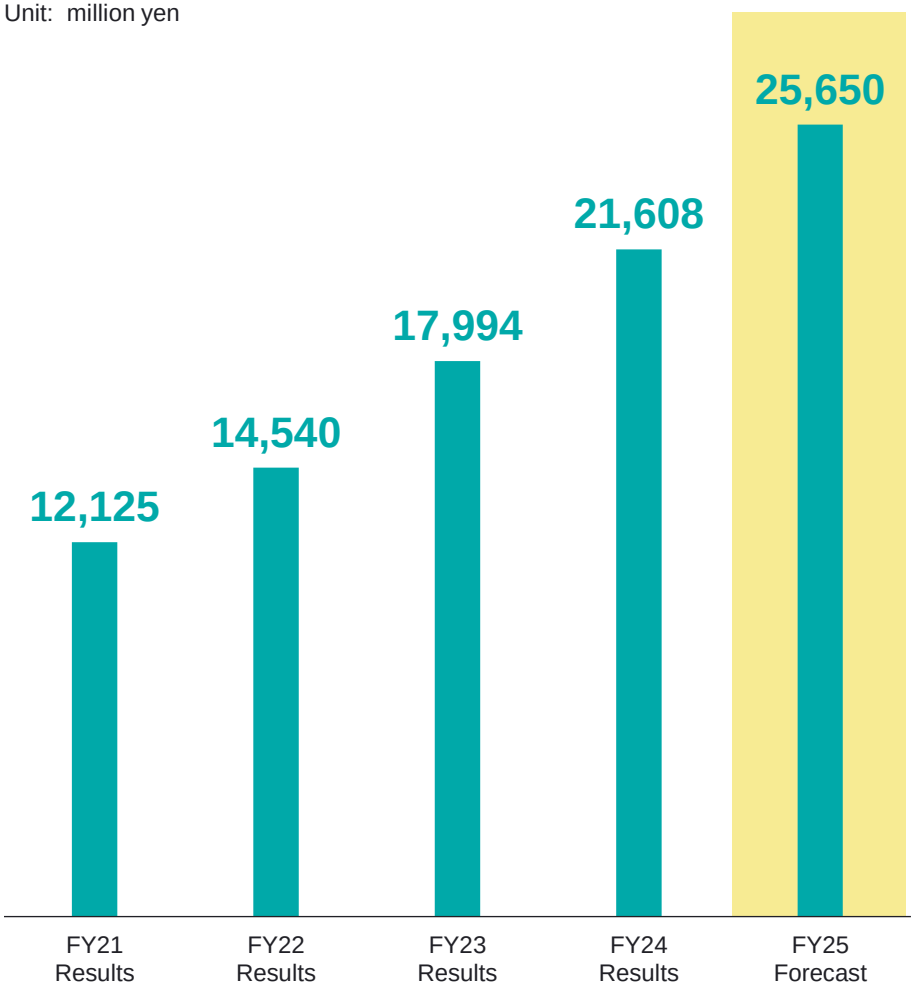
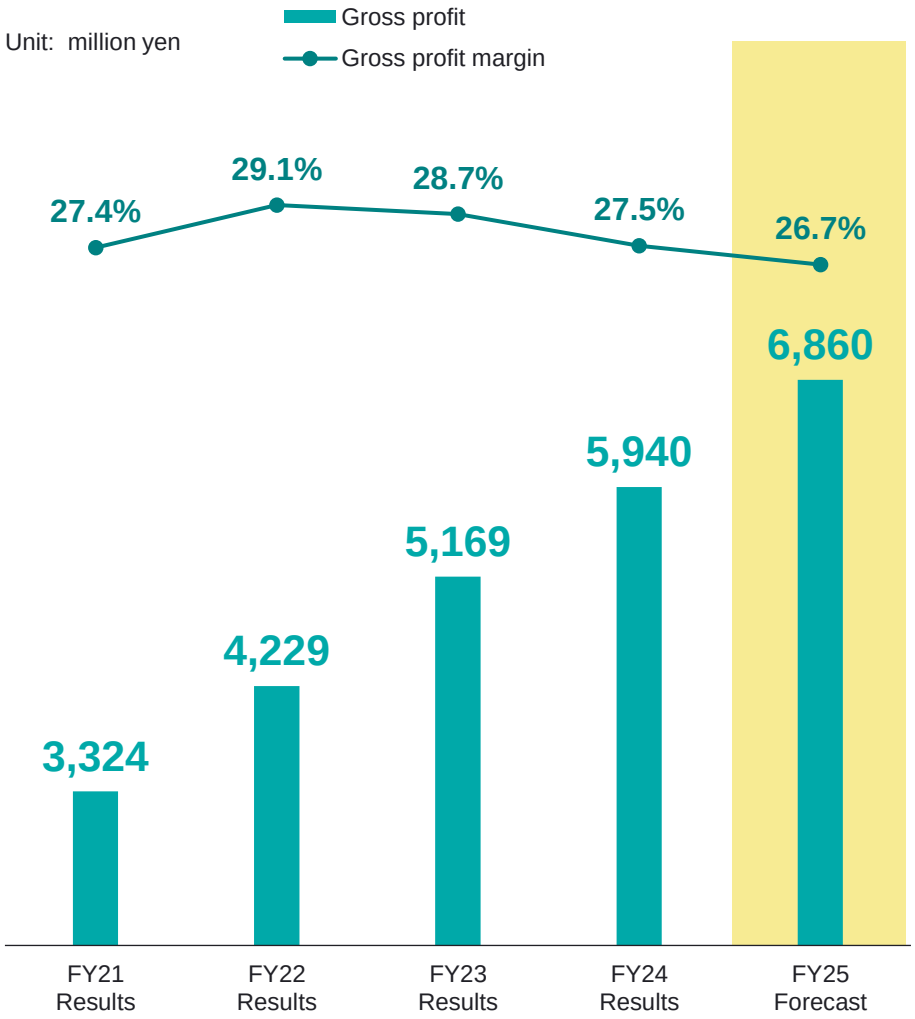
Revenue

Unit: million yen



Gross profit /Gross profit margin

Unit: million yen



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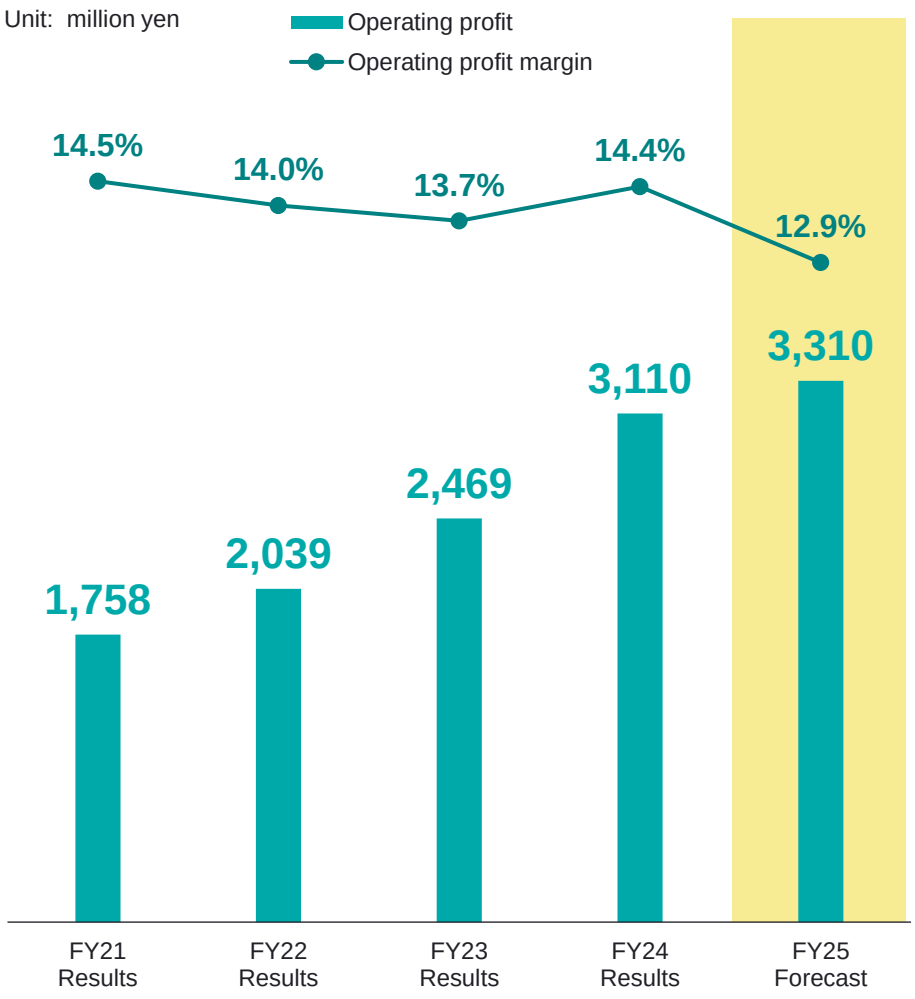
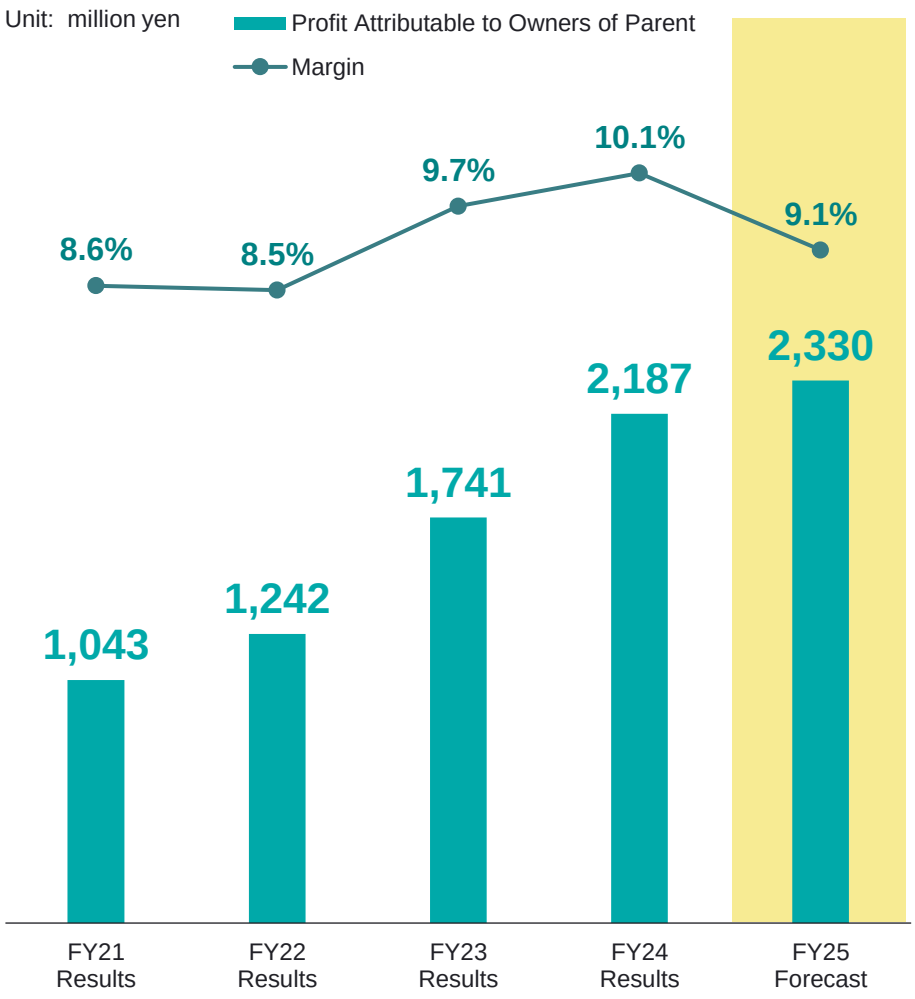
Operating profit / Operating profit margin



Profit Attributable to Owners of Parent / Margin



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- The funds raised through the issuance of shares at the time of listing will be used to cover the hiring of engineers as planned.

Use of proceeds from share issuance at the time of listing

Unit: thousand yen	FY23.10 Results	FY24.10 Results
Investments and loans to consolidated subsidiaries World Corporation and ATJC (To be appropriated for hiring engineer dispatched by the two companies)	**54,000**	**319,237**
Total		**373,237**

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Major Risks and Risk Countermeasures

- Major risks and measures that may have a material impact on the realization of growth and the execution of business plans.

Entry	Major Risks	Countermeasures	Potential for Emergence	Impact on business	Time of Emergence
Construction Economic trends	Our group operates a temporary staffing business, primarily for the construction industry. We believe that the demand for temporary workers in the construction industry will continue to expand due to the labor shortage and other factors. However, if construction investment trends fluctuate significantly due to a decline in public and private construction works caused by the worsening economic situation, there is a possibility that working hours will be shortened, contract terms will worsen, and temporary worker contracts will be terminated midway through.	While the Group's main business is staffing the construction industry, it also provides staffing to the plant, BIM, IT and other fields. By utilizing the know-how and experience it has accumulated in the construction industry, the Group operates its business in a way that diversifies risk so as not to be significantly affected by the business conditions of any particular industry or customer.	**Medium**	**Medium**	**Medium-term**
Securing engineers	The country's total population is expected to continue to decline. The supply and demand of engineers in Japan is tight. Depending on future trends in the engineer recruitment market, there is a risk that we may not be able to secure a sufficient supply to meet demand or that recruitment costs may increase, which may have an adverse effect on the Group's operating results and financial position.	Securing technical personnel is an important management issue for the growth of our group, so we will increase the number of engineers we dispatch through efforts to "increase the number of employees," "reduce turnover rates," and "improve the skills of our engineers." Recruiting power is one of our group's strengths, and the number of engineers we hire and employ is steadily increasing. In terms of recruitment channels, in addition to utilizing traditional recruitment media, we are also diversifying our recruitment channels to include our own recruitment media (Sekokan NEXT), the use of recruitment agencies, and introductions from acquaintances, in an effort to secure technical personnel.	**Medium**	**Medium**	**Medium-to long term**
Labor management	In the unlikely event that a violation of laws and regulations occurs due to inappropriate labor management, or a dispute arises between dispatched technical employees regarding occupational safety and health or employment relationships, etc., this could have an adverse effect on the Group's business operations. As a result, this may have an adverse effect on the business performance and financial position of our group.	As labor management regulations are becoming stronger, such as the introduction of upper limits on overtime work hours in the construction industry from April 2024, our group is taking steps to ensure the quality of our personnel at the time of recruitment, strengthen our education and training system, and improve the management of dispatched technical employees, including labor management that emphasizes compliance.	**Medium**	**Medium**	**Medium-term**
Permits and Licenses Laws and regulations	Our group operates as a labor dispatching business operator and a fee-charging employment placement business operator with permission from the Minister of Health, Labour and Welfare. If the Group is ordered to suspend operations or have its business license revoked for any reason, such as engaging in construction work prohibited by the Labor Dispatching Law (note that construction management, CAD drawing, construction drawing, etc., performed by the Group's dispatched technical employees do not fall under such work), it may disrupt the Group's business activities and have an adverse effect on its operating results and financial position.	We regularly receive information and guidance on legal amendments and trends from authorities from the law firms and labor and social insurance offices with which we have consulting contracts. In addition, we intend to actively gather information and take part in study sessions held by external organizations in the future.	**Small**	**Medium**	**Medium-to long term**

For other risk information, please refer to the “Business and Other Risks” (「事業等のリスク」) in the Annual Securities Report (有価証券報告書)

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The information on future business results is forward-looking statements. Forward-looking statements include but not limited to expressions such as “believe,” “expect,” “plan,” “strategic,” “expect,” “anticipate,” “predict” and “possibility,” as well as other similar expressions to explain future business activities, achievements, events and future conditions. Forward-looking statements are predictions about the future that reflect management’s judgment based on currently available information. As such, these forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements.

The next business plan and growth potential materials will be released by December 2025.

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