

April 28, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: SMS CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 2175
 URL: <https://www.bm-sms.co.jp/>
 Representative: Natsuki Goto, CEO
 Inquiries: Masato Sugizaki, CFO
 Telephone: +81-3-6721-2400
 Scheduled date of annual general meeting of shareholders: June 20, 2025
 Scheduled date to commence dividend payments: June 23, 2025
 Scheduled date to file annual securities report: June 20, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	60,952	12.9	6,335	(23.4)	8,357	(15.6)	6,054	(16.2)
March 31, 2024	53,973	18.2	8,269	13.6	9,901	13.0	7,227	12.8

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥8,682 million [(1.8)%]
 For the fiscal year ended March 31, 2024: ¥8,845 million [(3.9)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	70.96	70.95	13.3	11.2	10.4
March 31, 2024	82.97	82.75	17.6	14.4	15.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥2,027 million

For the fiscal year ended March 31, 2024: ¥1,683 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	76,540	47,319	61.5	554.24
March 31, 2024	72,475	44,284	60.7	507.23

Reference: Equity

As of March 31, 2025: ¥47,089 million

As of March 31, 2024: ¥44,001 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	5,806	(4,071)	(4,148)	15,253
March 31, 2024	9,773	(3,739)	(5,020)	17,365

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	0.00	-	20.00	20.00	1,734	24.1	4.2
Fiscal year ended March 31, 2025	-	0.00	-	28.50	28.50	2,421	40.2	5.4
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	-	-		-	

Note: At this time, the expected dividend amount for the end of the fiscal year ending March 31, 2026 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	67,544	10.8	7,287	15.0	9,468	13.3	7,029	16.1	82.39

*** Notes**

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

(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: None
- (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 March 31, 2025	87,561,600 shares
As of March 31, 2024	87,561,600 shares

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

As of March 31, 2025	2,599,151 shares
As of March 31, 2024	812,832 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	85,320,254 shares
Fiscal year ended March 31, 2024	87,110,295 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	50,623	14.5	6,627	(21.3)	8,517	(16.5)	6,551	(15.7)
March 31, 2024	44,202	18.8	8,417	15.0	10,196	14.3	7,770	14.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	76.78	76.77
March 31, 2024	89.21	88.97

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	60,389	49,742	82.0	582.77
March 31, 2024	61,285	48,839	79.2	559.75

Reference: Equity

As of March 31, 2025: ¥49,513 million
As of March 31, 2024: ¥48,557 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters
(Cautions on forward-looking statements, etc.)

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available as of the date of submission and certain assumptions that are judged to be reasonable, and actual results may differ from the forecasts due to various factors.

(Method of accessing supplementary material on financial results)
Supplementary financial results materials are disclosed on TDnet on the same day.

Table of Contents for Attached Materials

1. Overview of Operating Results, etc.	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position	8
(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years	8
2. Basic Policy on Selection of Accounting Standards	9
3. Consolidated Financial Statements and Primary Notes.....	10
(1) Consolidated Balance Sheets.....	10
(2) Consolidated Statements of Income (Cumulative) and Consolidated Statements of Comprehensive Income (Cumulative)	12
Consolidated statements of income (cumulative).....	12
Consolidated statements of comprehensive income (cumulative).....	13
(3) Consolidated statements of changes in equity	14
(4) Consolidated statements of cash flows	16
(5) Notes to Consolidated Financial Statements	17
(Going concern assumption)	17
(For consolidated statements of income).....	17
(Segment information, etc.).....	18
(Amounts per share).....	20
(Significant subsequent events).....	21

1. Overview of Operating Results, etc.

(1) Explanation of Operating Results

(i) Consolidated operating results (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change (amount)	Change (percentage)
Net sales	53,973	60,952	6,979	12.9%
Operating profit	8,269	6,335	(1,934)	(23.4%)
Ordinary profit	9,901	8,357	(1,544)	(15.6%)
Profit attributable to owners of parent	7,227	6,054	(1,173)	(16.2%)

The Group's Mission is "to improve the quality of life by providing information infrastructure for an aging society." We regard Medical Care, Elderly/Disability Care^{*1}, Healthcare, and Senior Life as the business domains required in an aging society and define information infrastructure as a platform to connect those to whom we provide value: end users, professionals, and operators. By building information infrastructure that supports people in an aging society through information, we are working to solve various issues that arise in an aging society and contribute to improving the quality of life.

An unprecedented era of low birth rate, aging and population decline

Japan is entering an era of simultaneous rapid aging and population decline, the likes of which no one has ever experienced. As of October 2024, the number of elderly people aged 65 and over was 36.24 million.^{*2} The aging rate, already at 29%, is expected to reach approximately 35% by 2040 when the elderly population approaches its peak of over 39 million. On the other hand, the working-age population aged 15–64, who play a central role in economic activities, continues to drop, and its relative percentage of the population composition is projected to decline from 68% in 2000 to nearly 55% by 2040.^{*3}

Three critical issues faced by an aging society

Against the backdrop of these demographic changes, the state of society, including economic trends, national policies, and people's values, has undergone significant changes, and new issues have emerged that did not exist before. The Group recognizes that there are three important social issues that we need to solve in an aging society.

Issue 1: Difficulty in sustaining high-quality medical care and elderly/disability care services

While the demand for medical care and elderly/disability care services is increasing as the population ages, the shortage of workers to support these services has become a serious problem due to a decline in the working-age population. According to national estimates, by 2040, an additional 320,000 nurses will be required compared to 2018, and an additional 570,000 care workers will be required compared to 2022.^{*4} The growing shortage of medical care and elderly/disability care professionals will make it difficult to sustain high-quality medical care and elderly/disability care services.

Issue 2: More severe burden on the working generation

As the elderly population increases, social security expenses that support pensions, medical care, elderly care, and other welfare services are expected to increase to 190 trillion yen in 2040, about 1.6 times the 2018 level.^{*5} On the other hand, due to the decline in the working-age population, we will see shrinking workforces, not only in medical care and elderly/disability care, but in all industries in Japan. The average number of people in the working generation required to support one elderly person is expected to decline from 2.1 in 2018 to 1.6 in 2040, placing an increasingly heavy burden on the working generation.^{*6}

Issue 3: Difficulty in solving problems related to living in an aging society

As the population ages, the services required in society are also changing. In an aging society, new needs such as elderly care and end-of-life planning are emerging and the demand for these services is expanding. However, the available information related to living in an aging society is insufficient in terms of quality and quantity, and it is not provided in an organized manner. Furthermore, there are also concerns that the future labor shortage in many industries will result in an inability to adequately supply the services required by an aging society. This will make it difficult for the elderly and their families to solve various life-related

problems.

Issues in Japan's aging society and our solutions

In order to solve the three issues facing Japan's aging society through building information infrastructure, the Group has established specific solutions targeting each social issue.

For Issue 1: difficulty in sustaining high-quality medical care and elderly/disability care services, in addition to solving the overwhelming supply-demand gap of medical care and elderly/disability care professionals, it is important to improve the operational efficiency and solve management issues of business operators that provide medical care and elderly/disability care services. Therefore, we believe that the solution is to "solve labor shortages and uneven distribution of medical care and elderly/disability care professionals" and to "improve the management of medical care and elderly/disability care operators."

For Issue 2: more severe burden on the working generation, resulting from increasing social security costs and a decreasing working-age population, we will be able to solve this issue through "increasing the number of healthy people in the work force" by enabling more people to work productively in good health for a long period of time.

For Issue 3: difficulty in solving problems about life in an aging society, our solution is to "provide a variety of options and high-quality decision-making information" by organizing various types of information related to Japan's aging society in an easy-to-understand manner.

Initiatives in each business area

Based on the above issues and their solutions, the Group is working to solve social issues in each business area, aiming to realize our Mission and increase our corporate value over the long term through sustainable growth.

<Career Business>

In the Career Business, we aim to solve the social issue 1: "difficulty in sustaining high-quality medical care and elderly/disability care services," by contributing to "solving labor shortages and uneven distribution of medical care and elderly/disability care professionals" through optimal matching between care professionals and care business operators.

In the medical care field, it is expected that the medical functions required will shift from acute care to chronic and home care as demand expands. As the demand for medical care changes, the supply and demand gap for healthcare professionals is widening. In addition, "uneven distribution among medical care functions" and "uneven distribution among regions" are also becoming major issues. In our Medical Care Career business, we assist professionals in "taking their careers one step forward" throughout their professional lives by providing them with various types of support including support in finding/changing jobs, returning to work and developing their careers. We help operators solve their HR issues, such as recruitment and improvement of working environments. In addition, by appropriately communicating to professionals the appeal of the work styles and careers that they can realize at those operators, we can offer professionals job opportunities at better operators needed by society. We contribute to solving the shortage and uneven distribution of medical care professionals by promoting optimal matching to the medical functions and local operators in demand by society, while supporting professionals to pursue their ideal careers.

In the elderly/disability care field, as the number of elderly people increases, the number of people requiring elderly care in their daily lives is expected to increase, and it is certain that the overwhelming shortage of professionals will continue long term. According to national estimates, an additional 250,000 care workers will be required in 2026 compared to 2022, and this number is expected to increase to 570,000 by 2040.^{*4} In our Elderly Care Career business, we are working to increase the number of new workers entering the elderly/disability care industry, while at the same time encouraging professionals to stay in the industry and reducing the number of people leaving the industry, which will lead to solving the overwhelming shortage of elderly/disability care professionals. We provide support for inexperienced people at our school to obtain certification and encourage people from outside the industry to start their careers in the elderly/disability care field by supporting them in getting jobs at operators that offer good working and training environments even for those with no experience. In addition, following employment, we provide a retention support service to help workers overcome their worries and concerns at the workplace, thereby preventing them from retiring from the industry early. In addition, we promote optimal matching between job seekers and elderly/disability care operators so that elderly care professionals can work with a sense of job satisfaction by making use of their skills and experience. We also contribute to encouraging professionals to stay in the industry and reducing the number of people leaving the industry by helping operators solve their HR issues, such as recruitment and improvement of working environments which will lead to realizing better working environments for them.

We will continue to maximize the value we provide to professionals and operators and achieve sustainable growth over the long term, aiming to solving the shortage and uneven distribution of medical care and elderly/disability care professionals.

<Elderly/Disability Care Operators Business> *the name of business has changed from "Elderly Care Operators" since FY03/25

In the Elderly/Disability Care Operators Business, we aim to solve the social issue 1: "difficulty in sustaining high-quality medical

care and elderly/disability care services," by contributing to "improving the management of elderly/disability care operators" through the provision of Kaipoke, a subscription-based management support platform for elderly/disability care operators. There are approximately 260,000 elderly care offices*⁷ nationwide, more than 80% of which are corporations operating one or two offices*⁸, and many of them are facing management issues due to their small scale. In addition to a large amount of time spent on indirect work such as document preparation, there are business and management problems such as a labor shortage due to difficulty in hiring staff, low purchasing power, and cash-flow issues, making it difficult to fully focus on the care for the elderly, and this is a common concern among elderly care operators. In addition, the number of users of welfare services for persons with disabilities is increasing year by year due to the growing social awareness toward disabilities and easier access to diagnosis. Accordingly, the number of service offices providing welfare services for persons with disabilities has been continuously increasing, but they face the same management issues as elderly care operators. Kaipoke provides comprehensive support for the management of elderly/disability care operators, working to improve their management and service quality, with more than 40 services that support operations, recruitment, purchasing, finance, back office, M&A, etc., on top of the insurance claim service that is essential for elderly/disability care operations, through a one-stop platform.

We will maximize the value provided by our management support platform through expanding our operator coverage to a wider range of elderly/disability care service types, increasing the number of customers, developing new services, promoting these services to our customers and analyzing/leveraging accumulated data on elderly/disability care operators, thereby achieving sustainable growth over the long term.

<New Business>

In the New Business (Healthcare), we aim to solve the social issue 2: "more severe burden on the working generation," by contributing to "increasing the number of healthy people in the work force" through the provision of a platform that supports health and productivity management of companies. Due to a decline in the working-age population, Japan is expected to face a labor shortage in all industries in the future. Moreover, among the working generation, there are many patients/potential patients with life-style related diseases, which often progress to critical illnesses such as diabetes and dementia. Mental disorders caused by overworking or stress in the workplace are also serious, and the number of patients receiving medical treatment for depression and other mood disorders has been on the rise in recent years. In order to halt this decline in the work force and increase its productivity, it is essential for people to be able to work healthily for a long period of time. The Japanese government is focusing on measures to prevent lifestyle-related diseases and improve mental health. In particular, the government is actively promoting policies to promote the spread of "health and productivity management," in which companies work to improve the health of employees and their families. The Group will contribute to improving the health of their employees and their families by developing a health and productivity management platform, which provides companies and health insurance associations with evidence-based digital health services*⁹ that utilize the capabilities of healthcare professionals, such as doctors, nurses, and dietitians. Leveraging the Group's strengths in healthcare professional networks, ICT capabilities, and proven results from verification projects conducted with ministries and national agencies, we offer effective solutions with a reasonable price, such as our Remote Specific Health Guidance Service for health insurance associations and our Remote Industrial Health Service for companies.

We will maximize the value provided by the health and productivity management support platform through increasing the number of clients and users of our services, developing services necessary for health and productivity management, improving the quality of services through hiring/training healthcare professionals and analyzing/leveraging accumulated data, thereby achieving sustainable growth over the long term.

In the New Business (Senior Life), we aim to solve the social issue 3: "difficulty in solving problems related to living in an aging society," by "providing a variety of options and high-quality decision-making information" through the development of a problem-solving platform that connects people with concerns and needs related to living to consultation services and services that help solve those concerns and needs. In our web community for people struggling with elderly care, we provide support in solving various problems centering on elderly care through interaction among members and advice from specialists. We also provide comprehensive support in solving all the problems faced by end users by connecting people who have clear needs relating to housing, food, end-of-life planning, etc. to services introducing business operators.

We will maximize the value provided by the problem-solving platform through enhancing the value of a web community for people struggling with elderly care as a comprehensive consultation desk for elderly care, expanding the coverage of categories specific to an aging society / the range of services within each category, increasing the number of business partners that provide solutions to problems and helping business operators achieve better management, thereby achieving accelerated growth.

<Overseas Business>

In the Overseas Business (Medical Platform Business), we aim to solve the social issue: "low availability of medicines and medical devices, and inadequate quality of medical care in APAC," by "improving the availability and safety of medical care"

through building a medical platform optimized for APAC that connects healthcare professionals and medical-related companies. We support the marketing activities of medical-related companies such as pharmaceutical companies around the world by utilizing the Group's membership base of healthcare professionals in APAC. We contribute to supporting more effective and efficient marketing activities for medical-related companies by identifying, creating, organizing, and localizing valuable information and providing it to healthcare professionals, thereby expanding and enhancing the engagement of the membership bases of healthcare professionals.

We will maximize the value provided by the medical platform through expanding the scope of our services to a broader range of industries/business types, increasing the number of clients, expanding the types of information provided to healthcare professionals and increasing its quality/quantity, expanding the membership bases of healthcare professionals, enhance their engagement, and analyzing/leveraging accumulated data, thereby achieving sustainable growth over the long term.

In the Overseas Business (Global Career Business), we aim to solve the social issue: "shortage and uneven distribution of healthcare professionals around the world" in the midst of increasing global needs for medical care services due to economic and population growth, by building an HCP (healthcare professional) supply platform that connects healthcare institutions and healthcare professionals around the world. We will contribute to improving the quality of medical care around the world by promoting optimal matching cross-borderly and domestically according to the supply and demand situation of healthcare professionals and healthcare institutions in each country.

We will maximize the value provided by the HCP (healthcare professional) supply platform through expanding our operating countries, increasing the number of clients within these countries, increasing the number of countries / healthcare professionals we provide employment support, and increasing the volume of optimized matching between healthcare institutions and healthcare professionals, thereby achieving sustainable growth over the long term.

The Group will contribute to solving social issues by capturing various business opportunities arising from the expanding market and creating a range of new services both domestically and internationally and achieve sustainable growth over the long term.

The Group's operating results for the fiscal year ended March 31, 2025, are as follows.

Net sales amounted to 60,952 million yen (up 12.9% year-on-year) due to the expansion of the Career Business and the Kaipoke Business, etc.

Operating profit amounted to 6,335 million yen (down 23.4% year-on-year), due to the continued proactive hiring of career partners and increased investments in advertising, etc.

Ordinary profit amounted to 8,357 million yen (down 15.6% year-on-year).

Profit attributable to owners of parent amounted to 6,054 million yen (down 16.2% year-on-year).

- *1. We officially launched new services for the disability welfare field from FY03/25, changing the name of the business to "Elderly/Disability Care Operators Business,"
and redefined "Elderly Care" as "Elderly/Disability Care" of the business domains required in an aging society.
- 2. MIC, "Population estimates"
- 3. National Institute of Population and Social Security Research "2023 Estimated future population of Japan"
- 4. Nurses : MHLW, "Status of securing nurses and other nursing staff"
Elderly care workers: MHLW, "Required number of elderly care staff based on the 9th plan for long-term care insurance"
- 5. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"
The amount is the total of pensions, medical care, and elderly care.
- 6. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"
- 7. MHLW, "Statistics of Long-term Care Benefit Expenditures" (March 2024)
- 8. MHLW, "Long-Term Care Information Publication System", "Information Provision System for residences with health and welfare services"
Compiled based on information as of January 2025
- 9. Digital Health: Improving the effects of medical care and healthcare by utilizing the latest digital health technologies such as AI, ICT, IoT, wearable devices, and big data analysis.

(ii) Overview by each business area

The Group discloses four business areas: Career Business, Elderly/Disability Care Operators Business, Overseas Business, and New Business. The Career Business is further divided into Elderly Care Career and Medical Care Career.

<Net sales by business area>

Sales by business area						(Millions of yen)
Business area		Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change (amount)	Change (percentage)	
Career Business		32,379	36,211	3,832	11.8%	
	Elderly Care Career	16,292	19,320	3,027	18.6%	
	Medical Care Career	16,086	16,891	805	5.0%	
Elderly/Disability Care Operators Business		9,811	11,957	2,145	21.9%	
Overseas Business		9,002	9,385	383	4.3%	
New Business		2,780	3,397	617	22.2%	
Total		53,973	60,952	6,979	12.9%	

<Career Business>

In the Career Business, both Elderly Care Career and Medical Care Career grew with strong demand for hiring professionals by medical/elderly care business operators. On the other hand, sales growth was limited due to a slowdown in job seekers' motivation to change jobs and increased competition for attracting job seekers.

As a result, net sales in the Career Business for the fiscal year ended March 31, 2025, amounted to 36,211 million yen (up 11.8% year-on-year).

<Elderly/Disability Care Operators Business>

In the Elderly/Disability Care Operators Business, Kaipoke, a management support platform for elderly/disability care operators, grew steadily. In addition to the increase in the number of memberships, the expansion of the sales of optional add-ons (factoring, tablets, smartphones, etc.) also contributed to growth. M&A matching business also expanded significantly, accelerating growth.

As a result, net sales in the Elderly/Disability Care Operators Business for the fiscal year ended March 31, 2025, amounted to 11,957 million yen (up 21.9% year-on-year).

<Overseas Business>

In the Overseas Business, the sales growth of Medical Platform Business was limited due to factors such as temporary reductions in marketing budgets by some customers.

The sales growth of Global Career Business was limited, affected by temporary factors such as visa suspensions and the volatile situation in the Middle East.

As a result, net sales in the Overseas Business for the fiscal year ended March 31, 2025, amounted to 9,385 million yen (up 4.3% year-on-year).

<New Business>

In the New Business, development and improvement of new services progressed, centering on services such as remote health guidance service and industrial health service using ICT in the Healthcare Business, and information service on renovation operators and funeral agency introduction service in the Senior Life Business.

As a result, net sales in the New Business for the fiscal year ended March 31, 2025, amounted to 3,397 million yen (up 22.2% year-on-year).

(Outlook for the next fiscal year)

Regarding the Group's outlook for the next fiscal year, we plan to achieve revenue growth for the 22nd consecutive fiscal year since our establishment. As the population continues to age, we expect the market related to the aging society, our Group's business domain, to continue expanding. We will continue efforts to expand existing businesses and develop and nurture new businesses. We plan to invest in strengthening service brands, revamping the direct recruiting service, and developing new businesses to achieve sustainable high growth in light of the solid market due to population aging. The increase in expenses is expected to be limited in the first half of the fiscal year ending March 31, 2026 compared to the first half of the fiscal year ending March 31, 2025 when significant investments were made.

In the Career Business, we believe that the demands for medical care and elderly care professionals continue to expand over the long term with the aging of the population and the decline in the working-age population. We expect growth in both Elderly Care Career and Medical Care Career by optimizing career partner headcount and improving productivity, assuming continued headwinds from a slowdown in job seekers' motivation to change jobs and increased competition for attracting job seekers. In addition, we plan to implement initiatives such as brand awareness campaigns, including commercials, to strengthen brands, and a revamp of our direct recruiting service to drive medium- to long-term growth.

In the Elderly/Disability Care Operators Business, we believe that Long-term market prospects remain strong, backed by a continuous increase in the number of elderly/disability care operators and their needs for management support. We expect steady growth driven by factors such as the customer acquisition of Kaipoke, a management support platform for elderly/disability care operators, increased usage of optional add-ons (factoring, tablets, smartphones, etc.), and growth in areas like M&A matching and recruiting agent service for persons with disabilities. Furthermore, regarding "PROJECT RIN", a business support system for disability welfare services provided through SMS Welfare Technology Co., Ltd. (established as a joint venture in December 2024), we will evolve it into a more attractive product by adding features such as an insurance claim function, aiming for further sales expansion in the future.

In the Overseas Business, we expect growth in the Medical Platform Business as the long-term market prospects remain solid with a continuous expansion of the healthcare market in Asia, while the impact of factors such as marketing budget reductions by some customers continues. We also believe that Global Career Business has huge long-term growth potential with the expanding demands for healthcare professionals across the globe. We expect growth by increasing the number of clients (healthcare institutions), while the impact of factors such as the volatile situation in the Middle East continues.

In the New Business, we are particularly focusing on the Healthcare Business and the Senior Life Business. In the Healthcare Business, we will promote the development and nurturing of services supporting health and productivity management for companies and health insurance associations, such as remote health guidance service and industrial health service using ICT and our Group's network of healthcare professionals. In the Senior Life Business, we will promote the development and nurturing of services that help solve problems related to themes specific to an aging society, such as elderly care and end-of-life planning.

Therefore, the financial results forecast for the fiscal year ending March 31, 2026 is as follows:

(Millions of yen)				
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change (amount)	Change (percentage)
Net sales	60,952	67,544	6,591	10.8%
Operating profit	6,335	7,287	952	15.0%
Ordinary profit	8,357	9,468	1,111	13.3%
Profit attributable to owners of parent	6,054	7,029	974	16.1%

* The financial results forecast presented herein are based on information currently available to the Company. These forecasts involve various uncertainties, and actual results may differ from the forecast figures.

(2) Explanation of Financial Position

(i) Analysis of financial position

Total assets as of March 31, 2025, amounted to 76,540 million yen (increased by 4,065 million yen from the end of the previous fiscal year). This was mainly due to a decrease in cash and deposits caused by the repurchase of shares, an increase in accounts receivable-other resulting from an increase in the number of operators using Kaipoke factoring service, an increase in software resulting from system development related to Kaipoke, and an increase in trademark right resulting from fluctuations in foreign exchange rates.

Total liabilities as of March 31, 2025, amounted to 29,221 million yen (increased by 1,031 million yen from the end of the previous fiscal year). This was mainly due to progress in repaying long-term borrowings and an increase in short-term borrowings to secure financing for the growing transaction volume of Kaipoke factoring service and to optimize financing costs.

Net assets as of March 31, 2025, amounted to 47,319 million yen (increased by 3,034 million yen from the end of the previous fiscal year). This was mainly due to decreases in shareholders' equity resulting from the repurchase of shares, an increase in retained earnings resulting from the recording of profit attributable to owners of parent, and an increase in foreign currency translation adjustment resulting from fluctuations in foreign exchange rates.

(ii) Status of cash flows

Cash and cash equivalents as of March 31, 2025, amounted to 15,253 million yen (decreased by 2,112 million yen from the end of the previous fiscal year). The status of each cash flow category and their main factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 5,806 million yen (compared to 9,773 million yen provided in the previous fiscal year). This was mainly due to factors including: profit before income taxes totaling 8,231 million yen; non-cash items such as depreciation of 2,765 million yen (reflecting depreciation of items like Kaipoke software and MIMS Group customer-related assets) and amortization of goodwill totaling 1,048 million yen; and income taxes paid amounting to 2,365 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 4,071 million yen (compared to 3,739 million yen used in the previous fiscal year). This was mainly due to factors including: purchase of intangible assets totaling 3,646 million yen, primarily for investments in system development including Kaipoke; and purchase of property, plant and equipment totaling 425 million yen, mainly for investments related to the expansion of business sites accompanying business expansion.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 4,148 million yen (compared to 5,020 million yen used in the previous fiscal year). This was mainly due to factors including: proceeds from short-term borrowings related to the Kaipoke factoring service amounting to 3,500 million yen; the purchase of treasury shares of 3,915 million yen; repayment of long-term borrowings of 1,901 million yen; and cash dividends paid of 1,735 million yen.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company's basic policy is to pay dividends in line with business results for each fiscal year, with a target consolidated dividend payout ratio of 30%, while prioritizing growth investment and considering the financial conditions.

Based on this policy, we determined that we are in a position to provide shareholder returns for this consolidated fiscal year. Regarding the year-end dividend per share for FY03/2025, we plan to increase the dividend by 8.50 yen from the previous fiscal year to 28.50 yen per share.

Additionally, based on the judgment that EPS growth is achievable over the medium- to long-term, we have updated our dividend policy as follows, which will be applied starting with the dividends for the fiscal year ending March 2026.

<Dividend policy>

Our basic policy for profit distribution is to implement a progressive dividend*, with a target consolidated dividend payout ratio of 30%, while prioritizing growth investment and considering the financial conditions. However, this does not apply in the event of major investment opportunities such as M&A.

* Dividend per share to be maintained or increased compared with the previous fiscal year

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with accounting standards generally accepted in Japan (Japanese GAAP). The application of International Financial Reporting Standards (IFRS) has not yet been determined.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	18,236	16,175
Accounts receivable - trade	8,228	8,887
Work in process	13	89
Supplies	25	28
Accounts receivable - other	10,406	12,516
Prepaid expenses	1,038	1,285
Other	94	46
Allowance for doubtful accounts	(267)	(366)
Total current assets	37,775	38,664
Non-current assets		
Property, plant and equipment		
Buildings	1,131	1,295
Accumulated depreciation	(509)	(641)
Buildings, net	621	654
Tools, furniture and fixtures	1,097	1,193
Accumulated depreciation	(877)	(978)
Tools, furniture and fixtures, net	220	215
Machinery, equipment and vehicles	20	13
Accumulated depreciation	(15)	(12)
Machinery, equipment and vehicles, net	4	0
Right-of-use assets	657	872
Accumulated depreciation	(371)	(554)
Right-of-use assets, net	285	317
Total property, plant and equipment	1,132	1,187
Intangible assets		
Goodwill	9,752	9,701
Software	5,454	7,028
Trademark right	11,814	13,176
Customer-related assets	1,143	935
Other	0	0
Total intangible assets	28,165	30,841
Investments and other assets		
Investment securities	2,652	2,875
Deferred tax assets	1,262	1,437
Leasehold and guarantee deposits	1,486	1,533
Total investments and other assets	5,402	5,846
Total non-current assets	34,699	37,876
Total assets	72,475	76,540

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	460	423
Short-term borrowings	-	3,500
Current portion of long-term borrowings	1,901	1,901
Accounts payable - other	12,730	11,875
Accrued expenses	1,059	861
Income taxes payable	1,344	1,295
Accrued consumption taxes	930	824
Contract liabilities	1,205	1,483
Deposits received	183	184
Provision for bonuses	909	1,042
Lease liabilities	160	128
Other	439	469
Total current liabilities	21,325	23,990
Non-current liabilities		
Long-term borrowings	4,251	2,350
Retirement benefit liability	203	236
Deferred tax liabilities	2,286	2,467
Lease liabilities	121	174
Other	2	2
Total non-current liabilities	6,865	5,231
Total liabilities	28,190	29,221
Net assets		
Shareholders' equity		
Share capital	2,551	2,551
Capital surplus	313	262
Retained earnings	39,111	43,430
Treasury shares	(1,904)	(5,713)
Total shareholders' equity	40,071	40,531
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	322	229
Foreign currency translation adjustment	3,607	6,328
Total accumulated other comprehensive income	3,930	6,558
Share acquisition rights	282	229
Total net assets	44,284	47,319
Total liabilities and net assets	72,475	76,540

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	53,973	60,952
Cost of sales	6,430	7,098
Gross profit	47,543	53,854
Selling, general and administrative expenses	*1 39,273	*1 47,518
Operating profit	8,269	6,335
Non-operating income		
Interest income	38	57
Share of profit of entities accounted for using equity method	1,683	2,027
Other	56	63
Total non-operating income	1,778	2,148
Non-operating expenses		
Foreign exchange losses	66	15
Interest expenses	66	101
Other	13	11
Total non-operating expenses	146	127
Ordinary profit	9,901	8,357
Extraordinary income		
Gain on sale of non-current assets	2	2
Total extraordinary income	2	2
Extraordinary losses		
Loss on sale and retirement of non-current assets	*2 161	*2 35
Loss on withdrawal from business	-	*3 92
Total extraordinary losses	161	128
Profit before income taxes	9,742	8,231
Income taxes - current	2,687	2,328
Income taxes - deferred	(172)	(150)
Total income taxes	2,514	2,177
Profit	7,227	6,054
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	7,227	6,054

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	7,227	6,054
Other comprehensive income		
Foreign currency translation adjustment	1,681	2,708
Share of other comprehensive income of entities accounted for using equity	(64)	(80)
Total other comprehensive income	1,617	2,628
Comprehensive income	8,845	8,682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,845	8,682
Comprehensive income attributable to non-controlling interests	-	(0)

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	2,315	119	33,190	(1)	35,624	395	1,917	2,312
Changes during period								
Issuance of new shares	236	236	-	-	473	-	-	-
Dividends of surplus	-	-	(1,307)	-	(1,307)	-	-	-
Profit attributable to owners of parent	-	-	7,227	-	7,227	-	-	-
Purchase of treasury shares	-	-	-	(2,000)	(2,000)	-	-	-
Disposal of treasury shares	-	(43)	-	97	53	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-	(73)	1,690	1,617
Total changes during period	236	193	5,920	(1,902)	4,447	(73)	1,690	1,617
Balance at end of period	2,551	313	39,111	(1,904)	40,071	322	3,607	3,930

	Share acquisition rights	Total net assets
Balance at beginning of period	484	38,421
Changes during period		
Issuance of new shares	-	473
Dividends of surplus	-	(1,307)
Profit attributable to owners of parent	-	7,227
Purchase of treasury shares	-	(2,000)
Disposal of treasury shares	-	53
Net changes in items other than shareholders' equity	(201)	1,415
Total changes during period	(201)	5,863
Balance at end of period	282	44,284

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	2,551	313	39,111	(1,904)	40,071	322	3,607	3,930
Changes during period								
Issuance of new shares	-	-	-	-	-	-	-	-
Dividends of surplus	-	-	(1,734)	-	(1,734)	-	-	-
Profit attributable to owners of parent	-	-	6,054	-	6,054	-	-	-
Purchase of treasury shares	-	-	-	(3,915)	(3,915)	-	-	-
Disposal of treasury shares	-	(51)	-	105	54	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-	(92)	2,720	2,628
Total changes during period	-	(51)	4,319	(3,809)	459	(92)	2,720	2,628
Balance at end of period	2,551	262	43,430	(5,713)	40,531	229	6,328	6,558

	Share acquisition rights	Total net assets
Balance at beginning of period	282	44,284
Changes during period		
Issuance of new shares	-	-
Dividends of surplus	-	(1,734)
Profit attributable to owners of parent	-	6,054
Purchase of treasury shares	-	(3,915)
Disposal of treasury shares	-	54
Net changes in items other than shareholders' equity	(53)	2,574
Total changes during period	(53)	3,034
Balance at end of period	229	47,319

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	9,742	8,231
Depreciation	2,410	2,765
Amortization of goodwill	1,046	1,048
Loss (gain) on sale and retirement of non-current assets	159	33
Share-based payment expenses	(34)	(58)
Share of loss (profit) of entities accounted for using equity method	(87)	(302)
Increase (decrease) in allowance for doubtful accounts	(14)	81
Increase (decrease) in provision for bonuses	25	95
Increase (decrease) in retirement benefit liability	12	10
Foreign exchange losses (gains)	66	15
Interest expenses	66	101
Decrease (increase) in trade receivables	(1,568)	(334)
Increase (decrease) in accrued consumption taxes	267	(150)
Decrease (increase) in accounts receivable - other	(1,947)	(2,042)
Decrease (increase) in prepaid expenses	(237)	(223)
Increase (decrease) in contract liabilities	72	160
Increase (decrease) in accounts payable - other	2,158	(859)
Other, net	304	(354)
Subtotal	12,441	8,216
Interest and dividends received	39	57
Interest paid	(68)	(102)
Income taxes paid	(2,639)	(2,365)
Net cash provided by (used in) operating activities	9,773	5,806
Cash flows from investing activities		
Payments into time deposits	(217)	(1)
Proceeds from withdrawal of time deposits	188	-
Purchase of property, plant and equipment	(446)	(425)
Purchase of intangible assets	(3,266)	(3,646)
Other, net	2	2
Net cash provided by (used in) investing activities	(3,739)	(4,071)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	3,500
Repayments of long-term borrowings	(1,901)	(1,901)
Repayments of lease liabilities	(171)	(157)
Proceeds from issuance of share acquisition rights	5	6
Proceeds from issuance of shares resulting from exercise of share	304	-
Purchase of treasury shares	(2,000)	(3,915)
Proceeds from disposal of treasury shares	50	54
Dividends paid	(1,307)	(1,735)
Net cash provided by (used in) financing activities	(5,020)	(4,148)
Effect of exchange rate change on cash and cash equivalents	182	301
Net increase (decrease) in cash and cash equivalents	1,195	(2,112)
Cash and cash equivalents at beginning of period	16,170	17,365
Cash and cash equivalents at end of period	17,365	15,253

(5) Notes to Consolidated Financial Statements

(Going concern assumption)

None to report

(For consolidated statements of income)

*1 Major items and amounts included in selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Salaries and allowance	14,767	17,395
Advertising expenses	8,731	12,524
Amortization of goodwill	1,046	1,048
Depreciation	2,410	2,765
Business consignment expenses	3,119	3,486
Legal welfare expenses	2,418	2,896
Rents	2,011	2,214
Provision for bonuses	714	844
Retirement benefit expenses	43	87
Provision of allowance for doubtful accounts	77	178

*2 Loss on sale and retirement of non-current assets is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings	19	8
Tools, furniture and fixtures	3	2
Machinery, equipment and vehicles	—	0
Software	138	23
Total	161	35

*3 Loss on withdrawal from business

The breakdown of loss on withdrawal from business under extraordinary losses for the fiscal year ended March 31, 2025 is as follows:

(Millions of yen)

Loss on withdrawal from overseas subsidiary's business	64
Other	27
Total	92

(Segment information, etc.)

[Segment information]

The business of the Company and its consolidated subsidiaries is a single business that aims to build an information infrastructure for an aging society and ancillary operations. Therefore, there are no segments subject to disclosure, so the descriptions are omitted.

[Related information]

Fiscal year ended March 31, 2024

1. Information by products and services

The Company and its consolidated subsidiaries consist of a single business, which aims to build information infrastructure suitable for the aging society, and operations incidental thereto. Accordingly, there is no segment information to be disclosed and, as such, the disclosure is omitted.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Other	Total
44,971	9,002	53,973

(Note) The amount of net sales is classified by country and region based on customers' locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
609	522	1,132

3. Information on major customers

Information on major customers is omitted since no single customer accounts for 10% or more of the amount of net sales presented in the consolidated statements of income.

Fiscal year ended March 31, 2025

1. Information by products and services

The Company and its consolidated subsidiaries consist of a single business, which aims to build information infrastructure suitable for the aging society, and operations incidental thereto. Accordingly, there is no segment information to be disclosed and, as such, the disclosure is omitted.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Other	Total
51,567	9,385	60,952

(Note) The amount of net sales is classified by country and region based on customers' locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
657	530	1,187

3. Information on major customers

Information on major customers is omitted since no single customer accounts for 10% or more of the amount of net sales presented in the consolidated statements of income.

[Information on impairment loss of non-current assets by reportable segment]

None to report.

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

Disclosure is omitted since there is only one segment in the Group.

[Information on negative goodwill incurred by reportable segment]

None to report.

(Amounts per share)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share (Yen)	507.23	554.24
Basic earnings per share (Yen)	82.97	70.96
Diluted basic earnings per share (Yen)	82.75	70.95

(Note) The basis for calculating basic earnings per share and diluted basic earnings per share is as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Basic earnings per share:		
Profit attributable to owners of parent (Millions of yen)	7,227	6,054
Amount not attributable to common stock shareholders (Millions of yen)	—	—
Profit attributable to common stock owners of parent (Millions of yen)	7,227	6,054
Weighted average number of shares (Shares)	87,110,295	85,320,254
Diluted basic earnings per share:		
Adjustment to profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of common stock (Shares)	237,728	15,741
[Of which, exercise of share acquisition rights (Shares)]	[237,728]	[15,741]
Details of potential shares excluded from calculation of diluted basic earnings per share due to no dilutive effect	No. 17 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 12, 2021: Common stock 183,000 shares No. 18 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 11, 2022: Common stock 192,000 shares No. 19 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 10, 2023: Common stock 213,000 shares	No. 14 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 18, 2018: Common stock 10,400 shares No. 15 Share acquisition rights based on the resolution of the Board of Directors' meeting held on August 19, 2019: Common stock 24,200 shares No. 16 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 13, 2020: Common stock 200,000 shares No. 17 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 12, 2021: Common stock 18,300 shares No. 18 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 11, 2022: Common stock 192,000 shares

		No. 19 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 10, 2023: Common stock 213,000 shares No. 20 Share acquisition rights based on the resolution of the Board of Directors' meeting held on July 8, 2024: Common stock 231,000 shares
--	--	--

(Significant subsequent events)

None to report