



en Japan Inc.
Fiscal Year Ended March 31, 2024, Earnings Announcement
[Japanese GAAP] (Consolidated)

May 9, 2024

Company Name en Japan Inc. Listing Exchanges Prime Section of the Tokyo Stock Exchange
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 Preparation of Summary Supplementary Explanatory Materials Yes
 Earnings Briefing Yes (for analysts and institutional investors)

(Figures rounded down to nearest million yen)

1. FY Ended March 2024 Consolidated Operating Results (From April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (Percentages indicate percent change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 3/2024	67,661	-0.1	5,161	21.4	5,369	31.8	4,196	55.7
FYE 3/2023	67,716	24.1	4,249	-55.9	4,072	-59.8	2,695	-59.3

(Notes) Comprehensive income FYE 3/2024 4,649 million yen (51.6%) FYE 3/2023 3,067 million yen (-57.6%)

	EPS	Fully Diluted EPS	ROE	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FYE 3/2024	102.38	100.52	12.6	10.6	7.6
FYE 3/2023	60.98	60.24	7.2	7.5	6.3

(Reference) Equity method FYE 3/2024 116 million yen FYE 3/2023 - million yen
 investment profit/loss

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 3/2024	48,974	32,161	64.8	777.70
FYE 3/2023	51,967	35,125	66.8	816.84

(Reference) Equity FYE 3/2024 31,755 million yen FYE 3/2023 34,736 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
FYE 3/2024	6,430	-4,060	-7,855	19,178
FYE 3/2023	4,447	-4,220	-9,246	24,384

2. Dividends

	Annual Dividend					Total Dividend Amount (Total)	Dividend Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year End	Full Year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FYE 3/2023	-	0.00	-	70.10	70.10	3,143	115.0	8.1
FYE 3/2024	-	0.00	-	70.10	70.10	3,023	68.5	8.8
FYE 3/2025 (projected)	-	0.00	-	70.10	70.10		-	

3. FY Ending March 2025 Projected Consolidated Operating Results (From April 1, 2024 to March 31, 2025) (Percentages indicate percent change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	73,000	7.9	8,100	56.9	8,344	55.4	5,789	38.0	141.78

*Notes

(1) Change in material subsidiaries during the fiscal year under review (change in specific subsidiaries that will accompany a change in scope of consolidation): No

Newly included (company name) Excluded (company name) None
None

(2) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

- a. Changes in accounting policy accompanying amendment of accounting principles: No
- b. Changes in accounting policy other than "a.": No
- c. Changes in accounting estimates: No
- d. Restatement due to correction: No

(3) Number of shares issued (common share)

a. Number of shares issued at fiscal year-end (including treasury shares)

FYE 3/2024 49,716,000 shares FYE 3/2023 49,716,000 shares

b. Number of shares of treasury shares at fiscal year-end

FYE 3/2024 8,883,721 shares FYE 3/2023 7,190,949 shares

c. Average number of shares issued during the period

FYE 3/2024 40,985,960 shares FYE 3/2023 44,196,564 shares

(Reference) Summary of Non-Consolidated Operating Results

1. FYE 3/2024 Non-Consolidated Operating Results (From April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results (Percentages indicate percent change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 3/2024	47,918	11.6	3,418	75.1	3,387	1.7	2,883	9.3
FYE 3/2023	42,951	21.7	1,952	-73.6	3,331	-67.6	2,638	-64.1

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/2024	70.35	69.07
FYE 3/2023	59.71	58.98

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 3/2024	43,102	31,050	71.1	750.75
FYE 3/2023	46,136	35,133	75.7	821.16

(Reference) Equity FYE 3/2024 30,654 million yen FYE 3/2023 34,919 million yen

* [This Earnings Announcement [Japanese GAAP] is outside the scope of audits by certified public accountants or an audit corporation.]

* Explanation regarding appropriate use of operating results forecasts, other special notes

Forward-looking statements including projected operating results contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee achievements by the Company. Actual results may differ significantly from such projections due to various factors.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Current Fiscal Year

1) Operating Results for the Fiscal Year ended March 31, 2024

Net sales for the current fiscal year were ¥67,661 million (down 0.1% year on year) due to earnings decrease in overseas business resulting from the impact of the external environment, despite the high growth of our businesses with investment, HR-tech engage and human resources platform. Although personnel expenses increased due to an increase in personnel centered on the businesses with investment, HR-tech engage and human resources platform, total costs decreased to ¥62,500 million (down 1.5% year on year) as a result of reducing costs and personnel expenses in Indian IT dispatch staff business due to lower net sales.

As a result of the above, operating income was ¥5,161 million (up 21.4% year on year) and ordinary income came to ¥5,369 million (up 31.8% year on year). Profit attributable to owners of parent was ¥4,196 million (up 55.7% year on year) due primarily to a gain on sale of businesses of ¥803 million as extraordinary income as a result of transferring pasture, the company's freelance management tool business, to freee K.K. through a corporate split, and extraordinary investigation expenses of ¥295 million as extraordinary losses.

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)	Change	Percent change (%)
Net Sales	67,716	67,661	-55	-0.1%
Operating Income	4,249	5,161	911	21.4%
Ordinary Income	4,072	5,369	1,296	31.8%
Profit Attributable to Owners of Parent	2,695	4,196	1,501	55.7%

2) Summary of Major Businesses (Managerial accounting basis)

(Million yen)

Net Sales		Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)	Change	Percent change (%)	
Investment	HR-Tech engage	3,787	7,193	3,406	89.9%	
	Human resources platform	6,214	7,091	877	14.1%	
Existing	In Japan	Domestic Job Board	29,264	29,396	132	0.5%
		Permanent Recruitment	10,029	9,871	-157	-1.6%
		Other	2,852	3,349	497	17.4%
	Overseas	16,227	11,616	-4,610	-28.4%	

*The difference between the combined net sales of each business and the consolidated net sales is attributable to the adjustment made among the businesses and consolidated adjustments.

(HR-Tech engage)

In accordance with the basic policy of the Medium-Term Management Plan, we aggressively invested in advertising expenses with the aim of attracting job seekers, and as a result, the number of members increased significantly to 3.74 million people (up 1.47 million people from the previous year). As the number of members increased, the number of companies using the service also increased, with the total number of accounts in use at 610,000, and the number of open job offers at 1.65 million so this business continues to grow as a top-class recruitment service in Japan. Due to the increase in the number of members and total number of applications, use centered on large companies grew because of increased expectations among companies for the engage service, and net sales increased significantly along with growth in the number of paid-for job offers.

As a result of the above, net sales of HR-Tech engage amounted to ¥7,193 million, up 89.9% year on year.

(Human resources platform)

In accordance with the basic policy of the Medium-Term Management Plan, we aggressively invested in advertising expenses with the aim of attracting job seekers, and as a result, the number of members increased significantly to 3.82 million people (up 0.61 million people from the previous year). Recruitment demand for both AMBI and Middle's high-flying career targets continued to be high, and in association with the spread of the direct recruiting method, net sales increased greatly as user companies grew for both recruitment agencies and general companies.

As a result of the above, net sales of the human resources platform amounted to ¥7,091 million, up 14.1% year on year.

(Domestic Job Board)

en TENSHOKU strengthened its business with companies with large budgets, and as a result of promoting combined sales for the new services en TENSHOKU Direct and engage, the unit price per client increased. Net sales of job sites for temporary staffing agencies declined slightly, due in part to the impact of curbs on placements by major temporary staffing companies. On the other hand, net sales of job sites for freelance engineers increased against the backdrop of rising demand for freelancers.

As a result of the above, net sales of Domestic Job Board amounted to ¥29,396 million, up 0.5% year on year.

(Domestic Permanent Recruitment)

At en AGENTS, net sales rose due to an increase in the number of decisions to hire middle-class employees, who are in high demand.

At en world Japan, although we were able to realize the recruitment of consultants, which had been an issue, productivity did not increase and net sales declined.

As a result of the above, net sales of Domestic Permanent Recruitment amounted to ¥9,871 million, down 1.6% year on year.

(Overseas)

In India, net sales in IT-related temporary staffing decreased due to the impact of workforce reductions at major U.S. IT companies.

In Vietnam, where operation of job boards with the largest market share in the country is its primary business, net sales decreased due to deteriorating business confidence in the country.

As a result of the above, net sales of the overseas business amounted to ¥11,616 million, down 28.4% year on year.

(2) Overview of Financial Position for the Current Fiscal Year

Assets, Liabilities and Net Assets

(Assets)

Total assets at the end of the fiscal year ended March 31, 2024 decreased ¥2,993 million compared with the end of the previous fiscal year to ¥48,974 million.

Current assets decreased ¥4,923 million to ¥31,060 million. This was mainly due to decreases in cash and deposits of ¥107 million, notes and accounts receivable-trade, and contract assets of ¥450 million and deposits paid of ¥4,127 million. Non-current assets increased ¥1,930 million to ¥17,914 million. This was primarily attributable to increases in software of ¥1,813 million and shares of subsidiaries and associates of ¥380 million.

(Liabilities)

Total liabilities were ¥16,813 million, a decrease of ¥28 million from the end of the previous fiscal year.

Current liabilities fell ¥749 million to ¥14,129 million. This was mainly due to increases in income taxes payable of ¥707 million and advances received of ¥313 million, despite a decrease in accounts payable - other of ¥2,086 million. Non-current liabilities rose ¥721 million to ¥2,683 million.

(Net Assets)

Total net assets were ¥32,161 million, down ¥2,964 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥4,112 million due to an increase in treasury shares, dividends paid of ¥3,143 million, provision of profit attributable to owners of parent of ¥4,196 million and an increase in foreign currency translation adjustment of ¥266 million.

Asset information by segment is not prepared since the Group does not use such information on each segment for resource allocation and performance evaluation.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash Flow

Cash and cash equivalents in the fiscal year ended March 31, 2024 decreased ¥5,206 million from the previous fiscal year to ¥19,178 million. The status of each type of cash flow and the factors behind them are as follows.

1) Cash Flow

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities in the fiscal year ended March 31, 2024 was ¥6,430 million compared to the previous fiscal year of ¥4,447 million. This was primarily due to the posting of income before income taxes of ¥5,919 million, depreciation of ¥2,368 million, decrease in notes and accounts receivable-trade of ¥628 million, decrease in accounts payable-other of ¥2,139 million, increase in advances received of ¥370 million, and income taxes paid of ¥1,026 million.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities during the fiscal year ended March 31, 2024 was ¥4,060 million compared to ¥4,220 million used in the previous fiscal year. This was primarily due to purchase of intangible assets of ¥3,887 million, payments into time deposits of ¥4,254 million, and proceeds from withdrawal of time deposits of ¥3,351 million.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities during the fiscal year ended March 31, 2024 was ¥7,855 million compared to ¥9,246 million used in the previous fiscal year. This was primarily due to purchase of treasury shares of ¥4,130 million and cash dividends paid of ¥3,143 million.

The en Japan Group procures the necessary funds mainly from operating cash flow. The Group has also concluded an overdraft facility agreement (maximum amount: ¥1,000 million) with a bank. There were no outstanding borrowings as of the end of the fiscal year ended March 31, 2024.

The Company has no plans to construct any major new facilities.

(4) Business Outlook

(Medium and Long-term Outlook)

We recognize that the environment of Japan's human resource business market, to which the en Japan Group belongs, is experiencing steady hiring demand from companies. This is taking place against the backdrop of the realization of a structural shortage of workers caused by a decline in the working age population due to a declining birthrate and aging population, changes in industrial structures, and other factors. In recent years, the market has undergone dynamic changes, including various legal revisions, the promotion of digitalization in the corporate sector, changes in work styles such as telework and freelance work, and revisions and improvements in various systems such as wage increases. In association with this, job-seekers will be encouraged to change jobs across industries due to changes in career preferences, while on the other hand, companies will become more competitive in the hiring process, which will also have impacts on business continuity. We think that this will result in increased employment mobility and simultaneously, the advance of bipolarization.

In the overseas human resource business market environment, Vietnam and India, where we are developing business, are both expected to deliver strong economic growth. Given the large population and low average age, we see high growth potential in the human resource business from a medium- to long-term perspective.

Although economic and recruitment activities are likely to contract and stagnate due to the recent economic downturn in each country, the IT and technology markets are expected to grow and the need for human resources in these areas continues to be high. As such, we anticipate continued strong growth, including offshore development, in these two countries.

In these circumstances, in addition to even further increased job mobility, the Company expects diversified use and selection of its services will further continue among job seekers and the companies hiring them.

The Company upholds “To make the world better by increasing the number of people who work hard for others and society” as its Purpose (the Company’s reason for being in society).

To realize this, it will aim to increase job opportunities through provision of job recruitment information ensuring both quality and quantity via the use of technology.

In addition, the Company is promoting a “Medium-Term Management Plan” ending in the fiscal year ending March 31, 2027, in which it has positioned the “engage” and “human resources platform” businesses as businesses with investment, and has set the policy of investing in them positively to make them the next pillars of its business and increase earnings significantly. In the human resource business market, which is undergoing a major transition, we will continue our existing businesses as highly profitable businesses while maintaining our presence and making a certain level of investment.

With “engage,” we offer a unique service different from that of conventional recruiting media.

Companies are able to create their own recruitment websites and offer job recruitment information free of charge and increase their presence to job seekers by collaborating with diverse recruiting networks. The numbers of job seekers and companies using the service has increased steadily due to increased awareness and convenience arising from positive promotions, and the number of job offers has already surpassed the number of permanent positions available through Hello Work, so it has grown into a top-class service in Japan. Going forward, we will aim to increase job opportunities further by continuing promotional investments and providing optimal job recruitment information to job seekers through the use of technologies such as AI.

The “human resources platform” will provide attractive job recruitment information targeting high-class staff, the management human resources who will promote corporate growth and change, and new professional human resources, such as specialists and those in managerial positions, where further increases in hiring demand are expected in future, aiming to realize appropriate labor mobility to positions with significant social impact and growth industries.

We will aim to achieve consolidated net sales of ¥120,000 million and consolidated operating income of ¥24,000 million in the fiscal year ending March 31, 2027, the final year of the Medium-Term Management Plan announced on May 12, 2022.

(Outlook for the Next Fiscal Year)

The estimated financial results for the fiscal year ending March 31, 2025 include net sales of ¥73,000 million (up 7.9% year on year), operating income of ¥8,100 million (up 56.9% year on year), ordinary income of ¥8,344 million (up 55.4% year on year), and profit attributable to owners of parent of ¥5,789 million (up 38.0% year on year).

From the perspective of medium- to long-term profit growth, the Company's basic policy is to make strategic investments, such as M&A, while making appropriate investments according to business stage. At the same time, with the aim of strengthening investment and shareholder returns that contribute to the enhancement of shareholder value, the Company has established a basic policy of paying a fixed annual dividend of 70.10 yen per share for the period up to the fiscal year ending March 31, 2025, which is the period of upfront investment stipulated in the Medium-Term Management Plan. In accordance with the above policy, for dividends to be paid for the fiscal year ended March 31, 2024, the dividend payout ratio is 68.5%.

We think that the third year of the Medium-Term Management Plan, the fiscal year ending March 31, 2025, will be a period of transition, from one of upfront investment to a period of recovery. We are planning for the operating losses of our focus business "engage" to shrink significantly in association with high sales growth, and for the sales and profits of the "human resources platform" to increase as well due to the steady growth of sales.

*The dividend payout ratio is calculated based on profit attributable to owners of parent.

*Net income per share used in the calculation of the dividend payout ratio is derived by dividing the profit attributable to owners of parent by the number of shares excluding treasury shares. These treasury shares include the portion of Japan Employee Stock Ownership Plans (J-ESOP). Since dividends are also actually paid with respect to the shares under J-ESOP, this factor is taken into account for the payout ratio set by the Company.

2. Basic Approach to the Selection of Accounting Standards

It is the en Japan Group's policy, for the foreseeable future, to continue preparing its consolidated financial statements based on the Japanese accounting standard to secure the comparability of financial data over different periods and among different companies.

Concerning the adoption of International Financial Reporting Standards (IFRS), the Group will be taking appropriate measures in consideration of the domestic and international situation.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Million yen)

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	21,876	21,768
Notes and accounts receivable–trade, and contract assets	*1 6,467	*1 6,017
Securities	2,000	2,000
Supplies	16	23
Advance payments to suppliers	0	-
Deposits paid	4,127	-
Other	1,773	1,542
Allowance for doubtful accounts	-277	-292
Total current assets	35,983	31,060
Non-current assets		
Property, plant and equipment		
Buildings	649	852
Accumulated depreciation	-467	-676
Buildings, net	182	176
Vehicles	43	6
Accumulated depreciation	-31	-6
Vehicles, net	12	-
Furniture and fixtures	1,121	847
Accumulated depreciation	-971	-737
Furniture and fixtures, net	149	110
Lease assets	783	906
Accumulated depreciation	-534	-174
Leased assets, net	248	732
Construction in progress	26	0
Total property, plant and equipment	619	1,019
Intangible assets		
Software	4,804	6,617
Goodwill	2,134	1,847
Other	1,098	892
Total intangible assets	8,036	9,357
Investments and other assets		
Investment securities	3,765	3,621
Long-term loans receivable	1,259	925
Deferred tax assets	1,038	991
Shares of subsidiaries and associates	181	562
Other	1,681	1,899
Allowance for doubtful accounts	-599	-461
Total investments and other assets	7,328	7,537
Total non-current assets	15,984	17,914
Total assets	51,967	48,974

(Million yen)

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable–trade	962	841
Lease obligations	120	143
Accounts payable–other	6,204	4,117
Income taxes payable	595	1,302
Provision for bonuses	1,170	1,149
Provision for directors’ bonuses	47	38
Advances received	*2 4,455	*2 4,768
Other	1,323	1,767
Total current liabilities	14,879	14,129
Non-current liabilities		
Retirement benefit liability	130	187
Lease obligations	144	619
Deferred tax liabilities	119	87
Provision for share benefits	473	535
Asset retirement obligations	207	208
Long-term accounts payable–other	887	1,045
Total non-current liabilities	1,962	2,683
Total liabilities	16,841	16,813
Net assets		
Shareholders’ equity		
Capital stock	1,194	1,194
Capital surplus	898	489
Retained earnings	42,529	43,696
Treasury shares	-10,880	-14,993
Total shareholders’ equity	33,742	30,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140	247
Foreign currency translation adjustment	853	1,119
Total accumulated other comprehensive income	993	1,367
Subscription rights to shares	213	395
Non-controlling interests	175	10
Total net assets	35,125	32,161
Total liabilities and net assets	51,967	48,974

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

Consolidated Statements of Income

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Net sales	67,716	67,661
Cost of sales	16,253	13,705
Gross profit	51,463	53,955
Selling, general and administrative expenses		
Advertising expenses	20,050	19,217
Salaries and allowances	9,687	11,524
Bonuses	2,055	1,693
Provision for bonuses	1,162	1,048
Provision for bonuses for directors (and other officers)	47	38
Commission expenses	4,504	5,261
Provision of allowance for doubtful accounts	204	32
Other	9,500	9,978
Total selling, general and administrative expenses	47,213	48,794
Operating income	4,249	5,161
Non-operating income		
Interest income	157	282
Dividends income	1	0
Share of profit of entities accounted for using equity method	-	116
Foreign exchange gains	43	104
Reversal of allowance for doubtful accounts	1	-
Recoveries of written off receivables	20	-
Miscellaneous income	35	54
Total non-operating income	259	559
Non-operating expenses		
Interest expenses	3	101
Loss on investments in investment partnerships	166	136
Provision of allowance for doubtful accounts	260	106
Miscellaneous loss	6	7
Total non-operating expenses	436	351
Ordinary income	4,072	5,369
Extraordinary income		
Gain on sale of business	*1 -	*1 803
Gain on sale of non-current assets	*2 0	*2 0
Gain on sale of investment securities	440	67
Gain on sales of shares of subsidiaries and associates	-	111
Total extraordinary income	441	983
Extraordinary losses		
Extraordinary investigation expenses	*3 -	*3 295
Loss on sale of non-current assets	*4 2	*4 1
Loss on retirement of non-current assets	*5 7	*5 81
Loss on valuation of investment securities	192	54
Loss on valuation of shares of subsidiaries and associates	498	-
Total extraordinary losses	700	432
Income before income taxes	3,813	5,919
Income taxes—current	1,547	1,623
Income taxes—deferred	-193	47
Total income taxes	1,353	1,670
Profit	2,460	4,249
Profit (loss) attributable to non-controlling interests	-234	52
Profit attributable to owners of parent	2,695	4,196

Consolidated Statements of Comprehensive Income

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Profit	2,460	4,249
Other comprehensive income		
Valuation difference on available-for-sale securities	38	107
Foreign currency translation adjustment	569	292
Total other comprehensive income	607	400
Comprehensive income	3,067	4,649
(Breakdown)		
Comprehensive income attributable to owners of parent	3,262	4,569
Comprehensive income attributable to non-controlling interests	-194	79

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	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 current period	1,194	902	43,147	-5,068	40,176	102	324	426	124	432	41,160
Changes of items during the period											
Dividends of surplus			-3,313		-3,313						-3,313
Profit attributable to owners of parent			2,695		2,695						2,695
Purchase of treasury shares				-5,869	-5,869						-5,869
Disposal of treasury shares		-4		58	53						53
Change in scope of consolidation			0		0						0
Change in ownership interest of parent due to transactions with non-controlling interests					-						-
Change in scope of equity method					-						-
Net changes of items other than shareholders' equity					-	38	529	567	89	-257	399
Total changes of items during period	-	-4	-618	-5,811	-6,434	38	529	567	89	-257	-6,034
Balance at end of current period	1,194	898	42,529	-10,880	33,742	140	853	993	213	175	35,125

Current fiscal year (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	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 current period	1,194	898	42,529	-10,880	33,742	140	853	993	213	175	35,125
Changes of items during the period											
Dividends of surplus			-3,143		-3,143						-3,143
Profit attributable to owners of parent			4,196		4,196						4,196
Purchase of treasury shares				-4,130	-4,130						-4,130
Disposal of treasury shares		0		17	18						18
Change in scope of consolidation			26		26						26
Change in ownership interest of parent due to transactions with non-controlling interests		-409			-409						-409
Change in scope of equity method			87		87						87
Net changes of items other than shareholders' equity					-	107	266	373	181	-165	389
Total changes of items during period	-	-408	1,167	-4,112	-3,354	107	266	373	181	-165	-2,964
Balance at end of current period	1,194	489	43,696	-14,993	30,388	247	1,119	1,367	395	10	32,161

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Income before income taxes	3,813	5,919
Depreciation	1,904	2,368
Amortization of goodwill	372	385
Bad debts expenses	55	10
Loss (gain) on sale of businesses	-	-803
Extraordinary investigation expenses	-	295
Increase (decrease) in allowance for doubtful accounts	444	128
Increase (decrease) in provision for bonuses	81	-16
Increase (decrease) in provision for directors' bonuses	20	-9
Interest and dividend income	-158	-283
Interest expenses	3	101
Foreign exchange losses (gains)	-13	-51
Share of loss (profit) of entities accounted for using equity method	-	-116
Loss (gain) on investments in investment partnerships	166	136
Loss (gain) on valuation of investment securities	192	54
Loss (gain) on sale of investment securities	-440	-67
Loss (gain) on valuation of shares of subsidiaries and associates	498	-
Loss (gain) on sale of shares of subsidiaries and associates	-	-111
Loss (gain) on sale of non-current assets	1	0
Loss on retirement of non-current assets	7	81
Decrease (increase) in notes and accounts receivable-trade	-943	628
Increase (decrease) in notes and accounts payable-trade	-106	-197
Increase (decrease) in retirement benefit liability	130	56
Increase (decrease) in accounts payable-other	1,443	-2,139
Increase (decrease) in advances received	591	370
Other	-679	425
Subtotal	7,387	7,168
Interest expenses paid	-4	-102
Interest and dividend income received	67	195
Payment of extraordinary investigation expenses	-	-295
Income taxes paid	-3,004	-1,026
Income taxes refund	1	491
Net cash provided by (used in) operating activities	4,447	6,430

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Payments into time deposits	-1,299	-4,254
Proceeds from withdrawal of time deposits	713	3,351
Purchase of property, plant and equipment	-133	-75
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	-2,619	-3,887
Purchase of investment securities	-1,480	-154
Proceeds from sale and redemption of investment securities	602	175
Purchase of shares of subsidiaries and associates	-	-22
Proceeds from sale of businesses	-	794
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-	-61
Payments for lease and guarantee deposits	-24	-2
Proceeds from collection of lease and guarantee deposits	29	10
Purchase of insurance funds	-14	-20
Other proceeds	4	86
Net cash provided by (used in) investing activities	-4,220	-4,060
Cash flows from financing activities		
Purchase of treasury shares	-5,869	-4,130
Cash dividends paid	-3,314	-3,143
Dividends paid to non-controlling interests	-62	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	-581
Other proceeds	0	0
Net cash provided by (used in) financing activities	-9,246	-7,855
Effect of exchange rate change on cash and cash equivalents	83	279
Net increase (decrease) in cash and cash equivalents	-8,936	-5,206
Cash and cash equivalents at beginning of period	33,389	24,384
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-68	-
Cash and cash equivalents at end of period	24,384	19,178

(5) Notes to the Consolidated Financial Statements

(Notes Relating to the Going Concern Assumption)

The Company had no material items to report.

(Basis of Preparing the Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 11

Name of company:

en world Japan K.K.

en-Asia Holdings Ltd.

Navigos Group, Ltd.

Navigos Group Vietnam Joint Stock Company

Nhan Luc Viet Development&Education Company Limited

New Era India Consultancy Pvt. Ltd.

Future Focus Infotech Pvt. Ltd.

Future Focus Infotech FZE

Focus America INC

Zeku, Ltd.

Brocante Inc.

Talent Alliance (Beijing) Technology Development Limited, which was previously a consolidated subsidiary, was excluded from the scope of consolidation from the fiscal year under review due to the transfer of all equity.

(2) Names of major unconsolidated subsidiaries:

Insight Tech Inc. and six other companies

(Reason for exclusion from consolidation)

Unconsolidated subsidiaries are excluded from the scope of consolidation since their total assets, net sales, profit (amount proportional to the equity share), and retained earnings (amount proportional to the equity share), etc., have no material impact on the consolidated financial statements.

2. Application of the Equity Method

(1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 1

Hajimari Inc.

Hajimari Inc. was included in the scope of equity-method affiliates from the fiscal year under review due to the acquisition of additional shares.

(2) Names of the unconsolidated subsidiaries and affiliates that are not accounted for by the equity method

Insight Tech Inc. and seven other companies

(Reason for not applying the equity method)

Companies that are not accounted for by the equity method are excluded from the scope of application of the equity method since they have no material impact on the consolidated financial statements and are also immaterial on the whole even if excluded from the equity method subjects as seen from their profit (amount proportional to the equity share), retained earnings (amount proportional to the equity share), etc.

3. Fiscal Year, etc., of Consolidated Subsidiaries

Consolidated subsidiaries whose term end differs from the consolidated term end are as follows:

Consolidated subsidiaries	Closing date	
Navigos Group, Ltd.	December 31	Note 1
Navigos Group Vietnam Joint Stock Company	December 31	Note 1
Brocante Inc.	September 30	Note 2
Nhan Luc Viet Development&Education Company Limited	December 31	Note 1

Note 1. The Group adopts provisional financial statements for the term end of consolidated subsidiaries in preparing the consolidated financial statements. However, those necessary adjustments to consolidation are made to reflect material transactions conducted between this date and the consolidated term end.

Note 2. The Group adopts pro forma financial statements as of March 31 in preparing the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Valuation basis and method for important assets

1) Securities

a. Held-to-maturity securities

Carried at amortized cost (straight-line method)

b. Available-for-sale securities

Available-for-sale securities other than shares, etc., without market prices

Valued at market as of the balance sheet date. Unrealized gain or loss is included directly in net assets.

The cost of securities sold is determined by the moving-average method.

Available-for-sale securities that are shares, etc., without market prices

Valued at cost determined by the moving-average method

The Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act) by booking a net amount equivalent to the equity method value, based on the most recent closing statement that can be obtained in accordance with the account reporting date provided for in the partnership agreement.

2) Inventories

Supplies

Most recent purchase cost method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

(2) Depreciation method for major depreciable assets

1) Property, plant and equipment (excluding lease assets)

The depreciation of property, plant and equipment at the Company and its consolidated subsidiaries is computed by the declining-balance method using the applicable rates based on the estimated useful lives of the assets. However, the straight-line method is used to depreciate buildings (excluding accompanying facilities) and facilities attached to buildings and structures acquired on or after April 1, 2016.

The range of useful lives is as follows:

Buildings 8–25 years

Furniture and fixtures 2–20 years

For assets acquired on or before March 31, 2007, the remaining book values are equally depreciated on a straight-line basis over five years, starting from the year following the year during which depreciation to the residual values was completed up to the maximum depreciable amounts.

2) Intangible assets (excluding lease assets)

The amortization of intangible assets at the Company and its consolidated subsidiary is computed by the straight-line method.

Computer software for internal use is amortized over the estimated useful life (five years) depending on the nature of the respective software products.

3) Lease assets

Lease assets related to the finance lease transactions other than those where the ownership of the lease assets is deemed to be transferred.

These lease assets are amortized by the straight-line method, assuming that the lease period is the useful life and there is no residual value.

(3) Accounting for important reserves

1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible bad debt of claims at an amount of possible losses from uncollectible receivables based on the actual loan loss ratio from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

2) Provision for bonuses

The provision for bonuses is provided for possible payment of bonuses to employees at an amount to be borne based on the amount estimated to be paid for the fiscal year under review.

3) Provision for directors' bonuses

The provision for bonuses is provided for possible payment of bonuses to directors at an amount based on the amount estimated to be paid and which corresponds to the fiscal year under review.

4) Provision for share benefits

A provision for share benefits is provided for possible delivery of stock to employees in accordance with the stock delivery regulation at an amount based on the estimated amount of stock benefits obligation at the end of the fiscal year under review.

(4) Accounting standard for significant revenues and expenses

Details of main performance obligations of major businesses relating to revenue from contracts with customers of the en Japan Group, and the normal point in time at which such performance obligations are satisfied (the normal point in time at which revenue is recognized) are as follows:

1) HR Tech engage

HR-Tech engage receives user fees from customers mainly through their use of recruitment support tools that are provided when services for generally creating their own recruitment websites and the like are offered free

of charge. As the use of recruitment support tools is billed in line with the frequency of using the tools under contracts, based on the judgement that performance obligations will be satisfied at the time of use, revenue is recognized when used.

2) Human resources platform

The human resources platform receives recruitment fees from customers by providing permanent recruitment services that introduce workers wishing to change jobs to customers who have demand for hiring mid-career employees, using the job boards operated by the Group. As permanent recruitment for customers is a success-fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

3) Domestic Job Board

The domestic job board receives advertising fees from customers by providing advertising services to the Group-operating job board. Target customers are those who have demand for hiring full-time and temporary staff. As the advertising service on the job board is a service offered throughout the contract period, based on the judgement that performance obligations will be satisfied in accordance with the elapse of time, revenue is recognized on a pro rata basis over such contract period.

4) Domestic Permanent Recruitment

The domestic permanent recruitment receives recruitment fees from customers by career partners' providing permanent recruitment services that introduce workers wishing to change jobs to customers who have for hiring mid-career employees. As permanent recruitment for customers is a success-fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

5) Overseas

The overseas business operates job boards, provides permanent recruitment services, and temporary staffing services mainly in Vietnam and India. The temporary staffing service receives staffing fees from customers by staffing personnel to customers who have demand for personnel such as specialists. As staffing service is a service offering a contract-based work force, based on the judgement that performance obligations will be satisfied in accordance with the work force provided by temporary staff workers, revenue is recognized according to the actual work performed in the staffing period. Details of the main performance obligations related to the operation of job boards and provision of permanent recruitment services is the same as described in 3) and 4).

(5) Method and period of amortization of goodwill

The amount of goodwill and negative goodwill is equally amortized over the estimated years during which the effects are estimated to emerge.

(6) Accounting method for retirement benefits

Some consolidated subsidiaries apply a simplified method to the calculation of retirement benefit liability and retirement benefit expenses, using the year-end voluntary base retirement benefits as retirement benefit obligations.

(7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows include cash on hand, demand deposits, and short-term investments due within three months from the date of acquisition that are easily convertible into cash with little or no risk from fluctuation in value.

(Consolidated Balance Sheets)

*1 Amount of receivables from contracts with customers in notes and accounts receivable–trade, and contract assets respectively was as follows.

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Notes receivable–trade	- million yen	- million yen
Accounts receivable–trade	6,415 million yen	5,975 million yen
Contract assets	52 million yen	42 million yen

*2 Amount of contract liabilities in advances received was as follows.

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Contract liabilities	4,455 million yen	4,768 million yen

*3 Overdraft Facility Agreement

The Company has concluded an overdraft facility agreement and a committed credit line agreement with one of its primary financing banks. The unused balance at the end of the fiscal year under review was as follows.

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Limit of overdraft line and total of committed credit line	1,000 million yen	1,000 million yen
Outstanding borrowings	- million yen	- million yen
Balance	1,000 million yen	1,000 million yen

(Consolidated Statements of Income)

*1 Gain on sale of businesses was as follows.

Previous fiscal year (from April 1, 2022 to March 31, 2023)

The Company had no material items to report.

Current fiscal year (from April 1, 2023 to March 31, 2024)

In the fiscal year under review, the Company recorded a gain on the transfer of the pasture business, a freelance management tool developed by the Company, to freee K.K. through a company split (simple absorption-type company split).

*2 Gain on sale of non-current assets was as follows.

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Furniture and fixtures	0 million yen	0 million yen
Total	0 million yen	0 million yen

*3 Extraordinary investigation expenses were as follows.

Previous fiscal year (from April 1, 2022 to March 31, 2023)

The Company had no material items to report.

Current fiscal year (from April 1, 2023 to March 31, 2024)

In the fiscal year under review, the Company recorded the investigation expenses due to the Special Investigation Committee concerning inappropriate transactions by the general manager of Talent Alliance (Beijing) Technology Development Limited, which was previously a consolidated subsidiary (Chinese subsidiary).

*4 Loss on sale of non-current assets was as follows.

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Buildings	0 million yen	- million yen
Furniture and fixtures	1 million yen	1 million yen
Total	2 million yen	1 million yen

*5 Loss on retirement of non-current assets was as follows.

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Buildings	0 million yen	- million yen
Furniture and fixtures	0 million yen	1 million yen
Software	6 million yen	79 million yen
Total	7 million yen	81 million yen

(Consolidated Statements of Comprehensive Income)

*Adjustments and Taxes in Other Comprehensive Income

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Valuation difference on available-for-sale securities		
Amount incurred during the term	392 million yen	154 million yen
Recycling amount	-337 million yen	- million yen
Amount before tax adjustment	54 million yen	154 million yen
Taxes	-16 million yen	-47 million yen
Valuation difference on available-for-sale securities	38 million yen	107 million yen
Foreign currency translation adjustment		
Amount incurred during the term	569 million yen	360 million yen
Recycling amount	- million yen	-67 million yen
Foreign currency translation adjustment	569 million yen	292 million yen
Total other comprehensive income	607 million yen	400 million yen

(Consolidated Statements of Cash Flows)

* Relationship between Cash and Cash Equivalents at End of Period and the Line Item Amounts Stated on the Consolidated Balance Sheets

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Cash and deposits	21,876 million yen	21,768 million yen
Time deposits deposited for a period of more than three months	-3,619 million yen	-4,590 million yen
Balance of items corresponding to cash equivalents in the securities account	2,000 million yen	2,000 million yen
Deposits paid	4,127 million yen	- million yen
Cash and cash equivalents	24,384 million yen	19,178 million yen

(Notes) Deposits paid incurred during the previous fiscal year are included in cash and cash equivalents because they are temporary deposits with securities companies for the purpose of acquiring treasury shares and can be withdrawn at any time.

(Segment Information, Etc.)

(Segment Information)

I Previous fiscal year (from April 1, 2022 to March 31, 2023)

Description is omitted since the en Japan Group is formed under a single segment.

II Current fiscal year (from April 1, 2023 to March 31, 2024)

Description is omitted since the en Japan Group is formed under a single segment.

(Related Information)

Previous fiscal year (from April 1, 2022 to March 31, 2023)

1. Information by Product and Service

Description is omitted since the same information is disclosed in “Revenue Recognition.”

2. Information by Region

(1) Net sales

(Million yen)

Japan	Asia	Total
51,473	16,242	67,716

(2) Property, plant and equipment

(Million yen)

Japan	Vietnam	Asia	Total
243	307	68	619

3. Information by Major Clients

Presentation is omitted as there are no net sales for outside clients that account for 10% or more of the net sales recorded in the consolidated statements of income.

Current fiscal year (from April 1, 2023 to March 31, 2024)

1. Information by Product and Service

Description is omitted since the same information is disclosed in “Revenue Recognition.”

2. Information by Region

(1) Net sales

(Million yen)		
Japan	Asia	Total
56,072	11,589	67,661

(2) Property, plant and equipment

(Million yen)			
Japan	Vietnam	Asia	Total
163	832	23	1,019

3. Information by Major Clients

Presentation is omitted as there are no net sales for outside clients that account for 10% or more of the net sales recorded in the consolidated statements of income.

(Information on Impairment Losses of Property, Plant and Equipment by Reportable Segment)

The Company had no material items to report.

(Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment)

Description is omitted since the en Japan Group is formed under a single segment.

(Information on Gain on Negative Goodwill by Reportable Segment)

The Company had no material items to report.

(Per-Share Information)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Net Assets per Share	816.84 yen	777.70 yen
EPS	60.98 yen	102.38 yen
Fully Diluted EPS	60.24 yen	100.52 yen

(Notes)

1. Shares of the Company remaining in trust that are posted as treasury shares under shareholders' equity are included in the number of treasury shares deducted when calculating the average number of shares during the period for the sake of calculating EPS. They are also included in the number of treasury shares deducted from the total number of shares issued as of the end of the period for the sake of calculating net assets per share. In calculating EPS, the average number during the period of the treasury shares deducted was 2,330,069 in the fiscal year ended March 31, 2023, and 2,308,822 for the fiscal year ended March 31, 2024. In addition, in calculating net assets per share, the number of shares at the end of the period of the treasury shares deducted was 2,320,000 in the fiscal year ended March 31, 2023, and 2,297,800 in the fiscal year ended March 31, 2024.
2. The basis for calculating EPS and fully diluted EPS is shown below.

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
EPS		
Profit attributable to Owners of Parent (million yen)	2,695	4,196
Amount not attributable to Common Shareholders (million yen)	-	-
Profit Attributable to Owners of Parent concerning Common Share (million yen)	2,695	4,196
Average Number of Shares of Common Share Outstanding during the period (shares)	44,196,564	40,985,960
Fully diluted EPS		
Profit Attributable to Owners of Parent – Deferred (million yen)	-	-
Increase in the Number of Shares of Common Share (shares)	544,038	758,027
(of which, subscription rights to shares [shares])	(544,038)	(758,027)
Summary of Potential Shares not used in the Calculation of Fully Diluted EPS (potential shares have no dilutive effect)	-	-

(Significant Subsequent Events)

The Company had no material items to report.