



## Consolidated Financial Statements for the Three Months Ended March 31, 2025 (IFRS)

These financial statements have been prepared for reference only.

May 14, 2025

Link and Motivation Inc.

Stock exchange listing: Tokyo, Prime Market

Code number: 2170

<http://www.lmi.ne.jp/english>

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Start of distribution of dividends (scheduled):

June 25, 2025

Supplementary documents for quarterly results:

Yes

Quarterly results briefing:

No

(Amounts are rounded down to the nearest million.)

### 1. Consolidated Results for the Three Months Ended March 31, 2025

(January 1, 2025 - March 31, 2025)

(1) Revenues and Income (Percentages represent change compared with the same quarter of the previous year.)

	Revenues (¥ million)	Change (%)	Operating income (¥ million)	Change (%)	Income before income taxes (¥ million)	Change (%)	Net income (¥ million)	Change (%)
Three months ended March 31, 2025	9,370	12.8	1,221	52.7	1,259	60.5	855	56.3
Three months ended March 31, 2024	8,307	3.7	800	(7.5)	784	(7.5)	547	7.8

	Net income attributable to owners of the parent (¥ million)	Change (%)	Comprehen- sive income (¥ million)	Change (%)	Basic earnings per share (¥)	Diluted earnings per share (¥)
Three months ended March 31, 2025	746	42.1	931	3.9	7.01	7.01
Three months ended March 31, 2024	525	24.3	896	37.9	4.84	4.84

### (2) Financial Position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Ratio of equity attributable to owners of the parent to total assets (%)
As of March 31, 2025	33,413	14,714	11,672	34.9
As of December 31, 2024	33,178	14,384	11,285	34.0

### 2. Dividends

	Dividends per share				
	1st Qtr.	2nd Qtr.	3rd Qtr.	Year-end	Total
2024	2.90	3.00	3.00	3.30	12.20
2025	3.90				
2025 (est.)		3.90	3.90	3.90	15.60

Note: Revisions since the most recently announced dividend forecast: No

### 3. Forecast of Consolidated Results for 2025 (January 1, 2025 - December 31, 2025)

(Percentages represent change compared with the previous fiscal year.)

	Revenues (¥ million)	(%)	Operating income (¥ million)	(%)	Net income (¥ million)	(%)	Net income attributable to owners of the parent (¥ million)	(%)	Basic earnings per share (¥)
Full-year	41,200	10.0	6,220	13.4	4,280	5.6	3,879	5.1	36.43

Note: Revisions since the most recently announced forecast of results: No

## Notes

- (1) Changes in Scope of Consolidation during the Period: No
- (2) Changes in Accounting Policies and Changes in Accounting Estimates
  - (a) Changes in accounting policies required by IFRS: No
  - (b) Changes in accounting policies other than (a) above: No
  - (c) Changes in accounting estimates: No
- (3) Number of Shares Issued and Outstanding (Common Stock)
  - (a) Number of shares at the end of the period (including treasury stock)  
Three months ended March 31, 2025: 109,000,000; Year ended December 31, 2024: 109,000,000
  - (b) Number of treasury shares at the end of the period:  
Three months ended March 31, 2025: 2,546,017; Year ended December 31, 2024: 2,521,017
  - (c) Average number of shares outstanding (cumulative with earlier quarters):  
Three months ended March 31, 2025: 106,453,983; Three months ended March 31, 2024: 108,559,030

**\* These Financial Statements Are Not Subject to Review by a Certified Public Accountant or Auditing Firm**

**\* Explanation of the Proper Use of Performance Forecasts and Other Special Instructions**

Note regarding forward-looking statements:

Consolidated forecasts and other statements regarding the future contained in this document are based on information currently available to the Company and certain reasonable assumptions. Actual performance may differ substantially due to numerous factors.

How to obtain supplementary quarterly financial information:

Financial results briefing materials are disclosed on the same day on TDnet and the Company website.

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## **1. Overview of Results of Operations and Other Information**

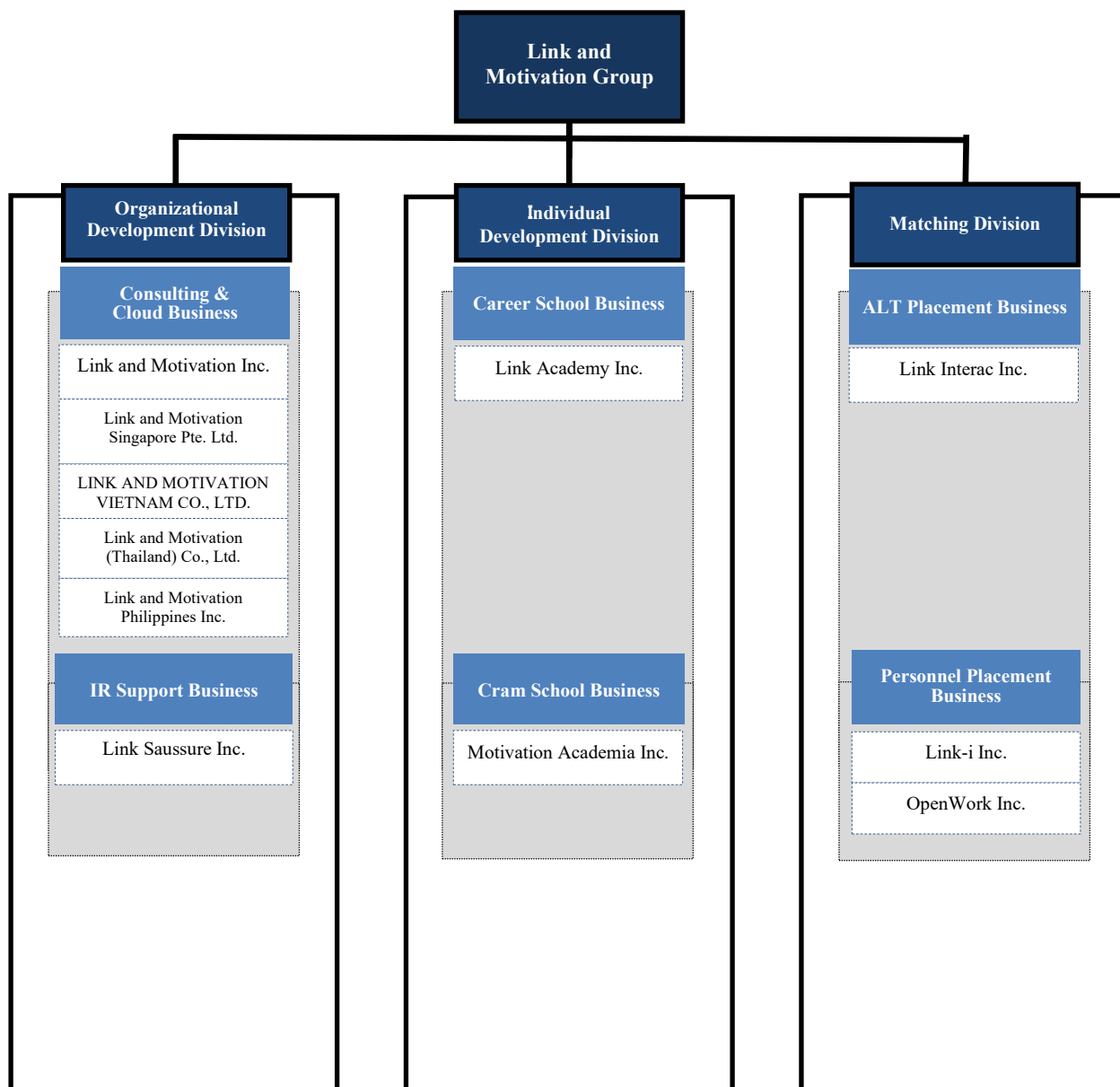
Forward-looking statements in the following text are based on judgments as of March 31, 2025, the last day of the consolidated accounting period under review.

### **(1) Overview of Results of Operations for the Three Months Ended March 31, 2025**

The Group supports the transformation of numerous organizations and individuals using “Motivation Engineering” (the Group’s core technology), incorporating academic results in business administration, social systems theory, behavioral economics, psychology and other disciplines, under its mission: “Through Motivation Engineering, we provide opportunities to transform organizations and individuals and create a more meaningful society.” During the three months ended March 31, 2025, the Japanese economy gradually recovered with the improvement of the employment and income environment. However, the economic outlook remains unclear because of the continued rise in prices, geopolitical risks due to the impact of U.S. political trends on the global economy and the unstable international situation. In these economic conditions, the Group perceives a growing need for companies to promote human capital management in order to deal with change, and more specifically, a need to improve employee engagement (the degree of mutual understanding and affinity between a company and its employees), and to secure and develop human resources.

In this economic environment, the Group’s revenues for the first quarter of 2025 were ¥9,370 million (a 12.8% increase compared with the same period of the previous year), gross profit was ¥5,058 million (a 13.5% increase) and operating income was ¥1,221 million (a 52.7% increase). Net income attributable to owners of the parent was ¥746 million (a 42.1% increase). As a result of growth led by the core Consulting & Cloud business, revenues and all levels of income increased substantially over the same period of the previous year, and are progressing in line with expectations.

The segment and business classifications of the Group are as shown below, and an overview of the first quarter of 2025 by segment and business follows. As of the first quarter of 2025, the business activities of the Consulting & Cloud business and the IR Support business have changed. Year-on-year comparisons are made after reclassifying the figures for the same period of the previous year to conform to the new classification.



## **Organizational Development Division**

The Organizational Development Division provides support for the creation of companies that are chosen by individuals (“Motivation Companies”). In concrete terms, it offers services that provide support for increasing engagement with a company’s stakeholders (employees, job applicants, customers, shareholders) by applying “Motivation Engineering,” which is the core technology of the Group.

In this segment, segment revenues for the first quarter of 2025 were ¥3,611 million (a 20.3% increase), and segment income was ¥2,457 million (a 15.6% increase). An overview of operating results by business for the first quarter of 2025 is as follows.

### **Consulting & Cloud Business**

The Consulting & Cloud business supports the practice of human capital management through diagnosis and transformation by providing consulting and cloud services to corporate clients. Specifically, it provides one-stop services that include diagnosing organizations using its original diagnostic framework, as well as transformation solutions for organizational and personnel issues in the areas of recruiting, training, systems and corporate culture. In cloud-based services, it provides Motivation Cloud.

In this business, revenues for the first quarter of 2025 were ¥3,068 million (a 19.2% increase) and gross profit was ¥2,235 million (a 19.3% increase). Results by product in the Consulting & Cloud business were as follows.

**Table 1. Revenues by Product**

Product (¥ million) (Figures in brackets are gross profit)	Three months ended March 31, 2024	Three months ended March 31, 2025	YoY change (%)
Consulting & Cloud Business	2,573 [1,874]	3,068 [2,235]	19.2% 19.3%
Consulting	1,235	1,444	16.9%
Cloud	1,338	1,624	21.4%

In the first quarter of 2025, both revenues and gross profit increased substantially compared with the same period of the previous year as a result of the strong growth of Motivation Cloud, which grew 22.7% compared with the same period of the previous year.

In consulting, revenues also increased substantially. The business will continue to focus on providing comprehensive support for human capital management to major companies.

Monthly fee revenue increased substantially compared with the same period of the previous year for Motivation Cloud, which is a cloud product and priority service. The number of deliveries and monthly fee revenue were as follows.

**Table 2. Number of Deliveries and Monthly Fee Revenue for Motivation Cloud s at Quarter-End**

	2024				2025
	March	June	September	December	March
Number of deliveries	883	915	962	1,017	1,012
Monthly fee revenue (¥ thousand)	424,550	458,130	493,684	515,823	520,827

Since its founding in 2000, the Group has not only diagnosed the engagement status of companies and employees but has also supported their transformation. Motivation Cloud is a cloud-based service in the field of HR Tech (human resources combined with technology) that supports solving organizational and personnel issues such as improving human resource capabilities and engagement through diagnosis and transformation of organizations. In March 2025, the Group integrated all of its cloud services into Motivation Cloud. Currently, in addition to providing Motivation Cloud Engagement, which enables improvement of employee engagement, Motivation Cloud Sharing for revitalizing organizational culture, and Motivation Cloud Role Development for improving human resource capabilities, the Group has also added services for supporting digital transformation (DX), including RPA Robo-Pat DX and FCE Prompt Gate, which are provided by FCE, with which the Group concluded a business alliance agreement in August 2024. Among these services, Motivation Cloud Engagement is currently ranked No. 1 in share of sales by vendor in the employee engagement market (the seventh consecutive year: fiscal 2017 to fiscal 2023 forecast) in *ITR Market View: Human Resources Management Market 2024*, a market research report published by ITR Corporation.

Monthly fee revenue from Motivation Cloud at the end of March 2025 was ¥520,827 thousand (a 22.7% increase), achieving significant growth. The Group will accelerate growth by continuing to focus on introducing Motivation Cloud at major companies, where there is substantial room for development.

## **IR Support Business**

The IR Support business mainly supports disclosure of human capital management initiatives by providing planning and production services for printed, web-based and visual media and events to corporate clients. Specifically, this business supports internal branding through events and media, produces voluntary disclosure materials such as integrated reports and shareholder reports for shareholders and investors, and creates video content for financial results briefings and other events, including attracting guests and live streaming.

In this business, revenues for the first quarter of 2025 were ¥646 million (a 16.8% increase) and gross profit was ¥282 million (a 12.5% decrease).

In the first quarter of 2025, revenues increased substantially compared with the previous year as revenues from production of integrated reports, the core service, grew in line with expectations. However, gross profit was down significantly from the same period of the previous year due to a decrease in the gross profit margin resulting from an increase in orders for events.

This business established Link Saussure Inc. through the merger of Link Corporate Communications Inc. and Link Event Produce Inc. on January 1, 2025. In addition to IR support, it will support true corporate branding by providing one-stop services for internal branding through the formulation and promotion of corporate philosophies. On April 1, 2025, Japan Strategic Finance Co., Ltd., which provides IR support services, became a wholly owned subsidiary. This company is an IR support company that has specialized in investor relations and built a strong track record of results in the 20 years since its establishment. It handles all aspects from attracting institutional investors and analysts to financial results briefings, to event management on the day of the briefing, as well as on-demand streaming after the briefing is over. It currently provides services to more than 300 small and medium-sized companies in Japan. Through this acquisition, the IR Support business will expand its business scope to a wider range of companies, and that, combined with Link Saussure's branding capabilities, will enable this business to raise its corporate disclosure support to a higher level and provide more comprehensive IR services. Japan Strategic Finance's business performance is scheduled to be included in consolidated financial results starting from the second quarter of 2025.

## **Individual Development Division**

The Individual Development Division supports the creation of individuals who are chosen by organizations ("i-Companies"). Specifically, it applies "Motivation Engineering," which is the core technology of the Group, to businesses in areas including career schools and cram schools, to provide one-stop services to customers from elementary school students to working adults. These services range from helping to set goals to understanding individual issues and formulating and implementing study plans.

In this segment, segment revenues for the first quarter of 2025 were ¥1,446 million (a 5.5% decrease) and segment income was ¥633 million (a 7.1% decrease). An overview of operating results by business for the first quarter of 2025 is as follows.

### **Career School Business**

The Career School business supports career advancement by providing development courses for IT and language skills as well as qualifications programs for university students and working adults. It provides five services: "Aviva" personal computer schools, "Daiei" qualification schools, "Rosetta Stone Learning Center," "Rosetta Stone Premium Club" and "Hummingbird" foreign language schools.

In this business, revenues for the first quarter of 2025 were ¥1,243 million (a 7.4% decrease) and gross profit was ¥547 million (a 9.7% decrease).

In the first quarter of 2025, revenues and gross profit both decreased compared with the same period of the previous year as a result of sluggish new enrollment in classes. On the other hand, revenues from online courses, a priority service, grew as expected, increasing 18.1% to ¥161 million. In 2025, the business will continue to focus on expanding its services centered on online courses by promoting course development based on needs such as productivity improvement.

### **Cram School Business**

The Cram School business provides educational opportunities in the form of cram schools for elementary, junior high and high school students to support them in acquiring skills to improve their academic performance and play an active role in society. The business operates two cram schools in both in-person and online formats—"SS-1," an individualized instruction school for students preparing for junior high school entrance exams, and "Motivation Academia" cram schools for junior high and high school students.

In this business, revenues for the first quarter of 2025 were ¥202 million (a 7.7% increase) and gross profit was ¥86 million (a 13.8% increase).

In the first quarter of 2025, revenues increased and gross profit increased substantially compared with the same period of the previous year as enrollment and revenues per enrollee each increased in line with expectations. This business will continue to grow by providing learning opportunities through online courses to a wide range of students, not just those in areas where they can attend physical schools, to increase the number of new enrollees.

## **Matching Division**

The Matching Division operates the ALT (assistant language teacher) Placement business and the Personnel Placement business in order to provide opportunities to connect organizations and individuals. It creates matches with a

high retention rate by applying “Motivation Engineering,” the core technology of the Group, to go beyond the skill requirements of companies and local governments and provide support for matching organizations and individuals based on the characteristics of each individual and other relevant data.

In this segment, segment revenues for the first quarter of 2025 were ¥4,556 million (a 14.8% increase) and segment income was ¥2,193 million (a 19.5% increase). An overview of operating results by business for the first quarter of 2025 is as follows.

### **ALT Placement Business**

The ALT Placement business supports high-quality English language education by providing high-engagement matching opportunities between local governments and talented individuals from overseas seeking to work in Japan. Specifically, it dispatches non-Japanese assistant language teachers (ALTs) to elementary, junior high and high schools throughout Japan and provides English-language instruction services on contract. In this business, barriers to entry are extremely high due to the importance placed on relationships of trust with customers and a company's track record, and the Group has established the predominant No. 1 share among private companies.

In this business, revenues for the first quarter of 2025 were ¥3,302 million (a 9.7% increase) and gross profit was ¥984 million (a 9.8% increase).

In the first quarter, the number of ALTs dispatched increased as expected, resulting in increases in both revenues and gross profit compared with the same period of the previous year. The Group will continue working to further expand market share by shifting some services online and utilizing ICT, while leveraging its strength in dispatching high-quality ALTs.

### **Personnel Placement Business**

The Personnel Placement business helps to find the right fit between job applicants and companies by providing an information platform and matching opportunities with high engagement for people looking to find or change jobs. Specifically, it provides a wide range of matching opportunities, including OpenWork, one of Japan's largest employee review platforms, as well as employment referrals for university students.

In this business, revenues for the first quarter of 2025 were ¥1,276 million (a 32.2% increase) and gross profit was ¥1,232 million (a 30.1% increase).

In the first quarter, OpenWork, which has a particularly high growth rate, continued to steadily accumulate registered users as well as employee online reviews and evaluation scores. In the direct recruiting service (OpenWork Recruiting), the cumulative number of online resume registrations (working adults and students) continued to increase steadily, and has reached approximately 1,440,000. As a result of efforts to stimulate recruiting activity among existing customers and increase employment opportunities, recruiting by employers and applications from job seekers expanded, and revenues from this service were ¥693 million (a 35.5% increase).

This business will continue to expand synergy with the Organizational Development Division, and will ramp up its matching services.

### **Venture Incubation**

In addition to its divisions, the Group conducts venture incubation. In venture incubation, the Group provides its know-how in organizational and personnel consulting in addition to funding, as well as support on an organizational level for growing venture companies that aim to list their stock. The two main criteria for selection of investees are sympathy with the idea of “creation of Motivation Companies” and aim to list stock. Gains on sales and other results generated from venture incubation are recorded in retained earnings on the condensed consolidated statements of financial position, or under other income or other expenses on the condensed consolidated statements of operations.

To date, the Group has helped 12 companies successfully list their stock. We will continue to support investees to create “Motivation Companies” and accelerate the promotion of human capital management.

## **(2) Overview of Financial Position for the Three Months Ended March 31, 2025**

Total assets as of March 31, 2025 were ¥33,413 million, an increase of ¥235 million from the end of the previous year. This was mainly due to factors included a ¥233 million increase in other current assets.

Total liabilities as of March 31, 2025 were ¥18,699 million, a decrease of ¥94 million from the end of the previous year. This was mainly due to factors including a ¥1,397 million increase in interest-bearing and other financial liabilities, which was offset by a ¥720 million decrease in trade and other payable and a ¥775 million decrease in income tax payable.

Total equity as of March 31, 2025 was ¥14,714 million, an increase of ¥329 million from the end of the previous year. This was mainly because the Group posted net income, offset by a decrease in dividends from surplus.

## **(3) Overview of Cash Flow for the Three Months Ended March 31, 2025**

Cash and cash equivalents (“cash”) as of March 31, 2025 were ¥8,687 million, an increase of ¥80 million during the period.

Cash flow during the three months ended March 31, 2025 was as follows.



### *Cash Flow from Operating Activities*

Net cash provided by operating activities was ¥155 million, an increase of ¥24 million compared with the same period of the previous year. The principal factors increasing cash included a ¥474 million increase in income before income taxes, a decrease in trade and other receivables of ¥158 million and a decrease in inventories of ¥88 million. This was offset by a ¥583 million decrease in trade and other payables and a ¥161 million increase in income taxes paid.

### *Cash Flow from Investing Activities*

Net cash used in investing activities was ¥119 million, an increase of ¥34 million. The principal factors decreasing cash included a ¥458 million decrease in proceeds from sale of investment securities, while the principal factors increasing cash included the absence of payments for acquisition of investment securities recorded in the same period of the previous year, and a ¥58 million decrease in payments for fulfillment of asset retirement obligations.

### *Cash Flow from Financing Activities*

Net cash provided by financing activities was ¥363 million, an increase of ¥184 million compared with the same period of the previous year. The principal factors decreasing cash included a ¥3,690 million decrease in proceeds from long-term financial liabilities, a ¥180 million increase in repayment of long-term financial liabilities, payments for acquisition of interests in subsidiaries from non-controlling interests of ¥270 million and an increase in deposits of ¥147 million. The principal factors increasing cash included a ¥4,100 million net increase in short-term financial liabilities and the absence of payments for acquisition of treasury shares recorded in the same period of the previous year.

## **(4) Forecast**

In the first quarter of 2025, revenues and operating income both increased substantially compared with the same period of the previous year, with growth driven by the core Consulting & Cloud business. The Company is making steady progress toward its performance forecasts for the fiscal year ending December 31, 2025 with revenues of ¥41,200 million (a 10.0% increase) and operating income of ¥6,220 million (a 13.4% increase).

Given the rising importance of and difficulty for companies in adapting to the labor market, the Group will continue to focus on the Consulting & Cloud business, which has high growth potential. For human capital management, it is essential to provide regular diagnoses of the organization and to conduct transformation based on the identified issues. With our competitive advantage that covers all areas, we will aim for expansion in both cloud and consulting businesses. Please see the *IR Book* for details.

►Details here: <https://www.lmi.ne.jp/english/ir/library/annual/>

Table 3. Type of Support Provided by the Consulting & Cloud Business

Type of support	Diagnosis	Transformation	
	Cloud-based organizational diagnosis	Cloud-based transformation support	Consulting-based transformation support

An overview of specific initiatives is described below.

### *Cloud-Based Organizational Diagnosis*

Currently, this service supports major companies in Japan, small and medium-sized enterprises in Japan, and overseas subsidiaries of Japanese companies, but its focus is on further expanding business with major companies in Japan. As a result of that focus, Motivation Cloud is growing steadily, and has achieved substantial growth compared with the same period of the previous year. On the other hand, although Motivation Cloud Engagement has held the No. 1 share in the employee engagement market for seven consecutive years, the number of companies that have adopted it still represent just 5% of the approximately 4,000 listed companies in Japan, indicating that it has ample room for further expansion. In the future, we will achieve accelerated growth by promoting its introduction to a wide range of major companies.

For domestic small and medium-sized enterprises, in addition to the business alliance with FCE Inc., we concluded an agreement for customer referrals with The San-in Godo Bank, Ltd. in March 2025. Approximately 16,000 companies do business with The San-in Godo Bank, Ltd., and the Group will be able to approach up to about 19,000 companies in the future. In addition, we have decided to begin offering Motivation Cloud Basic as a new product for small and medium-sized enterprises in Japan. We will use a subscription model to provide this service, which can comprehensively address organizational issues. Going forward, we will leverage the customer bases of our business alliance partners to quickly expand our provision of services.

### *Cloud-Based Transformation Support*

Up to now, we have shifted transformation services to the cloud through in-house development and added DX support services RPA Robo-Pat DX and FCE Prompt Gate under our business alliance with FCE Inc., but in March 2025, we integrated all of our cloud services into Motivation Cloud. Looking ahead, we will further expand transformation

services through M&As and business partnerships, and offer complete support from organizational diagnosis to transformation within Motivation Cloud. By doing so, we will establish a dominant competitive advantage.

#### *Consulting-Based Transformation Support*

In the consulting business, our focus is on deepening customer relationships to further increase revenues per customer. We concluded a capital alliance agreement with GO inc. (“The Breakthrough Company GO”), which we had signed a business alliance agreement in November 2024. Specifically, we will comprehensively support purpose-driven management of companies by providing one-stop consulting for recruiting, training, systems and corporate culture. GO inc. will conduct branding support centered on articulation and visualization of the corporate purpose, and the Group will inculcate the purpose into the corporate culture. By further solidifying the relationship between the two companies through this capital alliance, we will promote further deepening of customer relationships.

We will work to accelerate growth for the whole Group through expansion of the IR Support business as well as expansion of the market share of the ALT Placement business, in addition to strong growth in revenues of the Personnel Placement business, including OpenWork.

## 2. Condensed Consolidated Financial Statements and Main Notes

### (1) Condensed Consolidated Statements of Financial Position

(Millions of yen, rounded down to the nearest million)

	As of December 31, 2024	As of March 31, 2025
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	8,607	8,687
Trade and other receivables	4,100	3,981
Inventories	297	278
Other current financial assets	17	0
Other current assets	918	1,151
Total current assets	13,940	14,098
Non-current assets		
Property, plant and equipment	653	668
Right-of-use assets	3,065	3,063
Goodwill	9,346	9,346
Intangible assets	2,066	2,040
Investments accounted for using the equity method	1,981	2,038
Other non-current financial assets	1,339	1,374
Deferred tax assets	721	718
Other non-current assets	63	63
Total non-current assets	19,237	19,315
Total assets	33,178	33,413

(Millions of yen, rounded down to the nearest million)

	As of December 31, 2024	As of March 31, 2025
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Current liabilities		
Trade and other payables	2,111	1,390
Contract liabilities	1,188	1,133
Interest-bearing and other financial liabilities	2,776	4,167
Lease liabilities	887	885
Income tax payable	1,214	438
Provisions	2	—
Other current liabilities	1,936	1,974
Total current liabilities	10,115	9,990
Non-current liabilities		
Interest-bearing and other financial liabilities	5,778	5,784
Lease liabilities	2,188	2,206
Provisions	370	377
Deferred tax liabilities	223	225
Other non-current liabilities	116	114
Total non-current liabilities	8,677	8,708
Total liabilities	18,793	18,699
<b>EQUITY</b>		
Equity attributable to owners of the parent		
Share capital	1,380	1,380
Capital surplus	2,680	2,598
Treasury shares	(1,182)	(1,182)
Retained earnings	9,447	9,860
Other components of equity	(1,040)	(984)
Total equity attributable to owners of the parent	11,285	11,672
Non-controlling interests	3,099	3,042
Total equity	14,384	14,714
Total liabilities and equity	33,178	33,413

**(2) Condensed Consolidated Statements of Operations and Comprehensive Income**  
**Condensed Consolidated Statements of Operations**

(Millions of yen, rounded down to the nearest million)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Revenues	8,307	9,370
Cost of sales	3,850	4,311
Gross profit	4,456	5,058
Selling, general and administrative expenses	3,563	3,794
Other income	12	8
Other expenses	104	51
Operating income	800	1,221
Financial revenues	5	5
Financial expenses	21	25
Equity in earnings of affiliates	—	57
Income before income taxes	784	1,259
Income taxes	237	404
Net income	547	855
(Attributable to)		
Owners of the parent	525	746
Non-controlling interests	22	109
Total	547	855

(Yen)

Earnings per share attributable to owners of the parent		
Basic earnings per share	4.84	7.01
Diluted earnings per share	4.84	7.01

# Condensed Consolidated Statements of Comprehensive Income

(Millions of yen, rounded down to the nearest million)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net income	547	855
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	350	84
Total of items that will not be reclassified to profit or loss	350	84
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(1)	(8)
Total of items that may be reclassified to profit or loss	(1)	(8)
Total other comprehensive income	349	76
Total comprehensive income	896	931
(Attributable to)		
Owners of the parent	874	822
Non-controlling interests	22	109
Comprehensive income	896	931

**(3) Condensed Consolidated Statements of Changes in Equity**  
**Three months ended March 31, 2024**

(Millions of yen, rounded down to the nearest million)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total equity attributable to owners of the parent		
January 1, 2024	1,380	4,619	(1,539)	7,396	(1,690)	10,165	2,774	12,940
Net income	—	—	—	525	—	525	22	547
Other comprehensive income	—	—	—	—	349	349	—	349
Total comprehensive income	—	—	—	525	349	874	22	896
Acquisition of treasury shares	—	—	(765)	—	—	(765)	—	(765)
Change in ownership interest in subsidiaries	—	(9)	—	—	—	(9)	7	(2)
Dividends from surplus	—	—	—	(317)	—	(317)	—	(317)
Exercise of stock acquisition rights	—	5	—	—	(5)	—	—	—
Share-based payment transactions	—	1	—	—	(1)	0	—	0
Transfer from other components of equity to retained earning	—	—	—	(431)	431	—	—	—
Total transactions with the owners	—	(3)	(765)	(749)	425	(1,092)	7	(1,084)
March 31, 2024	1,380	4,615	(2,304)	7,172	(916)	9,948	2,804	12,752

**Three months ended March 31, 2025**

(Millions of yen, rounded down to the nearest million)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total equity attributable to owners of the parent		
January 1, 2025	1,380	2,680	(1,182)	9,447	(1,040)	11,285	3,099	14,384
Net income	—	—	—	746	—	746	109	855
Other comprehensive income	—	—	—	—	76	76	—	76
Total comprehensive income	—	—	—	746	76	822	109	931
Change in ownership interest in subsidiaries	—	(100)	—	14	—	(86)	(165)	(251)
Dividends from surplus	—	—	—	(351)	—	(351)	—	(351)
Exercise of stock acquisition rights	—	8	—	—	(8)	—	—	—
Share-based payment transactions	—	9	—	—	(8)	1	—	1
Transfer from other components of equity to retained earning	—	—	—	3	(3)	—	—	—
Total transactions with the owners	—	(82)	—	(333)	(19)	(436)	(165)	(601)
March 31, 2025	1,380	2,598	(1,182)	9,860	(984)	11,672	3,042	14,714

**(4) Condensed Consolidated Statements of Cash Flow**

(Millions of yen, rounded down to the nearest million)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flow from operating activities		
Income before income taxes	784	1,259
Depreciation and amortization	404	442
Loss on impairment	30	49
Loss (gain) on sales of fixed assets	(0)	—
Financial revenues and financial expenses	15	20
Equity in (earnings) losses of affiliates	—	(57)
Decrease (increase) in trade and other receivables	(39)	118
Decrease (increase) in inventories	(69)	18
Increase (decrease) in trade and other payables	(150)	(733)
Other	(45)	(41)
Subtotal	929	1,076
Interest and dividends received	3	3
Interest paid	(19)	(28)
Income tax refund	0	—
Income taxes paid	(1,044)	(1,206)
Net cash provided by (used in) operating activities	(131)	(155)
Cash flow from investing activities		
Payments for acquisition of property, plant and equipment	(42)	(27)
Proceeds from sale of property, plant and equipment	0	—
Payments for acquisition of intangible assets	(128)	(125)
Payments for acquisition of investment securities	(300)	—
Proceeds from sale of investment securities	465	7
Payments for security deposits and guarantees	(18)	(14)
Proceeds from recovery of security deposits and guarantees	3	40
Payments for fulfillment of asset retirement obligations	(75)	(17)
Other	11	17
Net cash provided by (used in) investing activities	(85)	(119)
Cash flow from financing activities		
Net increase (decrease) in short-term financial liabilities	(2,700)	1,400
Proceeds from long-term financial liabilities	4,200	510
Repayment of long-term financial liabilities	(332)	(512)
Proceeds from exercise of stock options	10	—
Payments of cash dividends	(317)	(352)
Repayment of lease liabilities	(266)	(262)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(270)
Payments for acquisition of treasury shares	(413)	—
(Increase) decrease in deposits	—	(147)
Net cash provided by (used in) financing activities	179	363
Cash and cash equivalents translation adjustment	1	(8)
Net increase (decrease) in cash and cash equivalents	(35)	80
Cash and cash equivalents at beginning of quarter	7,389	8,607
Cash and cash equivalents at end of quarter	7,354	8,687



## **(5) Notes to Condensed Consolidated Financial Statements**

### **(Change in Accounting Policies)**

None applicable

### **(Significant Accounting Policies)**

The significant accounting policies applied in these condensed consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year except for those noted in “Change in Accounting Policies” and in the item below.

Income taxes expense for the three months ended March 31, 2025 was calculated using the estimated average annual effective tax rate.

### **(Notes Regarding Significant Accounting Estimates and Judgements)**

In preparing the condensed consolidated financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The results of accounting estimates may differ from actual results.

The estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of a review of accounting estimates are recognized in the accounting period in which the estimates are reviewed as well as in future periods.

Estimates and estimate-related judgments that have a significant impact on these condensed consolidated financial statements are the same as those in the condensed consolidated financial statements for the same period of the previous fiscal year.

**(Segment Information)****1. Overview of Reportable Segments**

The reportable segments of the Group are based on available financial information divided among the constituent units of the Group and are subject to periodic analysis by the Board of Directors to determine allocation of management resources and to evaluate operating results.

The Group draws up comprehensive strategies and conducts business activities for the services it handles. The Group is composed of divisional segments based on the form in which services are provided, with three reportable segments: the “Organizational Development Division,” the “Individual Development Division,” and the “Matching Division.”

**2. Revenues, Income or Loss, and Other Items in Reportable Segments**

The accounting policies for reportable segments are the same as the Group’s accounting policies.

Income of reportable segments is based on gross profit on the condensed consolidated statement of operations.

Values of intersegment transactions are decided using the same method as for sales to outside customers.

Revenues, income or loss, and other items for each reportable segment of the Group are as follows.

**Three months ended March 31, 2024**

(Millions of yen)

	Reportable Segment				Other (Note 1)	Adjustment (Note 2)	Consolidated
	Organizational Development Division	Individual Development Division	Matching Division	Total			
Segment revenues							
Revenue to outside customers	2,915	1,526	3,864	8,305	1	—	8,307
Intersegment revenues and transfers	86	5	104	195	11	(207)	—
Total	3,001	1,531	3,969	8,501	13	(207)	8,307
Segment income	2,126	682	1,836	4,644	(5)	(183)	4,456
Selling, general and administrative expenses							3,563
Other revenue/expenses (net)							(92)
Financial revenue/expenses (net)							(15)
Income before income taxes							784

Notes: 1. The Other segment consists of the restaurant business and other operations not included in the other reportable segments.

2. Adjustment is the elimination of intersegment transactions.

**Three months ended March 31, 2025**

(Millions of yen)

	Reportable Segment				Other (Note 1)	Adjustment (Note 2)	Consolidated
	Organizational Development Division	Individual Development Division	Matching Division	Total			
Segment revenues							
Revenue to outside customers	3,529	1,439	4,397	9,366	4	—	9,370
Intersegment revenues and transfers	82	7	158	248	14	(262)	—
Total	3,611	1,446	4,556	9,614	18	(262)	9,370
Segment income	2,457	633	2,193	5,285	(3)	(222)	5,058
Selling, general and administrative expenses							3,794
Other revenue/expenses (net)							(42)
Financial revenue/expenses (net)							(20)
Equity in earnings of affiliates							57
Income before income taxes							1,259

Notes: 1. The Other segment consists of the restaurant business and other operations not included in the other reportable segments.  
2. Adjustment is the elimination of intersegment transactions.

**(Notes Regarding Assumption of Going Concern)**

None applicable

**(Significant Subsequent Events)**

None applicable