Annual Financial Summary

for the Fiscal Year Ended March 31, 2025

MS-Japan

TSE-Prime Market
Ticker Symbol:6539
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(IR website: https://ir.jmsc.co.jp/en/index.html)

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① Financial Result Highlights

-Domestic Revenue Reaches Record High, with MS Agent and MS Jobs Also setting New Records.

Domestic total revenue reached ¥45.9 billion (+0.4% YoY), with recruiting services revenue at ¥42.4 billion (+2.3% YoY) and DRM revenue at ¥1.05 billion (+7.6% YoY), each setting new record highs. Additionally, with the consolidation of the Australian subsidiary from this fiscal year, total consolidated revenue rose to ¥74.7 billion (+63.4% YoY).

-FY2026 Forecast Aims for Record Revenue, EBITDA, and Operating Profit.

Targeting Record Revenue of ¥82.2 billion (+10.1% YoY), EBITDA of ¥22.8 billion (+10.2% YoY), and Operating Profit of ¥17.9 billion (+11.6% YoY).

-Dividends: ¥56 per share for FY2025(unchanged from initial forecast), with the same planned for FY2026.

No change in cash allocation policy. Cash flow, adjusted for goodwill amortization, remains at a healthy level, providing sufficient resources for both financial stability and dividends. The FY2025 dividend forecast remains unchanged at ¥56 per share, with the same amount planned for FY2026.

② FY2025 Financial Performance Overview (Unit: million Yen)

	FY24	FY25	Growth %
Total Revenue	**4,574**	**7,474**	**63.4%**
MS Agent revenue	4,146	4,240	2.3%
Manegy revenue	329	246	(25.3%)
MS Jobs revenue	98	105	7.6%
Overseas revenue	–	2,881	–
Cost of sales	0	1,551	–
EBITDA	**1,707**	**2,075**	**21.6%**
Operating profit	**1,623**	**1,604**	**(1.2%)**
Ordinary profit	1,664	1,681	1.0%
Net income	**1,133**	**1,069**	**(5.6%)**
Net income attributable to the parent	**1,134**	**1,032**	**(9.0%)**

-Recruitment Agency Service “MS Agent” overview

In this economic environment, our Recruitment Agency Service MS Agent achieved record-high consolidated revenue, reaching 4,240 million yen, representing a 2.3% year-on-year increase. However, the number of new registrants, a leading indicator for the Recruitment Agency Service, was 18,053 (3.5% decrease year-on-year), and the number of new job openings was 18,190 (1.9% decrease year-on-year), reflecting a slight decline compared to the previous fiscal year.

-Business Media Service “Manegy” overview

Media Service revenue saw a decline to 246 million yen (25.3% decrease year-on-year) despite growth in non-tech sectors such as HR, general affairs, and information systems services, due to a decrease in DX tech-related advertising, which had surged during the COVID-19 pandemic but has now stabilized. Non-tech sector revenue, however, increased to 43 million yen (45.9% increase year-on-year), reflecting steady growth. Additionally, new services in education and office sectors have been launched, expanding monetization opportunities beyond the DX domain.

-Direct Recruitment Service “MS Jobs” overview

Revenue in the Direct recruitment service reached 105 million yen (7.6% increase year-on-year) due to sustained high levels in the number of job openings, partnered agents, and new registrants for scout services.

-Overseas Recruitment Service overview

Regarding revenue from overseas recruitment services, the consolidated income statement for the first quarter includes the financial performance of FourQuarters Recruitment Pty. Ltd., an Australia-based company specializing in recruitment and staffing services for Finance, Banking and administration position and other professional fields. FourQuarters Recruitment Pty. Ltd. became a consolidated subsidiary on February 16, 2024 (with a deemed acquisition date of December 31, 2023), and its results have been reflected accordingly.

-Cost of Sales and SG&A expenses overview

Cost of sales increased to 1,551 million yen, primarily due to the inclusion of the staffing business cost of sales from the newly consolidated Australian subsidiary FourQuarters Recruitment Pty. Ltd,

Selling, general and administrative expenses (SG&A) increased to 4,317 million yen (46.4% increase year-on-year), driven by the consolidation of the Australian subsidiary's financial results, goodwill amortization, and investments in personnel recruitment to support business expansion.

As a result, consolidated total revenue for the fiscal year amounted to 7,474 million yen (63.4% increase year-on-year), EBITDA (operating income + depreciation and amortization + goodwill amortization) reached 2,075 million yen (21.6% increase year-on-year), operating profit was 1,604 million yen (1.2% decrease year-on-year), ordinary profit was 1,681 million yen (1.0% increase year-on-year), and net income attributable to the parent was 1,032 million yen (9.0% decrease year-on-year).

(Unit: million Yen)

	FY24	FY25	Growth %
SG&A Total	**2,950**	**4,317**	**46.4%**
Marketing related expenses	717	669	(6.7%)
Personnel expenses	1,095	1,185	8.2%
Depreciation	83	102	22.2%
Office Rent	198	199	0.9%
Other expenses	674	740	9.7%
M&A related expense	180	–	–
Expenses overseas	–	1,104	–
Goodwill amortization	–	316	–

-Balance Sheet overview

The equity ratio continues to be maintained at a high level.

	FY 24 (31 Mar 2024)	FY 25 (31 Mar 2025)
Current assets	6,217	5,778
Non-currents assets	5,285	5,063
Total assets	11,503	10,841
Liabilities	1,170	1,067
Net assets	10,333	9,773
Equity ratio	89.0%	89.2%

③ FY2026 Financial Outlook (Unit: million Yen)

Our consolidated earnings forecast for the next fiscal year ending March 2026 is as follows:

	FY25	FY26	Growth %
Total revenue	**7,474**	**8,227**	**10.1%**
MS Agent revenue	4,240	4,514	6.5%
Manegy revenue	246	259	5.3%
MS Jobs revenue	105	130	23.3%
Overseas revenue	2,881	3,322	15.3%
Cost of sales	1,551	1,886	21.6%
EBITDA	**2,075**	**2,286**	**10.2%**
Operating profit	**1,604**	**1,790**	**11.6%**
Ordinary profit	**1,681**	**1,767**	**5.1%**
Net income	**1,069**	**1,110**	**3.8%**
Net income attributable to the parent	**1,032**	**1,061**	**2.8%**

This forecast assumes an exchange rate of 100 yen per Australian dollar.

-Recruitment Agency Service "MS Agent" outlook

For the recruitment agency service MS Agent, we plan to increase the number of new registrants, excluding reactivations, by 4.0% year-on-year through enhanced marketing content and improved efficiency in online advertising.

Placement rates for registered job seekers are expected to rise from 13.02% in FY2025 to 13.18% in FY2026, supported by various measures, including enhanced communication, process optimization, RPA implementation, and AI-driven matching initiatives.

Average order value per placement is projected to increase from 1,856 thousand yen in FY2024 to 1,907 thousand yen in FY2025, with a further increase to 1,920 thousand yen in FY2026, reflecting continued labor shortages and upward wage trends.

-Business Media Service "Manegy" outlook

In the media service Manegy, we will focus on expanding non-tech content and subscription models, including HR, general affairs, office, and education-related services, while continuing to capture demand for B2B SaaS products through events and website improvements.

-Direct Recruitment Service "MS Jobs" outlook

Within the direct recruiting service, the "MS Jobs" plans to implement an AI consultant capable of replicating approximately 70% of the tasks currently performed by human consultants, improving matching precision and increasing the number of successful placements.

- Overseas Recruitment Service outlook

Regarding the overseas business, our Australian subsidiary is expected to benefit from a recovering business environment driven by recent interest rate cuts, leading to increased hiring demand and a rise in the number of temporary workers.

With the expected macroeconomic recovery following the first interest rate cut in 2025, the company aims for 22.1% revenue growth in AUD, driven by an increase in active temporary staff and a corresponding rise in placement volume. The focus remains on improving local staffing business efficiency. The assumed exchange rate is 1 AUD = 94 JPY, reflecting a stronger yen compared to the previous fiscal year's 1 AUD = 100 JPY.

-COGS and SG&A outlook

For marketing costs, while we aim to control acquisition costs by increasing new registrants (excluding reactivations) for the personnel placement business, we also plan to maintain efficient marketing investments for the media business "Manegy," focusing on sustainable profitability.

④ Capital Policy and Shareholder Returns

-Dividend Policy

The dividend per share for the fiscal year ended March 31, 2025, is ¥56, in line with the initial forecast. Although the dividend payout ratio for FY2025 exceeds 100%, the company's operating cash flow generation, a key indicator of core business profitability, has strengthened due to both organic growth in existing businesses and contributions from M&A activities. As a result, the dividend is fully covered by operating cash flow, ensuring the sustainability of business operations and financial stability. Looking ahead, the company remains committed to a flexible shareholder return policy based on cash flow, while also considering future profit growth opportunities both domestically and internationally.

Dividend per share trend (Unit: Yen)

	FY23	FY24	FY25	FY26
Dividend per share	49	56	56	**56**

EPS trend (Unit: Yen)

	FY21	FY22	FY23	FY24	FY25
EPS	43.37	41.34	48.95	45.4	41.56
Adjusted EPS	—	—	—	—	54.24

Adjusted EPS is calculated by adding goodwill amortization expenses to EPS (Earnings Per Share).

-Capital Allocation Policy

The company aims to maintain a stable dividend supported by operating cash flow (approximately **¥15 billion** in FY2025), while actively reinvesting for future growth. This includes utilizing cash generated from profit growth and existing cash reserves (approximately **¥70 billion** in cash and cash equivalents as of the end of FY2025) for growth investments. These investments will target existing businesses (**¥1 billion to ¥3 billion**), as well as M&A and new business opportunities to further enhance long-term value.

Given the company's high equity ratio of **89.2%**, the current level of retained earnings on the balance sheet is considered sufficient, providing a strong financial foundation. Moving forward, the company remains committed to balancing shareholder returns and growth investments, efficiently deploying excess cash to drive sustainable growth while maintaining financial flexibility.

-Cost of Capital and ROE

We estimate our cost of capital to be in the range of 8% to 10% and will continue to focus on efficient growth in existing businesses while pursuing new growth investments to consistently achieve returns above.

ROE trend

	FY21	FY22	FY23	FY24	FY25
ROE	11.6%	10.9%	12.2%	10.9%	10.4%
Adjusted ROE	–	–	–	–	13.6%

Adjusted ROE is calculated by adding goodwill amortization expenses to ROE .

⑤ Forward-Looking Statements

This document includes statements regarding industry trends and the business activities of our company, as well as forward-looking statements based on our current plans, estimates, projections, or forecasts. These forward-looking statements inherently involve various risks and uncertainties. Known and unknown risks, uncertainties, and other factors could cause actual results to differ materially from those expressed or implied in these forward-looking statements.

Actual business activities and financial performance in the future may differ from those described in this document. The forward-looking statements contained herein are based on information available to the company as of the date of this document and do not constitute a commitment to update or revise these statements to reflect future events or circumstances.

⑥ Information & Inquiries

For further information or to arrange an interview, please contact us via the application form below.

https://cloud.swcms.net/ms-japanPublic/en/Inquiry.html

Additionally, please refer to the following for more details about our business.

https://ir.jmsc.co.jp/en/outline.html