

Consolidated Financial Results for the Twelve Months Ended March 31, 2025 [IFRS] (Abridged)

Listed Company Name: LITALICO Inc.
 URL: <https://litalico.co.jp/en/>
 Explanatory materials for financial results: Yes

Listed Exchange: Tokyo Stock Exchange (Ticker: 7366)
 TEL: +813(5704)7355
 Briefing on financial results: Yes
 (for institutional investors and analysts)

Scheduled date of general shareholders' meeting: June 26, 2025

Submission of Annual Securities Report: June 20, 2025

Dividend payment commencement date: June 12, 2025

Representative: Atsumi Hasegawa, Representative Director and President

Main Contact: Sho Nochi, IR Manager

(rounded to the nearest million yen)

1. Consolidated Financial Results for the Twelve Months Ended March 31, 2025 (Apr 1, 2024 to March 31, 2025)**(1) Consolidated Operating Results**

(% figures show year-on-year change)

	Net Sales		Operating Profit		Pre-tax Profit		Net Profit		Profit Attributable to the Owners of the Parent		Total Comprehensive Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Twelve months ended March 31, 2025	33,214	20.0	3,477	0.1	3,280	(28.2)	2,402	(32.2)	2,402	(32.2)	2,244	(37.8)
Twelve months ended March 31, 2024	27,676	14.5	3,473	18.6	4,466	55.3	3,545	95.6	3,545	95.6	3,605	108.5

	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity	Ratio of Profit Before Tax to Total Assets	Operating Profit Margin
	Yen	Yen	%	%	%
Twelve months ended March 31, 2025	67.27	67.14	21.0	11.1	10.5
Twelve months ended March 31, 2024	99.38	99.04	41.0	18.6	12.6

(Ref) Investment gain and loss based on the equity method: Twelve months ended March 31, 2025: - million yen
 Twelve months ended March 31, 2024: (13 million yen)

(Note) Since LITALICO have sold all shares of nCS Inc. that were held by LITALICO, the business of nCS Inc. was classified as discontinued operations under item (5) of IFRS. Accordingly, net sales, operating profit, and pre-tax profit for the previous consolidated fiscal year have been reclassified to amounts from continuing operations, excluding discontinued operations.

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of the Parent	Ratio of Equity Attributable to Owners of the Parent	Equity Attributable to Owners of the Parent Per Share
	Million yen	Million yen	Million yen	%	yen
Twelve months ended March 31, 2025	32,724	12,469	12,469	38.1	349.35
As of March 31, 2024	25,311	10,427	10,427	41.2	292.25

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	%
Twelve months ended March 31, 2025	4,944	(6,612)	1,526	4,335
As of March 31, 2024	5,389	(1,199)	(3,383)	4,507

2. Dividends

	Annual Dividends per Share					Total Amount of Dividends (Total)	Dividend Payout Ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent
	First Quarter End	Second Quarter End	Third Quarter End	Fiscal Year End	Total			
Fiscal Year Ended March 31, 2024	Yen —	Yen 0.00	Yen —	Yen 8.00	Yen 8.00	Million yen 285	% 8.0	% 3.3
Fiscal Year Ending March 31, 2025	—	0.00	—	9.00	9.00	321	13.4	2.8
Fiscal Year Ending March 31, 2026 (Forecast)	—		—	11.00	11.00		—	

3. Forecast for the Consolidated Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	Net Sales		Operating Profit		Profit Attributable to Owners of the Parent		Basic Earnings per Share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	36,500	9.9	4,000	15.4	2,500	4.1	70.02

(Notes) 1. Revisions to forecasts of results recently announced: None

2. Above forecast is based on information available as of the date of publication of this material. Actual results may differ due to various future factors.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanying changes in scope of consolidation): Two new subsidiaries and one subsidiary excluded.

New subsidiary

(i) Developmental Disability Center of Nebraska, LLC

(ii) LITALICO Corporation

Excluded subsidiary

(i) nCS Inc.

(2) Changes in accounting policies and accounting estimates:

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than in item (i) above: None

(iii) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)	As of Mar 31, 2025	35,711,612	As of Mar 31, 2024	35,681,112
(ii) Number of treasury shares at the end of the period	As of Mar 31, 2025	18,879	As of Mar 31, 2024	1,860
(iii) Average number of shares during the period (twelve months)	As of Mar 31, 2025	35,704,879	As of Mar 31, 2024	35,672,778

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-Consolidated Operating Results

(% figures show year-on-year change)

	Net Sales		Operating Profit		Ordinary Profit		Net Profit		Earnings per Share	Diluted Earnings per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen	yen
Twelve months ended March 31, 2025	7,787	10.3	286	-	1,616	(16.5)	1,504	(29.4)	42.12	42.04
Twelve months ended March 31, 2024	27,676	14.5	3,473	18.6	4,466	55.3	3,545	95.6	59.73	59.53

(2) Non-Consolidated Financial Position

	Total Assets	Total Equity	Ratio of Equity	Net Assets Per Share
	Million yen	Million yen	%	yen
Twelve months ended March 31, 2025	22,900	11,180	47.2	302.92
As of March 31, 2024	17,871	9,905	53.5	268.04

(Note) Review procedures by certified public accountants or audit corporations on the attached quarterly consolidated financial statements: None

4. Qualitative Information on Quarterly Financial Results

(1) Explanation of Businesses

Under the vision of “creating a society without obstacles,” LITALICO group has been developing businesses in the area of welfare for persons with disabilities since its establishment in 2005. Current services include learning, vocational training, living assistance and nursing care, provided about 400 facilities nationwide. In addition, we are also expanding into general education fields such as computer programming. We are also developing internet platform-based services in the disability welfare field by utilizing the expertise we have cultivated through the operation of these facilities. With integration of facility-based and platform-based business, we aim to provide higher quality services to more people through the realization of our vision.

Our group offers five services for individuals: LITALICO Works, LITALICO Junior (Welfare), LITALICO Junior (Private), LITALICO Wonder, and LITALICO Life. Additionally, LITALICO Development Navi, LITALICO Work Navi, and LITALICO Career are internet platform-based services for welfare facilities and its workers.

LITALICO Works is a vocational training and job placement service for people with disabilities, which provides training such as PC skills and resume creation, as well as coordination with corporate HR departments. Retention support after placement is also available. The legally mandated employment rate of persons with disabilities, first set at 1.6% in 1988, has been raised to 2.5% as of April 2024, with its scope expanded to include persons with mental disabilities in 2018. However, only 46.0% of companies in Japan had met the mandated employment rate as of 2024, leaving considerable room for expansion of our employment support services.

LITALICO Junior operates special needs classrooms for children in pre-school to grade 12, which offer learning programs tailored to the individual needs of each child, such as language development, cognitive training, social skills, as well as parent training. Children eligible to attend special needs classrooms in addition to their normal school classrooms continue to increase, despite the overall declining number of children in Japan. With increasing social awareness regarding the necessity for specialized developmental learning, we believe individually tailored services

such as those provided by LITALICO are becoming essential.

LITALICO Junior (Welfare) provides child development classrooms and after-school daycare services, as well as visitations to kindergartens, elementary schools and daycare centers to offer direct or indirect support.

LITALICO Junior (Private) especially offers short-term, intensive, substantial educational programs.

LITALICO Wonder provides a learning space that nurtures the unique ingenuity of each child through creative projects that utilize technology such as programming and robotics, offered both in-class and online. Our exclusive ability to integrate human services know-how in formulating individualized learning programs is featured in this service. Demand continues to expand as subjects such as programming have become compulsory.

LITALICO Life provides information and life planning based on an individual's interests and needs. Utilizing the insights we have gained from consulting with many families over the years, we are able to provide pertinent life planning advice for the child's educational path, employment potential, and retirement funding, etc.

LITALICO Development Navi operates a website platform, "LITALICO Hattatsu Navi," that provides essential information for families raising children with developmental concerns. Online consultation services "Development Navi PLUS," are also available for families with challenged children. In addition, the platform provides services geared towards other child welfare service providers, offering support in areas such as customer acquisition, operation and management, and human resources development.

LITALICO Work Navi operates the employment information site, "LITALICO Shigoto Navi," where people with disabilities can search for suitable employment opportunities. In addition, we provide recruitment agency services for corporates looking to hire persons with disabilities, as well as user attraction support for other vocational training facilities.

LITALICO Career provides recruitment agency services, both for industry workers searching for employment, and welfare facilities searching for staff. The number of welfare workers continue to increase yearly, and the demand for matching services between facilities and workers is expected to rise going forward.

In addition, we operate the following six companies: 1) Plus One Solutions Inc., a provider of the billing management system "Nursing Net Plus One" mainly for nursing care facilities, 2) Amu Inc., an operator of visiting nursing stations specialized in psychiatry, 3) HumanGrow Inc., a provider of vocational training for people with disabilities, 4) unico Inc., a provider of developmental support for children with disabilities, and 5) VISIT Inc., a home nursing care provider. Furthermore, we have acquired Developmental Disability Center of Nebraska, LLC, an overseas service provider for individuals with severe disabilities, located in Nebraska, U.S.

LITALICO group operates 1) LITALICO Works and HumanGrow businesses in the "Vocational Welfare" business segment to provide vocational welfare services, 2) LITALICO Junior (Welfare) and unico businesses in the "Child Welfare" business segment to provide child welfare services, 3) LITALICO Development Navi, LITALICO Work Navi, LITALICO Career, and Plus One Solutions businesses in the "Platform" business segment to provide platform-based services for facilities and industry workers, and 4) Developmental Disability Center of Nebraska, LLC, an overseas service provider for individuals with severe disabilities, in the "Overseas" business segment. All four are reportable segments.

(2) Operating Results for the Twelve Months

(Unit: Million Yen)

Consolidated Results	Twelve months ended March 31, 2024 (Apr 1, 2023 to Mar 31, 2024)	Twelve months ended March 31, 2025 (Apr 1, 2024 to Mar 31, 2025)	Comparison	
Net Sales	27,676	33,214	+5,538	+20.0 %
Operating Profit	3,473	3,477	3	0.1 %
Quarterly Profit Attributable to Owners of the Parent Company	3,545	2,402	(1,143)	-32.2 %

(Unit: Million Yen)

Segment Results		Twelve months ended March 31, 2023 (Apr 1, 2023 to Mar 31, 2024)	Twelve months ended March 31, 2025 (Apr 1, 2024 to Mar 31, 2025)	Comparison	
Vocational Welfare	Net Sales	10,585	12,538	+1,953	+18.4 %
	Profit	3,531	4,598	+1,068	+30.2 %
Child Welfare	Net Sales	9,553	9,347	(206)	-2.2 %
	Profit	1,710	(79)	(1,789)	— %
Platform	Net Sales	3,884	4,530	+646	+16.6 %
	Profit	1,299	1,369	+71	+5.5 %
Overseas	Net Sales	—	2,840	+2,840	—
	Profit	—	755	+755	—
Others	Net Sales	3,654	3,960	+306	+8.4 %
	Profit	381	516	+135	+35.3 %

(3) Explanation of Operating Results

Vocational Welfare Segment

Vocational Welfare business launched 20 new sites this fiscal year, bringing the total to 161 facilities. Positive impact from reimbursement revision brought segment sales to 12,538 million yen (18.4% increase versus the previous consolidated year), and segment profit to 4,598 million yen (30.2% increase versus the consolidated previous year).

Child Welfare Segment

Within Child Welfare businesses, launch of 21 new sites brought the total number of facilities to 180. Negative impact from reimbursement revisions along with operational and program changes to accommodate such revisions has impacted operation rates temporarily lower, which brought segment sales to 9,347 million yen (2.2% decrease versus the previous consolidated year), and segment profit to a loss of 79 million yen (decrease of 1,789 million yen versus the previous consolidated year).

Platform Segment

The Platform business continued to see steady acceleration in the pace of new contract acquisitions mainly for SaaS

related products, while continuing with aggressive upfront investments such as staff fortification. In addition, recruitment support services expanded at LITALICO Career. Although there was a negative impact such as a loss of a major contract from a party that filed for bankruptcy, the result of segment sales was 4,530 million yen (16.6% increase versus the previous consolidated year), and segment profit was 1,369 million yen (5.5% increase versus the previous consolidated year).

Overseas

This segment develops overseas business mainly at Developmental Disability Center of Nebraska, LLC, an overseas service provider for individuals with severe disabilities. The business performance was incorporated into our performance from July 2024. The result of segment sales was 2,840 million yen, and segment profit was 755 million yen.

Others

The Others segment consists of LITALICO Junior (Private), LITALICO Wonder, LITALICO Life and other new businesses. Steady performance of each business absorbed cost increases from aggressive marketing and new business investment, bringing segment sales to 3,960 million yen (8.4% increase versus the previous consolidated year), and segment profit to 516 million yen (35.3% increase versus the consolidated previous year).

Overall, sales amounted to 33,214 million yen (20.0% increase versus previous year), and operating profit was 3,477 million yen (0.1% increase versus same quarter of the previous year). Furthermore, 1,058 million yen in gains appropriated from the sale of all shares of equity method affiliate Olive Union Inc. on May 31, 2023 saw profit attributable to owners of the parent company at 2,402 million yen (32.8% decrease versus the previous consolidated year).

5. Description of Financial Position

(1) Assets

Total assets at the end of the current fiscal year consolidated accounting period increased by 7,413 million yen versus the end of the previous consolidated fiscal year, to 32,724 million yen. This was mainly due to an increase in operating receivables and other receivables as a result of the expansion of operations, as well as an increase in goodwill from the acquisition of Developmental Disability Center of Nebraska, LLC.

(2) Debt

Total liabilities at the end of the current fiscal year consolidated accounting period increased by 5,372 million yen versus the end of the previous consolidated fiscal year, to 20,255 million yen. Main factors were an increase of loans, and an increase in contingent payments related to the acquisition of Developmental Disability Center of Nebraska, LLC.

(3) Capital

Capital at the end of the current fiscal year consolidated accounting period increased by 2,042 million yen versus the end of the previous consolidated fiscal year, to 12,469 million yen. This is mainly due to an increase of retained earnings due to the appropriation of quarterly profit attributable to owners of the parent company.

6. Status of Cash Flow for this Fiscal Year

The balance of cash and cash equivalents (“cash”) at the end of the current fiscal year was 4,335 million yen, a decrease of 172 million yen from the end of the previous fiscal year.

The status of cash flows and their factors during the current consolidated fiscal year are as follows

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 4,944 million yen (5,389 million yen in the previous fiscal year). This was mainly due to income before income taxes of 3,208 million yen and depreciation and amortization of 3,606 million yen, while income taxes paid totaled 1,380 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled 6,612 million yen (1,199 million yen used in the previous fiscal year). This was mainly due to the purchase of property, plant and equipment of 917 million yen, the purchase of intangible assets of 1,282 million yen, and the purchase of Developmental Disability Center of Nebraska, LLC of 4,433 million yen.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to 1,526 million yen (3,383 million yen used in the previous fiscal year). This was mainly due to a net decrease in short-term loans payable of 4,361 million yen and proceeds from long-term loans payable of 2,188 million yen, while repayment of long-term loans payable of 2,687 million yen and repayment of lease liabilities of 2,064 million yen were used.

7. Forward Outlook

Although the number of openings in the employment support business will be temporarily limited in order to strengthen the internal structure, we expect an increase in both sales and income.

In the child welfare business, demand remains strong, and we plan to aggressively open facilities in a short-time support-centered management format. Although the opening of new facilities and related expenses will be concentrated until the first quarter, we expect the business to be profitable from the second quarter onward.

In the platform business, we expect to increase revenues and profits while continuing to invest aggressively and grow profits at the same time.

In the overseas business, we expect stable expansion, and while we factor in additional investments for growth, we also expect an increase in both sales and profit.

In other businesses, we expect both sales and income to increase, while incorporating medium- and long-term investments, as each business steadily expands.

For the fiscal year ending March 31, 2026, we forecast consolidated net sales of 36,500 million yen, operating income of 4,000 million yen, and net income attributable to owners of the parent of 2,500 million yen.

Our shareholder return policy is to repurchase treasury stock in accordance with the level of profits and financial position of the company, while maintaining both active investment in growth and stable dividend increases.

For the fiscal year ending March 31, 2026, we forecast a year-end dividend of 11 yen and will execute share buybacks up to a maximum of 500 million yen.

Disclaimer: This document is an abridged translation of the original Japanese version. The original Japanese version was prepared and disclosed by LITALICO in accordance with Japanese disclosure format. This document does not contain or constitute any guarantee of accuracy, and LITALICO will not compensate for any losses or damages arising from interpretations or actions taken based on this document. In the case of any discrepancies between the Japanese original and this document, the Japanese original is assumed to be correct.