

Translation

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Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2026 (Based on Japanese GAAP)

August 8, 2025

Company name: Interworks Confidence Inc.

Listing exchange: Tokyo Stock Exchange

Securities code: 7374

URL: <https://ciw.jp/>

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Scheduled date for commencing dividend payments: -

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: No

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Consolidated Financial Results for the First Quarter (April 1, 2025, to June 30, 2025) of the Fiscal Year Ending March 31, 2026

(1) Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter ended June 30, 2025	2,143	(1.2)	314	(10.1)	294	(15.9)	181	(18.8)
First quarter ended June 30, 2024	2,170	54.0	349	23.8	350	42.6	223	33.7

(Note) Comprehensive income

First quarter ended June 30, 2025: 181 million yen [-18.5%]

First quarter ended June 30, 2024: 222 million yen [33.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended June 30, 2025	29.42	29.30
First quarter ended June 30, 2024	35.08	34.71

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First quarter ended June 30, 2025	6,876	5,786	83.5
Fiscal year ended March 31, 2025	6,614	5,816	87.3

(Reference) Total shareholders' equity

As of June 30, 2025: 5,743 million yen

As of March 31, 2025: 5,777 million yen

2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	30.00	-	35.00	65.00
Fiscal year ending March 31, 2026	-	-	-	-	-
Fiscal year ending March 31, 2026 (Forecast)	-	35.00	-	40.00	75.00

(Note) Revisions to the most recently announced dividend forecast: No

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

(Percentage figures indicate year-on-year changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First two quarters (cumulative)	4,800	10.7	680	(2.3)	661	(5.6)	430	(2.2)	69.30
Full year	10,300	22.7	1,500	15.1	1,485	13.2	945	(9.1)	151.00

(Note) Revisions to the most recently announced earnings forecast: Yes

With regard to the revisions to the consolidated financial results forecast, refer to the “Notice Concerning Revision of Consolidated Financial Results Forecast for the First Two Quarters (Interim Period) and Full Year for the Fiscal Year Ending March 2026” released today (August 8, 2025).

* Notes

(1) Significant changes in the scope of consolidation during the quarter: No

(2) Application of accounting treatments specific to the preparation of quarterly consolidated statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

1) Changes in accounting policies due to revisions to accounting standards and other regulations: No

2) Changes in accounting policies other than those in 1) above: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	6,709,777 shares	As of March 31, 2025	6,708,777 shares
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2) Number of treasury shares at the end of the period

As of June 30, 2025	538,133 shares	As of March 31, 2025	538,032 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First quarter ended June 30, 2025	6,170,905 shares	First quarter ended June 30, 2024	6,376,379 shares
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* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by a public accountant or audit corporation: No

* Explanation regarding appropriate use of earnings forecasts, and other notes

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors.

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1. Quarterly Consolidated Financial Statements and Major Notes
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (As of March 31, 2025)	First quarter of current fiscal year (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	3,994,242	4,074,797
Accounts receivable - trade	740,155	817,054
Accounts receivable - other	816	1,041
Other	94,515	103,621
Allowance for doubtful accounts	(462)	(747)
Total current assets	4,829,268	4,995,766
Non-current assets		
Property, plant and equipment		
Buildings	68,740	70,875
Accumulated depreciation	(15,183)	(19,904)
Buildings, net	53,557	50,970
Tools, furniture and fixtures	77,845	79,861
Accumulated depreciation	(44,226)	(47,421)
Tools, furniture and fixtures, net	33,618	32,440
Total property, plant and equipment	87,176	83,411
Intangible assets		
Software	89,359	78,904
Goodwill	1,374,836	1,474,924
Total intangible assets	1,464,196	1,553,828
Investments and other assets		
Investment securities	15,000	15,000
Deferred tax assets	100,233	108,147
Guarantee deposits	109,993	111,160
Other	13,792	14,281
Allowance for doubtful accounts	(5,232)	(4,664)
Total investments and other assets	233,787	243,924
Total non-current assets	1,785,160	1,881,165
Total assets	6,614,428	6,876,931

(Thousands of yen)

	Previous fiscal year (As of March 31, 2025)	First quarter of current fiscal year (As of June 30, 2025)
Liabilities		
Current liabilities		
Current portion of long-term borrowings	2,076	10,008
Accounts payable - trade	95,200	96,103
Accounts payable - other	118,516	103,183
Accrued expenses	303,312	332,249
Income taxes payable	36,577	133,007
Accrued consumption taxes	103,733	172,658
Deposits received	26,878	63,573
Contract liabilities	3,440	8,119
Refund liabilities	5,606	5,569
Provision for bonuses	98,592	149,670
Other	0	1,494
Total current liabilities	793,935	1,075,637
Non-current liabilities		
Long-term borrowings	3,553	14,516
Total non-current liabilities	3,553	14,516
Total liabilities	797,488	1,090,153
Net assets		
Shareholders' equity		
Share capital	534,590	535,072
Capital surplus	3,912,691	3,913,173
Retained earnings	2,191,258	2,156,812
Treasury shares	(861,220)	(861,365)
Total shareholders' equity	5,777,319	5,743,692
Share acquisition rights	39,620	43,085
Total net assets	5,816,940	5,786,777
Total liabilities and net assets	6,614,428	6,876,931

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

Quarterly Consolidated Statements of Income

(Thousands of yen)

	First quarter of previous fiscal year (April 1, 2024 – June 30, 2024)	First quarter of current fiscal year (April 1, 2025 – June 30, 2025)
Revenue	2,170,502	2,143,955
Cost of sales	1,083,460	1,085,337
Gross profit	1,087,042	1,058,617
Selling, general and administrative expenses	737,249	744,027
Operating profit	349,792	314,590
Non-operating income		
Interest and dividend income	16	160
Rental income from buildings	612	54
Other	226	285
Total non-operating income	854	501
Non-operating expenses		
Interest expenses	27	85
Commission expenses	308	20,392
Total non-operating expenses	336	20,478
Ordinary profit	350,311	294,613
Extraordinary losses		
Office relocation expenses	4,325	-
Total extraordinary losses	4,325	-
Profit before income taxes	345,986	294,613
Income taxes - current	110,422	120,996
Income taxes - deferred	12,807	(7,913)
Total income taxes	123,229	113,083
Profit	222,757	181,529
Profit attributable to non-controlling interests	(928)	-
Profit attributable to owners of parent	223,685	181,529

Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	First quarter of previous fiscal year (April 1, 2024 – June 30, 2024)	First quarter of current fiscal year (April 1, 2025 – June 30, 2025)
Profit	222,757	181,529
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	222,757	181,529
(Breakdown)		
Comprehensive income attributable to owners of parent	223,685	181,529
Comprehensive income attributable to non-controlling interests	(928)	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in the Amounts of Shareholders' Equity)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

The Company has not prepared quarterly consolidated statements of cash flows for the first quarter of the current fiscal year.

Depreciation (including amortization of intangible assets) and amortization of goodwill for the first quarter of the current fiscal year are as follows.

	First quarter of previous fiscal year (April 1, 2024 – June 30, 2024)	First quarter of current fiscal year (April 1, 2025 – June 30, 2025)
Depreciation	27,928 thousand yen	19,185 thousand yen
Amortization of goodwill	41,245 thousand yen	48,683 thousand yen

(Notes to Segment Information, Etc.)

I. First quarter of the previous fiscal year (April 1, 2024 – June 30, 2024)

1. Information on revenue and profit or loss and revenue breakdown by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in quarterly statements of income (Note 2)
	HR Solution business - Staffing/ Outsourcing	HR Solution business - Recruitment	Media & Solutions business	Total		
Revenue						
Staffing	1,344,239	-	-	1,344,239	-	1,344,239
Recruitment	-	384,473	-	384,473	-	384,473
Job advertisement	-	-	259,164	259,164	-	259,164
Outsourcing and other	62,757	-	119,867	182,624	-	182,624
Revenue from contracts with customers	1,406,996	384,473	379,031	2,170,502	-	2,170,502
Sales to outside customers	1,406,996	384,473	379,031	2,170,502	-	2,170,502
Inter-segment sales or transfers	-	-	-	-	-	-
Total	1,406,996	384,473	379,031	2,170,502	-	2,170,502
Segment profit	354,738	133,902	124,802	613,443	(263,650)	349,792

(Note) 1. Adjustments of segment profit of -263,650 thousand yen include amortization of goodwill of 16,498 thousand yen and corporate expenses of 247,152 thousand yen that are not allocated to each reportable segment.

2. Segment profit has been adjusted with the operating profit in the Quarterly Consolidated Statements of Income.

2. Information on goodwill, etc. by reportable segment

Not applicable.

II. First quarter of the current fiscal year (April 1, 2025 – June 30, 2025)

1. Information on revenue and profit or loss and revenue breakdown by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in quarterly statements of income (Note 2)
	HR Solution business - Staffing/ Outsourcing	HR Solution business - Recruitment	Media & Solutions business	Total		
Revenue						
Staffing	1,330,090	-	-	1,330,090	-	1,330,090
Recruitment	1,684	361,982	1,432	365,100	-	365,100
Job advertisement	-	-	310,320	310,320	-	310,320
Outsourcing and other	55,887	-	82,557	138,444	-	138,444
Revenue from contracts with customers	1,387,661	361,982	394,310	2,143,955	-	2,143,955
Sales to outside customers	1,387,661	361,982	394,310	2,143,955	-	2,143,955
Inter-segment sales or transfers	1,829	-	-	1,829	(1,829)	-
Total	1,389,491	361,982	394,310	2,145,784	(1,829)	2,143,955
Segment profit	294,127	116,080	144,697	554,905	(240,314)	314,590

(Note) 1. Adjustments of segment profit of -240,314 thousand yen include amortization of goodwill of 16,498 thousand yen and 223,816 thousand yen of corporate expenses and elimination of inter-segment transactions that are not allocated to each reportable segment.

2. Segment profit has been adjusted with the operating profit in the Quarterly Consolidated Statements of Income.

2. Information on goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the HR Solution business - Staffing/Outsourcing, the Company acquired all shares of Let's i, Inc. and made it a consolidated subsidiary.

The increase in the amount of goodwill due to this event was 148,771 thousand yen for the first quarter of the current fiscal year.