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Consolidated Financial Results for the Nine Months Ended April 30, 2025 [Japanese GAAP]



June 12, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4194
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Not Scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended April 30, 2025 (August 1, 2024 – April 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 30, 2025	58,849	20.3	17,479	14.5	18,297	15.9	12,557	13.3
April 30, 2024	48,926	17.8	15,265	53.2	15,789	50.7	11,083	57.5

(Note) Comprehensive income: Nine months ended April 30, 2025: ¥12,645 million [15.0%]
 Nine months ended April 30, 2024: ¥10,992 million [54.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
April 30, 2025	316.21	303.59
April 30, 2024	282.96	267.65

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2025	86,577	64,258	73.7
As of July 31, 2024	76,314	52,388	68.3

(Reference) Equity: As of April 30, 2025: ¥63,779 million
 As of July 31, 2024: ¥52,158 million

2. Dividends

	Annual Dividend				
	1Q	2Q	3Q	Year-end	Annual
Fiscal year ended July 31, 2024	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending July 31, 2025	—	0.00	—		
Fiscal year ending July 31, 2025 (Forecast)				0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2025 (August 1, 2024 - July 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	79,500	20.2	20,300	13.8	21,100	14.2	14,390	10.8	362.35

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):

April 30, 2025:	39,769,800 shares
July 31, 2024:	39,642,100 shares
 - 2) Total number of treasury shares at the end of the period:

April 30, 2025:	269 shares
July 31, 2024:	236 shares
 - 3) Average number of shares during the period:

Nine months ended April 30, 2025:	39,713,343 shares
Nine months ended April 30, 2024:	39,168,882 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

The statements regarding the forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

Statements in this document about the future reflect the Group's judgments as of the end of the current quarter of the fiscal year under review.

In the nine months ended April 30, 2025, there were still uncertainties in the Japanese economy, as the domestic downside risks posed by a downturn in the global economy have not been eliminated due to factors such as continued climbing prices as well as impacts from the trade policies of the U.S. and fluctuations in the financial capital market, while seeing a gradual recovery.

Under these circumstances, the BizReach business continued to boost performance of the entire Group for the nine months ended April 30, 2025, backed by a strong willingness of mainly domestic companies to recruit human resources.

As a result, in the nine months ended April 30, 2025, the Group recorded net sales of ¥58,849 million (up 20.3% year on year), operating profit of ¥17,479 million (up 14.5% year on year), ordinary profit of ¥18,297 million (up 15.9% year on year), and profit attributable to owners of parent of ¥12,557 million (up 13.3% year on year).

Performance by segment was as follows. (Net sales represent net sales to external customers.)

(i) HR Tech

The HR Tech segment consists of BizReach, HRMOS, and other HR Tech services.

In the BizReach business, regarding KPIs as of the end of the third quarter under review, the cumulative number of registered direct employers (Note 1) increased to more than 36,300 (compared to more than 31,700 as of the end of the previous fiscal year), the number of active headhunters (Note 2) rose to more than 8,400 (compared to more than 7,800 as of the end of the previous fiscal year), and the number of scoutable job seekers (Note 3) increased to more than 2.93 million (compared to more than 2.58 million as of the end of the previous fiscal year), as a result of the continued strength of human resources demand in the professional human resources domain and aggressive advertising. All of its growth indices have grown in comparison to the end of the previous fiscal year, and the BizReach business recorded net sales of ¥51,032 million (up 18.8% year on year), and adjusted operating profit before corporate expense allocation (Note 4) of ¥22,322 million (up 17.8% year on year).

In the HRMOS business, we are conducting marketing activities and advertising to expand the number of customers while continuing product investments for development of new functions. At the end of January 2025, we started advertising for Internal BizReach by HRMOS. As a new feature of HRMOS Expense Management, we released a "versatile layout setting function" enabling integration with any accounting system in February 2025 and a "HRMOS Talent Management integration function" for simply importing employee data and division information registered in HRMOS Talent Management into HRMOS Expense Management with only a single button in April 2025.

As for the combined KPI of HRMOS ATS service, HRMOS Talent Management service and Internal BizReach by HRMOS service, ARR (Note 5) rose 32.8% to ¥3,488 million, the number of unique paying customers (Note 6) increased 23.8% to 2,289, and ARPU (Note 7) rose 7.3% to ¥127,008 from the end of the same period of the previous fiscal year. The churn rate (Note 8), which is a 12 month average, was 0.56%.

The HRMOS business recorded net sales of ¥3,743 million (up 36.2% year on year), and an adjusted operating loss before corporate expense allocation (Note 4) of ¥197 million (operating loss before corporate expense allocation of ¥698 million for the same period of the previous fiscal year).

As a result, in the nine months ended April 30, 2025, the HR Tech segment recorded net sales of ¥56,801 million (up 20.5% year on year) and segment profit of ¥19,804 million (up 19.8% year on year).

- (Notes)
1. The total number of direct employers that have subscribed to BizReach, excluding headhunters
 2. The number of headhunters that have been screened by BizReach, Inc.
 3. The number of registered BizReach users who have configured their employment history to be disclosed to direct employers or who have configured their employment history to be disclosed to headhunters
 4. This is the operating profit or loss of the business before bearing the personnel expenses and ancillary outsourcing and other general administrative expenses associated with accounting, legal, human resources, and other business administration, and also personnel costs and ancillary outsourcing and other costs of the information systems and design divisions that cannot be charged directly to specific products and services
 5. Annual Recurring Revenue. This is calculated by multiplying the MRR (Monthly Recurring Revenue) in the final month of the quarter by 12. The MRR is the total monthly revenue from customers subject to recurring billing as of the end of the target period (excluding one-time revenue)
 6. The number of unique paying users
 7. Average Revenue per User. $\text{MRR as of the end of the month} \div \text{number of unique paying customers}$
 8. Reduction in MRR due to the cancellation in the current month divided by MRR at the end of the previous month is defined as the single-month churn rate, and the churn rate is the average of the last 12 months

(ii) Incubation

The Incubation segment includes Trabox, M&A Succeed, Yamory, and Assured, etc. As the Company transferred all shares of BizHint, Inc., the Company's consolidated subsidiary, on December 1, 2023, the BizHint business has been excluded from the scope of consolidation.

Each business in the Incubation segment conducted activities within the limits of profits generated from the HR Tech segment, including human resource investment, new-product development and advertising activities. In the nine months ended April 30, 2025, the segment recorded net sales of ¥1,990 million (up 17.8% year on year) and segment loss of ¥1,171 million (segment loss of ¥579 million for the same period of the previous fiscal year).

(2) Explanation of Financial Position

As of the end of the nine months ended April 30, 2025, total assets amounted to ¥86,577 million, a ¥10,263 million increase since the end of the previous fiscal year. This was primarily due to a ¥3,898 million increase in cash and deposits to ¥62,005 million, a ¥3,082 million increase in accounts receivable - trade, and contract assets to ¥8,836 million due to the growth in net sales, and a ¥1,906 million increase in goodwill to ¥4,429 million due to purchase of shares of subsidiaries resulting in change in scope of consolidation.

As of the end of the nine months ended April 30, 2025, total liabilities amounted to ¥22,318 million, a ¥1,607 million decrease since the end of the previous fiscal year. This was primarily due to a ¥2,014 million decrease in income tax payable to ¥2,295 million.

As of the end of the nine months ended April 30, 2025, net assets amounted to ¥64,258 million, a ¥11,870 million increase since the end of the previous fiscal year. This was mainly due to a ¥12,557 million increase in retained earnings due to the recording of profit attributable to owners of parent.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Company has revised its consolidated financial results forecast announced on September 12, 2024, in light of recent trends in its business performance. For further details, please refer to the "Notice Regarding Revision of Consolidated Earnings Forecast" announced today.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of July 31, 2024	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	58,107	62,005
Accounts receivable - trade, and contract assets	5,753	8,836
Other	1,846	3,705
Allowance for doubtful accounts	(55)	(61)
Total current assets	65,652	74,485
Non-current assets		
Property, plant and equipment	1,880	2,077
Intangible assets		
Goodwill	2,523	4,429
Other	1,329	1,088
Total intangible assets	3,852	5,518
Investments and other assets		
Other	4,932	4,501
Allowance for doubtful accounts	(3)	(4)
Total investments and other assets	4,929	4,496
Total non-current assets	10,662	12,092
Total assets	76,314	86,577

(in millions of yen)

	As of July 31, 2024	As of April 30, 2025
Liabilities		
Current liabilities		
Current portion of long-term borrowings	9	39
Income tax payable	4,310	2,295
Contract liabilities	8,615	10,912
Provision for bonuses	1,084	645
Other	7,849	6,633
Total current liabilities	21,869	20,526
Non-current liabilities		
Liabilities from application of equity method	1,813	1,573
Long-term borrowings	37	90
Deferred tax liabilities	206	106
Other	—	21
Total non-current liabilities	2,056	1,792
Total liabilities	23,926	22,318
Net assets		
Shareholders' equity		
Share capital	6,503	6,531
Deposits for subscriptions of shares	2	110
Capital surplus	10,467	9,365
Retained earnings	35,213	47,771
Treasury shares	(1)	(2)
Total shareholders' equity	52,185	63,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(26)	32
Foreign currency translation adjustment	—	(29)
Total accumulated other comprehensive income	(26)	2
Share acquisition rights	170	223
Non-controlling interests	58	255
Total net assets	52,388	64,258
Total liabilities and net assets	76,314	86,577

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine months ended April 30

(in millions of yen)

	For the nine months ended April 30, 2024	For the nine months ended April 30, 2025
Net sales	48,926	58,849
Cost of sales	4,140	5,179
Gross profit	44,786	53,670
Selling, general and administrative expenses	29,521	36,190
Operating profit	15,265	17,479
Non-operating income		
Share of profit of entities accounted for using equity method	239	239
Penalty income	247	523
Other	47	68
Total non-operating income	534	832
Non-operating expenses		
Interest expenses	0	1
Commitment fees	3	3
Foreign exchange losses	5	—
Other	1	9
Total non-operating expenses	10	14
Ordinary profit	15,789	18,297
Extraordinary income		
Gain on receipt of donated non-current assets	—	20
Gain on sale of shares of subsidiaries	462	—
Other	24	—
Total extraordinary income	486	20
Extraordinary losses		
Loss on valuation of investment securities	10	—
Total extraordinary losses	10	—
Profit before income taxes	16,265	18,318
Income taxes - current	4,929	5,261
Income taxes - deferred	249	441
Total income taxes	5,178	5,702
Profit	11,086	12,615
Profit attributable to non-controlling interests	3	57
Profit attributable to owners of parent	11,083	12,557

Quarterly Consolidated Statement of Comprehensive Income

Nine months ended April 30

(in millions of yen)

	For the nine months ended April 30, 2024	For the nine months ended April 30, 2025
Profit	11,086	12,615
Other comprehensive income		
Valuation difference on available-for-sale securities	(94)	58
Foreign currency translation adjustment	—	(29)
Total other comprehensive income	(94)	29
Comprehensive income	10,992	12,645
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,988	12,587
Comprehensive income attributable to non-controlling interests	3	57

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

(Segment information)

For the nine months ended April 30, 2024 (from August 1, 2023 to April 30, 2024)

Information on net sales and profit (loss) by reportable segment

(in millions of yen)

	Reportable segment			Reconciliations (Note 1)	Amounts in the quarterly consolidated financial statements (Note 2)
	HR Tech	Incubation	Total		
Net sales					
Net sales to external customers	47,132	1,689	48,822	104	48,926
Intersegment sales or transfers	30	42	72	(72)	—
Total	47,163	1,731	48,895	31	48,926
Segment profit (loss)	16,530	(579)	15,951	(686)	15,265

(Notes) 1. Reconciliations of segment profit (loss) are general and administrative expenses that are not allocable to the reportable segments.

2. Segment profit (loss) is adjusted based on operating profit.

For the nine months ended April 30, 2025 (from August 1, 2024 to April 30, 2025)

Information on net sales and profit (loss) by reportable segment

(in millions of yen)

	Reportable segment			Reconciliations (Note 1)	Amounts in the quarterly consolidated financial statements (Note 2)
	HR Tech	Incubation	Total		
Net sales					
Net sales to external customers	56,801	1,990	58,791	57	58,849
Intersegment sales or transfers	73	0	73	(73)	—
Total	56,874	1,990	58,865	(15)	58,849
Segment profit (loss)	19,804	(1,171)	18,633	(1,154)	17,479

(Notes) 1. Reconciliations of segment profit (loss) are general and administrative expenses that are not allocable to the reportable segments.

2. Segment profit (loss) is adjusted based on operating profit.

(Notes to statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the nine months ended April 30, 2025. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the nine months ended April 30 are as follows:

	(in millions of yen)	
	For the nine months ended April 30, 2024	For the nine months ended April 30, 2025
Depreciation	506	635
Amortization of goodwill	381	615