



**en Japan Inc.**  
**Fiscal Year Ended March 31, 2023, Earnings Announcement**  
**[under Japanese GAAP] (Consolidated)**

**May 11, 2023**

Company Name en Japan Inc. Listing Exchanges First Section of the Tokyo Stock Exchange  
 Stock Code 4849 URL <http://corp.en-japan.com/>  
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 Regular General Shareholders' Meeting June 27, 2023  
 Scheduled date to begin dividend payments June 28, 2023  
 Scheduled date for submission of Securities Report June 28, 2023  
 Preparation of Summary Supplementary Explanatory Materials Yes  
 Earnings Briefing Yes (for analysts and institutional investors)

(Figures rounded down to nearest million yen)

1. FY Ended March 2023 Consolidated Earnings (From April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 03/2023	67,716	24.1	4,490	-53.4	4,573	-54.9	2,813	-57.6
FYE 03/2022	54,544	27.7	9,633	24.0	10,138	27.7	6,628	89.3

(Notes) Comprehensive income FYE 03/2023 3,474 million yen (-52.0%) FYE 03/2022 7,242 million yen (115.7%)

	EPS	Fully Diluted EPS	ROE	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FYE 03/2023	63.65	62.88	7.5	8.4	6.6
FYE 03/2022	147.71	147.38	17.2	19.7	17.7

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 03/2023	52,094	35,533	67.0	820.55
FYE 03/2022	56,215	41,160	72.2	903.89

(Reference) Equity FYE 03/2023 34,894 million yen FYE 03/2022 40,603 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
FYE 03/2023	4,737	-4,220	-9,246	24,667
FYE 03/2022	11,453	-3,086	-1,813	33,389

## 2. Dividends

	Annual Dividend					Total Dividend Amount (Total)	Dividend Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year End	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FYE 03/2022	–	0.00	–	70.10	70.10	3,313	47.5	8.2
FYE 03/2023	–	0.00	–	70.10	70.10	3,143	110.1	8.1
FYE 03/2024 (projected)	–	0.00	–	70.10	70.10		-	

## 3. FY Ending March 2024 Projected Consolidated Operating Results (From April 1, 2023 to March 31, 2024) (Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary income		Profit Attributable to Owners of Parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	73,000	7.8	4,600	2.4	4,776	4.4	3,270	16.2	74.00

### \*Notes

(1) Change in major subsidiaries during the fiscal year under review (change in specific subsidiaries that will accompany a change in scope of consolidation): No

Addition (Name): None Exclusion (Name) None

(2) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

- a. Changes in accounting policy accompanying amendment of accounting principles: No
- b. Changes in accounting policy other than “a.”: No
- c. Changes in accounting estimates: No
- d. Restatement due to correction: No

(3) Number of shares issued (common share)

a. Number of shares issued at fiscal year-end (including treasury shares)

FYE 03/2023 49,716,000 shares FYE 03/2022 49,716,000 shares

b. Number of shares of treasury shares at fiscal year-end

FYE 03/2023 7,190,949 shares FYE 03/2022 4,795,377 shares

c. Average number of shares issued during the period

FYE 03/2023 44,196,564 shares FYE 03/2022 44,874,206 shares

(Reference) Summary of Non-Consolidated Operating Results

1. FYE 03/2023 Non-Consolidated Earnings (From April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Operating Results (Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 03/2023	42,951	21.7	1,952	-73.6	3,331	-67.6	2,477	-66.3
FYE 03/2022	35,281	31.1	7,393	8.8	10,292	52.2	7,341	138.2

	EPS		Fully Diluted EPS	
	Yen	Yen	Yen	Yen
FYE 03/2023	56.06	55.38		
FYE 03/2022	163.61	163.24		

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 03/2023	45,975	34,972	75.6	817.36
FYE 03/2022	51,347	41,496	80.6	921.00

(Reference) Equity FYE 03/2023 34,758 million yen FYE 03/2022 41,372 million yen

[This Earnings Announcement [under Japanese GAAP] is outside the scope of audits by certified public accountants or an audit corporation.]

Explanation of the appropriate use of earnings forecasts and other special notes

Forward-looking statements including projected operating results contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee achievements by the Company. Actual results may differ significantly from such projections due to various factors.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Current Fiscal Year

#### 1) Operating Results for the Fiscal Year ended March 31, 2023

Net sales for the current fiscal year were ¥67,716 million (up 24.1% year on year) due to the high growth of HR-tech engage, an investment business and a human resources platform, as well as the steady recovery of domestic job board and overseas businesses in the existing businesses. Total costs increased to ¥63,226 million (up 40.8% year on year), due primarily to upfront investment in advertising expenses in investment businesses such as engage and AMBI, strengthening of advertising on existing businesses, centered on the domestic job board, due to the recovery of demand in job openings, and higher personnel expenses resulting from personnel expansion and the introduction of stock options.

As a result of the above, operating income was ¥4,490 million (down 53.4% year on year) and ordinary income came to ¥4,573 million (down 54.9% year on year). Profit attributable to owners of parent was ¥2,813 million (down 57.6% year on year) due primarily to extraordinary income of ¥440 million for gain on sale of investment securities and extraordinary losses of ¥498 million yen for loss on valuation of shares of subsidiaries and associates.

(Million yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)	Change	Percent change (%)
Net Sales	54,544	67,716	13,172	24.1%
Operating Income	9,633	4,490	-5,142	-53.4%
Ordinary income	10,138	4,573	-5,564	-54.9%
Profit Attributable to Owners of Parent	6,628	2,813	-3,814	-57.6%

#### 2) Summary of Major Businesses (Managerial accounting basis)

(Million yen)

Net Sales		Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)	Change	Percent change (%)	
Investment	HR-Tech engage	1,945	3,787	1,841	94.7%	
	human resources platform	4,406	6,214	1,808	41.0%	
Existing	In Japan	Domestic Job Board	25,670	29,264	3,593	14.0%
		Permanent Recruitment	9,660	10,029	369	3.8%
		Other	2,335	2,852	517	22.2%
	Overseas	10,975	16,227	5,251	47.9%	

\*The difference between the combined net sales of each business and the consolidated net sales is attributable to the adjustment made among the businesses and consolidated adjustments.

#### (HR-Tech engage)

In accordance with the basic policy of the Medium-Term Management Plan, we aggressively invested in advertising expenses with the aim of attracting job seekers, and as a result, the number of members increased significantly to 2.26 million people (up 1.16 million people from the previous year). As the number of members increased, the number of companies using the service increased, and the total number of companies using the service was 520,000 and the number of open job offers was 1.34 million, making it one of the largest recruitment services in Japan. In addition to growth in the total number of applications due to an increase in the number of job seekers, the number of paying companies also increased as a result of the introduction of a posting charge plan that allows users to post for a fee from one day, in addition to the existing application charge plan, boosting sales significantly.

As a result of the above, net sales of HR-Tech engage amounted to ¥3,787 million, up 94.7% year on year.

(Human resources platform)

In accordance with the basic policy of the Medium-Term Management Plan, we aggressively invested in advertising expenses with the aim of attracting job seekers, centered on AMBI, and as a result, the number of members increased significantly to 3.20 million people (up 0.63 million people from the previous year). In particular, recruitment demand for AMBI's target group of young, high-class employees continued to be high, and sales increased significantly as user companies grew for both recruitment agencies and general companies.

As a result of the above, net sales of the human resources platform amounted to ¥6,214 million, up 41.0% year on year.

(Domestic Job Board)

With the resumption of the economy following the COVID-19 pandemic, the strong demand for hiring by companies led to an overall increase in sales per customer, from small and medium-sized companies to large ones, resulting in higher sales.

Sales of the job board for temporary staffing agencies also grew on the back of an increase in ad placements by major clients.

As a result of the above, net sales of Domestic Job Board amounted to ¥29,264 million, up 14.0% year on year.

(Domestic Permanent Recruitment)

At en AGENTS, net sales rose due to an increase in the number of decisions to hire middle-class employees, who are in high demand.

At en world Japan, net sales declined slightly due to the low staffing level caused by the suspension of new hires during the COVID-19 pandemic.

As a result of the above, net sales of Domestic Permanent Recruitment amounted to ¥10,029 million, up 3.8% year on year.

(Overseas)

In India, where the Company operates IT-related temporary staffing as its primary business, sales increased significantly year on year, against the backdrop of stronger global IT-related demand. However, as we entered the fourth quarter of the fiscal year ended March 31, 2023, growth in net sales has slowed due to job cuts at major U.S. IT companies.

In Vietnam, where operation of job boards with the largest market share in the country is its primary business, net sales increased significantly on the back of the reopening following the COVID-19 pandemic. As we entered the fourth quarter of the fiscal year ended March 31, 2023, in Vietnam, sales growth has also slowed due to the deteriorating business sentiment in the country.

As a result of the above, net sales of the overseas business amounted to ¥16,227 million, up 47.9% year on year.

(2) Overview of Financial Position for the Current Fiscal Year

Assets, Liabilities and Net Assets

(Assets)

Total assets at the end of the fiscal year ended March 31, 2023 decreased ¥4,121 million compared with the end of the previous fiscal year to ¥52,094 million.

Current assets decreased ¥6,063 million to ¥36,237 million. This was mainly due to a decrease in cash and deposits of ¥11,690 million, despite increases in notes and accounts receivable-trade, and contract assets of ¥1,000 million and deposits paid of ¥4,127 million. Non-current assets increased ¥1,941 million to ¥15,856 million. This was primarily attributable to increases in software of ¥1,112 million and investment securities of ¥1,013 million.

(Liabilities)

Total liabilities were ¥16,561 million, an increase of ¥1,506 million from the end of the previous fiscal year.

Current liabilities rose ¥1,143 million to ¥14,644 million. This was mainly due to increases in accounts payable-other of ¥1,744 million and advances received of ¥670 million, despite a decrease in income taxes payable of ¥594 million. Non-current liabilities rose ¥362 million to ¥1,916 million.

(Net Assets)

Total net assets were ¥35,533 million, down ¥5,627 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥5,811 million due to an increase in treasury shares, dividends paid of ¥3,313 million,

provision of profit attributable to owners of parent of ¥2,813 million and an increase in foreign currency translation adjustment of ¥568 million.

Asset information by segment is not prepared since the Group does not use such information on each segment for resource allocation and performance evaluation.

### (3) Overview of Cash Flows for the Current Fiscal Year

#### Cash Flow

Cash and cash equivalents in the fiscal year ended March 31, 2023 decreased ¥8,722 million from the previous fiscal year to ¥24,667 million. The status of each type of cash flow and the factors behind them are as follows.

#### 1) Cash Flow

##### (Net cash provided by (used in) operating activities)

Net cash provided by operating activities in the fiscal year ended March 31, 2023 was ¥4,737 million compared to the previous fiscal year of ¥11,453 million. This was primarily due to the posting of income before income taxes of ¥4,314 million, depreciation of ¥1,904 million, increase in notes and accounts receivable–trade of ¥943 million, increase in accounts payable–other of ¥1,443 million, increase in advances received of ¥591 million, and income taxes paid of ¥3,004 million.

##### (Net cash provided by (used in) investing activities)

Net cash used in investing activities during the fiscal year ended March 31, 2023 was ¥4,220 million compared to ¥3,086 million used in the previous fiscal year. This was primarily due to purchase of intangible assets of ¥2,619 million, payments into time deposits of ¥1,299 million, and purchase of investment securities of ¥1,480 million.

##### (Net cash provided by (used in) financing activities)

Net cash used in financing activities during the fiscal year ended March 31, 2023 was ¥9,246 million compared to ¥1,813 million used in the previous fiscal year. This was primarily due to purchase of treasury shares of ¥5,869 million and cash dividends paid of ¥3,314 million.

The en Japan Group procures the necessary funds mainly from operating cash flow. The Group has also concluded an overdraft facility agreement (maximum amount: ¥1,000 million) with a bank. There were no outstanding borrowings as of the end of the fiscal year ended March 31, 2023.

The Company has no plans to construct any major new facilities.

### (4) Business Outlook

#### (Medium and Long-term Outlook)

We recognize that the environment of Japan's human resource business market, to which the en Japan Group belongs, is experiencing steady hiring demand from companies. This is taking place against the backdrop of a structural shortage of workers caused by a decline in the working age population, changes in industrial structures, and other factors. In recent years, there have also been changes in the way people work, including the promotion of digitalization in companies and the adoption of teleworking and freelancing. As a result, they are expected to spur changes in job seekers' inclination to switch jobs, as well as growth industries. In light of these circumstances, the Group expects that more people will seek to change jobs across industries, which will consequently increase job mobility.

In the overseas human resource business market, Vietnam and India, which we are focusing on, are expected to deliver strong economic growth. Given the large population and low average age, we see high growth potential in the human resource business from a medium- to long-term perspective. Although economic and recruitment activities are likely to stagnate due to the economic downturn in each country in the short term, the IT and technology markets are expected to grow and the need for human resources in these areas is high. As such, we anticipate strong growth, including offshore development in these two countries.

In these circumstances, in addition to increasing job mobility, the Company expects diversified use and selection of its services will further continue among job seekers and the companies hiring them. The Company upholds "To make the world better by increasing the number of people who work hard for others and society" as its

Purpose (the Company's reason for being in society). To realize this, it will aim to increase job opportunities through provision of job recruitment information ensuring both quality and quantity via the use of technology.

In addition, we intend to continue active investments to develop "engage" and "human resources platform," which we regard as our investment business, as our next core business to significantly increase net sales. Existing businesses will also continuously be regarded as highly profitable ones and invested in constantly. Human capital management and strengthening of governance will be promoted actively to support business growth as well.

"engage" offers a unique service different from that of conventional recruiting media. Companies are able to create their own recruitment websites and offer job recruitment information free of charge and increase their presence to job seekers by collaborating with diverse recruiting networks. With its high user friendliness, the number of user companies is increasing every year, and the number of job offerings already surpasses that of full-time job openings offered by Hello Work. Going forward, we will aim to increase job opportunities by enhancing promotional investments to acquire job seekers and provide optimal job recruitment information to them through utilization of technologies such as AI.

The "human resources platform" will provide attractive job recruitment information targeting high-class staff, such as specialists and those in managerial positions, where an increase in hiring demand is expected, aiming to realize appropriate labor mobility to positions with significant social impact and growth industries.

We will aim to achieve consolidated net sales of ¥120,000 million and consolidated operating income of ¥24,000 million in the fiscal year ending March 31, 2027, the final year of the Medium-Term Management Plan announced on May 12, 2022.

(Outlook for the Next Fiscal Year)

The estimated financial results for the fiscal year ending March 31, 2024 include net sales of ¥73,000 million (up 7.8% year on year), operating income of ¥4,600 million (up 2.4% year on year), ordinary income of ¥4,776 million (up 4.4% year on year), and profit attributable to owners of parent of ¥3,270 million (up 16.2% year on year).

From the perspective of medium- to long-term profit growth, the Company's basic policy is to make strategic investments, such as M&A, while making appropriate investments according to business stage. At the same time, with the aim of strengthening investment and shareholder returns that contribute to the enhancement of shareholder value, the Company has established a basic policy of paying a fixed annual dividend of 70.10 yen per share for the period up to the fiscal year ending March 31, 2025, which is the period of upfront investment stipulated in the Medium-Term Management Plan. In accordance with the above policy, for dividends to be paid for the fiscal year ended March 31, 2023, the dividend payout ratio is 110.1%.

The fiscal year ending March 31, 2024, which is the second year of the Medium-Term Plan, will continue to be regarded as a period of upfront investment. Our plan is to increase revenue and profit by continuing to invest in advertising expenses for our core businesses, "engage" and "human resources platform," to increase revenue and by building a solid business base that will steadily generate revenue in the existing businesses.

\*The dividend payout ratio is calculated based on profit attributable to owners of parent.

\*Net income per share used in the calculation of the dividend payout ratio is derived by dividing the profit attributable to owners of parent by the number of shares excluding treasury shares. These treasury shares include the portion of Japan Employee Stock Ownership Plans (J-ESOP). Since dividends are also actually paid with respect to the shares under J-ESOP, this factor is taken into account for the payout ratio set by the Company.

## **2. Basic Approach to the Selection of Accounting Standards**

It is the en Japan Group's policy, for the foreseeable future, to continue preparing its consolidated financial statements based on the Japanese accounting standard to secure the comparability of financial data over different periods and among different companies.

Concerning the adoption of International Financial Reporting Standards (IFRS), the Group will be taking appropriate measures in consideration of the domestic and international situation.



### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheet

(Million yen)

	Prior Fiscal Year (As of March 31, 2022)	Current Fiscal Year (As of March 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	33,849	22,158
Notes and accounts receivable–trade, and contract assets	5,466	6,467
Securities	2,000	2,000
Work in process	5	–
Supplies	14	16
Advance payments to suppliers	–	0
Deposits paid	–	4,127
Other	1,042	1,744
Allowance for doubtful accounts	-76	-277
<b>Total current assets</b>	<b>42,301</b>	<b>36,237</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	646	649
Accumulated depreciation	-412	-467
Buildings, net	233	182
Vehicles	41	43
Accumulated depreciation	-25	-31
Vehicles, net	16	12
Furniture and fixtures	1,095	1,121
Accumulated depreciation	-911	-971
Furniture and fixtures, net	184	149
Lease assets	564	783
Accumulated depreciation	-370	-534
Leased assets, net	193	248
Construction in progress	7	26
<b>Total property, plant and equipment</b>	<b>634</b>	<b>619</b>
<b>Intangible assets</b>		
Software	3,691	4,804
Goodwill	2,342	2,134
Other	853	1,098
<b>Total intangible assets</b>	<b>6,888</b>	<b>8,036</b>
<b>Investments and other assets</b>		
Investment securities	2,752	3,765
Long-term loans receivable	878	1,006
Deferred tax assets	876	911
Shares of subsidiaries and associates	680	181
Other	1,572	1,681
Allowance for doubtful accounts	-367	-345
<b>Total investments and other assets</b>	<b>6,392</b>	<b>7,201</b>
<b>Total non-current assets</b>	<b>13,914</b>	<b>15,856</b>
<b>Total assets</b>	<b>56,215</b>	<b>52,094</b>

(Million yen)

	Prior Fiscal Year (As of March 31, 2022)	Current Fiscal Year (As of March 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable–trade	1,063	962
Lease obligations	134	120
Accounts payable–other	4,459	6,204
Income taxes payable	1,189	595
Provision for bonuses	1,088	1,170
Provision for directors’ bonuses	27	47
Advances received	3,785	4,455
Other	1,752	1,088
<b>Total current liabilities</b>	<b>13,501</b>	<b>14,644</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	—	130
Lease obligations	87	144
Deferred tax liabilities	108	73
Provision for share benefits	424	473
Asset retirement obligations	206	207
Long-term accounts payable–other	726	887
<b>Total non-current liabilities</b>	<b>1,553</b>	<b>1,916</b>
<b>Total liabilities</b>	<b>15,054</b>	<b>16,561</b>
<b>Net assets</b>		
<b>Shareholders’ equity</b>		
Capital stock	1,194	1,194
Capital surplus	902	898
Retained earnings	43,147	42,647
Treasury shares	-5,068	-10,880
<b>Total shareholders’ equity</b>	<b>40,176</b>	<b>33,860</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	102	140
Foreign currency translation adjustment	324	892
<b>Total accumulated other comprehensive income</b>	<b>426</b>	<b>1,033</b>
Subscription rights to shares	124	213
Non-controlling interests	432	425
<b>Total net assets</b>	<b>41,160</b>	<b>35,533</b>
<b>Total liabilities and net assets</b>	<b>56,215</b>	<b>52,094</b>

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

## Consolidated Statements of Income

(Million yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Net Sales	54,544	67,716
Cost of sales	11,501	16,253
Gross profit	43,043	51,463
Selling, general and administrative expenses		
Advertising expenses	10,843	20,050
Salaries and allowances	8,164	9,687
Bonuses	1,707	2,055
Provision for bonuses	1,060	1,162
Provision for bonuses for directors (and other officers)	27	47
Commission expenses	3,617	4,504
Provision of allowance for doubtful accounts	-6	204
Other	7,994	9,259
Total selling, general and administrative expenses	33,409	46,972
Operating Income	9,633	4,490
Non-operating income		
Interest income	106	157
Dividends income	30	1
Gain on investments in investment partnerships	282	—
Foreign exchange gains	73	43
Reversal of allowance for doubtful accounts	0	1
Recoveries of written off receivables	—	20
Miscellaneous income	46	35
Total non-operating income	539	259
Non-operating expenses		
Interest expenses	5	3
Loss on investments in investment partnerships	—	166
Provision of allowance for doubtful accounts	4	—
Miscellaneous loss	24	6
Total non-operating expenses	34	176
Ordinary income	10,138	4,573
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	186	440
Total extraordinary income	186	441
Extraordinary losses		
Loss on sale of non-current assets	0	2
Loss on retirement of non-current assets	16	7
Loss on sale of investment securities	3	—
Loss on valuation of investment securities	42	192
Loss on sale of shares of subsidiaries and associates	8	—
Loss on valuation of shares of subsidiaries and associates	—	498
Impairment loss	278	—
Total extraordinary losses	348	700
Income before income taxes	9,976	4,314
Income taxes—current	2,811	1,547
Income taxes—deferred	464	-66
Total income taxes	3,275	1,480
Profit	6,701	2,833
Profit attributable to non-controlling interests	73	20
Profit Attributable to Owners of Parent	6,628	2,813

Consolidated Statements of Comprehensive Income

(Million yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Profit	6,701	2,833
Other comprehensive income		
Valuation difference on available-for-sale securities	-10	38
Foreign currency translation adjustment	551	602
Total other comprehensive income	540	640
Comprehensive income	7,242	3,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,108	3,420
Comprehensive income attributable to non-controlling interests	133	54

## (3) Consolidated Statements of Changes in Net Assets

Prior fiscal year (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	1,194	998	39,399	-5,228	36,365	113	-167	-53	136	408	36,856
Cumulative effects of changes in accounting policies			-1,098		-1,098						-1,098
Restated balance	1,194	998	38,301	-5,228	35,266	113	-167	-53	136	408	35,758
Changes of items during the period											
Dividends of surplus			-1,750		-1,750						-1,750
Profit Attributable to Owners of Parent			6,628		6,628						6,628
Purchase of treasury shares				-0	-0						-0
Disposal of treasury shares		-9		49	40						40
Change in scope of consolidation		10	-31		-21						-21
Change of share exchanges		-97		109	12						12
Net changes of items other than shareholders' equity					-	-10	491	480	-11	24	492
Total changes of items during period	-	-96	4,846	159	4,909	-10	491	480	-11	24	5,402
Balance at end of current period	1,194	902	43,147	-5,068	40,176	102	324	426	124	432	41,160

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	1,194	902	43,147	-5,068	40,176	102	324	426	124	432	41,160
Cumulative effects of changes in accounting policies					—						—
Restated balance	1,194	902	43,147	-5,068	40,176	102	324	426	124	432	41,160
Changes of items during the period											
Dividends of surplus			-3,313		-3,313						-3,313
Profit Attributable to Owners of Parent			2,813		2,813						2,813
Purchase of treasury shares				-5,869	-5,869						-5,869
Disposal of treasury shares		-4		58	53						53
Change in scope of consolidation			0		0						0
Change of share exchanges					—						—
Net changes of items other than shareholders' equity					—	38	568	606	89	-7	688
Total changes of items during period	—	-4	-500	-5,811	-6,316	38	568	606	89	-7	-5,627
Balance at end of current period	1,194	898	42,647	-10,880	33,860	140	892	1,033	213	425	35,533

## (4) Consolidated Statements of Cash Flows

(Million yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Income before income taxes	9,976	4,314
Depreciation	1,678	1,904
Amortization of goodwill	376	372
Impairment loss	278	—
Bad debts expenses	36	55
Increase (decrease) in allowance for doubtful accounts	-27	184
Increase (decrease) in provision for bonuses	-24	81
Increase (decrease) in provision for directors' bonuses	26	20
Interest and dividend income	-137	-158
Interest expenses	5	3
Foreign exchange losses (gains)	-20	-13
Loss (gain) on investments in investment partnerships	-282	166
Loss (gain) on valuation of investment securities	42	192
Loss (gain) on sale of investment securities	-182	-440
Loss (gain) on valuation of shares of subsidiaries and associates	—	498
Loss (gain) on sale of shares of subsidiaries and associates	3	—
Loss (gain) on sale of non-current assets	-0	1
Loss on retirement of non-current assets	16	7
Decrease (increase) in notes and accounts receivable—trade	-1,900	-943
Increase (decrease) in notes and accounts payable—trade	645	-106
Increase (decrease) in retirement benefit liability	—	130
Increase (decrease) in accounts payable—other	2,038	1,443
Increase (decrease) in advances received	1,422	591
Other	-131	-630
Subtotal	13,838	7,677
Interest expenses paid	-3	-4
Interest and dividend income received	104	67
Income taxes paid	-2,604	-3,004
Income taxes refund	118	1
Net cash provided by (used in) operating activities	11,453	4,737

(Million yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Payments into time deposits	-1,395	-1,299
Proceeds from withdrawal of time deposits	783	713
Purchase of property, plant and equipment	-106	-133
Proceeds from sales of property, plant and equipment	9	0
Purchase of intangible assets	-1,869	-2,619
Purchase of investment securities	-448	-1,480
Proceeds from sale and redemption of investment securities	390	602
Purchase of shares of subsidiaries and associates	-666	—
Payments for lease and guarantee deposits	-13	-24
Proceeds from collection of lease and guarantee deposits	124	29
Purchase of insurance funds	-15	-14
Other proceeds	119	4
Net cash provided by (used in) investing activities	-3,086	-4,220
Cash flows from financing activities		
Purchase of treasury shares	-0	-5,869
Cash dividends paid	-1,751	-3,314
Dividends paid to non-controlling interests	-61	-62
Other proceeds	0	0
Net cash provided by (used in) financing activities	-1,813	-9,246
Effect of exchange rate change on cash and cash equivalents	127	75
Net increase (decrease) in cash and cash equivalents	6,681	-8,653
Cash and cash equivalents at beginning of period	26,835	33,389
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-127	-68
Cash and cash equivalents at end of period	33,389	24,667



(5) Notes to the Consolidated Financial Statements

(Notes Relating to the Going Concern Assumption)

The Company had no material items to report.

(Basis of Preparing the Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 12

Name of company:

en world Japan K.K.

en-Asia Holdings Ltd.

Navigos Group, Ltd.

Navigos Group Vietnam Joint Stock Company

Nhan Luc Viet Development&Education Company Limited

New Era India Consultancy Pvt. Ltd.

Future Focus Infotech Pvt. Ltd.

Future Focus Infotech FZE

Focus America INC

Talent Alliance (Beijing) Technology Development Limited

Zeku, Ltd.

Brocante Inc.

OWLS, INC., which was previously a consolidated subsidiary, has been excluded from the scope of consolidation from the current fiscal year due to its reduced impact on the consolidated financial statements.

(2) Names of major unconsolidated subsidiaries:

Insight Tech Ltd. and seven other companies

(Reason for exclusion from consolidation)

Unconsolidated subsidiaries are excluded from the scope of consolidation since their total assets, net sales, profit (amount proportional to the equity share), and retained earnings (amount proportional to the equity share), etc., have no material impact on the consolidated financial statements.

2. Application of the Equity Method

(1) Number of unconsolidated subsidiaries accounted for by the equity method: –

(2) Names of the unconsolidated subsidiaries and affiliates that are not accounted for by the equity method

Insight Tech Ltd. and seven other companies

(Reason for not applying the equity method)

Unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are excluded from the scope of application of the equity method since their profit (amount proportional to the equity share) and retained earnings (amount proportional to the equity share), etc., have no material impact on the consolidated financial statements, and they are also immaterial on the whole.

3. Fiscal Year, etc., of Consolidated Subsidiaries

Consolidated subsidiaries whose term end differs from the consolidated term end are as follows:

<u>Consolidated subsidiaries</u>	<u>Closing date</u>	
Navigos Group, Ltd.	December 31	Note 1
Navigos Group Vietnam Joint Stock Company	December 31	Note 1
Talent Alliance (Beijing) Technology Development Limited	December 31	Note 1
Brocante Inc.	September 30	Note 2
Nhan Luc Viet Development&Education Company Limited	December 31	Note 1

Note 1. The Group adopts provisional financial statements for the term end of consolidated subsidiaries in preparing the consolidated financial statements. However, those necessary adjustments to consolidation are made to reflect material transactions conducted between this date and the consolidated term end.

Note 2. The Group adopts pro forma financial statements as of December 31 in preparing the consolidated financial statements. However, those necessary adjustments to consolidation are made to reflect material transactions conducted between this date and the consolidated term end.

#### 4. Summary of Significant Accounting Policies

##### (1) Valuation basis and method for important assets

###### 1) Securities

###### a. Held-to-maturity securities

Carried at amortized cost (straight-line method)

###### b. Available-for-sale securities

Available-for-sale securities other than shares, etc., without market prices

Valued at market as of the balance sheet date. Unrealized gain or loss is included directly in net assets.

The cost of securities sold is determined by the moving-average method.

Available-for-sale securities that are shares, etc., without market prices

Valued at cost determined by the moving-average method

The Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act) by booking a net amount equivalent to the equity method value, based on the most recent closing statement that can be obtained in accordance with the account reporting date provided for in the partnership agreement.

###### 2) Inventories

###### a. Work in process

Specific identification method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

###### b. Supplies

Most recent purchase cost method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

##### (2) Depreciation method for major depreciable assets

###### 1) Property, plant and equipment (excluding lease assets)

The depreciation of property, plant and equipment at the Company and its consolidated subsidiaries is computed by the declining-balance method using the applicable rates based on the estimated useful lives of the assets. However, the straight-line method is used to depreciate buildings (excluding accompanying facilities) and facilities attached to buildings and structures acquired on or after April 1, 2016.

The range of useful lives is as follows:

Buildings 8–25 years

Furniture and fixtures 2–20 years

For assets acquired on or before March 31, 2007, the remaining book values are equally depreciated on a straight-line basis over five years, starting from the year following the year during which depreciation to the residual values was completed up to the maximum depreciable amounts.

###### 2) Intangible assets (excluding lease assets)

The amortization of intangible assets at the Company and its consolidated subsidiary is computed by the straight-line method.

Computer software for internal use is amortized over the estimated useful life (five years) depending on the nature of the respective software products.

###### 3) Lease assets

Lease assets related to the finance lease transactions other than those where the ownership of the lease assets is deemed to be transferred

These lease assets are amortized by the straight-line method, assuming that the lease period is the useful life and there is no residual value.

(3) Accounting for important reserves

1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible bad debt of claims at an amount of possible losses from uncollectible receivables based on the actual loan loss ratio from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

2) Provision for bonuses

The provision for bonuses is provided for possible payment of bonuses to employees at an amount to be borne based on the amount estimated to be paid for the fiscal year under review.

3) Provision for directors' bonuses

The provision for bonuses is provided for possible payment of bonuses to directors at an amount based on the amount estimated to be paid and which corresponds to the fiscal year under review.

4) Provision for share benefits

A provision for share benefits is provided for possible delivery of stock to employees in accordance with the stock delivery regulation at an amount based on the estimated amount of stock benefits obligation at the end of the fiscal year under review.

(4) Accounting standard for significant revenues and expenses

Details of main performance obligations of major businesses relating to revenue from contracts with customers of the en Japan Group, and the normal point in time at which such performance obligations are satisfied (the normal point in time at which revenue is recognized) are as follows:

1) HR Tech engage

HR-Tech engage receives user fees from customers mainly through their use of recruitment support tools that are provided when services for generally creating their own recruitment websites and the like are offered free of charge. As the use of recruitment support tools is billed in line with the frequency of using the tools under contracts, based on the judgement that performance obligations will be satisfied at the time of use, revenue is recognized when used.

2) Human resources platform

The human resources platform receives recruitment fees from customers by providing permanent recruitment services that introduce workers wishing to change jobs to customers who have demand for hiring mid-career employees, using the job boards operated by the Group. As permanent recruitment for customers is a success-fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

3) Domestic Job Board

The domestic job board receives advertising fees from customers by providing advertising services to the Group-operating job board. Target customers are those who have demand for hiring full-time and temporary staff. As the advertising service on the job board is a service offered throughout the contract period, based on the judgement that performance obligations will be satisfied in accordance with the elapse of time, revenue is recognized on a pro rata basis over such contract period.

4) Domestic Permanent Recruitment

The domestic permanent recruitment receives recruitment fees from customers by career partners' providing permanent recruitment services that introduce workers wishing to change jobs to customers who have for hiring mid-career employees. As permanent recruitment for customers is a success-fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

5) Overseas

The overseas business operates job boards, provides permanent recruitment services, and temporary staffing

services mainly in Shanghai, Vietnam and India. The temporary staffing service receives staffing fees from customers by staffing personnel to customers who have demand for personnel such as specialists. As staffing service is a service offering a contract-based work force, based on the judgement that performance obligations will be satisfied in accordance with the work force provided by temporary staff workers, revenue is recognized according to the actual work performed in the staffing period. Details of the main performance obligations related to the operation of job boards and provision of permanent recruitment services is the same as described in 3) and 4).

(5) Method and period of amortization of goodwill

The amount of goodwill and negative goodwill is equally amortized over the estimated years during which the effects are estimated to emerge.

(6) Accounting method for retirement benefits

Some consolidated subsidiaries apply a simplified method to the calculation of retirement benefit liability and retirement benefit expenses, using the year-end voluntary base retirement benefits as retirement benefit obligations.

(7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows include cash on hand, demand deposits, and short-term investments due within three months from the date of acquisition that are easily convertible into cash with little or no risk from fluctuation in value.

(Change in Presentation Method)

(Consolidated Statements of Income)

“Provision of allowance for doubtful accounts” included in “other” under “selling, general and administrative expenses” in the previous fiscal year is presented as an independent item from the fiscal year under review as it has increased its monetary importance. To reflect the way this presentation is changed, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, other of ¥7,988 million included in “other” under “selling, general and administrative expenses” in the consolidated statements of income for the previous fiscal year has been reclassified into “provision of allowance for doubtful accounts” of ¥-6 million and “other” of ¥7,994 million.

(Consolidated Balance Sheets)

\*1 Amount of receivables from contracts with customers in notes and accounts receivable–trade, and contract assets respectively was as follows.

	Prior Fiscal Year (As of March 31, 2022)	Current Fiscal Year (As of March 31, 2023)
Notes receivable–trade	0 million yen	- million yen
Accounts receivable–trade	5,438 million yen	6,415 million yen
Contract assets	28 million yen	52 million yen

\*2 Amount of contract liabilities in advances received was as follows.

	Prior Fiscal Year (As of March 31, 2022)	Current Fiscal Year (As of March 31, 2023)
Contract liabilities	3,785 million yen	4,455 million yen

\*3 Overdraft Facility Agreement

The Company has concluded an overdraft facility agreement and a committed credit line agreement with one of its primary financing banks. The unused balance at the end of the fiscal year under review was as follows.

	Prior Fiscal Year (As of March 31, 2022)	Current Fiscal Year (As of March 31, 2023)
Limit of overdraft line and total of committed credit line	6,000 million yen	1,000 million yen
Outstanding borrowings	— million yen	— million yen
Balance	6,000 million yen	1,000 million yen

(Consolidated Statements of Income)

\*1 Gain on sale of non-current assets was as follows.

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Furniture and fixtures	0 million yen	0 million yen
Total	0 million yen	0 million yen

\*2 Loss on sale of non-current assets was as follows.

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Buildings	— million yen	0 million yen
Furniture and fixtures	0 million yen	1 million yen
Total	0 million yen	2 million yen

\*3 Loss on retirement of non-current assets was as follows.

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Buildings	15 million yen	0 million yen
Furniture and fixtures	1 million yen	0 million yen
Software	0 million yen	6 million yen
Total	16 million yen	7 million yen

\*4 Impairment loss is as follows.

Prior fiscal year (from April 1, 2021 to March 31, 2022)

The Group recorded an impairment loss for the following asset group.

(1) Outline of asset group for which impairment loss was recognized

Type	Purpose of use	Location	Amount of impairment loss
Goodwill	Other	Shinjuku-ku, Tokyo	278 million yen

(2) Reason for recognizing impairment loss

The Group groups assets for business and others based on categories of managerial accounting in which earnings and expenses are ascertained on an ongoing basis.

The unamortized balance of goodwill was recorded as an impairment loss under extraordinary losses because the Company no longer expects it to generate the revenue that was expected of it at the time of acquisition.

The recoverable amount is calculated based on the value in use, and is recognized as zero.

Current fiscal year (from April 1, 2022 to March 31, 2023)

The Company had no material items to report.

(Consolidated Statements of Comprehensive Income)

\*Adjustments and Taxes in Other Comprehensive Income

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Valuation difference on available-for-sale securities		
Amount incurred during the term	137 million yen	392 million yen
Recycling amount	-152 million yen	-337 million yen
Amount before tax adjustment	-15 million yen	54 million yen
Taxes	4 million yen	-16 million yen
Valuation difference on available-for-sale securities	-10 million yen	38 million yen
Foreign currency translation adjustment		
Amount incurred during the term	551 million yen	602 million yen
Total other comprehensive income	540 million yen	640 million yen

(Consolidated Statements of Cash Flows)

\*1 Relationship between Cash and Cash Equivalents at End of Period and the Line Item Amounts Stated on the Consolidated Balance Sheets

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Cash and deposits	33,849 million yen	22,158 million yen
Time deposits deposited for a period of more than three months	-2,459 million yen	-3,619 million yen
Balance of items corresponding to cash equivalents in the securities account	2,000 million yen	2,000 million yen
Deposits paid	— million yen	4,127 million yen
Cash and cash equivalents	33,389 million yen	24,667 million yen

(Notes) Deposits paid incurred during the current fiscal year are included in cash and cash equivalents because they are temporary deposits with securities companies for the purpose of acquiring treasury shares and can be withdrawn at any time.

(Segment Information, Etc.)

(Segment Information)

I Prior fiscal year (from April 1, 2021 to March 31, 2022)

Description is omitted since the en Japan Group is formed under a single segment.

II Current fiscal year (from April 1, 2022 to March 31, 2023)

Description is omitted since the en Japan Group is formed under a single segment.

(Related Information)

Prior fiscal year (from April 1, 2021 to March 31, 2022)

1. Information by Product and Service

Description is omitted since the en Japan Group is formed under a single segment.

2. Information by Region

(1) Net Sales

(Million yen)

Japan	Asia	Total
43,551	10,993	54,544

(2) Property, plant and equipment

(Million yen)

Japan	Vietnam	Asia	Total
327	236	70	634

3. Information by Major Clients

Presentation is omitted as there are no net sales for outside clients that account for 10% or more of the net sales recorded in the consolidated statements of income.

Current fiscal year (from April 1, 2022 to March 31, 2023)

1. Information by Product and Service

Description is omitted since the en Japan Group is formed under a single segment.

2. Information by Region

(1) Net Sales

(Million yen)

Japan	Asia	Total
51,473	16,242	67,716

(2) Property, plant and equipment

(Million yen)

Japan	Vietnam	Asia	Total
243	307	68	619

3. Information by Major Clients

Presentation is omitted as there are no net sales for outside clients that account for 10% or more of the net sales recorded in the consolidated statements of income.

(Information on Impairment Losses of Property, Plant and Equipment by Reportable Segment)

Description is omitted since the en Japan Group is formed under a single segment.

(Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment)

Description is omitted since the en Japan Group is formed under a single segment.

(Information on Gain on Negative Goodwill by Reportable Segment)

The Company had no material items to report.

(Per-Share Information)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Net Assets per Share	903.89 yen	820.55 yen
EPS	147.71 yen	63.65 yen
Fully Diluted EPS	147.38 yen	62.88 yen

(Notes)

- Shares of the Company remaining in trust that are posted as treasury shares under shareholders' equity are included in the number of treasury shares deducted when calculating the average number of shares during the period for the sake of calculating EPS. They are also included in the number of treasury shares deducted from the total number of shares issued as of the end of the period for the sake of calculating net assets per share. In calculating EPS, the average number during the period of the treasury shares deducted was 2,364,732 in the fiscal year ended March 31, 2022, and 2,330,069 for the fiscal year ended March 31, 2023. In addition, in calculating net assets per share, the number of shares at the end of the period of the treasury shares deducted was 2,347,500 in the fiscal year ended March 31, 2022, and 2,320,000 in the fiscal year ended March 31, 2023.
- The basis for calculating EPS and fully diluted EPS is shown below.

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
EPS		
Profit attributable to Owners of Parent (million yen)	6,628	2,813
Amount not attributable to Common Shareholders (million yen)	-	-
Profit Attributable to Owners of Parent concerning Common Share (million yen)	6,628	2,813
Average Number of Shares of Common Share Outstanding during the period (shares)	44,874,206	44,196,564
Fully Diluted EPS		
Profit Attributable to Owners of Parent – Deferred (million yen)	-	-
Increase in the Number of Shares of Common Share (shares)	99,571	544,038
(of which, subscription rights to shares [shares])	(99,571)	(544,038)
Summary of Potential Shares not used in the Calculation of Fully Diluted EPS (potential shares have no dilutive effect)	-	-

(Significant Subsequent Events)

The Company had no material items to report.