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## Consolidated Financial Results for the Three Months Ended January 31, 2024 (Under IFRS)

March 13, 2024

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 Listing: Tokyo Stock Exchange  
 Securities code: 9163  
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 Scheduled date to file quarterly securities report: March 13, 2024  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended January 31, 2024 (from November 1, 2023 to January 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
January 31, 2024	4,987	24.5	744	31.2	732	32.2	516	33.2
January 31, 2023	4,005	-	567	-	554	-	387	-

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended						
January 31, 2024	516	33.2	516	33.2	61.14	59.47
January 31, 2023	387	-	387	-	46.96	-

Note: Diluted the current period earnings per share for the three months ended January 31, 2023 is not presented because the Company's shares are not listed and the Company has stock options, but the vesting conditions include conditions for listing.

#### (2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
January 31, 2024	21,306	12,004	12,004	56.3
October 31, 2023	22,505	12,177	12,177	54.1

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2023	-	-	-	95.00	95.00
Fiscal year ended October 31, 2024	-				
Fiscal year ending October 31, 2024 (Forecast)		50.00	-	60.00	110.00

Note: Revisions to dividend forecasts published most recently: No

## 3. Forecast of consolidated financial results for the fiscal year ending October 31, 2024 (November 1, 2023 to October 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Gross profit		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second quarter (accumulated)	10,160	22.4	2,570	13.0	1,010	(3.9)	980	(4.4)
Full year	21,830	21.3	5,920	14.5	2,770	12.2	2,730	10.3

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Second quarter (accumulated)	690	(4.5)	81.89
Full year	1,920	10.3	227.86

Note: Revisions to dividend forecasts published most recently: No

\* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(Note) For more information, please refer to (Changes in Accounting Policies) on page 12.

(3) Number of issued shares (ordinary shares)

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

As of January 31, 2024	8,523,279 shares
As of October 31, 2023	8,426,130 shares

(ii) Number of treasury shares at the end of the period

As of January 31, 2024	- shares
As of October 31, 2023	- shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended January 31, 2024	8,446,402 shares
Three months ended January 31, 2023	8,252,630 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters  
(Notes on forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable. The forward-looking statements do not guarantee future performance. Actual results may differ materially from those expressed or implied by these forward-looking statements due to a variety of factors. For the assumptions for the forecasts and notes on the use of the forecasts, please refer to "1. Qualitative Information on Financial Results for the Period Under Review (4) Results forecasts and other forward-looking information" on page 4 of the Appendix.

## Contents of Appendix

1. Qualitative Information on Financial Results for the Period Under Review	2
(1) Summary of Business Performance	2
(2) Summary of Financial Position	3
(3) Summary of Cash Flows	4
(4) Results forecasts and other forward-looking information	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Statement of Financial Position	5
(2) Quarterly Consolidated Statements of Profit or Loss and Quarterly Comprehensive Income	7
Quarterly Consolidated Statement of Profit or Loss	7
Quarterly Consolidated Statement of Comprehensive Income	8
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows	11
(5) Notes on Consolidated Financial Results	12
(Note on Assumption about Going Concern)	12
(Changes in accounting policies)	12
(Segment Information)	12
(Per Share Information)	14
(Important Subsequent Events)	14

## 1. Qualitative Information on Financial Results for the Period Under Review

### (1) Summary of Business Performance

During the three months ended January 31, 2024, the Japanese economy further normalized its economic activities in line with the transition to Category 5 of the novel coronavirus. In addition, the Japanese economy is gradually recovering, with some companies showing signs of wage increases. On the other hand, the outlook remains unclear due to the impact of inflation risks, including the global rise in raw material and energy prices.

In the construction industry, which is the Group's major clients, there are concerns about a sharp rise in price of construction material, but public investment remains firm, and private-sector construction investment continues to recover, leading to firm domestic construction demand.

In this environment, the Group promoted the strengthening of personnel recruitment for business growth, and the number of engineers increased. In addition, the number of active engineers increased because of dispatching engineers in response to client needs.

As a result, the Group's consolidated operating results for the three months ended January 31, 2024 were as follows: revenue increased by 24.5% to 4,987,070 thousand yen, operating income increased by 31.2% to 744,468 thousand yen, and the current period income before income taxes increased by 32.2% to 732,601 thousand yen, the current period profits attributable to owners of the parent increased by 33.2% to 516,378 thousand yen year-on-year.

Operating results by segment are as follows.

#### (Construction Solutions Business)

The construction industry continues to face a chronic labor shortage, and the Company has a significant role in dispatching engineers and is expected to contribute to resolving the labor shortage. In response to these expectations, the Company worked to strengthen the recruitment and training of engineers, which resulted in an increase in the number of engineers currently employed and in operation.

In addition, the Company has been preparing for the upper limit of overtime work stipulated in the revised Labor Standards Act in advance, which is also applicable to the construction industry, since April 2024. As a result, overtime hours have been on a decreasing trend. However, aggressive sales activities including contract unit price negotiations have been successful, and the contract unit price has improved. These efforts have contributed to the Company's performance.

As a result, revenue in this segment was 4,439,126 thousand yen (up 23.9% year on year) and the segment profit was 617,818 thousand yen (up 20.3% year on year).

#### (IT Solution Business)

In the IT industry, labor shortages continue as well as the construction industry, and it is an area where growth and development are expected in the future. Under these circumstances, the Company recognizes that the development of IT human resources is a major issue for Japan and has focused on recruiting and training inexperienced workers. Accordingly, the number of engineers currently employed and in operation has increased in response to the needs for human resources of customers.

As a result, revenue in this segment was 547,594 thousand yen (up 29.4% year on year) and the segment profit was 37,811 thousand yen (up 95.3% year on year).

## (2) Summary of Financial Position

The financial position at the end of the first quarter of the fiscal year (as of January 31, 2024) is as follows.

### (Assets)

Total current assets at the end of the first quarter of the fiscal year under review were 6,062,729 thousand yen (down 997,960 thousand yen from the end of the previous fiscal year). This was mainly due to a decrease of 982,593 thousand yen in "Cash and cash equivalents". Non-current assets totaled 15,243,603 thousand yen (down 200,773 thousand yen from the end of the previous fiscal year). This was mainly due to a decrease of 134,560 thousand yen in "Deferred tax assets".

As a result, total assets at the end of the first quarter of fiscal year were 21,306,333 thousand yen (down 1,198,734 thousand yen from the end of the previous fiscal year).

### (Liabilities)

Total current liabilities at the end of the first quarter of the fiscal year under review were 5,464,683 thousand yen (down 822,760 thousand yen from the end of the previous fiscal year). This was mainly due to a decrease of 410,597 thousand yen in "Income taxes payable". Non-current liabilities totaled 3,837,085 thousand yen (down 203,322 thousand yen from the end of the previous fiscal year). This was mainly due to a decrease of 178,571 thousand yen in "Long-term borrowings".

As a result, total liabilities at the end of the first quarter of the fiscal year under review were 9,301,768 thousand yen (down 1,026,083 thousand yen from the end of the previous fiscal year).

### (Equity)

Total equity as of the end of the first quarter of the fiscal year under review was 12,004,564 thousand yen (down 172,650 thousand yen from the end of the previous fiscal year). This was mainly due to a decrease of 223,485 thousand yen in "Retained earnings" due to dividends from surplus, while profit attributable to owners of parent was recorded.

### (3) Summary of Cash Flows

Cash and cash equivalents (hereinafter "Cash") at the end of the first quarter of the fiscal year (Three months ended January 31, 2024) is 3,100,629 thousand yen (down 982,593 thousand yen from the end of the previous fiscal year).

The status of each cash flow and its factors are as follows.

#### (Cash Flows from Operating Activities)

Net cash used in operating activities was 70,056 thousand yen (compared to a cash inflow of 35,800 thousand yen in the previous first quarter). This was mainly due to the recording of "Profit before tax" of 732,601 thousand yen, while there were "Income taxes paid" of 492,259 thousand yen and a "Decrease in accounts payable-bonuses" of 295,602 thousand yen.

#### (Cash Flows from Investing Activities)

Net cash used in investing activities was 9,535 thousand yen (compared to a cash inflow of 106,488 thousand yen in the previous first quarter). This was mainly due to "Payments for loans receivable" of 5,094 thousand yen and Payments for "Purchase of property, plant and equipment" of 3,606 thousand yen.

#### (Cash Flows from Financing Activities)

Net cash used in financing activities was 903,000 thousand yen (compared to 226,343 thousand yen used in the first quarter of the previous fiscal year). This was mainly due to "Dividends paid" of 767,958 thousand yen.

### (4) Results forecasts and other forward-looking information

The Company has made no change to the consolidated business forecasts announced on December 13, 2023.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Statement of Financial Position

(Thousands of Yen)

	As of October 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and cash equivalents	4,083,222	3,100,629
Trade receivables	2,766,608	2,705,595
Other financial assets	10,029	19,063
Other current assets	200,829	237,441
Total current assets	<u>7,060,690</u>	<u>6,062,729</u>
Non-current assets		
Property, plant and equipment	170,795	166,212
Right-of-use assets	357,446	299,373
Goodwill	14,074,688	14,074,688
Intangible assets	27,923	25,261
Other financial assets	319,788	319,043
Deferred tax assets	492,491	357,931
Other non-current assets	1,241	1,092
Total non-current assets	<u>15,444,376</u>	<u>15,243,603</u>
Total assets	<u>22,505,067</u>	<u>21,306,333</u>



(Thousands of Yen)

	As of October 31, 2023	As of January 31, 2024
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	29,759	25,315
Borrowings	2,714,284	2,714,284
Lease liabilities	201,788	190,285
Income taxes payable	492,821	82,224
Other financial liabilities	112,671	183,162
Other current liabilities	2,736,118	2,269,411
<b>Total current liabilities</b>	<b>6,287,444</b>	<b>5,464,683</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,571,432	3,392,861
Lease liabilities	125,343	81,503
Retirement benefit liability	230,796	249,743
Provisions	112,835	112,977
<b>Total non-current liabilities</b>	<b>4,040,407</b>	<b>3,837,085</b>
<b>Total liabilities</b>	<b>10,327,852</b>	<b>9,301,768</b>
<b>Equity</b>		
Share capital	248,368	299,177
Capital surplus	8,397,663	8,449,971
Retained earnings	3,319,560	3,096,074
Other components of equity	211,622	159,341
<b>Total equity attributable to owners of parent</b>	<b>12,177,215</b>	<b>12,004,564</b>
<b>Total equity</b>	<b>12,177,215</b>	<b>12,004,564</b>
<b>Total liabilities and equity</b>	<b>22,505,067</b>	<b>21,306,333</b>

(2) Quarterly Consolidated Statements of Profit or Loss and Quarterly Comprehensive Income

Quarterly Consolidated Statement of Profit or Loss

	(Thousands of Yen)	
	Three months ended January 31, 2023	Three months ended January 31, 2024
Revenue	4,005,735	4,987,070
Cost of sales	(2,869,212)	(3,576,989)
Gross profit	<u>1,136,523</u>	<u>1,410,080</u>
Selling, general and administrative expenses	(628,105)	(666,575)
Other income	61,081	1,000
Other expenses	(2,061)	(37)
Operating profit	<u>567,438</u>	<u>744,468</u>
Finance income	10	8
Finance costs	(13,085)	(11,875)
Profit before tax	<u>554,363</u>	<u>732,601</u>
Income tax expense	(166,789)	(216,223)
Profit	<u><u>387,574</u></u>	<u><u>516,378</u></u>
Profit attributable to		
Owners of parent	<u>387,574</u>	<u>516,378</u>
Profit	<u><u>387,574</u></u>	<u><u>516,378</u></u>
Earnings per share		
Basic earnings per share (Yen)	46.96	61.14
Diluted earnings per share (Yen)	-	59.47

Quarterly Consolidated Statement of Comprehensive Income

(Thousands of Yen)

	Three months ended January 31, 2023	Three months ended January 31, 2024
Profit	387,574	516,378
Comprehensive income	<u>387,574</u>	<u>516,378</u>
Comprehensive income attributable to		
Owners of parent	<u>387,574</u>	<u>516,378</u>
Comprehensive income	<u>387,574</u>	<u>516,378</u>

## (3) Consolidated Statement of Changes in Equity

Three months ended January 31, 2023

(Thousands of Yen)

	Equity attributable to owners of parent								
				Other components of equity			Total	Total	Total equity
	Share capital	Capital surplus	Retained earnings	Share acquisition rights	Remeasurements of defined benefit plans	Total			
Balance on November 1, 2022	50,000	8,202,630	1,556,950	123,670	-	123,670	9,933,252	9,933,252	
Profit	-	-	387,574	-	-	-	387,574	387,574	
Other comprehensive income	-	-	-	-	-	-	-	-	
Comprehensive income	-	-	387,574	-	-	-	387,574	387,574	
Issuance of common stock upon exercise of stock options	-	-	-	-	-	-	-	-	
Dividends of surplus	-	-	-	-	-	-	-	-	
Share-based payment transactions	-	-	-	24,939	-	24,939	24,939	24,939	
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-	-	
Other changes	-	-	-	-	-	-	-	-	
Total transactions with owners	-	-	-	24,939	-	24,939	24,939	24,939	
Balance on January 31, 2023	50,000	8,202,630	1,944,524	148,609	-	148,609	10,345,765	10,345,765	

Three months ended January 31, 2024

(Thousands of Yen)

	Equity attributable to owners of parent								
				Other components of equity			Total	Total	Total equity
	Share capital	Capital surplus	Retained earnings	Share acquisition rights	Remeasurements of defined benefit plans	Total			
Balance on November 1, 2023	248,368	8,397,663	3,319,560	211,622	-	211,622	12,177,215	12,177,215	
Profit	-	-	516,378	-	-	-	516,378	516,378	
Other comprehensive income	-	-	-	-	-	-	-	-	
Comprehensive income	-	-	516,378	-	-	-	516,378	516,378	
Issuance of common stock upon exercise of stock options	50,808	50,808	-	(4,467)	-	(4,467)	97,149	97,149	
Dividends of surplus	-	-	(800,482)	-	-	-	(800,482)	(800,482)	
Share-based payment transactions	-	-	-	12,804	-	12,804	12,804	12,804	
Transfer from other components of equity to retained earnings	-	-	60,617	(60,617)	-	(60,617)	-	-	
Other changes	-	1,500	-	-	-	-	1,500	1,500	
Total transactions with owners	50,808	52,308	(739,864)	(52,281)	-	(52,281)	(689,029)	(689,029)	
Balance on January 31, 2024	299,177	8,449,971	3,096,074	159,341	-	159,341	12,004,564	12,004,564	

#### (4) Consolidated Statement of Cash Flows

(Thousands of Yen)

	Three months ended January 31, 2023	Three months ended January 31, 2024
Cash flows from operating activities		
Profit before tax	554,363	732,601
Depreciation and amortization	64,014	65,319
Share-based payment expenses	24,939	12,804
Finance income and finance costs	13,074	11,866
Gain on sale of property, plant and equipment	(181)	-
Loss on retirement of property, plant and equipment	2,012	-
Decrease (increase) in trade receivables	78,622	61,012
Increase (decrease) in trade payables	(7,066)	(4,444)
Increase (decrease) in accrued expenses	(45,157)	(78,657)
Increase (decrease) in accounts payable-bonuses	(156,347)	(295,602)
Increase (decrease) in retirement benefit liability	21,480	18,946
Other	(83,145)	(90,168)
Subtotal	466,609	433,679
Interest and dividends received	10	8
Interest paid	(12,546)	(11,485)
Income taxes paid	(418,273)	(492,259)
Net cash provided by (used in) operating activities	35,800	(70,056)
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,198)	(3,606)
Proceeds from sale of property, plant and equipment	90	-
Purchase of intangible assets	(930)	(839)
Payments for loans receivable	(860)	(5,094)
Collection of loans receivable	1,124	446
Purchase of other financial assets	(11,452)	(1,098)
Collection of other financial assets	137,015	656
Other	(1,300)	-
Net cash provided by (used in) investing activities	106,488	(9,535)
Cash flows from financing activities		
Repayments of long-term borrowings	(178,571)	(178,571)
Repayments of lease liabilities	(45,252)	(55,120)
Proceeds from issuance of shares	-	97,149
Dividends paid	-	(767,958)
Payment of financial commission	(2,520)	-
Other	-	1,500
Net cash provided by (used in) financing activities	(226,343)	(903,000)
Net increase (decrease) in cash and cash equivalents	(84,053)	(982,593)
Cash and cash equivalents at beginning of period	2,283,790	4,083,222
Cash and cash equivalents at end of period	2,199,736	3,100,629

(5) Notes on Consolidated Financial Results

(Note on Assumption about Going Concern)

Not applicable.

(Changes in Accounting Policies)

With the exception of the items explained below, material accounting policies adopted in preparation of the quarterly consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended October 31, 2023.

Income tax expenses for the three months ended January 31, 2024 are computed using the estimated annual effective tax rate.

IFRS		Description
IAS 1	Presentation of Financial Statements	Amendments to disclosure of material accounting policy information
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Clarifying the distinction between changes in accounting policies and changes in accounting estimates
IAS 12	Income Taxes	Clarified accounting processing for deferred taxes on leases and disposal obligations.

There are no material impacts of the above statement on the quarterly consolidated financial statement.

(Segment Information)

(1) Overview of Reportable Segments

The reportable segments of the Group are components of the Group for which separate financial information is available and are regularly reviewed by the Board of Directors to determine the allocation of management resources and to evaluate performance.

In the Group, operating companies by service category develop comprehensive strategies for the services they provide and engage in business activities.

Therefore, the Group is composed of segments classified by service based on the above, and the two reportable segments are "Construction Solution" and "IT Solution" based on the characteristics of services and similarity of sales markets.

The main services and businesses of each reportable segment are as follows.

Reportable Segments	Main Services or Business Details
Construction Solution	Dispatch of construction management engineers, CAD engineers, etc. to construction companies such as general contractors.
IT Solution	Provide services through dispatch of engineers and system engineering service contracts for development projects and infrastructure management work for system integrators, etc.

## (2) Information of Reportable Segments

The accounting policies on the reportable segments are generally the same as those for the consolidated financial statements. Information by reportable segment of the Group is as follows.

The profit of reportable segments is based on operating profit. Inter-segment transactions are based on prevailing market prices.

Three months ended January 31, 2023 (November 1, 2022 to January 31, 2023)

(Thousands of Yen)

	Reportable segments			Adjustment amount (Note)	Consolidated Statement
	Construction Solution	IT Solution	Total		
Revenue					
Revenue from external customers	3,582,491	423,243	4,005,735	-	4,005,735
Intersegment sales or transfers	-	-	-	-	-
Total	3,582,491	423,243	4,005,735	-	4,005,735
Segment profit	513,456	19,361	532,818	34,619	567,438
Finance income					10
Finance costs					(13,085)
Profit before tax					554,363

Note: Adjustments of revenue and profit / loss between segments are due to elimination of inter-segment transactions.

Three months ended January 31, 2024 (November 1, 2023 to January 31, 2024)

(Thousands of Yen)

	Reportable segments			Adjustment amount (Note)	Consolidated Statement
	Construction Solution	IT Solution	Total		
Revenue					
Revenue from external customers	4,439,126	547,944	4,987,070	-	4,987,070
Intersegment sales or transfers	-	-	-	-	-
Total	4,439,126	547,944	4,987,070	-	4,987,070
Segment profit	617,818	37,811	655,630	88,838	744,468
Finance income					8
Finance costs					(11,875)
Profit before tax					732,601

Note: Adjustments of revenue and profit / loss between segments are due to elimination of inter-segment transactions.



(Per Share Information)

(1) Basic Earnings per Share

Basic earnings per share and the basis for calculating are as follows:

(Thousands of Yen)

	Three months ended January 31, 2023 (November 1, 2022 to January 31, 2023)	Three months ended January 31, 2024 (November 1, 2023 to January 31, 2024)
Profit attributable to ordinary shareholders of owners of parent		
Profit attributable to owners of parent	387,574	516,378
Profit not attributable to ordinary shareholders of owners of parent	-	-
Profit used for calculating earnings per share	387,574	516,378
Average number of shares outstanding during the period (Share)	8,252,630	8,446,402
Basic earnings per share (Yen)	46.96	61.14

(2) Diluted Earnings per Share

Diluted earnings per share and the basis for calculation are as follows:

(Thousands of Yen)

	Three months ended January 31, 2023 (November 1, 2022 to January 31, 2023)	Three months ended January 31, 2024 (November 1, 2023 to January 31, 2024)
Profit attributable to ordinary shareholders (diluted)		
Profit used for calculation of basic earnings per share	387,574	516,378
Adjustments to profit	-	-
Profit used for calculating diluted earnings per share	387,574	516,378
Average number of shares outstanding during the period (Share)	8,252,630	8,446,402
Effect of dilutive potential common shares: Share option	-	236,272
After adjustment for dilutive effect (Share)	-	8,682,674
Diluted earnings per share (Yen)	-	59.47

Note: Diluted earnings per share for the three months January 31, 2023 is not presented because the Company's shares are not listed and the Company has stock options, but the vesting conditions include conditions for listing.

(Important Subsequent Events)

Not applicable.