

## To Our Shareholders

We would like to express our gratitude to our shareholders for their continued support.

Hiring demand from companies today continues to skyrocket against the backdrop of a recruitment market besieged by a huge labor shortage triggered by the decline in the working age population.

Given the limited labor force, it would be impossible to solve the myriad social issues facing Japan without the application of technology and optimal allocation of human resources. By facilitating labor force mobility, I believe that en Japan will play a key role in achieving the best possible placement of personnel on a macro level while also realizing the full performance potential of every individual.

This should also help us realize our company's purpose: "to make the world better by increasing the number of people who work hard for others and society—Inner Calling & Work Hard)."

Moving forward, we will zero in on areas where we can leverage our unique strengths and significantly contribute to solving these issues facing society. Working toward this end, we formulated a five-year Medium-Term Management Plan in May 2022.

We have identified two targets we will actively invest in over the course of this plan. The first is HR-Tech engage, which uses technology to provide more efficient job search support for a broader range of job-seekers than conventional job posting sites. The second is our human resource platform business, which helps high-caliber professionals with great potential take on new challenges by reaching out to them through job posting sites specifically catered to young and middle-aged workers. We have made upfront investment intensively in these two businesses, and as a result they have grown at a faster pace than initially planned.

As we aim to realize our corporate purpose, we are also focusing on social impact employment projects, i.e., recruitment activities that make a big impact on the broader community. We currently support over 100 such projects as we continue to move forward with an eye to overcoming the host of roadblocks Japan faces today.

We look forward to everyone's continued support moving forward.

June 2024  
en Japan Inc.  
Takatsugu Suzuki, President

Securities Code: 4849

June 7, 2024

(Commencement date of measures for electronic provision June 4, 2024)

To Our Shareholders:

6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

**en Japan Inc.**

Takatsugu Suzuki, President

## Notice of the 24th Annual Meeting of Shareholders

en Japan cordially invites shareholders to the 24th Annual Meeting of Shareholders as described below.

In convening the 24th Annual Meeting of Shareholders, the Company has taken measures for electronic provision and has posted the items to be provided in electronic format under “Notice of the 24th Annual Meeting of Shareholders” on the website indicated below.

Website of the Company

<https://corp.en-japan.com/en/IR/release.html>

In addition to the above website, the items are also posted on the Japan Exchange Group (TSE) website. Please access the TSE website (Listed Company Search), enter and search for either “en Japan” in the “Issue name (company name)” field or the Company’s securities code number (4849) in the “Code” field. Then select “Basic information” and “Documents for public inspection/PR information” in this order to view the information.

Japan Exchange Group website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

If you will not attend the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the Reference Document for the Annual Meeting of Shareholders included in the items to be provided in electronic format and exercise your voting rights by no later than 6:00 p.m., on Tuesday, June 25, 2024.

- 1. Date:** 10:00 a.m., Wednesday, June 26, 2024  
(Reception starts from 9:30 a.m.)
- 2. Venue:** 35F, en Japan Inc. Seminar room, I-land Tower,  
6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
- 3. Purpose:**
  - Items to be reported:**
    1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit and Supervisory Committee for the 24th business period (April 1, 2023 to March 31, 2024)
    2. The non-consolidated financial statements for the 24th business period (April 1, 2023 to March 31, 2024)

**Items to be resolved:**

- Item No. 1:** Appropriation of Retained Earnings
- Item No. 2:** Election of Eight (8) Directors (Excluding Directors Serving on the Audit and Supervisory Committee)
- Item No. 3:** Election of Three (3) Directors Serving on the Audit and Supervisory Committee
- Item No. 4:** Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee

- 4. Predetermined terms of the convocation** If you are exercising your voting rights by a proxy, you may appoint another shareholder who holds his/her voting rights as your proxy to attend the general meeting of shareholders. Please note, however, that your proxy must submit a power of attorney in writing.

If there is no indication on the voting form of your approval or disapproval of proposals, the Company will assume that you approve the proposals.

- When you attend the meeting, please submit the enclosed voting form to the receptionist at the venue. Persons other than the shareholders who are eligible to exercise voting rights, including any proxies who are not shareholders and accompanying guests, may not enter the venue. In order to save on resources, please bring along this “Notice of Convocation” with you.
- Among the items provided in electronic format, “Consolidated Notes to Consolidated Financial Statements in the consolidated financial statements”, “Notes to Non-consolidated Financial Statements in the financial statements”, “Consolidated Statements of Changes in Net Assets”, “Non-consolidated Statements of Changes in Net Assets”, and “Systems to Ensure the Appropriateness of Business Operations” are not included in the paper-based documents to be delivered to shareholders who have requested the delivery of such documents, pursuant to the provisions of laws and regulations and Article 15 of the Company’s Articles of Incorporation. Therefore, the paper-based documents to be delivered to shareholders who have requested the delivery of such documents constitute only part of the documents that were audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.
- If there are any revisions to the items provided in electronic format, the details of the revisions will be posted on each of the aforementioned websites.
- No souvenirs or gifts will be distributed at this fiscal year's general meeting of shareholders. Thank you for your understanding.

## Item No. 1: Appropriation of Retained Earnings

The Company would like to appropriate retained earnings as follows.

### Year-end Dividend

The Company is committed to making investments that contribute to enhancing shareholder value and strengthening shareholder returns while ensuring financial soundness. The basic policy is to pay 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 front-loaded investment set out in the Medium-Term Management Plan.

Based on the above policy, concerning the dividend for the fiscal year ended March 31, 2024, the Company would like to disburse 70.10 yen per share.

- 1) Type in which dividends are paid

Cash payment

- 2) Allocation of dividends and total amount of dividends

The Company would like to disburse 70.10 yen per common share of the Company.

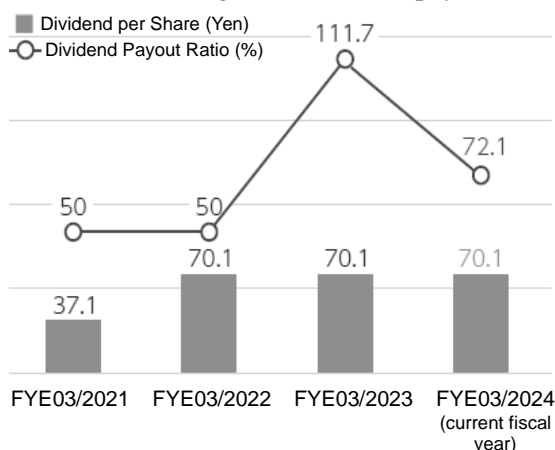
In this case, the total amount of dividends shall be 3,023,418,538 yen.

- 3) Effective date on which dividends are disbursed from retained earnings

The Company would like to disburse the dividend on June 27, 2024.

- \* The difference from the dividend payout ratio shown in the financial results is a result of accounting for the J-ESOP dividend amount.  
Specifically, the Company calculates a dividend payout ratio using the following formula:  
Total amount of dividends paid / Profit attributable to owners of the parent  
= Dividend payout ratio (%).

(Reference) Changes in dividends/payout ratio



**Item No. 2: Election of Eight (8) Directors (Excluding Directors Serving on the Audit and Supervisory Committee)**

The term of office of all nine (9) Directors (excluding Directors serving on the Audit and Supervisory Committee; the same applies hereinafter in this agenda item) will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes the election of eight (8) Directors.

The candidates for Directors are as follows.

Candidate's No.		Name	Current position and responsibilities in the Company	Attendance at the meetings of the Board of Directors
1	Reappointment	Takatsugu Suzuki	Representative Director, President and Executive Officer	12/12 (100%)
2	Reappointment	Michikatsu Ochi	Chairman of the Board	12/12 (100%)
3	Reappointment	Megumi Kawai	Managing Director and Executive Officer	12/12 (100%)
4	Reappointment	Teruyuki Terada	Director and Executive Officer General Manager of Digital Product Development Division	12/12 (100%)
5	Reappointment	Takuo Iwasaki	Director and Executive Officer General Manager of HR Media & Technology Recruitment Support Division	12/12 (100%)
6	Reappointment	Yasushi Numayama	Director and Executive Officer General Manager of Recruitment Consultancy Division	10/10 (100%)
7	Reappointment Outside Director Independent Officer	Wataru Sakakura	Outside Director	12/12 (100%)
8	Reappointment Outside Director Independent Officer	Yuri Hayashi	Outside Director	12/12 (100%)

(Note) Since Mr. Yasushi Numayama newly assumed the position of Director effective from the Annual Meeting of Shareholders held on June 27, 2023, indicated above is the status of his attendance at the

meetings of the Board of Directors held since he assumed the position.

#### Policy for the selection of candidates

With regard to the election of Inside Directors, the Company has nominated personnel who are appropriate for promoting a highly efficient management system, and who not only possess high levels of expertise in their respective fields, but also can respond rapidly, flexibly, and appropriately to changes in the business environment, premised on the fact that the personnel have jointly created the Company's management philosophy and are able to devote themselves every day to the realization of that philosophy.

With regard to the election of Outside Directors, the Company has nominated personnel who are sympathetic to its management philosophy, are able to monitor management independently from an objective standpoint, and possess a wide range of perspectives, without being biased toward the interests of management and specific stakeholders.

#### Decision procedure

When nominating a candidate for Director, the Board of Directors considers and decides based on the opinions of the Voluntary Nomination and Compensation Committee, which is composed mainly of Outside Directors.

#### Criteria for determining the independence of Outside Officers

The Company has established the Criteria for Determining the Independence of Outside Officers as follows. If they fall under the following criteria, the Company determines that they are not to be sufficiently independent of the Company.

1. An officer who currently falls under any of the following or has done within the past ten (10) years

(1) A person who has work experience (including being an Executive (\*1)) at the Company or subsidiaries of the Company (hereinafter collectively referred to as the "Group")

(2) A person who is a major shareholder of the Company (a person who holds 10% or more of the shares) or a person who, if such person is a juridical person, has assumed the office of an Executive or Corporate Auditor of such juridical person (limited to cases where an Outside Auditor is designated as an Independent Officer).

2. An officer who currently falls under any of the following or has done within the past three (3) years

(1) A major business partner (\*2) of the Group or an Executive thereof

(2) A person with whom the Group (\*3) is a major business partner or an Executive thereof

(3) A major lender of the Group (\*4) or an Executive thereof

(4) A consultant, an accounting professional, or a legal professional (\*5) who has received large amounts of money or other property other than officer's remuneration from the Group

(5) A certified public accountant who belongs to the accounting auditor or the auditing firm as an accounting auditor of the Group

(6) A person who has received large donations from the Group (\*6) or an Executive thereof

3. An officer whose relatives within the second degree of kinship of the officer (limited to important persons (\*7)) fall under any of the above 1 or 2.

\*1 A Director, an Executive Officer, an Executive Managing Officer, and other officers or

employees equivalent thereto

\*2 A business partner to whom the total net sales of the Group in any of the last three (3) fiscal years exceed 2% of the consolidated net sales of the Company

\*3 A business operator whose net sales to the Group in any of the last three (3) fiscal years exceeds 2% of the consolidated net sales of the business operator

\*4 A lender whose amount of lending to the Group exceeds 2% of the total consolidated assets of the Company at the end of any of the last three (3) fiscal years

\*5 A person whose total amount of remuneration from the Group in any of the last three (3) fiscal years exceeds 10 million yen

\*6 A recipient whose total donations from the Group in any of the last three (3) fiscal years exceeds 10 million yen

\*7 Important persons shall be Directors, Executive Officers, Executive Managing Officers, and Executives who are at the level of Manager or above, or Executives who have authority equivalent thereto.

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
1	<p><b>Takatsugu Suzuki</b> Male (January 3, 1971) Reappointment</p>	<p>Apr. 1995      Joined Nihon Brain Center, K.K. Jan. 2000      Director of the Company Jun. 2008      President of the Company Apr. 2015      President and Executive Officer of the Company (incumbent)</p> <p>[Significant concurrent positions] Chairman and Representative Director of en world Japan K.K. Chairman of Navigos Group Vietnam Joint Stock Company Director of Future Focus Infotech Pvt.Ltd. Director of en SX Inc.</p> <p>Reasons for nomination as candidate for Director Mr. Takatsugu Suzuki joined Nihon Brain Center, K.K. in 1995 as a fresh graduate. Subsequently, in connection with the launch of the Company in 2000, he was elected as a Director in recognition of the high regard held for his five (5) years of work performance, sales capabilities, and management skills. Since 2008, he has been responsible for management as a Representative Director. Based on his extensive experience and achievements, the Company continues to nominate him as a candidate for Director.</p>	62,600 shares



Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
2	<p><b>Michikatsu Ochi</b> Male (January 18, 1951) Reappointment</p>	<p>Aug. 1983      Established Nihon Brain Center, K.K. Jan. 2000      Established the Company Dec. 2000      President of the Company Jun. 2008      Chairman of the Company Apr. 2015      Chairman and Executive Officer of the Company Mar. 2022      Chairman of the Board of the Company (incumbent)</p> <p>[Significant concurrent positions] Representative Director of en Human Capital Education Association Inc. Representative Director of CSA Management Association Reasons for nomination as candidate for Director Mr. Michikatsu Ochi established Nihon Brain Center, K.K. in 1983 and subsequently established the Digital Media Division in 1995 to begin the operation of Internet job listing and recruitment information sites, etc. In 2000, he separated the Division, making it independent, and founded the Company and has been leading the organization as the founder. Since March 2022 he has served as Chairman of the Board of Directors and drawn on his extensive experience and achievements to support management of the Company. The Company nominated him as a candidate for Director again with confidence that it is necessary to leverage his experience and knowledge gained over the years to help the Company achieve sustainable growth.</p>	4,383,900 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
3	<p style="text-align: center;"><b>Megumi Kawai</b> Female (April 12, 1963) Reappointment</p>	<p>Jan. 1990      Joined Nihon Brain Center K.K.  Mar. 2005      Director of the Company  Apr. 2013      Manager of Brand Planning Office of the Company  Apr. 2015      Director and Executive Officer of the Company  Jun. 2021      Managing Director and Executive Officer of the Company (incumbent)</p> <p>[Significant concurrent positions]  Director of ZEKU Corporation</p> <p>Reasons for nomination as candidate for Director  Ms. Megumi Kawai joined Nihon Brain Center, K.K. in 1990 mid-career. Subsequently, in connection with the launch of the Company in 2000, she was elected as a Director in recognition of a decade of outstanding performance and her ability to develop new services. Since then, she has been playing a leading role in launching the Company's key online services, such as en HAKEN and MIDDLE NO TENSHOKU. In 2013 she became Manager of the Brand Planning Office and has been a significant driving force behind building the Company's brands. Based on her extensive experience and achievements, the Company continues to nominate her as a candidate for Director.</p>	59,000 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
4	<p><b>Teruyuki Terada</b> Male (April 22, 1979) Reappointment</p>	<p>Apr. 2002      Joined the Company Feb. 2013      Manager of Websites Planning Division of the Company Apr. 2014      Manager of Digital Product Development Division of the Company (incumbent) Apr. 2015      Executive Officer of the Company Jun. 2021      Director and Executive Officer of the Company (incumbent)</p> <p>[Significant concurrent positions] Director of Navigos Group Vietnam Joint Stock Company Reasons for nomination as candidate for Director Mr. Teruyuki Terada joined the Company as a fresh graduate in 2002. Subsequently, he was engaged in corporate sales strategy and marketing to support mid-career recruitment before assuming the office of General Manager of the current division that is in charge of planning, development, and marketing of websites in 2014. Since then, he has led the establishment and renewal of many representative web services of the Company, including en TENSHOKU, en BAITO, and engage. Believing that his knowledge of digital technology and extensive achievements will contribute to the development of management strategies of the Company, the Company continues to nominate him as a candidate for Director.</p>	11,000 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
5	<p><b>Takuo Iwasaki</b> Male (February 10, 1981) Reappointment</p>	<p>Apr. 2003      Joined the Company  Oct. 2011      Manager of Metropolitan 1st Sales Group of Mid-Career Recruitment Support Division of the Company  Apr. 2016      Manager of Mid-Career Recruitment Media Division of the Company  Apr. 2018      Executive Officer of the Company  Jun. 2021      Director and Executive Officer of the Company (incumbent)  Apr. 2022      General Manager of engage Division of the Company  Apr. 2024      General Manager of HR Media &amp; Technology Recruitment Support Division of the Company (incumbent)</p> <p>[Significant concurrent positions]  President of en SX Inc.  Director of ONLY STORY Inc.  Reasons for nomination as candidate for Director  Mr. Takuo Iwasaki joined the Company as a fresh graduate in 2003. Subsequently, he served as a sales manager for the Mid-Career Recruitment Media Division and other positions, and successfully led the major renewal of en TENSHOKU. Since assuming the office of Manager of the Mid-Career Recruitment Media Division in 2016, he administered its business as a whole for many years. In 2021, he began working on the launch of en SX, a business designed to help companies transform their sales operations and boost performance. In 2024, he became Manager of the HR Media &amp; Technology Recruitment Support Division, which integrates the Company's key businesses including en TENSHOKU, and since then has been working to grow the division's operations. Believing that his extensive experience and achievements will contribute to the development of the Company's management strategies, the Company continues to nominate him as a candidate for Director.</p>	7,500 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
6	<p style="text-align: center;"><b>Yasushi Numayama</b> Male (November 20, 1982) Reappointment</p>	<p>Apr. 2005      Joined the Company</p> <p>Mar. 2015      Manager of the Sales Department attached to the Temporary Staffing Agency Support Division of the Company</p> <p>Apr. 2016      Manager of the Temporary Staffing Agency Support Division of the Company</p> <p>Apr. 2018      Executive Officer of the Company</p> <p>Nov. 2018      General Manager of the Recruitment Consultancy Division of the Company</p> <p>Apr. 2022      General Manager of the Human Resources Platform Division of the Company</p> <p>Jun. 2023      Director and Executive Officer of the Company (incumbent)</p> <p>Apr. 2024      General Manager of the Recruitment Consultancy Division of the Company (incumbent)</p> <p>[Significant concurrent positions] Director of en world Japan K.K.</p> <p>Reasons for nomination as candidate for Director Mr. Yasushi Numayama joined the Company fresh out of university in 2005. In 2016, he was appointed the Manager of the Temporary Staffing Company Support Division where he spearheaded the growth of [en] Temporary Placement Info. He developed the Company's recruitment consultancy service, en AGENTS, into a systematic solution designed to provide continued support to members even after they had been successfully placed in an employment position, which boosted the retention rate to one of the best in the industry. In 2022, he assumed the position of Manager of Human Resource Platform Service Division. In 2024, he assumed the position of General Manager of the Recruitment Consultancy Division and has since been striving to develop the business. Believing that his extensive experience and achievements will contribute to the development of the Company's management strategies, the Company continues to nominate him as a candidate for Director.</p>	9,400 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
7	<p><b>Wataru Sakakura</b> Male (January 18, 1979) Reappointment</p>	<p>Apr. 2001      Joined Corporate Directions, Inc. Jan. 2005      Joined Boston Consulting Group Jan. 2013      Managing Director &amp; Partner of Boston Consulting Group Apr. 2020      Director and Chief Operating Officer of One Capital (incumbent) Jun. 2021      Outside Director of the Company (incumbent) Oct. 2022      Outside Director of COTEN Inc. (incumbent)</p> <p>[Significant concurrent positions] Director and Chief Operating Officer of One Capital Outside Director of COTEN Inc.</p> <p>Reasons for nomination as candidate for Outside Director and overview of expected roles Mr. Wataru Sakakura has achievements in supporting digital transformation for major corporations for about 20 years at a world-leading strategic consulting firm, while having prominent achievements and knowledge on investment and strategies for SaaS in Japan as COO for One Capital, Inc., he has contributed to the development of the Company's management strategies. He is also improving transparency and fairness of the procedures for election and dismissal of Officers and the process for determining remuneration as a member of the Nomination and Compensation Committee. Determining that he is the right person to supervise management for sustainable growth and improved corporate value of the Group, the Company requests his re-election as an Outside Director.</p>	-

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
8	<b>Yuri Hayashi</b> Female (July 11, 1980) Reappointment	<p>Apr. 2003      Joined Recruit Co., Ltd.</p> <p>Jan. 2011      Editor-in-chief of Recruit's "Suumo Magazine"</p> <p>Feb. 2015      Established Yurisha (sole proprietorship) Engaged in public relations- and community development-related activities at various organizations and companies</p> <p>Mar. 2017      Withdrew from the Doctoral Program at the Graduate School of Media and Governance, Keio University</p> <p>Oct. 2017      Appointed Deputy Mayor of Shijonawate City, Osaka Prefecture</p> <p>Jun. 2022      Outside Director of the Company (incumbent)</p> <p>Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Ms. Yuri Hayashi has extensive knowledge of marketing and management gained over the years while working for Recruit Co., Ltd. She became the first female deputy mayor of Shijonawate City, Osaka Prefecture in 2017 and utilized her experience working in the private sector to implement organizational reforms while promoting childcare policies and urban development. She is also improving transparency and fairness of the procedures for election and dismissal of Officers and the process for determining remuneration as a member of the Nomination and Compensation Committee. Determining that she is the right person to supervise management for sustainable growth and improved corporate value of the Group, the Company requests her re-election as an Outside Director.</p>	- shares

Notes:

1. Mr. Wataru Sakakura concurrently serves as Director and COO for One Capital, Inc. The Company has invested 402 million yen for a purely investment purpose in a partnership that One Capital manages as a general partner, however, there are no transactions occur other than profit sharing. This amount accounts for less than 1% of the Company's total consolidated assets and less than 5% of the total amount invested in the said partner. The Company has signed a part-time advisory contract with Ms. Yuri Hayashi. Compensation for this contract was paid in consideration of her consulting services for recruitment planning. To date, the amount paid to her totals less than 5 million yen. Because all of the above transactions satisfy the Rules for Determining the Independence of Outside Officers established by the Company, the Company has determined that there are no issues concerning their independence. There are no special interests between Mr. Takatsugu Suzuki, Mr. Michikatsu Ochi, Ms. Megumi Kawai, Mr. Teruyuki Terada, Mr. Takuo Iwasaki and Mr. Yasushi Numayama and the Company.
2. Mr. Wataru Sakakura and Ms. Yuri Hayashi are the candidates for Outside Directors.
3. Mr. Wataru Sakakura is currently an Outside Director of the Company, and his term of office is three (3) years ending at the conclusion of the Annual Meeting of Shareholders. Ms. Yuri Hayashi is currently an Outside Director of the Company, and her term of office is two (2) years ending at the conclusion of the Annual Meeting of Shareholders.
4. The Company has registered Mr. Wataru Sakakura and Ms. Yuri Hayashi as Independent Officers

stipulated under the rules of the Tokyo Stock Exchange. If Mr. Wataru Sakakura and Ms. Yuri Hayashi assume the office of Directors, the Company plans to register Mr. Wataru Sakakura and Ms. Yuri Hayashi as Independent Officers again stipulated under the rules of the Tokyo Stock Exchange.

5. The Company has entered into a limited liability agreement with Mr. Wataru Sakakura and Ms. Yuri Hayashi based on the provisions of its Articles of Incorporation to limit their damage compensation liability as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability under the said agreement shall be the amount prescribed in laws and regulations. If re-election of Mr. Wataru Sakakura and Ms. Yuri Hayashi is approved, the Company will continue the above limited liability agreement with them.
6. The Company has concluded liability insurance contracts for Officers with an insurance company, that cover Directors, Executive Officers, and Officers of subsidiaries as the insured. These insurance contracts compensate for damages caused at the responsibility assumed by the insured for the execution of their duties or damages claimed related to the pursuit of such responsibility. The Company pays all the insurance premiums. The above insurance contracts do not cover claims for damages caused by intentional acts or gross negligence of the insured. If the candidates assume the offices of Directors, they will become the insured of the above insurance contracts, and the Company plans to renew the above insurance contracts in January 2025.



### Item No. 3: Election of Three (3) Directors Serving on the Audit and Supervisory Committee

The term of office of all three (3) Directors serving on the Audit and Supervisory Committee will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors who will serve on the Audit and Supervisory Committee.

With regard to this agenda item, the consent of the Audit and Supervisory Committee has been obtained.

The candidates for Directors Serving on the Audit and Supervisory Committee are as follows.

Candidate's No.	Name	Current position and responsibilities in the Company	Attendance at the meetings of the Board of Directors
1	Taisuke Igaki	Outside Director	12/12 (100%)
2	Toshihiko Ishikawa	Outside Director	12/12 (100%)
3	Takeshi Nishikawa	-	-

#### Policy for the selection of candidates

In electing Directors to serve on the Audit and Supervisory Committee, the Company nominates individuals who are highly discerning and recognize the role and responsibilities that the Company should fulfill in society without being biased toward the interests of management or specific stakeholders.

#### Decision procedure

When nominating Directors to serve on the Audit and Supervisory Committee, the Board of Directors makes its decision in light of proposals made by the Representative Directors as well as the opinions of the Outside Directors and with the consent of the Audit and Supervisory Committee.

#### Criteria for determining the independence of Outside Officers

The Company has established the Criteria for Determining the Independence of Outside Officers as follows. If they fall under the following criteria, the Company determines that they are not to be sufficiently independent of the Company.

1. An officer who currently falls under any of the following or has done within the past ten (10) years

(1) A person who has work experience (including being an Executive (\*1)) at the Company or subsidiaries of the Company (hereinafter collectively referred to as the "Group")

(2) A person who is a major shareholder of the Company (a person who holds 10% or more of the shares) or a person who, if such person is a juridical person, has assumed the office of an Executive or Corporate Auditor of such juridical person (limited to cases where an Outside Auditor is designated as an Independent Officer).

2. An officer who currently falls under any of the following or has done within the past three (3) years

(1) A major business partner (\*2) of the Group or an Executive thereof

(2) A person with whom the Group (\*3) is a major business partner or an Executive thereof

(3) A major lender of the Group (\*4) or an Executive thereof

(4) A consultant, an accounting professional, or a legal professional (\*5) who has received large amounts of money or other property other than officer's remuneration from the Group

(5) A certified public accountant who belongs to the accounting auditor or the auditing firm as an accounting auditor of the Group

(6) A person who has received large donations from the Group (\*6) or an Executive thereof

3. An officer whose relatives within the second degree of kinship of the officer (limited to important persons (\*7)) fall under any of the above 1 or 2.

\*1 A Director, an Executive Officer, an Executive Managing Officer, and other officers or employees equivalent thereto

\*2 A business partner to whom the total net sales of the Group in any of the last three (3) fiscal years exceed 2% of the consolidated net sales of the Company

\*3 A business operator whose net sales to the Group in any of the last three (3) fiscal years exceeds 2% of the consolidated net sales of the business operator

\*4 A lender whose amount of lending to the Group exceeds 2% of the total consolidated assets of the Company at the end of any of the last three (3) fiscal years

\*5 A person whose total amount of remuneration from the Group in any of the last three (3) fiscal years exceeds 10 million yen

\*6 A recipient whose total donations from the Group in any of the last three (3) fiscal years exceeds 10 million yen

\*7 Important persons shall be Directors, Executive Officers, Executive Managing Officers, and Executives who are at the level of Manager or above, or Executives who have authority equivalent thereto.

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
1	<p style="text-align: center;"><b>Igaki Taisuke</b> Male (May 4, 1973) Reappointment</p>	<p>Oct. 2001 Registered as an attorney in Japan Joined Kitahama Partners</p> <p>Jan. 2008 Registered as an attorney in New York State</p> <p>Jun. 2013 LPC Partner of Nishimura &amp; Asahi LPC (incumbent)</p> <p>Jun. 2018 Outside Director of UT Group Co., Ltd. (incumbent) Outside Corporate Auditor of the Company</p> <p>Jun. 2020 Outside Director of the Company</p> <p>Jun. 2022 Outside Director of the Company (Audit and Supervisory Committee Member) (incumbent)</p> <p>[Significant concurrent positions] LPC Partner of Nishimura &amp; Asahi LPC Outside Director of UT Group Co., Ltd.</p> <p>Reasons for nomination as candidate for Outside Director Serving on the Audit and Supervisory Committee and overview of expected roles</p> <p>Mr. Taisuke Igaki is well-versed in the business of the Company. He has actively provided opinions and advice at the meetings of the Board of Directors of the Company from a comprehensive perspective utilizing his professional experience as an attorney at law and an Outside Director. He is also improving transparency and fairness of the procedures for election and dismissal of Officers and the process for determining remuneration as the chair of the Nomination and Compensation Committee. Determining that he is the right person to supervise management for sustainable growth and improved corporate value of the Group, the Company requests his election again as an Outside Director serving on the Audit and Supervisory Committee. Although he has never been directly involved in corporate management other than as an Outside Director or Outside Corporate Auditor, for the reasons stated above, the Company has determined that he can appropriately perform his duties as an Outside Director serving on the Audit and Supervisory Committee.</p>	- shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
2	<b>Toshihiko Ishikawa</b> Male (September 6, 1951) Reappointment	<p>Apr. 1977      Joined Ernst &amp; Young LLC (Currently Ernst &amp; Young ShinNihon LLC)</p> <p>Mar. 1981      Joined Business Brain Showa Inc. (Currently Business Brain Show-Ota Inc.)</p> <p>Feb. 1990      Registered as a Certified Public Accountant</p> <p>Jun. 1991      Director of Business Brain Showa-Ota Inc.</p> <p>Jun. 2001      President of Financial Brain Systems Inc.</p> <p>Apr. 2009      President and CEO of Business Brain Showa-Ota Inc.</p> <p>Jun. 2014      CEO of BBS (Thailand) Co., Ltd.</p> <p>Jun. 2020      Chairman of Business Brain Showa-Ota Inc.</p> <p>Jun. 2021      Outside Corporate Auditor of the Company</p> <p>Jun. 2022      Chairman of the Board of Business Brain Showa-Ota Inc.</p> <p>Jun. 2022      Outside Director of the Company (Audit and Supervisory Committee Member) (incumbent)</p> <p>Jun. 2023      Special advisor of the Board of Business Brain Showa-Ota Inc. (incumbent)</p> <p>[Significant concurrent positions] Special advisor of the Board of Business Brain Showa-Ota Inc.</p> <p>Reasons for nomination as candidate for Outside Director Serving on the Audit and Supervisory Committee and overview of expected roles Mr. Toshihiko Ishikawa has extensive experience in corporate management and a high level of attentiveness as a certified public accountant. He has actively provided opinions and advice at the meetings of the Board of Directors and the Audit and Supervisory Committee of the Company. Believing that he will continue to apply his expertise and experience to its auditing system, the Company asks that he be elected again as an Outside Director serving on the Audit and Supervisory Committee.</p>	100 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
3	<p><b>Takeshi Nishikawa</b> Male (April 27, 1971) New appointment</p>	<p>Apr. 1994      Joined Matsushita Electric Industrial Co. (Currently Panasonic Holdings Corporation)</p> <p>Oct. 2021      Board of Director of Blue Yonder Holding Inc. (incumbent) Board of Director of Zetes Industries S.A. (incumbent)</p> <p>Apr. 2022      Director, Vice President and Chief Financial Officer (CFO), and in charge of DEI Promotion of Panasonic Connect Co., Ltd.</p> <p>Apr. 2023      Director, Senior Vice President and Chief Financial Officer (CFO), and in charge of DEI Promotion of Panasonic Connect Co., Ltd.</p> <p>Jun. 2023      Representative Director, Senior Vice President and Chief Financial Officer (CFO), and in charge of DEI Promotion of Panasonic Connect Co., Ltd. (incumbent)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Senior Vice President and Chief Financial Officer (CFO), and in charge of DEI Promotion of Panasonic Connect Co., Ltd.</p> <p>Board of Director of Blue Yonder Holding Inc.</p> <p>Board of Director of Zetes Industries S.A.</p> <p>Reasons for nomination as candidate for Outside Director Serving on the Audit and Supervisory Committee and overview of expected roles</p> <p>Mr. Takeshi Nishikawa has 30 years of accounting experience at Panasonic Holdings Corporation, where he currently serves as CFO, and brings a wealth of experience in finance and accounting to the table. Serving on the Board of Directors of the Company's subsidiaries in the U.S. and Belgium, he also has a vast amount of international business expertise. Since he has experience in multiple mergers and acquisitions, including large-scale, cross-border transactions, the Company believes that his experience and knowledge will make a big contribution to its operations and requests that he be elected as an Outside Director to serve on the Audit and Supervisory Committee.</p>	-

Notes:

1. Although Mr. Taisuke Igaki will not be designated or recorded as an Independent Officer in accordance with the policy of his law firm, Nishimura & Asahi LPC, the Company has determined that he meets all the requirements for an Independent Officer as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. Since he is entirely independent, there is no possibility of a conflict of interest arising between the candidate and the general shareholders.
2. The Company receives recruitment support fees from UT Group Co., Ltd., where Mr. Taisuke Igaki serves as an Outside Director, but all transactions are carried out under terms and conditions similar to those for general transactions, and the annual transaction amount is less than 1% of the consolidated net sales of UT Group and the Company. The Company receives recruitment support fees from Panasonic Connect Co., Ltd., where Mr. Takeshi Nishikawa serves as Representative Director, but all transactions are carried out under terms and conditions similar to those for general transactions, and the annual transaction amount is less than 1% of the consolidated net sales of Panasonic Connect Co., Ltd. and the Company. Because all of the above transactions satisfy the Rules for Determining the Independence of Outside Officers established by the Company, the Company has determined that there are no issues concerning their independence.
3. Mr. Taisuke Igaki, Mr. Toshihiko Ishikawa and Mr. Takeshi Nishikawa are the candidates for Outside Directors serving on the Audit and Supervisory Committee.
4. Mr. Taisuke Igaki is currently an Outside Director serving on the Audit and Supervisory Committee of the Company, and his term of office as an Outside Director is four (4) years ending at the conclusion of the Annual Meeting of Shareholders and two (2) years as a Director serving on the Audit and Supervisory Committee. In the past, Mr. Taisuke Igaki was an Outside Corporate Auditor of the Company and his term of office as an Outside Corporate Auditor was two (2) years. Mr. Toshihiko Ishikawa is currently an Outside Director serving on the Audit and Supervisory Committee of the Company, and his term of office is two (2) years ending at the conclusion of the Annual Meeting of Shareholders. And in the past, Mr. Toshihiko Ishikawa was an Outside Corporate Auditor of the Company and his term of office as an Outside Corporate Auditor was one (1) year.
5. The Company has registered Mr. Toshihiko Ishikawa as an Independent Officer as stipulated under the rules of the Tokyo Stock Exchange. If Mr. Toshihiko Ishikawa assumes the office of Director serving on the Audit and Supervisory Committee, the Company plans to register him again as an Independent Officer. If Mr. Takeshi Nishikawa assumes the office of Director serving on the Audit and Supervisory Committee, the Company plans to register him as an Independent Officer stipulated under the rules of the Tokyo Stock Exchange.
6. The Company has entered into a limited liability agreement with Mr. Taisuke Igaki and Mr. Toshihiko Ishikawa based on the provisions of its Articles of Incorporation to limit their damage compensation liability as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability under the said agreement shall be the amount prescribed in laws and regulations. If re-election of Mr. Taisuke Igaki and Mr. Toshihiko Ishikawa is approved, the Company will continue the above limited liability agreement with them. If election of Mr. Takeshi Nishikawa is approved, the Company will enter into the same agreement with Mr. Takeshi Nishikawa.
7. The Company has concluded liability insurance contracts for Officers with an insurance company, that cover Directors, Executive Officers, and Officers of subsidiaries as the insured. These insurance contracts compensate for damages caused at the responsibility assumed by the insured for the execution of their duties or damages claimed related to the pursuit of such responsibility. The Company pays all the insurance premiums. The above insurance contracts do not cover claims for damages caused by intentional acts or gross negligence of the insured. If Mr. Taisuke Igaki, Mr. Naoki Otani and Mr. Toshihiko Ishikawa assume the office of Directors serving on the Audit and Supervisory Committee, they will become the insured of the above insurance contracts, and the Company plans to renew the above insurance contracts in January 2025.

The Composition of Directors when Proposal No.2 and Proposal No.3 are Approved  
Professional competence and experience of the Company's Directors are as follow.

Skill matrix

Officer		Attribute		Composition		Business experience/knowledge										expertise
		Independence Company standard ○ Notification filed with TSE ●	gender Male ● Female ○	The Board of Directors Chairman ●	the Nomination and Compensation Committee Chairman ●	Corporate management	Human resource business	Sales/marketing	Technology/DX	Brand strategy	Global business	Risk management/legal/compliance	Finance/accounting/IR&A	Sustainability/ESG	Professional license/relevant qualifications	
Takatsugu Suzuki	Representative Director, President and Executive Officer		●	●	○	●	●	●				●	●			
Michikatsu Ochi	Chairman of the Board		●	○		●	●	●				●	●			
Megumi Kawai	Managing Director and Executive Officer		○	○		●	●	●		●			●			
Teruyuki Terada	Director and Executive Officer		●	○			●		●							
Takuo Iwasaki	Director and Executive Officer		●	○			●	●								
Yasushi Numayama	Director and Executive Officer		●	○			●	●								
Wataru Sakakura	Independent Outside Director	●	●	○	○	●			●			●				
Yuri Hayashi	Independent Outside Director	●	○	○	○			●		●			●			
Taisuke Igaki	Outside Director (Audit and Supervisory Committee)	○	●	○	●						●	●	●	Japanese Attorney/Attorney in the state of New York		
Toshihiko Ishikawa	Independent Outside Director (Audit and Supervisory Committee)	●	●	○		●			●			●		Certified Public Accountant, Licensed Tax Accountant		
Takeshi Nishikawa	Independent Outside Director (Audit and Supervisory Committee)	New appointment	●	●	○	●					●	●				

- Notes: 1. The above does not represent all the skills, experience, abilities, and other knowledge and expertise possessed by each person.  
2. "Experience" in each column means, as a general rule, having worked in the relevant area or having served in the relevant position for a total of three or more years.

**Item No. 4: Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee**

In order to prepare for the case where the number of Directors serving on the Audit and Supervisory Committee falls short of the number stipulated by laws and regulations, the Company requests the election of one (1) substitute Director serving on the Audit and Supervisory Committee in advance.

The term of office of the elected substitute Director serving on the Audit and Supervisory Committee shall continue until expiration of the term of office of the Director serving on the Audit and Supervisory Committee who retires in accordance with the provisions of the Articles of Incorporation of the Company.

The effectiveness of election in this proposal may be cancelled based on the concurrence of the Audit and Supervisory Committee and by resolution of the Board of Directors provided that the cancellation is made prior to the assumption of office by the nominee.

With regard to this agenda item, the consent of the Audit and Supervisory Committee has been obtained.

The candidate for substitute Director serving on the Audit and Supervisory Committee is as follows.

Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
<p><b>Tomoyuki Otsuki</b> Male (April 1, 1972)</p>	<p>Apr. 1994      Joined Otsuki Management &amp; Labor Consulting Office</p> <p>Jan. 2006      Registered as Labor and Social Security Attorney Head of Ginza Branch Office of Otsuki Management &amp; Labor Consulting Office</p> <p>Jan. 2011      Control Office Manager of Otsuki Management &amp; Labor Consulting Office</p> <p>Dec. 2013      Representative Director of OTSUKI M Co., Ltd. (incumbent) Representative Director of OTSUKI M SINGAPORE PTE, LTD.</p> <p>Jul. 2016      Representative Partner of Otsuki Management &amp; Labor Consulting Office (incumbent)</p> <p>Jun. 2019      Director of Tokyo Metropolitan Labor and Social Security Attorney's Associations (incumbent)</p> <p>[Significant concurrent positions] Representative Partner of Otsuki Management &amp; Labor Consulting Office Representative Director of OTSUKI M Co., Ltd.</p> <p>Reasons for nomination as candidate for substitute Director serving on the Audit and Supervisory Committee Mr. Tomoyuki Otsuki has extensive knowledge and experience as a labor and social security attorney. If he is elected, the Company believes that he can leverage his expertise in enhancing its risk management structure and nominates him as a candidate for substitute Director serving on the Audit and Supervisory Committee.</p>	<p>- shares</p>



Notes:

1. The Company entered into an advisory contract with Otsuki Management & Labor Consulting Office, for which Mr. Tomoyuki Otsuki serves as a Representative Director, but the amount of remuneration is not more than 5 million yen per year. Because such contract satisfies the Rules for Determining Independence of Outside Officers established by the Company, the Company has determined that there are no issues concerning his independence.
2. Mr. Tomoyuki Otsuki is the candidate for substitute Outside Director serving on the Audit and Supervisory Committee.
3. If Mr. Tomoyuki Otsuki assumes the office of Director serving on the Audit and Supervisory Committee, the Company plans to register Mr. Otsuki as an Independent Officer stipulated under the rules of the Tokyo Stock Exchange.
4. If Mr. Tomoyuki Otsuki assumes the office of Director serving on the Audit and Supervisory Committee, the Company will enter into a limited liability agreement with Mr. Otsuki based on the provisions of its Articles of Incorporation to limit his damage compensation liability as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability under the said agreement shall be the amount prescribed in laws and regulations.
5. The Company has concluded liability insurance contracts for Officers with an insurance company, that cover Directors, Executive Officers, and Officers of subsidiaries as the insured. These insurance contracts compensate for damages caused at the responsibility assumed by the insured for the execution of their duties or damages claimed related to the pursuit of such responsibility. The Company pays all the insurance premiums. The above insurance contracts do not cover claims for damages caused by intentional acts or gross negligence of the insured. If Mr. Tomoyuki Otsuki assumes the office of Director serving on the Audit and Supervisory Committee, he will become the insured of the above insurance contracts, and the Company plans to renew the above insurance contracts in January 2025.

(Exhibit)

**Business Report**

From April 1, 2023  
to March 31, 2024

**1. State of Corporate Group**

**(1) State of Business for the Current Fiscal Year**

1) Business progress and results

(Million yen)

Net Sales		Prior Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)	Change	Percent change (%)	
Businesses with investment	HR-Tech engage	3,787	7,193	3,406	89.9%	
	Human Resources Platform	6,214	7,091	877	14.1%	
Existing businesses	Domestic	Job Board	29,264	29,396	132	0.5%
		Permanent Recruitment	10,029	9,871	-157	-1.6%
		Other	2,852	3,349	497	17.4%
	Overseas	16,227	11,616	-4,610	-28.4%	

(a) HR-Tech engage

In accordance with the basic policy outlined in the Medium-Term Management Plan, the Company actively invested in advertising and publicity aimed at attracting job seekers. As a result, the number of members jumped to 3,740,000 persons, up 1,470,000 persons from the previous year. Moving in step with the booming membership, the business has continued to grow. It is now one of Japan's leading recruitment services, with the number of user accounts reaching a total of 610,000 and the number of publicized job offers amounting to 1,650,000. Expectations from hiring companies also rose as the membership and total number of applicants increased, resulting in a higher number of fee-based job listings and significant sales growth.

As a result, net sales of HR-Tech engage amounted to ¥7,193 million up 89.9% year on year.

(b) Human Resources Platform

In accordance with the basic policy under the Medium-Term Management Plan, the Company actively invested in advertising and publicity aimed at acquiring job seekers. As a result, the number of members increased to 3,820,000 (up 610,000 from the previous year). In particular, demand for AMBI and middle-aged with high-level expertise continued to be strong, and user companies increased both among permanent recruitment agencies and general companies. Consequently, sales rose significantly.

As a result, net sales of Human Resources Platform amounted to ¥7,091 million up 14.1% year on year.

(c) Domestic Job Board

The Company expanded transactions for [en] Career Change Info with companies that have large budgets while bundling the sales of the new services, [en] Career Change Info Direct and engage. As a result, the unit price per client increased. Although the job posting sites for temporary staffing companies saw a slight dip in sales as major temporary staffing agencies held back from posting job listings, the job posting site for freelance engineers enjoyed an uptick in sales that was backed by growing demand for freelancers.

As a result, net sales of Domestic Job Board amounted to ¥29,396 million up 0.5% year on year.

(d) Domestic Permanent Recruitment

en Agent experienced an increase in the number of successful recruitments in middle-class job seekers for which hiring demand was high, which contributed to revenue growth.

At en world Japan, sales declined due to low productivity despite an increase in the number of consultants, which dropped last fiscal year.

As a result, net sales of Domestic Permanent Recruitment amounted to ¥9,871 million down 1.6% year on year.

(e) Overseas

The IT-related temporary staffing business in India experienced a decline in sales due to personnel cuts by leading U.S. IT companies.

In Vietnam, where the Company primarily operates job posting sites boasting the biggest domestic market share, sales decreased due to declining business confidence.

As a result of the above, net sales of overseas business amounted to ¥11,616 million down 28.4% year on year.

As a result, net sales in the current consolidated fiscal year amounted to ¥67,661 million (a decrease of 0.1% year on year), operating income amounted to ¥5,161 million (an increase of 21.4% year on year), ordinary income amounted to ¥5,369 million (an increase of 31.8% year on year) and Profit attributable to owners of parent amounted to ¥4,196 million (an increase of 55.7% year on year).

(Million yen)

	Current Fiscal Year (From April 1, 2023 to March 31, 2024)	Percent change (%)
Net sales	67,661	Down 0.1%
Operating income	5,161	Up 21.4%
Ordinary income	5,369	Up 31.8%
Profit attributable to owners of parent	4,196	Up 55.7%

2) Capital investment

During the current fiscal year, the Company invested a total of ¥3,963 million, and investments are mainly as follows.

- Websites development, additional repairs, etc.

3) Fund procurement

The Company has concluded an overdraft facility agreement (maximum amount of ¥1,000 million) with a bank. There are no borrowings outstanding as of the end of the current fiscal year.

4) Business transfers, Absorption-type Demerger or Incorporation-type Demerger

Not applicable.

5) Assignment of business from other companies

Not applicable.

6) Succession of right obligation related to other entities business through an absorption-type merger or an absorption-type Demerger

Not applicable.

7) Acquisition or Disposal of shares, other equity interests or subscription rights to shares, etc. of other companies

Not applicable.

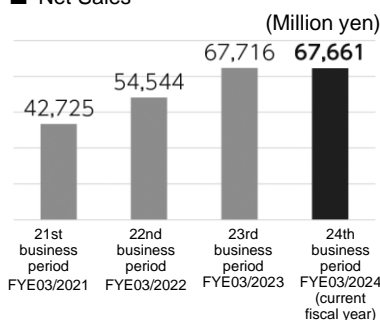
## (2) Trends in Assets, Profits and Losses

(Unit: Millions of yen)

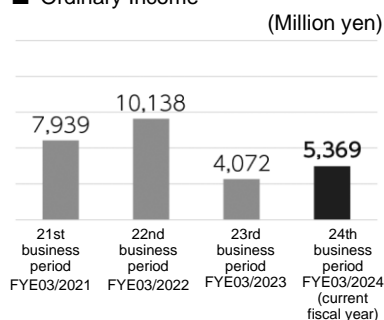
Item	Fiscal 2021 21st business period	Fiscal 2022 22nd business period	Fiscal 2023 23rd business period	Fiscal 2024 24th business period (current fiscal year)
Net sales	42,725	54,544	67,716	67,661
Ordinary income	7,939	10,138	4,072	5,369
Profit attributable to owners of parent	3,502	6,628	2,695	4,196
Profit per share (yen)	78.19	147.71	60.98	102.38
Total assets	46,644	56,215	51,967	48,974
Net assets	36,856	41,160	35,125	32,161
Net asset per share (yen)	810.66	903.89	816.84	777.70
ROE (%)	9.5	17.2	7.2	12.6

Note: Consumption tax is not included in net sales.

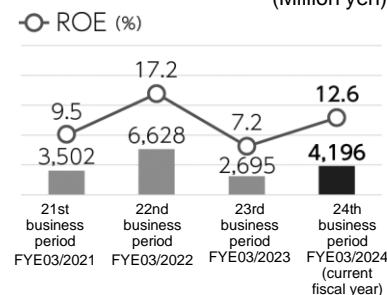
■ Net Sales



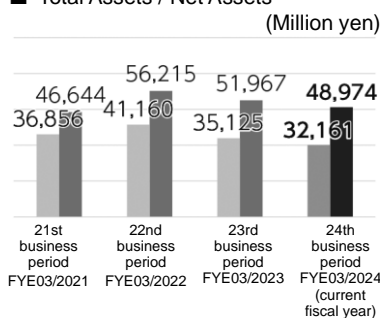
■ Ordinary Income



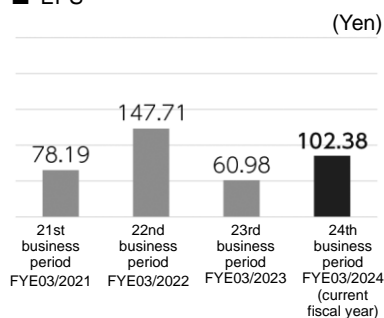
■ Profit Attributable to Owners of Parent (Million yen)



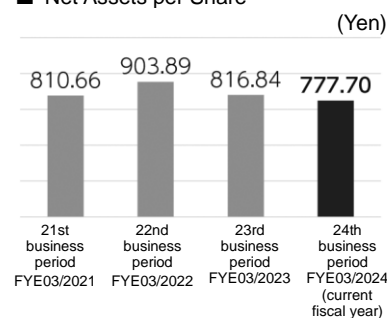
■ Total Assets / Net Assets



■ EPS



■ Net Assets per Share



**(3) Important Information on Parent Company and Subsidiaries**

a) Relationship with parent company

Not applicable

b) Status of important subsidiaries

Name	Capital stock	Ratio of voting rights	Main Business
en world Japan K.K.	65 million yen	100%	Permanent Recruitment, Temporary staffing
Navigos Group Vietnam Joint Stock Company	63,912 million VND	100%	Job Board business Permanent Recruitment
Future Focus Infotech Pvt,Ltd.	25 million INR	99.3%	IT Permanent Recruitment

Notes:

1. Of the ratio of voting rights of the Company for Navigos Group Vietnam Joint Stock Company, 100.0% is based on indirect ownership through consolidated subsidiaries of the Company.
2. Of the ratio of voting of the Company for Future Focus Infotech Pvt, Ltd., 85.8% is based on indirect ownership through consolidated subsidiaries of the Company.
3. There are no subsidiaries that fall within the category of specified wholly-owned subsidiary.

#### **(4) Issues to Deal with**

We project that Japan's recruitment market, in which the en Japan Group operates, will continue to see strong hiring demand from corporations. This is against the backdrop of a structural shortage of workers caused by a decline in the working age population associated with the declining birthrate and aging population, changes in industrial structures, and other factors. In recent years, the market has seen dynamic changes, including various legal revisions, a move toward digitalization in the corporate sector, changes in the way people work, such as teleworking and freelancing, as well as the revision and introduction of systems related to pay raises, etc. These developments are expected to alter job seekers' attitudes toward changing jobs midstream and transform the employment landscape across the board. The changes will intensify recruiting competition among companies and possibly impact their business continuity, resulting in more liquidity and polarization in employment.

In the overseas human resources business market, both Vietnam and India, which our group is focusing on, are expected to show high economic growth in the future. Given the large population and low average age, we see high growth potential over the medium to long term. Although the pace and scale of economic and hiring activities have been on the decline mainly due to the shrinking economies of both India and Vietnam, the outlook for market growth in the IT and technology sectors remains bright, and the need for human resources in these areas is still high. That's why we continue to anticipate strong growth, including for IT-related offshore development, in these two countries.

In these circumstances, the Company expects the diversified use and selection of its services among the job seekers and companies hiring them, in addition to higher liquidity of employment. Our purpose (i.e., our *raison d'être* in society) is to make the world a better place by increasing the number of people who work hard for the benefit of others and society ~ Inner Calling & Work Hard ~. In order to fulfill this purpose, we will leverage technology to provide job information that is sufficient in both quality and quantity, all with the aim of increasing job opportunities.

As we implement the Medium-Term Management Plan, which runs through the fiscal year ending March 31, 2027, we plan to invest aggressively in our "engage" and human resource platform services. We plan to make these investment targets the next pillars of our business with an eye to significantly boosting revenue. We will also continue investing in our existing businesses to keep their profitability up while maintaining a presence in the recruitment market, which is undergoing major changes.

We provide a unique service through "engage" that conventional recruitment media do not offer. It allows corporations to create their own recruitment websites and job postings free of charge and increase their exposure to job seekers via various job networks. The number of job seekers and companies using the service has been steadily growing due to its ease of use as well as better recognition resulting from active promotion efforts. It has grown to become a leading job listing service in Japan, offering more full-time job openings than Hello Work. Going forward, we will continue to invest in publicity, utilize AI and other technologies to provide the right job information to job seekers, and increase job opportunities.

We will provide information on attractive job opportunities via our human resource platform service, targeting people in leadership positions who drive corporate growth and transformation, as well as those in positions that require a high level of expertise, a new type of professional, such as specialists and managers, for whom hiring demand is expected to increase. By doing so, we will continue to work with an eye to facilitating the movement of labor to positions that make a significant social impact and to growth industries.

(Report from the special investigation committee)

The Company discovered evidence of possible improper accounting practices at its consolidated subsidiary in China, Talent Alliance (Beijing) Technology Development Limited (hereinafter “Talent Alliance JV”), during the year-end audit period for the fiscal year ended March 31, 2023. On May 23, 2023, we set up a special investigation committee consisting of two outside experts and an independent outside director who chairs the Audit and Supervisory Committee and began an investigation. We then received an investigation report from the investigation team on July 24, 2023.

The investigation found that a general manager of Talent Alliance JV was involved in improper accounting treatment in which the said general manager misappropriated Talent Alliance JV’s deposits for personal use from 2010 to 2016.

During the course of the investigation, we learned that a portion of the social insurance premiums, etc. of Talent Alliance JV may not have been paid. We then looked into the matter further with the help of the special investigation committee and outside experts, and found that a portion of social insurance premiums, etc. had not been paid since 2006, the year we first invested in Talent Alliance JV.

All necessary adjustments related to the above-mentioned incident have been reflected in the consolidated financial statements for the year ended March 31, 2023.

We believe internal controls over financial reporting are crucial. That’s why we have formulated and implemented the following measures to prevent a recurrence of the aforementioned incident, based on the recommendations in the investigation report, and ensure that appropriate internal controls are in place and operating effectively.

- (i) Consider and implement measures designed to boost compliance awareness across all consolidated subsidiaries on an ongoing basis.
- (ii) Ensure that all employees of consolidated group companies are aware of our global hotline system.
- (iii) Formulate and implement an internal audit plan that covers all consolidated subsidiaries to prevent any of them from being excluded from the scope of internal auditing by the Internal Audit Department for any prolonged period of time.
- (iv) Improve the financial checklist of the consolidated financial reporting process, describe in detail the vouchers to be obtained for each account and the checks conducted by our company, and establish as well as operate a system for the Administrative Division to ensure that sufficient vouchers are obtained and confirmed from all consolidated subsidiaries according to the checklist.



**(5) Main Businesses (As of March 31, 2024)**

Business	Main Service
Human Resource Service	<ul style="list-style-type: none"><li>▪ HR-Tech engage Recruitment website creation, job offering, hiring support tools</li><li>▪ Human resource platform Major brands include AMBI and MIDDLE NO TENSHOKU</li><li>▪ Job Board business Main boards are en TENSHOKU, en HAKEN, VietnamWorks, etc.</li><li>▪ Permanent Recruitment Main brands are en world Japan K.K., en AGENTS, etc.</li><li>▪ Temporary staffing Future Focus Infotech Pvt, Ltd. (IT staffing), part of en world Japan K.K. business (specialist staffing)</li><li>▪ Support for promoting human resources, and others Supporting service for promoting human resource, such as encourage, ZEKU for recruiting management system, etc.</li></ul>

**(6) Main Offices (As of March 31, 2024)**

1) The Company

Name	Location
Head Office	Shinjuku-ku, Tokyo
Branch Office	Osaka, Nagoya, Yokohama, Fukuoka, Others

2) Subsidiaries

Name	Location
en world Japan K.K.	Chuo-ku, Tokyo
Navigos Group Vietnam Joint Stock Company	Ho Chi Minh city, Vietnam
Future Focus Infotech Pvt, Ltd.	Chennai, India

**(7) Employees (As of March 31, 2024)**

1) The Group

Number of employees	Change from the end of the previous fiscal year
3,317	Down 63

Note: The number of employees represents the number of full-time employees and does not include four hundred and ninety-two (492) temporary (part-time) employees.

2) The Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
2,135	Up 287	30 years 7 months	4 years 3 months

Note: The number of employees represents the number of full-time employees and does not include twenty-eight (28) employees loaned to other companies and four hundred and ninety-two (492) temporary (part-time) employees.

**(8) Major Creditors (As of March 31, 2024)**

Not applicable.

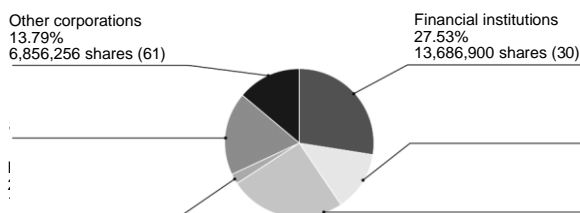
**(9) Other Important Matters concerning the Group**

Not applicable.

## 2. State of the Company

### (1) Shares (As of March 31, 2024)

- 1) Total Number of Shares  
Authorized to Be Issued: 187,200,000
- 2) Total Number of  
Shares Outstanding: 40,832,279  
(Excluding treasury shares of 8,883,721)
- 3) Number of Shareholders: 4,952
- 4) Major Shareholders (Top 10):



\* ESOPs are included in Financial institutions

Name of shareholder	Number of shares owned	Ratio of shareholding
The Master Trust Bank of Japan, Ltd. (Account in trust)	5,732,500	14.04%
Custody Bank of Japan, Ltd. (Account in trust)	4,510,100	11.05
Michikatsu Ochi	4,383,900	10.74
en Foundation for HR development	3,060,000	7.49
en Kikaku, Ltd.	2,184,800	5.35
MO Research Institute inc.	1,487,000	3.64
Akiyuki Ochi	1,475,200	3.61
THE BANK OF NEW YORK MELLON 140044	759,700	1.86
JP MORGAN CHASE BANK 385839	577,724	1.41
HOST-PLUS PTY LTD-HOSTPLUS POOLED SUPER ANNUATION TRUST-PARADISE GLOBAL SMALL CAPS	544,300	1.33

Notes: 1. The above excludes 6,585,921 treasury shares owned by the Company, which are ranked first, and 2,297,800 shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account), which are ranked sixth.

2. The ratio of shareholding was calculated by subtracting the number of treasury shares (8,883,721 shares).

- 5) Share Warrants Granted to the Company's Directors as Compensation for the Execution of Duties during the Current Fiscal Year  
Not applicable.
- 6) Other Important Matters Concerning Shares  
Not applicable.

**(2) Share Warrants and Others**

1) Warrants Held by the Company's Executive Officers as Compensation for the Execution of Duties

Share warrants by resolution of the Board of Directors held on May 29, 2015

Section	Directors (excluding Audit and Supervisory Committee members and Outside Directors)
Amount paid for share warrants	No payment required
Execution price for share warrants	200 yen per share
Execution period for share warrants	From July 1, 2015 to June 30, 2033
Execution condition for share warrants	Share warrants can be exercised on and after a date that is earlier of the date three (3) years from the next day of the allocation date or the next day of the date of losing the status of Director, Corporate Auditor, or Executive Officer of the Company or subsidiaries of the Company.
Number of holders	6
Number of share warrants	285
Type and number of share to be delivered upon exercise	Common stock, 57,000 shares

Notes: 1. The number of shares underlying 1 (one) share warrant is 200.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 1, 2020 to June 30, 2033

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

Share warrants by resolution of the Board of Directors held on July 22, 2016

Section	Directors (excluding Audit and Supervisory Committee members and Outside Directors)
Amount paid for share warrants	No payment required
Execution price for share warrants	200 yen per share
Execution period for share warrants	From September 1, 2016 to June 30, 2033
Execution condition for share warrants	Share warrants can be exercised on and after a date that is earlier of the date three (3) years from the next day of the allocation date or the next day of the date of losing the status of Director, Corporate Auditor, or Executive Officer of the Company or subsidiaries of the Company.
Number of holders	2
Number of share warrants	15
Type and number of share to be delivered upon exercise	Common stock, 3,000 shares

Notes: 1. The number of shares underlying 1 (one) share warrant is 200.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 1, 2021 to June 30, 2033

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

Share warrants by resolution of the Board of Directors held on June 28, 2022

Section	Directors (excluding Audit and Supervisory Committee members and Outside Directors)
Amount paid for share warrants	No payment required
Execution price for share warrants	100 yen per share
Execution period for share warrants	From July 14, 2022 to July 13, 2037
Execution condition for share warrants	Share warrants can be exercised on condition to hold the status of Director, Executive Officer or employee of the Company or subsidiaries of the Company.
Number of holders	6
Number of share warrants	1,804
Type and number of share to be delivered upon exercise	Common stock, 180,400 shares

Notes: 1. The number of shares underlying 1 (one) share warrant is 100.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 14, 2027 to July 13, 2037

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

2) Share Warrants Granted to the Company's Employees and Other Staff as Compensation for the Execution of Duties during the Current Fiscal Year

Share warrants by resolution of the Board of Directors held on June 27, 2023

Section		Employees of the Company	
Number of share warrants		2,496	
Type and number of share to be delivered upon exercise		Common stock, 249,600 shares	
Amount paid for share warrants		No payment required	
Execution price for share warrants		100 yen per share	
Execution period for share warrants		From July 14, 2023 to July 13, 2037	
Execution condition for share warrants		Share warrants can be exercised on condition to hold the status of Director, Executive Officer or employee of the Company or subsidiaries of the Company.	
Issuance to employees and others	Employees of the Company	Number of share warrants	2,496
		Number of shares to be delivered upon exercise	249,600
		Number of grantees	87

Notes: 1. The number of shares underlying 1 (one) share warrant is 100.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 14, 2027 to July 13, 2037

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

3) Other Important Matters Concerning Share Warrants

Not applicable.

### 3. Executive Officers

#### (1) Directors (As of March 31, 2024)

Position and responsibility	Name	Significant concurrent positions
Representative Director and President	Takatsugu Suzuki	Executive Officer Chairman and Representative Director of en world Japan K.K. Chairman of Navigos Group Vietnam Joint Stock Company Director of Future Focus Infotech Pvt.Ltd.
Chairman of the Board	Michikatsu Ochi	Representative Director of en Human Capital Education Association Inc. Representative Director of CSA Management Association
Managing Director	Megumi Kawai	Executive Officer Manager of Brand Planning Office of the Company Director of ZEKU Corporation
Director	Teruyuki Terada	Executive Officer General Manager of Digital Product Development Division of the Company Director of Navigos Group Vietnam Joint Stock Company
Director	Takuo Iwasaki	Executive Officer General Manager of the engage Division Director of ONLY STORY Inc.
Director	Yasushi Numayama	Executive Officer General Manager of the Human Resources Platform Division Director of en world Japan K.K.
Director (Outside) (Independent)	Kayo Murakami	Representative Partner of Kazu and Company LLC Advisory Fellow, IT Innovation and Strategy Center Ishikawa Outside Director of Sanyo Shokai Ltd.
Director (Outside) (Independent)	Wataru Sakakura	Director and Chief Operating Officer of One Capital Outside Director of COTEN Inc.
Director (Outside) (Independent)	Yuri Hayashi	
Director (Audit and Supervisory Committee member) (Outside)	Taisuke Igaki	LPC Partner of Nishimura & Asahi LPC Outside Director of UT Group Co., Ltd.
Director (Audit and Supervisory Committee member) (Outside) (Independent)	Naoki Otani	Outside Director of MYSTAR ENGINEERING CORP. Managing Director and Head of Buyout Investments of Japan Post Investment Corporation



Position and responsibility	Name	Significant concurrent positions
Director (Audit and Supervisory Committee member) (Outside) (Independent)	Toshihiko Ishikawa	Special advisor of the Board of Business Brain Showa-Ota Inc.

Notes:

1. Directors Ms. Kayo Murakami, Mr. Wataru Sakakura, Ms. Yuri Hayashi, Mr. Taisuke Igaki, Mr. Naoki Otani and Mr. Toshihiko Ishikawa are Outside Directors.
2. Since the Audit and Supervisory Committee takes the lead in conducting organizational audits through the personnel in charge of internal audits and thus the election of full-time officers is not absolutely necessary, the Company does not appoint full-time Audit and Supervisory Committee Members.
3. The Audit and Supervisory Committee Member, Mr. Toshihiko Ishikawa is a licensed Certified Public Accountant and has considerable knowledge of fiancé and accounting.
4. The Company has registered Directors Ms. Kayo Murakami, Mr. Wataru Sakakura, Ms. Yuri Hayashi, Mr. Naoki Otani and Mr. Toshihiko Ishikawa as Independent Officers stipulated under the rules of the Tokyo Stock Exchange.

**(2) Outline of contracts for limitations of liability**

The Company has entered into a limited liability agreement with Outside Directors to limit their damage compensation liability as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability under the said agreement shall be the amount prescribed in laws and regulations.

**(3) Outline of contracts for Officer Liability Insurance**

The Company has concluded officer liability insurance contracts in which the insured include Directors, Executive Officers, and officers of the subsidiaries, in order to indemnify the insured for damages caused by the responsibility assumed by the insured for their execution of duties and claims made related to the pursuit of such responsibility. The Company pays all the insurance premiums. Since claims for damages caused by the willful misconduct or gross negligence of the insured are not covered by the above insurance policy, the Company has taken measures to ensure that nothing will impede officers and other personnel from appropriately executing their duties.

**(4) Compensation and Other Amounts to Directors for the Current Fiscal Year**

- a. Matters related to the policy for determining compensation and other amounts to individual Directors (excluding Directors Serving on the Audit and Supervisory Committee)

The Company, at the Board of Directors Meeting, has defined the policy for determining (hereinafter referred to as “determination policy”) remuneration for individual Directors (excluding Directors Serving on the Audit and Supervisory Committee and Outside Directors) linked with shareholder interests so that remuneration adequately functions as an incentive to sustainably improve corporate value. Remuneration for the Company’s Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) consists of basic remuneration, performance-linked remuneration (bonus), and medium-to-long-term performance-linked remuneration in the form of share-remuneration type stock options, and is paid within the maximum remuneration amount resolved at the general meeting of shareholders. Remuneration for Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) is checked and verified by the Nomination and Compensation Committee, which is composed mainly of Outside Directors, and is determined by the Board of Directors in light of the consultation with and recommendations received from the

Committee.

Basic remuneration is a fixed amount set for each Director according to his or her position and responsibility.

The bonus is monetary remuneration for Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) and is calculated for each Director by multiplying the base amount specified according to the Director's position and responsibility by the payout rate based on evaluation weights of three indicators – consolidated net sales, consolidated operating income, consolidated profit – as well as the target achievement rate. Share-remuneration type stock options are calculated as bonus for each Director by multiplying the base amount specified according to the Director's position and responsibility by the payout rate based on evaluation weights of three indicators – consolidated net sales, consolidated operating income, consolidated profit – as well as the target achievement rate

- b. Matters related to the resolution for compensation and other amounts to Directors at the meeting of shareholders

It was resolved at the general meeting of shareholders held on June 28, 2022 to set the maximum total annual remuneration for Directors (excluding Directors serving on the Audit and Supervisory Committee) at 300 million yen (including up to an annual amount of 20 million yen for Outside Directors). This remuneration amount does not include share-remuneration type stock options and the portion of employee salaries for Directors who concurrently serve as employees. At the conclusion of the said general meeting of shareholders, there were eight (8) Directors (including three (3) Outside Directors) (excluding Directors serving on the Audit and Supervisory Committee).

In addition, it was resolved at the general meeting of shareholders held on June 28, 2022 to set the maximum total annual amount of stock options to be granted to Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) as remuneration at 500 million yen. At the conclusion of the said general meeting of shareholders, there were eight (8) Directors (including three (3) Outside Directors).

The remuneration for Directors serving on on the Audit and Supervisory Committee consists only of a fixed compensation amount paid on a regular basis (basic remuneration) in order to ensure their independence and objectivity in auditing management. The amount of remuneration is determined through discussions among the Directors serving on on the Audit and Supervisory Committee within the range of the remuneration set and in consideration of the consultation with and recommendations received from the Nomination and Compensation Committee.

It was resolved at the general meeting of shareholders held on June 28, 2022 to set the maximum total annual amount of remuneration for Directors serving on on the Audit and Supervisory Committee at 30 million yen. At the conclusion of the said general meeting of shareholders, three (3) Directors served on the Audit and Supervisory Committee (all Outside Directors).

- c. Matters related to delegation of authority for determining compensation and other amounts to individual Directors

Not applicable.

- d. Reason why the Board of Directors determined that the details of the remuneration, etc. for each Director for the fiscal year under review were in line with the determination policy

The details of the remuneration, etc. for each Director were determined under the leadership of President, Representative Director and Executive Officer Takatsugu Suzuki in accordance with the maximum remuneration amount approved at the

aforementioned general meeting of shareholders and the determination policy by preparing a draft proposal for the fixed remuneration amount and the performance-linked remuneration for each Director (excluding Director who serves on the Audit and Supervisory Committee) and subsequently consulting with and receiving recommendations from the Nomination and Compensation Committee, which is composed mainly of Outside Directors, and determining the remuneration amount based on those recommendations. Thus, the Board of Directors determined that the details of the remuneration, etc. were in line with the aforementioned determination policy.

e. Compensation and Other Amounts to Directors

Category	Total amount of compensation (million yen)	Compensation and other amount by type (million yen)			Number of eligible Officers
		Basic compensation	Performance-linked compensation, etc.		
			Bonuses	Share-remuneration (Non-monetary compensation, etc.)	
Directors (excluding Audit and Supervisory Committee members) (of which, Outside Directors)	244 (14)	169 (14)	38 (-)	35 (-)	9 (3)
Directors (Audit and Supervisory Committee members) (of which, Outside Directors)	15 (15)	15 (15)	- (-)	- (-)	3 (3)

- Notes: 1. The amount of performance-based remuneration, etc. (share-remuneration) is the amount of expenses recorded during the fiscal year under review related to stock acquisition rights granted as stock options to Directors (excluding Outside Directors).
2. The performance indicators for performance-linked compensation, etc. (bonuses) are consolidated net sales, consolidated operating income, and profit attributable to owners of the parent, and they respectively amounted to 67,661 million yen, 5,161 million yen, and 4,196 million yen. The Company calculates performance-linked compensation, etc. (bonuses) based on the achievement level of targets set for the performance indicators each fiscal year. The above performance indicators were selected because the Company determined that the indicators were appropriate in establishing a linkage between the remuneration for Directors and the enhancement of the short-term performance of the Company as a short-term incentive for Directors.
3. The performance indicators for performance-linked compensation, etc. (share-remuneration) are consolidated net sales, consolidated operating income, and profit attributable to owners of the parent, and they respectively amounted to 67,661 million yen, 5,161 million yen, and 4,196 million yen. The Company calculates performance-linked compensation, etc. (share-remuneration) based on the achievement level of targets set for the performance indicators each fiscal year. The above performance indicators were selected because the Company determined that the indicators were appropriate for sharing value with shareholders and eliciting the motivation to contribute to enhancing corporate

value and shareholder value over the medium and long term.

## (5) Outside Executive Officers

### 1) Major activities at the Company

Position	Name	Status of attendance of the Board of Directors Meetings	Status of attendance of the Audit and Supervisory Committee	Major activities at the Company
Outside Director	Kayo Murakami	10 / 12 (83.3%)	-	Director Kayo Murakami has provided indications and opinions useful for the Company's management based on her extensive experience related to web, digital marketing and DX, and unique perspective as a woman.
	Wataru Sakakura	12 / 12 (100%)	-	Director Wataru Sakakura has provided indications and opinions useful for the Company's management based on his extensive experience and knowledge on digital transformation and, investment and strategies for SaaS in Japan.
	Yuri Hayashi	12 / 12 (100%)	-	Director Yuri Hayashi has provided indications and opinions useful for the Company's management based on her extensive experience in marketing and management in the private sector as well as a wealth of experience instituting organizational reforms, childcare policies, urban development, etc. all gained while serving as the deputy mayor of Osaka Prefecture's Shijonawate City.
Outside Director (Audit and Supervisory Committee member)	Taisuke Igaki	12 / 12 (100%)	8 / 8 (100%)	Director (Audit and Supervisory Committee member) Taisuke Igaki has provided indications and opinions useful for the Company's management based on his professional view as an attorney.
	Naoki Otani	12 / 12 (100%)	8 / 8 (100%)	Director (Audit and Supervisory Committee member) Naoki Otani has provided indications and opinions useful for the Company's management based on his extensive experience on corporate management and PE investment, as well as his professional view as an attorney.
	Toshihiko Ishikawa	12 / 12 (100%)	8 / 8 (100%)	Director (Audit and Supervisory Committee member) Toshihiko Ishikawa has provided indications and opinions useful for the Company's management based on his professional view, and has a high degree of insight in corporate management as a certified public accountant.

### 2) Outline of duties executed for the roles expected to be played by Outside Directors

Director Kayo Murakami has provided indications and opinions useful for the Company's management in the meetings of the Board of Directors and the management meetings based on her extensive experience related to the web, digital marketing, and DX from the perspective unique to a female. She has also improved transparency and fairness in the election and dismissal of officers and the process of determining remuneration as a member of the Nomination and Compensation Committee.

Director Wataru Sakakura has provided indications and opinions useful for the Company's

management in the meetings of the Board of Directors and the management meetings based on his extensive experience and knowledge on digital transformation and, investment and strategies for SaaS in Japan. He has also improved transparency and fairness in the election and dismissal of officers and the process of determining remuneration as a member of the Nomination and Compensation Committee.

Director Yuri Hayashi has extensive experience in marketing and management in the private sector as well as a wealth of experience instituting organizational reforms, childcare policies, urban development, etc. all gained while serving as the deputy mayor of Osaka Prefecture's Shijonawate City. During Board of Directors and management meetings she has drawn from her experience and unique perspective as a woman to share keen insights that have proven extremely useful in managing the Company. She has also improved transparency and fairness in the election and dismissal of officers and the process of determining remuneration as a member of the Nomination and Compensation Committee.

Director (Audit and Supervisory Committee member) Taisuke Igaki has provided indications and opinions useful for the Company's management in the meetings of the Board of Directors primarily from the professional perspective of an attorney. He has also improved transparency and fairness in the election and dismissal of officers and the process of determining remuneration as the chair of the Nomination and Compensation Committee.

Director (Audit and Supervisory Committee member) Naoki Otani has provided indications and opinions useful for the Company's management based on his extensive experience on corporate management and PE investment, as well as his professional view as an attorney.

Director (Audit and Supervisory Committee member) Toshihiko Ishikawa has provided indications and opinions useful for the Company's management based on his professional view, and has a high degree of insight in corporate management as a certified public accountant.

### 3) Significant concurrent positions and their relationship to the Company

Director Kayo Murakami concurrently serves as Representative Partner of Kazu and Company LLC., Advisory Fellow, IT Innovation and Strategy Center Okinawa and Outside Director of Sanyo Shokai Ltd. There are no special interests between those corporations and the Company.

Mr. Wataru Sakakura concurrently serves as Director and COO for One Capital, Inc. and Outside Director of COTEN Inc. The Company has invested 402 million yen for a purely investment purpose in a partnership that One Capital manages as a general partner, however, there are no transactions occur other than profit sharing. This amount accounts for less than 1% of the Company's total consolidated assets and less than 5% of the total amount invested in the said partner. For this reason, the Company has determined that there are no issues concerning his independence. There are no other interests that should be disclosed. There are no special interests between COTEN Inc. and the Company.

Director (Audit and Supervisory Committee member) Taisuke Igaki concurrently serves as LPC Partner of Nishimura & Asahi LPC and Outside Director of UT Group Co., Ltd. The Company receives recruitment support fees from UT Group Co., Ltd., where Mr. Taisuke Igaki serves as an Outside Director. But all transactions are carried out under terms and conditions similar to those for general transactions, and the annual transaction amount is less than 1% of the consolidated net sales of UT Group and the Company. For this reason, the Company has determined that there are no issues concerning his independence. There are no other interests that should be disclosed.

Director (Audit and Supervisory Committee member) Naoki Otani concurrently serves as Outside Director of MYSTAR ENGINEERING CORP. and Managing Director and Head of Buyout Investments of Japan Post Investment Corporation. There are no special interests between those corporations and the Company.

Director (Audit and Supervisory Committee member) Toshihiko Ishikawa concurrently serves as Special advisor of the Board of Business Brain Showa-Ota Inc. There are no special interests between Business Brain Showa-Ota Inc. and the Company.

#### 4. Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Compensations and Other Amounts to the Accounting Auditor for the Current Fiscal Year

	Amount of payment
Compensations and other amounts related to services stipulated in Article 2 Paragraph 1 of Certified Public Accountants act	109,000,000 yen
Compensations and other amounts for services other than those stipulated in Article 2 Paragraph 1 of Certified Public Accountants act	- yen
Total amount of cash and other property benefits paid to the Accounting Auditor by the Company and its subsidiaries	109,000,000 yen

Notes:

1. Some consolidated subsidiaries of the Company are audited by an auditing firm other than the Accounting Auditor of the Company.
2. Reasons why the Audit and Supervisory Committee agreed on the remuneration for the Accounting Auditor  

The Audit and Supervisory Committee has given consent, as stipulated in Article 399, Paragraph 1 of the Companies Act, to the remuneration for the Accounting Auditor as a result of a review of the trends in audit hours and audit fees in the audit plan as well as the audit plans and results in past fiscal years, and the examination of appropriateness of the estimated remuneration amounts, based on the “Practical Guidelines for Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association.
3. The audit contract between the Company and the Accounting Auditor has not differentiated between the amount of the fee for an audit based on the Companies Act and the amount of the fee for an audit based on the Financial Instruments and Exchange Act, and it is also impossible to distinguish those amounts practically. Therefore, the amounts shown above represent the total of those amounts.

(3) Policy for Determining the Dismissal or Non-reappointment of the Accounting Auditor

When it is reasonable to expect that a serious obstacle to auditing the financial documents will arise due to a situation corresponding to any of the Items in Article 340, Paragraph 1 of the Companies Act or the like, the Audit and Supervisory Committee shall dismiss the Accounting Auditor based on the unanimous agreement of the Audit and Supervisory Committee.

In addition, if it is determined that the Accounting Auditor’s system for the performance of duties, auditing capabilities, expertise, and other factors are not sufficient for the Company, or that it is possible to put in place an appropriate auditing system for the Company by changing the Accounting Auditor, the Audit and Supervisory Committee shall submit a proposal regarding the dismissal of the Accounting Auditor to the general meeting of shareholders.

## **5. Systems to Ensure the Appropriateness of Business Operations**

The details determined in relation to the system to ensure that the performance of duties by Directors complies with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of business operations are outlined as follows.

### **[Basic policy on the internal control system and the status of the establishment and operations thereof]**

#### **(1) Basic policy**

Through our business, we aim to be a company that delivers wide-ranging benefits to society, including our shareholders, clients, and many other stakeholders. To this end, we have established an organizational structure for the entire Group that can respond to changes in the business environment. We are therefore working to strengthen and enhance our corporate governance and create a fair management system in order to ensure the sound growth of the Group.

The Company also believes that enhancing the sense of ethics and integrity among its executives and employees is a fundamental prerequisite for gaining the true trust of its many stakeholders. One of our management philosophies is “personal empowerment,” which expresses the principle that the significance of the Company’s existence lies in doing the right thing for society and contributing to society. While establishing this philosophy and approach as the pillar of the actions of our executives and employees, we will ensure sound management by further developing our internal control system, including thorough education on compliance, and making the system function properly.

#### **(2) Status of establishment**

- a. System to ensure that the duties of Directors and employees of the Company and its Group companies are performed efficiently

The Company has in place a system where the Board of Directors holds periodic meetings once a month and extraordinary meetings whenever necessary, flexibly deliberates important matters of the Group and engages in decision making. In addition, the Board of Directors is positioned as an organ to supervise the performance of duties by Directors, thereby ensuring the appropriateness of operations. The Board of Directors formulates and promotes specific measures to achieve the management plan, ascertains the achievement status of targets and factors impeding the achievement, and implements response measures. The Audit and Supervisory Committee also meets once a month, as a general rule, and holds an extraordinary meeting whenever necessary to discuss matters specified by laws and regulations and the Company’s Articles of Incorporation as well as important audit operations in accordance with the audit policy and the division of duties determined by the Audit and Supervisory Committee as it strives to enhance the audit system.

- b. System to ensure that the performance of duties by Directors and employees of the Company and its group companies is in compliance with laws and regulations and the Articles of Incorporation

The Company’s Compliance Division has put in place a compliance system for the entire Group and is responsible for the task of promoting compliance activities across the organization. The Compliance Division coordinates with each Group company to put in place a compliance system within the region it is in charge of and promotes compliance with laws and regulations, internal rules, etc. and other compliance activities.

The Internal Audit Department, which is directly under the President and Representative Director, is in charge of internal audits and works to supervise the status of compliance related to internal control. The Department conducts internal audits periodically and shares the results of those audits as part of active information sharing with the Audit and



Supervisory Committee to promote cooperation. The internal audit reports are submitted by the Manager of Internal Audit Department to the President and Representative Director.

As for our whistleblowing system, the Company has in place a system based on the “Rules on the Handling of Whistleblowing,” where employees, when recognizing an act which is questionable in terms of compliance, report the matter to the internal whistleblowing desk while the Company protects the whistleblower.

- c. System concerning the storage and management of information related to the performance of duties by Directors of the Company

The Company properly stores and manages information related to the performance of duties by Directors by formulating rules on the storage period of texts (including those recorded by electronic means), management method and others, and storing and managing such information according to the aforementioned rules.

- d. Rules and other systems concerning the management of risk of loss for the Company and its Group companies

With respect to risks related to daily operations performed, the responsible person in each division of the Group collectively predicts and measures such risks and prevents them. Risks related to each business division are reported to the Board of Directors or the President and Representative Director to implement prompt, appropriate measures.

In the event of an emergency, a response headquarters headed by the President and Representative Director is established to cooperate with the legal advisor and other specialists and take a prompt response in establishing a system to prevent the expansion of damage and to keep damage to a minimum.

- e. System to ensure the appropriateness of operations in the corporate entity consisting of the Company and its Group companies

The management of group companies and affiliates (hereinafter “affiliated companies”) is handled by the Administrative Division in accordance with the Rules on Management of Affiliated Companies. It works together with the administrative division at each affiliated company. Based on those rules, some management matters require approval by the Board of Directors or mandate reporting to the Board of Directors and the division concerned.

The Internal Audit Department and the Internal Audit Committee conduct internal audits of major affiliated companies in the same way they conduct internal audits of the Company. They help affiliated companies with auditing the status of their internal control systems and make recommendations for improvement based on the audit results.

- f. Matters concerning employees who assist with the duties of the Audit and Supervisory Committee

If employees are requested to assist with the duties of the Audit and Supervisory Committee pursuant to a request from the Audit and Supervisory Committee, Directors shall appoint appropriate personnel as employees who will assist with the duties of the Audit and Supervisory Committee. Such employees shall, in accordance with instructions from the Audit and Supervisory Committee, offer their cooperation or cooperate with relevant departments to check, analyze and report matters subject to audits, and assist the Audit and Supervisory Committee in conducting audits, if necessary.

- g. Matters concerning the independence of employees who assist with the duties of the Audit and Supervisory Committee from Directors (excluding Directors Serving on the Audit and Supervisory Committee) and matters to ensure the effectiveness of instructions to such employees

If an employee who assists with the duties of the Audit and Supervisory Committee is subject to a personnel evaluation, personnel transfer or disciplinary action, the person in charge of personnel shall report the matter to the Audit and Supervisory Committee in advance, and if necessary, shall obtain the approval of the Audit and Supervisory Committee.

In addition, the Audit and Supervisory Committee shall give instructions to such employees.

- h. System for reporting to the Audit and Supervisory Committee by Directors (excluding Directors Serving on the Audit and Supervisory Committee) and employees and system to ensure that no unfair treatment is given to persons who make a report on account of the report

When requested by the Audit and Supervisory Committee, Directors (excluding Directors Serving on the Audit and Supervisory Committee) and employees timely report the status of internal audits conducted, the status of the protection and management of personal information and relevant details and others in addition to the matters prescribed by laws and regulations and matters that have a material impact on a company-wide basis.

In addition, the Company encourages its executives and employees to promptly report any cases where they believe the policies of the Company, business activities and the like are in violation (or might be in violation) of laws and regulations or the internal rules and policies.

The Company has established and maintains a system to ensure that persons who have made such reports are treated in a fair manner and to not allow any act of retaliation whatsoever regardless of whether the reports are made to the Audit and Supervisory Committee.

- i. System for prepayment or reimbursement of expenses incurred in connection with the performance of duties by Audit and Supervisory Committee members (limited to those related to the performance of duties by the Audit and Supervisory Committee) and other expenses or liabilities incurred in the performance of said duties

When an Audit and Supervisory Committee member requests advance payment or reimbursement of expenses incurred in the performance of his/her duties, the Company promptly processes such expenses or obligations, except in cases where such expenses or obligations are deemed not necessary for the performance of the said Audit and Supervisory Committee member's duties.

- j. Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

For the performance of duties by the Audit and Supervisory Committee, Directors (excluding Directors Serving on the Audit and Supervisory Committee) provide an environment in which collaboration can be promoted with attorneys, certified public accountants and other external experts if deemed necessary by the Audit and Supervisory Committee.

### **(3) Status of operation**

The Company establishes internal systems based on the "Systems to Ensure the Appropriateness of Business Operations" and endeavors to operate them properly. The status of their operation in the fiscal year ended March 31, 2024 is summarized below.

a. Performance of duties by Directors

Directors of the Company and its Group companies have performed their duties in accordance with internal rules and have pursued compliance and risk management. In addition, at the meetings of the Board of Directors, Directors made important decisions and actively exchanged information on the reported status of the performance of duties and other matters, and carried out supervision. Thus, the effectiveness of the performance of duties is secured. The materials and minutes of the meetings of the Board of Directors are properly stored.

b. Risk management system

Under the Company's risk management system, the person responsible for each division predicts and measures the risks associated with the execution of day-to-day business operations and takes steps to prevent such risks from materializing. Risks associated with each business unit are reported to the Board of Directors or the president, who then takes swift and appropriate measures to address them.

In the event of an emergency, the Company will set up an emergency response headquarters headed by the president. It will work with an attorney and other experts to immediately take action to prevent and minimize the spread of any damage.

c. Implementation of internal audits

The Company has established the Internal Audit Department, which conducts audits through inspecting documents, holding interviews, and taking other steps to see if each of the departments of the Company executes appropriate operations in compliance with laws and regulations, the Articles of Incorporation, rules, other social norms and the like. The Manager of Internal Audit Department reports the audit results to the President and Representative Director and the Audit and Supervisory Committee.

d. Performance of duties by the Audit and Supervisory Committee

The Audit and Supervisory Committee holds meetings and conducts audits in accordance with the audit plan formulated by the Audit and Supervisory Committee. Members of the Audit and Supervisory Committee also attend Board of Directors meetings and regularly exchange information with the representative director, accounting auditor, and the Internal Audit Department to audit the performance of duties by directors and stay up to date with the status of internal controls.

**[Basic policy for eliminating anti-social forces]**

The Company has adopted a basic policy of systematically dealing with anti-social forces, which can affect social order and the sound activities of companies, by taking a resolute stance against them, in cooperation with the police and other relevant organizations, and promotes thorough dissemination of this policy among executives and employees.

**6. Basic Policy on the Control of the Company**

The Company has not established a basic policy on the status of a person who shall control the decision on the policy of finance and business of the Company.

(Note) Figures and the numbers of shares listed in the business report do not show amounts less than the units of display. Percentages are rounded to the nearest units of display.

## Consolidated Financial Statements

### Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024
Assets	
Current assets	31,060
Cash and deposits	21,768
Notes and accounts receivable - trade, and contract assets	6,017
Securities	2,000
Supplies	23
Other	1,542
Allowance for doubtful accounts	-292
Non-current assets	17,914
Property, plant and equipment	1,019
Buildings	176
Furniture and fixtures	110
Leased assets	732
Construction in progress	0
Intangible assets	9,357
Software	6,617
Goodwill	1,847
Other	892
Investments and other assets	7,537
Investment securities	3,621
Long-term loans receivable	925
Deferred tax assets	991
Shares of subsidiaries and associates	562
Other	1,899
Allowance for doubtful accounts	-461
Total assets	48,974

	As of March 31, 2024
<b>Liabilities</b>	
<b>Current liabilities</b>	14,129
Accounts payable-trade	841
Lease obligations	143
Accounts payable-other	4,117
Income taxes payable	1,302
Provision for bonuses	1,149
Provision for directors' bonuses	38
Advances received	4,768
Other	1,767
<b>Non-current liabilities</b>	2,683
Retirement benefit liability	187
Lease obligations	619
Deferred tax liabilities	87
Provision for share benefits	535
Asset retirement obligations	208
Long-term accounts payable-other	1,045
<b>Total liabilities</b>	16,813
<b>Net assets</b>	
Shareholders' equity	30,388
Capital stock	1,194
Capital surplus	489
Retained earnings	43,696
Treasury shares	-14,993
Accumulated other comprehensive income	1,367
Valuation difference on available-for-sale securities	247
Foreign currency translation adjustment	1,119
Subscription rights to shares	395
Non-controlling interests	10
<b>Total net assets</b>	32,161
<b>Total liabilities and net assets</b>	48,974

Consolidated Statements of Income

(Million yen)

	From April 1, 2023 to March 31, 2024	
Net sales		67,661
Cost of sales		13,705
Gross profit		53,955
Selling, general and administrative expenses		48,794
Operating income		5,161
Non-operating income		559
Non-operating expenses		351
Ordinary income		5,369
Extraordinary income		
Gain on sale of businesses	803	
Gain on sales of non-current assets	0	
Gain on sales of investment securities	67	
Gain on sales of shares of subsidiaries and associates	111	983
Extraordinary losses		
Extraordinary investigation expenses	295	
Loss on sale of non-current assets	1	
Loss on retirement of non-current assets	81	
Loss on valuation of investment securities	54	432
Income before income taxes		5,919
Income taxes - current	1,623	
Income taxes - deferred	47	1,670
Profit		4,249
Profit attributable to non-controlling interests		52
Profit attributable to owners of parent		4,196

## Consolidated Statements of Changes in Net Assets (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,194	898	42,529	-10,880	33,742
Changes of items during the period					
Dividends of surplus			-3,143		-3,143
Profit attributable to owners of parent			4,196		4,196
Purchase of treasury shares				-4,130	-4,130
Disposal of treasury shares		0		17	18
Change in scope of consolidation			26		26
Change in ownership interest of parent due to transactions with non-controlling interests		-409			-409
Change in scope of equity method			87		87
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-408	1,167	-4,112	-3,354
Balance at end of current period	1,194	489	43,696	-14,993	30,388

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated other comprehensive income			
Balance at beginning of period	140	853	993	213	175	35,125
Changes of items during the period						
Dividends of surplus						-3,143
Profit attributable to owners of parent						4,196
Purchase of treasury shares						-4,130
Disposal of treasury shares						18
Change in scope of consolidation						26
Change in ownership interest of parent due to transactions with non-controlling interests						-409
Change in scope of equity method						87
Net changes of items other than shareholders' equity	107	266	373	181	-165	389
Total changes of items during period	107	266	373	181	-165	-2,964
Balance at end of current period	247	1,119	1,367	395	10	32,161

## Notes to the Consolidated Financial Statements

(Notes to the Basis of Preparing the Consolidated Financial Statements )

### 1. Matters regarding the scope of consolidation

(1) Number of consolidated subsidiaries: 11

Names of consolidated subsidiaries:

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  
ZEKU CORPORATION  
Brocante Inc.

Talent Alliance (Beijing) Technology Development Limited, which was previously a consolidated subsidiary, was excluded from the scope of consolidation from the fiscal year under review due to the transfer of all equity.

(2) Names of major unconsolidated subsidiaries

Insight Tech Inc. and six 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. Matters concerning application of equity method

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

Hajimari Inc.

Hajimari Inc. was included in the scope of equity-method affiliates from the fiscal year under review due to the acquisition of additional shares.

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

Insight Tech Inc. and seven other companies

(Reason for not applying the equity method)



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

### 3. Summary of Significant Accounting Policies

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

##### (i) Basis and method for valuation of 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.

##### (ii) Basis and method for valuation of inventories

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

##### (i) 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.

(ii) 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.

(iii) 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

(i) 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.

(ii) 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

(iii) 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.

(iv) 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:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) Overseas

The overseas business operates job boards, provides permanent recruitment services, and temporary staffing services mainly in 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 iii) and iv).

(5) Method and period of depreciation 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) Other significant matters for preparing consolidated financial statements

Accounting policy for liabilities for retirement benefits

For the calculation of liabilities for retirement benefits and retirement benefit cost, some consolidated subsidiaries adopt the simplified method, which assumes that the benefit obligation is equal to the retirement benefits payable assuming voluntary retirement at the end of the fiscal year.

(Significant accounting estimates)

Accounting estimates are calculated based on the information available at the time of the preparation of the consolidated financial statements. Among the amounts based on the accounting estimates recorded in the consolidated financial statements for the current consolidated fiscal year, the items that would have a risk of having a significant impact on the consolidated financial statements for the next consolidated fiscal year are as follows:

Valuation of non-current assets

- (1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

	(Million yen)
	The current consolidated fiscal year
Property, plant and equipment and intangible assets of human resources platform business	763

- (2) Information concerning the details of significant accounting estimates for identified items

(i) Calculation method of the amount

The Group mainly groups its assets in consideration of the management accounting categories in which income and expenditure are continuously monitored. In the fiscal year under review, human resources platform business group was determined to have indications of impairment, but no impairment loss was recognized because the sum of the undiscounted future cash flows from that asset group was found to exceed its carrying value in the course of determining the recognition of impairment losses.

(ii) Key assumptions

In determining the recognition of impairment losses on fixed assets, estimates of future cash flows resulting from the continued use of the asset group are based on the business plan approved by the Board of Directors. The key assumptions for the business plan are the cost per recruitment consultancy, number of recruitment consultancy, and advertising expenses.

(iii) Impact on the next year's consolidated financial statements

Key assumptions included in the business plan are subject to estimation uncertainty, and any changes in these key assumptions could result in a failure to generate the originally anticipated revenues, which could have a significant impact on the valuation of fixed assets in the following fiscal year.

(Notes to the Consolidated Balance Sheet)

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

	Current Fiscal Year (March 31, 2024)
Notes receivable – trade	- million yen
Accounts receivable – trade	5,975
Contract assets	42

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

	Current Fiscal Year (March 31, 2024)
Contract liabilities	4,768 million yen

- \*3. Accumulated depreciation of property, plant and equipment: 1,595 million yen

(Notes to the Consolidated Statement of Changes in Net Assets)

(1) Matters concerning type and total number of outstanding shares and type and number of treasury shares

Type of shares	Number of shares at the beginning of the current consolidated fiscal year	Increase in the number of shares during the current consolidated fiscal year	Decrease in the number of shares during the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Outstanding shares				
Common shares	49,716,000 shares	- shares	- shares	49,716,000 shares
Total	49,716,000 shares	- shares	- shares	49,716,000 shares
Treasury shares				
Common shares	7,190,949 shares	1,717,372 shares	24,600 shares	8,883,721 shares
Total	7,190,949 shares	1,717,372 shares	24,600 shares	8,883,721 shares

(Notes)

1. The number of treasury shares at the beginning of the current consolidated fiscal year and at the end of the current consolidated fiscal year includes 2,320,000 shares and 2,297,800 shares, respectively, of treasury shares held by the trust.
2. The increase in the number of treasury shares is due to the increase resulting from the acquisition of treasury shares based on a written resolution in lieu of a resolution at a meeting of the Board of Directors and the purchase of fractional shares.
3. The decrease in the number of treasury shares by 24,600 shares is due to a decrease of 2,400 shares as a result of the exercise of stock options and a decrease of 22,200 shares due to the provision of shares owned by the Share Benefit Trust based on the Share Benefit Rules.

(2) Matters concerning dividend of surplus

(i) Amount of dividend payment, etc.

Resolution	Type of share	Total amount of dividend	Amount of dividend per share	Record date	Effective date
Annual Meeting of Shareholders June 27, 2023	Common share	3,143 million yen	70.1 yen	March 31, 2023	June 28, 2023

(Note) The total amount of dividends resolved at the Annual Meeting of Shareholders held on June 27, 2023 includes 162 million yen of dividends for the treasury shares owned by the trust.

- (ii) Among the dividends with a record date falling within the current consolidated fiscal year, those with an effective date falling in the next consolidated fiscal year

Resolution	Type of share	Source of dividends	Total amount of dividend	Amount of dividend per share	Record date	Effective date
Annual Meeting of Shareholders June 26, 2024	Common share	Retained earnings	3,023 million yen	70.1 yen	March 31, 2024	June 27, 2024

(Note) The total amount of dividends to be resolved at the Annual Meeting of Shareholders to be held on June 26, 2024 includes 161 million yen of dividends for the treasury shares owned by the trust.

- (3) Type and number of shares issued upon exercise of stock acquisition rights at the end of the current consolidated fiscal year (excluding those for which the first day of the exercise period has not arrived)

Common share: 71,800 shares

(Notes to financial products)

1. Matters concerning the status of financial instruments

(1) Policies on financial instruments

The Group conducts fund management using surplus funds and invests in financial assets with a higher degree of safety that are convertible into cash during a certain period.

(2) Details and risks of financial instruments and risk management system

Foreign currency-denominated deposits included in cash and deposits are exposed to exchange rate volatility risk. However, we regularly check the exchange market to manage the exchange rate volatility risk.

Notes, accounts receivable and contract assets, which are trade receivables, are exposed to customer credit risk. However, we manage the same by means of due date control for each customer and balance management and have a system to report liabilities whose collection is delayed at every collection meeting and respond individually.

Securities mostly consist of joint money trusts and bonds and are exposed to the liquidity risk and credit risk of the issuer. However, risk is minimized by restricting holdings to short-term and safe instruments with a high credit rating.

Among investment securities, investments in shares, the investment enterprise limited liability association, etc. are exposed to the business risk of the issuer and investee company as well as market price fluctuation risk. In addition, some foreign currency-denominated investment partnerships are exposed to exchange rate fluctuation risk. We manage these products using a method where we continue to review the holding status, etc. by checking the financial status, etc. of issuing bodies, the investment enterprise limited liability association, etc. regularly.

Bonds held to maturity have a low credit risk because we restrict our holdings to bonds with a high credit rating in accordance with the Regulations on Fund Management.

In addition, foreign currency-denominated bonds and foreign investment trusts are exposed to the credit risk of the issuer and investee company, interest rate fluctuation risk, market price fluctuation risk and exchange rate fluctuation risk. We manage these instruments by having highly secure financial institutions as our main issuers and investment targets and continue checking the changes in the market price and credit rating of issuers as well as financial market conditions such as exchange rate trends.

Accounts payable-trade, accounts payable-other and income tax payable, which are trade receivables, are exposed to liquidity risk; however, we manage them by preparing a cash management plan as needed.



2. Matters concerning market value of financial instruments, etc.

The book value on the consolidated balance sheet and market value as of March 31, 2024 as well as the differences between these values are as follows:

(Million yen)			
	Book value on the consolidated balance sheet	Market value	Difference
(1) Securities and Investment securities			
Bonds held to maturity	1,000	1,015	15
Other securities	2,000	2,000	-
<b>Total assets</b>	<b>3,000</b>	<b>3,015</b>	<b>15</b>

(\*1) The description of cash and deposits, notes and accounts receivable - trade, and contract assets, notes and accounts payable – trade, accounts payable-other and income taxes payable is omitted here because they constitute cash and their market value is similar to their book value because they are settled in a short period.

(\*2) The description of investments in partnerships or other entities equivalent to partnerships whose net amount of equity interest is recorded on the consolidated balance sheet is omitted here. The investment amount recorded on the consolidated balance sheet is 2,140 million yen.

(\*3) The shares, etc. without market prices are not included in “(1) Securities and Investment securities”. The amount of financial instruments recorded on the consolidated balance sheet is as follows:

(Million yen)	
Classification	Amount on consolidated balance sheet
Non-listed shares	480
Shares of subsidiaries and associates	562

3. Matters concerning the breakdown of financial instruments by the level of market price

Financial instruments are classified into the following three levels according to their market prices, the observability of the inputs used for their market price calculations and importance.

Level 1 market price: Market price calculated with (unadjusted) the market price on an active market for the same asset or liability

Level 2 market price: Market price calculated using inputs that can be directly or indirectly observed other than Level 1 inputs

Level 3 market price: Market price calculated using important inputs that cannot be observed

When multiple inputs that would have a significant impact on the calculation of the market price are used, the market price is classified into the lowest priority for the market price calculation among those levels of inputs.

(1) Financial instruments whose market price is recorded on the consolidated balance sheet

Classification	Market price (Million yen)			Total
	Level 1	Level 2	Level 3	
Securities and Investment securities				
Other securities				
Other	-	2,000	-	2,000
Total assets	-	2,000	-	2,000

(2) Financial instruments other than financial instruments whose market price is recorded on the consolidated balance sheet

Classification	Market price (Million yen)			Total
	Level 1	Level 2	Level 3	
Securities and Investment securities				
Bonds held to maturity				
Corporate bonds	-	-	1,015	1,015
Total assets	-	-	1,015	1,015

(Note) Valuation method used for the calculation of market price and description of input

Securities and Investment securities

Listed stocks are evaluated using market prices. Since listed shares are traded on an active market, their market value is classified as Level 1 market price. Meanwhile, as for the corporate bonds and joint money trusts owned by the Company, since their transaction frequency on a market is low and their price is not regarded as a market price on an active market, their market price is classified as Level 2 market price. The prices offered by correspondent financial institutions are classified as Level 3.

(Notes on Revenue Recognition)

1. Breakdown of the revenue incurred from contracts with customers

(Million yen)

Sales	The current consolidated fiscal year (From April 1, 2023 To March 31, 2024)
HR-Tech engage	7,193
Human resources platform	7,091
Domestic	42,618
Overseas	11,616
Adjustment	-858
Sales to external customers	67,661

2. Basic information for understanding the revenue incurred from contracts with customers

The Group consists of a single business segment. Within the segment, the revenue is classified into “HR-Tech engage”, “Human resources platform”, “Domestic” and “Overseas”. The details of major performance obligations concerning the major business of the Group and information on the normal point in time when the performance obligations are fulfilled are listed in the basis for preparing the consolidated financial statements.

3. The relationship between the fulfillment of performance obligations based on contracts with customers and the cash flow generated from the contracts, the amount of revenue expected to be recognized in or after the following consolidated fiscal year based on contracts with customers existing at the end of the current fiscal year and information on the timing

(1) Balance of contract assets and liabilities

(Million yen)

	The current consolidated fiscal year
Credit generated from contracts with customers (balance at the beginning of the term)	6,415
Credit generated from contracts with customers (balance at the end of the term)	5,975
Contract assets (balance at the beginning of the term)	52
Contract assets (balance at the end of the term)	42
Contract liabilities (balance at the beginning of the term)	4,455
Contract liabilities (balance at the end of the term)	4,768

Contract assets refer to the Group’s rights to unclaimed consideration generated from various services, which are transferred to credit generated from contracts with customers when the right to the consideration becomes unconditional. The consideration is mostly paid at the time of fulfillment of the performance obligations or within two months from the start of the contract period.

Contract liabilities refer to the advances received from customers based on contracts, which are transferred to revenue as the Group fulfills the performance obligations based on the

contracts (or upon the completion of fulfillment). Among the revenue recognized during the consolidated fiscal year, the amount included in the balance of contract liabilities at the beginning of the term is 4,419 million yen.

(2) Transaction price allocated to remaining performance obligations

The Group uses a practical expedient for the notes to trade price allocated to the remaining performance obligations. We do not include in the scope of the notes contracts that recognize revenue based on the amount entitled to be claimed according to the service performed, as well as contracts whose initially expected contract period is less than a year. The Group has no significant transactions whose initially expected contract period exceeds one year.

(Notes on Per Share Information)

Net assets per share: 777.70 yen

Net income per share: 102.38 yen

(Note) As for shareholders' equity, the Company's shares remaining in the trust that are recorded as treasury stock are included in the number of treasury shares that are deducted in the calculation of the average number of shares during the period to calculate the amount of net income per share. For the calculation of net assets per share, they are included in the number of treasury shares that are deducted from the total amount of outstanding shares at the end of the term.

The average number of treasury shares during the term deducted for the calculation of the amount of net income per share was 2,308,822 shares, and the number of treasury shares at the end of the term deducted for the calculation of the amount of net assets per share was 2,297,800 shares,

(Notes on business combinations)

Divestiture

(Transfer of shares of affiliated company)

The Company's Board of Directors resolved at its meeting held on July 24, 2023, to transfer the Company's interest in its consolidated subsidiary, Talent Alliance (Beijing) Technology Development Limited (hereinafter "Talent Alliance"). As a result, Talent Alliance was excluded from the scope of consolidation.

(1) Outline of divestiture

(i) Name of divestiture buyer

Taohui Wangjing

(ii) Name of divested consolidated subsidiary and description of divested business

- Name of divested consolidated subsidiary: Talent Alliance (Beijing) Technology Development Limited
- Description of divested business: Operation of job posting websites

(iii) Reason for divestiture

In July 2006, the Company invested in Talent Alliance and made it a consolidated subsidiary. Initially, we expected that the operation of a job information site for the construction and real estate industries in the Chinese market would contribute to our consolidated performance over the medium to long term and generate synergy with our business. However, we have been considering selling our stake in Talent Alliance due to a change in our basic strategic policy that now concentrates our resources on our overseas businesses in India and Vietnam, which have experienced remarkable growth over the medium to long term, in response to changes in the business environment.

In order to achieve our five-year Medium-term Management Plan ending in March 2027,

we decided to transfer all of our stake in Talent Alliance for the purpose of further promoting selection and concentration of management resources across our corporate group and stabilizing business operations.

- (iv) Date of divestiture  
July 24, 2023
- (v) Matters concerning the outline of other transactions including legal form  
Share transfer for which the consideration to be received is cash or other property only

(2) Overview of accounting procedures performed

- (i) Amount of gain on sale of shares in subsidiaries and associates  
111 million yen
- (ii) Fair book value of assets and liabilities related to the transferred business and their major breakdown

Current assets	353 million yen
Fixed assets	<u>24 million yen</u>
Total assets	<u>377 million yen</u>
Current liabilities	<u>253 million yen</u>
Total liabilities	<u>253 million yen</u>

- (iii) Accounting treatment

The difference between the consolidated book value of the transferred shares and the sales price of the shares is recorded as a gain on sale of shares of subsidiaries and associates under extraordinary income.

(3) Reportable segments that included the divested business

The Group has a single segment, and the divested business was included in the human resource service business.

- (4) Estimated gain (loss) on the divested business recorded in the consolidated statement of income for the fiscal year under review

	The current consolidated fiscal year
Net sales	376 million yen
Operating income	59 million yen

(Notes Regarding Significant Subsequent Events)

Not applicable.

- (Note) The amounts for the accounts listed in the consolidated financial statements and other items are listed by rounding down to the nearest million yen.

**Non-consolidated Financial Statements**  
**Non-consolidated Balance Sheets**

(Million yen)

	As of March 31, 2024
Assets	
Current assets	17,780
Cash and deposits	12,070
Accounts receivable-trade	3,159
Securities	2,000
Supplies	23
Prepaid expenses	515
Other	74
Allowance for doubtful accounts	-63
Non-current assets	25,322
Property, plant and equipment	104
Buildings	80
Furniture and fixtures	23
Intangible assets	7,027
Trademark right	20
Software	6,349
Other	658
Investments and other assets	18,190
Investment securities	3,621
Shares of subsidiaries and associates	10,912
Long-term loans receivable	1,842
Distressed receivables	11
Deferred tax assets	754
Other	1,509
Allowance for doubtful accounts	-461
Total assets	43,102

	As of March 31, 2024
<b>Liabilities</b>	
<b>Current liabilities</b>	10,297
Accounts payable-trade	136
Accounts payable-other	2,695
Accrued expenses	386
Income taxes payable	1,004
Advances received	4,275
Deposits	169
Unearned revenue	1
Provision for bonuses	919
Provision for directors' bonuses	38
Other	672
<b>Non-current liabilities</b>	1,754
Long-term accounts payable-other	1,045
Provision for share benefits	535
Asset retirement obligations	174
<b>Total liabilities</b>	12,052
<b>Net assets</b>	
<b>Shareholders' equity</b>	30,407
Capital stock	1,194
Capital surplus	3,093
Legal capital surplus	2,678
Other capital surplus	415
Retained earnings	41,111
Other retained earnings	41,111
General reserve	2,030
Retained earnings brought forward	39,081
Treasury shares	-14,993
Valuation and translation adjustments	247
Valuation difference on available-for-sale securities	247
Subscription rights to shares	395
<b>Total net assets</b>	31,050
<b>Total liabilities and net assets</b>	43,102

Non-consolidated Statements of Income

(Million yen)

	From April 1, 2023 to March 31, 2024	
Net sales		47,918
Cost of sales		4,508
Gross profit		43,409
Selling, general and administrative expenses		39,991
Operating income		3,418
Non-operating income		218
Non-operating expenses		249
Ordinary income		3,387
Extraordinary income		
Gain on sales of investment securities	67	
Gain on sale of shares of subsidiaries and associates	98	
Gain on sale of businesses	803	969
Extraordinary losses		
Loss on retirement of non-current assets	79	
Loss on valuation of investment securities	54	
Extraordinary investigation expenses	295	429
Income before income taxes		3,927
Income taxes - current	1,023	
Income taxes - deferred	20	1,044
Profit		2,883



## Non-consolidated Statements of Changes in Net Assets (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,194	2,678	414	3,093	2,030	39,341	41,371	-10,880	34,779
Changes of items during the period									
Dividends of surplus						-3,143	-3,143		-3,143
Profit						2,883	2,883		2,883
Purchase of treasury shares								-4,130	-4,130
Disposal of treasury shares			0	0				17	18
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	0	0	-	-260	-260	-4,112	-4,372
Balance at end of current period	1,194	2,678	415	3,093	2,030	39,081	41,111	-14,993	30,407

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	140	140	213	35,133
Changes of items during the period				
Dividends of surplus				-3,143
Profit				2,883
Purchase of treasury shares				-4,130
Disposal of treasury shares				18
Net changes of items other than shareholders' equity	107	107	181	289
Total changes of items during period	107	107	181	-4,083
Balance at end of current period	247	247	395	31,050

## Notes to the Non-consolidated Financial Statements

(Notes Regarding Significant Accounting Policies)

### 1. Valuation basis and method for assets

#### (1) Basis and method for valuation of securities

(i) Held-to-maturity securities Carried at amortized cost (straight-line method)

(ii) Shares of subsidiaries and shares of affiliates:

Valued at cost determined by the moving-average method

(iii) 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) Basis and method for valuation of inventories

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 non-current assets

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

The depreciation of property, plant and equipment at the Company 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 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 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 policy for significant income and expense

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(Significant accounting estimates)

Accounting estimates are calculated based on the information available at the time of the preparation of the financial statements. Among the amounts based on the accounting estimates recorded in the financial statements for the current fiscal year, the items that would have a risk of having a significant impact on the financial statements for the next fiscal year are as follows:

Valuation of non-current assets

The content is the same as that listed for "Note: (Significant accounting estimates) Valuation of non-current assets" of the consolidated financial statements.

(Notes to the Balance Sheet)

1. Accumulated depreciation of property, plant and equipment:	868 million yen
2. Monetary receivables and payables for affiliates	
Short-term monetary receivables	63 million yen
Long-term monetary receivables	1,840 million yen
Short-term monetary payables	41 million yen

(Note to statements of income)

Volume of trade with affiliates

Volume of trade arising from business transactions

Net sales	97 million yen
Cost of sales	29 million yen
Selling, general and administrative expenses	153 million yen

Volume of trade arising out of business transactions

Non-operating income	124 million yen
Non-operating expenses	108 million yen

(Notes to the Statement of Changes in Net Assets)

(1) Matters concerning type and number of treasury shares

Type of shares	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares at the end of the current fiscal year
Common shares	7,190,949 shares	1,717,372 shares	24,600 shares	8,883,721 shares
Total	7,190,949 shares	1,717,372 shares	24,600 shares	8,883,721 shares

(Notes)

1. The number of treasury shares at the beginning of the current fiscal year and at the end of the current fiscal year includes 2,320,000 shares and 2,297,800 shares, respectively, of treasury shares held by the trust.
2. The increase in the number of treasury shares is due to the increase resulting from the acquisition of treasury shares based on a written resolution in lieu of a resolution at a meeting of the Board of Directors and the purchase of fractional shares.
3. The decrease in the number of treasury shares by 24,600 shares is due to a decrease of 2,400 shares as a result of the exercise of stock options and a decrease of 22,200 shares due to the provision of shares owned by the Share Benefit Trust based on the Share Benefit Rules.

(Notes on deferred tax accounting)

Breakdown of the reasons for deferred tax assets and deferred tax liabilities

(Deferred tax assets)

Loss on valuation of shares of subsidiaries and associates	422 million yen
Provision for bonuses	293 million yen
Allowance for doubtful accounts	161 million yen
Enterprise tax payable	63 million yen
Loss on valuation of investment securities	508 million yen
Provision for share benefits	163 million yen
Asset retirement obligations	53 million yen
Depreciation	3 million yen
Other	207 million yen
Deferred tax assets subtotal	<u>1,876 million yen</u>
Valuation allowance	<u>-1,008 million yen</u>
Deferred tax assets total	867 million yen
(Deferred tax liabilities)	
Valuation difference on available-for-sale securities	-109 million yen
Retirement cost for asset retirement obligations	<u>-3 million yen</u>
Deferred tax liabilities total	<u>-113 million yen</u>
Net amount of deferred tax assets	754 million yen

(Notes on Revenue Recognition)

The basis for understanding revenue from contracts with customers is provided in the Notes to Consolidated Financial Statements (Notes on Revenue Recognition) and is hence not noted here.

(Notes on Per Share Information)

Net assets per share: 750.75 yen

Net income per share: 70.35 yen

(Note) As for shareholders' equity, the Company's shares remaining in the trust that are recorded as treasury stock are included in the number of treasury shares that are deducted in the calculation of the average number of shares during the period to calculate the amount of net income per share. For the calculation of net assets per share, they are included in the number of treasury shares that are deducted from the total amount of outstanding shares at the end of the term.

The average number of treasury shares during the term deducted for the calculation of the amount of net income per share was 2,308,822 shares, and the number of treasury shares at the end of the term deducted for the calculation of the amount of net assets per share was 2,297,800 shares,

(Notes concerning company to which consolidated dividend regulations apply)

The Company is a company to which the consolidated dividend regulations apply.

(Notes Regarding Significant Subsequent Events)

Not applicable.

(Note) The amounts for the accounts listed in the financial statements and other items are listed by rounding down to the nearest million yen.

## Independent Auditor's Report

May 17, 2024

en Japan Inc. The Board of Directors

### Ernst & Young ShinNihon LLC

Designated and  
Engagement Partner

Certified Public Accountant

Yoshio Yukawa (Seal)

Designated and  
Engagement Partner

Certified Public Accountant

Kinuyo Matsuo (Seal)

### Audit Opinion

The independent auditor has audited the consolidated financial statements, including the consolidated balance sheet, the consolidated statements of income, the consolidated statements of changes in net assets and the notes to the consolidated financial statements of en Japan Inc. for the fiscal year from April 1, 2023 to March 31, 2024, in accordance with Article 444, Paragraph 4 of the Companies Act.

In the independent auditor's opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group, comprising en Japan Inc. and its consolidated subsidiaries, as of March 31, 2024 and the consolidated results of their operations for the year then ended, in conformity with accounting principles generally accepted in Japan.

### Grounds for Auditor's Opinion

We conducted the audit in accordance with auditing standards generally accepted in Japan. Our responsibility in the auditing standards is described in the section "Auditor's Responsibility for the Audit of Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with rules of business ethics in Japan, and have fulfilled our ethical responsibility as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other Information

Other information comprises the information included in the business report and supplementary schedules thereof. Management is responsible for preparing and disclosing other information. The Audit and Supervisory Committee is responsible for monitoring the performance of duties of the Directors in the development and operation of the reporting process for other information.

Our opinion on the consolidated financial statements does not cover other information, and we do not express an opinion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read other information and consider whether a material inconsistency exists between other information and the consolidated financial statements or our knowledge acquired in the process of audit, or whether other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of other information exists, we are required to describe it in our report.

We have nothing to report in this regard.

### Responsibility of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting principles in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, management is responsible for assessing the Company's



ability to continue as a going concern and disclosing, as required by accounting standards generally accepted in Japan, matters related to a going concern.

The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by Directors in the establishment and operation of the financial reporting process.

#### Auditor's Responsibility for the Audit of Consolidated Financial Statements

The responsibility of the auditor is to obtain reasonable assurance about whether the overall consolidated financial statements are free from material misstatement, whether due to fraud or error, and express independent opinions on the consolidated financial statements in the audit report based on the auditor's audit. Material misstatement may arise from fraud or error, and is considered material when it is reasonably expected to affect, whether individually or in aggregate, the decision-making of the users of the consolidated financial statements.

The auditor makes judgments as a professional and carries out the following with professional skepticism through audit procedures in accordance with auditing standards generally accepted in Japan.

- The auditor identifies and assesses material misstatement risks due to fraud or error. The auditor also formulates and implements audit procedures suitable for material misstatement risks. The audit procedures are selected and applied based on the auditor's judgment. Moreover, the auditor obtains adequate and appropriate audit evidence as a basis of expressing opinions.

- The purpose of the audit of the consolidated financial statements is not to express opinions on the effectiveness of internal controls. In making those risk assessments, meanwhile, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- The auditor evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the appropriateness of relevant notes to the consolidated financial statements.

- The auditor concludes the Company's ability to continue as a going concern for preparing the consolidated financial statements, and whether material uncertainty exists regarding events or circumstances that may cast significant doubt on the ability to continue as a going concern, based on audit evidence obtained by the auditor. If there is significant uncertainty on the ability to continue as a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report. If the notes to the consolidated financial statements regarding the significant uncertainty are not appropriate, the auditor is required to express a modified opinion on the consolidated financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- The auditor evaluates whether the presentation of the consolidated financial statements and the notes thereto are in accordance with auditing standards generally accepted in Japan. The auditor also evaluates the presentation, structure, and contents of the consolidated financial statements including relevant notes thereto, and whether the consolidated financial statements appropriately present their underlying transactions and accounting events.

- The auditor obtains adequate and appropriate audit evidence on financial information of the Company and its consolidated subsidiaries in order to express opinions to the consolidated financial statements. The auditor is responsible for instruction, supervision, and implementation of the audit of the consolidated financial statements. The auditor is solely responsible for audit opinions.

The auditor makes a report to the Audit and Supervisory Committee regarding the scope and period of the planned audit, material audit findings including material defects in internal controls identified during the implementation process of the audit, and other matters required by the audit standards.

The auditor makes a report to the Audit and Supervisory Committee regarding compliance with rules of business ethics for independence in Japan, matters reasonably expected to affect the independence of the auditor, and any safeguard measures taken to eliminate or mitigate obstructive factors.

#### Interest

The independent auditor and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of

Japan.

## Accounting Audit Report regarding Non-consolidated Financial Statements

### Independent Auditor's Report

May 17, 2024

en Japan Inc. The Board of Directors

#### Ernst & Young ShinNihon LLC

Designated and Engagement Partner Certified Public Accountant  
Yoshio Yukawa (Seal)

Designated and Engagement Partner Certified Public Accountant  
Kinuyo Matsuo (Seal)

The independent auditor has audited the non-consolidated financial statements, including the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statements of changes in net assets and the notes to the non-consolidated financial statements (hereinafter referred to as "Non-consolidated financial statements"), as well as the supporting schedules of en Japan Inc. for the 24th fiscal year from April 1, 2023 to March 31, 2024, in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In the independent auditor's opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of the Company as of March 31, 2024 and the non-consolidated results of its operations for the year then ended, in conformity with accounting principles generally accepted in Japan.

#### Grounds for Auditor's Opinion

We conducted the audit in accordance with auditing standards generally accepted in Japan. Our responsibility in the auditing standards is described in the section "Auditor's Responsibility for the Audit of Non-consolidated Financial Statements." We are independent of the Company in accordance with rules of business ethics in Japan, and have fulfilled our ethical responsibility as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Other Information

Other information comprises the information included in the business report and supplementary schedules thereof. Management is responsible for preparing and disclosing other information. The Audit and Supervisory Committee is responsible for monitoring the performance of duties of the Directors in the development and operation of the reporting process for other information.

Our opinion on the Non-consolidated financial statements does not cover other information, and we do not express an opinion thereon.

In connection with our audit of the Non-consolidated financial statements, our responsibility is to read other information and consider whether a material inconsistency exists between other information and the Non-consolidated financial statements or our knowledge acquired in the process of audit, or whether other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of other information exists, we are required to describe it in our report.

We have nothing to report in this regard.

#### Responsibility of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with generally accepted accounting principles in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting standards generally accepted in Japan, matters related to a going concern.

The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by Directors in the establishment and operation of the financial reporting process.

## Auditor's Responsibility for the Audit of Non-consolidated Financial Statements

The responsibility of the auditor is to obtain reasonable assurance about whether the overall non-consolidated financial statements are free from material misstatement, whether due to fraud or error, and express independent opinions on the non-consolidated financial statements in the audit report based on the auditor's audit. Material misstatement may arise from fraud or error, and is considered material when it is reasonably expected to affect, whether individually or in aggregate, the decision-making of the users of the non-consolidated financial statements.

The auditor makes judgments as a professional and carries out the following with professional skepticism through audit procedures in accordance with auditing standards generally accepted in Japan.

- The auditor identifies and assesses material misstatement risks due to fraud or error. The auditor also formulates and implements audit procedures suitable for material misstatement risks. The audit procedures are selected and applied based on the auditor's judgment. Moreover, the auditor obtains adequate and appropriate audit evidence as a basis of expressing opinions.

- The purpose of the audit of the non-consolidated financial statements is not to express opinions on the effectiveness of internal controls. In making those risk assessments, meanwhile, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- The auditor evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the appropriateness of relevant notes to the consolidated financial statements.

- The auditor concludes the Company's ability to continue as a going concern for preparing the non-consolidated financial statements, and whether material uncertainty exists regarding events or circumstances that may cast significant doubt on the ability to continue as a going concern, based on audit evidence obtained by the auditor. If there is significant uncertainty on the ability to continue as a going concern, the auditor is required to call attention to the notes to the non-consolidated financial statements in the audit report. If the notes to the non-consolidated financial statements regarding the significant uncertainty are not appropriate, the auditor is required to express a modified opinion on the non-consolidated financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- The auditor evaluates whether the presentation of the non-consolidated financial statements and the notes thereto are in accordance with auditing standards generally accepted in Japan. The auditor also evaluates the presentation, structure, and contents of the non-consolidated financial statements including relevant notes thereto, and whether the non-consolidated financial statements appropriately present their underlying transactions and accounting events.

The auditor makes a report to the Audit and Supervisory Committee regarding the scope and period of the planned audit, material audit findings including material defects in internal controls identified during the implementation process of the audit, and other matters required by the audit standards.

The auditor makes a report to the Audit and Supervisory Committee regarding compliance with rules of business ethics for independence in Japan, matters reasonably expected to affect the independence of the auditor, and any safeguard measures taken to eliminate or mitigate obstructive factors.

### Interest

The independent auditor and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## The Audit and Supervisory Committee Audit Report

### Audit Report

The Audit and Supervisory Committee audited the performance of duties by Directors for the 24th fiscal year from April 1, 2023, to March 31, 2024. The Committee hereby reports on the audit method used and the audit results as follows.

#### 1. Method and details of audit

The Audit and Supervisory Committee regularly received reports from Directors, employees, and other relevant personnel on the details of the resolutions of the Board of Directors regarding the matters set forth in Article 399-13, paragraph 1, items 1(b) and 1(c) of the Companies Act as well as the status of the systems (internal control systems) based on such resolutions, requested explanations as necessary, expressed its opinions, and conducted audits in the following manner.

- (i) In accordance with the audit policy, division of duties, etc., as determined by the Audit and Supervisory Committee, and working in cooperation with the Company's Internal Control Division, members of the Audit and Supervisory Committee attended important meetings, received reports from Directors, employees, and other relevant personnel on the performance of their duties, requested explanations as necessary, reviewed important approval documents, etc., and investigated the operations and assets of the head office and principal business locations. Meanwhile, the Audit and Supervisory Committee communicated and exchanged information with Directors, Corporate Auditors and other staff of subsidiaries, and received business reports from subsidiaries whenever necessary.
- (ii) The Audit and Supervisory Committee monitored and verified whether the Accounting Auditor maintained independence and implemented appropriate audits; received reports from the Accounting Auditor on performance of their duties, and sought explanations whenever necessary. Furthermore, the Audit and Supervisory Committee received notice from the Accounting Auditor that the "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Ordinance on Accounting of Companies) is established in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council) and other standards, and sought explanations whenever necessary.

Based on the above methods, the Audit and Supervisory Committee examined the business report and the supporting schedules, the non-consolidated financial statements (balance sheet, statements of income, statements of changes in net assets, and notes to financial statements), the supporting schedules, and the consolidated financial statements (balance sheet, statements of income, statements of changes in net assets, and notes to financial statements) for the current fiscal year.

#### 2. Audit Results

##### (1) Audit Results of Business Report and Others

- 1) The Audit and Supervisory Committee acknowledges that the business report and the supporting schedules fairly present the Company's conditions in accordance with laws, regulations and the Articles of Incorporation.
- 2) With regard to the performance of duties by Directors, the Audit and Supervisory Committee finds no significant evidence of wrongful acts, nor violations of laws, regulations, or the Articles of Incorporation.
- 3) The Audit and Supervisory Committee acknowledges that the content of the resolution by the Board of Directors concerning the internal control system is appropriate. In addition, the Board finds no matters on which to remark with regard to the contents of the business report or the performance of duties by Directors regarding the internal control system.

The improper accounting treatment was discovered during the fiscal year under review. The Audit and Supervisory Committee will monitor and verify the efforts of the Directors to improve internal controls and the implementation of measures by the Company to prevent a recurrence based on the findings of the special investigation committee and its recommendations.

##### (2) Audit Results on the Non-consolidated Financial Statements and the Supporting Schedules

The Audit and Supervisory Committee acknowledges that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results thereof are appropriate.

##### (3) Audit Results of Consolidated Financial Statements

The Audit and Supervisory Committee acknowledges that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results thereof are appropriate.

May 17, 2024

en Japan Inc.

Audit and Supervisory Committee Member	Taisuke Igaki (Seal)
Audit and Supervisory Committee Member	Naoki Otani (Seal)
Audit and Supervisory Committee Member	Toshihiko Ishikawa (Seal)

Note: Audit & Supervisory Committee members Taisuke Igaki, Naoki Otani, and Toshihiko Ishikawa are Outside Directors as defined in Article 2, item 15 and Article 331, paragraph 6 of the Companies Act.