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May 12, 2023

## Consolidated Financial Results for the Nine Months Ended March 31, 2023 (Under IFRS)

Company name: Open Up Group Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 2154  
 URL: <https://www.openupgroup.co.jp/>  
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 Scheduled date to file quarterly securities report: May 15, 2023  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

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

### 1. Consolidated financial results for the nine months ended March 31, 2023 (from July 1, 2022 to March 31, 2023)

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

(Percentages indicate year-on-year changes.)

(1) Consolidated operating income (cumulative)					(Percentage indicates year-on-year changes)							
	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	119,921	8.3	10,362	28.8	11,286	22.0	11,357	21.7	7,847	23.3	7,821	24.3
March 31, 2022	110,699	-	8,043	-	9,249	-	9,329	-	6,362	-	6,293	-

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Yen	Yen
March 31, 2023	7,930	29.9	89.26	88.99
March 31, 2022	6,105	-	70.45	70.18

(Note) Business profit is the Company's own profit indicator which is "gross profit" minus "selling, general and administrative expenses" and which excludes the impact of extraordinary items (Employment adjustment subsidy, Impairment loss, etc.) recorded under "Other income" and "Other expenses."

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
March 31, 2023	96,370	63,486	63,432	65.8
June 30, 2022	96,521	63,345	63,309	65.6

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2022	-	17.00	-	28.00	45.00
Fiscal year ending June 30, 2023	-	17.00	-		
Fiscal year ending June 30, 2023 (Forecast)				30.00	47.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of consolidated business results for the fiscal year ending June 2023 (July 1, 2022 through June 30, 2023)

(% change from the previous corresponding period)

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	%	Yen
Full year	162,000	9.0	11,900	24.5	12,600	24.7	12,600	23.1	8,600	22.0	8,600	23.3	97.31

(Note) 1. Revisions to business forecast for the current quarter: Yes

Please refer to page 4 of the Quarterly Earnings Briefing Document (attached), '1. Qualitative Information on Quarterly Financial Results for the Period under Review (4) Summary of Information on Future Forecasts, including the Forecast of Consolidated Results

2. Business profit is the Company's own profit indicator which is "gross profit" minus "selling, general and administrative expenses" and which excludes the impact of extraordinary items (Employment adjustment subsidy, Impairment loss, etc.) recorded under "Other income" and "Other expenses."

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
  - (i) Changes in accounting policies required by IFRS: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of March 31, 2023	91,561,929 shares
As of June 30, 2022	91,280,119 shares

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

As of March 31, 2023	5,020,423 shares
As of June 30, 2022	2,898,753 shares

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

Nine months ended March 31, 2023	87,628,864 shares
Nine months ended March 31, 2022	89,331,177 shares

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

\* Proper use of earnings forecasts, and other special matters

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

(Supplementary material for the quarterly financial results)

The Company is scheduled to hold a financial results briefing for institutional investors and analysts on Friday, May 12, 2023. The materials for the financial results briefing to be used on that day will be posted on the Company's website immediately after the briefing.

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

### (1) Summary of Operating Results

Revenue for the first nine months of the consolidated fiscal year under review increased 8.3% year on year, to 119,921 million yen. This increase in revenue is largely attributable to growth in the number of employees in the Machinery, Electronics and IT Software, Construction, and Manufacturing Segments combined with consistently high utilization rates. On the profit front, profit improved overall in the absence of one-off costs such as PPA amortization of intangible assets in the previous fiscal year in addition to improvement in hourly rates and higher utilization rates, all of which offset higher recruiting expenses. As a result, business profit was 10,362 million yen (up 28.8% year on year), operating profit was 11,286 million yen (up 22.0% year on year), and profit attributable to owners of parent was 7,821 million yen (up 24.3% year on year).

\*Business profit is the Company's own profit indicator which is "gross profit" minus "selling, general and administrative expenses" and which excludes the impact of extraordinary items (Employment adjustment subsidy, Impairment loss, etc.) recorded under "Other income" and "Other expenses."

A summary of the results of each segment is as follows. The revenue of each segment is revenue from sales to external customers.

[Machinery, Electronics and IT Software Segment] (Temporary staffing, contracting and consigning business for the development, design, operation and maintenance sectors of the IT software, machinery and electronics domain)

During the first nine months of the consolidated fiscal year under review, the number of employees grew steadily and the utilization rate was also stable, mostly exceeding 95%, due to aggressive investment in recruitment from the previous consolidated fiscal year, recovery of business confidence in a wide range of sectors, and growth in demand for human resources. In terms of profit, significantly higher recruitment expenses were offset by a shift towards mid-career professionals, improvements in hourly rates against a backdrop of strong demand, and a slight rise in the utilization rate. As a consequence profit margins improved slightly.

As a result, revenue and segment profit increased 13.8% and 22.2% year on year, to 59,213 million yen and 6,925 million yen, respectively, in the first nine months under review.

[Construction Segment] (Temporary staffing business supplying construction managers and CAD operators to the construction industry)

During the first nine months of the consolidated fiscal year under review, the number of employees increased thanks to measures to improve and strengthen recruitment channels and retain employees initiated the previous consolidated fiscal year, and the utilization rate also remained at a high level due to robust demand for human resources in the construction sector. Additionally, profit improved in the absence of amortization of intangible assets through PPAs and share-based payment expenses recorded the previous consolidated fiscal year.

As a result, revenue and segment profit increased 8.1% and 26.0% year on year, to 29,922 million yen and 5,090 million yen, respectively, in the first nine months under review.

[Manufacturing Segment] (Contracting, consigning and temporary staffing business for the manufacturing processes, etc. of clients)

During the first nine months of the consolidated fiscal year under review, the Company continued to develop demand for human resources in its sales area across a broad spectrum, without bias towards certain sectors or large customers, increasing the number of temporary staff at work, while also seeking to maintain and improve profitability through the negotiation of hourly rates and other measures. As a result, the number of staff at work especially in the materials, electric machinery and precision machinery and warehousing and logistics sectors increased. Cost ratios remained at the same level or lower for both temporary and contract staff. On the other hand, recruitment expenses and personnel expenses rose slightly in terms of their ratios to sales.

As a result, revenue and segment profit increased 15.2% and 1.9% year on year, to 8,159 million yen and 423 million yen, respectively, in the first nine months under review.

[Overseas Segment] (Temporary staffing and contracting for engineering and manufacturing sectors and human resource services, such as paid job introduction, outside of Japan)

During the first nine months of the consolidated fiscal year under review, demand for human resources in the UK appeared to recover temporarily as COVID-19 began to be contained. Toward the end of the year, however, economic activities slowed due to inflation, interest rate hikes and sluggish international trade, among other factors, while revenue from temporary staffing remained weak during the busy pre-Christmas season. As a result, segment revenue declined despite a weak yen-linked boost in revenue on a yen basis. On the profit front, the business maintained its profit margins because the highly profitable job introduction business showed a strong performance, reflecting a growing willingness among companies to directly hire employees against the backdrop of a recovery in demand for human resources, which however was offset by the absence of the gain on sale of shares of subsidiaries related to MTrec recorded in the previous consolidated fiscal year.

As a result, revenue and segment profit decreased 5.3% and 26.5% year on year, to 21,702 million yen and 547 million yen, respectively, in the first nine months under review.

[Others]

As domains not included in the reportable segments, SAMURAI, Inc., provides an online programming learning service, whilst BeNEXT With Inc., a special subsidiary of the Group, employs persons with disabilities to provide various types of services within the Group.

During the first nine months of the consolidated fiscal year under review, the online programming learning service began focusing on profitability, resulting in a decline in revenue; however, various types of services provided within the Group were less affected by the COVID crisis and appeared to recover to some extent.

As a result, in the first nine months of the consolidated fiscal year under review, revenue, including internal transactions increased 17.0% year on year, to 1,409 million yen and segment profit came to 84 million yen (compared with a segment loss of 76 million yen in the same period of the previous fiscal year).

## (2) Summary of Financial Position

### (Assets)

Assets totaled 96,370 million yen at the end of the first nine months under review after a decrease of 151 million yen (0.2%) from the end of the previous fiscal year. This change was largely attributable to a decrease of 994 million yen in other financial assets under non-current assets, a decrease of 781 million yen in right-of-use assets, and a decrease of 647 million yen in cash and cash equivalents, more than offsetting an increase of 1,133 million yen in trade and other receivables and an increase of 1,115 million yen in other current assets.

### (Liabilities)

Liabilities at the end of the first nine months under review totaled 32,883 million yen, a decrease of 293 million yen (0.9%) from the end of the previous fiscal year. This change was mainly attributable to a decrease of 491 million yen in other financial liabilities under current liabilities, a decrease of 489 million yen in other financial liabilities in non-current liabilities, a decrease of 477 million yen in trade and other payables, a decrease of 401 million yen in bonds and borrowings under non-current liabilities, offsetting in an increase of 1,634 million yen in bonds and borrowings under current liabilities.

### (Equity)

Equity at the end of the first nine months under review totaled 63,486 million yen, an increase of 141 million yen (0.2%) from the end of the previous fiscal year. This change was largely attributable to the recording of profit attributable to owners of parent of 7,821 million yen and an increase of 4,302 million yen in retained earnings due to dividends paid of 3,965 million yen, and an increase of 3,954 million yen in treasury shares.

## (3) Summary of Cash Flows

At the end of the first nine months under review, cash and cash equivalents ("Cash") decreased 647 million yen from the end of the previous fiscal year, to 11,756 million yen. The primary factors are as follows.

### (Cash flows from operating activities)

Net cash provided by operating activities was 8,880 million yen (compared with net cash provided of 9,324 million yen in the same period of the previous year). This was primarily because inflows from operating activities such as an inflow of 11,357 million yen due to the recording of profit before income taxes and 1,676 million yen for depreciation and amortization, which are a non-cash expense, exceeded outflows such as income taxes paid of 3,971 million yen.

### (Cash flow from investing activities)

Net cash provided by investing activities was 462 million yen (compared with net cash used of 1,469 million yen in the same period of the previous year). This was primarily due to other income of 1,098 million yen in cash flow from investing activities, 318 million yen for the purchase of property, plant and equipment, and 226 million yen for the purchase of intangible assets.

### (Cash flow from financing activities)

Net cash used in financing activities was 9,982 million yen (compared with net cash used of 15,139 million yen in the same period of the previous year). This is primarily reflected 4,030 million yen for the purchase of treasury shares, 3,697 million yen for the payment of dividends, 3,022 million yen for the repayment of lease liabilities, and a net increase in short-term borrowings of 1,507 million yen.

(4) Summary of Information on Future Forecasts, including the Forecast of Consolidated Results

our company has revised the full-year financial performance forecast for the fiscal year ending June 2023, which was published on August 5, 2022, as detailed below.

Our company's core domestic engineering dispatch business has been growing at a pace exceeding our initial expectations, based on robust dispatch demand and our successful business model of cultivating inexperienced individuals into engineers. In the fourth quarter, we plan to make additional investments in preparation for the next fiscal year and beyond, to ensure that we can continue to meet the growing demand for engineering dispatch services. Even including these additional investments, operating profit is expected to increase by 1,000 million yen and net profit attributable to parent company shareholders by 700 million yen from our initial forecast.

Domestic business sales continue to perform solidly in terms of revenue. On the other hand, overseas business is facing challenges due to economic downturn and a shortage of labor in the UK, making it difficult to secure talent and overseas business sales anticipate significantly falling short of our initial forecasts, although an operating profit will be secured. As a result, we anticipate a 2,000 million yen decrease in consolidated revenue on a group basis.

Please refer to the " Notice Regarding the Revision of Full-Year Consolidated Financial Performance Forecast" which was released concurrently with this financial results brief, for more details.

	Net sales	Business profit	Operating profit	profit attributable to the parent company's owners	EPS
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	164,000	11,300	11,600	7,900	89.39
Revised Forecast (B)	162,000	11,900	12,600	8,600	97.31
Change (B-A)	△2,000	+600	+1,000	+700	
Percentage change (%)	△1.2	+5.3	+8.6	+8.9	
(Reference) Previous Results (FY6/22)	148,573	9,555	10,103	6,975	78.30

## 2. Condensed Quarterly Consolidated Financial Statements and Notes on Important Matters

### Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	Previous fiscal year (June 30, 2022)	Current Third Quarter (March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	12,404	11,756
Trade and other receivables	20,108	21,242
Other current financial assets	1,239	1,494
Other current assets	2,856	3,972
Total current assets	36,609	38,465
Non-current assets		
Property, plant and equipment	1,624	1,626
Right-of-use assets	3,304	2,523
Goodwill	45,362	45,440
Intangible assets	1,630	1,450
Investments accounted for using equity method	661	750
Other non-current financial assets	4,002	3,007
Deferred tax assets	2,789	2,556
Other non-current assets	536	548
Total non-current assets	59,912	57,904
Total assets	96,521	96,370

(Millions of yen)

	Previous fiscal year (June 30, 2022)	Current Third Quarter (March 31, 2023)
Liabilities and equities		
Liabilities		
Current liabilities		
Trade and other payables	2,617	2,139
Bonds and borrowings	1,257	2,891
Income taxes payable	1,774	1,802
Other current financial liabilities	4,490	3,999
Current provisions	68	1
Other current liabilities	17,585	17,503
Total current liabilities	27,793	28,337
Non-current liabilities		
Bonds and borrowings	591	190
Other non-current financial liabilities	2,805	2,315
Deferred tax liabilities	26	5
Non-current provisions	436	491
Other non-current liabilities	1,523	1,542
Total non-current liabilities	5,382	4,545
Total liabilities	33,176	32,883
Equity		
Capital	4,561	4,687
Share premium	82,394	82,538
Retained earnings	-19,933	-15,630
Treasury shares	-4,306	-8,261
Other components of equity	594	99
Total equity attributable to owners of parent	63,309	63,432
Non- controlling interests	35	53
Total equity	63,345	63,486
Total liabilities and equity	96,521	96,370

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Comprehensive Income  
(Condensed quarterly consolidated statement of profit or loss)

(Millions of yen)

	Previous Third Quarter (July 1, 2021 - March 31, 2022)	Current Third Quarter (July 1, 2022 - March 31, 2023)
Revenue	110,699	119,921
Cost of sales	84,957	90,620
Gross profit	25,741	29,300
Selling, general and administrative expense	17,698	18,938
Other income	1,245	973
Other expense	39	50
Operating profit	9,249	11,286
Finance income	109	60
Finance costs	107	102
Share of profit of investments accounted for using equity method	79	112
Profit before tax	9,329	11,357
Income tax expense	2,967	3,509
Profit	6,362	7,847
Profit attributable to		
Owners of parent	6,293	7,821
Non- controlling interests	68	25
Profit	6,362	7,847
Profit per share		
Basic profit per share (Yen)	70.45	89.26
Diluted profit per share (Yen)	70.18	88.99

## (Condensed quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Previous Third Quarter (July 1, 2021 - March 31, 2022)	Current Third Quarter (July 1, 2022 - March 31, 2023)
Profit	6,362	7,847
Other comprehensive income		
Balances related to items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	-107	151
Remeasurements of defined benefit plans	-3	0
Items that will not be reclassified to profit or loss	-110	151
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-205	-45
Share of other comprehensive income of investments accounted for using equity method	59	-23
Total of items that may be reclassified to profit or loss	-145	-68
Total other comprehensive income, net of tax	-256	83
Comprehensive income	6,105	7,930
Comprehensive profit attributable to		
Owners of parent	6,034	7,916
Non- controlling interests	70	14
Comprehensive income	6,105	7,930

## (3) Condensed quarterly statement of changes in equity

Previous Third Quarter (July 1, 2021-March 31, 2022)

(Millions of yen)

	Interests attributable to owners of parent					
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of July 1, 2021	4,436	82,779	-22,646	-329	88	714
Profit			6,293			
Other comprehensive income						-147
Total comprehensive income	-	-	6,293	-	-	-147
Issuance of new shares	104	104			-176	
Dividends of surplus			-3,962			
Purchase of treasury shares		-16		-4,048		
Disposal of treasury shares				80		
Change in scope of consolidation						
Share-based payment transactions		-13			178	
Forfeiture of share acquisition		3			-3	
Changes in written put option liabilities related to non-controlling interests, etc.		0	-280			
Purchase of shares of consolidated subsidiaries		-568				
Transfer from other components of equity to retained earnings		29	-18			
Total transactions with owners	104	-461	-4,263	-3,967	-1	-
Total changes	104	-461	2,030	-3,967	-1	-147
Balance as of March 31, 2022	4,541	82,317	-20,616	-4,297	87	566

	Interests attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Financial assets at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance as of July 1, 2021	-99	-	703	64,943	-222	64,720
Profit			-	6,293	68	6,362
Other comprehensive income	-107	-3	-258	-258	1	-256
Total comprehensive income	-107	-3	-258	6,034	70	6,105
Issuance of new shares			-176	32		32
Dividends of surplus			-	-3,962		-3,962
Purchase of treasury shares			-	-4,064		-4,064
Disposal of treasury shares			-	80		80
Change in scope of consolidation			-	-	-75	-75
Share-based payment transactions			178	164		164
Forfeiture of share acquisition			-3	-		-
Changes in written put option liabilities related to non-controlling interests, etc.			-	-280		-280
Purchase of shares of consolidated subsidiaries			-	-568	262	-305
Transfer from other components of equity to retained earnings	-13	3	-10	-		-
Total transactions with owners	-13	3	-11	-8,599	187	-8,412
Total changes	-121	-	-270	-2,565	258	-2,306
Balance as of March 31, 2022	-220	-	433	62,378	35	62,414

	Interests attributable to owners of parent					
					Other components of equity	
	Capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of July 1, 2021	4,561	82,394	-19,933	-4,306	213	596
Profit			7,821			
Other comprehensive income						-56
Total comprehensive income	-	-	7,821	-	-	-56
Issuance of new shares	126	126			-153	
Dividends of surplus			-3,965			
Purchase of treasury shares		-16		-4,030		
Disposal of treasury shares		2		76		
Change in scope of consolidation						
Share-based payment transactions		17			25	
Forfeiture of share acquisition		14			-14	
Transfer from other components of equity to retained earnings			447			
Total transactions with owners	126	143	-3,518	-3,954	-142	-
Total changes	126	143	4,302	-3,954	-142	-56
Balance as of March 31, 2023	4,687	82,538	-15,630	-8,261	71	539

	Interests attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Financial assets at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance as of July 1, 2021	-215	-	594	63,309	35	63,345
Profit			-	7,821	25	7,847
Other comprehensive income	151	0	94	94	-11	83
Total comprehensive profit	151	0	94	7,916	14	7,930
Issuance of new shares			-153	98		98
Dividends of surplus			-	-3,965		-3,965
Purchase of treasury shares			-	-4,047		-4,047
Disposal of treasury shares			-	78		78
Change in scope of consolidation			-	-	4	4
Share-based payment transactions			25	43		43
Forfeiture of share acquisition			-14	-		-
Transfer from other components of equity to retained earnings	-446	-0	-447	-		-
Total transactions with owners	-446	-0	-589	-7,793	4	-7,788
Total changes	-295	-	-495	123	18	141
Balance as of March 31, 2023	-511	-	99	63,432	53	63,486

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

(Millions of yen)

	Previous Third Quarter (July 1, 2021 - March 31, 2022)	Current Third Quarter (July 1, 2022 - March 31, 2023)
Cash flows from operating activities		
Profit before tax	9,329	11,357
Depreciation and amortization expense	2,207	1,676
Interest and dividend income	-35	-39
Interest expenses	107	92
Share of profit (loss) of investments accounted for using equity method	-79	-112
Loss on retirement of fixed assets	13	2
Decrease (increase) in trade and other receivables	72	-694
Increase (decrease) in trade and other payables	-100	-530
Others	-266	1,143
Subtotal	11,249	12,895
Interest and dividends received	33	41
Interest paid	-103	-84
Income taxes paid	-1,854	-3,971
Cash flows from operating activities	9,324	8,880
Cash flows from investing activities		
Purchase of property, plant and equipment	-286	-318
Purchase of intangible assets	-107	-226
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-72
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-483	-
Payment of contingent consideration for shares of subsidiaries	-365	-
Purchase of investment securities	-75	-18
Others	-151	1,098
Cash flows from investing activities	-1,469	462
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	267	1,507
Repayments of long-term borrowings	-3,743	-367
Redemption of bonds	-231	-201
Repayments of lease liabilities	-2,953	-3,022
Dividends paid	-3,956	-3,967
Payments for purchase of treasury shares	-4,048	-4,030
Purchase of investments in subsidiaries not resulting in change in scope of consolidation	-509	-
Others	35	99
Cash flows from financing activities	-15,139	-9,982
Effect of exchange rate changes on cash and cash equivalents	69	-8
Net increase (decrease) in cash and cash equivalents	-7,214	-647
Cash and cash equivalents at beginning of period	21,138	12,404
Cash and cash equivalents at end of period	13,923	11,756

(5) Notes on the Condensed Quarterly Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

Not applicable.

(Segment Information)

(1) Overview of reportable segments

The business segments of the Group are the units for which separate financial information can be obtained among the constituent units of the Group and for which the Board of Directors regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Group is expanding a full line-up of services including its staffing service and contracting business mainly for the technology and manufacturing fields in Japan and internationally, and the operating segments of the Group, without any integration, are its reportable segments.

Details of each segment are as follows.

Machinery, Electronics and IT Software Segment ... Development and design technician and other worker temporary staffing, contracting and consigning business

Construction Segment ... Construction manager engineer temporary staffing business and CAD operator temporary staffing business for customers in the construction industry

Manufacturing Segment ... Manufacturing site contracting, consigning and temporary staffing business for customers in the manufacturing industry

Overseas Segment ... Temporary staffing, contracting and placement business for the engineering and manufacturing sectors internationally

(2) Information regarding reportable segments

Accounting policies for reportable segments are generally the same as those stated in “Accounting policies in preparing the condensed consolidated financial statements.”

Segment profit as reported in this section is based on operating profit. Also, inter-segment sales and transfers are valued at market prices.

First nine months ended March 31, 2022 (July 1, 2021 – March 31, 2022)

(Unit: Million yen)

	Reportable Segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Machinery, Electronics and IT Software Segment	Construction Segment	Manufacturing Segment	Overseas Segment	Total				
Revenue									
Revenue from external customers	52,036	27,685	7,082	22,922	109,727	970	110,698	1	110,699
Intersegment revenue	74	1	-	101	177	234	411	-411	-
Total	52,111	27,686	7,082	23,024	109,904	1,204	111,109	-410	110,699
Segment profit or loss (Note 3)	5,669	4,039	415	745	10,870	-76	10,793	-1,544	9,249
Finance income	-	-	-	-	-	-	-	-	109
Finance costs	-	-	-	-	-	-	-	-	107
Share of profit of investments accounted for using equity method	-	-	-	-	-	-	-	-	79
Profit before tax	-	-	-	-	-	-	-	-	9,329

(Note) 1. "Other" is a segment which is not included in the reportable segment and it includes the business of promoting employment of persons with disabilities and the online programming learning service business.

2. The adjustment of -1,544 million yen for segment profit (loss) includes corporate expenses that are not allocated to any reportable segments of 1,875 million yen and an inter-segment elimination of -331 million yen. Corporate expenses are primarily the Company's operating expenses that are not attributable to specific reporting segments.

3. The total amount of segment profit matches the operating profit in the condensed quarterly consolidated statement of profit or loss.

Nine months ended March 31, 2023 (July 1, 2022 to March 31, 2023)

(Unit: Million yen)

	Reportable Segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Machinery, Electronics and IT Software Segment	Construction Segment	Manufacturing Segment	Overseas Segment	Total				
Revenue									
Revenue from external customers	59,213	29,922	8,159	21,702	118,997	924	119,921	-	119,921
Intersegment revenue	45	0	3	93	142	484	627	-627	-
Total	59,258	29,923	8,163	21,795	119,140	1,409	120,549	-627	119,921
Segment profit (Note 3)	6,925	5,090	423	547	12,987	84	13,072	-1,786	11,286
Finance income	-	-	-	-	-	-	-	-	60
Finance costs	-	-	-	-	-	-	-	-	102
Share of profit of investments accounted for using equity method	-	-	-	-	-	-	-	-	112
Profit before tax	-	-	-	-	-	-	-	-	11,357

(Note) 1. "Other" is a segment which is not included in the reportable segment and it includes the business of promoting employment of persons with disabilities and the online programming learning service business.

2. The adjustment of -1,786 million yen for segment profit includes corporate expenses that are not allocated to any reportable segments of 1,950 million yen and an inter-segment elimination of -164 million yen. Corporate expenses are primarily the Company's operating expenses that are not attributable to specific reporting segments.

3. The total amount of segment profit matches the operating profit in the condensed quarterly consolidated statement of profit or loss.