



Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 [Japanese GAAP]

February 13, 2025

Company name: Altech Corporation
 Stock exchange listing: Tokyo
 Code number: 4641
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Scheduled date of the Annual General Meeting of Shareholders: March 26, 2025

Scheduled date of commencing dividend payments: March 27, 2025

Scheduled date of filing annual securities report: March 27, 2025

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2024	49,858	7.9	5,159	3.6	5,313	5.1	3,677	(0.5)
December 31, 2023	46,216	5.9	4,982	7.2	5,053	10.8	3,696	8.2

(Note) Comprehensive income: Fiscal year ended December 31, 2024 3,744 million yen [(2.5)%]

Fiscal year ended December 31, 2023 3,842 million yen [13.1%]

	Net profit per share	Diluted earnings per share	Return on equity	Return on asset	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2024	185.03	-	20.7	20.0	10.3
December 31, 2023	185.16	-	22.7	20.5	10.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2024 — million yen

Fiscal year ended December 31, 2023 — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended December 31, 2024	28,077	18,743	66.6	940.44
December 31, 2023	25,025	16,866	67.2	846.62

(Reference) Equity capital As of December 31, 2024 18,691 million yen

As of December 31, 2023 16,822 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2024	4,584	(366)	(2,485)	12,550
December 31, 2023	3,213	138	(2,684)	10,737

2. Dividends

	Annual dividends					Total dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	-	52.00	-	51.00	103.00	2,046	55.6	12.7
December 31, 2024	-	44.00	-	49.00	93.00	1,848	50.3	10.4
Fiscal year ending December 31, 2025 (Forecast)	-	47.00	-	47.00	94.00		-	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending June 30, 2025	25,000	3.7	2,300	(6.4)	2,400	(4.6)	1,500	(6.5)	75.47
Full year	52,700	5.7	5,400	4.7	5,500	3.5	3,700	0.6	186.17

*Notes

- (1) Significant changes to the scope of consolidation during the period under review: Yes
 New: 1 company (Company name: Tanpopo Shiki no Mori)
 Exclusion: 1 company (Company name: Tanpopo Shiki no Mori)
 (Note) For details, please refer to “(5) Notes to Consolidated Financial Statements, (Changes in Significant Subsidiaries During the Consolidated Fiscal Year under Review)” on page 12 of the attached document.
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 December 31, 2024 21,746,675 shares
 December 31, 2023 21,746,675 shares
 - 2) Number of treasury shares at the end of the period:
 December 31, 2024 1,871,076 shares
 December 31, 2023 1,876,739 shares
 - 3) Average number of shares outstanding during the period:
 Fiscal year ended December 31, 2024 19,874,781 shares
 Fiscal year ended December 31, 2023 19,962,073 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2024	38,627	6.5	4,727	2.1	4,723	(2.1)	3,148	(10.6)
December 31, 2023	36,274	8.5	4,632	8.4	4,827	8.2	3,523	4.1

	Net profit per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended December 31, 2024	158.44		-	
December 31, 2023	176.52		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	23,676	16,158	68.2	812.97
December 31, 2023	21,728	14,910	68.6	750.43

(Reference) Equity capital As of December 31, 2024 16,158 million yen

As of December 31, 2023 14,910 million yen

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Net profit		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2025	19,500	3.4	2,300	(1.1)	1,600	2.0	80.50
Full year	40,600	5.1	4,900	3.7	3,400	8.0	171.07

* Consolidated financial results are not subject to audit by certified public accountants or auditing firms.

* Explanation on appropriate use of financial results forecast, and other special notes

The forecasts in the Future Outlook (page 3) are based on information available at the present time, and contain some uncertainties. Actual results may differ from the above forecasts due to changes in business conditions and other factors.

The Company plans to hold a financial-results briefing online for institutional investors and analysts on Wednesday, February 26, 2025. Materials for this briefing to be used on the day will be posted on the Company website as soon as possible after the event.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Period under Review

During the fiscal year under review (from January 1, 2024 to December 31, 2024), the Japanese economy showed moderate signs of recovery due to solid corporate performance, despite sluggish personal consumption. Meanwhile, it is possible that monetary policies in Japan and abroad as well as downturns in overseas economies due to uncertainty over U.S. economic policies, concerns over the outlook for the Chinese economy, and heightened geopolitical risks will exert downward pressure on the Japanese economy.

Amid this social and economic environment, major manufacturing companies maintained upfront investment in R&D to gain the competitive advantage, and requests to the Group remained firm. In the engineer assignment business, a core segment of the Group, we successfully maintained a high rate of operation by working to strengthen technical education in cutting-edge technologies and other environments where growth is expected, and implementing initiatives in conjunction with sales policies such as team assignment. We also focused on steadily increasing the number of employees by revising part of the salary system in line with workstyle reforms, and introducing mechanisms to ensure a more comfortable work environment.

As a result, both the total number of staff in operation and the contract unit price have increased. Driven by these various factors in the engineer assignment business, in the consolidated fiscal year under review, the Company recorded net sales of 49,858 million yen (up 7.9% year on year), operating profit of 5,159 million yen (up 3.6% year on year), and ordinary profit of 5,313 million yen (up 5.1% year on year). Profit attributable to owners of parent was 3,677 million yen (down 0.5% year on year) due to the recording of amortization of goodwill and other factors.

The Group established a medium-term management plan, “Taking on the Challenge of Becoming a Partner in Co-Creation Society through Our Technologies,” in 2023, and has been promoting measures to develop new business areas that will contribute to resolving social issues, such as agriculture and nursing care, and expanding its monozukuri (manufacturing) business and strengthening its outsourcing services business.

The results of operations by segment are as follows:

1) Outsourcing Service Business

In the outsourcing services business, which is the Company’s main business, we are engaged in the acceptance of consignment of technical projects, office staff assignment, job placement, and other services, with a focus on engineer assignment. While the competition for talent is intensifying, we focused on measures including hiring through referrals to secure superior talent. In addition, we successfully maintained the rate of operation at a high level and raised the contract unit price by strengthening technical education in cutting-edge technologies and the environment where growth is expected, and implementing initiatives in conjunction with sales policies such as team assignment.

As a result, net sales for the fiscal year under review were 45,754 million yen (up 7.2% year on year), and operating profit amounted to 4,882 million yen (up 7.3% year on year).

2) Global Business

In the global business, the Company provides design, manufacturing, installation and maintenance services for plant facilities, machinery and equipment, and staffing services overseas. Net sales for the consolidated fiscal year under review were 4,017 million yen (up 13.9% year on year), and operating profit was 342 million yen (down 20.6% year on year) due to the completion of work in the previous fiscal year for highly profitable, large-scale projects that had been in progress since the fiscal year before the last.

(2) Overview of Financial Position for the Period under Review

Total assets at the end of the consolidated fiscal year under review were 28,077 million yen, an increase of 3,051 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in cash and deposits. Total liabilities were 9,333 million yen, an increase of 1,174 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in income taxes payable. As a result, net assets increased by 1,876 million yen from the end of the previous consolidated fiscal year to 18,743 million yen.

Accordingly, the capital adequacy ratio was 66.6%.

(3) Overview of Cash Flows for the Period under Review

Cash and cash equivalents at the end of the consolidated fiscal year under review (hereinafter referred to as "net cash") amounted to 12,550 million yen, an increase of 1,812 million yen from the end of the previous consolidated fiscal year.

The status of cash flows for the consolidated fiscal year under review and factors for change are as follows:

1) Cash flows from operating activities

Net cash provided by operating activities amounted to 4,584 million yen in the consolidated fiscal year under review (up 42.7% year on year). This was mainly due to a decrease in inventories.

2) Cash flows from investing activities

Net cash used in investing activities amounted to 366 million yen in the consolidated fiscal year under review (previous consolidated fiscal year: net cash provided by investing activities of 138 million yen). This was mainly due to an increase in payments from changes in ownership interests in subsidiaries.

3) Cash flows from financing activities

Net cash used in financing activities was 2,485 million yen in the consolidated fiscal year under review (down 7.4% year on year). This was mainly due to a decrease in purchases of treasury shares.

(4) Future Outlook

Although there are concerns about the impact of policies to be announced by the new administration in the U.S. and stagnant economic trends in China, requests for engineers from major manufacturing companies which form our main clients, remain firm, and we expect this trend to continue.

Please refer to the Summary Information for the financial results forecast (consolidated and non-consolidated) for the next period.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Periods

With regard to the distribution of profits, the Company positions the return of profits to shareholders as one of the important management issues and aims to share earnings in accordance with financial results. Retained earnings will be utilized for investments in education, systems and others that contribute to the improvement of corporate value over the medium to long term. Dividends to shareholders will be paid in cash on a consolidated basis with a dividend payout ratio of 50% as an indicator. The interim dividend is expected to be 50% of the annual dividend. In addition, the basic policy is to maintain an annual dividend of 10 yen (interim and year-end dividends of 5 yen each) per share, regardless of financial results, with the aim of maintaining a stable dividend.

The annual dividend for the consolidated fiscal year under review will be 93 yen per share, and since we have already paid an interim dividend of 44 yen, the Board of Directors has resolved that the year-end dividend will be 49 yen, and it will be submitted to the Annual General Meeting of Shareholders scheduled to be held in March 2025.

With regard to dividends for the next period, we plan to pay an annual dividend of 94 yen per share (Interim and year-end dividends of 47 yen respectively).

2. Basic View on the Selection of Accounting Standards

As many of the Group's stakeholders are domestic shareholders, creditors, and business partners, and there is little need to raise funds from overseas, Japanese accounting standards are applied.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	11,430,737	13,343,307
Notes and accounts receivable - trade, and contract assets	6,547,477	7,051,270
Merchandise and finished goods	1,074	9,358
Work in process	484,449	245,278
Raw materials and supplies	92,967	249,226
Other	706,446	745,844
Total current assets	19,263,151	21,644,285
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,366,419	3,938,673
Accumulated depreciation	(1,877,089)	(1,986,795)
Buildings and structures, net	1,489,329	1,951,877
Machinery, equipment and vehicles	219,096	234,325
Accumulated depreciation	(187,886)	(199,196)
Machinery, equipment and vehicles, net	31,210	35,128
Land	1,541,637	1,803,637
Other	432,948	532,031
Accumulated depreciation	(339,306)	(374,615)
Other, net	93,641	157,416
Total property, plant and equipment	3,155,819	3,948,059
Intangible assets		
Goodwill	159,111	89,696
Other	124,947	115,941
Total intangible assets	284,059	205,638
Investments and other assets		
Investment securities	1,023,942	952,609
Shares of subsidiaries and associates	32,218	32,218
Deferred tax assets	777,764	861,890
Other	488,730	432,311
Total investments and other assets	2,322,655	2,279,030
Total non-current assets	5,762,534	6,432,728
Total assets	25,025,686	28,077,013

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	355,993	432,591
Short-term borrowings	224,262	210,280
Accounts payable - other	1,941,659	2,085,639
Income taxes payable	760,350	1,077,981
Accrued consumption taxes	788,459	932,018
Contract liabilities	105,104	211,746
Provision for bonuses	1,745,647	1,898,426
Provision for bonuses for directors (and other officers)	31,500	28,646
Other	1,885,365	2,061,449
Total current liabilities	7,838,342	8,938,781
Non-current liabilities		
Long-term borrowings	21,014	10,734
Provision for retirement benefits for directors (and other officers)	1,470	1,470
Retirement benefit liability	160,777	152,749
Other	137,266	230,020
Total non-current liabilities	320,527	394,974
Total liabilities	8,158,870	9,333,755
Net assets		
Shareholders' equity		
Share capital	2,347,163	2,347,163
Capital surplus	2,798,742	2,811,011
Retained earnings	13,688,994	15,478,458
Treasury shares	(2,739,199)	(2,725,483)
Total shareholders' equity	16,095,701	17,911,150
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	480,241	441,360
Foreign currency translation adjustment	246,304	339,226
Total accumulated other comprehensive income	726,545	780,587
Non-controlling interests	44,568	51,521
Total net assets	16,866,815	18,743,258
Total liabilities and net assets	25,025,686	28,077,013

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(Thousands of yen)	
	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)
Net sales	46,216,036	49,858,533
Cost of sales	35,263,472	38,264,472
Gross profit	10,952,564	11,594,060
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	175,054	163,821
Employee salaries	1,774,611	1,909,215
Provision for accrued bonuses	184,574	205,086
Retirement benefit expenses	33,237	33,890
Depreciation	283,759	275,436
Provision for accrued bonuses for directors (and other officers)	32,020	28,646
Other	3,486,837	3,818,454
Total selling, general and administrative expenses	5,970,095	6,434,551
Operating profit	4,982,468	5,159,508
Non-operating income		
Interest income	9,697	10,328
Dividend income	27,028	31,145
Subsidy income	21,315	34,653
Foreign exchange gains	23,573	19,746
Other	108,562	84,691
Total non-operating income	190,177	180,565
Non-operating expenses		
Interest expenses	908	1,518
Donations	81,671	2,167
Loss on extinguishment of share-based payment expenses	11,900	8,418
Loss on investments in investment partnerships	6,145	4,283
Other	18,707	10,460
Total non-operating expenses	119,332	26,849
Ordinary profit	5,053,312	5,313,225
Extraordinary income		
Gain on sale of non-current assets	364	254
Gain on sale of investment securities	257,611	195,285
Total extraordinary income	257,975	195,539
Extraordinary losses		
Loss on retirement of non-current assets	1,786	2,406
Cancellation penalty	-	15,000
Impairment losses	51,573	-
Amortization of goodwill	-	142,286
Total extraordinary losses	53,360	159,693
Net profit before income taxes	5,257,928	5,349,072
Income taxes - current	1,484,622	1,733,694
Income taxes - deferred	84,561	(73,249)
Total income taxes	1,569,183	1,660,444
Net profit	3,688,744	3,688,627
Net profit/(loss) attributable to non-controlling interests	(7,335)	11,187
Profit attributable to owners of parent	3,696,080	3,677,439

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)
Net profit	3,688,744	3,688,627
Other comprehensive income		
Valuation difference on available-for-sale securities	94,798	(38,880)
Foreign currency translation adjustment	59,226	95,121
Total other comprehensive income	154,025	56,240
Comprehensive income	3,842,769	3,744,868
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,852,460	3,731,481
Comprehensive income attributable to non-controlling interests	(9,690)	13,387

(3) Consolidated Statements of Changes in Equity

Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	2,347,163	2,784,651	11,973,136	(1,987,433)	15,117,517
Changes during the period					
Dividend of surplus			(1,980,273)		(1,980,273)
Profit attributable to owners of parent			3,696,080		3,696,080
Acquisition of treasury shares				(766,435)	(766,435)
Disposal of treasury shares		14,091		14,669	28,760
Other			51		51
Net changes in items other than shareholders' equity					
Total changes during the period	-	14,091	1,715,857	(751,765)	978,183
Ending balance	2,347,163	2,798,742	13,688,994	(2,739,199)	16,095,701

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Beginning balance	385,442	184,722	570,165	54,259	15,741,943
Changes during the period					
Dividend of surplus					(1,980,273)
Profit attributable to owners of parent					3,696,080
Acquisition of treasury shares					(766,435)
Disposal of treasury shares					28,760
Other					51
Net changes in items other than shareholders' equity	94,798	61,581	156,379	(9,690)	146,689
Total changes during the period	94,798	61,581	156,379	(9,690)	1,124,872
Ending balance	480,241	246,304	726,545	44,568	16,866,815

Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	2,347,163	2,798,742	13,688,994	(2,739,199)	16,095,701
Changes during the period					
Dividend of surplus			(1,887,975)		(1,887,975)
Profit attributable to owners of parent			3,677,439		3,677,439
Acquisition of treasury shares				(280)	(280)
Disposal of treasury shares		12,268		13,996	26,265
Net changes in items other than shareholders' equity					
Total changes during the period	-	12,268	1,789,463	13,716	1,815,449
Ending balance	2,347,163	2,811,011	15,478,458	(2,725,483)	17,911,150

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Beginning balance	480,241	246,304	726,545	44,568	16,866,815
Changes during the period					
Dividend of surplus					(1,887,975)
Profit attributable to owners of parent					3,677,439
Acquisition of treasury shares					(280)
Disposal of treasury shares					26,265
Net changes in items other than shareholders' equity	(38,880)	92,922	54,041	6,952	60,993
Total changes during the period	(38,880)	92,922	54,041	6,952	1,876,442
Ending balance	441,360	339,226	780,587	51,521	18,743,258

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Net profit before income taxes	5,257,928	5,349,072
Depreciation	257,338	210,241
Impairment losses	51,573	-
Amortization of goodwill	84,010	235,416
Increase (decrease) in provision for bonuses for directors (and other officers)	3,002	(2,853)
Increase (decrease) in provision for bonuses	29,280	146,183
Increase (decrease) in retirement benefit liability	(17,138)	(8,027)
Interest and dividend income	(36,725)	(41,474)
Subsidy income	(21,315)	(34,653)
Interest expenses	908	1,518
Donations	81,671	2,167
Loss on extinguishment of share-based payment expenses	11,900	8,418
Loss (gain) on investments in investment partnerships	6,145	4,283
Loss (gain) on sale of non-current assets	(364)	(254)
Loss (gain) on sale of investment securities	(257,611)	(195,285)
Cancellation penalty	-	15,000
Loss on retirement of non-current assets	1,786	2,406
Other non-operating income	(108,562)	(84,691)
Other non-operating expenses	18,707	10,460
Decrease (increase) in trade receivables and contract assets	141,588	(428,366)
Decrease (increase) in inventories	(281,815)	74,627
Increase (decrease) in trade payables	(120,200)	57,902
Increase (decrease) in other payables	(35,015)	126,008
Increase (decrease) in accrued consumption taxes	(139,943)	143,559
Decrease (increase) in consumption taxes refund	9,592	27,502
Other	51,358	312,268
Subtotal	4,988,100	5,931,430
Proceeds from interest and dividend income	36,507	41,471
Interest paid	(907)	(1,549)
Proceeds from subsidy income	21,315	55,992
Contribution paid	(81,671)	(2,167)
Income taxes paid	(1,749,696)	(1,425,644)
Cancellation penalty paid	-	(15,000)
Net cash provided by (used in) operating activities	3,213,647	4,584,532

	(Thousands of yen)	
	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)
Cash flows from investing activities		
Payments into time deposits	-	(100,000)
Purchase of property, plant and equipment	(175,604)	(205,830)
Proceeds from sales of property, plant and equipment	364	254
Proceeds from sales of investment securities	361,530	214,664
Purchase of intangible assets	(48,722)	(25,765)
Payments from changes in ownership interests in subsidiaries that result in change in scope of consolidation	-	(239,123)
Other	1,055	(10,453)
Net cash provided by (used in) investing activities	138,622	(366,253)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50,129)	(13,982)
Repayment of long-term borrowings payable	(24,262)	(708,447)
Purchases of treasury shares	(767,014)	(280)
Dividends paid to non-controlling interests	(7,688)	(10,234)
Dividends paid	(1,835,481)	(1,752,629)
Proceeds from sales of treasury shares	98	-
Net cash provided by (used in) financing activities	(2,684,477)	(2,485,573)
Net effect of exchange rate changes on cash and cash equivalents	66,373	79,860
Net increase (decrease) in cash and cash equivalents	734,167	1,812,566
Cash and cash equivalents at beginning of period	10,003,673	10,737,841
Cash and cash equivalents at end of period	10,737,841	12,550,407

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern)

Not applicable.

(Changes in Significant Subsidiaries During the Consolidated Fiscal Year under Review)

Tanpopo Shiki no Mori was included in the scope of consolidation as it became a new subsidiary during the first quarter of the consolidated fiscal year. Further, during the third quarter of the consolidated fiscal year, Tanpopo Shiki no Mori merged with Alps Care Heart Corporation, a consolidated subsidiary of the Company, through an absorption-type merger where the former is the dissolving company and the latter is the surviving company. Accordingly, Tanpopo Shiki no Mori has been excluded from the scope of consolidation.

(Segment Information)

1. Overview of Reportable Segments

The Company's reportable segments are the Group's operating units whose separate financial information is available, and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and to evaluate performance.

The Company is focusing on the outsourcing services business, the Group's core business, and considering its content and market similarity, we have two reporting segments, the outsourcing services business and the global business.

In the outsourcing service business, the Group provides technical services through assignment and contracting, mainly through its core engineer assignment business.

In the global business, the Company provides installation and maintenance services for production facilities and staffing services to Japanese companies overseas.

2. Method of Calculating the Amount of Sales, Profit or Loss, Assets, Liabilities and Other Items for Each Reportable Segment

The accounting methods used for reported business segments is the same as described in "Material Matters That Serve as the Basis for Preparation of Consolidated Financial Statements."

Profit of the reportable segments is based on operating profit.

Intersegment revenues and transfers are based on prevailing market prices.

3. Matters Related to Changes, etc. to Reportable Segments

As a result of the acquisition of shares in Tanpopo Shiki no Mori and its inclusion in the scope of consolidation during the first quarter of the consolidated fiscal year, "Other," a business segment that is not included in the reportable segments, was newly added.

Segment information for the previous consolidated fiscal year is stated according to the new method of classification.

4. Information on Impairment Losses or Goodwill, etc. of Non-current Assets by Reportable Segment (Material Changes in the Amount of Goodwill)

In "Other," goodwill has been recognized as a result of the acquisition of all shares of Tanpopo Shiki no Mori and its inclusion in the scope of consolidation. The increase in goodwill due to this event was 166,001 thousand yen in the consolidated fiscal year under review.

In addition, goodwill was amortized in "Other" due to impairment of investments in subsidiaries. The decrease in goodwill due to this event was 142,286 thousand yen in the consolidated fiscal year under review.

5. Information on the Amount of Sales, Profit or Loss, Assets, Liabilities and Other Items for Each Reportable Segment

Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Reportable segment			Other	Total
	Outsourcing Service Business	Global Business	Total		
Net sales					
Sales to external customers	42,688,153	3,527,883	46,216,036	-	46,216,036
Intersegment sales and transfers	-	38,815	38,815	-	38,815
Total	42,688,153	3,566,698	46,254,852	-	46,254,852
Segment profit	4,548,440	431,507	4,979,948	-	4,982,468
Segment assets	23,428,038	2,135,665	25,563,703	-	25,563,703
Other items					
Depreciation	253,828	3,509	257,338	-	257,338
Amortization of goodwill	84,010	-	84,010	-	84,010
Increase in property, plant and equipment and intangible assets	214,904	2,737	217,642	-	217,642

Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Reportable segment			Other (Note)	Total
	Outsourcing Service Business	Global Business	Total		
Net sales					
Sales to external customers	45,754,300	4,017,163	49,771,464	87,069	49,858,533
Intersegment sales and transfers	-	39,948	39,948	-	39,948
Total	45,754,300	4,057,111	49,811,412	87,069	49,898,481
Segment profit (loss)	4,882,750	342,706	5,225,456	(68,676)	5,156,780
Segment assets	25,465,715	2,480,084	27,945,800	783,992	28,729,792
Other items					
Depreciation	192,755	2,382	195,138	15,103	210,241
Amortization of goodwill	69,415	-	69,415	166,001	235,416
Increase in property, plant and equipment and intangible assets	218,434	896	219,330	28,581	247,912

(Note) The “Other” category represents a business segment that is not included in the reportable segments and includes the serviced apartment business for the elderly.

6. Differences between the Total Amount of Reportable Segments and the Amounts Reported in Consolidated Financial Statements and Details of the Differences (Matters Concerning Reconciliation of Differences)

(Thousands of yen)

Net sales	Previous consolidated fiscal year	Consolidated fiscal year under review
Reportable segments total	46,254,852	49,811,412
Net sales in the “Other” category	-	87,069
Intersegment transaction elimination	(38,815)	(39,948)
Net sales in Consolidated Financial Statements	46,216,036	49,858,533

(Thousands of yen)

Profit	Previous consolidated fiscal year	Consolidated fiscal year under review
Reportable segments total	4,979,948	5,225,456
Loss in the “Other” category	-	(68,676)
Intersegment transaction elimination	2,520	2,728
Operating profit in Consolidated Financial Statements	4,982,468	5,159,508

(Thousands of yen)

Assets	Previous consolidated fiscal year	Consolidated fiscal year under review
Reportable segments total	25,563,703	27,945,800
Assets in the “Other” category	-	783,992
Intersegment transaction elimination	(538,017)	(652,778)
Total assets in Consolidated Financial Statements	25,025,686	28,077,013

(Thousands of yen)

Other items	Reportable segments total		Other		Reconciliations		Amount reported in Consolidated Financial Statements	
	Previous consolidated fiscal year	Consolidated fiscal year under review	Previous consolidated fiscal year	Consolidated fiscal year under review	Previous consolidated fiscal year	Consolidated fiscal year under review	Previous consolidated fiscal year	Consolidated fiscal year under review
Depreciation	257,338	195,138	-	15,103	-	-	257,338	210,241
Amortization of goodwill (Note)	84,010	69,415	-	166,001	-	-	84,010	235,416
Increase in property, plant and equipment and intangible assets	217,642	219,330	-	28,581	-	-	217,642	247,912

(Note) Amortization of goodwill includes that of 142,286 thousand yen recorded in extraordinary losses.

(Per Share Information)

	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)
Net assets per share	846.62 yen	940.44 yen
Net profit per share	185.16 yen	185.03 yen

(Notes) 1. Diluted earnings per share is not presented because there are no diluted shares.

2. The basis for calculating the amount of net assets per share is as follows:

	Previous consolidated fiscal year (December 31, 2023)	Consolidated fiscal year under review (December 31, 2024)
Total amount of net assets (Thousands of yen)	16,866,815	18,743,258
Amount to be deducted from the total amount of net assets (Thousands of yen)	44,568	51,521
(Of those, non-controlling interests)	(44,568)	(51,521)
Net assets of common shares at end of period (Thousands of yen)	16,822,246	18,691,737
Number of common shares at end of period (shares)	19,869,936	19,875,599

3. The basis for calculating net profit per share is as follows:

	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Consolidated fiscal year under review (From January 1, 2024 to December 31, 2024)
Net profit per share		
Profit attributable to owners of parent (Thousands of yen)	3,696,080	3,677,439
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent for common shares (Thousands of yen)	3,696,080	3,677,439
Average number of shares outstanding during the period (shares)	19,962,073	19,874,781

(Significant Subsequent Events)

(Acquisition of Treasury Shares)

At the meeting of its Board of Directors held on February 13, 2025, the Company resolved to acquire treasury shares under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to the provision of paragraph 3, Article 165 of said Act.

1. Reason for the acquisition of treasury shares

To enable flexible execution of our capital policy in response to shareholder returns and changes in the management environment.

2. Details of matters concerning the acquisition of treasury shares

(1) Class of shares to be acquired Common shares of the Company

(2) Total number of shares that can be acquired Up to 300,000 shares

(Percentage in total number of issued shares (excluding treasury shares): 1.51%)

(3) Total value of shares to be acquired Up to 1,000,000 thousand yen

(4) Acquisition period February 14, 2025 to March 13, 2025

(5) Acquisition method Acquisition through the off-hours trading system (ToSTNeT-3) of the Tokyo Stock Exchange

(Retirement of Treasury Shares)

At the meeting of its Board of Directors held on February 13, 2025, the Company resolved to retire treasury shares under the provision of Article 178 of the Companies Act of Japan.

1. Reason for the retirement of treasury shares

In accordance with the provision of the Company's basic policy on holding and canceling treasury shares.

2. Details of retirement of treasury shares

(1) Type of shares to be retired Common shares of the Company

(2) Number of shares to be retired 1,000,000 shares

(Percentage in total number of issued shares before retirement: 4.60%)

(3) Date of retirement February 28, 2025

(4) Total number of issued shares after retirement 20,746,675 shares

4. Non-consolidated Statements of Income

Statements of Income

	(Thousands of yen)	
	Previous fiscal year (From January 1, 2023 to December 31, 2023)	Fiscal year under review (From January 1, 2024 to December 31, 2024)
Net sales	36,274,311	38,627,101
Cost of sales	27,097,022	29,044,945
Gross profit	9,177,288	9,582,156
Selling, general and administrative expenses	4,544,753	4,854,489
Operating profit	4,632,535	4,727,666
Non-operating income		
Interest income	2,850	6,018
Dividend income	337,394	316,113
Foreign exchange gains	21,856	22,119
Subsidy income	20,138	27,155
Other	122,306	117,473
Total non-operating income	504,546	488,881
Non-operating expenses		
Interest expenses	462	815
Donations	127,364	22,167
Provision of allowance for doubtful accounts for subsidiaries and associates	144,328	443,994
Other	37,343	25,651
Total non-operating expenses	309,499	492,629
Ordinary profit	4,827,582	4,723,917
Extraordinary income		
Gain on sale of non-current assets	364	254
Gain on sale of investment securities	257,611	195,285
Gain on extinguishment of tie-in shares	30,140	-
Total extraordinary income	288,116	195,539
Extraordinary losses		
Loss on retirement of non-current assets	1,786	2,406
Cancellation penalty	-	15,000
Loss on valuation of shares of subsidiaries and affiliates	225,943	376,559
Total extraordinary losses	227,730	393,965
Net profit before income taxes	4,887,968	4,525,492
Income taxes - current	1,310,735	1,460,317
Income taxes - deferred	53,611	(83,758)
Total income taxes	1,364,347	1,376,558
Net profit	3,523,621	3,148,933