Q1 Financial Results Summary

Ended June 30, 2026

MS-Japan

TSE-Prime Market
Ticker Symbol:6539
Announcement Date: 6th Aug 2026
(IR website: https://ir.jmsc.co.jp/en/index.html)

① Information & Inquiries

For further information or to arrange an interview, please contact us via the application form below.
English interviews are available without an interpreter.
https://cloud.swcms.net/ms-japanPublic/en/Inquiry.html

Additionally, please refer to the following for more details about our business.
https://ir.jmsc.co.jp/en/outline.html

② Financial Result Highlights

-Solid Progress Against Budget with QoQ Recovery.

Revenue, EBITDA, and profit at all levels demonstrated solid performance, tracking well against the budget. Net income achieved a 24.0% progress rate against the full-year plan, securing our targeted trajectory. Both top-line revenue and profitability rebounded sequentially (quarter-over-quarter), establishing a robust start toward achieving our full-year objectives.

-Enhanced Efficiency in Candidate Acquisition.

We achieved a substantial increase in newly registered candidates (up 25.1% YoY), while simultaneously reducing marketing expenditures (down 12.5% YoY). Comprehensive candidate acquisition strategies utilizing our proprietary media platforms and applications have significantly optimized our acquisition efficiency.

-Strong Momentum in Overseas Recruitment Service.

On a local currency (AUD) basis, permanent recruitment revenue surged by 24.7% YoY, operating profit jumped by 52.6% YoY, and net income grew by 55.1% YoY, underscoring resilient organic growth. Bolstered by a depreciating Japanese yen, JPY-based permanent recruitment revenue outperformed with a 42.2% YoY growth, alongside exceptional operating profit (up 73.9% YoY) and net income (up 76.8% YoY) gains, heavily contributing to consolidated earnings.

③ Q1 Financial Performance Overview **(Unit: million Yen)**

	Three Months Ended June 30		
	FY26	FY27	Growth %
Total Revenue	1,966	1,936	(1.5%)
MS Agent revenue	1,109	1,050	(5.4%)
Manegy revenue	54	47	(12.2%)
MS Jobs revenue	32	23	(28.7%)
Overseas revenue	769	815	5.9%
Cost of sales	439	408	(7.1%)
EBITDA	565	550	(2.5%)
Operating profit	450	419	(7.0%)
Ordinary profit	470	454	(3.4%)
Net income	298	281	(5.5%)
Net income attributable to the parent	285	259	(9.2%)

-Recruitment Agency Service "MS Agent" overview

Segment revenue landed at 1,050 million yen (down 5.4% YoY). However, the business demonstrated a resilient recovery with a 1.7% QoQ growth, marking the second consecutive quarter of sequential top-line growth since bottoming out in Q3 of the previous fiscal year.

In response to a decline in junior-level job openings impacted by AI automation trends among large enterprises and startups, we executed a strategic pivot toward acquiring middle and high-layer positions, successfully returning revenue to an upward trajectory.

By shifting our marketing focus to target and appeal to experienced professionals, we achieved a 29.6% YoY increase in focus-segment candidates (1,890 individuals) and a 37.1% YoY surge in candidates with current annual salaries exceeding 6 million yen (835 individuals), acting as a strong leading indicator for future profitability.

-Business Media Service "Manegy" overview

Revenue for the Media Service was 47 million yen (down 12.2% YoY). However, the order pipeline for Q2 remains robust.

The organic candidate acquisition ratio for our recruitment business improved to 59%, up from a three-year average of 56%. This profitability enhancement was driven by synergistic effects with the "Manegy Clip" mobile app (which exceeded 10,000 downloads within a month of its launch) and advanced AI-optimized SEO/GEO strategies, contributing significantly to a substantial reduction in acquisition costs. We aim for a 5.3% full-year revenue growth in this segment through our newly introduced BtoB communication advertising model.

-Direct Recruitment Service "MS Jobs" overview

Revenue in the DRM Service stood at 23 million yen (down 28.7% YoY), though it recorded a solid 5.8% QoQ growth, showing underlying resilience. The number of direct job openings increased to 3,681 (up 3.0% YoY).

Furthermore, the number of new registrations for MS Jobs maintained strong momentum, surging by 28.3% YoY to 3,952.

-Overseas Recruitment Service overview

Total revenue for the Overseas Recruitment Service reached 815 million yen (up 5.9% YoY). On a local currency basis, total revenue was AUD 7.47 million (down 7.1% YoY). However, the highly profitable permanent recruitment segment saw significant expansion, generating AUD 2.66 million (up 24.7% YoY). As a result of this favorable shift in revenue mix and effective cost-control measures, operating profit surged by 52.6% YoY on a local currency basis. The average exchange rate depreciated to 1 AUD = 109.12 JPY during the quarter, compared to 95.72 JPY in the previous year's Q1.

-Cost of Sales and SG&A expenses overview

The cost of sales was 408 million yen (down 7.1% YoY). Total SG&A expenses were 1,108 million yen (up 3.0% YoY).

Driven by the combined impact of Manegy, Manegy Clip and our marketing initiatives, we successfully compressed marketing expenses to 145 million yen (down 12.5% YoY), demonstrating strong cost efficiency through synergies. Personnel expenses remained well-controlled at 320 million yen (up 1.5% YoY). Depreciation increased to 30 million yen (up 25.1% YoY) due to full-scale amortization of software assets related to app development. Goodwill amortization stood at 86 million yen (up 14.0% YoY).

(Unit: million Yen)

	Three Months Ended June 30		
	FY26	FY27	Growth %
SG&A Total	**1,075**	**1,108**	**3.0%**
Marketing related expenses	**166**	**145**	**(12.5%)**
Personnel expenses	316	320	1.5%
Depreciation	24	30	25.1%
Office Rent	43	46	6.6%
Other expenses	193	201	4.1%
Expenses overseas	256	277	8.2%
Goodwill amortization	75	86	14.0%

-Balance Sheet overview

The equity ratio continues to be maintained at a high level.

	FY 26 (31 Mar 2026)	FY 27 (30 June 2026)
Current assets	5,375	4,369
Non-currents assets	5,433	5,426
Total assets	10,809	9,795
Liabilities	1,182	1,106
Net assets	9,626	8,689
Equity ratio	88.1%	87.3%

④ Capital Policy and Shareholder Returns

-Dividend Policy

Unless there are significant changes in our business environment or strategy, we will maintain our policy of a minimum annual dividend of 56 yen per share, ensuring stable and sustainable returns to our shareholders.

Our business model is asset-light, requiring no large-scale capital expenditures, which allows us to maintain a strong cash-generating capability and a solid financial foundation. While the accounting-based dividend payout ratio exceeds 100%, our Adjusted EPS (calculated by adding back non-cash goodwill amortization) is showing steady growth. Accordingly, we have determined that we have ample capacity for shareholder returns on a cash-flow basis.

Dividend per share trend (Unit: Yen)

	FY23	FY24	FY25	FY26	FY27
Dividend per share	49	56	56	**56**	**56**

EPS trend (Unit: Yen)

	FY22	FY23	FY24	FY25	FY26	FY27
EPS	41.34	48.95	45.4	41.53	41.64	43.55
Adjusted EPS	–	–	–	54.24	53.91	56.78

Adjusted EPS is calculated by adding goodwill amortization expenses to EPS (Earnings Per Share).

-Capital Allocation Policy

The company aims to maintain a stable dividend supported by robust operating cash flow (approximately ¥1.6 billion in FY2026), while actively reinvesting for future growth. This includes utilizing cash generated from profit growth and existing cash reserves (approximately ¥7 billion as of the end of FY2026) for strategic growth investments.

These investments will target existing businesses (¥100 million to ¥300 million), as well as M&A and new business opportunities to further enhance long-term corporate value. Given the company's high equity ratio of 88.1%, the current level of retained earnings on the balance sheet is considered sufficient, providing a strong financial foundation. Moving forward, we remain committed to balancing shareholder returns and growth investments, efficiently deploying excess cash to drive sustainable growth while maintaining financial flexibility.

-Cost of Capital and ROE

We estimate our cost of capital to be in the range of 8% to 10% and will continue to focus on efficient growth in existing businesses while pursuing new growth investments to consistently achieve returns above.

ROE trend

	FY22	FY23	FY24	FY25	FY26
ROE	10.9%	12.2%	10.9%	10.4%	10.8%
Adjusted ROE	–	–	–	13.6%	14.0%

Adjusted ROE is calculated by adding goodwill amortization expenses to ROE.

⑤ Forward-Looking Statements

This document includes statements regarding industry trends and the business activities of our company, as well as forward-looking statements based on our current plans, estimates, projections, or forecasts. These forward-looking statements inherently involve various risks and uncertainties. Known and unknown risks, uncertainties, and other factors could cause actual results to differ materially from those expressed or implied in these forward-looking statements.

Actual business activities and financial performance in the future may differ from those described in this document. The forward-looking statements contained herein are based on information available to the company as of the date of this document and do not constitute a commitment to update or revise these statements to reflect future events or circumstances.