

# Nareru Group Inc.

**9163**

Tokyo Stock Exchange Growth Market

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FISCO Ltd. Analyst

**Taizo Yamamoto**



FISCO Ltd.

<https://www.fisco.co.jp>

## 1Q profit decline in line with expectations; strategic investments to achieve medium-term management plan goals

Nareru Group Inc. <9163> (hereafter, also “the Company”) has announced 1Q FY10/26 results on March 13, 2026. The results were in line with previous guidance, showing a decline in profit due to strategic investments aimed at achieving the medium-term management plan. The Company is a corporate group engaged in engineer dispatching. Centering on World Corporation founded in 2008, it operates a Construction Solutions Business, which recruits and trains young, inexperienced human resources and dispatches them to construction sites, and an IT Solutions Business, which dispatches IT engineers. To address challenges such as labor shortages and productivity improvement in the construction industry, it dispatches construction managing engineers and also operates unique businesses such as construction DX, which supports digital transformation at sites, and fee-charging employment placement services for craftworkers (skilled workers), for which it is one of only three organizations in Japan licensed to provide such services. Under its new medium-term management plan, Change and Growth 2030, the Company is promoting higher value-added services by integrating the training and dispatching of professional human resources with technology.

## 1Q profit decline in line with previous guidance; profitability expected to improve from 2H onward

### 1. Overview of 1Q FY10/26 results

In the 1Q FY10/26 results announced on March 13, 2026, revenue increased 6.5% year on year (YoY) to ¥6,276mn, while operating profit decreased 19.6% to ¥724mn. Although the decline in profit followed strategic investments in recruitment and sales structure enhancement—in line with previous guidance—actual results exceeded the initial plan (operating profit of ¥724mn vs. a planned ¥507mn). These strategic investments are aimed at future unit price increases and DX expansion, and rather than indicating a decline in structural profitability, this represents a phase of building the foundation for medium- to long-term revenue growth.

### 2. FY10/26 forecasts

For the FY10/26 consolidated results, the Company expects both revenue and profit to increase, with revenue rising 21.1% YoY to ¥29,250mn, operating profit growing 6.5% to ¥3,010mn. It will be the first year of the medium-term management plan, during which the Company will prioritize growth investments such as increasing staff in the sales and recruitment departments. Profit growth will therefore be limited in 1H, but in 2H and beyond, profitability is expected to improve. To achieve the targets, the Company is working on improving its utilization rate and intends to strengthen its sales structure, broaden its sales area, and enhance construction DX.

## Operating profit targeted at ¥5.0bn by FY10/30 following an investment phase through next fiscal year

### 3. Medium- to long- term growth strategy and shareholder returns

The new medium-term management plan, Change and Growth 2030 (FY10/26–FY10/30), states that the Company's basic policy is to “support the future of the construction industry through people and technology.” Furthermore, to address challenges in the construction industry such as labor shortages and productivity improvement, in addition to strengthening its core businesses, the Company plans to promote expansion of its construction DX and craftworker recruitment business. For FY10/30, the final year of the plan, it has set the following quantitative targets: revenue of ¥50,000mn, operating profit of ¥5,000mn, ROE of 20% or more, and 8,000 engineers. In the first half of the plan, which is positioned as a phase for building a foundation for growth, it will prioritize investment. In the second half, it will engage in improving profitability and accelerating growth. The plan is based solely on organic growth, but the Company will also actively consider M&A. It intends to maintain dividends throughout the plan period, with the dividend yield currently near 5%, reflecting its stance on shareholder returns. Recently, the Company announced a business alliance with Arent <5254>, a firm primarily engaged in DX consulting for the construction industry, to strategically expand its implementation-based construction DX model. Under this partnership, the Group's construction DX talent providing accompaniment-based support will drive on-site product adoption, while building a knowledge circulation model that contributes to product improvement by feeding back insights gained from implementation sites to Arent's development team.

### 4. Stock price

The initiatives to achieve the medium-term management plan have only just begun. Future focus will be on monitoring progress in key metrics, such as improving the utilization rate (93.8% in 1Q → 92% range in 1H → 93.8% for FY10/26), reducing the turnover rate (32.8% in 1Q → 27.9% for FY10/26), and growing DX and BPO-related revenue, which is currently in the initial implementation phase but targeted to account for 20% of total revenue by FY10/30. As these targets come into view, a market capitalization of approximately ¥45.0bn—based on a PER of 15 times in the final year of the medium-term management plan—should become achievable (compared to the current ¥20.3bn).

#### Key Points

- Developing multi-faceted DX support based on advanced technologies
- Ensuring profit growth in FY10/26 despite pressure on earnings from upfront investments, supported by a favorable business environment
- Aiming for further growth toward FY10/30 (accelerating from 15% to over 30% operating profit growth)
- Estimated market capitalization exceeds ¥45.0bn if medium-term management plan targets come into view



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■ For inquiries, please contact: ■

FISCO Ltd.

5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062

Phone: 03-5774-2443 (IR Consulting Business Division)

Email: [support@fisco.co.jp](mailto:support@fisco.co.jp)