

Translation

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Summary of Consolidated Financial Results for the Year Ended September 30, 2020 (Based on Japanese GAAP)

November 11, 2020

Company name: Career Design Center Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2410 URL <http://cdc.type.jp/ir/>
 Representative: Chairman and CEO Hiromi Tada
 Inquiries: Corporate Planning Director Yutaka Nishiyama TEL 03-3560-1601
 Scheduled date of ordinary general meeting of shareholders: December 18, 2020
 Scheduled date to file Securities Report: December 21, 2020
 Scheduled date to commence dividend payments: December 21, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2020 (from October 1, 2019 to September 30, 2020)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2020	11,021	(9.3)	(244)	–	(219)	–	(169)	–
Year ended September 30, 2019	12,154	10.7	995	(14.7)	1,003	(14.3)	721	(10.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2020	(25.13)	–	(4.2)	(3.7)	(2.2)
Year ended September 30, 2019	107.13	106.84	17.7	17.1	8.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2020	5,642	3,841	68.1	569.12
As of September 30, 2019	6,090	4,325	71.0	640.74

(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 period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2020	187	(517)	(323)	2,439
Year ended September 30, 2019	906	(407)	(239)	3,092

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2019	–	0.00	–	45.00	45.00	303	42.0	7.4
Year ended September 30, 2020	–	0.00	–	20.00	20.00	135	–	3.3
Year ending September 30, 2021 (Forecast)	–	0.00	–	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending September 30, 2021 (from October 1, 2020 to September 30, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2021	5,132	(15.7)	(466)	—	(454)	—	(501)	—	(74.23)
Full year	10,841	(1.6)	(380)	—	(370)	—	(482)	—	(71.50)

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2020

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of September 30, 2020	7,054,400 shares	As of September 30, 2019	7,054,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	304,368 shares	As of September 30, 2019	304,328 shares
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Average number of shares during the period

Year ended September 30, 2020	6,750,070 shares	Year ended September 30, 2019	6,731,700 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	3,192,819	2,539,205
Accounts receivable - trade	1,458,165	1,097,176
Work in process	8,619	9,640
Other	147,146	252,109
Allowance for doubtful accounts	(9,284)	(3,946)
Total current assets	4,797,466	3,894,185
Non-current assets		
Property, plant and equipment		
Buildings, net	201,113	179,475
Other, net	15,507	11,701
Total property, plant and equipment	216,621	191,177
Intangible assets		
Software	529,776	797,311
Other	142,461	156,504
Total intangible assets	672,238	953,816
Investments and other assets		
Deferred tax assets	134,695	286,943
Other	270,144	316,828
Allowance for doubtful accounts	(170)	(872)
Total investments and other assets	404,668	602,899
Total non-current assets	1,293,528	1,747,892
Total assets	6,090,995	5,642,078

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	21,348	8,567
Short-term borrowings	25,000	25,000
Current portion of long-term borrowings	19,992	20,032
Accounts payable - other	447,036	487,758
Accrued expenses	473,308	535,746
Income taxes payable	194,091	59,189
Provision for bonuses	133,995	155,821
Other	270,432	303,294
Total current liabilities	1,585,204	1,595,410
Non-current liabilities		
Long-term borrowings	20,032	–
Retirement benefit liability	140,970	185,302
Asset retirement obligations	19,740	19,803
Total non-current liabilities	180,742	205,105
Total liabilities	1,765,947	1,800,516
Net assets		
Shareholders' equity		
Share capital	558,663	558,663
Capital surplus	395,128	395,128
Retained earnings	3,620,506	3,147,138
Treasury shares	(241,181)	(241,219)
Total shareholders' equity	4,333,116	3,859,711
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(8,068)	(18,149)
Total accumulated other comprehensive income	(8,068)	(18,149)
Total net assets	4,325,048	3,841,561
Total liabilities and net assets	6,090,995	5,642,078

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Net sales	12,154,765	11,021,168
Cost of sales	4,615,075	5,001,575
Gross profit	7,539,690	6,019,592
Selling, general and administrative expenses	6,544,452	6,264,241
Operating profit	995,237	(244,648)
Non-operating income		
Interest income	45	43
Cancellation fee	7,722	13,911
Reversal of allowance for doubtful accounts	–	3,893
Miscellaneous income	–	3,784
Subsidies for employment adjustment	–	3,690
Other	856	201
Total non-operating income	8,625	25,525
Non-operating expenses		
Interest expenses	562	452
Foreign exchange losses	143	100
Other	0	0
Total non-operating expenses	706	553
Ordinary profit (loss)	1,003,156	(219,676)
Extraordinary income		
Gain on reversal of share acquisition rights	52,768	–
Total extraordinary income	52,768	–
Extraordinary losses		
Loss on retirement of non-current assets	6,369	–
Total extraordinary losses	6,369	–
Profit (loss) before income taxes	1,049,555	(219,676)
Income taxes - current	340,618	97,737
Income taxes - deferred	(12,206)	(147,799)
Total income taxes	328,412	(50,061)
Profit (loss)	721,142	(169,614)
Profit (loss) attributable to owners of parent	721,142	(169,614)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Profit (loss)	721,142	(169,614)
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(5,101)	(10,080)
Total other comprehensive income	(5,101)	(10,080)
Comprehensive income	716,041	(179,694)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	716,041	(179,694)

Consolidated statements of changes in equity

Fiscal year ended September 30, 2019

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	558,663	369,022	3,154,517	(269,291)	3,812,912
Changes during period					
Dividends of surplus			(255,154)		(255,154)
Loss attributable to owners of parent			721,142		721,142
Purchase of treasury shares				–	–
Disposal of treasury shares		26,106		28,109	54,216
Net changes in items other than shareholders' equity					
Total changes during period	–	26,106	465,988	28,109	520,204
Balance at end of period	558,663	395,128	3,620,506	(241,181)	4,333,116

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(2,966)	(2,966)	71,115	3,881,061
Changes during period				
Dividends of surplus				(255,154)
Loss attributable to owners of parent				721,142
Purchase of treasury shares				–
Disposal of treasury shares				54,216
Net changes in items other than shareholders' equity	(5,101)	(5,101)	(71,115)	(76,217)
Total changes during period	(5,101)	(5,101)	(71,115)	443,986
Balance at end of period	(8,068)	(8,068)	–	4,325,048

Fiscal year ended September 30, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	558,663	395,128	3,620,506	(241,181)	4,333,116
Changes during period					
Dividends of surplus			(303,753)		(303,753)
Loss attributable to owners of parent			(169,614)		(169,614)
Purchase of treasury shares				(38)	(38)
Disposal of treasury shares		–		–	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(473,367)	(38)	(473,405)
Balance at end of period	558,663	395,128	3,147,138	(241,219)	3,859,711

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(8,068)	(8,068)	–	4,325,048
Changes during period				
Dividends of surplus				(303,753)
Loss attributable to owners of parent				(169,614)
Purchase of treasury shares				(38)
Disposal of treasury shares				–
Net changes in items other than shareholders' equity	(10,080)	(10,080)	–	(10,080)
Total changes during period	(10,080)	(10,080)	–	(483,486)
Balance at end of period	(18,149)	(18,149)	–	3,841,561

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	1,049,555	(219,676)
Depreciation	250,720	261,808
Increase (decrease) in allowance for doubtful accounts	727	(3,896)
Increase (decrease) in provision for bonuses	6,165	21,826
Increase (decrease) in retirement benefit liability	13,888	18,172
Interest income	(45)	(43)
Interest expenses	562	452
Subsidies for employment adjustment	–	(3,690)
Gain on reversal of share acquisition rights	(52,768)	–
Loss on retirement of non-current assets	6,369	–
Decrease (increase) in trade receivables	(35,430)	359,559
Decrease (increase) in inventories	2,804	(6,989)
Increase (decrease) in trade payables	(102)	(12,781)
Increase (decrease) in accounts payable - other	119,023	(16,626)
Other, net	(96,604)	100,650
Subtotal	1,264,867	498,764
Interest received	45	45
Interest paid	(550)	(441)
Proceeds from subsidies for employment adjustment	–	3,690
Income taxes paid	(357,435)	(314,427)
Net cash provided by (used in) operating activities	906,927	187,631
Cash flows from investing activities		
Payments into time deposits	(100,000)	(100,000)
Proceeds from withdrawal of time deposits	100,000	100,000
Purchase of property, plant and equipment	(12,203)	(3,855)
Purchase of intangible assets	(392,057)	(456,737)
Payments of leasehold and guarantee deposits	–	(53,428)
Other, net	(3,467)	(3,307)
Net cash provided by (used in) investing activities	(407,728)	(517,328)
Cash flows from financing activities		
Repayments of long-term borrowings	(19,992)	(19,992)
Purchase of treasury shares	–	(38)
Proceeds from disposal of treasury shares	35,868	–
Dividends paid	(255,125)	(303,885)
Net cash provided by (used in) financing activities	(239,248)	(323,915)
Net increase (decrease) in cash and cash equivalents	259,950	(653,613)
Cash and cash equivalents at beginning of period	2,832,868	3,092,819
Cash and cash equivalents at end of period	3,092,819	2,439,205