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For Immediate Release

Company name: Career Design Center Co., Ltd.
Representative: Hiromi Tada, Chairman and CEO
(Securities code: 2410, TSE Prime Market)
Contact: Yutaka Nishiyama, Senior Managing Director
in charge of Corporate Planning
(TEL: 03-3560-1601)

Status of Progress in Plan to Meet the Criteria for Maintaining Listing

On December 10, 2021, Career Design Center Co., Ltd. (the “Company”) submitted and disclosed a plan to meet the criteria for maintaining listing on the Prime Market. The Company hereby announces that it has prepared a report on the progress of the plan as of September 30, 2024. Details are as follows.

1. Changes in the status of compliance with the criteria for maintaining listing and plan period

The status of the Company's compliance with the criteria for maintaining listing on the Prime Market as of September 30, 2024, including the changes thereof, is as in the table below. The Company does not meet the criteria for tradable share market capitalization. Regarding tradable share market capitalization, the Company will implement various initiatives to meet the criteria for maintaining listing by September 30, 2026, which is the end of final fiscal year of Beyond 200, the Medium-term Management Plan.

		Number of tradable shares (unit)	Tradable share market capitalizationz (billion yen)	Tradable share ratio (%)
The status of and trends in our compliance	As of the end of June 2021 (transition record date)	47,031	50.25	66.6
	As of the end of September 2022	34,865	49.32	49.4
	As of the end of September 2023	35,437	68.16	50.2
	As of the end of September 2024	36,186	65.81	65.8
Continued listing criteria		20,000	100	35
Compliance status		○	×	○
Plan period			End of September 2026	

- ※ 1 The Company's status of compliance as of June 30, 2021 is calculated based on the distribution of the Company's share certificates, etc. as understood by the Tokyo Stock Exchange as of the base date of transition (June 30, 2021).
- ※ 2 The Company's status of compliance from the fiscal year ended September 30, 2022 onwards is calculated based on the distribution of the Company's share certificates, etc. as understood by the Tokyo Stock Exchange as of the base date.

2 . Implementation status and evaluation of initiatives for compliance with the criteria for maintaining listing

The Company announced its Medium-term Management Plan Beyond 200 (fiscal year ended September 30, 2022 to fiscal year ending September 30, 2026) on November 10, 2021. Targets for the fiscal year ending September 30, 2026, which is the final fiscal year of the plan, are net sales of 20.0 billion yen and ordinary profit of 2.4 billion yen. With regard to the financial results for the fiscal year ended September 30, 2024, which is the third year of the Medium-term Management Plan, the job openings environment changed compared with the previous two fiscal years. For example, recruitment demand has reached its maturity because vacancies were filled at recruiting companies whose recruitment demand surged in the recovery phase from the COVID-19 pandemic in the previous fiscal year, and the recruitment criteria were tightened at companies that continue recruitment activities. As a result, while the growth of ordinary profit slowed for the personnel placement business and the new graduate placement business, both of which require a high recruitment unit price, other existing businesses remained steady in general. In addition, the performance was steady in the Kansai area of the media business and the mid-career field of the personnel placement business, which have been newly worked on under the Medium-term Management Plan, and more engineers than expected have been hired in the indefinite-term employment and dispatch business of the IT worker dispatch business, which has been newly started. Furthermore, ROE continued to show an improving trend at 25.7%, and we recognize that the plan to meet the criteria for maintaining listing on the Prime Market is generally progressing as planned. Going forward, we will continue to work on the following measures to increase corporate value, centering on achieving the Medium-term Management Plan, in order to meet the criteria for maintaining listing.

3 . Details of issues to be addressed in future and initiatives in light of progress on matters that failed to meet the listing criteria

(1) Issues to be addressed in future in light of progress

Tradable share market capitalization, which is the criterion the Company has not met, is market capitalization multiplied by the tradable share ratio, and the Company believes that the key to meeting this criterion is to increase the share price, which is a key component of market capitalization. The Company aims to achieve a share price of 3,000 yen in the fiscal year ending September 30, 2026. To address this issue, the Company will implement the following initiatives to improve its financial results and corporate value, focused on driving the Medium-term Management Plan Beyond 200. The Company expects to achieve the Medium-term Management Plan and its tradable share market capitalization, calculated based on a minimum P/E ratio of 13x, which is the average P/E ratio for the three fiscal years immediately preceding the pandemic, and the numerical targets for the final fiscal year of the Medium-term Management plan, is expected to exceed 10.0 billion yen.

(2) Details of initiatives

① Improvement of financial results through implementation of the Medium-term Management Plan

The Company aims to achieve the Medium-term Management Plan Beyond 200 by continuing to grow its existing businesses in accordance with the plan and by accelerating new measures such as strengthening the Direct type app and expanding it in the Kansai region, and launching indefinite term employment dispatch services in the IT dispatch business in a new initiative from the fiscal year ended September 30, 2023. In the previous fiscal year, we recognize that an issue was a slowdown in the growth of ordinary profit for the personnel placement business and the new graduate placement business, although the recruitment environment was changing. For this reason, from the fiscal year ending September 30, 2025, onward, the Company will aim to recover financial results by strengthening the organizations of the personnel placement business and the new graduate placement business and strengthening the development of job seekers and job offers. In addition, the Company will accelerate recruitment of engineers in order to move into the black as soon as possible in the indefinite-term employment field of the IT worker dispatch business, and continue to strengthen investment in

the “Direct type” app and the Kansai region of the media business and the mid-career placement field of the personnel placement business. While strengthening such growth investment, the Company aims to improve financial results with higher profitability by thoroughly controlling costs company-wide, and to achieve net sales of 20.0 billion yen and ordinary profit of 2.4 billion yen in the fiscal year ending September 30, 2026, which is the final year of the Medium-term Management Plan.

[Progress and financial targets of Medium-Term Management Plan]

	2021/9 Results	2022/9 Results	2023/9 Results	2024/9 Results	2025/9 Results Forecast	2026/9 Medium-Term Management Plan
Net sales	Million yen 12,091	Million yen 15,507	Million yen 17,388	Million yen 17,734	Million yen 19,000	Million yen 20,000
Ordinary profit	362	1,101	1,577	1,438	1,750	2,400
Ratio of Ordinary Profit to Sales (%)	(3.0)	(7.1)	(9.0)	(8.1)	(9.2)	(12.0)
ROE (%)	(2.2)	(23.0)	(33.7)	(25.0)	(25.7)	(15 or higher)

*Figures for the fiscal year ended September 30, 2021 include the first-half results of a wholly owned subsidiary absorption-type merger in the third quarter.

② Strengthening of corporate governance

The Company will seek further enhancement of corporate governance to achieve sustainable growth and medium- to long-term corporate value improvement in line with the overarching aim of the Prime Market. In particular, the Company will actively consider and engage with those principles of Japan's Corporate Governance Code, as revised in June 2021, that apply specifically to companies listed on the Prime Market.

[Initiatives in the fiscal year ended September 30, 2024]

■ Supplementary principle 2-4 (1): Requirement to disclose policies and goals for ensuring diversity in the promotion of women, foreign nationals, and midcareer hires to core human resources together with the status of policy implementation; requirement to disclose human resource development policies and internal environment development policies ensuring diversity together with the status of policy implementation

The Company, which did not set targets previously, now aims to achieve a 50:50 ratio of male to female employees and a 50:50 ratio of men and women in managerial positions. It has also set a 40% target ratio for women in department general manager positions, a managerial position with particular influence, and is committed to striving to realize a well-balanced work environment.

■ Supplementary principle 3-1 (2): Requirement for companies listed on the Prime Market to disclose and provide material information in English

The Company began providing information in English in financial results presentation materials and timely disclosures.

■ Supplementary Principle 3-1(3): Requirement to appropriately disclose initiatives on sustainability when disclosing management strategies and to disclose and provide clear and specific information on investments in human capital and intellectual property

The Company periodically updated the sustainability page of its corporate website, reflected the latest data in its financial results presentation materials and supplementary materials and increased

transparency in relation to investors and stakeholders.

■ Supplementary Principle 4-2 (3) Requirement for companies listed on the Prime Market to enhance the quality and quantity of climate-related disclosures based on TCFD recommendations or equivalent international frameworks

In October 2023, the Company expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and at the same time joined the TCFD Consortium. The Company also identified and evaluated risks and opportunities for its business based on the 4°C and 2°C scenarios presented by outside organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), and then formulated strategies for addressing them.

■ Principle 4-8: Requirement for companies listed on the Prime Market to appoint at least one-third (majority where necessary) of directors as independent directors to their Board of Directors

The Company strengthened the oversight functions of the Board of Directors by introducing an executive officer system. At the 32nd Annual General Meeting of Shareholders, the Company obtained approval for the appointment of new Outside Directors and the ratio of independent outside directors in the Board of Directors is currently 55.6%.

■ Supplementary Principle 4-11: Requirement for the Board of Directors to balance diversity (gender, nationality, career history and age) and appropriate size

In December 2023, the Company welcomed a new female Director, further strengthening the diversity of the Board of Directors. This will enable management from a more multi-faceted management approach, widening the perspective of management decision-making.

[Initiatives from the fiscal year ending September 30, 2025 (including those already implemented)]

■ Supplementary principle 3-1 (2): Requirement for companies listed on the Prime Market to disclose and provide material information in English

In November 2024, the Company revamped its English corporate website. The previously limited English content was vastly expanded and enhanced and the website structure was improved to make it easier to view disclosures. The Company also aims to publish quarterly financial results materials in Japanese and English at the same time and to enhance its provision of information to overseas investors.

■ Supplementary principle 3-1 (3): Requirement for companies listed on the Prime Market to enhance the quality and quantity of disclosures based on TCFD recommendations or equivalent international framework

The Company previously disclosed only information about Scope 1 and Scope 2 emissions but began disclosing information about Scope 3 emissions in November 2024.

③ Promotion and strengthening of IR activities

The Company sought to enhance the quality and quantity of information disclosures and also sought to improve recognition and increase understanding of its business by promoting dialogue with investors including financial results briefings and one-on-one meetings to coincide with financial results announcements. By continuing to actively conduct IR activities, the Company will continue seeking to increase recognition and will also increase trust and expectations among shareholders and investors, with the aim of increasing its share price and trading of its shares. In the fiscal year ended September 30, 2024, the Company provided more detailed information more promptly by producing and disclosing supplementary materials for the first and third quarters for the first time. In addition, the second-quarter and

full-year financial results presentation materials traditionally produced were disclosed in English and IR releases such as timely disclosures were also disclosed in English, in an effort to strengthen information provision for investors.

In addition, the Company disclosed information about the publication of the English version of its corporate website in November 2024. Going forward, the Company will make improvements aimed at simultaneous disclosure in Japanese and English as a new initiative to further enhance disclosure in English. The Company will continue strengthening IR activities to increase recognition among investors and to ensure that its corporate value is properly evaluated.

④ Stable Growth of Shareholder Returns

The Company recognizes that returning profits to shareholders is an important management issue, and has adopted the basic policy of distributing profits based on operating results, while comprehensively taking into account the need to enhance retained earnings and the financial position of the company. In August 2024, the Company made revisions to its dividend policy to clarify its approach to returning profits to shareholders and to further enhance shareholder returns. The Company decided to set a target dividend payout ratio based on ordinary dividends of 40% or higher and to pay continuous dividends while taking factors such as its performance trend and financial position into consideration. Following the change in the dividend policy, the Company revised its year-end dividend forecast for the fiscal year ending September 30, 2024 from 80 yen per share (an ordinary dividend of 80 yen) to 90 yen per share (an ordinary dividend of 90 yen). For the fiscal year ending September 2025, the Company expects to pay an annual dividend of 95 yen per share (an ordinary dividend of 95 yen). Going forward, the Company will continue paying stable dividends to shareholders.

Furthermore, to return profit to shareholders by improving capital efficiency and implementing flexible capital policy measures, we acquired 352,700 shares of our common stock on July 18, 2024. Additionally, to address concerns over the dilution of its shares in the future, we canceled 1,556,479 shares of our common stock on July 31, 2024.

⑤ Strengthening of sustainability initiatives

Through the employment of human resources, the Company aims to create a "society in which working people have good jobs and lead good lives." We will provide working people with necessary assistance including career selection assistance to ensure that they lead prosperous lives, and, under proper corporate governance, we, as a company trusted by society, will create both social value and economic value through businesses, thereby seeking to contribute to a sustainable society and improve corporate value. Aiming to help build a sustainable society through its business activities, in December 2022, the Company disclosed its Basic Policy on Sustainability and Material Issues (Materialities) and stepped up its sustainability initiatives. The Company also indicated its support for the recommendations of the Task Force on Climate Change-Related Financial Disclosures (TCFD) in October 2023 and joined the TCFD Consortium at the same time.

In the fiscal year ended September 30, 2024, the Company increased ESG (environmental, social and governance)-related information disclosures to promote more transparent information disclosure. In addition, the Company is internally considering and setting various new indicators and targets. By continuing to address social issues and contributing to the realization of a sustainable society, the Company will work to improve its corporate value.

Going forward, through continued implementation of the above measures based on the plan, the Company will strive for sustainable growth and medium-to-long-term improvement in its corporate value and seek to meet the criteria for maintaining listing on the Prime Market.