

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended March 31, 2024 (Based on Japanese GAAP)

April 30, 2024

Company name: CAREER DESIGN CENTER CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 2410 URL <https://cdc.type.jp/ir/>
 Representative: Chairman and CEO Hiromi Tada
 Inquiries: Senior Managing Director in charge of corporate planning Yutaka Nishiyama TEL 03-3560-1601
 Scheduled date to file Quarterly Securities Report: May 15, 2024
 Scheduled date to commence dividend payments: Undecided
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended March 31, 2024 (from October 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended March 31, 2024	8,746	2.5	687	(16.1)	688	(15.1)	468	(15.9)
Six months ended March 31, 2023	8,534	16.8	818	35.0	811	34.1	557	33.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2024	84.23		-	
Six months ended March 31, 2023	100.83		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	7,877	4,069	51.7	729.15
As of September 30, 2023	7,999	3,933	49.2	708.14

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2023	-	0.00	-	70.00	70.00
Year ending September 30, 2024	-	0.00	-	-	-
Year ending September 30, 2024 (Forecast)	-	-	-	80.00	80.00

3. Forecast of non-consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	18,370	5.6	1,764	11.3	1,750	10.9	1,203	3.5	217.28

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: 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 March 31, 2024	⋮	7,054,400 shares	As of September 30, 2023	⋮	7,054,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	⋮	1,473,779 shares	As of September 30, 2023	⋮	1,499,813 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2024	⋮	5,562,963 shares	Six months ended March 31, 2023	⋮	5,527,015 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,534,275	4,061,621
Accounts receivable - trade	1,429,675	1,414,686
Work in process	9,403	–
Other	153,820	231,758
Allowance for doubtful accounts	(3,002)	(3,253)
Total current assets	6,124,173	5,704,813
Non-current assets		
Property, plant and equipment		
Buildings, net	150,312	245,613
Other, net	11,227	24,244
Total property, plant and equipment	161,540	269,857
Intangible assets		
Software	1,001,598	972,955
Other	161,469	293,120
Total intangible assets	1,163,068	1,266,076
Investments and other assets		
Deferred tax assets	224,929	201,415
Leasehold and guarantee deposits	258,394	335,619
Other	68,317	99,843
Allowance for doubtful accounts	(1,057)	(336)
Total investments and other assets	550,584	636,541
Total non-current assets	1,875,192	2,172,475
Total assets	7,999,366	7,877,289
Liabilities		
Current liabilities		
Accounts payable - trade	9,247	8,526
Current portion of long-term borrowings	99,996	99,996
Accounts payable - other	650,124	794,311
Accrued expenses	867,696	840,720
Contract liabilities	384,209	370,165
Accrued consumption taxes	339,063	200,146
Income taxes payable	381,375	226,572
Provision for bonuses	220,637	203,060
Other	148,305	141,009
Total current liabilities	3,100,655	2,884,509
Non-current liabilities		
Long-term borrowings	708,345	658,347
Provision for retirement benefits	235,407	245,283
Asset retirement obligations	19,995	20,027
Other provisions	1,557	–
Total non-current liabilities	965,305	923,658
Total liabilities	4,065,960	3,808,167

(Thousands of yen)

	As of September 30, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	558,663	558,663
Capital surplus		
Legal capital surplus	211,310	211,310
Other capital surplus	151,814	179,136
Total capital surplus	363,125	390,446
Retained earnings		
Other retained earnings		
Retained earnings brought forward	4,664,609	4,744,368
Total retained earnings	4,664,609	4,744,368
Treasury shares	(1,652,992)	(1,624,356)
Total shareholders' equity	3,933,406	4,069,121
Total net assets	3,933,406	4,069,121
Total liabilities and net assets	7,999,366	7,877,289

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Net sales	8,534,587	8,746,702
Cost of sales	3,893,447	3,921,367
Gross profit	4,641,139	4,825,334
Selling, general and administrative expenses	3,822,570	4,138,215
Operating profit	818,569	687,118
Non-operating income		
Interest income	14	18
Cancellation Fee	1,300	3,814
Surrender value of insurance policies	5,670	–
Compensation income	3,432	3,432
Other	282	514
Total non-operating income	10,698	7,779
Non-operating expenses		
Interest expenses	6,015	5,339
Loss on cancellation of insurance policies	9,981	–
Other	1,833	1,004
Total non-operating expenses	17,831	6,343
Ordinary profit	811,437	688,554
Extraordinary losses		
Loss on retirement of non-current assets	0	3,068
Total extraordinary losses	0	3,068
Profit before income taxes	811,437	685,486
Income taxes - current	246,955	193,391
Income taxes - deferred	7,215	23,514
Total income taxes	254,170	216,906
Profit	557,266	468,579

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	811,437	685,486
Depreciation	194,586	214,981
Increase (decrease) in allowance for doubtful accounts	588	1,480
Increase (decrease) in provision for bonuses	1,717	(17,577)
Increase (decrease) in provision for retirement benefits	7,596	9,875
Interest income	(14)	(18)
Interest expenses	6,015	5,339
Loss on retirement of non-current assets	0	3,068
Decrease (increase) in trade receivables	7,405	14,480
Decrease (increase) in inventories	8,944	8,263
Increase (decrease) in trade payables	(2,197)	(720)
Increase (decrease) in accounts payable - other	(126,523)	31,557
Increase (decrease) in accrued expenses	22,317	(26,975)
Increase (decrease) in contract liabilities	35,197	(14,044)
Increase (decrease) in accrued consumption taxes	(120,572)	(138,916)
Other, net	(28,088)	(67,478)
Subtotal	818,409	708,801
Interest and dividends received	14	18
Interest paid	(4,958)	(5,362)
Income taxes paid	(158,555)	(342,115)
Net cash provided by (used in) operating activities	654,909	361,342
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,897)	(6,139)
Purchase of intangible assets	(190,137)	(310,605)
Payments of leasehold and guarantee deposits	–	(79,091)
Other, net	42,108	–
Net cash provided by (used in) investing activities	(153,926)	(395,836)
Cash flows from financing activities		
Repayments of long-term borrowings	(49,998)	(49,998)
Purchase of treasury shares	(117)	(121)
Dividends paid	(247,673)	(388,040)
Net cash provided by (used in) financing activities	(297,789)	(438,160)
Net increase (decrease) in cash and cash equivalents	203,193	(472,654)
Cash and cash equivalents at beginning of period	3,322,206	4,434,275
Cash and cash equivalents at end of period	3,525,400	3,961,621